Perpetual Investment Funds

PERPETUAL INCOME SHARE FUND

January 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

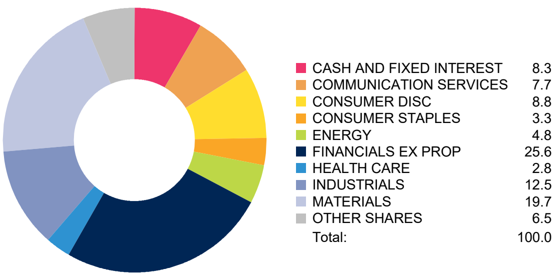
To provide investors with regular income through investment in quality securities.

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.

Benchmark:	S&P/ASX 200 Accum. Index
Inception Date:	December 1995
Size of Portfolio:	$5.87 million as at 31 Dec 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.	9.1%
BHP Group Ltd	8.0%
GWA Group Limited	6.6%
Deterra Royalties Ltd	6.4%
EVT Limited	4.9%
GPT Group	4.4%
National Australia Bank Limited	3.9%
New Hope Corporation Limited	3.2%
Reliance Worldwide Corp. Ltd.	2.8%
Westpac Banking Corporation	2.8%

NET PERFORMANCE - periods ending 31 January 2026

	Fund	Benchmark	Excess
1 month	1.68	1.78	-0.10
3 months	-0.55	0.36	-0.91
1 year	10.99	7.37	+3.62
2 year p.a.	12.26	11.20	+1.06
3 year p.a.	11.33	9.81	+1.51
4 year p.a.	10.85	10.41	+0.45
5 year p.a.	11.73	10.21	+1.52
7 year p.a.	10.27	10.13	+0.14
10 year p.a.	8.95	10.12	-1.17
Since incep. p.a.	9.08	9.14	-0.07

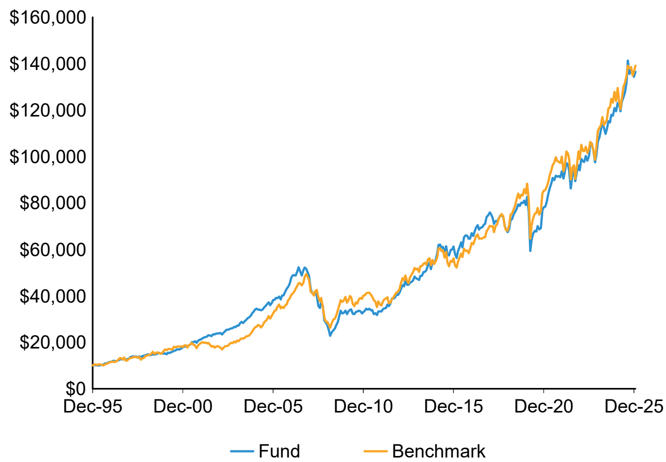
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	17.1	18.3
Dividend Yield*	4.1%	3.4%
Price / Book	1.9	2.4
Debt / Equity	45.0%	39.1%
Return on Equity*	11.7%	13.4%

^ 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 advanced 1.7% in January, extending December's momentum and approaching October's record highs with a 7.1% rally from November lows. Heightened geopolitical uncertainty, including US policy volatility around Greenland, EU tariffs, and Middle East tensions, drove sharp commodity moves. Crude oil surged on supply concerns while safe-haven demand pushed gold, silver, and copper to fresh highs. Sector performance diverged sharply: Energy (+11.1%) led on uranium miner strength and rising oil prices, while Materials (+ 9.4%) benefited from broad-based commodity gains. Technology (-9.1%) suffered steep losses, mirroring US Mag 7 weakness. Real Estate (- 2.7%) declined as bond yields climbed ahead of the February RBA meeting. Domestically, stronger-than-expected employment data (65,200 jobs added, unemployment falling to 4.1%) and elevated Q4 inflation (trimmed-mean CPI 3.3%, above the RBA's 2-3% target) significantly raised rate hike probabilities, with markets pricing ~74% odds for February action. The RBA subsequently raised the cash rate by 0.25%.

PORTFOLIO COMMENTARY

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

The overweight position in Ramsay Health Care contributed to portfolio performance as the stock climbed +5. 8% for the month. Investors reacted positively following the company's agreement to opportunistically acquire National Capital Private Hospital in Canberra from A $251 million, marking Ramsay's entry into the ACT, a market characterised by high private health insurance coverage and out-of-pocket spending. The 148-bed facility, co-located near Canberra Hospital with high-acuity capacity, is expected to close in May 2026 subject to regulatory approval. The company also advanced its domestic development pipeline with a A$16.4 million expansion at St George Private Hospital to increase surgical capability. Overall, Ramsay represents an opportunity for investors to gain exposure to high quality infrastructure like assets, with the transformation initiatives which are well underway and starting to be seen in the financials, as well as the improving operational efficiencies not reflected in the current share price.

The portfolio's overweight to Washington H. Soul Pattinson (SOL) contributed positively to relative performance over January (+ 3.9%), with shares benefiting from ongoing strength in the investment portfolio and continued execution of its disciplined capital allocation strategy. While SOL issued no material price-sensitive announcements during the month, typical for an investment house that follows semi-annual reporting cycles, the company remained active in portfolio stewardship. In a market environment where valuations appear stretched, SOL offers equity exposure with an embedded margin of safety, combining conservative positioning with the flexibility to capitalise on volatility and deploy capital opportunistically as conditions shift. The company retains significant property exposure through underlying direct and indirect holdings, providing a cleaner investment structure while preserving access to high-quality assets. With a diversified portfolio spanning resources, pharmaceuticals, and financial services, and a proven track record of patient capital management, we believe SOL remains well-positioned to deliver long-term risk-adjusted value.

The overweight position of a2 Milk detracted from portfolio performance in the month, falling - 8.0%. China National Bureau of Statistics’ posting of a 17 percent year-over-year decline in births to 7.9 million for 2025 saw the company sell off with investors cautioning future demand for infant formula. While acknowledging China's declining birth rate and expecting infant formula sales to remain relatively flat or weaken over the medium term, management can continue to grow the brand by taking marking in its core business through its expanding multi-brand approach as well as expanding into adjacencies, strategically diversifying beyond infant formula into products targeting older age groups and expanding into smaller Chinese cities through online sales channels. The company's focus on premiumisation and innovation across different life stages positions it well to capture market share in a challenging environment. We remain optimistic about a2 Milk's growth trajectory, supported by its strategic investments, product diversification, and New Zealand 's constructive trade relationship with China, which provides a stable foundation for long-term expansion.

Myer Holdings detracted from portfolio performance in January, falling - 8.4% as the company undertook aggressive operational restructuring within its newly acquired Apparel Brands division and navigated an unfavourable legal outcome. The restructure saw Myer shift from a brand-led to a state-based management model, removing approximately 40 management roles including national sales managers to simplify the network and improve regional accountability. As part of the broader portfolio rationalisation, Myer announced it would shutter Sass & Bide concessions in 14 stores, close three boutiques, and pause its online platform ahead of a planned "major revitalisation" later this year. The month also brought an arbitration tribunal ruling in favour of landlord Starhill Global REIT, dismissing Myer's claim of lease breach at the Myer Centre Adelaide and effectively preventing an early lease termination. While these near-term headwinds and execution risks weighed on sentiment, the operational changes reflect management 's willingness to make difficult decisions to streamline the enlarged business and extract synergies from the Premier Investments acquisition. Crucially, the company 's strong net cash balance sheet provides a solid financial foundation to support the business through this transition period without balance sheet constraints, positioning it well to capture the upside as strategic initiatives mature.

OUTLOOK

The apparent pivot by the RBA back to a tightening cycle adds to layers of macro concerns investors must contend with alongside unpredictable US administration policy. Commodity-exposed sectors continue to enjoy tailwinds amid supply constraints and geopolitical risk premiums, with energy (uranium, oil/gas) and materials (gold, copper) benefiting from structural tailwinds. Although investors have also been shaken by a new bout of tech jitters emanating from the US. Alongside the broad concerns about excess valuations and massive tech AI spending (which is consuming profits at the hyperscalers) the release of Anthropic’s latest Claude Cowork technologies triggered a rout in SaaS stocks considered vulnerable to the latest advances in artificial intelligence with software and financial services stocks all hit hard. Australian and US equity markets started the moth trading in the 95th percentile of valuation versus the last 20 years, leaving them both vulnerable to the shift in sentiment.

MORE INFORMATION

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