

Perpetual Investment Funds

PERPETUAL AUSTRALIAN SHARE FUND

March 2026

FUND FACTS

Investment objective: Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian industrial and resource shares.

FUND BENEFITS

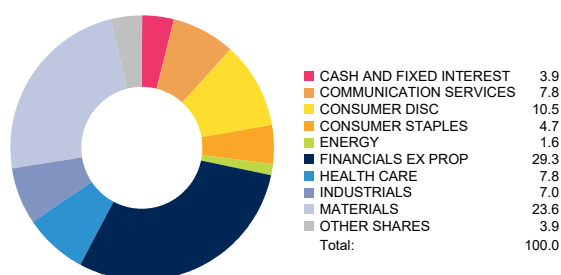
Provides investors with the potential for maximising capital growth and income, with broad market exposure, through active management by one of Australia's most experienced investment management teams.

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:	February 1997
Size of Portfolio:	\$418.96 million as at 31 Dec 2025
APIR:	PER0049AU
Management Fee:	0.99%*
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	9.4%
Commonwealth Bank of Australia	7.8%
Washington H. Soul Patt.	5.6%
National Australia Bank Limited	4.5%
ANZ Group Holdings Limited	3.3%
Ramsay Health Care Limited	3.1%
News Corporation	2.9%
EVT Limited	2.8%
Glencore plc	2.8%
Rio Tinto Limited	2.7%

NET PERFORMANCE - periods ending 31 March 2026

	Fund	Benchmark #	Excess
1 month	-6.94	-7.30	+0.35
3 months	-3.41	-2.04	-1.37
1 year	5.75	11.59	-5.84
2 year p.a.	1.23	7.02	-5.79
3 year p.a.	3.62	9.43	-5.81
4 year p.a.	3.67	6.84	-3.17
5 year p.a.	5.73	8.46	-2.74
7 year p.a.	7.03	8.54	-1.51
10 year p.a.	6.87	9.39	-2.52
Since incep. p.a.	9.33	8.60	+0.74

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

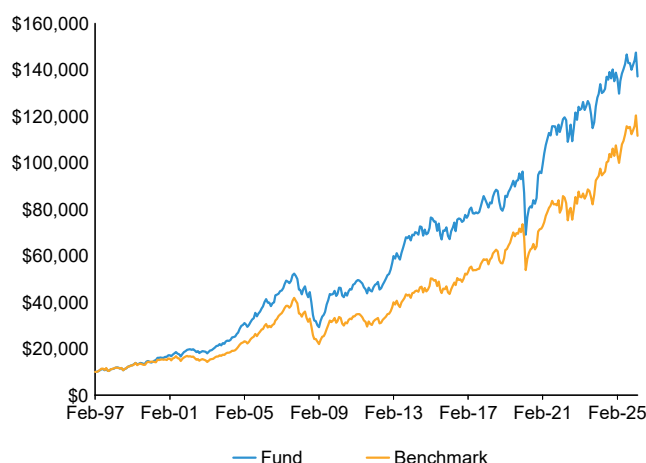
PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	17.7	16.5
Dividend Yield*	3.1%	3.8%
Price / Book	2.2	2.2
Debt / Equity	38.4%	37.9%
Return on Equity*	13.0%	14.0%

[^] 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



MARKET COMMENTARY

The S&P/ASX 300 declined 2.0% over the March quarter, masking considerable intra quarter volatility as early momentum gave way to a sharp reversal. The market rallied strongly through January and February, reaching new highs on the back of broad commodity strength and outsized gains in the big four banks and large cap Materials, before surrendering those gains and more in March as geopolitical escalation and renewed inflationary pressures drove the worst monthly drawdown in nearly three years. Energy was a standout performer across the quarter, buoyed by rising oil prices linked to Middle East supply disruptions, while Materials delivered a mixed outcome, benefiting from commodity tailwinds early before reversing sharply. Technology continued its prolonged de rating, extending losses amid ongoing concerns around AI disruption and valuation. The RBA tightened policy twice during the quarter, lifting the cash rate to 4.10%, as persistently elevated inflation and a resilient labour market left the board with little room to pause. This tightening backdrop weighed on rate sensitive sectors including Real Estate and contributed to a notable divergence between large and small caps, with large caps offering relative shelter as risk appetite deteriorated. By quarter end, sentiment had shifted materially, with volatility measures surging and the market pricing a more cautious macro outlook.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Washington H. Soul Pattinson, News Corporation and Ramsay Healthcare Limited. Conversely, the portfolio's largest underweight positions include Westpac Banking Corporation, Commonwealth Bank of Australia, and Woodside Energy Group (not held).

Washington H. Soul Pattinson (SOL) performed well over the quarter, climbing 8.8% post release of its interim result, the first reflecting post combination with Brickworks. The result reflected another period of solid cashflow and growth in net asset value. In a market environment where valuations remain elevated, SOL's diversified portfolio and highly regarded management team offer an attractive exposure through current volatility. Positioning has rotated into alternative assets including private credit, where management are seeing no signs of stress given their more old economy oriented exposure, and private equity. With a proven track record of patient capital management, we believe SOL remains well positioned to deliver long term risk adjusted value.

Ramsay Health Care contributed to portfolio performance, closing the quarter up 14.7% driven by a series of positive developments. The appointment of a new chair and management team has started to see operational improvement visible in utilisation rates and margin stabilisation. Management continued to execute effectively, announcing the much anticipated in specie distribution of the Ramsay Santé shareholding, a transaction that will further highlight the quality of the Australian assets and materially reduce the debt burden, simplifying the investment case considerably. Additionally, RHC is well positioned to benefit from industry consolidation and the exit of weaker competitors, which should support a sustained recovery in margins over the medium to long term. Ramsay represents an opportunity for investors to gain exposure to high quality, infrastructure like assets, with transformation initiatives well underway and operational efficiencies continuing to improve. Looking ahead, we will be monitoring the outcome of the Fair Work Commission ruling on nurse wages where the critical question being the extent to which Ramsay can pass through these cost increases to private health insurers, and the timing of any such renegotiation.

Flutter Entertainment detracted from portfolio performance over the March quarter, with the share price materially underperforming following a sharp selloff in January and February. The weakness was driven by industry data pointing to a slowdown in US online sports betting handle, and December data for New York showing FanDuel handle tracking down 13%. Concerns around sustained handle softness were compounded by heightened market focus on the potential competitive threat from emerging prediction markets. Flutter has launched its own prediction market offering, with a broader product rollout and improved functionality expected through the remainder of CY 26. Importantly, management reiterated confidence in the long term structural growth of US online sports betting and iGaming, underpinned by market share leadership, operating leverage, and disciplined capital allocation. We believe the current share price reflects overly pessimistic assumptions regarding both cannibalisation risk and the durability of earnings growth.

Cobram Estate Olives share price was down 15.1% from the December 2025 all time high of \$4.11, although the stock remains up around 90% over the past 12 months and was one of the top one year contributors. The stock pulled back from its peak after a sharp re rating in late December following the announcement of the California Olive Ranch (COR) acquisition on Christmas Eve nearly doubles the company's California grove footprint to 3,300 hectares. Our conviction in Cobram is underpinned by the significant long term growth opportunity in the US extra virgin olive oil (EVOO) market and Cobram's advantaged positioning within it. US EVOO consumption continues to grow steadily, yet domestically produced olive oil accounts for only a small proportion of total volumes, creating meaningful scope for locally grown, premium product to displace imports. We believe Cobram has a high quality management team capable of replicating the company's Australian success in the larger and more profitable US market. In particular, management has clear opportunities to drive value through operational simplification at the COR processing facility, alongside the application of Cobram's proven agronomic expertise to improve grove yields and enhance grower economics through better commercial terms.

OUTLOOK

With tensions escalating rapidly in the Middle East, comparisons to past crises – particularly the 1970s oil shocks – are inevitable. Like then, equity markets entered this period on elevated valuations. While the selloff has been meaningful, it still reflects a base case that avoids worst case outcomes – and valuations remain stretched. The US market, at 19.3x forward P/E, sits at a 17.3% premium to its 20 year average (around the 78th percentile). Australia, at 17.2x, appears more modest, but for a resources and financials heavy market, this still represents a 15.8% premium – near the 84th percentile. We continue to favour real business with quality balance sheets and hard assets over financial leverage and growthier names.

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.

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