Perpetual Investment Funds

PERPETUAL AUSTRALIAN SHARE FUND

September 2026

FUND FACTS

Investment objective: Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian industrial and resource shares.

FUND BENEFITS

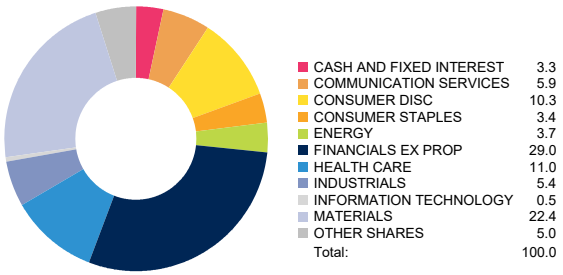
Provides investors with the potential for maximising capital growth and income, with broad market exposure, through active management by one of Australia's most experienced investment management teams.

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: February 1997
Size of Portfolio: $385.15 million as at 30 Jun 2026
APIR: PER0049AU
Management Fee: 0.99%*
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	10.1%
Commonwealth Bank of Australia	7.3%
CSL Limited	4.6%
Washington H. Soul Patt.	4.0%
Ramsay Health Care Limited	3.2%
National Australia Bank Limited	3.2%
EVT Limited	3.1%
ANZ Group Holdings Limited	3.0%
Westpac Banking Corporation	2.9%
Rio Tinto Limited	2.6%

NET PERFORMANCE - periods ending 30 September 2026

	Fund	Benchmark #	Excess
1 month	-3.05	-2.43	-0.62
3 months	1.14	1.26	-0.12
1 year	2.65	2.39	+0.26
2 year p.a.	2.72	6.49	-3.77
3 year p.a.	6.66	11.33	-4.68
4 year p.a.	7.64	11.73	-4.08
5 year p.a.	4.87	7.47	-2.60
7 year p.a.	6.85	7.78	-0.93
10 year p.a.	6.84	8.98	-2.14
Since incep. p.a.	9.42	8.64	+0.78

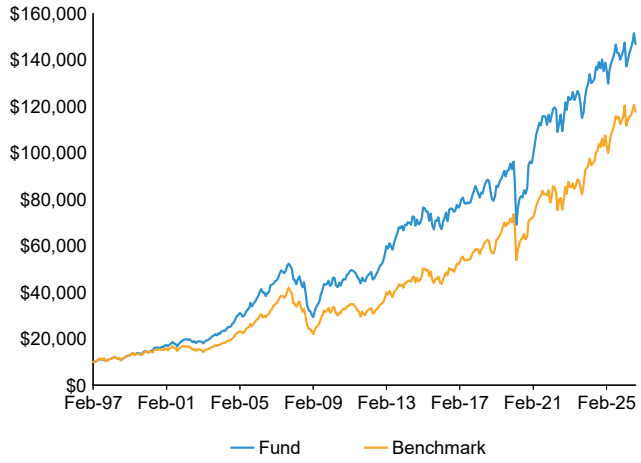
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	17.8	17.3
Dividend Yield*	3.4%	3.7%
Price / Book	2.4	2.3
Debt / Equity	40.2%	37.6%
Return on Equity*	13.8%	13.8%

^ 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 delivered a subdued +1.26% total return over September 2026 quarter, reflecting persistent headwinds from a hawkish monetary policy backdrop. Sector performance diverged sharply, with Health Care (+25.40%) and Energy (+17.34%) providing crucial support, whilst Materials (+4.77%) benefited from copper demand linked to power infrastructure and AI development. Conversely, Technology (- 9.38%), Consumer Discretionary (-9.26%) and Real Estate (-8.65%) faced sustained pressure as elevated rates impacted valuations and consumer spending. The RBA's fourth rate rise of 2026, pushing the cash rate to 4.60%, remained the dominant macro driver despite CPI holding at 3.73% well above target. Strong Q2 GDP growth of 2.1% YoY reinforced tightening momentum, offsetting signs of consumer stress – confidence slumped to 84.4 by September. The AUD rallied to 0.722 mid-quarter before retreating to 0.695, signalling markets anticipated rate cycle maturation.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Washington H Soul Pattinson, EVT and Ramsay Healthcare. Conversely, the portfolio's largest underweight positions include Commonwealth Bank (CBA), Macquarie Group and Telstra (not held).

Ansell delivered strong performance in Q1 FY27, rising in each month of the quarter and returning 44.7% overall. The key catalyst was the FY26 result in August, with revenue and EPS both beating consensus and FY27 guidance well above expectations. Capex came in 25% below consensus, supporting faster than expected deleveraging, with net debt 10% below consensus. The stock rose 9.6% on the day of the release and a further 8.2% in the following session. Ansell has continued to re-rate as the market recognises the strength of its brands, which has allowed it to pass through tariffs and raw material inflation. Underlying demand also remains solid, including in the US, where Ansell is benefiting from the expansion of the industrial base. Our thesis that Ansell is a quality, reliable growth story that is deleveraging continued to play out and reward shareholders over the September quarter.

Ampol rose 40.1% during the quarter, driven by its leverage to regional refining margins. In July, buoyant refining margins and volatile energy markets led to a formal 1H upgrade at the 2Q trading update, reflecting strength at the Lytton refinery and in trading within the International F &I segment. This resulted in consensus EPS upgrades of around 20%. At the 1H26 result, Ampol delivered a low single digit earnings beat against upgraded consensus, with Retail a mid-single digit beat. Beyond refining, we regard the management team as among the best in the sector, having developed the retail offer into a source of steady incremental growth. Looking forward, we believe the EG acquisition will support higher fuel volumes and further expansion of the unmanned site offering. Ampol remains a key energy sector position within the portfolio.

The Flutter share price was relatively flat for most of the period until mid-September, when the stock fell sharply, finishing the quarter down 27%. The decline was driven in part by the Brazilian president's announcement of a ban on OSB and iGaming in late September, following several weeks of news flow on the issue. The ban must still pass through parliament, so there remains a chance it is reversed or revised. Importantly, Flutter is only losing $70 million at the EBITDA line in Brazil in FY26, less than 3% of consensus group EBITDA, with loose guidance for this to improve to break-even next year. As a result, the change is unlikely to be materially significant to the company's near-term financials. That said, a ban would remove one of Flutter's longer-term high-growth markets, so the impact is more strategic. Separately, in the US, regulatory outcomes have continued to favour the states, with Kalshi suffering multiple losses. As Kalshi is forced to withdraw from an increasing number of states, this should work in Flutter's favour.

Cobram Estate Olives (CBO) was a significant detractor for the period after falling 35. 9% in the September quarter, though the fall was softened by a 14.5% gain over the final four trading sessions of June. The CBO decline in July was driven in part by the company's harvest and business update, with the stock falling 6.25% on the day. CBO announced that California Olive Ranch (COR) earnings will not reach the earn-out hurdle, which requires EBITDA above US$7.125m in 1H26 for a maximum payment of US$15m, and disclosed a dispute with the COR sellers over a purchase price adjustment of US $31.9m. CBO fell a further 10.8% in August, primarily due to a soft FY26 result. The 14. 9% single-day decline reflected a weak fair value adjustment, driven by elevated temporary water costs, a lower-yielding 2026 crop, and more competitive conditions in Australia. These shorter-term challenges mask aspects of the result that support our long-term thesis, with management commentary pointing to a clear shift away from balance-sheet-funded orchard expansion. This matters because it signals a material structural change in how the US business scales. Once this investment cycle concludes, capital intensity should decline materially, leading to improved returns on capital and stronger free cash flow generation.

OUTLOOK

Heading into the last quarter of 2026 the focus is shifting to the flow-on effects of tighter monetary policy. Lenders have lifted fixed mortgage rates by nearly double the RBA's move, adding to fears that the pressure on consumers will only continue to build, especially if the RBA tightens again. Capital city property prices continue to decline from their March peak. The collapse of developer Bathla Group and troubles at Metrics credit has raised the question of broader economic risks from contagion as deteriorating conditions in construction collide with concerns about private credit liquidity and defaults. China-exposed stocks have fallen sharply and doubts over AI spending, highlighted by the failed Firmus IPO, are unsettling tech-adjacent names. Meanwhile investors also have an eye on the US Fed as well as additional geopolitical risks, especially the evolving Iranian situation.

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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Total returns shown for the Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.
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