Perennial Income Generator Active ETF

ASX: EIGA

Monthly Report June 2026

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (%p.a)	Since Inception^ (% p.a.)
Income Distribution	1.0	2.0	5.9	5.9	7.0	11.2	6.8	7.3
Capital Growth	-0.5	0.9	0.5	0.5	0.6	-4.9	-0.5	-0.9
Total Return	0.4	2.9	6.4	6.4	7.6	6.3	6.3	6.4
Franking Credits#	0.3	0.5	1.6	1.6	1.6	-1.6	2.4	2.6
Income Distribution including Franking Credits	**1.3**	**2.5**	**7.5**	**7.5**	**8.6**	**9.6**	**9.2**	**10.0**
Benchmark Yield including Franking Credits#	0.1	0.7	4.4	4.4	5.0	5.4	5.2	5.4
Excess Income to Benchmark*	**1.2**	**1.8**	**3.1**	**3.1**	**3.6**	**4.2**	**4.0**	**4.6**

^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 were mixed in June. The Japanese, Chinese and UK markets all posted positive returns, with the Nikkei 225 +5.7%, the Shanghai Composite +1.2% and the FTSE 100 +1.0%. By contrast, the US markets were weaker, with the S&P500 down -1.7% and the NASDAQ down -2.8%.

The Australian market delivered a positive return, with the ASX300 Accumulation Index +0.6%, bringing the total return for the last 12 months to +6.2%. The month saw a significant rotation, out of Resources and into the Healthcare and IT sectors.

The Trust is currently targeting FY27 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 5.8%.

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
Stephen Bruce

EIGA FUM
$27 million

Distribution Frequency
Monthly

Inception Date
7 May 2018

Fees
0.80% (incl. of GST and RITC)

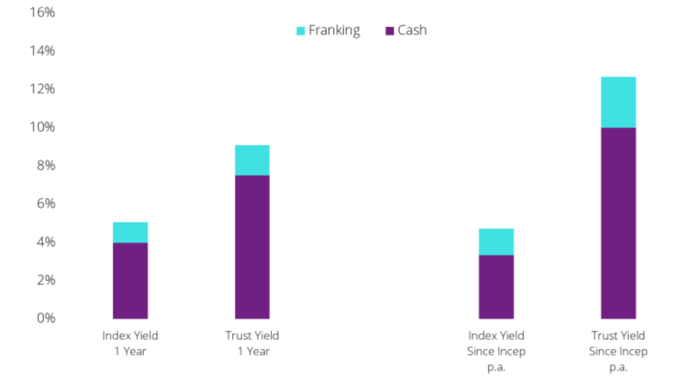
Portfolio Characteristics – FY27	Fund	Market
Price to Earnings (x)	17.6	17.4
Price to Free Cash Flow (x)	14.7	14.6
Gross Yield (%)	5.1	4.3
Price to NTA (x)	2.7	2.8

Source: Perennial Value Management. As at 30 June 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.

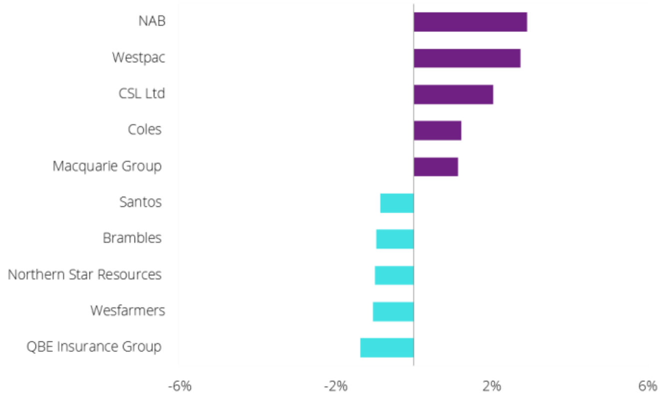
Franking Levels (%)			
FY25	60.0	FY22	99.6
FY24	60.0	FY21	100.0
FY23	75.5	FY20	100.0

Distribution Yield

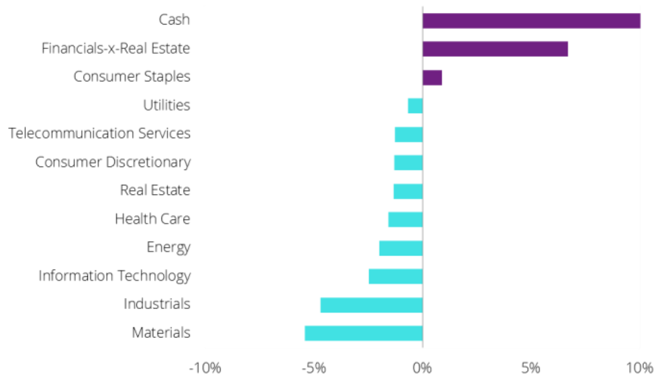


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Fund Review

The ASX300 Accumulation Index rose +0.6% in June. The Trust returned +0.4%, after-fees, underperforming the benchmark by -0.1%.

Healthcare (+12.5%) was the best performing sector in June, and a key driver of performance over the month was CSL (+18.8%). Despite the recent rally, the stock is still trading well below its previous highs. More importantly, while the company has experienced headwinds that have led to earnings downgrades, after factoring these in, the company is now trading at historically low valuation multiples compared to the overall market. For example, CSL is now trading on a FY27 P/E of only 12.7x, compared to the market multiple of 17.6x. This represents a discount of nearly 30%. To us, this looks very steep for a business which is expected to deliver high single-digit EPS growth and a high double-digit return on equity going forward. While the company has stumbled recently, it remains a global leaders in growing markets and a very high-quality business overall.

Holdings exposed to the US housing market outperformed during the month. Reliance Worldwide (+23.7%), a leading manufacturer of behind-the-wall plumbing supplies, and siding manufacturer, James Hardie (+19.6%), both rallied, on optimism that an end to the Middle East conflict could see an easing in inflation, and with it, a peak in interest rates. The sector has been sold down as rising bond yields pushed mortgage rates higher. While rising interest rates slow all housing markets, this is particularly acute in the US, where people take out long-term fixed rate mortgages. This means that not only is there an affordability effect which impacts prices and new construction, people who have locked in low rates are loathe to sell as it would mean moving to a higher mortgage rate. The current 30-year fixed rate mortgage rate is around 6.5%, and it is generally thought that this needs to fall to below 6.0% to meaningfully stimulate housing activity levels. The same thematic of potentially-peaking US interest rates saw outperformance from gaming machine manufacturer, Aristocrat Leisure (+22.3%). This stock has been impacted by weak US consumer confidence and stands to benefit from an easing in inflation and interest rates.

The Resources sector was the main area of weakness in June, with Metals & Mining (-7.7%) falling on generally weaker commodity prices. Gold stocks were weaker, with the gold price now having fallen more than -20% from its highs. The Energy sector (-9.0%) declined as the oil price fell on hopes of a reopening of the Strait of Hormuz. The oil price has now returned to pre-conflict levels. While there is always the risk of a flare-up, the market is fundamentally well-supplied. As a result, the Trust is underweight the sector.

Resources have been the main driver of market returns over the last 12 months, up +50.0%. The outlook for many commodities remains positive. In particular, demand for copper and aluminium remains strong, while at the same time, capacity is constrained. However, given the strong performance of many of these stocks, we have been trimming some of our Resources holdings. For example, we have reduced holdings in BHP and Rio Tinto, which are both up over +65% in the last 12 months. While both have very large copper exposures, the near-term outlook for iron ore is somewhat less exciting. As a result, the Trust has moved to a neutral position in the the bulk miners, and underweight the sector overall.

Fund Activity

During the month, the Trust took profits and reduced its Resources holdings. Proceeds were used to increase holdings in CSL and to increase the overall cash holding in the Trust. At month end, stock numbers were 30 and cash was 13.0%.

Distribution

In order to provide a regular income stream, the Trust 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. For FY27, the Trust is currently forecasting a flat monthly net cash distribution 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 5.8%.

Outlook

Global markets are clearly betting that the Iran situation has largely passed and that while there are disruptions and inflation impacts yet to be felt, these can be looked through. Let's hope so. However, should disruptions drag on, stagflation becomes a greater risk. Given the level of debt in the global economy, it's hard to see how this would end well. Further, the Tech/AI trade that has fuelled the US market is beginning to show some sign of fatigue, as massive capex programs continue to be announced.

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 Trust 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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