

Yarra Australian Equity Income Fund

Gross returns as at 31 March 2026

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Australian Equity Income Fund (grossed up for franking credits) [^]	-6.19	-0.68	16.69	10.76	10.91	10.69	11.44
S&P/ASX 200 Accumulation Index (grossed up for franking credits)	-6.92	-1.24	12.84	10.80	10.04	10.89	10.87
Excess return (before fees) [‡]	0.72	0.56	3.85	-0.04	0.87	-0.20	0.56

Past performance is not a reliable indicator of future performance. Taxes payable by investors have not been taken into account. The figures shown have been provided for illustrative purposes – they are unaudited and subject to change. The total returns shown are gross of franking credits and of all fees, meaning they do not reflect the deduction of any investment management fees which would reduce returns and assume reinvestment of all distributions. Investment in the fund is not available on a fee free basis and this should be factored into any analysis of past performance.

[‡]Excess return: The difference between the Fund's return and the benchmark return.

Net returns as at 31 March 2026

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Australian Equity Income Fund [^]	-6.59	-1.29	14.26	8.23	8.03	7.79	8.52
Yarra Australian Equity Income Fund Yield (grossed up Dividend Yield)			6.93	7.19	8.18	8.38	8.53
S&P/ASX 200 Accumulation Index Yield (grossed up Dividend Yield)			4.32	4.78	5.23	5.32	5.68
Excess yield ^{‡‡}			2.62	2.41	2.95	3.07	2.85

Past performance is not a reliable indicator of future performance. Taxes payable by investors have not been taken into account. The figures shown have been provided for illustrative purposes – they are unaudited and subject to change. The total returns shown are prepared on an exit to exit basis – they include all ongoing fees and expenses and assume reinvestment of all distributions.

* Inception date of the Yarra Australian Equity Income Fund: November 2008

[^] Effective 2 January 2026, the Yarra Australian Equities investment team was appointed to assume investment management of the Fund in place of the Tyndall Asset Management investment team. The Fund was also renamed the Yarra Australian Equity Income Fund (previously named the Tyndall Australian Share Income Fund). There were no changes made to the Fund's investment objective or strategic asset allocation.

Market review

Australian equities declined over the March quarter amid a second interest rate increase by the Reserve Bank of Australia and heightened volatility as the closing of the Strait of Hormuz drove up oil prices.

The S&P/ASX 200 Accumulation Index returned -1.6% for the quarter, taking its 12-month return to +11.7%. The broader S&P/ASX 300 Accumulation Index returned -2.0%, whilst globally, the MSCI World Index delivered -3.2% for the quarter.

Energy (+37.7%) was the largest contributor to returns, as oil prices rose supporting strong gains across oil, gas and coal producers. Woodside Energy (WDS, +52.7%) was the standout contributor, alongside Santos (STO, +31.8%) and Whitehaven Coal (WHC, +20.0%), while Yancoal Australia (YAL, +69.7%) also performed strongly.

Materials (+3.9%) contributed positively, led by diversified miners. BHP Group (BHP, +12.9%) was the largest contributor, supported by Rio Tinto (RIO, +12.4%) and Lynas Rare Earths (LYC, +52.4%). These gains were partly offset by weakness in

gold stocks, with Northern Star Resources (NST, -23.2%) detracting.

Consumer Staples (+9.7%) also added to returns. Woolworths Group (WOW, +25.5%) was the key contributor, alongside Coles Group (COL, +4.5%), while Treasury Wine Estates (TWE, -29.2%) detracted.

Health Care (-16.9%) was the largest sector detractor. CSL (CSL, -17.4%), Cochlear (COH, -34.3%) and Pro Medicus (PME, -46.9%) were key underperformers, partly offset by strength in Ramsay Health Care (RHC, +14.7%).

Real Estate (-16.7%) also detracted as listed property weakened. Goodman Group (GMG, -17.6%) was the largest detractor, alongside Stockland (SGP, -24.8%) and Scentre Group (SCG, -19.1%).

Consumer Discretionary (-14.6%) detracted as weakness across retail and leisure stocks persisted. Aristocrat Leisure (ALL, -22.1%) and JB Hi-Fi (JBH, -22.8%) were notable detractors, alongside Light & Wonder (LNW, -24.5%).

Information Technology, (-27.9%) was a significant drag on performance in the period, with valuation pressure weighing on software stocks including WiseTech Global (WTC, -44.4%) and Xero (XRO, -34.1%).

Portfolio review

Key Contributors

Woodside Energy (WDS, overweight) – the oil and gas producer outperformed as oil (Brent +87%) and global gas (JKM +112%, TTF +86%) prices rose materially during the March quarter following the effective closure of the Straits of Hormuz. Historically approximately 20% of global oil products and 22% of LNG traverses the Straits. We remain attracted to the company's organic growth pipeline led by the Scarborough project that remains on budget and scheduled to increase production by more than 30% over the next two years.

Goodman Group (GMG, underweight) – our underweight position in the industrial and data centre exposed property owner, developer and manager contributed to performance over the period as the stock weakened following the release of their 1H26 accounts. While shorter-term earnings momentum overall remains intact – FY26 earnings guidance was reaffirmed – investors were disappointed with the lack of data centre customer commitments accompanying the strong power bank, partnership progress and data centre development activity. While Goodman, trading on a less demanding 18x EV/EBITDA, is showcasing increasing capacity in the data centre space, we retain an underweight position, with a preference for NextDC.

Origin Energy (ORG, overweight) – the energy retailer and integrated LNG producer outperformed during the period as energy markets were supported by higher oil and gas prices. We see positive catalysts and upside ahead for all three of ORG's major assets; Energy Markets, APLNG and Octopus Energy and view the current level as an attractive entry point.

Key Detractors

National Australia Bank (NAB, underweight) – the Australian bank outperformed during the period following its first quarter update, which showed strong underlying trends supported by solid loan growth and cost control, albeit cost growth is expected to pick up over the remainder of the year. We continue to believe that the elevated valuations of Australian banks are not supported by the low growth and return outlook for the sector.

Seek (SEK, overweight) – the online jobs classifieds company underperformed during the period. While the company reported a strong 1H result, sentiment weakened amid broader concerns about AI disruption risk in online classifieds and softer near-term employment conditions. We retain our position given SEK's leading market position, strong balance sheet and the longer-term opportunity to drive earnings through product innovation and cost discipline.

Steadfast Group (SDF, overweight) – our overweight position in the commercial insurance broker detracted over the quarter following the company's 1H26 result revealing ongoing soft insurance pricing conditions, with SDF growing organic

revenue growth in the broking division by 1%. SDF, as a human intermediary of insurance products for customers, was also negatively impacted by a spike in AI-related concerns over the period around businesses which could be disrupted by increasing AI adoption. Given the company is trading at trough earnings multiple of 13x PER with levers to respond to the soft market and AI-adoption, we believe these risks are captured in the valuation.

Market outlook

Australian equity markets reversed course in March 2026, giving back all of the calendar year gains as the escalation in Middle East hostilities drove a sharp risk-off move and reignited inflation concerns via higher energy prices. The S&P/ASX 200 Accumulation Index fell 7.8% over the month, its weakest monthly result since early 2022, after having reached a fresh record high in February. Losses were broad-based, with resources and cyclicals particularly pressured as commodity prices and growth expectations became more volatile.

Global equities also weakened in March as markets repriced the risk of a more persistent energy shock and reduced expectations for near-term policy easing. Major US indices ended the month lower (S&P 500 -4.6% in March), while other developed markets also declined. For Australian-based unhedged investors, currency moves remained an important driver of realised returns, with the 3% decline in the Australian dollar during the month mitigating the 6.4% decline in global equities to a 3.4% for unhedged investors.

Bond markets shifted meaningfully in March as investors reassessed the inflation outlook in response to the energy shock and associated supply disruptions. While outcomes varied across yield curves, the dominant theme was upward pressure on yields and a rotation towards inflation protection. Global bonds returned -3.4% in March and -6.75% over the March quarter. Australian fixed income fare better relatively, returning -1.4% in the month.

Commodity markets were led by oil, with Brent trading above US\$100/bbl at points during the month amid disruption fears around the Strait of Hormuz, while gold prices declined on higher interest rates. The energy heavy Goldman Sachs Commodity Index, which commenced in 1995, returned a record monthly gain of 24.5% in March. In contrast, gold prices fell 11.6%.

Looking forward, headlines around the Iran conflict and the path of oil prices are likely to remain the key drivers of near-term market direction. Beyond geopolitics, tighter financial conditions are increasingly exposing pockets of leverage and liquidity risk (including in parts of private credit), while the rapid adoption of AI continues to create both disruption risk and new capex opportunities across sectors. From Australia's perspective, the direct inflation impulse from higher crude prices still primarily comes through retail fuel; however, the broader second-round impact depends on how long energy prices stay elevated and whether higher import costs flow into services inflation. Australia's LNG export exposure provides a partial offset at the national income level, even as higher petrol prices weigh on households.

Domestically, attention remains on the interaction between firmer-than-expected growth momentum and the Reserve Bank of Australia's (RBA's) desire to ensure inflation returns sustainably to target following February's 25bp rate increase. March's energy-driven volatility has increased uncertainty around the inflation outlook, even as much of Australia's recent price pressure has remained sector-specific and expected to moderate. We acknowledge that further hikes remain a risk if inflation expectations lift or labour market conditions re-tighten, however, we believe economic momentum peaked in November 2025 and the Australian economy was already slowing ahead of the Iran conflict and the subsequent sharp fall in consumer confidence.

For markets, the June quarter may remain volatile as investors weigh geopolitical risks against earnings delivery and the evolving path of global policy (including the Federal Reserve), with currency moves continuing to play an outsized role in unhedged return outcomes. From our perspective, our base case remains a de-escalation of the Iran conflict, a return to interest rate reduction expectations in the US and lowering of interest rate hiking expectation domestically. As such, we believe that equity markets will rebound materially in April and May, albeit we expect volatility to be key feature of financial markets throughout the remainder of 2026.

We are most overweight stocks within the Communication Services, Utilities and Health Care sectors, and are underweight Industrials, Real Estate and Information Technology.

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	8.33	3.72	4.62
Consumer Discretionary	4.19	6.45	-2.26
Consumer Staples	3.60	3.75	-0.15
Energy	5.00	5.04	-0.03
Financials	35.85	34.37	1.48
Health Care	7.36	6.00	1.36
Industrials	1.71	7.18	-5.47
Information Technology	0.00	1.84	-1.84
Materials	22.71	24.42	-1.70
Real Estate	4.84	5.68	-0.84
Utilities	4.32	1.56	2.76

Top 3 holdings

	Portfolio %	Benchmark %	Active %
BHP	12.75	9.93	2.82
Westpac	7.77	5.24	2.53
Commonwealth Bank of Australia	7.46	10.89	-3.43

Key active positions

Overweights	Portfolio %	Benchmark %	Active %
BHP	12.75	9.93	2.82
Origin Energy	3.36	0.83	2.54
Westpac	7.77	5.24	2.53
Underweights			
Commonwealth Bank of Australia	7.46	10.89	-3.43
Wesfarmers	0.00	3.21	-3.21
Goodman	0.00	2.03	-2.03

Portfolio holdings may not be representative of current or future investments. The securities discussed may not represent all of the portfolio's holdings and may represent only a small percentage of the strategy's portfolio holdings. Future portfolio holdings may not be profitable.

Income and growth

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.
Growth return	9.21	3.44	2.49	1.43
Distribution return	5.05	4.79	5.54	6.36

The Growth Return is measured by the movement in the Fund's unit price (inclusive of fees), ex-distribution, and can be positive or negative as the unit price can fluctuate with changes in the underlying market value of the Fund's assets. The Distribution Return is the amount that is paid to unitholders by way of income distribution in a 12-month period. It does not include capital distributions.

Fund Metrics*

	Price to Earnings Ratio	Forecast Dividend Yield (pre franking)
Fund	16.20	4.28
Index	16.24	3.69
Difference	-0.04	0.59

* Consensus estimated, Factset, NTM

Features

Investment objective	To provide a tax-effective income stream that exceeds the dividend yield of the S&P/ASX 200 Accumulation Index (grossed up for franking credits) by 2% p.a. over rolling five-year periods, before fees, expenses and tax, plus the potential for capital growth over the long-term.	
Recommended investment time frame	5 - 7 + years	
Fund inception	November 2008	
Fund size	A\$112.6 mn as at 31 March 2026	
APIR code	TYN0038AU	
Estimated management cost	0.80% p.a.	
Buy/sell spread	+/- 0.15%	
Platform availability	Hub24 Insignia Expand	Netwealth

Applications and contacts

Investment into the Yarra Australian Equity Income Fund can be made by Australian resident investors only.

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