WealthFocus Investment Advantage

WEALTHFOCUS PERPETUAL ESG AUSTRALIAN SHARE

October 2026

FUND FACTS

Investment objective: Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian shares that meet Perpetual's ESG and values-based criteria. Aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.

FUND BENEFITS

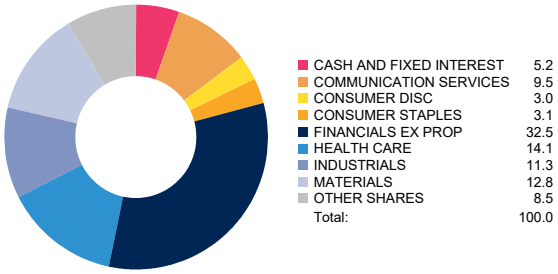
The Fund has two exclusion screens, with which we assess companies. A values-based exclusionary screen for involvement in certain activities, and a ESG exclusionary screen based on an evaluation of companies overall performance on ESG issues.

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: November 2008
Size of Portfolio: $21.34 million as at 30 Sep 2026
APIR: PER0491AU
Management Fee: 1.43%*
Investment style: Active, fundamental, bottom-up, value
Suggested minimum investment period: Five years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Deterra Royalties Ltd	6.8%
Commonwealth Bank of Australia	6.6%
GPT Group	5.2%
GWA Group Limited	5.1%
National Australia Bank Limited	4.6%
Ramsay Health Care Limited	4.5%
CSL Limited	4.0%
ANZ Group Holdings Limited	4.0%
News Corporation	3.9%
oOh media Ltd	3.8%

NET PERFORMANCE - periods ending 31 October 2026

	Fund	Benchmark #	Excess
1 month	2.20	1.11	+1.09
3 months	4.15	0.25	+3.89
1 year	4.00	3.09	+0.91
2 year p.a.	6.37	7.78	-1.42
3 year p.a.	11.62	13.20	-1.58
4 year p.a.	9.01	10.43	-1.42
5 year p.a.	6.40	7.69	-1.29
7 year p.a.	8.86	8.01	+0.85
10 year p.a.	7.18	9.34	-2.17
Since incep. p.a.	10.60	8.71	+1.88

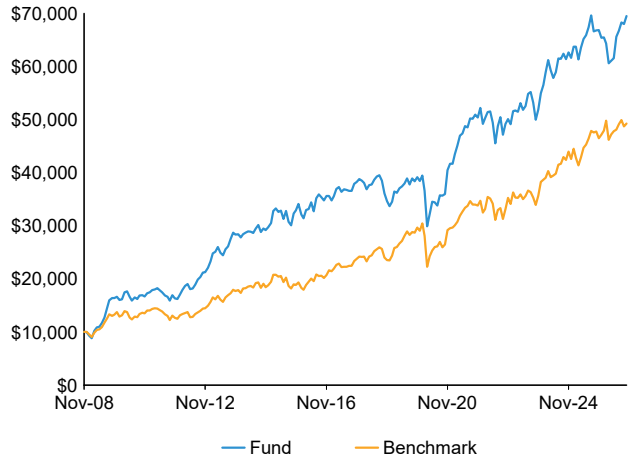
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	16.7	17.6
Dividend Yield*	3.1%	3.6%
Price / Book	2.3	2.3
Debt / Equity	32.3%	39.3%
Return on Equity*	13.0%	13.7%

^ 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 Australian equity market made modest progress in October, with the S &P/ASX 300 Accumulation Index returning 1.1% in a choppy month shaped by AGM trading updates, guidance revisions and quarterly production reports from miners against a backdrop of falling metals prices. Takeover activity was also a feature, including proposals for Cleanaway and Challenger, while the scrapping of Firmus's planned IPO weighed on data centre and AI infrastructure-linked names. Utilities (+9.3%) led sector gains, followed by Financials (+6.9%), as the major banks rebounded despite housing market weakness, supported by rotation out of Resources. Health Care (+5. 6%) and Consumer Discretionary (+3.6%) also outperformed. Materials (–8.1%) was the clear laggard, entering bear market territory more than 20% below the August peak. Lithium stocks were among the weakest, with Vulcan Energy, Liontown, Pilbara Minerals, Elevra and IGO each falling more than 20%.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Deterra Royalties, GWA Group and GPT Group. Conversely, the portfolio 's largest relative underweight positions include BHP and Wesfarmers, both of which were not held, and CBA.

ResMed (RMD) rose 11% in the month of October. The company delivered a robust 1Q27 update during the month, beating revenue consensus by ~2%. The steeper sequential decline in Americas CPAP (Continuous Positive Airway Pressure) sleep apnea sales ex Astral flagged last quarter was less pronounced than expected, with overall Americas CPAP sales +8% YoY during the quarter. The stock was also buoyed by the wider market's rotation away from Materials (-8.1%) into defensives, including Health Care (+5.6%). RMD's management continues to flag the relationship between GLP-1 demand and CPAP therapy, finding that patients with scripts for both are 11% more likely to start CPAP than those with a CPAP script alone. Gross margins also beat consensus by +50bps YoY, with inflationary pressures expected to be kept in check via pricing increases and efficiency measures. Additionally, following the sale of Matrix Care, RMD have identified stranded costs that can be removed as the year progresses. Guidance was reiterated at +5-7% revenue growth for the rest of the year, which we see as conservative given the strong reported performance for 1Q27.

McMillan Shakespeare (MMS) returned 9.9% in October and was a top contributor to relative performance over the past six months. The company delivered a very strong 1QFY27 update during the month. The highlight for us was a 14% increase in novated lease sales compared with the prior corresponding period. We see two structural tailwinds supporting this momentum. First, the current FBT exemption for EVs will remain largely unchanged for the next three years, giving the industry regulatory clarity. Second, the spike in oil prices following the Middle East conflict appears to have triggered a step-change in EV purchases. This matters for MMS because EVs have historically been novated at a rate of around 50 %, compared with just 5–10% for ICE vehicles. As EVs take a larger share of new car sales, novated lease providers are positioned to benefit disproportionately. Valuation also remains undemanding. MMS trades at ~12x NTM PE and its discount to peer Smartgroup (SIQ) has widened to around 30%, compared with a medium-term average discount of around 20%.

Navigator Global Investments (NGI) modestly detracted after declining 14.3% in October. This followed gains of more than 10% in the final two trading sessions of September, after the company announced the sale of its interest in Invictus Capital Partners. NGI will receive net upfront proceeds of US$40–43m, plus a potential earn-out of up to ~US$32m in CY30. It will also retain its carried interest and fund interests in Invictus. Management expects the deal will not significantly reduce Invictus distributions in FY27 and that material profit distributions will continue until 2031. NGI also provided a solid 1Q27 AUM update during the month. Group ownership-adjusted AUM rose 9% over the quarter to US$36.6bn, driven by the Stable acquisition. Excluding Stable, the organic AUM growth was 3% for the quarter. We like NGI as the only ASX-listed company offering pure exposure to alternatives, an asset class that is generating attractive alpha and attracting flows. The stock also trades on an attractive P /E multiple. Furthermore, the sale proceeds add to NGI's balance sheet capacity to fund M&A that grows its fee-generating base, providing a pathway to significant earnings uplift in the years ahead.

An underweight to CBA detracted, with the stock returning 10.4% as the market rotated out of resources (XJR -6.85%) and into financials (XXJ +6.91%). This followed declines of -8.4% in August and -5.6% in September, when this underweight contributed. We continue to believe CBA is significantly overvalued. Through 2026, the stock has traded 1–2 standard deviations above its 10-year average P/E, both on an absolute basis and relative to the market. This premium has persisted even as indicators for CBA have mostly deteriorated since the federal budget in early May: credit growth has slowed, house prices are falling and unemployment has risen to its highest level since Covid, according to the latest ABS labour force survey. Pressures were already showing in CBA's FY26 result, where the 2H26 bad debt charge of $469m was 47% higher than in 1H26 and we see further challenges ahead. The portfolio therefore remains most underweight in CBA and Westpac as the banks most exposed to housing.

OUTLOOK

Investors continue to weigh several local and global pressure points. The RBA lifted the cash rate 25bps to 4.85% on 3 November – its fifth hike this year and an 18-year high – but Governor Bullock removed the explicit tightening bias, signalling a wait-and-see pause that many economists read as the peak. Even so, trimmed mean inflation is now forecast to hold at 3.6% through December 2026, with growth of just 1.6% and unemployment forecast to reach 5.1%, and the AUD has weakened as markets weigh the risk of a policy error. Against this backdrop, data points and company updates continue to point to a deteriorating Australian consumer. Outside of a resolution in the Middle East or a significant slowdown in the AI build-out, it is hard to envisage significant relief in rates and am improvement in domestic economic conditions. Further, the emerging volatility in globally markets relating to AI funding concerns will likely remain a key driver of local markets.

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. This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. It 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 whether the information is suitable for your circumstances and we recommend that you seek professional advice. The product disclosure statement (PDS) for the Perpetual WealthFocus Investment Advantage Fund, issued by PIML, should be considered before deciding whether to acquire, dispose, or hold units in the investment option. The PDS and Target Market Determination for the Fund can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au.
Total returns shown for the investment option 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. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. All investing involves risk including the possible loss of principal.

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