

Yarra Growth Fund

Net returns as at 31 March 2026

	1 month %	3 months %	6 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception % p.a.
Total Fund return (net)	-5.75	-8.47	-10.07	-1.16	7.38	5.85	7.18	6.80
Fund growth return (net)	-5.75	-8.47	-10.70	-11.26	2.72	1.61	1.58	1.49
Fund distribution return (net)	0.00	0.00	0.63	10.10	4.66	4.24	5.60	5.31
Benchmark*	-4.05	-3.33	-2.43	8.93	11.44	8.97	9.51	8.33

Source: YFML, Citi. Total Fund net returns are post fees, pre tax using redemption prices and assume reinvestment of distributions. Fund growth return is the change in redemption prices over the period. Fund distribution return equals Total Fund minus Fund growth return. Past performance is not an indicator of future performance. Inception date: February 1996.

* The Fund's benchmark is a composite index constructed using the applicable asset class index, weighted according to the Fund's benchmark asset allocation of: 15% of Bloomberg AusBond Composite 0+ YR Index for Australian fixed interest, 30% of S&P/ ASX 200 Accumulation Index for Australian shares, 50% of MSCI All Countries World Index Net Total Return AUD Index (unhedged) for overseas shares, 0% of S&P/ASX 300 Australian Real Estate Investment Trusts (A-REITs) Accumulation Index for property securities (effective 16 December 2013. Prior to this was the S&P/ASX 200 A-REITs Accumulation Index), and 5% of Bloomberg AusBond Bank Bill Index for Cash.

Portfolio review

The Fund returned -8.47% for the March quarter, underperforming its composite benchmark return of -3.33% by 514 basis points.

Australian Equities

The S&P/ASX 200 Accumulation Index declined by 1.61% over the quarter, reflecting the impact of interest rate increases, as well as an escalation in the conflict in the Middle East. Over the same period, the Fund's Australian equities allocation underperformed its benchmark. The underlying strategies: the Yarra Australian Equities Fund (-1.96%), the Yarra Ex-20 Australian Equities Fund (-10.85%), and the Yarra Australian Smaller Companies Fund (-16.21%), all underperformed relative to the broader market over the quarter.

Sector-level performance was widely dispersed over the period. Unsurprisingly, Energy was the standout performer, rising 37.71% as the closure of the Strait of Hormuz drove a sharp increase in energy prices, while Utilities (10.33%), Consumer Staples (9.65%), Materials (3.91%), and Financials (0.63%) also recorded gains. In contrast, the remaining sectors delivered negative returns, including Communication Services (-1.04%) and Industrials (-5.53%), with more pronounced declines in Consumer Discretionary (-14.56%), Real Estate (-16.69%), and Health Care (-16.94%). Information Technology was the worst-performing sector, falling 27.95%.

Global Equities

The MSCI AC World Index, measured in AUD (unhedged), recorded a fall of 5.75% over the quarter. The Fund's Global Equities allocation underperformed over the quarter, primarily due to the significant performance of its core holding, the Yarra Global Share Fund (-14.74%). In contrast, the smaller

allocation to the Yarra Global Small Companies Fund (-0.70%) delivered strong relative performance.

March marked the 150th anniversary of Alexander Graham Bell's telephone patent, a timely reminder of how general-purpose technologies reshape economies through sustained capital investment. Today's AI build-out follows a similar path, with its economic impact dependent on a vast industrial foundation extending well beyond data centres and semiconductors. At the same time, markets have rapidly repriced around this theme. Early 2026 saw a sharp rotation from growth to value, as capital concentrated in perceived AI beneficiaries while companies exposed to potential disruption—particularly across software and knowledge-based industries—were aggressively sold off. This indiscriminate derating spread beyond technology into adjacent sectors, while scepticism also emerged around the returns on hyperscaler capital expenditure. Even so, beneficiaries within the AI supply chain, especially those addressing physical infrastructure bottlenecks, delivered strong performance.

By March, geopolitics overtook AI as the dominant market driver. The escalation of the Iran conflict and disruption to the Strait of Hormuz triggered a sharp rise in energy prices, propelling Energy to be the standout sector. More broadly, leadership concentrated in hard-asset and infrastructure-linked sectors such as Energy, Materials, Utilities, and Industrials, while long-duration and rate-sensitive sectors—including Information Technology, Communication Services, and Financials—lagged. Regionally, performance diverged as AI-related investment increasingly shifted outside the US, benefiting parts of Asia and commodity-oriented markets. Overall, the quarter underscored a changing regime: rising geopolitical risk, persistent inflation uncertainty, and the growing importance of real assets have challenged the dominance of duration-sensitive growth strategies.

Australian Fixed Interest

The Bloomberg AusBond Composite 0+ Yr Index declined by 0.34% over the March quarter. The Fund's Australian fixed interest allocation outperformed the benchmark, its investment in the Yarra Australian Bond Fund (-0.39%), marginally underperformed the index, while the allocation to the Yarra Enhanced Income Fund (+0.10%) contributed positively to overall performance.

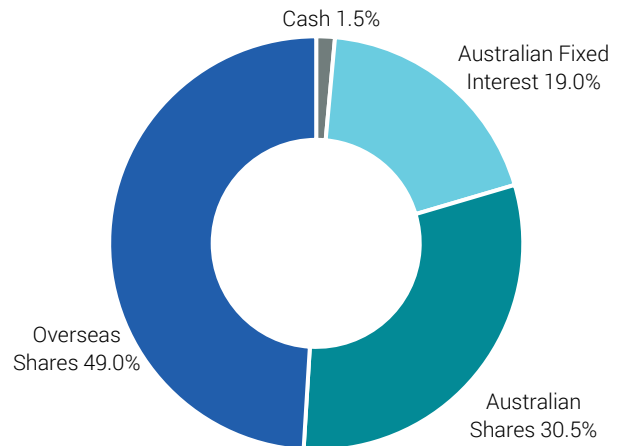
The March quarter was marked by heightened volatility in bond markets, driven primarily by escalating geopolitical tensions in the Middle East, persistent inflation concerns, and consecutive 25bp rate hikes in February and March. Bond market sentiment shifted notably over the period. Stronger-than-expected domestic data in January, including employment and CPI, reinforced expectations of further policy tightening and led to an initial sell-off in bonds. This was compounded later in the quarter by a broad risk-off move following the escalation of conflict involving Iran, Israel and the United States, resulting in higher yields and wider credit and semi-government spreads. Australian government bond yields rose across the curve, with the 3-year increasing from 4.14% to 4.65% and the 10-year from 4.74% to 4.97%. The yield curve flattened materially, as front-end yields rose more sharply amid continued policy tightening and inflation uncertainty.

The Fund maintained an overweight duration position throughout the quarter, increasing exposure in January as yields approached medium-term peaks. While this positioning contributed positively during February's rally, it detracted overall due to the sharp sell-off in March. Curve positioning, which favoured steepening between 3- and 10-year maturities and flattening further out the curve, was mixed: front-end flattening detracted, while positioning in the 10–15 year segment added value. Sector allocation remained tilted towards spread products, including senior financials, residential mortgage-backed securities, high-grade corporates, and semi-government bonds. These exposures performed well early in the quarter as spreads remained tight, but the March risk-off environment drove a pronounced widening in credit and semi-government spreads, weighing on performance, although a portion of this underperformance retraced by quarter-end.

Strategic Asset Allocation

Asset Class	Target Allocation (%)	Range (%)
Australian Shares	30	20-45
International Shares (unhedged)	50	35-65
Property Securities	0	0-10
Total growth assets	80	70-95
Australian Fixed Interest	15	5-25
Cash	5	0-20
Total income assets	20	5-30

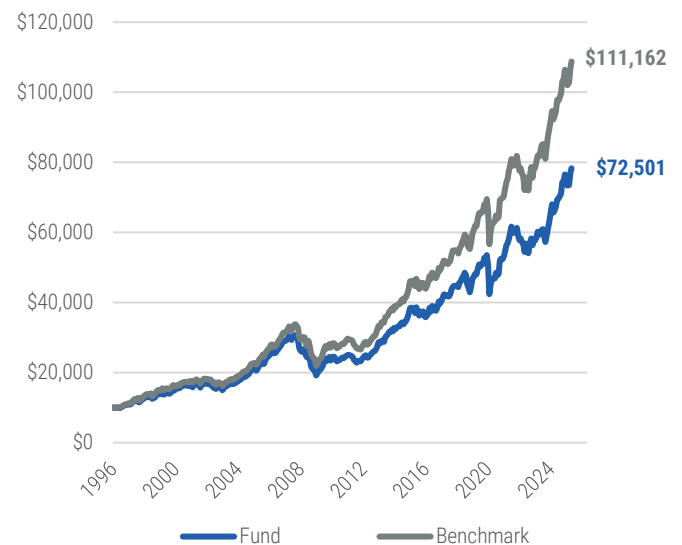
Asset Allocation at Quarter End



Source: YFM, Citi

Performance Graph

After fees, since inception of the Yarra Growth Fund, February 1996 to March 2026:



Source: Citi & YFM. Past performance is not an indicator of future performance.

Market Outlook

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.

Fund Objective

The Fund aims to provide a modest level of capital growth and income over the medium to long-term, with total returns (before taxes, fees and expenses) above the Fund's benchmark over rolling five-year periods.

Key Facts	
Responsible Entity Yarra Funds Management Limited	Management Cost 1.15% p.a.
APIR Code SUN0021AU	Buy/Sell Spread 0.15%/0.15%
Fund Size A\$66.6mn as at 31 March 2026	Distribution Frequency Half Yearly
Minimum Investment AUD 2,000	

Contact Us

Yarra Capital Management

Level 19

101 Collins Street

Melbourne VIC 3000, Australia

Phone (Australia) 1800 034 034

Phone (Overseas) +61 3 9002 1980

Email IST@yarracm.com

Website www.yarracm.com

Disclaimers

Yarra Funds Management Limited (ABN 63 005 885 567, AFSL 230 251) ('YFM') is the issuer and responsible entity of a range of registered managed investment schemes, which includes those named in this document ('Funds'). YFM is not licensed to provide personal financial product advice to retail clients. The information provided contains general financial product advice only. The advice has been prepared without taking into account your personal objectives, financial situation or particular needs. Therefore, before acting on any advice, you should consider the appropriateness of the advice in light of your own or your client's objectives, financial situation or needs. Prior to investing in any of the Funds, you should obtain and consider the product disclosure statement ('PDS') and target market determination ('TMD') for the relevant Fund by contacting our Investor Services team on 1800 034 494 or from our website at www.yarracm.com/pdsupdates/. The information set out has been prepared in good faith and while Yarra Funds Management Limited and its related bodies corporate (together, the "Yarra Capital Management Group") reasonably believe the information and opinions to be current, accurate, or reasonably held at the time of publication, to the maximum extent permitted by law, the Yarra Capital Management Group: (a) makes no warranty as to the content's accuracy or reliability; and (b) accepts no liability for any direct or indirect loss or damage arising from any errors, omissions, or information that is not up to date. No part of this material may, without the Yarra Capital Management Group's prior written consent be copied, photocopied, duplicated, adapted, linked to or used to create derivative works in any form by any means.

YFM manages the Fund and will receive fees as set out in each PDS. To the extent that any content set out in this document discusses market activity, macroeconomic views, industry or sector trends, such statements should be construed as general advice only. Any references to specific securities are not intended to be a recommendation to buy, sell, or hold such securities. Past performance is not an indication of, and does not guarantee, future performance. Information about the Fund, including the relevant PDS, should not be construed as an offer to any jurisdiction other than in Australia. With the exception of some Funds that may be offered in New Zealand from time to time (as disclosed in the relevant PDS), we will not accept applications from any person who is not resident in Australia or New Zealand. The Fund is not intended to be sold to any US Persons as defined in Regulation S of the US federal securities laws and have not been registered under the U.S. Securities Act of 1933, as amended.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. Holdings may change by the time you receive this report. Future portfolio holdings may not be profitable. The information should not be deemed representative of future characteristics for the strategy. There can be no assurance that any targets stated in this document can be achieved. Please be advised that any targets shown are subject to change at any time and are current as of the date of this document only. Targets are objectives and should not be construed as providing any assurance or guarantee as to the results that may be realized in the future from investments in any asset or asset class described herein. If any of the assumptions used do not prove to be true, results may vary substantially. These targets are being shown for informational purposes only.