Perpetual Investment Funds

PERPETUAL INCOME SHARE FUND

June 2025

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:	$4.60 million as at 31 Mar 2025
APIR:	PTC0002AU
Management Fee:	0.89%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS

CASH AND FIXED INTEREST	18.9
COMMUNICATION SERVICES	6.7
CONSUMER DISC	12.0
CONSUMER STAPLES	2.4
ENERGY	1.3
FINANCIALS EX PROP	18.1
HEALTH CARE	2.6
INDUSTRIALS	9.2
MATERIALS	21.7
OTHER SHARES	7.2
Total:	100.0

TOP 10 STOCK HOLDINGS

	% of Portfolio
BHP Group Ltd	9.6%
GWA Group Limited	5.3%
Brickworks Ltd	5.3%
Deterra Royalties Ltd	5.1%
EVT Limited	5.1%
ANZ Group Holdings Limited	5.0%
Premier Investments Limited	3.7%
Westpac Banking Corporation	3.5%
National Australia Bank Limited	3.1%
GPT Group	3.1%

NET PERFORMANCE - periods ending 30 June 2025

	Fund	Benchmark	Excess
1 month	1.61	1.41	+0.20
3 months	6.77	9.50	-2.73
1 year	14.21	13.81	+0.40
2 year p.a.	12.76	12.95	-0.19
3 year p.a.	13.95	13.56	+0.39
4 year p.a.	8.88	8.18	+0.70
5 year p.a.	13.40	11.85	+1.56
7 year p.a.	8.23	8.78	-0.55
10 year p.a.	8.16	8.86	-0.70
Since incep. p.a.	9.01	9.13	-0.12

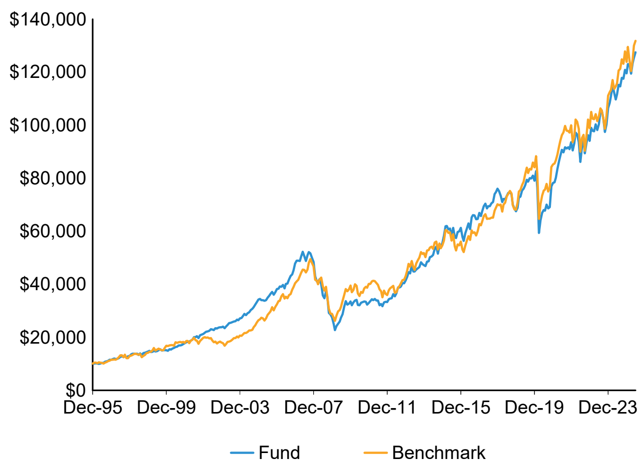
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	15.7	19.0
Dividend Yield*	4.4%	3.4%
Price / Book	1.9	2.3
Debt / Equity	44.1%	39.0%
Return on Equity*	12.2%	12.6%

^ 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 300 Accumulation Index staged a strong recovery over the June quarter, rising 9.48%. The rally came as fears of extreme tariff scenarios continued to recede, helping restore market confidence after a volatile start to the year. While geopolitical risks and global growth concerns lingered, sentiment improved as it became increasingly clear that the most aggressive US tariff proposals were unlikely to materialise. Markets have coined the term 'TACO trade'-'Trump Always Chickens Out'- to describe the pattern of tariff escalation followed by policy reversals, which has contributed to easing market volatility. Financials (+15.67%) supported gains as investor sentiment improved, while Communication Services (+14.08%) and Real Estate (+12.88%) outperformed amid rotation into resilient sectors. In contrast, defensives lagged with Health Care (+2.37%), Utilities (+2.03%) and Consumer Staples (+3.93%) underperforming as risk appetite returned. Materials (-0.36%) was the weakest sector, weighed down by softer commodity prices and concerns over Chinese steel demand. While investors have enjoyed solid gains, often driven by narrow pockets of the market, the outlook highlights the importance of finding value beyond the obvious leaders.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Deterra Royalties Ltd, GWA Group Limited and EVT Limited. Conversely, the portfolio's largest underweight positions include Commonwealth Bank of Australia, CSL Limited and Macquarie Group Ltd, all of which are not held in the portfolio.

The portfolio's overweight to EVT Limited contributed positively to relative performance over the June quarter (+25.1%), with the stock continuing to re-rate as the market narrows the disconnect between asset value and share price. The recent announcement of a sale process for the company's prime 525 George Street property marks a significant milestone, unlocking value from its high-quality real estate portfolio. This follows a period of improving operating momentum, with a recovery in cinema earnings underway and spend per visitor continuing to grow. We remain constructive on EVT's outlook, with ongoing earnings recovery, embedded property value, and potential capital management acting as catalysts for further upside.

The portfolio's overweight to Washington H. Soul Pattinson (SOL) contributed positively to relative performance over the June quarter (+22.6%), with shares benefiting from ongoing strength in the investment portfolio and the announced sale of its strategic stake in Brickworks. The $2.7 billion deal brings an end to over four decades of cross-ownership between the two groups and was well-received by the market, with proceeds expected to enhance capital flexibility and simplify the group structure. Importantly, SOL retains its significant property exposure through its Brickworks holding, providing a cleaner investment structure while preserving access to high-quality assets. With a diversified portfolio and a proven track record of disciplined capital management, we believe SOL remains well-placed to deliver long-term value.

Myer detracted from performance over the June quarter (-6.9%) as recent sales updates highlighted a more challenging retail backdrop, with softer consumer demand and higher costs weighing on sentiment. Operationally, setbacks at the new national distribution centre in Ravenhall have delayed expected efficiencies and added to short-term strain. To mitigate these issues ahead of peak trading periods, Myer has implemented an interim logistics strategy, with third-party provider Toll now managing up to 40% of online volumes, while Ravenhall processes 10–15%. Despite these near-term challenges, underlying trends within the business remain encouraging. Growth in online sales, continued expansion of the MyerOne loyalty program, and early progress on cost savings from the Apparel Brands integration are helping to offset external pressures. Notably, recent upgraded profit guidance and progress on cost savings demonstrate management's ability to execute in a difficult environment, providing a more positive foundation for earnings in the year ahead.

Premier Investments lagged the benchmark over the June quarter (+1.51%), with shares struggling to gain meaningful traction despite the group's strong balance sheet, disciplined capital management, and ongoing brand resilience. While demand across the apparel sector remains subdued, Premier's control over its vertically integrated brand portfolio, including Peter Alexander and Smiggle, positions it well to navigate near-term headwinds. The company continues to explore international expansion opportunities, providing a longer-term growth pathway, while its high level of online penetration offers flexibility in a shifting retail landscape. Despite a challenging discretionary environment, Premier's strong cash position and capital discipline leave it well-placed to pursue strategic growth while continuing to deliver shareholder returns.

OUTLOOK

Looking ahead, we expect financial markets to grapple with a more complex and uneven growth backdrop. While recession fears have eased for now, the underlying risks - from geopolitical tensions to persistent fiscal imbalances - are yet to be resolved. The U.S. remains at the centre of global market attention, with high equity valuations, growing deficit concerns, and trade policy uncertainty likely to be key drivers of volatility in the second half of the year. In Europe, weak business conditions and rising tariff risks point to subdued growth. China's ability to stabilise growth will depend heavily on further policy support, particularly as consumer demand shows signs of fatigue. Closer to home, the near-term picture remains challenging. Growth is expected to remain below trend as the economy works through the lagged impacts of tighter policy, a weaker household sector, and slowing public sector spending. However, with inflation moderating and interest rates likely to ease further, policy settings are shifting toward support. In this environment, we see greater dispersion in market outcomes, reinforcing the importance of selectivity and discipline across portfolios as investors navigate the next phase of the cycle.

MORE INFORMATION

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