Perpetual Investment Funds

PERPETUAL ESG AUSTRALIAN SHARE FUND

July 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

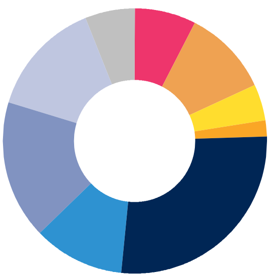
The Fund has two exclusion screens, with which we assess companies. A values-based exclusionary screen for involvement in certain activities, and a ESG exclusionary screen based on an evaluation of companies overall performance on ESG issues.

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.

Benchmark:	S&P/ASX 300 Accum. Index
Inception Date:	April 2002
Size of Portfolio:	$550.63 million as at 30 Jun 2026
APIR:	PER0116AU
Management Fee:	1.18%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Deterra Royalties Ltd	7.4%
Reliance Worldwide Corp. Ltd.	6.0%
News Corporation	5.9%
GWA Group Limited	5.7%
Commonwealth Bank of Australia	5.6%
GPT Group	5.5%
Bluescope Steel Limited	4.4%
National Australia Bank Limited	3.7%
Ramsay Health Care Limited	3.6%
oOh media Ltd	3.4%

NET PERFORMANCE - periods ending 31 July 2026

	Fund	Benchmark #	Excess
1 month	1.72	2.13	-0.41
3 months	9.28	4.02	+5.26
1 year	-0.75	5.84	-6.59
2 year p.a.	4.38	8.82	-4.44
3 year p.a.	7.04	10.28	-3.24
4 year p.a.	8.42	10.48	-2.06
5 year p.a.	6.86	7.80	-0.94
7 year p.a.	8.46	7.85	+0.61
10 year p.a.	7.27	8.96	-1.69
Since incep. p.a.	10.32	8.46	+1.87

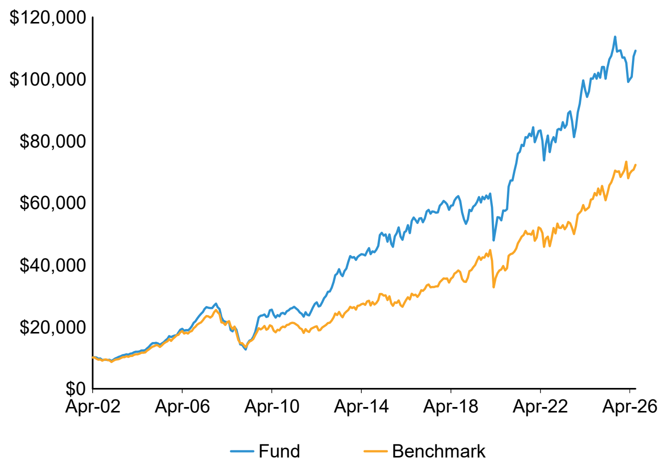
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	15.8	17.6
Dividend Yield*	3.1%	3.6%
Price / Book	2.0	2.4
Debt / Equity	28.7%	38.3%
Return on Equity*	11.8%	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 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 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.

AMP returned 33.96% in July, driven by an earnings upgrade announced on 16 July. The largest contributor was a 24% increase in profit from its Chinese partnerships between 2H25 and 1H26, with higher investment earnings and higher North guarantee fees also contributing. The Chinese partnerships largely relate to AMP's 19.99% interest in China Life Pension Company, which holds a 30% share of the employer sponsored Chinese pension market. These partnerships are expected to deliver returns of 12% to 15% per annum, and the related funds under management have grown at an average rate of 12% per annum over the past four and a half years. Chinese partnerships now account for approximately one-third of AMP 's group profit. We continue to hold the stock for several reasons: further growth potential in the Chinese partnerships, the improving profitability of its domestic platform business and the upside available from lifting returns in the currently underperforming banking business.

News Corporation climbed 9.31% for the month. While there was no major news out for NWS during July, the company reported a strong result for Q4 in early August. On a group basis, NWS reported a +13% EBITDA beat versus consensus, with all segments coming in above expectations. The most significant beats by segment on an EBITDA basis were Dow Jones and Digital Real Estate, exceeding expectations by 10% and 13% respectively, which was particularly encouraging for us. Firstly, we have maintained that the Dow Jones business, and NWS 's portfolio of assets more broadly, is undervalued by the market. Much of this stems from a perception that the rump of NWS (ex-REA) is a low-quality business in structural decline, exposed to the pressures facing traditional newspapers. This result gives credibility to the sustainable growth of Dow Jones and supports a re-rating as the market comes to appreciate this business. Secondly, we have continued to believe REA will prove resilient to the threat of AI. It was with this in mind that we materially added to our position in NWS earlier in the year, when fears around AI disruption were at their peak. NWS have also continued their active buyback program, repurchasing US$184m of shares during Q4 and taking the FY26 total to US $643m. This signals that NWS management share our belief that the share price does not reflect the company's intrinsic value.

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.

Navigator Global Investments (NGI) was down 7.57% in July and was a minor detractor. The decline appeared decoupled from the company's June quarter update on the 16th July, which both we and covering brokers interpreted as a broadly solid result. Group AUM rose 6% quarter on quarter and 21% year on year to US$33.6bn on an ownership-adjusted basis, with closing AUM beating consensus by 6% at the group level. We like NGI as it is the only pure-play listed alternatives exposure on the ASX that is diversifying and growing the earnings base through targeted M &A, backed by seasoned industry leaders in General Partner staking. The stock also offers attractive valuation in an absolute sense (9-10x FY27 P/E) and relative to listed peers both domestically (PNI trades on 23x) and internationally. Over time, we believe NGI should benefit from a re-rate closer to these peers, driven by a combination of further AUM growth and consistent performance fee generation.

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.

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.

MORE INFORMATION

Investor Services 1800 022 033
Email PerpetualUTqueries@cm.mpms.mufg.com
www.perpetual.com.au

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