

Yarra Income Plus Fund

Gross returns as at 30 April 2024

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Income Plus Fund	-0.95	1.37	5.78	3.75	3.38	4.28	6.11
Bloomberg AusBond Bank Bill Index	0.35	1.07	4.24	2.19	1.55	1.83	3.84
Excess return [‡]	-1.30	0.30	1.54	1.56	1.83	2.45	2.27

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 April 2024

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Income Plus Fund	-1.01	1.20	5.06	3.05	2.68	3.57	5.36
Growth return [†]	-1.01	0.37	1.38	0.18	0.05	0.23	0.65
Distribution return [‡]	0.00	0.82	3.69	2.87	2.64	3.35	4.71
Bloomberg AusBond Bank Bill Index	0.35	1.07	4.24	2.19	1.55	1.83	3.84
Excess return [‡]	-1.36	0.13	0.82	0.86	1.13	1.74	1.52

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* Inception date of Yarra Income Plus Fund: May 1998.

† The Growth Return is measured by the movement in the Fund's unit price, 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 distribution amounts deemed as capital distributions.

‡ Excess Return: The excess return figures shown represent the difference between the Fund's return and the benchmark return.

Portfolio review

The Yarra Income Plus Fund returned -1.01% (net basis) over the month, underperforming the Bloomberg AusBond Bank Bill Index by -136 bps.

A substantial portion of the negative returns for the month were due to the underperformance of the REIT sleeve which gave back some of the gains from prior months. The FI sleeve also detracted from performance as rates sold off on the back of stronger than expected CPI data. The diversified credit and hybrid sleeves traded positively through the month with carry helping to amplify their positive contribution.

During the month there were no changes to the weighting of the portfolio. However, we actively monitor each sleeve looking for opportunities to secure the best risk adjusted returns.

Market review

Globally, government bond yields sold off during the month. Most central banks continued to signal rate cuts with the European Central Bank (ECB) indicating a dovish bias following their meeting early in the month. The Japanese Yen saw

weakness in their currency relative to the US dollar late in the month. This came off the back of the end of 8 years of negative interest rates and the inflation rate falling below the Bank of Japan (BOJ) target rate of 2%. Data from the US highlighted stronger than expected PCE 3.7% q/q (3.4% estimate) and CPI data 0.4% m/m (0.3% estimate), however, the Fed and Chairman Jerome Powell have continued to indicate a dovish bias. The US 10-year yield closed the month 48 bps wider at 4.68%.

Domestically, Australian bond yields followed the rest of the market in selling off. Volatility surrounding data releases dominated headlines and the Reserve Bank of Australia (RBA) kept rates on hold at 4.35%. With CPI figures stronger than expected at 1% q/q (0.8% estimate) traders moved to wipe out any expectations of rate cuts and began pricing in the potential of rate hikes. This reaction to CPI numbers was tempered by the release of weaker retail sales -0.4% m/m (0.3% estimate). The Australian 10-year yield closed the month 45 bps wider at 4.42%.

Both corporate credit and hybrid spreads continued to tighten from strong demand. Issuance slowed from the highs seen in

previous months, however, there was still a large amount of activity in primary and secondary markets. Issuance during the month included Suncorp coming to market with a Tier 1 deal and Adelaide Airport issuing a primary deal following strong reception for domestic airport issuance. In early April S&P Global lifted their industry score for the Australian Banking Industry. This resulted in both an upgrade to the ratings for many non-major banks, and an upgrade to major bank Tier 2 & 1 by one notch to A- and BBB. The Australian iTraxx index closed the month 7 bps wider at 71.50.

The S&P 200 Property Accumulation index fell during the month of April, returning -7.78% for the period while the broader S&P/ASX 200 returned -2.94% for the month. The Australian Infrastructure and Utilities Index also detracted, returning -1.80% for the month.

Higher rates have fostered an environment where we are seeing very attractive running yield across the sleeves at our disposal. Income continues to provide significant downside protection should we see underperformance in other parts of the market.

Asset allocation

	Target %*	Neutral position % [§]	Strategy
A-REITs, Infrastructure & Utilities	16.5	15.0	Overweight
Hybrid and FRNs	13.5	15.0	Underweight
Diversified Credit [†]	16.0	10.0	Overweight
Fixed interest	22.5	20.0	Overweight
Cash	31.5	40.0	Underweight

Source: Yarra Capital Management. 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.

§ Neutral position is calculated by Yarra Capital Management and is believed to be the optimal asset allocation for this portfolio over the long term.

* Projected estimation as at the date of this commentary.

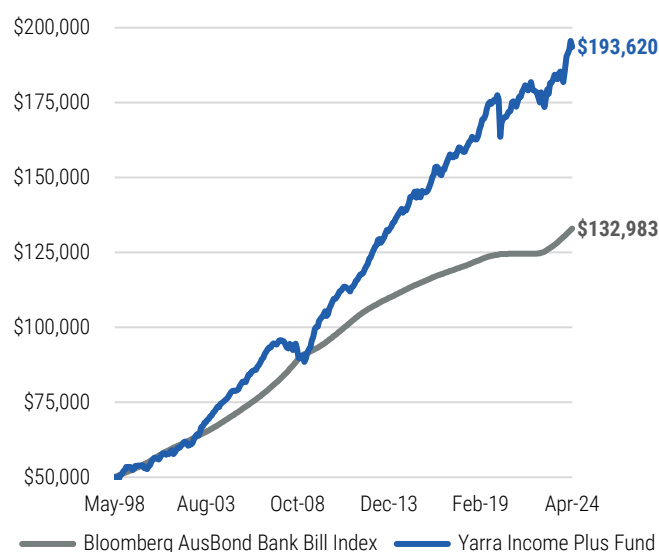
† Effective 25 October 2018 the Fund's asset allocation was modified, with Diversified Credit replacing Global High Yield. Further information in relation to this change can be found [here](#).

Features

Investment objective	To provide regular income and to achieve medium term capital growth through exposure to cash, money market products, domestic fixed interest and a range of high yielding investments, including domestic hybrid investments, property, infrastructure and utilities securities and international fixed interest assets. In doing so, the aim is to outperform the Bloomberg AusBond Bank Bill Index over rolling 3-year periods.	
Benchmark	Bloomberg AusBond Bank Bill Index	
Fund inception	May 1998	
Fund size	A\$72.3 mn as at 30 April 2024	
APIR code	JBW0016AU	
Estimated management cost	0.68% p.a.	
Buy/sell spread	+/- 0.10%	
Distribution frequency	Quarterly	
Platform availability	Asgard BT Wrap BT Panorama Colonial FirstWrap Hub24 Macquarie Wrap Consolidator MLC Wrap	Netwealth Oasis OnePath PortfolioOne PowerWrap SmartWrap Wealthtrac

Investment performance comparison of \$50,000

After fees, since inception of the Yarra Income Plus Fund, May 1998 to April 2024.



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 Bloomberg AusBond Bank Bill Index is for comparative purposes only.

Applications and contacts

Investment into the Yarra Income Plus Fund can be made by Australian resident investors only.

Website www.yarracm.com

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