

# WEALTHFOCUS PERPETUAL ESG AUSTRALIAN SHARE

May 2026

## FUND FACTS

**Investment objective:** Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian shares that meet Perpetual's ESG and values-based criteria. Aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.

## FUND BENEFITS

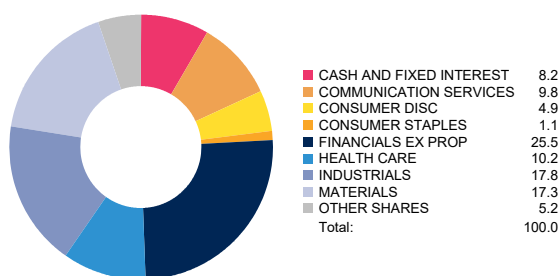
The Fund has two exclusion screens, with which we assess companies. A values-based exclusionary screen for involvement in certain activities, and a ESG exclusionary screen based on an evaluation of companies overall performance on ESG issues.

## 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.

<b>Benchmark:</b>	S&P/ASX 300 Accum. Index
<b>Inception Date:</b>	October 2003
<b>Size of Portfolio:</b>	\$28.48 million as at 31 Mar 2026
<b>APIR:</b>	PER0222AU
<b>Management Fee:</b>	1.18%*
<b>Investment style:</b>	Active, fundamental, bottom-up, value
<b>Suggested minimum investment period:</b>	Five years or longer

## PORTFOLIO SECTORS



## TOP 10 STOCK HOLDINGS

	% of Portfolio
Deterra Royalties Ltd	9.4%
Reliance Worldwide Corp. Ltd.	7.6%
News Corporation	6.0%
GPT Group	5.2%
GWA Group Limited	5.2%
Bluescope Steel Limited	4.5%
Orora Limited	3.4%
Suncorp Group Limited	3.1%
Ramsay Health Care Limited	3.1%
oOh media Ltd	3.0%

## NET PERFORMANCE - periods ending 31 May 2026

	Fund	Benchmark #	Excess
1 month	0.72	1.25	-0.53
3 months	-3.87	-4.03	+0.16
1 year	-3.58	7.02	-10.60
2 year p.a.	3.99	10.05	-6.06
3 year p.a.	6.50	10.97	-4.48
4 year p.a.	6.28	8.75	-2.47
5 year p.a.	5.99	7.93	-1.95
7 year p.a.	7.75	8.43	-0.68
10 year p.a.	6.49	9.07	-2.58
Since incep. p.a.	9.50	8.82	+0.69

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

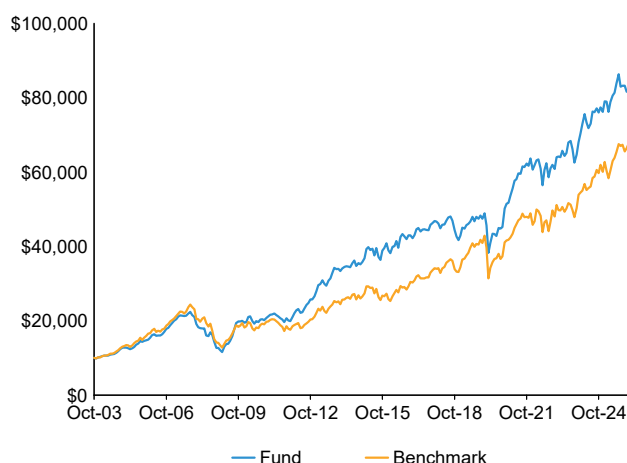
## PORTFOLIO FUNDAMENTALS<sup>^</sup>

	Portfolio	Benchmark
Price / Earnings*	14.7	16.7
Dividend Yield*	3.7%	3.7%
Price / Book	1.8	2.3
Debt / Equity	26.5%	37.8%
Return on Equity*	11.3%	14.4%

<sup>^</sup> 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

Australian equities edged higher in May, with the S&P/ASX300 advancing +1.25% against a backdrop of geopolitical uncertainty and a pivotal domestic policy shift. The federal budget introduced significant changes to capital gains tax and negative gearing arrangements from July 2027, generating sector rotation and weighing on bank sentiment. Global markets continued to track developments in the Middle East, with oil price volatility an uncertain outlook a dominant driver of equity moves. On the macro side, the RBA raised the cash rate 25 basis points to 4.35 %, citing persistent inflation pressures amplified by elevated oil prices. April employment data disappointed, with the unemployment rate rising to 4.5 %, while headline CPI eased to 4.2% – aided by the government's fuel excise cut – though trimmed mean inflation ticked higher to 3.4%, keeping rate expectations unsettled through month end.

## PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Deterra Royalties, Reliance Worldwide Corp. and GWA Group. Conversely, the portfolio's largest relative underweight positions include BHP and Wesfarmers, both of which were not held, and CBA.

McMillan Shakespeare was a strong contributor in May, returning 15.8% for the month. The federal budget provided regulatory clarity on the existing FBT exemption for EVs, which is a significant positive for the novated leasing industry, with the current legislation remaining largely unchanged for the next three years before being wound back from 1 April 2029. This gives industry participants a clear and stable operating runway. Separately, the spike in oil prices arising from the Middle East conflict appears to have acted as a catalyst for a step change in EV purchases. This is beginning to show in new vehicle delivery data, though the shift from ICE to EV is perhaps most evident in feedback from dealers on the ground. Notably, EVs have historically attracted novated leasing penetration rates of around 50 %, compared to just 5–10% for ICE vehicles – a structural dynamic that positions novated lease providers to benefit disproportionately from the ongoing transition. We believe the industry is entering a period of strong structural growth and that McMillan Shakespeare is well placed to capture it. The stock remains attractively priced at 11–12x earnings, the balance sheet is in good shape and management continues to demonstrate a high standard of execution.

AMP backed up its 11.45% return in April with another strong month, climbing a further 9.25% in May. There were no stock specific catalysts during the period; rather, the market continued to recognise the value we had identified in AMP. We established a high conviction position following the market's negative reaction to the FY25 results announcement, at a weighted average price of approximately \$1.30. By the end of May the stock was trading at \$1.60. Our thesis centres on AMP's wealth platform business, AMP North, where peers HUB24 and Netwealth Group trade at a substantial premium. We believe the market underestimates AMP North's competitive position in a space that benefits from significant structural tailwinds – retiring Australians seeking advice and advisers shifting away from industry funds towards wealth platforms. Platform economics are highly attractive, with a largely fixed cost base and strong operating leverage as funds under management and market performance drive revenue growth, supporting the premium multiples seen across the sector. Management continues to execute well on their strategy of becoming a leader in the retirement space, with their retail super fund improving from significant net outflows to near breakeven. We believe continued execution will drive further market recognition of the business's improving quality.

May proved a difficult month for A2 Milk Company. A voluntary US infant formula recall on 1 May, citing cereulide contamination, triggered a 9.9% single day share price fall, with the stock declining steadily thereafter to return -24.15% for the month. The direct financial impact was modest (approximately 0.2% of FY26 infant formula sales), however markets were spooked by the risk of brand damage in China. The recall also compounded a pre-existing supply issue: in mid April, A2M had already cut FY26 revenue and EBITDA margin guidance following customs clearance delays and low Synlait safety stock. Subsequent analyst downgrades added further pressure. Looking ahead, we believe the long term China IMF share gain story remains intact and expect supply related headwinds to ease as the Pokeno facility ramps up in 1H27. Ownership of the facility and its China label registrations brings manufacturing and regulatory control in house, reducing Synlait dependency and strengthening supply chain resilience into China. We had substantially reduced our exposure in February and March as the PE climbed well above 30x, after A2M had been a top contributor to three year performance. With the stock now trading below 20x earnings we have modestly increased our exposure once again.

Ramsay Health Care was a modest detractor in May, declining 4.85%. Inflationary pressures around wages and consumables have weighed on sentiment, with parts of the market concerned about the durability of RHC's margin recovery. However, we remain constructive on the stock. The new chair and management team have continued to execute on operational improvement since their appointment, most notably announcing the in specie distribution of the Ramsay Santé shareholding – a transaction that will crystallise the quality of the Australian assets and materially reduce the debt burden. RHC is also well positioned to benefit from industry consolidation and the exit of weaker competitors, dynamics that should support sustained margin recovery over the medium term. Today, we believe RHC's self help story still has room to run, while other perceived defensives – including the banks – carry considerably more risk with fewer idiosyncratic levers to pull in volatile and inflationary environments.

## OUTLOOK

Markets may be traversing the most acute period of uncertainty in recent memory. Investor sentiment lurches almost daily on Middle East negotiation headlines, while supply anxiety around energy markets has reignited fears not seen in years. Closer to home, Australian consumers are navigating a tough budget and auction clearance rates have fallen sharply – all this coming after years of steadily rising cost of living pressures. Signs of shaky confidence are also emerging in private markets, with some funds moving to limit redemptions. Yet set against these headwinds, the global technology boom rolls on and US equities continue to trade at record levels. How these competing realities resolve is the central question. As always we own a balance of quality as well as value to mitigate risk of either scenario. Active managers who hold discipline on valuation are positioned to benefit as clarity emerges – and periods of peak uncertainty have historically marked the most consequential entry points for long term investors.

# 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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## MORE INFORMATION

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