Perpetual Investment Funds

PERPETUAL INCOME SHARE FUND

July 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

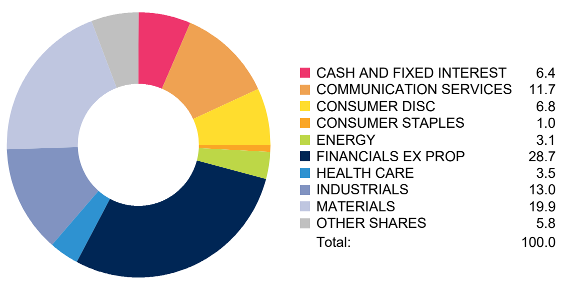
To provide investors with regular income through investment in quality securities.

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:	$5.73 million as at 30 Jun 2026
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

	% of Portfolio
BHP Group Ltd	7.7%
EVT Limited	7.1%
GWA Group Limited	6.2%
Reliance Worldwide Corp. Ltd.	5.2%
Deterra Royalties Ltd	5.2%
Commonwealth Bank of Australia	4.9%
Suncorp Group Limited	4.9%
GPT Group	4.7%
oOh media Ltd	3.8%
ANZ Group Holdings Limited	3.7%

NET PERFORMANCE - periods ending 31 July 2026

	Fund	Benchmark	Excess
1 month	1.10	2.26	-1.17
3 months	9.57	4.13	+5.44
1 year	13.93	6.01	+7.92
2 year p.a.	14.26	8.87	+5.39
3 year p.a.	12.67	10.40	+2.27
4 year p.a.	13.14	10.72	+2.42
5 year p.a.	10.88	8.01	+2.87
7 year p.a.	9.56	7.91	+1.66
10 year p.a.	8.72	9.02	-0.31
Since incep. p.a.	9.27	9.09	+0.18

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

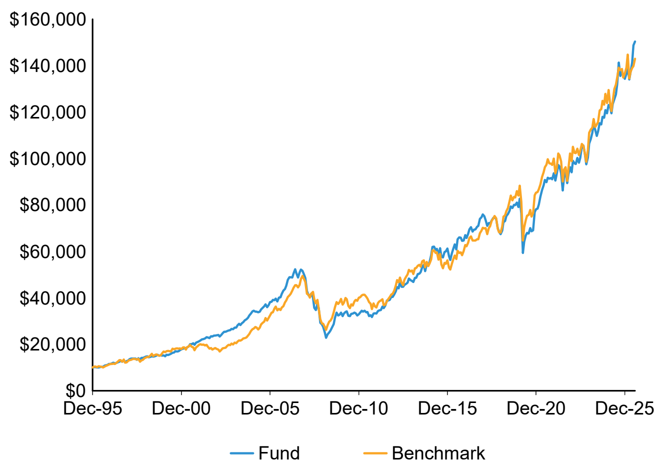
PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	15.9	17.6
Dividend Yield*	4.0%	3.5%
Price / Book	1.9	2.4
Debt / Equity	42.8%	37.7%
Return on Equity*	12.1%	14.1%

^ 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 returned 2.13% in July 2026, the fourth consecutive monthly gain, closing within 1.25% of all-time highs after a late-month break higher. Energy led sectors (+12.06%) as bombing resumed in the US-Iran war. Financials (+5.79%) outperformed on bank strength even as housing stayed weak and federal CGT changes created uncertainty. Health care (+2.17%), consumer discretionary (+1.11%) and communication services (+1.07%) also rose. Information technology was weakest (−4.78%) on US AI-trade weakness in data centre names. Industrials (−1.40%) fell as defence names Electro Optic Systems and DroneShield dropped -35.1% and -30.0% respectively. Utilities (−0.95%), materials (−0.92%) and real estate (−0.39%) also declined, with materials mixed as rare earths and lithium lagged while base metals and select gold miners gained. In domestic macro news, the RBA did not meet in July. Employment firmed while Q2 trimmed mean CPI undershot expectations, and Governor Bullock reiterated a cautious, inflation-focused stance.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include EVT Limited, Deterra Royalties and GWA Group. Conversely, the portfolio 's largest relative underweight positions include Wesfarmers, which was not held, in addition to BHP and CBA.

We began adding to our position in Ampol Ltd (ALD) shortly after the US-Iran conflict broke out, expecting that refining margin expansion would support a material earnings uplift. Fast forward and the stock has returned 41% since the start of March, and it was the top contributor for the month, climbing 21.28%. At the July 2026 Q2 trading update, the company announced a 1H upgrade buoyed by refining margins and volatile energy markets, which resulted in a further 20% of consensus EPS upgrades. The booming 1H profits allow ALD to de-gear the balance sheet post the EG acquisition, with a return to special dividends on the cards in 2027. Looking ahead, the company is continuing to negotiate the next phase of the Fuel Security Services Payment, a federal government subsidy program, which should result in a derisking of the refining segment. We took some profit off the table toward the end of the month as the share price neared $40 on a valuation basis. We continue to hold ALD as it offers attractive features for an income strategy: fully franked dividends, a strong forward yield, and a precedent for special dividends when refining margins are elevated.

oOh Media (OML) posted its fourth straight month of gains with a 6.9% return in July, primarily driven by continued competitive tension into the final bidding stage for the acquisition of OML, in the range of A $1.60 to A$1.65 per share. On 10 August, OML subsequently entered into a Scheme Implementation Agreement with I Squared Capital, under which I Squared will acquire all OML shares at A $1.70 per share in cash. The final offer represents a 6.9% premium to OML's previous closing price, 21.4% more than the initial offer in late April, and double the share price prior to the initial offer. The transaction remains subject to various approvals, however the OML board unanimously recommends shareholders vote in favour. The company has also flagged the potential payment of a fully franked special dividend of approximately 10c per share prior to implementation. As a result of this outcome, combined with a high conviction increase to our position in late February, OML has been the top contributor to six-month performance to 31 July. Irrespective of recent private equity interest in Australia 's Out of Home advertising market, we have held OML in the fund for some time due to its fully franked dividend, rising dividend yield and substantial franking credit balance.

Following the onset of the US-Iran war, soaring energy prices and inflationary expectations triggered a broad selloff in homebuilding and construction stocks, driving the Reliance Worldwide (RWC) share price below $3. The stock recovered to almost $4 at the start of July as the conflict de-escalated, at which point we took some risk off the table. RWC then declined 9.97% in July, as renewed global energy volatility again threatened inflation and interest rates, before recovering more than half of that decline in the first two trading sessions of August. While the company faces near-term exogenous challenges, including tariffs and copper prices, we remain focused on management 's track record, its enviable retail partnerships in the US and its strong balance sheet. We also like RWC for its distribution target of 40 to 60% of annual NPAT, split approximately equally between cash dividends and on-market share buybacks. This is underpinned by RWC 's strong and consistent free cash flow and low net debt to EBITDA multiple, which together create headroom to sustain dividends or the buyback program through a softer earnings period.

In the last six months, both PMV and the S&P/ASX 200 Consumer Discretionary Index have traded largely in line with oil futures, as markets reacted to see-sawing escalations and de-escalations in the US-Iran conflict. This correlation held in July also: a mid-month escalation caused a spike in oil futures, coinciding with an 8.37% fall in Premier Investments (PMV). The stock had returned more than 30% from its mid-May low through to the end of June. Following the recovery, we took the opportunity to take some meaningful exposure off the table, reflecting both this strong run and the broader macro volatility. We continue to hold PMV due to its balance sheet strength, which provides future optionality, and its track record of robust fully franked dividends.

OUTLOOK

It remains a difficult environment for long term fundamental investors with macro themes continuing to dominate as the Iran war, Russia-Ukraine fighting, rising political populism, tariffs, the AI capex boom and inflation challenges offering competing narratives and buffeting the market in different directions day after day. This exposes stock pickers to a lot of risk that is both unrewarded and difficult to anticipate. Rather than worry about the headlines we cannot control, we continue to focus on the things we can – including building a portfolio of businesses with strong balance sheets, low leverage, durable earnings and pricing power - purchased at reasonable valuations. That combination – financial robustness plus a valuation margin of safety – is what allows a portfolio to absorb geopolitical shocks without permanent capital impairment, rather than chasing momentum in whichever sector the latest headline favours.

MORE INFORMATION

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