Perpetual Investment Funds

PERPETUAL INCOME SHARE FUND

September 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

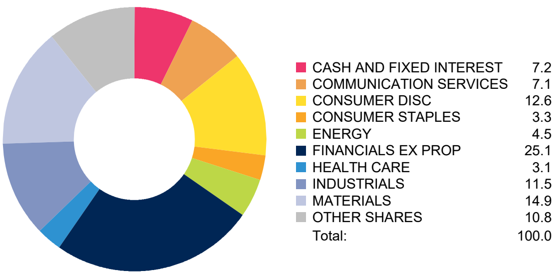
To provide investors with regular income through investment in quality securities.

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:	$5.04 million as at 30 Jun 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

	% of Portfolio
Washington H. Soul Patt.	9.3%
BHP Group Ltd	8.6%
Deterra Royalties Ltd	6.3%
GWA Group Limited	6.2%
ANZ Group Holdings Limited	5.1%
GPT Group	4.5%
Premier Investments Limited	3.9%
National Australia Bank Limited	3.7%
Origin Energy Limited	3.6%
Westpac Banking Corporation	3.3%

NET PERFORMANCE - periods ending 30 September 2025

	Fund	Benchmark	Excess
1 month	-4.00	-0.78	-3.22
3 months	6.35	4.71	+1.64
1 year	14.98	10.56	+4.42
2 year p.a.	15.04	16.03	-0.99
3 year p.a.	14.91	15.17	-0.26
4 year p.a.	10.41	8.97	+1.44
5 year p.a.	14.61	12.98	+1.63
7 year p.a.	9.05	9.26	-0.21
10 year p.a.	8.99	10.11	-1.12
Since incep. p.a.	9.16	9.22	-0.06

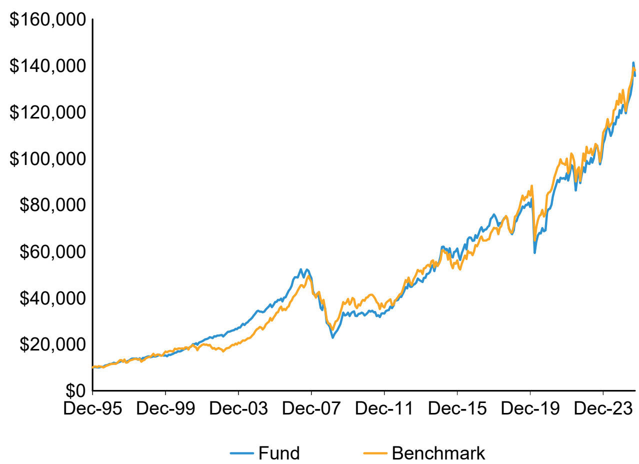
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	16.6	19.7
Dividend Yield*	4.2%	3.3%
Price / Book	2.1	2.4
Debt / Equity	45.7%	39.3%
Return on Equity*	12.3%	12.3%

^ 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

Australian equities navigated a turbulent quarter marked by shifting policy expectations and stark performance divergence, ultimately rising almost 5% through the period. The market's resilience was tested through one of the most volatile reporting seasons in recent memory, where sharp swings in heavyweight stocks underscored the risks inherent in a top-heavy market structure. The domestic economy proved more resilient than anticipated, with stronger consumption and household spending challenging forecasts for an extended easing cycle, while inflation data exceeded expectations and prompted markets to narrow rate cut assumptions. Sector performance reflected these cross-currents, with Materials rising over 20% while Financials gained only 1.3%, marking a significant rotation in market leadership. Healthcare endured one of its sharpest falls on record following CSL 's high-profile disappointment. Consumer sectors delivered resilient performance supported by retail earnings beats, while gold producers posted exceptional gains as safe-haven demand surged amid concerns over fiscal sustainability and central bank independence.

PORTFOLIO COMMENTARY

The portfolio’s largest overweight positions include Washington H. Soul Pattinson, Deterra Royalties Ltd and GWA Group Limited. Conversely, the portfolio’s largest underweight positions include Commonwealth Bank of Australia, Wesfarmers Limited and CSL Limited, all of which are not held in the portfolio.

Eagers Automotive delivered standout performance over the third quarter (+ 69.5%) with the stock advancing following the release of encouraging half-year results that surpassed market expectations. The company demonstrated operational resilience with underlying profit exceeding forecasts, driven by stronger-than-anticipated revenue growth though margin pressures persisted in line with broader industry conditions. Particularly impressive was the significant improvement in operating cash flow generation, which enabled meaningful debt reduction and reinforced the company 's robust financial foundation. Management's guidance that the first half represents trough margins, with expectations for progressive improvement through enhanced productivity initiatives and industry recovery, supports our constructive outlook. With its commanding market position in Australian automotive retail and diversified earnings base, Eagers remains well-positioned to benefit from the anticipated margin expansion and operational leverage as market conditions continue to normalise and the company executes on its strategic initiatives.

Nick Scali delivered strong performance for investors over the September quarter (+ 28.3%) following the release of results that highlighted the divergent fortunes of its geographic segments. The company's Australian and New Zealand operations demonstrated exceptional quality with order growth accelerating and gross margins exceeding expectations, reinforcing the strength of its core franchise. However, the UK expansion continued to face headwinds with sales performance falling short of expectations due to refurbishment disruptions and operational challenges in newly converted stores. While management remains confident in the UK opportunity citing early signs of conversion success in select locations, the timeline to profitability has been extended with break-even now pushed further out. Despite the geographic mixed results, the underlying resilience of the ANZ business and management's disciplined approach to cost control and inventory management positions the company well to navigate the current retail environment while pursuing its longer-term growth strategy across both established and emerging markets.

Myer underperformed the market over the quarter with the stock down -20.7%. The company is currently in the midst is undertaking an ambitious turnaround to regain relevance with consumers in apparel and beauty following many years of stagnating revenue growth and weak profitability. This requires significant upfront investment in management capability, brands and marketing, internal technology support systems and logistics. The scale of the investment surprised the market at the recent FY25 results, and the shares reacted negatively. There is significant operating leverage to be gained if Myer can execute on its plan over the next 2-3 years which would see a material improvement in earnings and cash flow. Importantly it has a strong net cash balance sheet to support it through this turnaround period.

Premier is undergoing a transition post divestment of Apparel Brands to Myer in January 2025. The continuing operations of Premier Retail are Peter Alexander and Smiggle. Peter Alexander is growing very strongly with sales more than double that generated six years ago. It is impressive to see no pull back in sales momentum post COVID, unlike many retailers that experienced a temporary spike in demand followed by a large retreat. Whilst there are plans for new product range launches over the next couple of years to boost demand, new competitors are emerging and the market is questioning whether some of this weakness is structural. Weaker Smiggle sales offset Peter Alexander strength in FY25, leaving Premier’s retail sales growth relatively flat. Higher than expected employee and rental costs also impacted earnings margins and together this has seen shares decline ~13.8% over the month and finish the quarter down approximately 4.8%.

OUTLOOK

Markets enter the final quarter with gains intact but underlying tensions building. Recent months have revealed sharp sector rotation and elevated post-result volatility, as resilient consumer demand collides with margin pressures and persistent inflation. Australian household spending has proved surprisingly robust, challenging expectations for an extended easing cycle, while globally, leadership remains concentrated in technology names despite growing fragility in sentiment. Political risks have intensified as questions around central bank independence drive gold near record highs and weigh on the US dollar. Valuations now sit near historical extremes, suggesting asymmetric downside risk at a time when policy uncertainty, tariff disruptions, and moderating earnings momentum argue for caution. While this environment creates dispersion, it also demands heightened selectivity as traditional correlations break down. Looking ahead, markets face a more complex growth backdrop. Recession fears have eased, yet underlying risks from geopolitical tensions to fiscal imbalances remain unresolved. The US commands attention given elevated equity valuations and deficit concerns. Europe confronts weak business conditions and tariff headwinds, while China's stabilisation depends on sustained policy support amid cooling consumption. Domestically, growth is expected to remain subdued as the economy absorbs tighter policy settings, though moderating inflation and further rate cuts should provide relief. Navigating this environment requires discipline and patience as investors assess shifting market leadership and an increasingly uneven path forward.

MORE INFORMATION

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