

Yarra Australian Equities Fund

Gross returns as at 31 May 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 Equities Fund	0.80	-4.36	6.04	8.37	8.03	8.22	10.31
S&P/ASX 200 Accumulation Index†	1.15	-4.03	6.89	11.01	8.10	9.10	9.25
Excess return (before fees)‡	-0.35	-0.33	-0.85	-2.64	-0.07	-0.88	1.06

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 May 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 Equities Fund	0.73	-4.55	5.19	7.46	7.10	7.25	9.32
S&P/ASX 200 Accumulation Index†	1.15	-4.03	6.89	11.01	8.10	9.10	9.25
Excess return (after fees)‡	-0.42	-0.52	-1.70	-3.55	-0.99	-1.85	0.07

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* Inception date Yarra Australian Equities Fund: July 1996

† The benchmark for the Yarra Australian Equities Fund has been amended since the Fund's inception. Effective 28 February 2008 the benchmark is the S&P/ASX 200 Accumulation Index, replacing the S&P/ASX 200 ex Property Accumulation Index Monthly. Further information on changes to the Fund's benchmark is available upon request.

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

Market review

The Australian equities market rose modestly during the month of May as globally markets continued their momentum following an increase in April as AI-related optimism continued.

The S&P/ASX 200 Accumulation Index returned +1.1% for the month, taking its 12-month return to +6.9%. The broader S&P/ASX 300 Accumulation Index returned +1.2%, whilst globally, the MSCI World Index delivered +4.8% for the month.

Materials (+10.5%) was the largest contributor on commodity price strength, supported by strong gains in BHP (BHP, +16.0%), Rio Tinto (RIO, +10.9%), South32 (S32, +19.4%) and Sandfire Resources (SFR, +20.4%), while Northern Star Resources (NST, -10.4%) detracted.

Consumer Discretionary (+4.7%) also contributed positively, driven by Wesfarmers (WES, +9.4%) and Aristocrat Leisure (ALL, +7.0%), with additional strength in Domino's Pizza (DMP, +9.2%). IDP Education (IEL, -32.2%) and Tabcorp Holdings (TAH, -31.6%) both declined.

Real Estate (+2.5%) added to performance, led by Goodman Group (GMG, +7.1%) which rose on the AI-driven data centre thematic. This was partially offset by declines in Dexs (DXS, -10.0%) and Lendlease Group (LLC, -18.8%).

Information Technology (+0.6%) was modestly higher, supported by Megaport (MP1, +69.4%), NextDC (NXT, +7.0%) and Technology One (TNE, +6.9%), while WiseTech Global (WTC, -15.7%) weakened. Megaport's rally followed its announcement of significant contract wins.

Financials (-2.9%) also detracted, with broad bank weakness on a sudden shift in the credit growth outlook following the proposed tax changes in the Federal Budget. Commonwealth Bank of Australia (CBA, -5.0%), Westpac Banking Corporation (WBC, -4.6%) and National Australia Bank (NAB, -4.4%) fell, though were partially offset by gains for Macquarie Group (MQG, +3.3%) and AMP (AMP, +9.2%).

Health Care (-9.2%) fell sharply, reflecting weakness in CSL (CSL, -22.3%) and Telix Pharmaceuticals (TLX, -13.1%). CSL fell after announcing another cut to earnings guidance.

Energy (-5.9%) detracted, driven by declines in Woodside Energy (WDS, -8.6%), Santos (STO, -2.4%) and Viva Energy (VEA, -13.8%), while Whitehaven Coal (WHC, +4.0%) rose.

Portfolio review

Key Contributors

Sims (SGM, overweight) – the scrap steel producer outperformed during May, as US and international (Turkey) scrap prices rose on supply and freight challenges associated with the Iran conflict. We are attracted to improving fundamentals in the scrap metals industry, particularly given the impacts of US tariffs on steel and copper imports, a positive for SGM's US domestic recycling businesses. SLS, the company's computing recycling business, is now growing strongly and will continue to drive earnings higher in our view. Longer term, we see upside for scrap demand given its use in lower emissions Electric Arc Furnace steel making operations.

BHP (BHP, overweight) – our overweight position in the diversified miner was a source of outperformance during May. Higher copper (+6%) and hard coking coal (+4%) prices more than offset the impact of a 2.4% decline in the 61% iron ore benchmark. We note BHP's copper earnings exceeded 50% of total EBITDA for the first time during 1H26.

Capstone Copper (CSC, overweight) – the copper producer outperformed during May as copper prices increased by 6% to close at US\$6.26/lb on continued strong demand led by EVs and data centres. 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.

Key Detractors

Tabcorp (TAH, overweight) – the wagering operator underperformed during the period following the disclosure of an AUSTRAC compliance assessment and enforcement action. Although the scope and details are yet to be disclosed, the focus is expected to be on its retail operations which carries inherent AML/CTF risk as a cash business reliant on third-party controls. In our view, TAH has continued to execute on its turnaround, but performance has been overshadowed by unknown regulatory outcomes which have added operating uncertainty and driven a material de-rate.

Origin Energy (ORG, overweight) – the energy retailer and integrated LNG producer underperformed during the period on limited company specific news flow, with the retreating oil price and lower domestic wholesale electricity price both weighing on the stock. 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 share price as an attractive entry point.

Wesfarmers (WES, underweight) – the diversified conglomerate outperformed during the period with no company specific newsflow. The company has been benefiting from an improving lithium backdrop, while its core retail offers (Bunnings/Kmart) have historically performed well with a value-led offer against a tightening consumer backdrop. With the company still trading on a premium FY27 P/E multiple of 28.6-times vs 21.8-times the 10-year average, and a modest 3.1% dividend yield, expectations remain high for the stock.

Market outlook

Australian equity markets rose modestly in May, with the domestic market lagging the stronger AI-led rally offshore.

Global equities extended their recovery in May as strong earnings, continued enthusiasm around AI capital expenditure and easing concern about a prolonged disruption in the Middle East supported risk appetite. The S&P 500 Index rose 5.3% over the month and the MSCI World Index gained around 4.6% in US dollar terms, with leadership again concentrated in US technology and Asian AI supply-chain exposures. For Australian-based unhedged investors, the stronger US dollar modestly supported offshore returns, although currency effects were less dominant than the rise in underlying equity prices.

Bond markets were volatile through the month but finished with modest gains as yields rose sharply mid-month on inflation concerns before retracing as oil prices fell and geopolitical risks appeared to ease. The Bloomberg Global Aggregate Index rose around 0.3% over the month, while credit markets remained constructive as spreads tightened. Commodity markets were notable for a sharp reversal in energy: Brent crude fell roughly 19% over May, its steepest monthly decline since 2020, although it remained elevated relative to pre-conflict levels. Gold also edged lower over the month as safe-haven demand moderated alongside improved risk sentiment.

The key themes for May were the persistence of AI-led earnings optimism, a broad market willingness to look through geopolitical risk provided energy prices were easing, and ongoing sensitivity in bond markets to inflation surprises. The late-month fall in oil materially reduced tail-risk around the global inflation outlook, but markets remain vulnerable to renewed volatility if energy prices re-accelerate or if higher input costs continue to broaden into core inflation. A second theme was the still-narrow nature of leadership, with a relatively concentrated set of technology and AI-exposed names continuing to drive a large share of offshore equity gains.

Domestically, the key economic data released over the past four weeks have painted a softer growth picture but one with still-mixed inflation signals. The RBA lifted the cash rate by 25bp to 4.35% at its 5 May meeting, citing still-elevated inflation, higher fuel and commodity prices, and the risk of broader second-round effects. Since then, the flow of data has been more nuanced. Wage growth remained moderate at 3.4%, April CPI eased to 4.2% (y/y) from 4.6% in March, but trimmed mean inflation edged up to 3.4%, suggesting underlying price pressures remain sticky.

Australia's labour market has softened gradually, with the unemployment rate around the mid-4% range, while forward indicators have become more mixed. Activity data have also been uneven: monthly spending indicators and retail-related measures point to sluggish household demand, business profits declined in the March quarter, and Q1 GDP growth printed at 0.3% (q/q), below expectations, with domestic

demand losing momentum and net exports detracting materially from growth.

For markets, the near-term picture remains one of strong offshore equity momentum alongside a weakening domestic growth pulse. Our base case is that easing oil prices reduce the immediate upside risk to global inflation, but not enough to fully remove central bank caution, particularly given sticky underlying inflation in Australia and still-fragile global supply conditions. In Australia, the softer run of activity data released over the past month strengthens the case that policy is now meaningfully restrictive, even as the RBA remains alert to inflation persistence.

Against that backdrop, we continue to expect a period of elevated cross-asset volatility through 3Q26, with markets likely to remain highly sensitive to inflation data, energy prices and signs of whether the current AI-led earnings cycle can continue to broaden beyond a narrow set of sectors and stocks.

We are most overweight stocks within the Materials, Communication Services and Information Technology sectors, and are underweight Financials, Consumer Discretionary and Industrials.

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	8.21	3.52	4.69
Consumer Discretionary	2.90	6.63	-3.73
Consumer Staples	1.62	3.43	-1.81
Energy	4.03	4.48	-0.46
Financials	20.90	32.90	-12.00
Health Care	6.15	4.92	1.24
Industrials	4.29	7.22	-2.93
Information Technology	5.98	2.09	3.89
Materials	32.84	27.44	5.40
Real Estate	3.43	5.97	-2.54
Utilities	4.72	1.40	3.32

Top 3 holdings

	Portfolio %	Benchmark %	Active %
BHP Group	15.41	11.92	3.48
Commonwealth Bank of Australia	8.72	10.40	-1.69
Westpac Banking	6.45	4.64	1.81

Key active positions

Overweights	Portfolio %	Benchmark %	Active %
BHP Group	15.41	11.92	3.48
NextDC	3.62	0.44	3.18
Origin Energy	3.29	0.71	2.58
Underweights			
National Australia Bank	0.00	4.31	-4.31
Wesfarmers	0.00	3.41	-3.41
ANZ	0.68	4.00	-3.32

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	-0.07	2.91	-1.67	-1.41
Distribution return	5.26	4.56	8.77	8.66

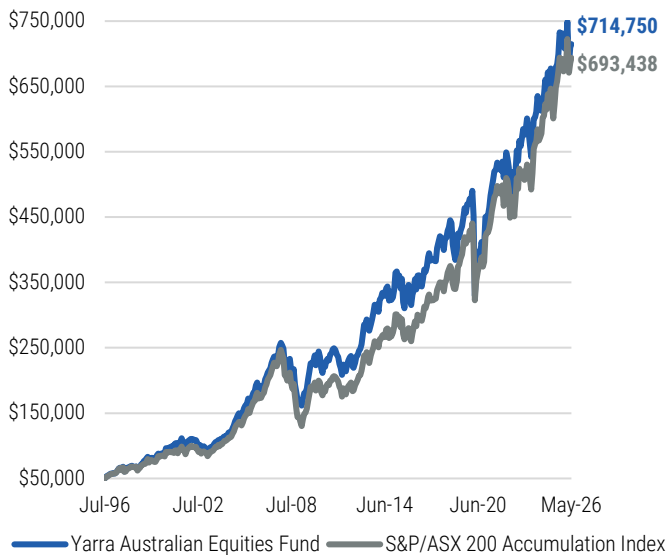
The Growth Return is measured by the movement in the Fund's unit price (inclusive of fees), ex-distribution, and can be positive or negative as the unit price can fluctuate with changes in the underlying market value of the Fund's assets. The Distribution Return is the amount that is paid to unitholders 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 companies listed on the Australian Securities Exchange. In doing so, the aim is to outperform the S&P/ASX 200 Accumulation Index over rolling 3-year periods.	
Recommended investment time frame	5 - 7 + years	
Fund inception	July 1996	
Fund size	A\$138.3 mn as at 31 May 2026	
APIR code	JBW0009AU	
Estimated management cost	0.90% p.a.	
Buy/sell spread	+/- 0.15%	
Platform availability	Asgard Ausmaq BT Panorama BT Super Wrap FirstWrap GrowWrap	Hub24 IOOF Pursuit Macquarie Wrap Netwealth Oasis Powerwrap

Investment performance comparison of \$50,000

After fees, since inception of the Yarra Australian Equities Fund, July 1996 to May 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 S&P/ASX 200 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. Note that the minimum initial investment amount for the Yarra Australian Equities Fund is \$10,000.

Applications and contacts

Investment into the Yarra Australian Equities Fund can be made by Australian and New Zealand resident investors only.

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