2026
ANNUAL REPORT

Yarra Australian Bond Fund
Yarra Higher Income Fund
Yarra Hybrid Successor Fund

YARRA
CAPITAL MANAGEMENT

Yarra Australian Bond Fund
(ARSN 098 736 255)

Yarra Higher Income Fund
(ARSN 628 168 061)

Yarra Hybrid Successor Fund
(ARSN 687 602 311)

Annual financial reports - 30 June 2026

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Directors’ report

The directors of Yarra Funds Management Limited (ABN: 63 005 885 567; AFSL: 230251), the responsible entity (“Responsible Entity”) of the managed investment schemes (the "Schemes") listed below, present their report together with the annual financial reports of the Schemes for the year/period ended 30 June 2026.

	ARSN	**Year/period**
Yarra Australian Bond Fund	098 736 255	30 June 2026
Yarra Higher Income Fund	628 168 061	30 June 2026
Yarra Hybrid Successor Fund	687 602 311	22 July to 30 June 2026

Principal activities

The Schemes invest in the range of securities as follows:

- Yarra Australian Bond Fund maintains its investments in a range of predominantly investment grade fixed income securities, cash and short term securities. It may also invest in international fixed income securities within the allocation allowed in the Constitution and Product Disclosure Statement. The Scheme can utilise derivative financial instruments, such as futures contracts, to gain or reduce market exposure.

- Yarra Higher Income Fund maintains its investments in a diversified pool of credit, blending investment grade, high yield and less liquid assets across multiple credit types and currencies. The Scheme can utilise derivative financial instruments, such as futures contracts, to gain or reduce market exposure.

- Yarra Hybrid Successor Fund invests in a range of high yielding fixed income securities which include floating and fixed rate notes, corporate bonds, government and semis government securities, structured/subordinated debts, cash and asset back securities. The Scheme can utilise derivative financial instruments to manage exposure to certain risks (including but not limited to interest rate, credit and currency risk).

The purpose of Yarra Higher Income Fund over the medium-to-long term, is to earn higher returns than traditional fixed income by investing in a highly diversified floating rate portfolio of predominantly Australian and New Zealand domiciled credit as per the governing documents of the Scheme.

The purpose of the Yarra Australian Bond Fund is to provide unitholders an income with some potential for capital growth over the long term by investing in a selection of investment grade Australian fixed income securities.

The purpose of the Yarra Hybrid Successor Fund is to offer exposure to a portfolio that seeks to emulate the assets on a bank balance sheet while targeting the risk and return characteristics of hybrid securities.

There were no significant changes in the nature of the Schemes’ activities during the year.

The Schemes did not have any employees during the year.

Directors' report (continued)

Directors

The following persons held office as directors of Yarra Funds Management Limited during the year or since the end of the year and up to the date of this report:

Priscilla Boreham
Roy Keenan
Jennifer Horrigan
Naomi Edwards
Edward Eason

Review and results of operations

There have been no significant changes to the operations of the Schemes since the previous financial year.

During the year, the Schemes continued to invest in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The performance of the Schemes, as represented by the results of their operations, are as follows:

Results

	Yarra Australian Bond Fund		**Yarra Higher Income Fund**		**Yarra Hybrid Successor Fund**
	Year ended		**Year ended**		**Period from 22 July to**
	30 June 2026 $'000	30 June 2025 $'000	**30 June 2026 $'000**	30 June 2025 $'000	**30 June 2026 $'000**
Operating profit/(loss)	**8,484**	30,263	**17,178**	11,700	**10,709**
Distributions paid and payable	**16,820**	13,554	**19,073**	10,159	**12,577**
Distributions - cents per unit (CPU)	**3.5999**	3.3700	**5.5611**	6.4935	**4.9311**

Directors' report (continued)

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Schemes that occurred during the year ended 30 June 2026.

Combining registered scheme financial reports

The Schemes are of a kind referred to in the *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* issued by the Australian Securities and Investments Commission. This ASIC Corporations Instrument enables the Responsible Entity to combine the financial reports for the Schemes in adjacent columns in a single financial report. Amounts have been combined in the financial reports and the directors' report in accordance with this ASIC Corporations Instrument.

Matters subsequent to the end of the year

No matter or circumstance has arisen since 30 June 2026, that has significantly affected or may significantly affect:

(i) the operations of the Schemes in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Schemes in future financial years.

Likely developments and expected results of operations

The Schemes will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The results of the Schemes' operations will be affected by a number of factors, including the performance of investment markets in which the Schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of the Responsible Entity, directors and auditors

No insurance premiums are paid for out of the assets of the Schemes in regard to insurance cover provided to the Responsible Entity, directors or the auditors of the Schemes. As long as the Responsible Entity acts in accordance with the Schemes' Constitutions and the Law, the Responsible Entity remains fully indemnified out of the assets of the Schemes against losses incurred while acting on behalf of the Schemes. The auditors of the Schemes are in no way indemnified out of the assets of the Schemes.

Directors' report (continued)

Fees paid to and interests held in the Schemes by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Schemes property during the year are disclosed in note 11.

No fees were paid out of Schemes property to the directors of the Responsible Entity during the year.

The interests in the Schemes held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 11.

Environmental regulation

The operations of the Schemes are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding

The Schemes are of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* issued by the Australian Securities and Investments Commission relating to the "rounding" of amounts in the directors' report and financial reports. Amounts in the directors' report and financial reports for the Schemes have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise stated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on pages 6 to 7.

This report is made in accordance with a resolution of the directors.

Edward Eason
Director

Melbourne
14 September 2026

Deloitte Touche Tohmatsu
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477 Collins Street
Melbourne VIC 3000
Australia
Tel: +61 3 9671 7000
www.deloitte.com.au

14 September 2026

The Board of Directors
Yarra Funds Management Limited as Responsible Entity for:
Yarra Higher Income Fund;
Yarra Hybrid Successor Fund; and
Yarra Australian Bond Fund
Level 19, 101 Collins Street
Melbourne VIC 3000

Dear Directors,

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Yarra Funds Management Limited, the Responsible Entity, regarding the financial reports for Yarra Higher Income Fund, Yarra Hybrid Successor Fund and Yarra Australian Bond Fund.

As lead audit partner for the audit of the financial reports of Yarra Higher Income Fund, Yarra Hybrid Successor Fund and Yarra Australian Bond Fund for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audits; and
(ii) any applicable code of professional conduct in relation to the audits.

Deloitte.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Adam Kuziow
Partner
Chartered Accountants

Statements of comprehensive income

	Notes	Yarra Australian Bond Fund		Yarra Higher Income Fund		Yarra Hybrid Successor Fund
		Year ended		Year ended		Period from 22 July to
		30 June 2026 $'000	30 June 2025 $'000	**30 June 2026 $'000**	30 June 2025 $'000	**30 June 2026 $'000**
Investment income						
Interest income		**103**	109	**714**	310	**765**
Income from financial instruments	10	**17,344**	16,386	**16,679**	8,936	**10,537**
Other income		**–**	–	**158**	20	**22**
Net gains/(losses) on financial instruments		**(7,451)**	15,170	**1,651**	3,371	**506**
Net gains/(losses) on foreign exchange		**11**	(13)	**8**	38	**22**
Total net investment income/(loss)		**10,007**	31,652	**19,210**	12,675	**11,852**
Expenses						
Responsible Entity's fees	11	**1,331**	1,163	**2,003**	960	**1,115**
Transaction costs		**192**	222	**21**	15	**18**
Other expenses		**–**	4	**8**	–	**10**
Total expenses		**1,523**	1,389	**2,032**	975	**1,143**
Operating profit/(loss)		**8,484**	30,263	**17,178**	11,700	**10,709**
Profit/(loss) for the year/period		**8,484**	30,263	**17,178**	11,700	**10,709**
Other comprehensive income for the year/period		**–**	–	**–**	–	**–**
Total comprehensive income/(loss) for the year/period		**8,484**	30,263	**17,178**	11,700	**10,709**

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position

	Notes	Yarra Australian Bond Fund		Yarra Higher Income Fund		Yarra Hybrid Successor Fund
		As at		As at		As at
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025	**30 June 2026**
		$'000	$'000	**$'000**	$'000	**$'000**
Assets						
Cash and cash equivalents		**9,476**	2,182	**27,064**	9,879	**5,240**
Applications receivable		**327**	695	**1,981**	246	**–**
Receivables		**217**	196	**378**	137	**173**
Margin accounts		**2,187**	994	**1,840**	126	**1,404**
Financial assets at fair value through profit or loss	8	**505,707**	403,373	**441,551**	182,820	**272,465**
Total assets		**517,914**	407,440	**472,814**	193,208	**279,282**
Liabilities						
Distributions payable	4	**4,232**	2,846	**4,994**	1,209	**2,467**
Redemptions payable		**459**	734	**1,938**	765	**–**
Payables		**14,022**	294	**662**	279	**332**
Margin accounts		**–**	–	**250**	–	**–**
Financial liabilities held at fair value through profit or loss	8	**1,450**	591	**1,765**	300	**1,324**
Total liabilities		**20,163**	4,465	**9,609**	2,553	**4,123**
Net assets attributable to unitholders - equity	3	**497,751**	402,975	**463,205**	190,655	**275,159**

The above statements of financial position should be read in conjunction with the accompanying notes.

Statements of changes in equity

	Notes	Yarra Australian Bond Fund		Yarra Higher Income Fund		Yarra Hybrid Successor Fund
		Year ended		Year ended		Period from 22 July to
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025	**30 June 2026**
		$'000	$'000	**$'000**	$'000	**$'000**
Total equity at the beginning of the year/period		**402,975**	353,718	**190,655**	77,812	**–**
Comprehensive income/(loss) for the year/period						
Profit/(loss) for the year		**8,484**	30,263	**17,178**	11,700	**10,709**
Other comprehensive income		**–**	–	**–**	–	**–**
Total comprehensive income/(loss) for the year/period		**8,484**	30,263	**17,178**	11,700	**10,709**
Transactions with unitholders						
Applications	3	**188,036**	119,849	**328,907**	132,455	**278,314**
Redemptions	3	**(85,726)**	(87,756)	**(55,158)**	(22,014)	**(1,415)**
Units issued upon reinvestment of distributions	3	**802**	455	**696**	861	**128**
Distributions paid and payable	3	**(16,820)**	(13,554)	**(19,073)**	(10,159)	**(12,577)**
Total transactions with unitholders		**86,292**	18,994	**255,372**	101,143	**264,450**
Total equity at the end of the year/period		**497,751**	402,975	**463,205**	190,655	**275,159**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of cash flows

	Notes	Yarra Australian Bond Fund		Yarra Higher Income Fund		Yarra Hybrid Successor Fund
		Year ended		Year ended		Period from 22 July to
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025	**30 June 2026**
		$'000	$'000	**$'000**	$'000	**$'000**
Cash flows from operating activities						
Proceeds from sale of financial instruments		**590,121**	464,791	**102,202**	54,438	**142,017**
Purchase of financial instruments		**(686,514)**	(499,398)	**(358,930)**	(158,793)	**(413,908)**
Interest received		**100**	143	**631**	295	**744**
Income from financial instruments		**17,093**	16,220	**16,235**	8,727	**10,240**
Other income received		**–**	–	**41**	5	**22**
Payment of expenses		**(1,277)**	(1,287)	**(1,645)**	(817)	**(816)**
Net cash inflow/(outflow) from operating activities	5	**(80,477)**	(19,531)	**(241,466)**	(96,145)	**(261,701)**
Cash flows from financing activities						
Proceeds from applications by unitholders		**188,404**	120,044	**327,172**	132,332	**278,314**
Payments for redemptions by unitholders		**(86,001)**	(87,707)	**(53,985)**	(21,405)	**(1,415)**
Distributions paid		**(14,632)**	(12,118)	**(14,592)**	(8,411)	**(9,982)**
Net cash inflow/(outflow) from financing activities		**87,771**	20,219	**258,595**	102,516	**266,917**
Net increase/(decrease) in cash and cash equivalents		**7,294**	688	**17,129**	6,371	**5,216**
Cash and cash equivalents at the beginning of the year/period		**2,182**	1,494	**9,879**	3,519	**–**
Effects on exchange rate on cash		**–**	–	**56**	(11)	**24**
Cash and cash equivalents at the end of the year/period		**9,476**	2,182	**27,064**	9,879	**5,240**
Non-cash operating and financing activities	5	**1,040**	603	**1,116**	1,048	**296**

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 General information

The annual financial reports cover the following schemes ("the Schemes") as individual entities, each constituted pursuant to the separate Constitutions and limited to a period as detailed in the Constitutions unless terminated earlier under the provisions of their Constitutions:

Schemes	Date of Constitution	Date of Expiry
Yarra Australian Bond Fund	27 June 2000	26 June 2080
Yarra Higher Income Fund	25 October 2018	24 October 2098
Yarra Hybrid Successor Fund	11 June 2025	10 June 2105

Yarra Hybrid Successor Fund commenced on 22 July 2025 when the first units were issued. Hence there are no prior period comparatives.

The Responsible Entity of the Schemes is Yarra Funds Management Limited. The Responsible Entity's registered office is Level 19, 101 Collins Street, Melbourne VIC 3000.

The annual financial reports were authorised for issue by the directors on 14 September 2026. The directors of the Responsible Entity have the power to amend and reissue the annual financial reports.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these annual financial reports are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose annual financial reports have been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Schemes are for-profit unit trusts for the purpose of preparing the annual financial reports.

The annual financial reports were prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value through profit or loss and net assets attributable to unitholders. The Schemes manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date. In the case of net assets attributable to unitholders, the units are redeemable on demand at the unitholder’s option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

Compliance with International Financial Reporting Standards

The annual financial reports of the Schemes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of material accounting policies (continued)

(b) Investment entity

The Schemes meet the definition of an investment entity as set out in AASB 10 *Consolidated Financial Statements*. The Schemes obtain funds from their unitholders for the purpose of providing investment management services to the unitholders and generating returns through a combination of capital appreciation and investment income. As the Schemes' meet the definition of an investment entity, they measure and evaluate the performance of their investments at fair value through profit or loss, as outlined in note 8.

The typical characteristics of an investment entity include:

- having more than one investment;
- having more than one investor;
- having investors that are, materially, not related parties of the Schemes; and
- having ownership interests in the form of equity or similar interests.

The Schemes fulfil all of the typical characteristics of an investment entity. Accordingly, the Responsible Entity considers the Schemes to satisfy the definition of an investment entity.

(c) Income from financial instruments

The Schemes generate income from their financial assets held at fair value through profit or loss, as follows:

Interest income is recognised on a time apportioned basis using the effective interest method. It mainly includes interest income from floating rate and on fixed income securities at fair value through profit or loss.

Dividend income is earned from the investments that the Schemes hold in preference shares and is recognised on the ex-dividend date. Where dividend income earned is subject to withholding tax, a separate expense is recognised, with dividend income recognised on a gross basis within the statements of comprehensive income.

Trust distribution income is earned from investments that the Schemes hold in unlisted unit trusts and is recognised on an entitlements basis as and when declared by the underlying investments.

(d) Use of judgements and estimates

The preparation of the financial reports in conformity with Australian Accounting Standards requires the Responsible Entity to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the judgements and estimates made and assumptions applied.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 Summary of material accounting policies (continued)

(d) Use of judgements and estimates (continued)

In the process of preparing the financial reports of the Schemes and in the application of the Schemes' accounting policies, the Responsible Entity is of the opinion that there are no areas of significant estimation uncertainty or material judgement that have been exercised and are expected to have a significant effect on the amounts recognised within the financial reports.

(e) Income tax

Under current legislation, the Schemes are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

The benefit of imputation credits and foreign tax paid is passed on to unitholders.

(f) New accounting standards and interpretations

(i) New and amended standards adopted by the Scheme

A number of new accounting standards, amendments to accounting standards and interpretations have been published that are effective for annual periods beginning after 1 July 2025. These standards, amendments or interpretations will not have a material impact on the Schemes in the current or future reporting periods and on foreseeable future transactions.

(ii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2026 and have not been early adopted in preparing these annual financial reports. These new standards, amendments to standards and interpretations are not expected to have a material impact on the future annual financial reports of the Schemes, but in the case of AASB 18 *Presentation and Disclosure in Financial Statements*, will affect the presentation of information within the annual financial reports.

(g) Rounding

The Schemes are of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* issued by the Australian Securities and Investments Commission relating to the "rounding" of amounts in the directors' report and financial reports. Amounts in the directors' report and financial reports for the Schemes have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise stated.

(h) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Net assets attributable to unitholders

The units in the Schemes represent puttable financial instruments and are redeemable at the unitholders' option. The units can be put back to the Schemes at any time for cash based on the redemption price, which is equal to a proportionate share of the Schemes' net asset value attributable to unitholders.

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual share in the Schemes and does not extend to a right to the underlying assets of the Schemes. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Schemes.

The units are carried at the redemption amount that is payable at the statements of financial position date if the unitholder exercises the right to put the unit back to the Schemes. This amount represents the expected cash flows on redemption of these units.

Movements in the number of units and net assets attributable to unitholders during the year/period were as follows:

	Yarra Australian Bond Fund				**Yarra Higher Income Fund**			
	As at				**As at**			
	30 June 2026 No. of units (000)	30 June 2025 No. of units (000)	**30 June 2026 $'000**	30 June 2025 $'000	**30 June 2026 No. of units (000)**	30 June 2025 No. of units (000)	**30 June 2026 $'000**	30 June 2025 $'000
Opening balance	**406,593**	372,962	**402,975**	353,718	**193,928**	80,463	**190,655**	77,812
Applications	**191,973**	123,404	**188,036**	119,849	**331,769**	135,006	**328,907**	132,455
Redemptions	**(87,760)**	(90,244)	**(85,726)**	(87,756)	**(55,811)**	(22,419)	**(55,158)**	(22,014)
Units issued upon reinvestment of distributions	**827**	471	**802**	455	**704**	878	**696**	861
Distributions paid and payable	**–**	–	**(16,820)**	(13,554)	**–**	–	**(19,073)**	(10,159)
Profit/(loss) for the year	**–**	–	**8,484**	30,263	**–**	–	**17,178**	11,700
Closing balance	**511,633**	406,593	**497,751**	402,975	**470,590**	193,928	**463,205**	190,655

3 Net assets attributable to unitholders (continued)

	Yarra Hybrid Successor Fund	
	As at	
	30 June 2026 No. of units (000)	30 June 2026 $'000
Opening balance	–	–
Applications	278,096	278,314
Redemptions	(1,420)	(1,415)
Units issued upon reinvestment of distributions	128	128
Distributions paid and payable	–	(12,577)
Profit/(loss) for the year	–	10,709
Closing balance	276,804	275,159

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. In accordance with AASB 132, the units in the Schemes are classified as equity as they meet all the required features and conditions therein. Throughout the course of the current and the prior financial year the units of the Schemes satisfied all of the requirements of AASB 132 and consequently net assets attributable to unitholders are classified as equity in both periods.

4 Distributions to unitholders

The distributions paid and payable for the year/period were as follows:

	Yarra Australian Bond Fund				**Yarra Higher Income Fund**			
	Year ended				**Year ended**			
	30 June 2026 $'000	**30 June 2026 CPU**	30 June 2025 $'000	30 June 2025 CPU	**30 June 2026 $'000**	**30 June 2026 CPU**	30 June 2025 $'000	30 June 2025 CPU
Distribution paid – July	**–**	**–**	–	–	**823**	**0.4000**	472	0.4000
Distribution paid – August	**–**	**–**	–	–	**890**	**0.4000**	644	0.5000
Distribution paid – September	**4,239**	**1.0027**	3,298	0.8400	**964**	**0.4000**	737	0.5500
Distribution paid – October	**–**	**–**	–	–	**1,105**	**0.4000**	779	0.5500
Distribution paid – November	**–**	**–**	–	–	**1,184**	**0.4000**	909	0.6000
Distribution paid – December	**4,838**	**1.0400**	4,265	1.0600	**1,254**	**0.4000**	939	0.6000
Distribution paid – January	**–**	**–**	–	–	**1,309**	**0.4000**	805	0.5000
Distribution paid – February	**–**	**–**	–	–	**1,367**	**0.4000**	822	0.5000
Distribution paid – March	**3,511**	**0.7300**	3,145	0.7700	**1,520**	**0.4000**	887	0.5500
Distribution paid – April	**–**	**–**	–	–	**1,540**	**0.4000**	921	0.5500
Distribution paid – May	**–**	**–**	–	–	**2,123**	**0.5000**	1,035	0.5700
Distribution payable - June	**4,232**	**0.8272**	2,846	0.7000	**4,994**	**1.0611**	1,209	0.6235
	16,820	**3.5999**	13,554	3.3700	**19,073**	**5.5611**	10,159	6.4935

4 Distributions to unitholders (continued)

	Yarra Hybrid Successor Fund	
	Period from 22 July to 30 June 2026 $'000	22 July to 30 June 2026 CPU
Distribution paid – July	–	–
Distribution paid – August	241	0.1200
Distribution paid – September	524	0.2500
Distribution paid – October	919	0.4000
Distribution paid – November	1,133	0.4500
Distribution paid – December	1,136	0.4500
Distribution paid – January	1,141	0.4500
Distribution paid – February	1,151	0.4500
Distribution paid – March	1,254	0.4900
Distribution paid – April	1,229	0.4800
Distribution paid – May	1,382	0.5000
Distribution payable - June	2,467	0.8911
	12,577	4.9311

In accordance with the Schemes' Constitutions, the Schemes distribute their distributable income, adjusted for amounts determined by the Responsible Entity in accordance with the Schemes' Constitutions, to unitholders in the form of cash or via the issuance of units upon a reinvestment of distributions. The Schemes' distributions are classified as distributions paid and payable in the statements of changes in equity. Distributions paid are included in cash flows from financing activities in the statements of cash flows.

5 Notes to the statements of cash flows

	Yarra Australian Bond Fund		Yarra Higher Income Fund		Yarra Hybrid Successor Fund
	Year ended		Year ended		Period from 22 July to
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025	**30 June 2026**
	$'000	$'000	**$'000**	$'000	**$'000**
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities					
Profit/(loss) for the year	**8,484**	30,263	**17,178**	11,700	**10,709**
Proceeds from sale of financial instruments	**590,121**	464,791	**102,202**	54,438	**142,017**
Purchase of financial instruments	**(686,514)**	(499,398)	**(358,930)**	(158,793)	**(413,908)**
Net (gains)/losses on financial instruments	**7,451**	(15,170)	**(1,651)**	(3,371)	**(506)**
Net (gains)/losses on foreign exchange	**(11)**	13	**(8)**	(38)	**(22)**
Transaction costs	**192**	222	**21**	15	**18**
Trust distributions reinvested	**(238)**	(148)	**(420)**	(187)	**(168)**
Net change in receivables	**(21)**	(143)	**(241)**	(65)	**(173)**
Net change in payables	**59**	39	**383**	156	**332**
Net cash inflow/(outflow) from operating activities	**(80,477)**	(19,531)	**(241,466)**	(96,145)	**(261,701)**
(b) Non-cash operating and financing activities					
Trust distributions income reinvested	**238**	148	**420**	187	**168**
Distribution payments satisfied by issue of units under distribution reinvestment plan	**802**	455	**696**	861	**128**
	1,040	603	**1,116**	1,048	**296**

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Schemes' main income generating activity.

Cash flows relating to GST are included in the statements of cash flows on a gross basis.

6 Derivative financial instruments

The Schemes hold derivative financial instruments for the purpose of managing price risk on their investments.

The Schemes' derivative financial instruments comprise of futures and swaps and are held and valued at their fair value.

The Schemes' derivative financial instruments at year-end are detailed below:

30 June 2026	Yarra Australian Bond Fund	Fair Values		Yarra Higher Income Fund	Fair Values	
	Contract/ notional $'000	Assets $'000	Liabilities $'000	Contract/ notional $'000	Assets $'000	Liabilities $'000
Futures	145,328	1,158	(1,449)	78,995	479	(503)
Swaps	–	22	–	505	712	(1,262)
	145,328	1,180	(1,449)	79,500	1,191	(1,765)

30 June 2026	Yarra Hybrid Successor Fund	Fair Values	
	Contract/ notional $'000	Assets $'000	Liabilities $'000
Futures	41,711	262	(394)
Swaps	296	448	(930)
	42,007	710	(1,324)

6 Derivative financial instruments (continued)

30 June 2025	Yarra Australian Bond Fund Fair Values			Yarra Higher Income Fund Fair Values		
	Contract/ notional $'000	Assets $'000	Liabilities $'000	Contract/ notional $'000	Assets $'000	Liabilities $'000
Futures	73,199	478	(515)	4,687	31	(51)
Swaps	92	28	(76)	190	207	(249)
	73,291	506	(591)	4,877	238	(300)

7 Financial risk management

The Yarra Australian Bond Fund's assets principally consist of Australian futures, swaps, fixed interest securities and floating rate notes. The Yarra Higher Income Fund's assets principally consist of high yielding income, hybrid securities and Australian futures. The Hybrid Successor Fund's assets principally consist of Australian futures, swaps, fixed interest securities and floating rate notes. They hold these investments in accordance with their investment strategy.

Financial risk may include market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Schemes use different methods to measure different types of risk to which they are exposed. Where a material exposure exists in the case of price, interest rate and foreign exchange risk, these methods include a sensitivity analysis.

The possible movements in the risk variables presented in the below sensitivity analysis have been determined based on management's best estimate, having regard for a number of factors, including historical changes in security prices. However, actual movements in these risk variables may be more or less significant and historic variations are not a definitive indicator of future variations in the risk variables.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Schemes’ risk management framework. The Schemes’ overall risk management program focuses on ensuring compliance with the Schemes’ Investment Guidelines and seek to maximise the returns derived for the level of risk to which the Schemes are exposed.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Schemes’ income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

7 Financial risk management (continued)

(a) Market Risk (continued)

(i) Price Risk

Yarra Higher Income Fund

The Scheme is exposed to price risk on its financial assets at fair value through profit or loss, which comprise fixed interest securities, floating rate notes, convertible instruments, loan instruments and unlisted units in managed investment schemes.

The price of fixed interest securities, floating rate notes and convertible instruments is subject to movement based upon factors including credit risk of the counterparty and market interest rates. The price risk on such instruments is not considered by the Directors of the Responsible Entity to be material to the financial statements, due to the nature of the counterparties with whom the investments are taken.

The Investment Manager manages other price risk through diversification and careful selection of securities within specified limits set out in the Scheme's Product Disclosure Statement. Given that unlisted units in managed investment schemes represents a small proportion of the Scheme’s total assets, the price risk arising from such investments is not considered to be material.

Yarra Australian Bond Fund

The Scheme is exposed to price risk on its financial assets at fair value through profit or loss, which comprise fixed interest securities, floating rate notes, convertible instruments and unlisted units in managed investment schemes.

The price of fixed interest securities, floating rate notes and convertible instruments is subject to movement based upon factors including credit risk of the counterparty and market interest rates. The price risk on such instruments is not considered by the Directors of the Responsible Entity to be material to the financial statements, due to the nature of the counterparties with whom the investments are taken.

The price of certain financial instruments, including investments in debt securities, can be impacted by movements in interest rates. The impact of interest rate movements on the price of such instruments is considered below as part of the interest rate risk considerations and quantified as part of the interest rate sensitivity analysis below.

The price risk arising from other financial instruments is not considered to be material.

7 Financial risk management (continued)

(a) Market Risk (continued)

(i) Price Risk (continued)

Yarra Hybrid Successor Fund

The Scheme is exposed to price risk on its financial assets at fair value through profit or loss, which comprises fixed interest securities, floating rate notes, convertible instruments, loan instruments and unlisted investment schemes.

The price of fixed interest securities, floating rate notes and convertible instruments is subject to movement based upon factors including credit risk of the counterparty and market interest rates. The price risk on such instruments is not considered by the Directors of the Responsible Entity to be material to the financial statements, due to the nature of the counterparties with whom the investments are taken.

The price of certain financial instruments, including investments in debt securities, can be impacted by movement in interest rates. The impact of interest rate movements on the price of such instruments is considered below as part of the interest rate risk consideration and quantified as part of the interest rate sensitivity analysis below.

(ii) Foreign exchange risk

The functional currency of the Schemes is Australian dollars. The Schemes may hold assets, both cash and cash equivalents and other financial assets, denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of the monetary assets denominated in other currencies fluctuates due to changes in exchange rates.

The Schemes' net exposure to foreign currency risk as at 30 June 2026 is not material.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Schemes' financial instruments will fluctuate due to changes in market interest rates. The Schemes are exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Schemes to fair value interest rate risk.

The Schemes' Investment Guidelines permit them to hold fixed income and hybrid (debt) securities, therefore the majority of the Schemes' financial assets are interest bearing.

7 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

The Schemes' exposure to interest rate risk and the effective weighted average interest rate of classes of financial assets and financial liabilities is set out below:

Yarra Australian Bond Fund	Weighted average interest rate (% pa)	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
30 June 2026					
Financial assets					
Cash and cash equivalents		9,476	–	–	9,476
Applications receivable		–	–	327	327
Receivables		–	–	217	217
Margin accounts	2.58	2,187	–	–	2,187
Financial assets at fair value through profit or loss	4.85	15,059	479,775	10,873	505,707
Total assets		26,722	479,775	11,417	517,914
Financial liabilities					
Distributions payable		–	–	(4,232)	(4,232)
Redemptions payable		–	–	(459)	(459)
Payables		–	–	(14,022)	(14,022)
Financial liabilities at fair value through profit or loss		–	–	(1,450)	(1,450)
Total liabilities		–	–	(20,163)	(20,163)
Net assets attributable to unitholders		26,722	479,775	(8,746)	497,751

7 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

Yarra Australian Bond Fund	Weighted average interest rate (% pa)	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
30 June 2025					
Financial assets					
Cash and cash equivalents		2,182	–	–	2,182
Applications receivable		–	–	695	695
Receivable		–	–	196	196
Margin accounts	4.90	994	–	–	994
Financial assets at fair value through profit or loss	4.14	21,731	375,680	5,962	403,373
Total assets		24,907	375,680	6,853	407,440
Financial liabilities					
Distributions payable		–	–	(2,846)	(2,846)
Redemptions payable		–	–	(734)	(734)
Payables		–	–	(294)	(294)
Financial liabilities at fair value through profit or loss		–	–	(591)	(591)
Total liabilities		–	–	(4,465)	(4,465)
Net assets attributable to unitholders		24,907	375,680	2,388	402,975

7 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

Yarra Higher Income Fund	Weighted average interest rate (% pa)	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
30 June 2026					
Financial assets					
Cash and cash equivalents		27,064	–	–	27,064
Applications receivable		–	–	1,981	1,981
Receivables		–	–	378	378
Margin accounts	3.60	1,840	–	–	1,840
Financial assets at fair value through profit or loss	7.22	216,164	198,688	26,699	441,551
Total assets		245,068	198,688	29,058	472,814
Financial liabilities					
Distributions payable		–	–	(4,994)	(4,994)
Redemptions payable		–	–	(1,938)	(1,938)
Payables		–	–	(662)	(662)
Margin accounts		(250)	–	–	(250)
Financial liabilities at fair value through profit or loss		–	–	(1,765)	(1,765)
Total liabilities		(250)	–	(9,359)	(9,609)
Net assets attributable to unitholders		244,818	198,688	19,699	463,205

7 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

Yarra Higher Income Fund	Weighted average interest rate (% pa)	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
30 June 2025					
Financial assets					
Cash and cash equivalents		9,879	–	–	9,879
Applications receivable		–	–	246	246
Receivables		–	–	137	137
Margin accounts	3.97	126	–	–	126
Financial assets at fair value through profit or loss	6.60	106,603	63,696	12,521	182,820
Total assets		116,608	63,696	12,904	193,208
Financial liabilities					
Distributions payable		–	–	(1,209)	(1,209)
Redemptions payable		–	–	(765)	(765)
Payables		–	–	(279)	(279)
Financial liabilities at fair value through profit or loss		–	–	(300)	(300)
Total liabilities		–	–	(2,553)	(2,553)
Net assets attributable to unitholders		116,608	63,696	10,351	190,655

7 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

Yarra Hybrid Successor Fund	Weighted average interest rate (% pa)	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
30 June 2026					
Financial assets					
Cash and cash equivalents		5,240	–	–	5,240
Applications receivable		–	–	–	–
Receivables		–	–	173	173
Margin accounts	3.63	1,404	–	–	1,404
Financial assets at fair value through profit or loss	6.99	138,901	127,685	5,879	272,465
Total assets		145,545	127,685	6,052	279,282
Financial liabilities					
Distributions payable		–	–	(2,467)	(2,467)
Redemptions payable		–	–	–	–
Payables		–	–	(332)	(332)
Financial liabilities at fair value through profit or loss		–	–	(1,324)	(1,324)
Total liabilities		–	–	(4,123)	(4,123)
Net assets attributable to unitholders		145,545	127,685	1,929	275,159

7 Financial risk management (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis

The following table summarises the sensitivity of the Schemes' operating profit/(loss) and net assets attributable to unitholders to interest rate risk. The possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Schemes' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Schemes invest. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Impact on operating profit/(loss)/Net assets attributable to unitholders Interest rate risk	
	-100bps $'000	**+100bps $'000**
30 June 2026		
Yarra Australian Bond Fund	**27,137**	**(27,137)**
Yarra Higher Income Fund	**(1,963)**	**1,963**
Yarra Hybrid Successor Fund	**(1,341)**	**1,341**
30 June 2025		
Yarra Australian Bond Fund	21,792	(21,792)
Yarra Higher Income Fund	(1,034)	1,034

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.

7 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Schemes.

Credit risk is controlled by restricting investments to high quality counterparties. The creditworthiness of all counterparties to the Schemes’ list of investments is regularly reviewed. Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. No assets of the Schemes were impaired at 30 June 2026 or 30 June 2025, and as a result credit risk is not considered to be a material risk to the Schemes.

The Schemes invest in interest bearing securities which have credit ratings as rated by well-known agencies. For unrated interest-bearing securities, as disclosed as "Others" in the table below, a rating is assigned by the Responsible Entity using an approach that is consistent with the approach used by the rating agencies. The lowest credit rating assigned by the Responsible Entity to an unrated security is B- (June 25: B).

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. An analysis of debt securities for the Schemes, as rated by third-party rating agencies, is set out in the table below.

Credit risk on the Schemes' other financial assets is not considered to be material.

7 Financial risk management (continued)

(b) Credit risk (continued)

Yarra Australian Bond Fund

	AAA+ to AA- $'000	A+ to A- $'000	BBB+ to B- $'000	Others $'000	Total $'000
30 June 2026					
Interest bearing securities					
Fixed interest securities	**370,604**	**36,181**	**19,823**	**53,168**	**479,775**
Floating rate notes and convertible instruments	**–**	**–**	**15,059**	**–**	**15,059**
	370,604	**36,181**	**34,882**	**53,168**	**494,834**
30 June 2025					
Interest bearing securities					
Fixed interest securities	264,505	37,052	17,223	56,900	375,680
Floating rate notes and convertible instruments	7,071	–	14,659	–	21,730
	271,576	37,052	31,882	56,900	397,410

Yarra Higher Income Fund

	AAA+ to AA- $'000	A+ to A- $'000	BBB+ to B- $'000	Others $'000	Total $'000
30 June 2026					
Interest bearing securities					
Fixed interest securities	**5,568**	**798**	**59,190**	**5,676**	**71,232**
Floating rate notes and convertible instruments	**–**	**28,405**	**165,033**	**12,095**	**205,533**
Loan instruments	**–**	**–**	**–**	**127,456**	**127,456**
	5,568	**29,203**	**224,223**	**145,227**	**404,221**
30 June 2025					
Interest bearing securities					
Fixed interest securities	2,550	2,802	30,877	1,983	38,212
Floating rate notes and convertible instruments	2,837	18,683	77,718	6,843	106,081
Loan instruments	–	–	–	25,484	25,484
Preference shares	–	–	–	4,235	4,235
	5,387	21,485	108,595	38,545	174,012

7 Financial risk management (continued)

(b) Credit risk (continued)

Yarra Hybrid Successor Fund

	AAA+ to AA- $'000	A+ to A- $'000	BBB+ to B- $'000	Others $'000	Total $'000
30 June 2026					
Interest bearing securities					
Fixed interest securities	–	7,738	30,238	–	37,976
Floating rate notes and convertible instruments	–	8,827	124,187	5,887	138,901
Loan instruments	–	–	–	89,709	89,709
	–	16,565	154,425	95,596	266,586

(i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A-1 or higher as determined by Standard & Poor's (S&P) (2025: A-1).

In accordance with the Schemes' policy, the Schemes' cash position is monitored on a daily basis.

(iii) Other

The clearing and depository operations for the Schemes' security and derivatives transactions are mainly concentrated with one counterparty, Citibank Pty Ltd. Citibank Pty Ltd is a member of a major securities exchange, and at 30 June 2026 had a credit rating of A (S&P) (2025: A (S&P)). At 30 June 2026, substantially all cash and cash equivalents, balances due from broker and investments are held in custody by Citibank Pty Ltd.

(c) Liquidity risk

Liquidity risk is the risk that the Schemes will not be able to meet their financial obligations as they fall due.

The Schemes are exposed to liquidity risk in the form of daily redemptions of redeemable units. They therefore primarily hold investments that are considered readily realisable.

All financial liabilities of the Schemes have contractual maturities of less than 12 months.

8 Fair value measurements

The Schemes measure certain assets, being those presented in the below table, at fair value on a recurring basis. The Schemes have no financial instruments which are measured at fair value on a non-recurring basis.

The table below sets out the Schemes' financial assets and liabilities measured at fair value according to the fair value hierarchy at 30 June 2026 and 30 June 2025.

	Yarra Australian Bond Fund				Yarra Higher Income Fund			
As at 30 June 2026	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss								
Fixed interest securities	–	479,775	–	479,775	–	71,231	–	71,231
Floating rate notes and convertible instruments	–	15,059	–	15,059	–	205,534	–	205,534
Loan Instruments	–	–	–	–	–	127,456	–	127,456
Preference shares	–	–	–	–	22,148	–	–	22,148
Unlisted unit trusts	–	9,693	–	9,693	–	13,991	–	13,991
Futures	1,158	–	–	1,158	479	–	–	479
Swaps	–	22	–	22	–	712	–	712
Total financial assets at fair value through profit or loss	1,158	504,549	–	505,707	22,627	418,924	–	441,551
Financial liabilities at fair value through profit or loss								
Futures	1,450	–	–	1,450	503	–	–	503
Swaps	–	–	–	–	–	1,262	–	1,262
Total financial liabilities at fair value through profit or loss	1,450	–	–	1,450	503	1,262	–	1,765

8 Fair value measurements (continued)

	Yarra Hybrid Successor Fund			
	Level 1	Level 2	Level 3	Total
As at 30 June 2026	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss				
Fixed interest securities	–	37,976	–	37,976
Floating rate notes and convertible instruments	4,452	134,449	–	138,901
Loan Instruments	–	89,709	–	89,709
Preference shares	–	–	–	–
Unlisted unit trusts	–	5,169	–	5,169
Futures	262	–	–	262
Swaps	–	448	–	448
Total financial assets at fair value through profit or loss	4,714	267,751	–	272,465
Financial liabilities at fair value through profit or loss				
Futures	394	–	–	394
Swaps	–	930	–	930
Total financial liabilities at fair value through profit or loss	394	930	–	1,324

8 Fair value measurements (continued)

	Yarra Australian Bond Fund				Yarra Higher Income Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2025	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss								
Fixed interest securities	–	375,680	–	375,680	–	38,212	–	38,212
Floating rate notes and convertible instruments	–	21,731	–	21,731	–	106,081	–	106,081
Loan Instruments	–	–	–	–	–	25,484	–	25,484
Preference shares	–	–	–	–	4,235	–	–	4,235
Unlisted unit trusts	–	5,456	–	5,456	–	8,570	–	8,570
Futures	478	–	–	478	31	–	–	31
Swaps	–	28	–	28	–	207	–	207
Total financial assets at fair value through profit or loss	478	402,895	–	403,373	4,266	178,554	–	182,820
Financial liabilities at fair value through profit or loss								
Futures	515	–	–	515	51	–	–	51
Swaps	–	76	–	76	–	249	–	249
Total financial liabilities at fair value through profit or loss	515	76	–	591	51	249	–	300

The Schemes did not hold level 3 financial instruments as at 30 June 2026 (30 June 2025: Nil).

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2026 (30 June 2025: Nil).

8 Fair value measurements (continued)

(i) Fair value hierarchy

In accordance with AASB 9 *Financial Instruments*, the classification of financial assets is generally based on the business model in which a financial asset is managed and the characteristics of its contractual cash flows. The Schemes are investment entities and as such their financial assets are classified as fair value through profit or loss.

The Schemes classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

(ii) Fair value measurement in an active market

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial instruments traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Such financial instruments are classified as level 1 on the fair value hierarchy.

Investments whose values are based on quoted market prices in active markets are classified as level 1. On a daily basis, the Responsible Entity measures the fair value of the Schemes' level 1 financial assets using independent pricing information obtained from the Schemes' appointed custodian, Citigroup Pty Ltd.

(iii) Fair value measurement in an inactive or unquoted market

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data where it is available, and rely as little as possible on entity specific estimates. Such techniques include the use of recent arm's length market transactions, reference to the current fair value of substantially similar instruments, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

8 Fair value measurements (continued)

(iii) Fair value measurement in an inactive or unquoted market (continued)

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2, and include fixed interest securities, swaps, loan instruments, unlisted unit trust and floating rate notes. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

On a daily basis, the Responsible Entity measures the fair value of the Schemes' level 2 financial assets using independent pricing information obtained from the Schemes' appointed custodian, Citigroup Pty Ltd. Where the Schemes hold investments into other unlisted unit trusts the pricing information reflects the redemption value per unit as reported by the investment managers of the unlisted unit trusts.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. For financial assets classified at level 3 on the fair value hierarchy where prices are not readily available from independent pricing sources, such as zero priced securities, the Responsible Entity considers any material information compared to previously approved valuations through recommendations of the Responsible Entity's Valuation Working Group.

9 Remuneration of auditors

During the year the following fees were paid or payable by the Responsible Entity for services provided by the auditor of the Schemes:

	Yarra Australian Bond Fund		**Yarra Higher Income Fund**		**Yarra Hybrid Successor Fund**
	Year ended		**Year ended**		**Period from 22 July to**
	30 June 2026 $	30 June 2025 $	**30 June 2026 $**	30 June 2025 $	**30 June 2026 $**
Audit and other assurance services					
Audit and review of financial statements	**22,880**	21,780	**23,485**	27,665	**25,300**
Other assurance services	**5,445**	5,225	**5,445**	5,225	**5,445**
Total remuneration for audit and other assurance services	**28,325**	27,005	**28,930**	32,890	**30,745**
Total remuneration*	**28,325**	27,005	**28,930**	32,890	**30,745**

*The fees disclosed above are GST inclusive.

10 Income from financial instruments

30 June 2026	**Yarra Australian Bond Fund** Average balance $'000	Income $'000	Average rate %	**Yarra Higher Income Fund** Average balance $'000	Income $'000	Average rate %
Interest income from Fixed interest securities	**429,171**	**16,300**	**3.80**	**123,687**	**7,103**	**5.74**
Interest income from Floating rate notes	**14,676**	**793**	**5.40**	**162,602**	**7,732**	**4.76**
Dividends/Trust Distributions	**–**	**251**	**–**	**–**	**1,844**	**–**
Total		**17,344**			**16,679**	

30 June 2026	**Yarra Hybrid Successor** Average balance $'000	Income $'000	Average rate %
Interest income from Fixed interest securities	**76,228**	**3,130**	**4.11**
Interest income from Floating rate notes	**146,034**	**6,794**	**4.65**
Dividends/Trust Distributions	**–**	**613**	**–**
Total		**10,537**	

30 June 2025	**Yarra Australian Bond Fund** Average balance $'000	Income $'000	Average rate %	**Yarra Higher Income Fund** Average balance $'000	Income $'000	Average rate %
Interest income from Fixed interest securities	367,267	15,537	4.23	56,257	3,928	6.98
Interest income from Floating rate notes	17,263	676	3.91	72,046	4,007	5.56
Dividends/Trust Distributions	–	173	–	–	1,001	–
Total		16,386			8,936	

This table shows the average balance and income for each financial instrument class. For those interest bearing assets, the average interest rate is also shown.

11 Related party transactions

Key management personnel unitholdings

At 30 June 2026, no key management personnel held units in the Schemes (2025: Nil).

Key management personnel compensation

The directors of the Responsible Entity have been paid by a related party of the Responsible Entity. Payments made from the Schemes to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel.

Responsible Entity's fees and other transactions

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Schemes and the Responsible Entity were as follows:

	Yarra Australian Bond Fund		Yarra Higher Income Fund		Yarra Hybrid Successor
	Year ended		Year ended		Period ended
	30 June 2026 $	30 June 2025 $	**30 June 2026 $**	30 June 2025 $	**30 June 2026 $**
Responsible Entity's fees* paid/payable	**1,330,723**	1,163,463	**2,002,562**	960,413	**1,114,740**
Responsible Entity's fees* payable	**352,948**	293,782	**656,539**	276,992	**332,088**

*Includes amounts paid to the Responsible Entity for third party expenses it has incurred, for which it is entitled to be reimbursed.

11 Related party transactions (continued)

Related party unitholdings

Holdings in the Schemes by the Responsible Entity or other related parties:

Yarra Australian Bond Fund

2026 Unitholders	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment ($)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme ($)
Yarra Income Plus Fund	–	19,227,116	18,706,061	3.76	22,207,028	2,979,912	521,368
Yarra Growth Fund	10,489,314	7,757,385	7,547,159	1.52	355,126	3,087,055	337,264

Yarra Higher Income Fund

2026 Unitholders	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment ($)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme ($)
Yarra Income Plus Fund	9,011,371	7,010,622	6,900,555	1.49	413,869	2,414,618	427,008

Yarra Hybrid Successor Fund

2026 Unitholders	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment ($)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme ($)
Yarra Capital Management Services Pty Ltd	–	1,041	1,035	–	1,041	–	50

11 Related party transactions (continued)

Yarra Australian Bond Fund

2025	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment ($)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme ($)
Unitholders							
Yarra Growth Fund	12,491,398	10,489,314	10,395,959	2.58	407,098	2,409,182	403,711

Yarra Higher Income Fund

2025	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment ($)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme ($)
Unitholders							
Yarra Income Plus Fund	12,745,466	9,011,371	8,859,079	4.65	663,818	4,397,913	655,650

Investments in unlisted unit trusts

Holdings of Yarra Australian Bond Fund in other related parties, including those under the management of the Responsible Entity:

	Fair value of investment		**Interest held**		**Distributions received/receivable**		**Units acquired during the year**		**Units disposed during the year**	
	2026 $	2025 $	**2026 %**	2025 %	**2026 $**	2025 $	**2026 No.**	2025 No.	**2026 No.**	2025 No.
Yarra Cash Reserves Fund	**9,693,043**	5,455,411	**7.28**	3.97	**250,846**	173,126	**206,337,632**	102,955,911	**202,100,000**	97,500,500

Distributions received/receivable includes an amount of $31,429 (2025: $18,213) in respect of Yarra Cash Reserves Fund which remains unpaid at the end of the reporting period.

11 Related party transactions (continued)

Holdings of Yarra Higher Income Fund in other related parties, including those under the management of the Responsible Entity:

	Fair value of investment		Interest held		Distributions received/receivable		Units acquired during the year		Units disposed during the year	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$	$	**%**	%	**$**	$	**No.**	No.	**No.**	No.
Yarra Cash Reserves Fund	**13,990,658**	8,570,163	**10.51**	6.23	**443,835**	209,155	**5,420,495**	15,186,904	**–**	8,770,000

Distributions received/receivable includes an amount of $53,823 (2025: $30,479) in respect of Yarra Cash Reserves Fund which remains unpaid at the end of the reporting period.

Holdings of Yarra Hybrid Successor Fund in other related parties, including those under the management of the Responsible Entity:

	Fair value of investment		Interest held		Distributions received/receivable		Units acquired during the year		Units disposed during the year	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$	$	**%**	%	**$**	$	**No.**	No.	**No.**	No.
Yarra Cash Reserves Fund	**5,168,268**	–	**3.88**	–	**176,504**	–	**16,168,268**	–	**11,000,000**	–

Distributions received/receivable includes an amount of $8,236 (2025: Nil) in respect of Yarra Cash Reserves Fund which remains unpaid at the end of the reporting period.

12 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period that have significantly affected, or may significantly affect, the operations of the Schemes, the results of the Schemes' operations or the Schemes' state of affairs for the year ended 30 June 2026 or in future financial years.

13 Contingent assets, liabilities and commitments

The Yarra Higher Income Fund has undrawn commitments at 30 June 2026 of $5.0m in respect of loans written where the counterparty has the right to call on the unfunded facility (2025: $4.1m). The Scheme will cover the cashflows associated to any calls through cash on hand or realisation of other liquid assets held by the Scheme.

The Yarra Australian Bond Fund has no outstanding contingent assets, liabilities or commitments as at 30 June 2026 or 30 June 2025.

The Yarra Hybrid Successor Fund has no outstanding contingent assets, liabilities or commitments as at 30 June 2026.

Director's declaration

In the opinion of the directors of the Responsible Entity:

(a) the annual financial report and notes set out on pages 8 to 42 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Schemes' financial position as at 30 June 2026 and of their performance for the year ended on that date; and

(b) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable.

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

Edward Eason
Director

Melbourne
14 September 2026

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Independent Auditor’s Report to the Unitholders of the Yarra Higher Income Fund, the Yarra Australian Bond Fund and the Yarra Hybrid Successor Fund

Opinion

We have audited the financial reports of the Yarra Higher Income Fund, the Yarra Australian Bond Fund and the Yarra Hybrid Successor Fund (the “Schemes”). The financial reports comprise the statements of financial position as at 30 June 2026, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial reports, including material accounting policy information and other explanatory information, and the directors’ declaration.

In our opinion, the accompanying financial reports of the Schemes are in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Schemes’ financial positions as at 30 June 2026 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Reports section of our report. We are independent of the Schemes in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declarations required by the *Corporations Act 2001*, which have been given to the directors of Yarra Funds Management Limited (the “Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Responsible Entity (the "Directors") are responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 30 June 2026 but does not include the financial reports and our auditor's report thereon.

Our opinion on the financial reports does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Reports

The Directors are responsible:

- For the preparation of the financial reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Schemes in accordance with Australian Accounting Standards; and
- For such internal control as the Directors determine is necessary to enable the preparation of the financial reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Schemes, and is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the Directors are responsible for assessing the ability of the Schemes to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial reports.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial reports, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Schemes' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes' abilities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reports or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial reports, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Adam Kuziow
Partner
Chartered Accountants
Melbourne, 14 September 2026