

## Perpetual Investment Funds

# PERPETUAL GEARED AUSTRALIAN SHARE FUND

May 2026

### FUND FACTS

**Investment objective:** Aims to enhance long-term capital growth through borrowing (gearing) to invest predominantly in quality Australian industrial and resource shares.

### FUND BENEFITS

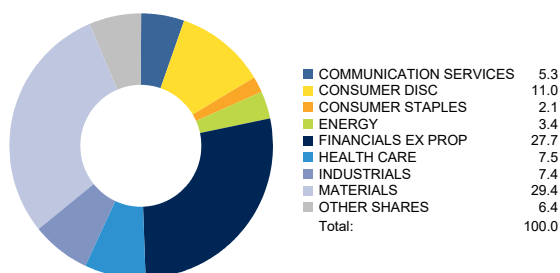
Provides investors with broad market exposure with the potential for higher returns through the use of gearing (borrowing within the fund) and actively managed by one of Australia's most experienced investment management teams.

### 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.

<b>Benchmark:</b>	S&P/ASX 300 Accum. Index
<b>Inception Date:</b>	March 2003
<b>Size of Portfolio:</b>	\$293.34 million as at 31 Mar 2026
<b>APIR:</b>	PER0071AU
<b>Management Fee:</b>	1.17%*
<b>Investment style:</b>	Active, fundamental, bottom-up, value
<b>Suggested minimum investment period:</b>	Seven years or longer

### PORTFOLIO SECTORS



### TOP 10 STOCK HOLDINGS

	% of Portfolio
BHP Group Ltd	12.7%
Commonwealth Bank of Australia	7.6%
Washington H. Soul Patt.	4.7%
Rio Tinto Limited	3.7%
National Australia Bank Limited	3.4%
Goodman Group	3.2%
ANZ Group Holdings Limited	3.0%
Ramsay Health Care Limited	2.8%
EVT Limited	2.7%
AMP Limited	2.4%

### NET PERFORMANCE - periods ending 31 May 2026

	Fund	Benchmark #	Excess
1 month	4.54	1.25	+3.29
3 months	-8.04	-4.03	-4.01
1 year	0.13	7.02	-6.89
2 year p.a.	2.83	10.05	-7.23
3 year p.a.	3.65	10.97	-7.32
4 year p.a.	3.16	8.75	-5.60
5 year p.a.	5.62	7.93	-2.32
7 year p.a.	6.89	8.43	-1.54
10 year p.a.	7.90	9.07	-1.17
Since incep. p.a.	11.09	9.52	+1.57

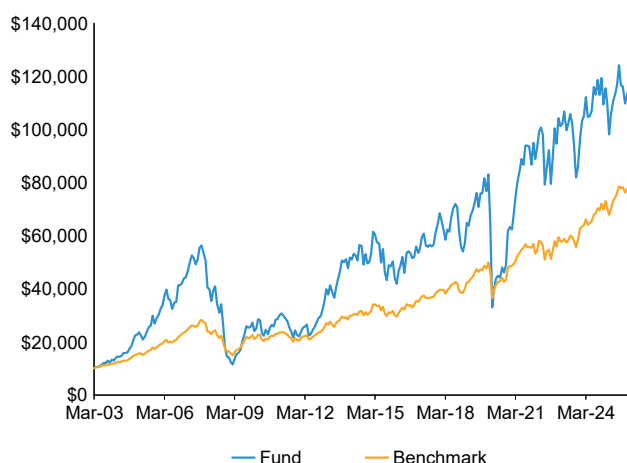
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

### PORTFOLIO FUNDAMENTALS<sup>^</sup>

	Portfolio	Benchmark
Price / Earnings*	17.1	16.7
Dividend Yield*	3.1%	3.7%
Price / Book	2.3	2.3
Debt / Equity	36.5%	37.8%
Return on Equity*	13.4%	14.4%
Gearing Level	52.0%	

<sup>^</sup> Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating Perpetual'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



## MARKET COMMENTARY

Australian equities edged higher in May, with the S&P/ASX300 advancing +1.25% against a backdrop of geopolitical uncertainty and a pivotal domestic policy shift. The federal budget introduced significant changes to capital gains tax and negative gearing arrangements from July 2027, generating sector rotation and weighing on bank sentiment. Global markets continued to track developments in the Middle East, with oil price volatility an uncertain outlook a dominant driver of equity moves. On the macro side, the RBA raised the cash rate 25 basis points to 4.35 %, citing persistent inflation pressures amplified by elevated oil prices. April employment data disappointed, with the unemployment rate rising to 4.5 %, while headline CPI eased to 4.2% – aided by the government's fuel excise cut – though trimmed mean inflation ticked higher to 3.4%, keeping rate expectations unsettled through month end.

## PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include BHP, Washington H. Soul Pattinson and Ramsay Health Care. Conversely, the portfolio 's largest relative underweight positions include Telstra, Transurban and Woolworths, all of which were not held.

Macroeconomic and geopolitical uncertainty weighed on MFT through much of May, with the stock declining more than 9% from the start of the month to its mid May trough before recovering to finish the period up 11.5%. The recovery was driven in part by a well received FY26 full year result, with the stock jumping almost 7% on the day. Despite a challenging trading backdrop, MFT delivered revenue and PBT in line with consensus. The standout was Australia, where PBT margins reached 10%, surpassing COVID era highs, supported by strong market share gains. With Australia and New Zealand accounting for over 80% of group PBT, the strength of the ANZ result more than offset underperformance in the smaller Americas and European segments. Management also provided an encouraging trading update, noting that conditions in April and May had improved on the prior corresponding period. We believe MFT is a high quality cyclical with a strong balance sheet, and as conditions normalise, improved network density and recent investment in warehouse and transport facilities should drive material operating leverage, translating even modest revenue growth into an outsized PBT and free cash flow uplift.

AMP backed up its 11.45% return in April with another strong month, climbing a further 9.25% in May. There were no stock specific catalysts during the period; rather, the market continued to recognise the value we had identified in AMP. Our thesis centres on AMP 's wealth platform business, AMP North, where peers HUB24 and Netwealth Group trade at a substantial premium. We believe the market underestimates AMP North 's competitive position in a space that benefits from significant structural tailwinds – retiring Australians seeking advice and advisers shifting away from industry funds towards wealth platforms. Platform economics are highly attractive, with a largely fixed cost base and strong operating leverage as funds under management and market performance drive revenue growth, supporting the premium multiples seen across the sector. Management continues to execute well on their strategy of becoming a leader in the retirement space, with their retail super fund improving from significant net outflows to near breakeven. We believe continued execution will drive further market recognition of the business 's improving quality.

May proved a difficult month for A2 Milk Company. A voluntary US infant formula recall on 1 May, citing cereulide contamination, triggered a 9.9% single day share price fall, with the stock declining steadily thereafter to return –24.15% for the month. The direct financial impact was modest (approximately 0.2% of FY26 infant formula sales), however markets were spooked by the risk of brand damage in China. The recall also compounded a pre existing supply issue: in mid April, A2M had already cut FY26 revenue and EBITDA margin guidance following customs clearance delays and low Synlait safety stock. Subsequent analyst downgrades added further pressure. Looking ahead, we believe the long term China IMF share gain story remains intact and expect supply related headwinds to ease as the Pokeno facility ramps up in 1H27. Ownership of the facility and its China label registrations brings manufacturing and regulatory control in house, reducing Synlait dependency and strengthening supply chain resilience into China. We had steadily halved our exposure in the 6 months prior to April as the PE jumped as high as 35x, after A2M had been a top contributor to one year performance – with our valuation discipline limiting the impact on the portfolio.

Eagers Automotive was a top portfolio detractor, returning –12.96% for the month. At its AGM trading update on 27 May, APE issued H1 CY26 guidance that came in well below expectations, prompting full year consensus PBT downgrades of approximately 5%. The stock fell 9.71% the following session. More broadly, APE has faced headwinds from softening new vehicle sales sentiment, driven by a deteriorating macroeconomic outlook in the wake of the US Iran conflict. Despite near term pressures, we remain constructive on the longer term thesis. APE 's scale provides a structural competitive advantage, and its exposure to key new energy vehicle brands – where it holds greater than 33% market share – positions it well to benefit from continued strong electric vehicle demand. Looking further ahead, APE has recently completed the acquisition of a high performing dealership group in Canada, where management is well placed to replicate the operational model that has driven its success in Australia.

## OUTLOOK

Markets may be traversing the most acute period of uncertainty in recent memory. Investor sentiment lurches almost daily on Middle East negotiation headlines, while supply anxiety around energy markets has reignited fears not seen in years. Closer to home, Australian consumers are navigating a tough budget and auction clearance rates have fallen sharply – all this coming after years of steadily rising cost of living pressures. Signs of shaky confidence are also emerging in private markets, with some funds moving to limit redemptions. Yet set against these headwinds, the global technology boom rolls on and US equities continue to trade at record levels. How these competing realities resolve is the central question. As always we own a balance of quality as well as value to mitigate risk of either scenario. Active managers who hold discipline on valuation are positioned to benefit as clarity emerges – and periods of peak uncertainty have historically marked the most consequential entry points for long term investors.

# 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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## MORE INFORMATION

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