

## Perpetual Investment Funds

# PERPETUAL INCOME SHARE FUND

May 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

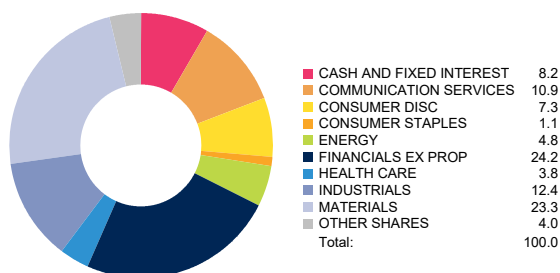
To provide investors with regular income through investment in quality securities.

### 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.

<b>Benchmark:</b>	S&P/ASX 200 Accum. Index
<b>Inception Date:</b>	December 1995
<b>Size of Portfolio:</b>	\$5.87 million as at 31 Mar 2026
<b>APIR:</b>	PTC0002AU
<b>Management Fee:</b>	0.89%*
<b>Investment style:</b>	Active, fundamental, bottom-up, value
<b>Suggested minimum investment period:</b>	Five years or longer

### PORTFOLIO SECTORS



### TOP 10 STOCK HOLDINGS

	% of Portfolio
BHP Group Ltd	8.7%
EVT Limited	7.0%
Deterra Royalties Ltd	7.0%
GWA Group Limited	5.6%
Washington H. Soul Patt.	5.0%
Reliance Worldwide Corp. Ltd.	4.7%
GPT Group	4.0%
Suncorp Group Limited	3.6%
oOh media Ltd	3.4%
Ramsay Health Care Limited	3.0%

### NET PERFORMANCE - periods ending 31 May 2026

	Fund	Benchmark	Excess
1 month	3.00	1.15	+1.86
3 months	1.64	-4.03	+5.67
1 year	12.67	6.89	+5.78
2 year p.a.	13.52	10.08	+3.44
3 year p.a.	12.95	11.02	+1.93
4 year p.a.	10.85	8.93	+1.92
5 year p.a.	9.83	8.10	+1.73
7 year p.a.	9.27	8.47	+0.80
10 year p.a.	8.43	9.10	-0.68
Since incep. p.a.	9.10	9.04	+0.06

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

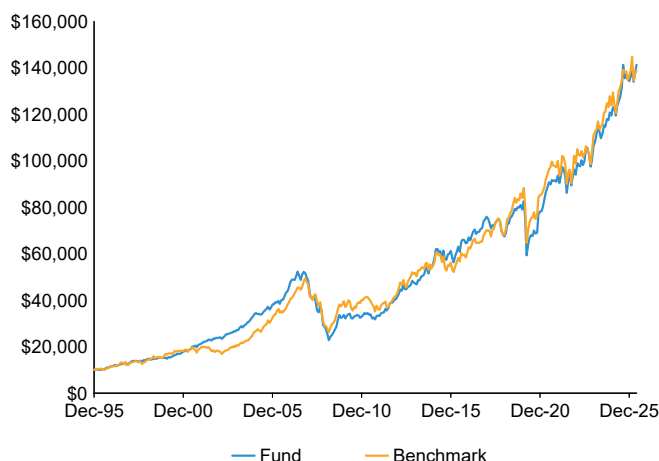
### PORTFOLIO FUNDAMENTALS<sup>^</sup>

	Portfolio	Benchmark
Price / Earnings*	14.8	16.7
Dividend Yield*	4.4%	3.7%
Price / Book	1.7	2.3
Debt / Equity	36.9%	37.5%
Return on Equity*	11.4%	14.5%

<sup>^</sup> 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 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 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.

A 15.4% return in May made OML a top contributor to the fund for the second consecutive month. The stock had been under pressure for much of CY26 amid concerns over softer advertising conditions driven by higher for longer inflation expectations. After watching the share price slide from \$1.80 back to \$1.0, we made a high conviction increase to our position, believing OML was significantly undervalued. This view was validated by Nine's subsequent \$850m acquisition of rival QMS Media on 1 April and by private equity non binding indicative offers of \$1.40–\$1.45 per share, which sent the stock up 32.94% in a single session on 29 April. Looking ahead, we believe the Out of Home advertising market will continue to take share from traditional media formats. As the largest player in this market, OML is well positioned to benefit – and a stabilisation in contract churn suggests the business should deliver meaningful earnings growth alongside moderating development capital expenditure, supporting a re rating toward a stronger multiple.

McMillan Shakespeare was a strong contributor in May, returning 15.8% for the month. The federal budget provided regulatory clarity on the existing FBT exemption for EVs, which is a significant positive for the novated leasing industry, with the current legislation remaining largely unchanged for the next three years before being wound back from 1 April 2029. This gives industry participants a clear and stable operating runway. Separately, the spike in oil prices arising from the Middle East conflict appears to have acted as a catalyst for a step change in EV purchases. This is beginning to show in new vehicle delivery data, though the shift from ICE to EV is perhaps most evident in feedback from dealers on the ground. Notably, EVs have historically attracted novated leasing penetration rates of around 50 %, compared to just 5–10% for ICE vehicles – a structural dynamic that positions novated lease providers to benefit disproportionately from the ongoing transition. We believe the industry is entering a period of strong structural growth and that McMillan Shakespeare is well placed to capture it. The stock remains attractively priced at 11–12x earnings, the balance sheet is in good shape and management continues to demonstrate a high standard of execution.

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 substantially reduced our exposure in February and March as the PE climbed well above 30x, after A2M had been a top contributor to three year performance. With the stock now trading below 20x earnings we have modestly increased our exposure once again.

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.

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The Perpetual Wholesale Income Fund was known as the Trust Company Income Fund until 21 August 2016. Perpetual was appointed as Fund Manager effective 28 July 2014. The previous Fund Manager invested under a different investment strategy using a different investment approach. Therefore performance information before 28 July 2014 is not directly comparable. The publication has been prepared and issued by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426, as promoter for the Perpetual WealthFocus Superannuation Fund. The information contained in this document is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The information contained in this document is in addition to and does not form part of the product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund. The PDS for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL 229757, RSE L0001458, should be considered before deciding whether to acquire or hold units. The PDS and Target Market Determination can be obtained by calling 1800 011 022 or visiting [www.perpetual.com.au](http://www.perpetual.com.au). Neither PIML, ETSL nor any of their related parties guarantee the performance of any fund or the return of an investor's capital. Total returns shown for the Perpetual WealthFocus Superannuation 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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## MORE INFORMATION

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