

Yarra Emerging Leaders 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 Emerging Leaders Fund	-12.27	-10.78	7.34	6.94	6.37	7.79	10.61
Emerging Leaders Combined Benchmark†	-10.61	-10.15	12.05	8.84	5.99	8.90	7.17
Excess return (before fees)‡	-1.67	-0.63	-4.71	-1.90	0.38	-1.10	3.44

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 all management costs, meaning they do not reflect the deduction of any investment management fees and expenses 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.

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 Emerging Leaders Fund	-12.36	-11.05	6.01	5.62	5.06	6.46	9.31
Emerging Leaders Combined Benchmark†	-10.61	-10.15	12.05	8.84	5.99	8.90	7.17
Excess return (after fees)‡	-1.76	-0.90	-6.04	-3.22	-0.93	-2.43	2.14

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* Inception date Yarra Emerging Leaders Fund: September 1997

† Comprising 50% S&P/ASX Midcap 50 Accumulation Index and 50% S&P/ASX Small Ordinaries Accumulation Index

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

Market review

The Australian mid and small-cap equities market fell during the first quarter of 2026.

The Emerging Leaders Benchmark returned -10.1% for the quarter, taking its 12-month return to +12.1%. The broader S&P/ASX 300 Accumulation Index returned -2.0%, whilst globally, the MSCI World Index delivered -3.2% for the quarter.

Energy (+17.1%) was the strongest contributor, supported by robust performance across coal and select energy producers. Yancoal Australia (YAL, +69.7%) and New Hope Corporation (NHC, +48.1%) were the largest contributors.

Materials (-8.6%) was the largest detractor driven by broad weakness across metals and mining. Capstone Copper Corp. (CSC, -31.9%) and Capricorn Metals (CMM, -23.2%) weighed heavily on performance.

Consumer Discretionary (-23.9%) was a major drag as discretionary spending concerns weighed on retail and leisure stocks with Light & Wonder, Inc. (LNW, -29.6%) and JB Hi-Fi (JBH, -22.8%) falling sharply.

Financials (-14.5%) detracted, driven by weakness across consumer finance and platform businesses led by Zip Co. (ZIP, -52.9%) and HUB24 (HUB, -14.2%) were significant detractors.

Real Estate (-13.4%) retreated as higher bond yields continued to pressure listed property. Charter Hall Group (CHC, -23.8%) and Lendlease Group (LLC, -35.8%) were among the stocks that fell.

Industrials (-6.2%) detracted, as weakness across building products and construction outweighed pockets of strength. DroneShield (DRO, +23.7%) and Aurizon Holdings (AZJ, +12.1%) were key contributors, while SGH (SGH, -12.4%) and Fletcher Building (FBU, -20.8%) underperformed.

Information Technology (-20.9%) fell amid broad weakness across software and IT services, with Life360, Inc. (360, -44.0%) and SiteMinder (SDR, -53.0%) falling sharply.

Portfolio review

Key Contributors

Ramsay Health Care (RHC, overweight) – Australia's largest private hospital player outperformed during the period following a stronger-than-expected H126 update, with improving operating margins across the domestic private hospital portfolio, something Ramsay and peers have struggled with in recent years. Additionally, the company made progress exiting underperforming parts of the portfolio, announcing the in-specie distribution (exit) of its European hospital exposure (de Sante) which will occur later in the CY.

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Overall, we remain positive, driven by improved outlook domestically, progress exiting de Sante, and future opportunities to strengthen the company's overall funding position.

Evolution Mining (EVN, overweight) – the gold and copper producer outperformed during the quarter, aided by a strong interim FY26 result where three incremental growth projects were announced. The outperformance was achieved despite mixed commodity price movements (gold +3%, copper -2%). We remain attracted to EVN's long-life assets and meaningful leverage to copper production at the Ernest Henry and Northparkes mines.

Iluka Resources (ILU, overweight) – the mineral sands producer delivered strong outperformance over the March quarter as rare earth prices (NdPr) increased 19%. While the short term outlook remains challenged, we continue to like mineral sands markets long-term and favour ILU's leverage as the world's largest zircon producer and fifth largest producer of titanium feedstocks. Iluka is moving into rare earths production through the Eneabba refinery and would be a critical component producer for the EV industry.

Key Detractors

Capstone Copper (CSC, overweight) – the copper producer underperformed during the March quarter as copper prices declined by 2% on Iran war-related impacts. The company released its December quarter financial results during the period, with medium-term production commentary soft relative to market expectations. We maintain a positive view on CSC due to its pure-play leverage to attractive copper markets coupled with the potential to nearly double production by decade end.

Megaport (MP1, overweight) – the global software defined network provider underperformed during the period consistent with the broader underperformance of the technology sector. The underperformance of MP1 could also be partly explained by the negative consensus earnings revisions from currency adjustments and lower than expected earnings in the recently acquired Latitude business. We remain positive on MP1 within the core global software defined network business given accelerating demand supported by cloud and AI growth with upside from new products and improving go to market execution.

CAR Group (CAR, overweight) – the online vehicle classifieds company underperformed as online classified businesses sold off as the market fixated on the risk of disruption from AI search. There is no evidence of disruption to market leading online marketplaces from online search anywhere globally to date (if anything, AI is more likely to act as a source of leads to online marketplaces) and we view CAR's now discounted valuation of 13.6x FY27 EBITDA as more than capturing this risk.

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 (the S&P 500 Index fell -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 Financials, Health Care and Consumer Discretionary and are underweight Energy, Industrials and Real Estate.

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	5.51	4.77	0.75
Consumer Discretionary	8.76	6.84	1.92
Consumer Staples	2.75	4.48	-1.73
Energy	0.00	6.71	-6.71
Financials	15.86	11.38	4.49
Health Care	9.25	5.80	3.45
Industrials	9.60	15.25	-5.65
Information Technology	5.98	5.77	0.21
Materials	28.20	27.05	1.15
Real Estate	9.14	10.99	-1.84
Utilities	0.00	0.96	-0.96

Top 3 holdings

	Portfolio %	Benchmark %	Active %
NextDC	4.81	1.18	3.64
Ramsay Health Care	4.49	1.20	3.29
Evolution Mining	4.38	0.00	4.38

Key active positions

Overweights	Portfolio %	Benchmark %	Active %
Evolution Mining	4.38	0.00	4.38
NextDC	4.81	1.18	3.64
Ramsay Health Care	4.49	1.20	3.29
Underweights			
ALS	0.00	1.71	-1.71
Mineral Resources	0.00	1.53	-1.53
Vicinity Centres	0.00	1.48	-1.48

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	1.91	1.69	-0.42	2.78
Distribution return	4.10	3.93	5.47	3.69

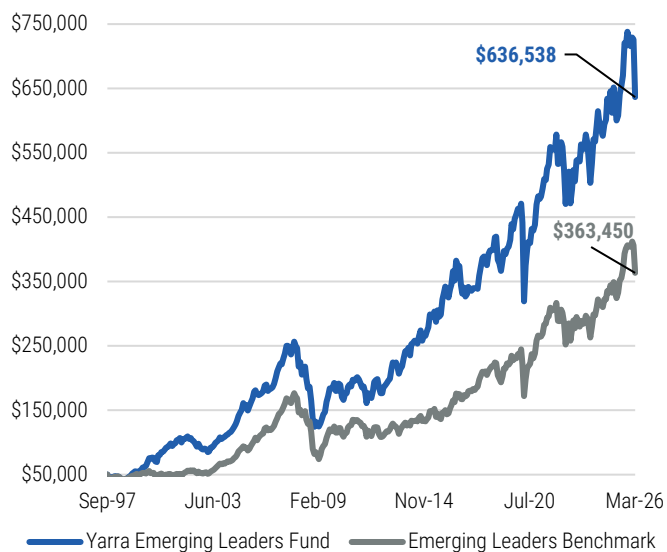
The Growth Return is measured by the movement in the Fund's unit price (inclusive of fees), ex-distribution, and can be positive or negative as the unit price can fluctuate with changes in the underlying market value of the Fund's assets. The Distribution Return is the amount that is paid to unitholders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

Features

Investment objective	To achieve medium-to-long term capital growth through exposure to small and medium sized Australian companies that are considered to possess strong capital growth potential. In doing so, the aim is to outperform the benchmark over rolling 3-year periods.	
Recommended investment time frame	5 - 7 + years	
Fund inception	September 1997	
Fund size	A\$98.7 mn as at 31 March 2026	
APIR code	JBW0010AU	
Estimated management cost	1.25% p.a.	
Buy/sell spread	+/- 0.20%	
Platform availability	Asgard Ausmaq BT Panorama BT SuperWrap Financial Index	Hub24 Macquarie Wrap Mason Stevens MLC Wrap OneVue

Investment performance comparison of \$50,000

After fees, since inception of the Yarra Emerging Leaders Fund, September 1997 to March 2026.



For illustrative purposes only. Past performance does not guarantee future results, which may vary. The total net fund returns shown are prepared on an exit to exit basis (i.e. they include all ongoing fees and expenses and assume reinvestment of all distributions). They do not take personal taxation into account. The comparison with the benchmark (comprising 50% S&P/ASX Midcap 50 Accumulation Index and 50% S&P/ASX Small Ordinaries Accumulation Index) is for comparative purposes only. Index returns do not allow for transactional, management, operational or tax costs. An index is not managed and investors cannot invest directly in an index.

Applications and contacts

Investment into the Yarra Emerging Leaders Fund can be made by Australian resident investors only.

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