

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (%p.a.)	Since Inception^ (% p.a.)
Income Distribution	0.5	1.4	4.9	8.5	7.0	7.3	7.7	7.3
Capital Growth	1.5	-4.4	1.0	-1.5	1.1	-0.7	-1.3	-0.8
Total Return	1.9	-3.0	6.0	7.0	8.1	6.6	6.5	6.5
Franking Credits#	0.0	0.0	0.1	1.1	1.3	2.1	2.6	2.5
Income Distribution including Franking Credits	0.5	1.4	5.0	9.6	8.3	9.4	10.3	9.8
Benchmark Yield including Franking Credits#	0.5	1.4	4.2	4.4	5.1	5.4	5.2	5.4
Excess Income to Benchmark*	0.0	0.0	0.8	5.2	3.2	4.0	5.1	4.4

^Inception date was 7 May 2018. Fund returns are calculated using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or the bid ask spread that investors incur when buying and selling units on the ASX. *Benchmark yield is calculated based on the difference between the return of the S&P/ASX300 Franking Credit Adjusted Daily Total Return Index (Tax Exempt) and return of the S&P/ASX300 Index. #Franking credits are an estimate only, as tax components will only be known with certainty at the end of the financial year. Past performance is not a reliable indicator of future performance.

Overview

Global markets continued their rally in May, as the Iran ceasefire tenuously held, with the prospect of a peace agreement dangled in front of markets. The Tech/AI trade also rolled on. This saw the S&P500 rise +5.3%, while the NASDAQ added to last month's surge, rising +8.4%, to record highs.

The Australian market delivered a positive return, with the ASX300 Accumulation Index +1.2%. The prospect of an end to hostilities saw Metals & Mining (+10.4%) lead the market, despite commodity prices generally easing over the month.

The Fund is currently targeting FY26 net monthly distributions of 1.785 CPU. Based on the unit price at the start of the financial year, this equates to an annualised cash distribution yield of 5.6%.

Fund Characteristics

The objective of EIGA is to provide investors with an attractive level of tax effective income, paid via monthly distributions. EIGA aims to provide a gross distribution yield, adjusted for applicable franking credits, above that provided by the S&P/ASX300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt).

Portfolio Manager **EIGA FUM**
Stephen Bruce \$27 million

Distribution Frequency
Monthly

Inception Date **Fees**
7 May 2018 0.80% (incl. of GST and RITC)

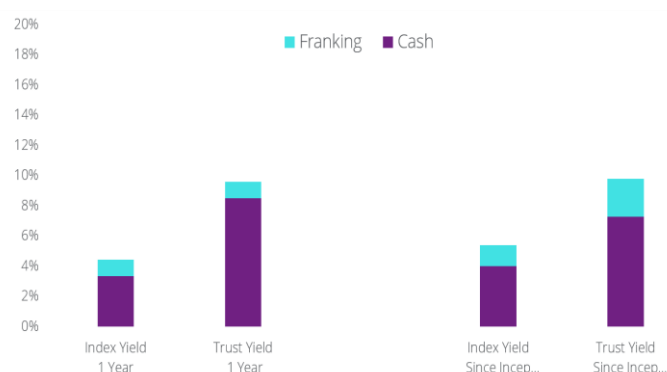
Portfolio Characteristics – FY27	Fund	Market
Price to Earnings (x)	17.0	17.0
Price to Free Cash Flow (x)	13.6	13.3
Gross Yield (%)	5.0	4.5
Price to NTA (x)	2.5	2.5

Source: Perennial Value Management. As at 31 May 2026.

The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

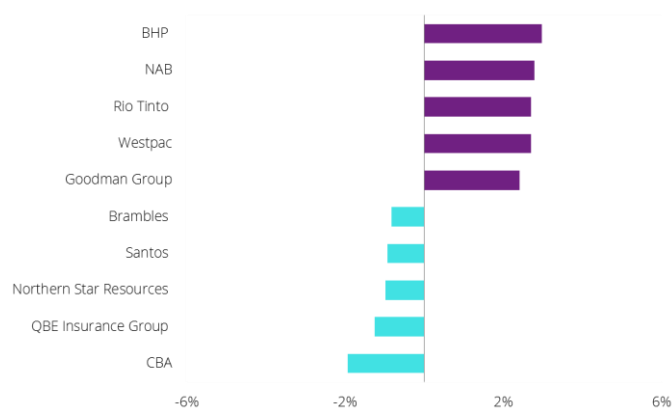
Franking Levels (%)			
FY25	48.7	FY22	99.6
FY24	60.0	FY21	100.0
FY23	75.5	FY20	100.0

Distribution Yield

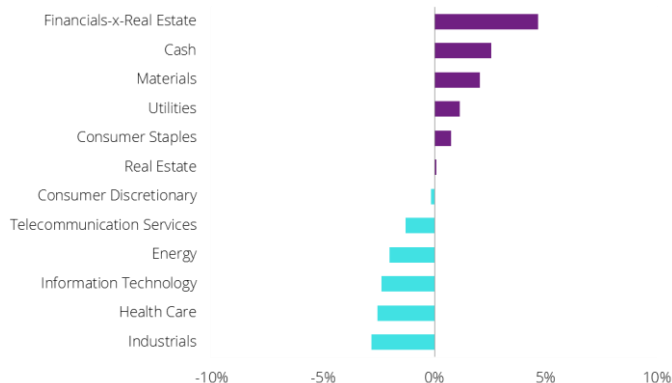


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Fund Review

Markets continued to advance in May, with the ASX300 Accumulation Index rising +1.2%, bringing the total return for the last 12 months to +7.0%, with a negative return from the Industrials, more than offset by gains in Resources.

The Resources sector added +7.6% in May, having delivered a staggering +59.8% total return over the last 12 months. Within the broader Resources sector, May saw a very strong performance from Metals & Mining (+10.4%), driven by rallies in the bulk miners, with holdings in BHP (+16.0%) and Rio Tinto (+10.9%) benefiting from the surging copper price, while the iron ore price continues to hold at over US\$100/t. Historically, iron ore has been the growth driver of these businesses, however, as demand growth has slowed – or possibly peaked – the market now views the iron ore businesses as very profitable cash cows, which will fund the growth in copper production in the years ahead. The demand outlook for copper continues to improve, with the AI buildout expected to add to already strong demand from electrification and the energy transition.

By contrast, May saw a decline from the Energy sector (-6.0%), which fell on the prospect of a reopening of the Straits of Hormuz. While the conflict has seen a sharp spike in oil prices, to date this has been capped at ~US\$100/bl by releases from various countries' strategic reserves. Should the Straits reopen, we would expect to see the oil price fall sharply back towards its pre-conflict levels of ~US\$60/bl. Ex-Middle East conflict, the fundamentals of the oil sector are fairly weak, with ample supply despite sanctions on Russian oil. As a result, the Trust holds an underweight position in the Energy sector.

Gold stocks were softer during the month, with the gold price continuing to retreat from its recent highs, on the prospect of a resolution to the Iran conflict, plus rising interest rates and a strengthening in the USD. Subject to a deterioration in the geopolitical outlook, it seems likely that gold has seen the best of its run, and we have wound back the Trust's gold exposure.

The AI trade rolled on globally, with the Tech sector pushing US indices to new highs. While the Australian market does not have a large weighting to AI-driven names, the Trust is exposed to this theme via Goodman Group (+7.1%). Goodman not only has a large development pipeline of well-located data centre projects, but has a proven, long-term track record of delivery of high-quality assets. As a result, it is a trusted partner of major, long-term global capital providers, reducing funding risk and allowing it to operate with a conservatively geared balance sheet.

During the month, the ANZ, NAB and Westpac delivered their half-year results. These were characterised by weak revenue growth, good cost control and ongoing sound credit quality. However, the banks have all prudently increased their provisions for bad debts given the present high level of economic uncertainty. Given the subdued level of earnings growth and the fact that the banks are not currently carrying significant surplus capital, dividends were held flat for the half. Overall, while they are in strong financial positions and will continue to generate attractive dividends, the earnings outlook for the banks remains subdued, particularly in light of the recent budget changes to negative gearing and CGT.

Fund Activity

During the month, the Trust took profits and reduced its holding in Telstra. Proceeds were used to increase holding in IAG, with the insurance sector both defensive and a beneficiary of rising interest rates via higher earnings on their investment portfolios. At month end, stock numbers were 31 and cash was 2.6%.

Distribution

In order to provide a regular income stream, the Fund pays monthly distributions. We aim to pay equal cash distributions each month, based on our estimate of the dividend income to be generated over the year. Franking credits, surplus income and any realised capital gains will then be distributed, as per usual, with the June distribution.

Looking to the current financial year, while the economic outlook is more uncertain, most companies are in good financial shape and are expected to continue to pay healthy dividends. The Fund is currently forecasting a flat monthly net cash distribution of 1.785 CPU. Based on the unit price at the start of the year, this represents an annualised cash distribution yield of 5.6%.

Outlook

Global markets are back in risk-on, buy-the-dip mode, and are clearly betting that the Iran situation will come to a peaceful resolution sooner rather than later. Let's hope so. However, while markets are, of course forward looking, the reality is that the impacts of the disruption to date have only just begun to flow through to the real economy, and already we are seeing softening demand and rising inflation.

Should disruptions drag on, then stagflation becomes a real risk. Given the level of debt in the global economy – from Governments with massive debts and deep deficits, to overgeared companies owned by private equity funded by private credit funds, to consumers geared into Ponzi-like housing markets – it's hard to see how this would end well.

With the market not far from its highs, and cognisant of the risks above, we will remain agile and manage the portfolio accordingly. However, with risk comes opportunity, and the excessive volatility is creating very many good opportunities for longer-term investors such as ourselves.

The Fund continues to offer a higher forecast gross yield than the overall market and, as always, our focus will continue to be on investing in quality companies with strong balance sheets, which are offering attractive valuations and have the ability to deliver high levels of franked dividend income to investors.

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