Perpetual Investment Funds

PERPETUAL INCOME SHARE FUND

February 2026

FUND FACTS

Investment objective: To provide investors with exposure to a diversified portfolio of tax-effective, high income yielding Australian securities that are also expected to produce some long-term capital growth. To provide above market dividend yield as measured by the S&P/ASX 200 Accumulation Index.

FUND BENEFITS

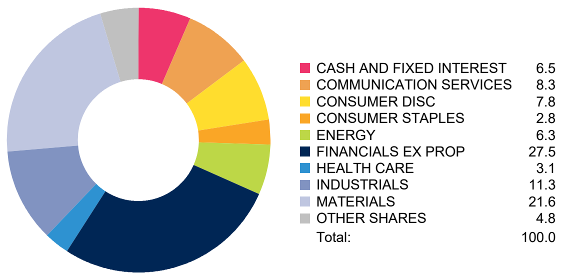
To provide investors with regular income through investment in quality securities.

FUND RISKS

All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether a fund is suited to your financial needs.

Benchmark:	S&P/ASX 200 Accum. Index
Inception Date:	December 1995
Size of Portfolio:	$5.87 million as at 31 Dec 2025
APIR:	PTC0002AU
Management Fee:	0.89%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
BHP Group Ltd	8.9%
Washington H. Soul Patt.	8.8%
Deterra Royalties Ltd	6.3%
GWA Group Limited	6.1%
EVT Limited	5.1%
National Australia Bank Limited	4.2%
GPT Group	4.0%
Reliance Worldwide Corp. Ltd.	3.8%
Orora Limited	3.2%
New Hope Corporation Limited	3.2%

NET PERFORMANCE - periods ending 28 February 2026

	Fund	Benchmark	Excess
1 month	1.85	4.11	-2.26
3 months	2.38	7.34	-4.96
1 year	13.12	16.19	-3.07
2 year p.a.	11.92	13.02	-1.10
3 year p.a.	12.41	12.22	+0.19
4 year p.a.	10.51	10.93	-0.42
5 year p.a.	11.65	10.78	+0.86
7 year p.a.	9.73	9.85	-0.13
10 year p.a.	9.47	10.76	-1.29
Since incep. p.a.	9.12	9.26	-0.14

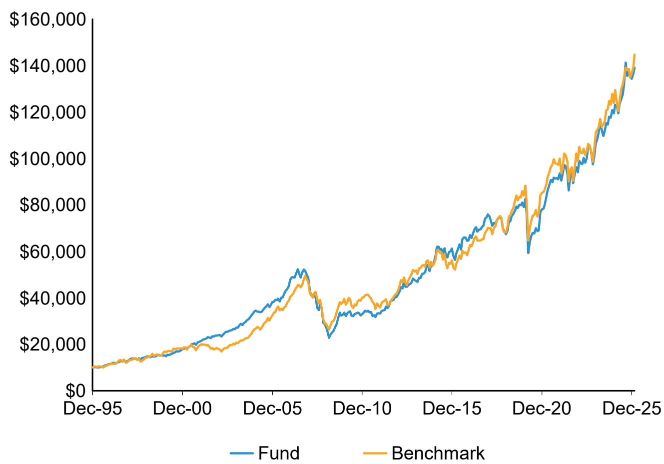
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	17.0	18.6
Dividend Yield*	4.1%	3.4%
Price / Book	2.0	2.5
Debt / Equity	38.2%	38.3%
Return on Equity*	11.6%	13.6%

^ Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating the Fund's investment style in action. These figures are forecast estimates, calculated based on consensus broker estimates where available, and should not be relied upon. Dividend Yield is a dividend forecast of underlying securities for the portfolio and does not reflect the distributions to be determined for the fund.
* Forward looking 12-month estimate.

GROWTH OF $10,000 SINCE INCEPTION



*Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

MARKET COMMENTARY

The S&P/ASX200 gained 4.1% in February, reaching new highs for a third consecutive monthly advance, leaving the market 9.7% above November lows. It was a two speed market: large cap Materials and Financials led the charge, with the major banks delivering standout returns (CBA +16.8%, NAB +15.8%), while Technology continued its painful de rating, now down 39.3% over six months as AI disruption fears lingered. Health Care lagged, dragged by CSL 's weak earnings and abrupt CEO departure. The divergence between large and small cap was large, with the Top 20 stocks outperforming the Small Ordinaries Index by 10.5%, the largest cap since June 2013. Macro conditions tightened further, with the RBA hiking 25bp to 3.85% and flagging additional moves if inflation remains stubborn. January CPI surprised to the upside, with electricity costs surging as government rebates unwound. Labour markets stayed tight, keeping pressure on the board.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Washington H. Soul Pattinson, Deterra Royalties Ltd and GWA Group and. Conversely, the portfolio's largest underweight positions include Commonwealth Bank of Australia, Wesfarmers Limited (not held) and Westpac Banking Corporation.

Ramsay Health Care delivered a standout performance in February as the company rallied + 18.5% for the month. Management continued to execute effectively, announcing the much anticipated in specie distribution of the Ramsay Santé shareholding which will further highlight the quality of the Australian assets and also sends a signal to the market around the core strategy for Ramsay moving forward. Ramsay posted solid half year results, demonstrating operational momentum as earnings improved significantly with Australian EBIT margins expanding and admissions growth reflecting a deliberate shift toward higher acuity, higher margin services. Capital discipline is also improving, with full year capex tracking below guidance and the new Joondalup private facility delivered under budget. Ramsay represents an opportunity for investors to gain exposure to high quality infrastructure like assets, with the transformation initiatives which are well underway and starting to be seen in the financials, as well as the improving operational efficiencies not reflected in the current share price.

The overweight position in a2 Milk contributed to portfolio performance in February 's reporting season as the company rallied strongly on the back of a compelling half year result. Revenue grew 18.8% to $993.5 million, with broad based momentum across all segments, a result that reflects brand strength rather than any single geographic or channel tailwind. The China business remains the engine, with English label IMF delivering strong growth as premiumisation continues to support the category. Another encouraging sign is an acceleration in products beyond infant formula into adjacent categories such as kids and seniors' nutrition. The headline gross margin was marginally softer due to expected manufacturing underutilisation at the newly acquired a2 Pokeno facility, though this is transitory, with the transition of a2 Platinum production from Synlait scheduled for 1H27. The balance sheet remains strong with nearly $900 million in net cash providing capacity for continued investment and capital returns. The company 's focus on premiumisation and innovation across different life stages positions it well to capture market share in a challenging environment such as China's declining birth rate. We remain optimistic about a2 Milk's growth trajectory, supported by its strategic investments and product diversification.

Nick Scali detracted from performance in February (24 %), despite gross margins improving by materially year on year, a significant increase in EBITDA and a surge in first half profit. Elevated interest rate concerns continue to weigh on housing turnover and big ticket furniture demand, with softer than expected written sales orders in Australia and New Zealand (8.5% YOY) reinforcing investor caution. Sentiment was further dampened by near term losses associated with the UK rollout, as the business works through legacy inventory and initial store rebranding. We continue to hold Nick Scali given its strong brand positioning, vertically integrated model and proven ability to generate superior returns across cycles. Despite the geographic mixed results, we believe in the underlying resilience of the ANZ business and management 's disciplined approach to cost control and inventory management. The company continued to deliver high dividends, declaring a fully franked interim dividend of 39 cents per share, up 30% from the previous corresponding period, offering a strong yield for income focused investors.

The portfolio's underweight position across the major Australian banks detracted to relative performance in February, with ANZ up + 9.1%, WBC up +9.6%, NAB up +15.8%, and CBA up 16.8% which in aggregate drove 75% of the index returns for the month. Heading into reporting season, NIMs were expected to face downward pressure due to the impact Macquarie was having with their deposit products which pay higher interest rates. Instead, each of ANZ, NAB, and WBC each reported a modest NIM expansion, while CBA 's headline NIM softness was largely a function of elevated liquid balances rather than core business deterioration, with underlying margins stable and loan growth of 7% fully funded by deposits, a strong operational outcome. Credit conditions also remained favourable and better than market expectations for a slight deterioration. The results prompted earnings upgrades across the sector which at a time of uncertainty elsewhere in the market, drove strong share price reactions. We remain cautious on the major banks given current elevated valuations and with current earnings reflecting strong credit growth and asset quality, both of which have historically proven cyclical.

OUTLOOK

The global economic landscape in 2026 was starting to reflect a transition to broader, steady expansion. This expansion was no longer a "tech only" story; instead, a significant sector rotation is underway. Investors have been pivoting from overextended growth stocks toward cyclical sectors specifically Industrials, Materials, and Energy which are benefiting from a synchronised global manufacturing uptick. This shift is also anchored by exceptional commodity strength. Copper's climb to record highs reflected this and Gold's sustained levels above US $5,400 signal both industrial demand for the AI driven grid build out and a strategic hedge against persistent "higher for longer" yields and persistent inflation and USD debasement fears. However, the war in Iran introduces a major new uncertainty: if the conflict proves brief these trends may quickly resume, but a prolonged escalation or disruption to energy markets could materially alter the trajectory for global growth, inflation and markets.

MORE INFORMATION

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