

Perpetual Investment Funds

PERPETUAL BALANCED GROWTH FUND

April 2026

FUND FACTS

Investment objective: The fund aims to provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments.

FUND BENEFITS

Provides investors with access to a diverse range of growth and income producing assets. Active management and asset allocation techniques are employed in order to further enhance the fund's return and manage risk.

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: Balanced Growth Index (Internally generated composite)

Inception Date: October 1997

APIR: PER0063AU

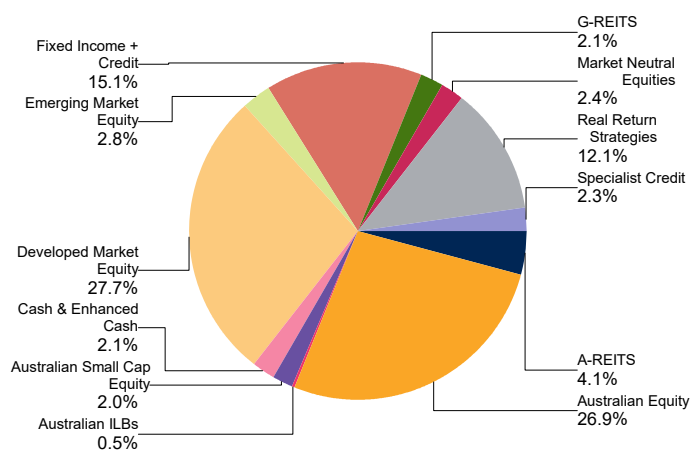
Management Fee: 1.04% p.a.

Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

Investment style: Active, fundamental, disciplined, value

Suggested minimum investment period: Five years or longer

PORTFOLIO SECTORS



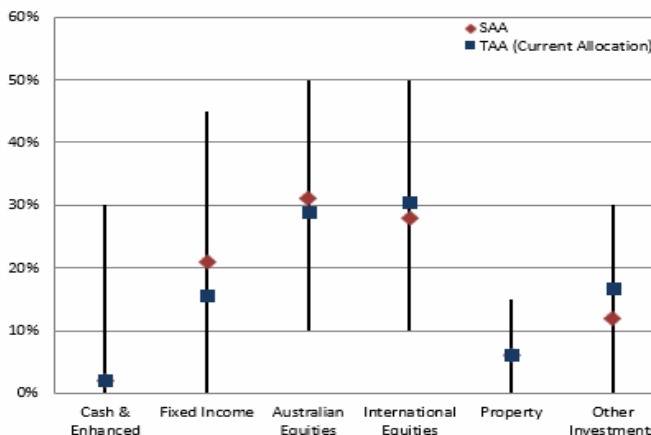
NET PERFORMANCE- periods ending 30 April 2026

	Fund	Benchmark	Excess
1 month	2.5	3.2	-0.7
3 months	-0.7	0.0	-0.7
1 year	7.3	10.4	-3.1
2 year p.a.	6.3	10.0	-3.7
3 year p.a.	5.9	9.8	-3.9
5 year p.a.	5.9	6.9	-1.0
10 year p.a.	6.8	8.0	-1.2
Since incep. p.a.	7.2	7.3	-0.1

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

ASSET ALLOCATIONS AND INVESTIBLE RANGES

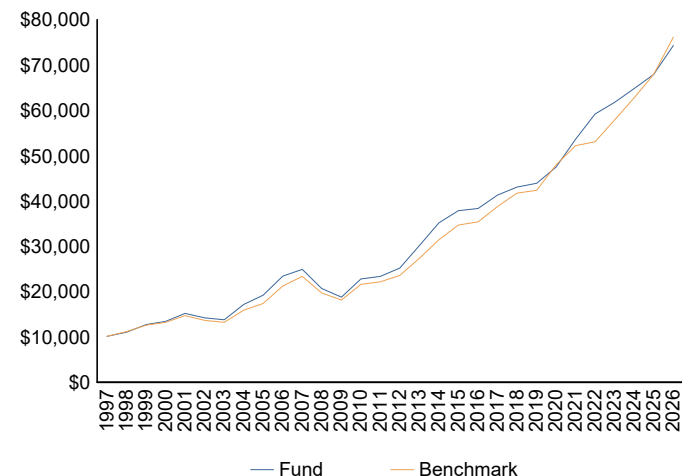
FUND TACTICAL AND STRATEGIC ALLOCATIONS INCLUDING ALLOWABLE MAXIMUM AND MINIMUM RANGES



STRATEGIC AND TACTICAL ASSET ALLOCATIONS

The Strategic Asset Allocation (SAA) is the neutral allocation acting as an anchor for active positioning, while the Tactical Asset Allocation (TAA) process adjusts the asset allocation according to market opportunities and risks.

GROWTH OF \$10,000 SINCE INCEPTION



MARKET COMMENTARY

Equity markets rebounded strongly in April, looking beyond persistent geopolitical risks to post new highs. The dominant market story was one of renewed confidence, driven by a powerful risk-on rally centred on artificial intelligence (AI) stocks and buoyed by a very positive US corporate earnings season. Tensions between the US and Iran continued to dominate headlines, with the Strait of Hormuz remaining severely disrupted and Brent crude pushing to US\$114 per barrel by month-end. Yet global equities staged a remarkable recovery, led by extraordinary gains across the AI semiconductor supply chain, but with advances in all regions.

- Global shares (+8.9%) staged a powerful rebound in April, underpinned by US equities (+10.5%), which benefited from a decisive rotation back into AI stocks and were buoyed by a strong earnings season in which 84% of reporting S&P 500 companies beat consensus expectations, with aggregate EPS growth of approximately 14.5% year-on-year. Resilient activity data and the Fed remaining on hold were also constructive.

- April saw a sharp reversal in equity market leadership with the Russell 1000 Growth index (+11.9%) outperforming its value peer (+8.2%) as investor appetite for companies leveraged to the AI investment cycle returned in force.

- Japanese equities (+16.1%) outperformed developed market peers, supported by yen weakness and the return of foreign investors to Japanese technology-related names.

- European equities (+6.2%) performed well as markets increasingly priced a contained Middle East outcome, and resilient global growth and strong US earnings supported cyclical and exporters around the world. The rally was also aided by corporates having stronger-than-expected pricing power and improving financial conditions as the ECB remained on hold.

- UK equities (+2.3%) rose but underperformed primarily because the UK is one of the most stagflation-sensitive major markets which had greater sensitivity to higher energy costs and tighter financial conditions. The bourse also has limited exposure to the AI phenomenon, and rising bond yields and renewed inflation concerns weighed on domestic cyclical and rate-sensitive sectors.

- Australian shares (+2.2%) advanced modestly, underperforming the broader global rally as the Australian market's more limited direct exposure to the AI theme constrained returns.

- Emerging markets (+13.3%) outperformed their DM peers, powered by extraordinary gains in Taiwan (+22.7%) and South Korea (+33.9%) and other parts of EM Asia, where the global capex and semiconductor investment boom continued to drive strong earnings upgrades and capital inflows.

- Commodity markets gained broadly, with energy and industrial metals the clear outperformers, reflecting both the sustained supply disruption from the Strait of Hormuz closure and surging real-world demand for materials underpinning the global AI data centre buildout.

The strong rally in risk markets during April was supported by strong US corporate earnings results and centred primarily on companies exposed to AI and the technology supply chain. Both the percentage of S&P 500 companies reporting earnings above expectations (84%) and the magnitude of those surprises were above recent averages. The largest contributors to the acceleration in earnings growth have been three of the "Magnificent 7" (Alphabet, Amazon and Meta). A key theme for the season has been its broad strength, with cyclical sectors contributing meaningfully despite a softer quarter of economic growth. Markets have notably rewarded revenue growth, not just cost discipline, with rising revenue growth and margins both contributing to corporate bottom lines.

We continue to look for opportunities in companies and sectors with more reasonable valuations, strong balance sheets, and earnings that are beatable against modest consensus expectations, particularly where the AI-driven capital expenditure cycle may benefit industries beyond the technology sector itself.

Geopolitical uncertainty persisted throughout April, with the Strait of Hormuz effectively closed which pushed spot Brent crude prices to US\$114 per barrel by month-end. The key for markets from here is not how high energy prices go, but rather where they stay; prices sustained above US\$110 per barrel for an extended period would be expected to trigger a material decline in consensus global growth and a rise in global inflation expectations, thereby threatening the duration of the business cycle. At present, markets have seemingly factored in that de-escalation is desired and beneficial for both sides. However, the bar for an oil spike threatening the business cycle is high given the development of large services industries, the world's reduced energy intensity, the strong state of global corporate balance sheets, and more diversified energy supply across regions and energy types.

The US Federal Reserve kept interest rates unchanged at its April FOMC meeting, as the FOMC weighed temporary energy-driven inflation against the resilience of the US labour market and consumer spending. By month end, market pricing implies that the Federal Reserve will hold rates steady for the remainder of 2026, with rate cuts increasingly pushed into 2027. The Bank of Japan, by contrast, moved to a more hawkish stance over the month, with upward revisions to its inflation forecasts leading markets to bring forward expectations for further rate hikes. Ten-year Japanese government bond yields rose to their highest level since 1997, reflecting the combination of imported energy inflation and a reassessment of fiscal sustainability given Japan's large stockpile of debt and the newly elected PM's desire to increase spending and lower taxes. In Europe, the ECB held rates at its April meeting, acknowledging the stagflationary pressures from elevated energy costs against a backdrop of weakening business activity, with eurozone Purchasing Managers' Index coming in a bit soft, although it is still aligned with GDP of about +0.4%QA in the Jun'26 quarter.

In Australia, there was no RBA Board meeting in April, but the Bank remained very much in focus over the month as the release of March quarter CPI data showed that headline inflation rose to +4.6%Y in the year to March 2026, its highest reading in 30 months, while trimmed mean inflation rose a slightly softer +0.8%Q to +3.5%Y. Against a backdrop of weakening consumer and business confidence, the RBA will be balancing the risk of higher inflation against downside risks to growth and the labour market. While the economy has shown improved growth momentum in recent quarters, the medium-term outlook remains tepid, with zero real wages growth expected over the next few years and an increasingly cautious corporate sector as the impact of previous (and upcoming) rate hikes slowly filters through the economy.

Global equity stock selection was the key determinant of relative return over the month with the Fund's value and quality biases detracting from performance as growth stocks and sectors outperformed led by technology and AI-sensitive companies. The Fund's allocation to a dividend-weighted equity strategy and the Barrow Hanley Global Share Fund detracted. The Fund continues to target less expensive parts of the global sharemarket in addition to providing greater sector and regional diversification relative to increasingly concentrated market weighted indices.

Markets are facing challenges in both the near term (geopolitical concerns, inflation risks, central banks potentially having to hike further, rich expectations for corporate EPS growth, and markets trading above 80th percentile valuations) and the long term (investors living in a '4% world', given high valuations and markets likely having already priced in years of productivity improvement). The state of PEs, and elevated market

concentration, alongside the preponderance of valuation-agnostic passive funds, have made regional equity markets increasingly vulnerable to unforeseen events. The Fund is close to benchmark weight in equities, masking an overweight exposure to global and a marginal underweight in Australian stocks. All equity exposures remain focused on stock selection alpha opportunities and exposure to equity beta remains carefully managed.

We continue to manage downside risks by maintaining little or no exposure to the most expensive parts of the global equity and credit markets, and we have zero exposure to private markets given their liquidity and valuation risks, where a left-tail event could spark vulnerabilities and contagion. The Fund complements this with option protection where it has been attractively priced to implement. This includes cost-effective S&P 500 put options, which risk only the premium if markets rise while providing protection against downturns without requiring precise market timing. The Fund also maintains a US dollar call option against the Hong Kong dollar, which provides inexpensive protection against geopolitical risks.

The Fund remains slightly below benchmark weight in fixed income, with the exposure primarily focused on 10-year Australian government bonds alongside domestic credit and a small allocation to inflation linked bonds.

In addition, the Fund's cautious asset allocation is supported by a notable cash allocation, which provides solid income and significant optionality if valuations become more attractive.

The Fund's position in the Perpetual Diversified Real Return Fund continues to deliver low volatility absolute returns while retaining a relatively low correlation to equity markets.

OUTLOOK

With the Middle East conflict unresolved, rising inflation and waning growth present risks to regional sharemarkets, which have elevated valuations and growth expectations. Meanwhile, with government bonds offering less reliable diversification, risk management remains paramount. The Fund retains multiple embedded risk protections and sources of portfolio convexity. We continue to carefully manage the Fund's exposure to global equities and maintain diversity in regional and sector allocations.

The Balanced Growth Fund gains its exposure to Australian Shares by investing in an underlying Australian Share Fund/s which primarily invests in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. The investment guidelines showing the Fund's maximum investment in international shares do not include this potential additional exposure. Short positions may be part of the underlying Australian Share Fund's strategy. Currency hedges may be used from time to time.

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. 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.

MORE INFORMATION

Investor Services 1800 022 033

Email PerpetualUTqueries@cm.mpms.mufg.com

www.perpetual.com.au

