Yarra Global Small Companies Fund

17 JULY 2026

4 Recommended

Genium

APIR Code/ASX Ticker	JBW0103AU	Inception Date	25/02/2016
Asset Class	Global Equities	Strategy FUM (AUD)	$6 Bn
Sub-Asset Class	Mid/Small-Cap	Fund FUM (AUD)	$1.1 Bn
Manager Benchmark	MSCI World Small Cap Index	Fee	1.25%

Key Things You Need To Know

- Underlying manager is Goldman Sachs Asset Management, they have a strong record in this systematic approach
- Four key pillars/factors: Quality, Mispricing, Sentiment and Themes & Trends
- Extensive signal research, deep staff resources and access to different data sets are key underpinnings to the approach
- Very high stock turnover
- Strong ouperformance since 2020 is well above expectations

Role in Portfolio

As the fund invests in global small caps it would form a small part of an overall global equity portfolio.

Risks

- Significant FUM growth may inhibit ability to replicate outperformance
- Systematic investing may lead to crowded trades, unwinding can hurt
- Tax ineffiency as high turnover

Asset Management Firm
Goldman Sachs Asset Management

Portfolio Manager/s
Osman Ali, Dennis Walsh, Len Ioffe & Nellie Bronner

Number of Holdings
Generally 350 - 750

Turnover
100% to 200%

Analyst
Justin Walsh

Head of Research
Tim Murphy, CFA, CAIA

Genium's View

The Yarra Global Small Companies Fund is managed by Goldman Sachs Asset Management's Quantitative Investment Strategies' team who have managed this strategy on Yarra Capital's behalf for more than a decade. The fund is a fine option for investors seeking risk-controlled investing in global small cap companies.

Goldman Sachs' New York based quant team manages over US$150 billion and is led by experienced investors Osman Ali and Dennis Walsh. The team comprises more than 90 investment staff including around 30 dedicated to research and has access to a significant number of data sets. Part of Goldman Sachs Asset Management, the team currently a manage over A$6 billion in global small caps. It is notable that the fund's FUM in small caps has risen considerably in recent years and while not a concern at this stage bears monitoring. That said the firm has noted that they have soft closed the strategy in the past which is reassuring.

The quantitative approach is built on four investment pillars: High Quality Business Models, Fundamental Mispricing, Sentiment Analysis plus Themes and Trends. Underlying this are approximately 100 individual signals. In many ways this is a classic quantitative framework with quality, valuation and momentum as the core elements. The firm differentiates itself through access to difficult to obtain data sets, including granular credit card sales data typically available only to sophisticated investors and in a more sophisticated approach to the use of data and momentum in their signals.One of the risks in quantitative investing is that of crowded trades, where many quantitative managers hold similar positions. If those stocks underperform, this can lead to widespread losses across portfolios of a similar magnitude. Goldman Sachs addresses this challenge in two ways: by accessing difficult to obtain and underutilised data sources to generate differentiated signals, and by ensuring its signals do not rely solely on standard momentum factors. We think these steps are a sensible approach to manage this risk.

After periods of underperformance in 2018 and 2020 the fund has rebounded strongly since 2021. The level of outperformance over the medium term has been significant, above what we would expect for this strategy especially as all four of the investment pillars have each added significant value over the medium term. Given this there is a risk that the fund's performance may mean revert. That said, we believe that Goldman Sachs disciplined risk control approach is a sensible way to manage this; country limits of +/-3%, sector limits of +/- 2% and stock limits of +2% for overweights and -2% for underweights relative to the benchmark, which is the MSCI World Small Cap Index. Further, a modest tracking error and extensive signal research provide comfort their investment success is repeatable. Added to this, the portfolio is well diversified, typically holding over 600 stocks. While the rigour of the investment approach is compelling, the fee of 1.25% is relatively high. However, unlike a number of fundamental peers, the fund does not have a performance fee. Overall, the fund is an attractive option for quantitative global small cap exposure.

ESG

Genium ESG Assessment Aware

Goldman Sachs takes into account ESG factors across four areas: security analysis, climate (emissions both current and estimated future emissions), governance (violation of UN Global Compact Principles and OECD guidelines) and the outcomes from their Global Stewardship team. An ESG rating of Aware is appropriate.

Trailing Performance

	Fund	Manager Benchmark
1 Year	26.92%	23.11%
3 Years pa	20.86%	16.04%
5 Years pa	13.61%	9.20%
10 Years pa	13.61%	11.66%

Source: Manager, net of fees. As at 30/06/2026

Performance Consistency

Up Market Capture	103.79%
Down Market Capture	94.97%
Success Rate	56.45%

Source: Manager, net of fees. Since inception as at 30/06/2026

Risk

	Fund	Manager Benchmark
3yr StdDev	12.50%	12.57%
Max Drawdown	-24.05%	-21.32%
Bear Mkt Correlation	0.95	-

Source: Manager, net of fees. Since inception as at 30/06/2026

Associated Funds

APIR/ASX codes

-	-
-	-

Process

Goldman Sachs ranks companies that look most attractive across four investment pillars. High Quality Business Models, takes into account revenue growth prospects, efficient capital deployment and stable operations and management. Fundamental Mispricing looks at cross-sectional valuation, changes in valuation and industry valuation. Sentimental Analysis takes into account buy side sentiment, sell side sentiment and management sentiment. The fourth pillar, Themes and Trends incorporates company and industry trends, related company trends and proprietary global linkages. Underlining these four pillars are around 100 signals. The model is generally updated twice a year. In portfolio construction the model output is optimised with the expected alpha adjusted by risk and transaction costs. The following limits apply: country limits of +/-3%, sector limits of +/- 2% and stock limits of +2% for overweights and -2% for underweights relative to the benchmark. The portfolio will typically hold over 600 stocks.

People

The Goldman Sachs Asset Management Quantitative Investment Strategies team is led by co-heads Osman Ali and Dennis Walsh. Both have been with the firm for well over a decade. Len Ioffe and Nellie Bronner lead the portfolio construction team of eight. Together these four individuals have worked together since 2009. There are more than 90 people in the team with 30 dedicated to investment research.

Parent

Goldman Sachs Asset Management's Quantitative Investment Strategy team has A$173 Bn in assets under management as at 31 December 2025 with over US$90Bn of this in Equity Alpha long only strategies. The firm currently manages $A6 billion in global small cap strategies as at 31 March 2026.

Performance

	2021	2022	2023	2024	2025
Fund	28.30%	-10.09%	17.80%	26.89%	18.18%
Manager Benchmark	22.86%	-12.90%	15.05%	19.19%	11.30%

Source: Manager, net of fees

Goldman Sach Asset Management's quantitative team began managing the fund in February 2016, since that time the fund has outperformed its benchmark, the MSCI Global Small Cap Index. Over the last 5 years to 31 May 2026 the fund has outperformed the benchmark by 4.50%. Over the last five years, and indeed since inception, the four stock selection pillars - High-Quality Business Models, Fundamental Mispricing, Sentiment Analysis and Themes & Trends - have all positively contributed. In the five years to 31 May 2026 each pillar has contributed (on a gross basis) more than 100bps of outperformance.

Price

The fund charges a fee of 1.25% which is relatively high, albeit there is no performance fee.

Other disclosures, disclaimers and certificates

Research Ratings Definitions

Genium recommends securities as follows:

Highly Recommended - Genium has the highest conviction that the strategy can meet its stated investment objective and exceed its relevant peer group. The strategy has identifiable competitive advantages across most of Genium's assessment criteria.

Recommended - Genium believes the strategy can meet its stated investment objective and exceed its relevant peer group. The strategy has identifiable competitive advantages across several of Genium's assessment criteria.

Investment Grade - Genium believes the strategy can meet its investment objective and match its relevant peer group. The strategy has some identifiable competitive advantages across Genium's assessment criteria, but also some areas for improvement.

Hold - The strategy rating is suspended for a temporary period (up to 12 months) while material changes to the strategy are considered and assessed by Genium. No new investment is advised during this time.

Sell - Genium believes the strategy has significant flaws that may prevent it from meeting its investment objective and matching its relevant peer group. Investors should consider alternative strategies in the sector.

ESG Assessment Definitions

Genium recommends securities as follows:

Leader - ESG factors are a dedicated focus of the investment process, and this can include Impact and ESG thematic strategies. Genium identifies ESG influence as a dominant factor on the portfolio.

Integrated - ESG factors are a discernible input to the investment process. Genium identifies clearly measurable ESG influence on the portfolio.

Aware - The strategy takes consideration of ESG factors in its process, but they aren't a major part of the investment approach. In Genium's assessment they don't alter the end portfolio in a meaningful way.

Low - The strategy has little or no regard for ESG factors.

General disclosures

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