

Yarra Emerging Leaders 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 Emerging Leaders Fund	5.58	-2.59	11.38	9.43	8.00	8.04	10.95
Emerging Leaders Combined Benchmark†	1.87	-6.13	8.34	10.10	5.84	8.62	7.31
Excess return (before fees)‡	3.71	3.53	3.04	-0.67	2.16	-0.57	3.64

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 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 Emerging Leaders Fund	5.47	-2.90	10.01	8.08	6.67	6.71	9.64
Emerging Leaders Combined Benchmark†	1.87	-6.13	8.34	10.10	5.84	8.62	7.31
Excess return (after fees)‡	3.60	3.23	1.66	-2.02	0.83	-1.91	2.34

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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 rose modestly during the month of May.

The Emerging Leaders Benchmark returned +1.9% for the month, taking its 12-month return to +8.4%. The broader S&P/ASX 300 Accumulation Index returned +1.2%, whilst globally, the MSCI World Index delivered +4.8% for the month.

Materials (+6.6%) was the largest contributor on commodity price strength, supported by strong gains in Mineral Resources (MIN, +15.3%), IGO (IGO, +28.9%), Sandfire Resources (SFR, +20.4%) and Capricorn Metals (CMM, +24.5%), while Regis Resources (RRL, -11.6%) and Predictive Discovery (PDI, -20.0%) detracted.

Industrials (+7.2%) also contributed strongly, driven by ALS (ALQ, +10.9%), Ventia Services Group (VNT, +17.2%) and NRW Holdings (NWH, +24.7%).

Information Technology (+8.9%) added meaningfully, with significant gains in Megaport (MP1, +69.4%), Weebit Nano (WBT, +70.6%) and NextDC (NXT, +7.0%), partially offset by declines in Gentrack Group (GTK, -38.6%). Megaport rose following significant contract wins.

Communication Services (-8.6%) was the largest detractor, driven by sharp declines in Tuas (TUA, -65.0%), REA Group (REA, -12.3%) and Seek (SEK, -10.3%).

Consumer Staples (-7.9%) fell, impacted by a2 Milk (A2M, -24.2%), GrainCorp (GNC, -20.2%) and Elders (ELD, -19.7%).

Consumer Discretionary (-4.4%) declined, reflecting weakness in Tabcorp Holdings (TAH, -31.6%) and IDP Education (IEL, -32.2%) while Flight Centre Travel Group (FLT, +7.3%) and Domino's Pizza Enterprises (DMP, +9.2%) rose.

Energy (-4.1%) weakened, driven by declines in Viva Energy (VEA, -13.8%), Karoon Energy (KAR, -10.7%) and Beach Energy (BPT, -8.1%).

Real Estate (-1.9%) detracted, with declines in Dexis (DXS, -10.0%), Lendlease Group (LLC, -18.8%) and PEXA Group (PXA, -14.7%), partially offset by gains in Centuria Capital Group (CNI, +16.0%).

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

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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.

Megaport (MP1, overweight) – the global compute and software defined network provider outperformed during the period supported by continued new customer additions. The global compute division won a number of new large clients (total contract value \$289m) during the period supported by increasing AI-driven demand. We remain positive on the outlook for MP1 across both the global compute and software defined networks, with strong market growth from AI as well as cloud and improving market share supported by new products and an enhanced go to market strategy.

Sandfire Resources (SFR, overweight) – the pure play copper producer outperformed as copper prices increased by 6% during the month. We continue to favour SFR as the best exposure to copper on the ASX, a commodity we like given declining and increasingly expensive supply and its demand leverage to electrification as a key material in batteries and electric motors.

Key Detractors

Seek (SEK, overweight) – SEK weakened during the period around fears of AI displacement of online job classifieds, AI-induced structural weakness in labour markets and a cyclical downturn in volumes following the collapse in consumer and business sentiment post the Iran war. Whilst we do see cyclical risk to FY27 estimates, we believe structural fears are overplayed and view the implied multiple for the base business of 13 times FY27 earnings (after backing out a discounted valuation of the Seek Growth Fund) as highly attractive.

Netwealth (NWL, overweight) – the leading independent wealth management platform underperformed during the month on limited news flow. NWL has seen consistently strong flows, which we expect to continue given their market leading position (along with HUB24) and continued investment in new products. Whilst NWL's headline multiple of 36 times FY27 earnings is relatively high, the high visibility on revenue and revenue growth will see this multiple collapse quickly whilst generating strong free cash flows.

Mineral Resources (MIN, underweight) – our underweight position in the diversified miner and contractor MIN was a source of underperformance in May. While both lithium and iron ore prices eased during the month, both commodities remain at elevated levels. Additionally balance sheet gearing levels remain high relative to peers.

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 Financials, Communication Services and Consumer Discretionary sectors, and are underweight Industrials, Energy and Real Estate.

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	7.81	4.32	3.49
Consumer Discretionary	8.75	6.37	2.38
Consumer Staples	4.03	3.72	0.32
Energy	0.00	6.06	-6.06
Financials	15.72	10.95	4.77
Health Care	7.41	5.33	2.08
Industrials	8.99	16.06	-7.08
Information Technology	7.93	7.14	0.79
Materials	30.59	29.17	1.43
Real Estate	7.92	10.10	-2.18
Utilities	0.00	0.79	-0.79

Top 3 holdings

	Portfolio %	Benchmark %	Active %
NextDC	5.89	1.79	4.10
Sandfire Resources	4.50	1.40	3.10
Sims	4.26	0.72	3.54

Key active positions

Overweights	Portfolio %	Benchmark %	Active %
NextDC	5.89	1.79	4.10
Evolution Mining	3.79	0.00	3.79
Sims	4.26	0.72	3.54
Underweights			
Mineral Resources	0.00	1.99	-1.99
ALS	0.00	1.85	-1.85
Vicinity Centres	0.00	1.53	-1.53

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	5.75	4.05	1.11	3.01
Distribution return	4.25	4.02	5.56	3.70

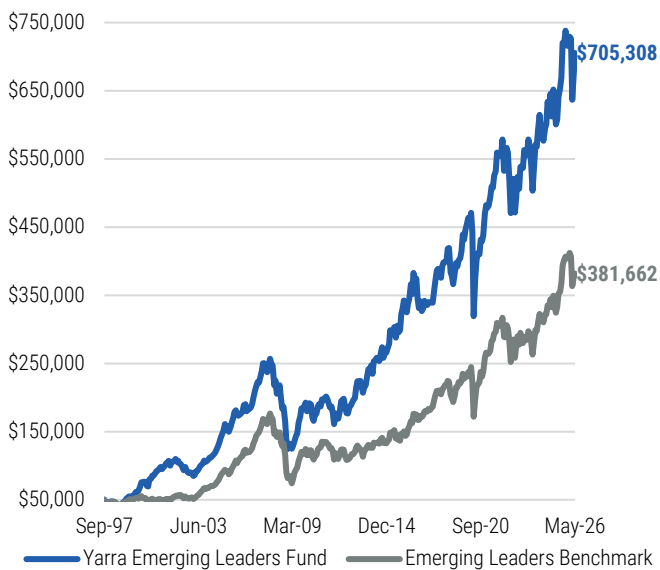
The Growth Return is measured by the movement in the Fund's unit price (inclusive of fees), ex-distribution, and can be positive or negative as the unit price can fluctuate with changes in the underlying market value of the Fund's assets. The Distribution Return is the amount that is paid to unitholders 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\$112.7 mn as at 31 May 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 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 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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