

Fund Profile - 31 March 2026

Implemented Australian Share Portfolio

Fund facts

APIR code	PER0708AU
Inception date	9 December 2013
Asset class	Domestic Equities
Investment style	Multi manager blend
Benchmark	S&P/ASX 300 Accumulation index
Suggested length of investment	Five years or more
Unit pricing frequency	Daily
Distribution frequency	Quarterly
Legal type	Unit trust
Product type	Wholesale Managed Investment Scheme
Status	Open
Management fee*	0.90%
Buy/Sell spread	0.26% / 0.00% as at September 2025
Issuer	Perpetual Investment Management Limited

*Additional fees and costs generally apply. Please refer to the Product Disclosure Statement for further details.

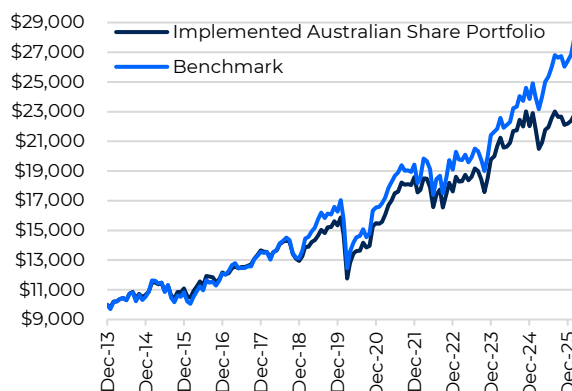
Investment objective

To provide investors with long term capital growth and income through investment in a diversified portfolio of Australian shares, aiming to outperform the stated benchmark over rolling three-year periods.

Benefits

Provides investors with the potential for maximising capital growth and income, with broad market exposure.

Growth of \$10,000 since inception



Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance.

Net performance

As at March 2026

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	-8.0%	-5.7%	2.1%	4.6%	5.4%	6.5%
Growth return	-8.2%	-5.9%	0.7%	1.2%	-1.6%	1.1%
Distribution return	0.2%	0.2%	1.4%	3.3%	7.1%	5.4%
Benchmark	-7.3%	-2.0%	11.6%	9.4%	8.5%	8.4%
Excess Return	-0.7%	-3.7%	-9.5%	-4.9%	-3.0%	-1.9%

Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance. *Since Inception.

Top 10 stock holdings

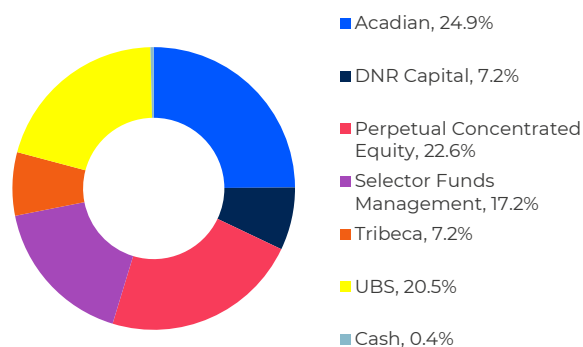
As at March 2026

Stock	Weight	Country
BHP Group Limited	8.1%	Australia
Commonwealth Bank	8.0%	Australia
National Australia Bank	3.8%	Australia
Westpac Banking Corporation	3.6%	Australia
ANZ Banking Group	3.5%	Australia
CSL Limited	2.3%	Australia
Wesfarmers	2.1%	Australia
Rio Tinto Ltd	2.0%	Australia
Aristocrat Leisure	1.8%	Australia
Macquarie Group	1.6%	Australia
Total Top 10 Holdings %	36.7%	

Source(s): State Street, FactSet.

Portfolio exposure by manager

As at March 2026



Source(s): State Street, FactSet.

Investment approach

A multi-manager framework is utilised, where several specialist investment managers are selected to form a diverse and complementary mix of investment strategies and styles. This can help reduce volatility by avoiding over exposure to a particular specialist investment manager. Derivatives may be used in managing the portfolio.

Investment strategy

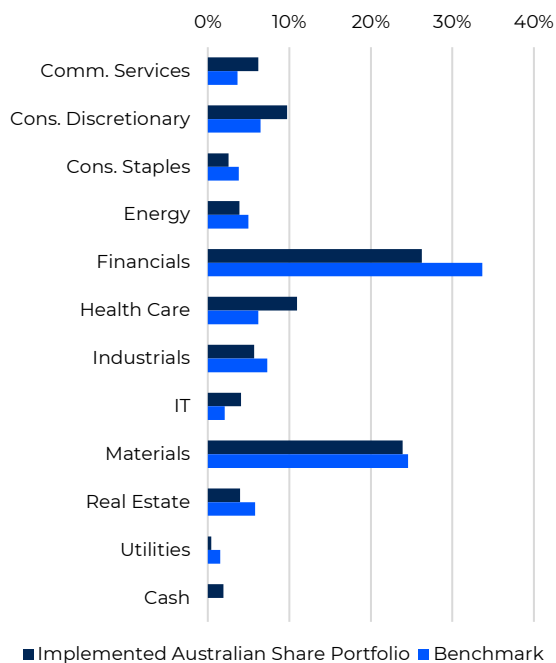
The portfolio combines managers who apply either a bottom-up fundamental stock picking or quantitative approach to security selection. Each of these managers have a repeatable investment process, work within appropriate risk management frameworks, operate in an aligned and stable organisational structure, and have a performance track record that is consistent with their style and approach. We believe combining these characteristics when selecting managers positions the portfolio to best deliver a stable outcome within a multi-manager framework.

The portfolio is diversified across a number of managers that each play a distinct role, despite individually managing appropriately diversified portfolios. Each manager has their own unique investment approach, either fundamental or quantitative, and where appropriate this portfolio may include passive/index exposure to the more 'efficient' large cap end of the market cap spectrum, which also helps to optimise the overall portfolio construction and expected risk and return outcomes. Each manager in the portfolio also has their own investment style (value, growth or core/style neutral) and market cap focus (small cap, broad cap or large cap). The portfolio will also typically use one to two specialist managers with focused strategies across the small company segment of the domestic share market. The small cap segment is a relatively 'inefficient' part of the domestic share market where we feel a targeted and specialist approach is warranted.

The portfolio blends the above-mentioned group of managers targeting a portfolio that combines investment styles, market capitalisation biases, and other characteristics in a way that complements each other, and should over time deliver a well-balanced, consistent performance outcome. The end result is the creation of a portfolio that aims to have an overall volatility below that of the broader benchmark, while exhibiting a modest level of tracking error.

Sector exposures

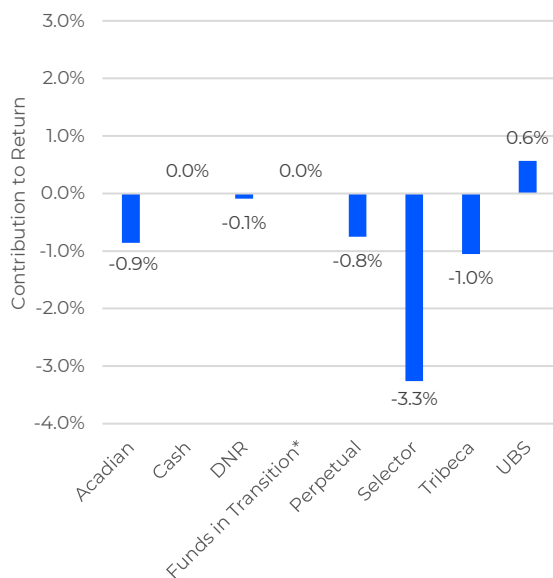
As at March 2026



Source(s): State Street, FactSet.

Contribution by manager

Quarter to March 2026



Source(s): State Street, FactSet. *Funds were fully equitized through investment in S&P/ASX200 (SPI) Futures under the manager transition agreement preceding Acadian's appointment.

Manager line-up and approach

As at March 2026

Manager	Approach
Acadian Asset Management	Quantitative, core, benchmark aware.
DNR Capital	Concentrated small company portfolio, fundamental bottom-up stock selection.
Perpetual Investments Concentrated Equity	High conviction portfolio, fundamental bottom-up stock selection.
Selector Funds Management	High conviction portfolio, benchmark agnostic, fundamental bottom-up stock selection.
Tribeca Investment Partners	Small cap style neutral manager, diversified portfolio, fundamental bottom-up stock selection.
UBS Asset Management (Australia)	Passive ASX20 mandate.

Market Commentary

Australian equities ended the March quarter in the red, with the S&P/ASX300 falling -2.0%¹ over the period. While the calendar year began with relatively muted gains, waning investor sentiment was further quelled by hotter-than-expected inflation through the December quarter, paving the way for the Reserve Bank of Australia's (RBA) first rate hike in over two years. Against this increasingly hawkish backdrop, Australian companies entered the half-year reporting season facing minimal tolerance for earnings disappointment. In spite of this, results broadly reinforced a return to fundamentals rather than a collapse in confidence, with companies rewarded for business strategy execution and effective capital resource management. Such resilience was evident in February performance, with the S&P/ASX 300 rising 3.9%². However, these gains were quickly unwound as escalating geopolitical tensions across the Middle East culminated in coordinated strikes by the United States and Israel on key Iranian targets, prompting a series of retaliatory measures including the restriction of transit through the Strait of Hormuz, a critical chokepoint for Middle Eastern exports. Mounting concerns around sustained supply chain disruptions, fuel security, and additional inflationary pressures drove a de-risking correction into quarter-end, compounded by the RBA's decision to lift the cash rate again at its March meeting, a stark departure from policy expectations just six months earlier.

From a size perspective, large caps meaningfully outperformed their smaller counterparts during the quarter. The S&P/ASX 100 fell -0.9%³, while the ASX Small Ordinaries declined a sharper -10.9%⁴. Rising interest rates, deteriorating risk appetite, and higher input costs weighed disproportionately on smaller companies. This marks a notable reversal from recent quarters, where small caps had benefited from the cumulative tailwind of the RBA's 2025 easing cycle and strong flows into resource and gold names.

The implications of this conflict were inherently evident in sector-level performance, with investors rotating toward traditional defensives as volatility rose. Consumer Staples (8.4%⁵) and Utilities (10.3%⁶) were the primary beneficiaries, while Consumer Discretionary extended its year of underperformance, falling -14.9%⁷ over the quarter. Energy (+36.1%⁸) was the clear standout, as solid earnings and supportive valuations coalesced with rising oil prices to fuel positive returns in each month. Initial strength in Materials and Financials ex-REITs eroded to only modest gains of 3.4%⁹ and 0.4%¹⁰, factoring in a decline of -13.2%¹¹ and -6.6%¹² in March alone. A-REITs (-16.4%¹³) suffered under the deteriorating policy rate outlook, while Information Technology (-27.2%¹⁴) and Health Care (-16.8%¹⁵) again closed out the weakest performers as sector-specific headwinds persisted. Industrials slid -5.9%¹⁶ as rising uncertainty and higher input costs weighed on activity expectations, while Communication Services (-1.3%¹⁷) escaped relatively unscathed by the conflict given the non-discretionary and recurring nature of its core earnings.

From a style perspective, Value stocks (6.8%¹⁸) continued to outpace Growth (-6.2%¹⁹), now outperforming by a significant margin on an annualised three-year basis. Persistently sticky inflation entrenched a 'higher-for-longer' rate environment, with investors increasingly seeking earnings durability and tangible cash-flow generation. Value's outperformance was further bolstered by its heavier exposure to

¹ As measured by the S&P/ASX 300 – Total Return index

² As measured by the S&P/ASX 300 – Total Return index

³ As measured by the S&P/ASX 100 – Total Return index

⁴ As measured by the S&P/ASX Small Ordinaries – Total Return index

⁵ As measured by the S&P/ASX 300 Consumer Staples (Sector) – Total Return index

⁶ As measured by the S&P/ASX 300 Utilities (Sector) – Total Return index

⁷ As measured by the S&P/ASX 300 Consumer Discretionary (Sector) – Total Return index

⁸ As measured by the S&P/ASX 300 Energy (Sector) – Total Return index

⁹ As measured by the S&P/ASX 300 Materials (Sector) – Total Return index

¹⁰ As measured by the S&P/ASX 300 Financials ex-REITs (Sector) – Total Return index

¹¹ As measured by the S&P/ASX 300 Materials (Sector) – Total Return index

¹² As measured by the S&P/ASX 300 Financials ex-REITs (Sector) – Total Return index

¹³ As measured by the S&P/ASX 300 A-REIT (Sector) – Total Return index

¹⁴ As measured by the S&P/ASX 300 Information Technology (Sector) – Total Return index

¹⁵ As measured by the S&P/ASX 300 Health Care (Sector) – Total Return index

¹⁶ As measured by the S&P/ASX 300 Industrials (Sector) – Total Return index

¹⁷ As measured by the S&P/ASX 300 Communication Services (Sector) – Total Return index

¹⁸ As measured by the MSCI Australia Value – Net Return index

¹⁹ As measured by the MSCI Australia Growth – Net Return index

commodities and energy-linked businesses, while Growth lagged as multiples continued to compress across high-valuation technology and healthcare names.

Portfolio Commentary

The Perpetual Implemented Australian Share Portfolio underperformed its benchmark in the March quarter on a net of fees basis.

Acadian underperformed its benchmark in Q1. Stock selection was the primary detractor, with their sector positioning having a relatively muted impact on relative performance. Key contributors were their underweights to Goodman Group and Wisetech, and overweights to Whitehaven Coal and South32. While key detractors were their underweights to Lynas Rare Earths, Santos, Woodside Energy and Woolworths, and overweights to Xero, Pro Medicus and Aristocrat Leisure.

DNR outperformed its S&P/ASX Small Ordinaries benchmark in Q1. The manager has strongly rotated their portfolio towards the stronger performing Energy and Resources (Materials) sectors, which was the primary contributor to outperformance. They also benefited from stock selection within the Materials sector, namely via key positions in Alcoa Corp, Lynas Resources, PLS Group, Liontown, Imdex and Iluka Resources.

Perpetual Concentrated Equity underperformed its benchmark in Q1. The fund didn't hold any Technology exposures, which was a key contributor, as was key positions held in Bluescope Steel, New Hope Corporation, Washington H Soul Pattinson and Co, Ramsay Health Care and Rio Tinto. While key detractors were their overweight to Consumer Discretionary sector and underweight to the strong performing Energy sector, along with key positions in News Corp, Nick Scali, Northern Star Resources, Light and Wonder and not having held Woodside Energy Group.

Selector Funds Management underperformed its benchmark in Q1. As our growth manager, they have faced stylistic headwinds, with growth stocks materially underperforming value stocks over the quarter. Stock selection had minimal impact on performance. It was primarily their sector positioning that detracted. The fund was highly overweight to the 2 weakest sectors, Technology (down 27%) and Healthcare (down 17%), whilst also not holding any exposure to the Energy sector (which was up 36% for the quarter), along with no Resources exposures (with Materials sector outperforming the S&P/ASX300 benchmark by 5% for the period).

Tribeca underperformed its S&P/ASX Small Ordinaries benchmark in Q1. The fund was underweight the Energy sector, which had rallied strongly over the period. While stock selection within the Financials and Materials sector was the primary detractor, with key detractors being Zip, Siteminder, Megaport, HMC Capital and Capstone Copper.

UBS is running a passive S&P/ASX 20 indexing strategy and delivered a positive return of 3% for the quarter, which on an absolute basis outperformed the S&P/ASX 300 by 5%. Key contributors were Woodside, BHP, Rio Tinto, Telstra, QBE, Woolworths and Northern Star (all up over 10% for the period).

Manager Insights and Outlook

As we entered the March quarter, our approach to the Australian equities market was shaped by a measured and cautious outlook. While we remained constructive overall, we anticipated more modest returns through 2026 and recognised we were facing into a more complex investment landscape. Resilient economic growth and labour markets, coupled with a steady inflow of capital from domestic, offshore and retail investors, had provided underlying tailwinds for local equities. However, this was tempered by concerns around elevated valuations, persistent inflationary pressures and the prospect of a more hawkish RBA, alongside ongoing macroeconomic uncertainty and geopolitical tensions offshore. With investor sentiment already softening following the absence of a December rate cut and broader market uncertainty, we maintained a portfolio positioned for balance across styles, with a deliberate bias toward mid and small-cap companies where we believe skilled stock selection continues to offer attractive potential and better relative valuation opportunities.

The March quarter ultimately unfolded as a tale of two very different halves. The period began on a strong footing, with corporate resilience on display through a robust February reporting season that broadly exceeded expectations. The S&P/ASX300 was up 3.9% that month alone with broad-based indications that corporate fundamentals remained intact for Australian Equities. Earnings beats outweighed earnings misses, with beats largely driven by improved margins (i.e. cost out) as opposed to top line revenue sales growth. Looking over the past 25 years, it was also the second best reporting period from an EPS upgrade perspective, with the ASX200 EPS upgrades of +1.9% only being bested by the post COVID February 2021 reporting season rally. That said, headline strength masked a far more volatile and fragmented market beneath the surface. Dispersion of returns across stocks, sectors and styles was exceptionally high, with very large share price reactions from companies on the day of reporting (-5% for a miss and +3.4% for a beat, on average). Major banks demonstrated notable resilience, benefiting from a more supportive macro environment characterised by positive volume growth, strong credit quality and solid net interest margins. The Materials sector also stood out, delivering strong results on the back of commodity prices that materially exceeded consensus expectations.

However, this earlier optimism post reporting season proved short-lived. From late February, market dynamics changed decisively as geopolitical risk moved to the forefront. The US-Israeli air strikes on Iran on 28 February marked a clear inflection point, triggering a rapid escalation in tensions that culminated in Iran closing the Strait of Hormuz from 2 March. As a critical global energy chokepoint, through which around 20% of the world's oil and LNG flows, the closure immediately reignited supply-side fears, driving a sharp spike in oil prices. This energy shock added a fresh inflationary impulse at an already sensitive point in the cycle, reinforcing concerns around higher interest rates and materially dampening risk appetite. Equity markets responded swiftly. March was characterised by a broad-based sell-off as investors de-risked. Locally, the Energy sector was the clear and standout beneficiary, rising 19.2% in March as higher oil prices flowed directly through to earnings expectations. Defensive sectors such as Utilities and Consumer Staples also proved relatively resilient, while those more cyclical, interest-rate-sensitive and globally exposed segments of the market, particularly Technology, REITs and Materials, bore the brunt of the sell-off.

Looking ahead, the near-term outlook remains highly uncertain, with geopolitical developments now a dominant driver of market volatility, often eclipsing underlying corporate and economic fundamentals. While equity valuations remain elevated - even after the recent sell-off - the dislocation has created compelling opportunities to selectively deploy capital into high-quality businesses that have been sold down indiscriminately, particularly across cyclical and growth-oriented segments of the market. In an environment defined by heightened volatility and rapidly shifting market dynamics, we have remained disciplined in maintaining a well-balanced portfolio across styles, while retaining a bias toward mid and small-cap companies, where we believe the scope for active management and alpha generation still remains attractive.

More information

1800 631 381

pcresearch@perpetual.com.au

perpetual.com.au/managed-accounts

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