

Yarra Australian Smaller Companies Fund

Gross returns as at 30 April 2026

| | 1 month % | 3 months % | 1 year % | 3 years % p.a. | 5 years % p.a. | Since inception* % p.a. |
|---|--------------|---------------|-------------|-------------------|-------------------|-------------------------------|
| Yarra Australian Smaller Companies Fund | 6.55 | -12.28 | 8.00 | 6.82 | 4.89 | 8.84 |
| S&P/ASX Small Ordinaries Accumulation Index | 3.33 | -10.35 | 15.32 | 8.69 | 3.66 | 6.37 |
| Excess return (before fees) † | 3.22 | -1.93 | -7.33 | -1.87 | 1.23 | 2.47 |

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 30 April 2026

| | 1 month % | 3 months % | 1 year % | 3 years % p.a. | 5 years % p.a. | Since inception* % p.a. |
|---|--------------|---------------|-------------|-------------------|-------------------|-------------------------------|
| Yarra Australian Smaller Companies Fund | 6.48 | -12.46 | 7.09 | 5.92 | 4.01 | 7.93 |
| S&P/ASX Small Ordinaries Accumulation Index | 3.33 | -10.35 | 15.32 | 8.69 | 3.66 | 6.37 |
| Excess return (after fees) † | 3.14 | -2.11 | -8.24 | -2.77 | 0.35 | 1.55 |

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 Australian Smaller Companies Fund: August 2020.

† Excess return: The difference between the portfolio's return and the benchmark return.

Market review

The Australian small-cap equities market rose during the month of April.

The S&P/ASX Small Ordinaries Accumulation Index returned +3.3% for the month, taking its 12-month return to +15.3%. The broader S&P/ASX 300 Accumulation Index returned +2.2%, whilst globally, the MSCI World Index delivered +8.9% for the month.

Materials (+6.4%) was the dominant contributor, underpinned by broad-based strength across metals, mining and lithium exposures. Standout performers included Elevra Lithium (ELV, +62.4%) and Liontown (LTR, +38.2%).

Information Technology (+14.6%) delivered strong gains, with renewed AI led enthusiasm for data centres and IT services. Codan (CDA, +33.3%) and Megaport (MP1, +26.3%) were key contributors.

Financials (+5.5%) also contributed meaningfully, driven by strength in consumer finance, capital markets and insurers. Zip Co (ZIP, +56.8%) was the standout performer following strong results, alongside gains in Netwealth Group (NWL, +9.2%), Pinnacle Investment Management Group (PNI, +4.9%) and AUB Group (AUB, +5.8%).

Industrials (+3.1%) added to returns, supported by strong performance across construction and professional services.

NRW Holdings (NWH, +16.1%) and SRG Global (SRG, +17.1%), were notable contributors.

Communication Services (+2.2%) contributed positively, driven by telecommunications and media. Aussie Broadband (ABB, +11.3%), TPG Telecom (TPG, +4.2%) and oOh media (OML, +23.8%) added to returns, partially offset by weakness in EVT (EVT, -9.3%).

Health Care (-7.1%) weighed on performance. 4DMedical (4DX, -27.9%), Clarity Pharmaceuticals (CU6, -8.7%) and EBOS Group (EBO, -6.7%) detracted.

Energy (-1.9%) detracted as declines across coal and uranium stocks outweighed select gains. Yancoal Australia (YAL, -7.8%), New Hope Corporation (NHC, -6.6%) and Beach Energy (BPT, -9.3%) weighed on returns, while Paladin Energy (PDN, +4.3%) and Karoon Energy (KAR, +6.3%) provided some offset.

Portfolio review

Key Contributors

Zip Co (ZIP, overweight) – Buy Now Pay Later (BNPL) company ZIP performed strongly over the period following a solid third quarter update and increase to full year earnings guidance. ZIP has maintained TTV growth in excess of 40% whilst managing down credit losses as new products such as 'Pay in 8' season. ZIP is well placed to participate in the

structural growth of the US BNPL market, and we view its current P/E multiple of 17.9 times as compelling.

Cuscal (CCL, overweight) – the wholesale payments company outperformed during the period supported primarily by the positive Paymark acquisition. The Paymark acquisition provides an attractive entry into the New Zealand market at a low acquisition multiple of only 5.0 times P/E with EPS accretion above 5%. We continue to hold a positive view of CCL given the core businesses boasts defensive low teens earnings growth annually, with material additional earnings growth from the Indue and Paymark acquisitions.

Megaport (MP1, overweight) – the software defined network and CPU service provider outperformed during the period supported by a positive trading update. The trading update indicated a large new CPU customer win and the software defined network business continues to perform in line with expectations. We remain positive on MP1 given accelerating demand supported by cloud and AI growth with upside from new products and improving go to market execution.

Key Detractors

Liontown Resources (LTR, underweight) – our underweight position in the lithium miner was a source of underperformance during the month as lithium prices rose 6% (Platts SC6 spodumene) to remain at elevated levels around US\$2,600/t on increased optimism in the battery metals sector. We are cautious on lithium prices which we view as excessive at spot levels above US\$2,000/t (SC6). While EV demand has improved at the margin in recent months, and stationary energy storage (ESS) is growing off a low base, we believe there is sufficient supply, particularly from curtailed mines in Australia and Africa.

Codan (CDA, underweight) – the communications and gold detection company outperformed during the period supported by a stronger than expected trading update. The trading update indicated stronger than expected earnings growth across both communications and gold detection with FY26 NPAT growth of over 60% (y/y). While the company is benefiting from strong growth in both communication and gold end markets with a strong management team; we currently prefer peers such as Imdex (IMD) and Chrysol (C79). We also note the CDA valuation is assuming continued strong growth with a FY26 P/E of 47.0 times.

EBOS Group (EBO, overweight) – the health care and animal care distributor underperformed during the period after a negative trading update. The trading update indicated a 2% earnings downgrade given the negative impact of higher fuel and energy costs particularly for the wholesale pharmacy division. We remain positive on EBO given the defensive growth outlook for both health care and animal care with further upside from continued bolt on acquisitions. We expected EPS growth to accelerate from FY28 onwards after a period of elevated reinvestment in distribution networks with valuation highly attractive at FY27 P/E of 14.3 times.

Market Outlook

Australian equity markets rebounded in April 2026, stabilising after March's sharp sell-off as investors looked through ongoing volatility in the Middle East and refocused on earnings delivery and the AI capex cycle. The S&P/ASX 200 Index rose 2.2% over the month, recouping a portion of March's losses, with leadership concentrated in growth/technology and domestically-oriented defensives while energy and parts of resources lagged as oil price volatility eased from early-month extremes.

Global equities staged a powerful recovery in April as strong US corporate results and renewed enthusiasm for AI-related investment outweighed lingering geopolitical concerns. The S&P 500 Index surged 10.5% for the month, with broader risk appetite improving across developed and emerging markets. For Australian-based unhedged investors, currency moves again mattered: the Australian dollar strengthened versus the US dollar over April (reducing the translation benefit from offshore equities), partially offsetting the strong increase in global equity prices within unhedged return outcomes.

Bond markets steadied in April as the inflation impulse from the Middle East energy shock became better understood and risk sentiment improved. Global fixed income posted a modestly positive month (the Bloomberg Global Aggregate was up around 1.2%), supported by tighter credit spreads even as headline inflation risks remained elevated. Commodity performance remained energy-led: Brent crude was highly volatile but stayed elevated on continued disruption risk around the Strait of Hormuz, while gold eased modestly over the month (down ~1.1%) after March's sharp drawdown.

Looking forward, the trajectory of the Iran conflict and the path of oil and freight markets remain the key swing factors for near-term risk pricing. April's rally highlighted markets' willingness to look through uncertainty when earnings and liquidity conditions are supportive; however, with the Strait of Hormuz still a focal point for supply disruption risk, the probability of renewed inflation volatility remains material.

Domestically, the Reserve Bank of Australia's (RBA) May decision delivered a further 25bp increase in the cash rate target to 4.35%, with the Board emphasising that inflation risks remain tilted to the upside, and a further rate hike cannot be ruled out. The Statement on Monetary Policy placed particular weight on the inflation impulse from higher fuel and related commodity prices and the risk of second-round pass-through into broader goods and services prices, especially given underlying inflation had already picked up around the start of 2026 amid ongoing capacity pressures. The Board also noted that short-term measures of inflation expectations have risen and judged that inflation is likely to remain above target for some time, warranting a tighter policy stance despite heightened uncertainty around the growth outlook. However, the RBA also observed that financial conditions have tightened further via higher wholesale rates, bond yields and a firmer exchange rate, and noted that financial conditions are now likely restrictive. As demand slows (as we expect in coming months) we expect the RBA will likely remain on hold for the balance of 2026 before easing policy in mid-2027.

For markets, the June quarter is likely to remain volatile as investors weigh geopolitics against earnings delivery and the evolving path of global policy, with currency moves continuing to play an outsized role in unhedged returns. Our base case remains gradual de-escalation in Iran and near-term earnings downgrades in Australia. Against that backdrop, we see scope for further volatility for equity markets through the remainder of the June quarter and September quarter of 2026. More positive sentiment is likely following the end of the earnings downgrade cycle, lower energy prices and the prospect of easier policy in 2027 coming to fruition.

We are most overweight stocks in the Financials, Health Care and Communication Services sectors and are underweight Materials, Energy and Industrials.

Sector allocation

| | Portfolio % | Benchmark % | Active % |
|------------------------|-------------|-------------|----------|
| Communication Services | 6.24 | 5.42 | 0.82 |
| Consumer Discretionary | 9.99 | 9.46 | 0.53 |
| Consumer Staples | 1.89 | 2.99 | -1.10 |
| Energy | 1.97 | 8.08 | -6.11 |
| Financials | 21.97 | 11.62 | 10.35 |
| Health Care | 6.65 | 4.27 | 2.38 |
| Industrials | 11.22 | 13.36 | -2.14 |
| Information Technology | 5.94 | 6.22 | -0.28 |
| Materials | 18.78 | 27.93 | -9.14 |
| Real Estate | 11.07 | 10.65 | 0.43 |

Top 3 holdings

| | Portfolio % | Benchmark % | Active % |
|--------------------------------|-------------|-------------|----------|
| Breville | 4.22 | 1.04 | 3.18 |
| Auckland International Airport | 4.06 | 0.91 | 3.15 |
| AUB Group | 4.01 | 1.15 | 2.86 |

Key active positions

| Overweights | Portfolio % | Benchmark % | Active % |
|--------------------------------|-------------|-------------|----------|
| Cuscal | 3.29 | 0.00 | 3.29 |
| Breville | 4.22 | 1.04 | 3.18 |
| Auckland International Airport | 4.06 | 0.91 | 3.15 |
| Underweights | | | |
| Liontown | 0.00 | 1.85 | -1.85 |
| Paladin Energy | 0.00 | 1.78 | -1.78 |
| Codan | 0.00 | 1.69 | -1.69 |

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.

Features

| | |
|-----------------------------------|---|
| Investment objective | To achieve medium-to-long term capital growth by investing in a diversified portfolio of smaller Australian companies. In doing so, the aim is to outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling 3-year periods. |
| Recommended investment time frame | 5 - 7 + years |
| Fund inception | August 2020 |
| Fund size | A\$95.8 mn as at 30 April 2026 |
| ARSN code | 642 665 263 |
| Estimated management cost | 0.85% p.a. |
| Buy/sell spread | +/- 0.30% |

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