Yarra Australian Equities Fund

Gross returns as at 30 September 2023

	1 month^ %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Australian Equities Fund	-3.36	-2.96	17.98	13.38	6.07	7.41	10.33
S&P/ASX 200 Accumulation Index†	-2.84	-0.77	13.46	11.00	6.66	7.42	8.98
Excess return (before fees)‡	-0.52	-2.19	4.52	2.38	-0.60	-0.02	1.36

Past performance is not a reliable indicator of future performance. Taxes payable by investors have not been taken into account. The figures shown have been provided for illustrative purposes – they are unaudited and subject to change. The total returns shown are gross of all fees, meaning they do not reflect the deduction of any investment management fees which would reduce returns and assume reinvestment of all distributions. Investment in the fund is not available on a fee free basis and this should be factored into any analysis of past performance.

Net returns as at 30 September 2023

	1 month^ %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Australian Equities Fund	-3.43	-3.18	16.92	12.37	5.11	6.42	9.33
S&P/ASX 200 Accumulation Index†	-2.84	-0.77	13.46	11.00	6.66	7.42	8.98
Excess return (after fees)‡	-0.59	-2.41	3.46	1.37	-1.56	-1.01	0.36

Past performance is not a reliable indicator of future performance. Taxes payable by investors have not been taken into account. The figures shown have been provided for illustrative purposes – they are unaudited and subject to change. The total returns shown are prepared on an exit to exit basis – they include all ongoing fees and expenses and assume reinvestment of all distributions.

^ Note: Due to a Melbourne public holiday, Fund performance in September 2023 was calculated up to 28 September 2023, whereas Benchmark performance is shown to 29 September 2023. Fund performance for 29 September 2023 will be captured in October 2023 month-end performance. Further information relating to Unit Pricing calculations can be found in the Fund PDS.

* Inception date Yarra Australian Equities Fund: July 1996.

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

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

Market review

Australian equities declined slightly during the September quarter, with the Energy sector being the top contributor and the Health Care sector delivering the weakest performance.

The S&P/ASX 200 Accumulation Index closed 0.8% lower for the quarter, taking its 12-month return to +13.5%. Globally, the MSCI World Index decreased by 3.4% for the period.

Energy (+11.2%) rallied strongly over the period, mainly supported by Woodside Energy (WDS, +9.5%) as the petroleum and production company benefitted from the continuing rise of the Brent oil price.

Consumer Discretionary (+5.3%) was another strong performer during the period. Wesfarmers (WES, +9.2%) was a significant contributor after the diversified conglomerate reported solid financial results, led by a strong performance at Kmart (+8.8% sales in 2H23) and Bunnings (+0.8% sales in 2H23).

Conversely, the weakest performing sector was Health Care (-8.6%), with CSL (CSL, -8.9%) being the main driver of the underperformance. The globally focused biotechnology company continued to weaken following the release of FY24 group earnings guidance, which came in approximately 10% below market expectations.

Portfolio review

Key Contributors

CSL (CSL, underweight) – our underweight to the globally focused biotechnology company contributed positively to performance during the quarter, as the stock continued to weaken following the pre-release in June of FY24 group earnings guidance which was below market expectations (around 10% lower than consensus for group FY24 NPATA). The weaker operating outlook was driven by lower growth in the core blood plasma business, Behring, as cost pressures pushed out the margin recovery story. We retain our cautious outlook for Behring, driven by increased competition, elevated and prolonged cost pressures, adverse relative product growth rates and longer-term product substitution risk. Trading on 25.9-times forward FY24 P/E, we currently retain an underweight position.

Carsales.com (CAR, overweight) – the online auto classifieds company outperformed during the period following its full-year result. The result proved up CAR's investment case of the

recent acquisitions of Trader Interactive in the US business and Webmotors in Brazil, with both businesses demonstrating double digit yield growth as dynamic pricing models were introduced. Combined with a strengthened market position in Australian private car sales, there is now much greater visibility around continued price and yield increases across the business.

Worley (WOR, overweight) – the leading provider of global engineering services outperformed during the period as the share price reached its highest level since 2020. We attribute this outperformance to increasing market awareness of the margin expansion opportunity that the company detailed at its recent investor day. We continue to like WOR as we expect margins will accelerate over the coming years as the company benefits from a more consolidated industry structure, operating leverage, and active mix management.

Woodside Energy (WDS, overweight) – our overweight position in the petroleum exploration and production company was a positive contributor as the Brent crude oil price rose ~19% during the quarter. The company reported a solid June quarter production during the period, with revenues of US$3,084m, 6% ahead of consensus expectations. We are attracted to the company's strong growth profile with new projects, that have remained on budget, scheduled to increase production by more than 30% over the next two years.

Incitec Pivot (IPL, overweight) – the fertiliser and explosives company outperformed during the period following a solid FY23 trading update. While the fertiliser division had a weak 2H23, explosives posted a strong recovery. The company announced stronger ammonia mining production volumes from Moranbah AN (30-40kt above guidance). The sale process for IPL's fertilisers business is ongoing and the buyback remains on hold.

Key Detractors

ResMed (RMD, overweight) – our overweight position in the medical equipment manufacturer detracted during the month following the release of its full-year results. We would characterise the share price weakness as driven by firstly an increased focus on the potential future impact of weight loss drugs GLP-1s on the sleep-apnoea market and, secondly, an eventual return of competitor Phillips into the sleep-apnoea device market in the USA. There was also a degree of gross margin disappointment following delivery of the company's full year result. Notwithstanding the above factors, we continue to see a solid market penetration outlook for RMD's CPAP devices, and hence believe these are factored into expectations at current levels with the stock trading on an attractive valuation (21.7 times P/E FY24 vs 28.1 times long-term average).

Iluka Resources (ILU, overweight) – our overweight position in the mineral sands company was a detractor during the quarter. Iluka reported a 10% decline in mineral sands revenue and a 22% decline in underlying EBITDA in its FY23 results, with the market concerned over the short-term outlook for mineral sands demand notwithstanding ILU's commentary of flat pricing in the second half. We continue to like mineral sands markets long-term and favour ILU 's leverage as the world's largest Zircon producer and fifth largest producer of titanium feedstocks. Iluka is moving into Rare Earths production through the Eneabba refinery and should be a critical component producer for the EV industry.

Chalice Mining (CHN, overweight) – the mining company underperformed during the period following the release of its scoping study on the Gonneville Nickel-Copper-PGE project. We believe the lack of signing a strategic partner weighed on market expectations. Additionally, the market is concerned about the outlook for platinum group element (PGE) pricing given its predominant use is in internal combustion engine exhaust systems.

National Australia Bank (NAB, underweight) – the banking sector performed well during the period as the market began to place a higher probability on an economic soft landing and interest rates remaining higher for longer. We remain underweight the sector, with the banks facing material earnings pressures through declining net interest margins, elevated expense growth and a normalisation in bad debt expenses, all of which suggest sector EPS is likely to be at peak levels.

Pexa (PXA, overweight) – the residential property settlements exchange provider underperformed during the period with lagging improvement in the housing market conditions as reflected in other housing volume related stocks. With its interoperability implementation pushed back again, the medium-term outlook for PXA's core exchange business has been strengthened, however a considerable amount of uncertainty around the trajectory of its startup UK business remains.

Key Purchases

APA Group (APA) – we initiated a position in the gas transmission pipeline company via participation in an equity raising used to fund the Alinta's Pilbara assets. The acquisition of the Alinta assets gives APA an attractive platform to deploy capital into the decarbonisation of mining operations in the Pilbara through the development of renewable generation and transmission infrastructure. APA trades on a valuation of 11.3 times FY24 EV/EBITDA and a 6.5% dividend yield, which we view as an attractive entry point.

Stockland (SGP) – we initiated a position in Australia's largest residential land developer based on a view of the company's capacity to benefit following a peaking of interest rates, quality land assets in key growth corridors across Australia and well-funded financial position. Stock valuation is supportive, with the stock offering a 6% dividend yield and trading below net asset backing.

Vicinity Centre (VCX) – we increased our position in the shopping mall owning REIT in the period. Key supportive factors include VCX's retail asset mix, with over half its asset base exposed to more advantaged segments of bricks & mortar retailing (i.e. luxury, DFO outlets and recovering CBDs), more resilient in-place leases with high occupancy and fewer holdovers. Additionally, VCX has a strong balance sheet (gearing 25.7% as at Dec-22) and attractive valuation, with the

stock trading at 0.80-times net asset backing and offering a dividend yield above 6%.

ResMed (RMD) – we added to our RMD position to take advantage of a recent share price weakness following the release of the FY23 results. The stock has sold off due to concerns around a range of factors including gross margins, the competitive landscape and the impact of emerging weight loss drugs which may impact the addressable market for sleep-apnoea device sales. We are not as bearish on these issues, with our favourable view predicated on RMD's large and underpenetrated market (sleep and COPD (chronic obstructive pulmonary disease)), clear operating leverage over time and its strong track record of capital deployment as the business shifts further into digital, connected care solutions for its patient base. We took the opportunity to add to the position, with the stock trading at an attractive valuation (21.7 times P/E NTM vs 28.1 times long-term average).

Key Sales

Alumina (AWC) – we exited our position in the alumina producer following the company's 1H23 result. We are concerned that environmental approvals to mine near to the Serpentine dam may not be received in a timely manner, and the company has less than 12 months of remaining low-grade ore to mine at Huntly. We see a material risk that the Kwinana and Wagerup refineries may be forced to curtail production or even close at a time where the company's debt levels are approaching unsustainable levels.

United Malt (UMG) – we exited our position in the global commercial malt processor and distributor as Malteries Soufflet signed a binding deal to purchase UMG at $5 a share (a +45% premium to the undisturbed price) following an extensive period of due diligence. UMG is trading close to deal terms and as a result we see limited potential for further outperformance.

Telstra (TLS) – we took the opportunity to reduce our position in the telecommunications company, reflecting a more cautious view on the mobile market and an increased reliance on the segment for earnings growth. Mobile pricing accounted for the vast majority of group EBITDA growth in 2H23, as post-paid subscriber additions slowed, and churn increased. This dynamic may prove more challenging moving forward as inflation eases and CPI-linked increases moderate, while the outlook for mobile competition remains a risk given Optus has yet to move post-paid pricing.

TPG Telecom (TPG) – we took the opportunity to reduce our position in the Australian telco after a period of outperformance, reflecting the potential $6.3bn sale of its Vision/EG&W assets and a strong 1H23 result. However, the proposed sale also concentrates TPG's exposure in mobiles, with medium term earnings growth contingent on repricing and ongoing mobile rationality. This may prove more challenging as inflation eases and CPI-linked increases moderate, while the outlook for mobile competition remains a risk given Optus has yet to move postpaid pricing.

Key Active Overweights

ResMed (RMD) – we remain overweight the medical device company with a positive view of the potential growth opportunity. The stock sold off during the quarter due to concerns around a range of factors including gross margins, the competitive landscape and the impact of emerging weight loss drugs which may impact the addressable market for sleep-apnoea device sales. We are not as bearish on these issues, with our favourable view predicated on RMD's large and underpenetrated market (sleep and COPD (chronic obstructive pulmonary disease)), clear operating leverage over time (SG&A and R&D) and a strong track record of capital deployment as the business shifts further into digital, connected care solutions for its patient base.

Reliance Worldwide (RWC) – we view the plumbing supplies company as a compelling opportunity, with the market capitalization a softer FY24 earnings year (P/E of only 14.0 times vs 17.0 times mid cycle) which we believe doesn't give appropriate credit to the mid-cycle earnings power of the group considering the resilience of its end markets, the majority of which relates to more non-discretionary, repair type housing activity.

Worley (WOR) – we remain overweight the leading provider of global engineering services. WOR's earnings recovery is in its early stages following the COVID-19 impacts across FY20-22. Revenue is expected to grow 13-15% in FY24, with leading indicators (Factored Sales Pipeline +36%, Rolling 12 Month Bookings +28%, Backlog +8%) and structural drivers (capital investment required to decarbonise) pointing to strong top-line growth ahead. Margins are also set to increase over the coming years as WOR benefits from a more consolidated industry structure, operating leverage, and active mix management.

Carsales.com (CAR) – we are overweight the online car classifieds company which has demonstrated strong yield growth potential across all its operating segments. In Australia, which represents approximately 50% of CAR's valuation, CAR is seeing improving yields from products including Instant Offer and SELECT, along with a strengthened competitive position in private sales. CAR's acquisitions of US business Trader Interactive and Brazilian business Webmotors have both demonstrated strong yield growth as new dynamic pricing models are introduced. The visibility on CAR's medium term revenue growth has improved which makes the 31.5 times FY24 earnings multiple the stock trades on relatively undemanding given the tailwinds.

QBE Insurance Group (QBE) – the global general insurer remains our preferred insurance exposure and should continue to deliver strong earnings growth in 2024 and beyond, supported by sustained premium rate growth and the beneficial impact of higher interest rates on investment earnings. QBE has substantially improved its underwriting discipline and product focus over the last five years, and we believe it's 8.4-times FY24 earnings multiple excessively discounts the risks inherent in its business model.

Key Active Underweights

CSL (CSL) – we retain an underweight to the globally focused biotechnology company. Underpinning this position is our view that earnings growth from its core blood plasma division (approximately 65% of group earnings) will be more difficult moving forward due to elevated and sticky cost pressures, increased competition, relative product growth rates away from higher margin specialty products and longer-term product substitution risk. While the more recently acquired business, Vifor (now approximately 15% of group earnings) does provide differentiation, we view the business as lower quality than the core plasma franchise. Considering this operating FY24 outlook, we do not regard the current valuation (26.7 times FY24 P/E, 18.4 times EV/EBITDA) as overly attractive at this time.

National Australia Bank (NAB) – we remain underweight the Australian bank reflecting our negative sector view. In our view, Australia's banks are facing material earnings pressures through declining net interest margins, elevated expense growth and a normalisation in bad debt expenses, meaning sector EPS is likely to be at peak levels.

Macquarie Group (MQG) – we remain underweight the stock based on the view the recent earnings uplift is driven by its lower quality and highly cyclical businesses, which we view as unsustainable into the medium term. We see significant downside risk to consensus forecasts beyond FY24, which currently reflects a strong contribution from lumpy items including trading revenue in its commodities business, gains on sale, performance fees and low loan-loss provisions. We do not expect growth in the more stable businesses to be able to offset this. As a result, we regard MQG's headline forecast P/E multiple of 15.1 times consensus forward earnings as unattractive.

Wesfarmers (WES) – we retain an underweight position in the diversified conglomerate, despite a strong FY23 result. We believe that WES's core retail businesses (Bunnings/Kmart) will not be immune from the combination of a broader slowdown in consumer spending and cost pressures, while WesCEF's earnings will moderate alongside commodity pricing (notwithstanding WES's lithium ramp-up). With the company still trading on a forward earnings multiple of 23.0 times P/E we believe better opportunities can be found elsewhere at this time.

Woolworths (WOW) – we retain an underweight position in the supermarket, led by concerns that softer than expected volumes and cost pressures may temper margin benefits from food inflation. While the FY23 result demonstrated robust margin expansion as WOW cycled COVID costs (Australian Food EBIT margins +70bp to 6.0% in FY23), consensus earnings expectations remain elevated, with margins expected to grow to 6.1% (vs 5.3% in FY20). With the stock trading at 23.9 times P/E, we believe WOW's premium multiple is unwarranted relative to our growth expectations for the business.

Market outlook

With the major central banks declaring that further interest rates are now data dependent and as evidence continues to accumulate that inflation continues to moderate, our long-held view that mid-2023 would mark the top of the interest rate cycle appears to be broadly on track. Crucially, both labour markets and core services inflation have eased in recent months and forward indicators suggest further progress should be made through the rest of 2023.

Moreover, the pessimistic tone of the economic activity data in the US that threatened a technical recession has given way to slightly more upbeat data in recent weeks encouraging the belief that the US will escape a technical recession in 2023. Indeed, some leading indicators are suggesting that a broader turn in the global industrial cycle is at hand, which should encourage a rotation from a narrow mega-cap tech led equity market rally to broader participation in 2023.

Indeed, our leading indicators suggest the negative earnings per share revisions trend has now largely run its course which when combined with a levelling out in economic momentum and an end to the interest rate tightening cycle will likely provide greater confidence in underlying valuations and a shift from bearish equity positioning. Bond yields continue to provide the more significant challenge to equity market valuations, albeit the lift in bond yields into mid-2023 can mostly be attributed to a significant lift in the supply of US bonds as the US budget deficit continues to increase sharply, thereby providing a counter cyclical boost to economic growth.

Economic growth has also slowed in Australia, recording just 0.4%q/q growth in the June quarter, repeating the same languid growth recorded in the March quarter. Indeed, with population growth running at a 2.5% annualised pace in the six-months to June and economic growth expanding at an annualised 1.8% pace over the same period, Australia has recorded its first per capita recession since mid-2006 (excluding the COVID lockdown period). It is clear the prior tightening of monetary policy is having a material impact on the interest rate sensitive parts of the economy. For instance, discretionary consumption volumes have declined 0.6% (six-month annualised) as non-discretionary household expenses and interest costs soared by 16%yoy – the fastest annual increase since 1989. Building approvals continue to decline – now down 45% from the 2021 peak - and are likely to fall further in coming months as declining housing affordability outweighs the impact of an under supplied housing market.

Nevertheless, the good news is that after a pause in the tightening cycle in July, The Reserve Bank of Australia (RBA) has remained on hold and flagged that future monetary policy adjustments will be data dependent. To be clear, the RBA retains a tightening bias, however an update of their inflation forecasts now has inflation returning to inside the target band in 2025, providing a signal that absent any unexpected inflation shocks the RBA's rate tightening cycle is complete. The RBA also revised down economic growth modestly to just 1.0% in 2023, acknowledging that local economic growth had

faltered. It is of note the that the RBA's forecasts for domestic growth are now below our own for the first time since 2019.

Australia should still be able to avoid a technical recession due to four key reasons:

1. Australia has been a net beneficiary of global commodity shortages and the prior surge in commodity prices. Although commodity prices remain elevated from a historical perspective, they are now off their peaks., The impact of moving through the peak will be for nominal GDP growth to slow quickly over the next six months, removing some of the cushion that has protected corporate profits, tax receipts and wage growth.
2. The household sector continues to hold a significant buffer of excess savings which can be used to smooth consumption growth amid acute cost of living pressures. Nevertheless, our analysis suggests that the residual of the savings buffer skews to older households, leaving younger and more indebted households exposed. As such, we remain particularly cautious on discretionary retail spending.
3. Australia remains incredibly well placed to benefit from the global energy transition. Lithium is already a A$10bn export industry domestically and Australia is the world's dominant producer. Electric Vehicle sales are forecast to increase 10 times by 2030 and Australia has the world's second largest copper resource. LNG is an important energy transition fuel – it currently accounts for 23% of global electricity generation – and Australia just happens to be the world's equal largest exporter of LNG. The limiting factor nearer term is that escalating costs and project delays risk pushing out the economic benefits.
4. Net migration into Australia contracted in 2021 for the first time since 1945. However, a very strong recovery was recorded through 2022 and a record level of net migration has occurred in recent months, ensuring that Australia's population growth will exceed 2.5% in 2023. This will be the primary mechanism keeping Australia out of recession, yet it comes with the complication of exacerbating the rental shortage evident across all capital cities.

While the RBA has been later than most other developed nations, we believe financial conditions are now firmly in the restrictive zone. While interest rate hikes in Australia will remain a month-to-month proposition, our analysis suggests that the RBA should have concluded its hiking cycle. Moreover, we do expect that the RBA will commence a modest easing cycle in 1H24, most likely commencing in May 2024.

The A$/US$ had been under downward pressure as markets grappled with a seemingly more hawkish Fed relative to the RBA and poor sentiment on the economic outlook for China. However, with Australia's external accounts remaining in excellent health, our expectation that Australia's economic growth will prove more robust, and the prospect the US$ down trend will re-emerge as the Fed pivots from its hiking strategy to an easing cycle in early 2024, we expect the A$/US$ will appreciate to the low-70s towards mid-2024.

We are most overweight stocks within the Communication Services, Information Technology and Utilities sectors, and are underweight Financials, Consumer Staples and Health Care.

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	10.91	3.98	6.93
Consumer Discretionary	7.38	6.91	0.46
Consumer Staples	0.00	4.59	-4.59
Energy	5.25	5.87	-0.62
Financials	20.13	28.69	-8.56
Health Care	4.87	9.04	-4.17
Industrials	8.93	6.91	2.02
Information Technology	8.04	2.51	5.53
Materials	22.44	24.09	-1.65
Real Estate	4.63	5.87	-1.24
Utilities	5.14	1.53	3.61

Top 5 holdings

	Portfolio %	Benchmark %	Active %
BHP Group	10.91	10.72	0.19
Commonwealth Bank of Australia	5.95	8.01	-2.06
Woodside Energy	5.25	3.31	1.94
Westpac Banking	4.63	3.55	1.08
QBE Insurance	3.76	1.12	2.64

Key active positions

Overweights	Portfolio %	Benchmark %	Active %
ResMed	3.47	0.44	3.03
Reliance Worldwide	2.99	0.15	2.84
Worley	3.05	0.31	2.74
Underweights			
CSL	1.40	5.78	-4.39
National Australia Bank	0.00	4.36	-4.36
Macquarie Group	0.00	2.88	-2.88

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	10.76	0.20	-7.65	-3.19
Distribution return	6.17	12.17	12.76	9.60

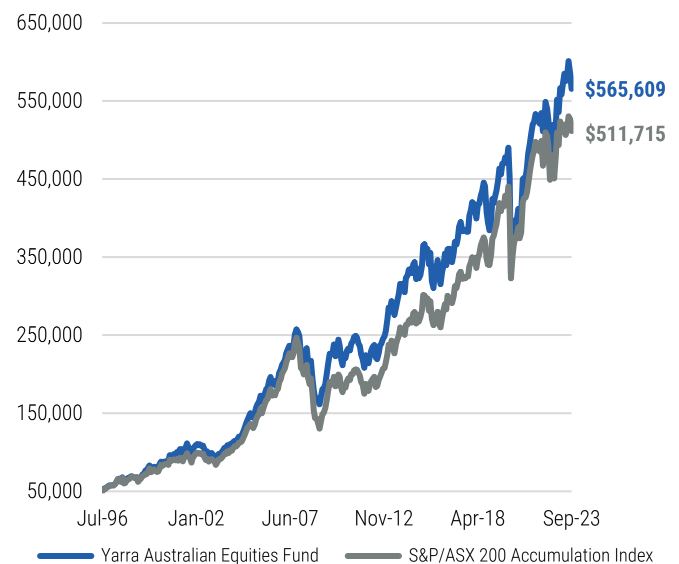
The Growth Return is measured by the movement in the Fund's unit price (inclusive of fees), ex-distribution, and can be positive or negative as the unit price can fluctuate with changes in the underlying market value of the Fund's assets. The Distribution Return is the amount that is paid to unitholders by way of income distribution in a 12-month period. It does not include capital distributions.

Features

Investment objective	To achieve medium-to-long term capital growth through exposure to companies listed on the Australian Securities Exchange. In doing so, the aim is to outperform the S&P/ASX 200 Accumulation Index over rolling 3-year periods.
Recommended investment time frame	5 - 7 + years
Fund inception	July 1996
Fund size	A$107.7mn as at 30 September 2023
APIR codes	JBW0009AU
Estimated management cost	0.90% p.a.
Buy/sell spread	+/- 0.15%
Platform availability	Asgard, Ausmaq, BT Panorama, BT Super Wrap, FirstWrap, GrowWrap, Hub24, IOOF Pursuit, Macquarie Wrap, Netwealth, Oasis, Powerwrap

Investment performance comparison of $50,000

After fees, since inception of the Yarra Australian Equities Fund, July 1996 to September 2023.



For illustrative purposes only. Past performance does not guarantee future results, which may vary. The total net fund returns shown are prepared on an exit to exit basis (i.e. they include all ongoing fees and expenses and assume reinvestment of all distributions). They do not take personal taxation into account. The comparison with the S&P/ASX 200 Accumulation Index is for comparative purposes only. Index returns do not allow for transactional, management, operational or tax costs. An index is not managed and investors cannot invest directly in an index. Note that the minimum initial investment amount for the Yarra Australian Equities Fund is $10,000.

Applications and contacts

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

Website www.yarracm.com

Investor Services Team 1800 034 494 (Australia) +61 3 9002 1980 (Overseas) IST@yarracm.com

Disclaimers

Yarra Funds Management Limited (ABN 63 005 885 567, AFSL 230 251) ('YFM') is the issuer and responsible entity of a range of registered managed investment schemes, which includes those named in this document ('Funds'). YFM is not licensed to provide personal financial product advice to retail clients. The information provided contains general financial product advice only. The advice has been prepared without taking into account your personal objectives, financial situation or particular needs. Therefore, before acting on any advice, you should consider the appropriateness of the advice in light of your own or your client's objectives, financial situation or needs. Prior to investing in any of the Funds, you should obtain and consider the product disclosure statement ('PDS') and target market determination ('TMD') for the relevant Fund by contacting our Investor Services team on 1800 034 494 or from our website at www.yarracm.com/pdsupdates/. The information set out has been prepared in good faith and while Yarra Funds Management Limited and its related bodies corporate (together, the "Yarra Capital Management Group") reasonably believe the information and opinions to be current, accurate, or reasonably held at the time of publication, to the maximum extent permitted by law, the Yarra Capital Management Group: (a) makes no warranty as to the content's accuracy or reliability; and (b) accepts no liability for any direct or indirect loss or damage arising from any errors, omissions, or information that is not up to date. No part of this material may, without the Yarra Capital Management Group's prior written consent be copied, photocopied, duplicated, adapted, linked to or used to create derivative works in any form by any means.

YFM manages each of the Funds and will receive fees as set out in each PDS. To the extent that any content set out in this document discusses market activity, macroeconomic views, industry or sector trends, such statements should be construed as general advice only. Any references to specific securities are not intended to be a recommendation to buy, sell, or hold such securities. Past performance is not an indication of, and does not guarantee, future performance. Information about the Funds, including the relevant PDSs, should not be construed as an offer to any jurisdiction other than in Australia. With the exception of some Funds that may be offered in New Zealand from time to time (as disclosed in the relevant PDS), we will not accept applications from any person who is not resident in Australia or New Zealand. The Funds are not intended to be sold to any US Persons as defined in Regulation S of the US federal securities laws and have not been registered under the U.S. Securities Act of 1933, as amended.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. Holdings may change by the time you receive this report. Future portfolio holdings may not be profitable. The information should not be deemed representative of future characteristics for the strategy. There can be no assurance that any targets stated in this document can be achieved. Please be advised that any targets shown are subject to change at any time and are current as of the date of this document only. Targets are objectives and should not be construed as providing any assurance or guarantee as to the results that may be realized in the future from investments in any asset or asset class described herein. If any of the assumptions used do not prove to be true, results may vary substantially. These targets are being shown for informational purposes only.

© Yarra Capital Management, 2023.