

# Yarra Ex-20 Australian Equities Fund

## Gross returns as at 31 March 2026

	From 25 June 2018 <sup>A</sup>	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception % p.a.*
Yarra Ex-20 Australian Equities Fund	5.43	-12.12	-10.65	1.03	5.30	6.70	7.21	7.33
S&P/ASX 300 ex S&P/ASX 20 Accumulation Index <sup>#</sup>	6.17	-10.24	-10.14	5.27	7.07	6.08	N/A	N/A
Excess return (before fees) <sup>‡</sup>	-0.74	-1.89	-0.52	-4.24	-1.77	0.62	N/A	N/A

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 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.

## Net returns as at 31 March 2026

	From 25 June 2018 <sup>A</sup>	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception % p.a.*
Yarra Ex-20 Australian Equities Fund	4.48	-12.19	-10.85	0.13	4.36	5.75	6.15	6.16
S&P/ASX 300 ex S&P/ASX 20 Accumulation Index <sup>#</sup>	6.17	-10.24	-10.14	5.27	7.07	6.08	N/A	N/A
Excess return (after fees) <sup>‡</sup>	-1.69	-1.96	-0.72	-5.14	-2.71	-0.33	N/A	N/A

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.

<sup>A</sup> Effective 25 June 2018 the Fund's investment strategy, name and benchmark was changed. Performance prior to 25 July 2018 is provided here for consistency purposes only – the historical performance data shown relates to the previous strategy and should not be used to assess past or future performance of the Fund. Performance data relating to the previous strategy is available upon request. 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 Yarra Ex-20 Australian Equities Fund: August 2010.

<sup>#</sup> The benchmark for the Yarra Ex-20 Australian Equities Fund has been amended since the Fund's inception. Effective 25 July 2018, the benchmark is the S&P/ASX 300 ex S&P/ASX 20 Accumulation Index, replacing the S&P/ASX 300 Accumulation Index.

<sup>‡</sup> Excess return: The difference between the Fund's return and the benchmark return.

## Market review

The Australian Ex-20 equities market 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 300 Ex-20 Accumulation Index returned -10.1% for the quarter, taking its 12-month return to +5.3. The broader S&P/ASX 300 Accumulation Index returned -2.0%, whilst globally, the MSCI World Index delivered -3.2% for the quarter.

Energy (+16.5%) was the largest positive contributor, supported by strong gains across coal and selected energy names. Yancoal Australia (YAL, +69.7%), New Hope Corporation (NHC, +48.1%) and Whitehaven Coal (WHC, +20.0%) performed strongly.

Utilities (+10.3%) added to returns, led by Origin Energy (ORG, +10.5%) and APA Group (APA, +10.9%), while AGL Energy (AGL, +8.4%) also rose.

Materials (-4.6%) was the largest drag on performance,

reflecting broad weakness across resources despite pockets of strength. Northern Star Resources (NST, -30.2%) was a key detractor, alongside Capstone Copper (CSC, -31.9%) and Capricorn Metals (CMM, -23.2%). These declines were partially offset by Lynas Rare Earths (LYC, +52.4%) and PLS Group (PLS, +21.3%).

Information Technology (-27.2%) detracted materially with ongoing concerns about the risks from AI disruption. WiseTech Global (WTC, -44.4%) and Xero (XRO, -34.1%) were significant detractors, alongside Life360 (360, -44.0%) and SiteMinder (SDR, -53.0%).

Health Care (-16.4%) also weighed on returns. Pro Medicus (PME, 46.9%) and Cochlear (COH, 34.3%) fell sharply, while Telix Pharmaceuticals (TLX, +22.0%) and Ramsay Health Care (RHC, +14.7%) provided some offset.

Real Estate (-16.0%) was another key detractor as listed property weakened. Scentre Group (SCG, 19.1%), Stockland (SGP, 24.8%) and Charter Hall Group (CHC, 23.8%) were all lower.

Consumer Discretionary (-18.7%) detracted as weakness across retail and leisure stocks persisted. Light & Wonder (LNW, -24.5%) and JB Hi Fi (JBH, -22.8%) declined, alongside WEB Travel Group (WEB, -45.4%) and Temple & Webster (TPW, -48.1%).

Financials (-8.8%) weighed on returns, led by weakness across capital markets, consumer finance and insurance. Zip Co (ZIP, -52.9%) and AMP (AMP, -26.9%) declined sharply, while HUB24 (HUB, -14.2%) also detracted.

## Portfolio review

### Key Contributors

**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.

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

**TPG Telecom (TPG, overweight)** – the telecommunications company outperformed during the period as defensive exposures were supported as a hedge against broader market volatility. The sector has re-rated higher in a predictable and rational mobile market, with both TLS and Optus increasing postpaid prices in late March. We remain attracted to TPG's operating momentum and free cash flow generation and expect a combination of cost control and lower capex to translate to outsized capital management (21.4c FY28 DPS vs 28cps free cash flow).

### Key Detractors

**Bapcor, (BAP, overweight)** – the automotive aftermarket supplier underperformed during the period following its discounted capital raise and subsequent 1H26 result. Bapcor reported softening operating momentum, which saw another rebasing of the business, a buildup of inventory and an uncertain earnings outlook amid weaker trading across its Trade, Retail and Wholesale divisions. We remain somewhat cautious on the short-term outlook with the business still in turnaround but are of the view that value will be unlocked if BAP executes on its strategic initiatives.

**Insurance Australia Group (IAG, overweight)** – the general insurer underperformed during the period following the reporting of its first half results which were more complex than

usual due to the acquisition of RACQ Insurance. Results highlighted modest gross written premium growth and increasing competitive intensity in personal motor insurance. While we view IAG as a quality business with commanding positions across personal insurance lines and strong volatility cover, the margin cycle for the sector appears to have peaked, warranting a higher level of caution.

**Lynas Rare Earths (LYC, underweight)** – the rare earth miner outperformed during the March quarter as rare earths (NdPr) prices rose 19%. While rare earths remain a complex and opaque commodity, we see material demand upside as the western world seeks to diversify from China supply dominance. We remain underweight LYC as we struggle to identify value and prefer exposure to rare earths via peer Iluka Resources (ILU.AX).

## 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 cyclical 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 the Communication Services, Utilities and Information Technology sectors and underweight Industrials, Energy and Financials.

## Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	13.35	3.63	9.72
Consumer Discretionary	6.13	6.07	0.06
Consumer Staples	1.84	2.66	-0.82
Energy	0.00	6.45	-6.45
Financials	8.70	13.69	-4.98
Health Care	9.54	9.45	0.09
Industrials	0.42	11.76	-11.34
Information Technology	8.29	5.44	2.85
Materials	28.24	26.88	1.36
Real Estate	7.82	10.01	-2.20
Utilities	10.29	3.97	6.32

## Top 3 holdings

	Portfolio %	Benchmark %	Active %
Origin Energy	6.70	2.10	4.60
ResMed	5.40	1.80	3.60
Northern Star	5.03	0.00	5.03

## Key active positions

Overweights	Portfolio %	Benchmark %	Active %
Northern Star	5.03	0.00	5.03
Origin Energy	6.70	2.10	4.60
Tabcorp	4.09	0.21	3.88
Underweights			
Santos	0.00	2.54	-2.54
South32	0.00	1.88	-1.88
Lynas Rare Earths	0.00	1.73	-1.73

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	-2.59	2.47	3.59	3.71
Distribution return	2.72	1.89	2.16	2.45

The Growth Return is measured by the movement in the Fund's unit price, 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 Australian Securities Exchange listed securities excluding the largest 20 by market capitalisation (as defined by the S&P/ASX 20 Index). In doing so, the aim is to outperform the S&P/ASX 300 ex S&P/ASX 20 Accumulation Index over rolling 3-year periods.	
Recommended investment time frame	5 - 7 + years	
Fund inception	August 2010	
Fund size	A\$112.0 mn as at 31 March 2026	
APIR code	JBW0052AU	
Estimated management cost	0.90% p.a	
Buy/sell spread	+/- 0.15%	
Platform availability	BT Panorama Hub24	Praemium

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## Applications and contacts

Investment into the Yarra Ex-20 Australian Equities Fund can be made by Australian resident investors only.

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