

Yarra Global Small Companies Fund

Gross returns as at 31 May 2024

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Global Small Companies Fund	2.93	1.68	22.59	9.99	12.29	12.74	9.44
MSCI World Small Cap Index in A\$ [^]	2.08	0.86	15.12	4.58	9.40	10.67	7.64
Excess Return [‡]	0.85	0.82	7.47	5.41	2.89	2.07	1.80

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 31 May 2024

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Global Small Companies Fund	2.82	1.36	21.07	8.63	10.90	11.31	7.96
MSCI World Small Cap Index in A\$ [^]	2.08	0.86	15.12	4.58	9.40	10.67	7.64
Excess Return [‡]	0.74	0.50	5.95	4.05	1.50	0.64	0.31

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* Inception date of Yarra Global Small Companies Fund: November 1999.

[^] Effective 8 February 2016, the benchmark for the Yarra Global Small Companies Fund is the MSCI World Small Cap Index net of dividend withholding taxes, measured in A\$.

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

Market review

The MSCI World Index increased significantly during this period. Globally, stock markets were supported by improving economic conditions and strong earnings.

Among the country constituents, US market bounced back from a challenging performance in the previous month. This strong performance can primarily be attributed to better-than-expected first quarter earnings results from several companies across multiple sectors. Markets were further strengthened by improved manufacturing activity, as was witnessed by an increase in the Purchasing Managers' Index (PMI), which rose in May, signalling a modest improvement in the health of the industry. Despite the Fed not cutting down on the interest rates, in response to inflationary pressures, the pushback against the potential for further rate hikes helped market sentiment in general.

In Japan, the stocks were one of the weakest performers regionally during the month, with relative low levels of yen starting to weigh on consumer and investor sentiment. Although there are no clear signs of a recovery in consumer sentiment or real wage growth, the labour market remains tight, and gradual wage increases are expected to support consumption in the coming months. Additionally, the record-high number of inbound tourists is anticipated to contribute to the economic recovery.

In UK, the stocks rallied indicating an improving economy, at the back of revival of M&A activity and fall in inflation. It's interesting to note that the UK headline inflation fell meaningfully though services inflation remained high.

In France, the economic sentiment rose but the economic activity showed signs of bottoming out, pointing to a muted near-term outlook for the economy.

In Canada, the CPI rose fractionally, although this was in line with expectations and well within the Bank of Canada's target. The increase was driven primarily by rising gasoline prices.

Portfolio review

The Global Small Companies Fund returned +2.82% during the period, outperforming its benchmark, MSCI World Small Cap in AUD (net) (+2.08%), by 74 bps on a net basis.

Among investment themes*, signals within the Themes and Trends pillar contributed most positively to relative returns followed by the suite of signals within High-Quality Business Models, and Sentiment Analysis. Conversely, signals within the Fundamental Mispricings pillar detracted during the period.

Within Themes and Trends, industry momentum factors performed well. These factors aim to identify trending industries that have exhibited strong historical performance. Meanwhile, signals gauging alternative profitability within the

* Refer Yarra Global Small Companies Fund PDS for further information regarding key investment themes.

High-Quality Business Models pillar helped relative performance. Additionally, within Sentiment Analysis, factors evaluating analyst & management sentiment added to the relative returns of the portfolio. On the downside, factors looking at reits model within the Fundamental Mispricings pillar hurt relative performance.

Among sectors, holdings within the Industrials sector contributed the most to relative performance, with an overall overweight position within the Machinery industry contributing particularly strongly. On the downside, holdings within the Real Estate sector detracted the most from excess returns, where an overall overweight position within the Hotel & Resort REITs industry hurt relative performance.

At an individual stock level, an overweight position in Hims & Hers Health Inc, held primarily due to views around High-Quality Business Models related factors, performed well. Conversely, an overweight position in Coursera Inc, held primarily due to views on Fundamental Mispricings related factors did not do well.

Among countries, the position in US contributed the most to relative performance. Meanwhile, the positioning in Japan detracted during the period.

Country allocation

	Portfolio %	Benchmark %	Active %
Norway	2.10	0.96	1.14
US	63.78	60.39	3.40
Italy	1.94	1.27	0.68
Sweden	2.84	2.22	0.63
Japan	11.68	11.80	-0.12
Austria	0.86	0.34	0.52
Germany	1.80	1.60	0.20
Portugal	0.37	0.12	0.25
Netherlands	0.84	0.57	0.27
Spain	0.79	0.79	-0.01

Market cap allocation

A\$ million	Portfolio %	Benchmark %
0 - 2000	22.89	13.09
2000 - 10000	54.16	62.54
>10000	22.94	24.37

Sector allocation

	Portfolio %	Benchmark %	Active %
Communication Services	2.20	2.81	-0.62
Consumer Discretionary	14.94	13.11	1.83
Consumer Staples	3.27	4.66	-1.38
Energy	3.69	5.26	-1.57
Financials	16.21	14.99	1.22
Health Care	9.63	9.45	0.17
Industrials	21.44	20.53	0.91
Information Technology	11.88	11.24	0.64
Materials	9.40	7.74	1.66
Real Estate	6.71	7.64	-0.92
Utilities	0.63	2.57	-1.94

Top 10 holdings

	Portfolio %	Benchmark %	Active %
Comfort Systems USA Inc	1.02	0.16	0.86
Fabrinet	0.99	0.12	0.87
Hims & Hers Health Inc	0.98	0.04	0.94
ACI Worldwide Inc	0.92	0.05	0.87
Sterling Infrastructure Inc	0.92	0.05	0.87
Medpace Holdings Inc	0.90	0.13	0.77
Primo Water Corp	0.89	0.05	0.84
Mueller Water Products Inc	0.88	0.04	0.84
Badger Meter Inc	0.88	0.08	0.80
Carpenter Technology Corp	0.88	0.07	0.80

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	19.76	7.57	10.03	10.56
Distribution return	1.31	1.06	0.87	0.75

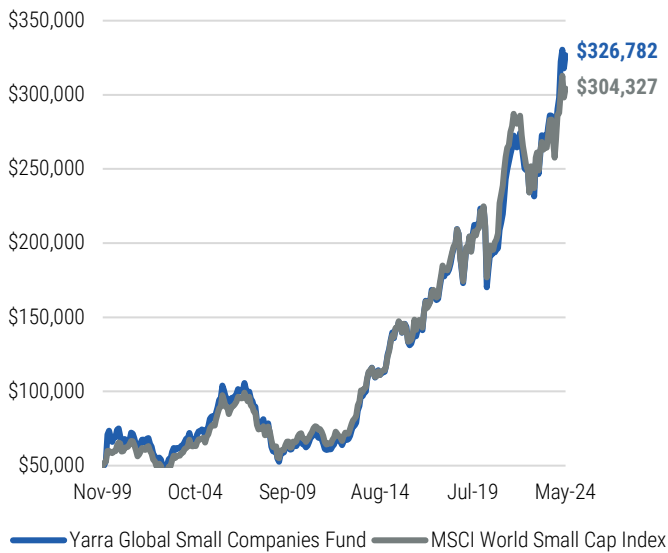
The Growth Return is measured by the movement in the Fund's unit price (inclusive of fees), ex-distribution, and can be positive or negative as the unit price can fluctuate with changes in the underlying market value of the Fund's assets. The Distribution Return is the amount that is paid to unitholders 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 smaller companies globally. In doing so, the aim is to outperform the MSCI World Small Cap Index net of dividend withholding taxes, measured in A\$ over rolling three year periods.	
Recommended investment time frame	5 - 7 + years	
Fund inception	November 1999	
Fund size	A\$212.0 mn as at 31 May 2024	
APIR code	JBW0103AU	
Estimated management cost	1.25 p.a.	
Buy/sell spread	+/- 0.10	
Number of holdings	629 as at 31 May 2024	
Platform availability	AMG Freedom of Choice Asgard BT Panorama Grow Wrap Hub24	I00F Pursuit Macquarie Wrap Mason Stevens Oasis uXchange

Investment performance comparison of \$50,000

After fees, since inception of the Yarra Global Small Companies Fund, November 1999 to May 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 benchmark is for comparative purposes only. Index returns do not allow for transactional, management, operational or tax costs. An index is not managed and investors cannot invest directly in an index.

Applications and contacts

Investment into the Yarra Global Small Companies Fund can be made by Australian resident investors only.

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