

PERPETUAL INCOME SHARE FUND

March 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

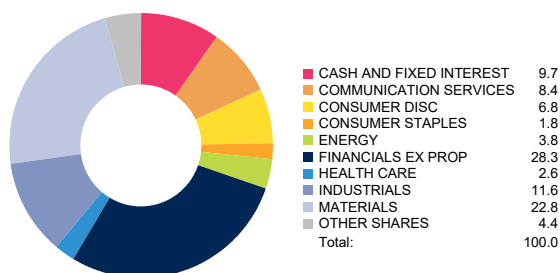
To provide investors with regular income through investment in quality securities.

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

Stock Holding	% of Portfolio
BHP Group Ltd	8.9%
Washington H. Soul Patt.	7.6%
GWA Group Limited	5.6%
EVT Limited	5.4%
Deterra Royalties Ltd	5.1%
Reliance Worldwide Corp. Ltd.	4.7%
GPT Group	3.8%
Orora Limited	3.8%
Suncorp Group Limited	3.4%
Commonwealth Bank of Australia	3.3%

NET PERFORMANCE - periods ending 31 March 2026

	Fund	Benchmark	Excess
1 month	-3.66	-7.15	+3.48
3 months	-0.23	-1.61	+1.38
1 year	12.22	11.67	+0.54
2 year p.a.	7.90	7.17	+0.74
3 year p.a.	11.12	9.54	+1.58
4 year p.a.	8.36	7.10	+1.26
5 year p.a.	9.91	8.63	+1.28
7 year p.a.	9.06	8.58	+0.48
10 year p.a.	8.51	9.44	-0.92
Since incep. p.a.	8.96	8.97	-0.01

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

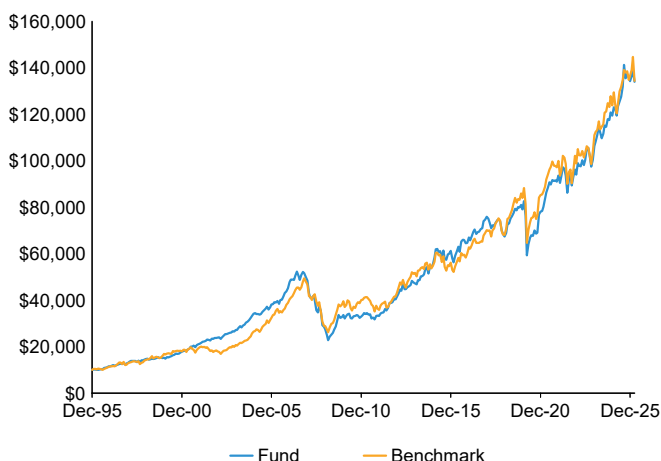
PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	15.0	16.5
Dividend Yield*	4.5%	3.8%
Price / Book	1.7	2.2
Debt / Equity	34.0%	37.6%
Return on Equity*	11.4%	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



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

MARKET COMMENTARY

The S&P/ASX 200 declined 1.6% 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, EVT Ltd and GWA Group. Conversely, the portfolio's largest underweight positions include Commonwealth Bank of Australia, Wesfarmers Limited (not held) and CSL (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.

The overweight position in Light & Wonder (LNW) detracted from portfolio performance over the quarter, declining 24.2% for the quarter, with the selloff driven by two key concerns: expectations of weaker consumer spending arising from escalating US Iran tensions, and broader market questions around the potential impact of AI on the gaming sector. Notwithstanding these headwinds, the stock was sold heavily in a manner consistent with the broader de rating of gaming and leisure stocks. LNW continues to take market share underpinned by a strong suite of new premium games, and gaming spend has proven resilient in previous economic downturns, providing a degree of confidence that the consumer spending fears may be overstated. Additionally, land based gaming accounts for over two thirds of the business and is relatively defensible against AI generated competition, given meaningful regulatory and licensing barriers as well as the deep integration of software and hardware that is difficult to replicate digitally. At the time of writing, the stock trades at a 12x PE multiple, we believe that the market is yet to fully reflect the earnings durability of the underlying gaming systems and content business.

Reliance Worldwide Corporation declined 21% over the quarter, with weakness driven by both company specific and broader macro factors. The stock fell 9% on the interim result, reacting negatively to management disclosures around a potential shift from copper based brass to stainless steel in certain plumbing fittings. While the rationale for the change concerned managing regulatory compliance and raw material volatility, the market focused on the potential downside risks, including margin pressure, transition costs and incremental capital expenditure. Despite share price weakness, we continue to see several reasons to hold the stock. We retain high regard for the management team, which has demonstrated disciplined execution and strong capital stewardship over multiple cycles. The company owns leading brands, proprietary technology and a well established retail and trade distribution footprint, particularly in the US. RWC also maintains a comfortable balance sheet, supporting flexibility through the cycle and enabling capital returns, as evidenced by the recently announced additional share buy back. Importantly, the stock is now trading at historically low valuation multiples, and we have taken the opportunity to add to our position.

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 Perpetual Wholesale Income Fund was known as the Trust Company Income Fund until 21 August 2016. Perpetual was appointed as Fund Manager effective 28 July 2014. The previous Fund Manager invested under a different investment strategy using a different investment approach. Therefore performance information before 28 July 2014 is not directly comparable. 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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