

Perpetual Investment Funds

PERPETUAL GEARED AUSTRALIAN SHARE FUND

February 2026

FUND FACTS

Investment objective: Aims to enhance long-term capital growth through borrowing (gearing) to invest predominantly in quality Australian industrial and resource shares.

FUND BENEFITS

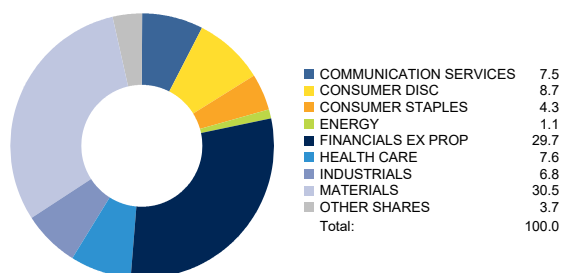
Provides investors with broad market exposure with the potential for higher returns through the use of gearing (borrowing within the fund) and actively managed by one of Australia's most experienced investment management teams.

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 300 Accum. Index
Inception Date:	March 2003
Size of Portfolio:	\$343.39 million as at 31 Dec 2025
APIR:	PER0071AU
Management Fee:	1.17%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Seven years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
BHP Group Ltd	11.8%
Commonwealth Bank of Australia	8.0%
Washington H. Soul Patt.	5.6%
National Australia Bank Limited	5.3%
ANZ Group Holdings Limited	3.7%
Northern Star Resources Ltd	3.5%
News Corporation	3.0%
Ramsay Health Care Limited	2.9%
Rio Tinto Limited	2.9%
Glencore plc	2.6%

NET PERFORMANCE - periods ending 28 February 2026

	Fund	Benchmark #	Excess
1 month	4.23	3.89	+0.33
3 months	10.02	7.12	+2.90
1 year	9.85	16.36	-6.52
2 year p.a.	7.09	12.96	-5.87
3 year p.a.	6.02	12.14	-6.12
4 year p.a.	6.65	10.71	-4.06
5 year p.a.	12.29	10.62	+1.66
7 year p.a.	9.28	9.84	-0.56
10 year p.a.	11.18	10.74	+0.44
Since incep. p.a.	11.62	9.82	+1.80

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

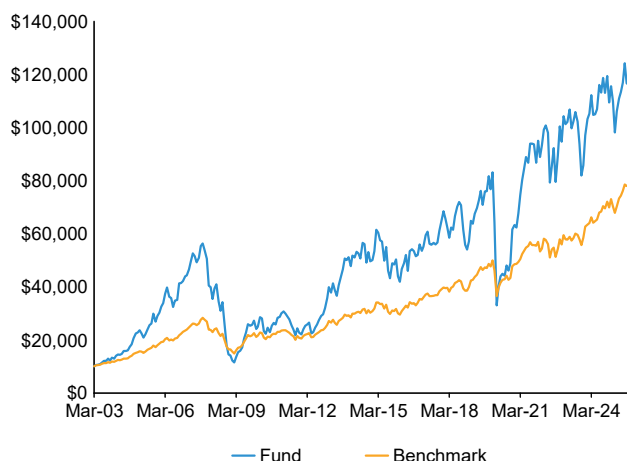
PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	19.3	18.6
Dividend Yield*	2.8%	3.4%
Price / Book	2.4	2.4
Debt / Equity	30.0%	38.5%
Return on Equity*	12.6%	13.6%
Gearing Level	52.1%	

^ Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating Perpetual'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/ASX300 gained 3.9% 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 BHP Group Ltd, Washington H. Soul Pattinson and Commonwealth Bank of Australia. Conversely, the portfolio's largest underweight positions include Macquarie Group, Telstra Group Limited and Woodside Energy Group, all of which are not held in the portfolio.

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.

Flutter was the fund's largest negative contribution in February, declining 36.8% during the month and continuing the recent run of weak performance. A key driver of the de rating has been the emergence of prediction market operators that offer event contracts on sports outcomes, operating outside operating outside the traditional state licensed online sports betting (OSB) framework and therefore not subject to the same tax and regulatory structures. This has introduced structural uncertainty around the competitive and regulatory moat that Flutter's FanDuel business has built. The more disappointing aspect of the Flutter result from our perspective, was the underperformance of FanDuel's OSB division in Q4. This was driven by operational missteps where the company mis managed the timing of its generosity offers. The company has a clear playbook to improve on this in 2026 and given the expertise and quality of the offer we expect this to be a short term aberration. Overall, the recent share price weakness has been driven by a combination of factors. In our view, the market has assumed all are structural and related to prediction markets. We expect that throughout 2026, some of the transitory drivers of recent weakness will reverse providing clarity on the actual impact of prediction markets.

News Corporation detracted from performance in February, declining 13.7% over the month. The share price was pressured by heightened market concerns that artificial intelligence could erode the competitive moat of REA Group (12.31%), in which News Corp holds a 61% stake. Additional sentiment headwinds came from ongoing structural challenges within the News Media division and softer conditions in US book publishing. The fund continues to hold News Corp as we believe REA has made targeted investments across its value chain that defend its moat against AI disruption. REA is deploying AI offensively, through natural language and visual search, automated valuations and enhanced content, to keep discovery, engagement and monetisation on platform. Furthermore, we believe the current share price implies that the market is valuing the highly profitable Dow Jones and Information Services divisions at heavily discounted multiples.

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.

The Ordinaries benchmark prior to 1/4/2000 was the ASX All Ordinaries Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX 300 Accumulation Index. The publication has been prepared and issued by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426, as promoter for the Perpetual WealthFocus Superannuation Fund. The information contained in this document is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The information contained in this document is in addition to and does not form part of the product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund. The PDS for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL 229757, RSE L0001458, should be considered before deciding whether to acquire or hold units. The PDS and Target Market Determination can be obtained by calling 1800 011 022 or visiting www.perpetual.com.au. Neither PIML, ETSL nor any of their related parties guarantee the performance of any fund or the return of an investor's capital. Total returns shown for the Perpetual WealthFocus Superannuation Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.

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Investor Services 1800 022 033
Email PerpetualUTqueries@cm.mpm.mufig.com
www.perpetual.com.au

