Perennial Income Generator Active ETF

ASX: EIGA

Monthly Report July 2026

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (%p.a)	Since Inception^ (% p.a.)
Income Distribution	0.0	1.5	0.0	5.9	7.0	7.2	6.8	7.3
Capital Growth	2.6	3.5	2.6	0.7	0.5	-0.6	-0.3	-0.6
Total Return	2.6	5.0	2.6	6.6	7.5	6.6	6.4	6.7
Franking Credits#	0.0	0.4	0.0	1.6	1.7	2.3	2.3	2.6
Income Distribution including Franking Credits	**0.0**	**1.9**	**0.0**	**7.5**	**8.6**	**9.5**	**9.1**	**9.9**
Benchmark Yield including Franking Credits#	0.0	0.7	0.0	4.4	5.0	5.4	5.2	5.3
Excess Income to Benchmark*	**0.0**	**1.2**	**0.0**	**3.1**	**3.6**	**4.1**	**3.9**	**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 July, as emerging investor scepticism towards the enormous investments in AI-related capex, saw Tech-heavy indices come under pressure, with the NASDAQ declining -3.6%, and the Chinese market falling -5.9%.

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)

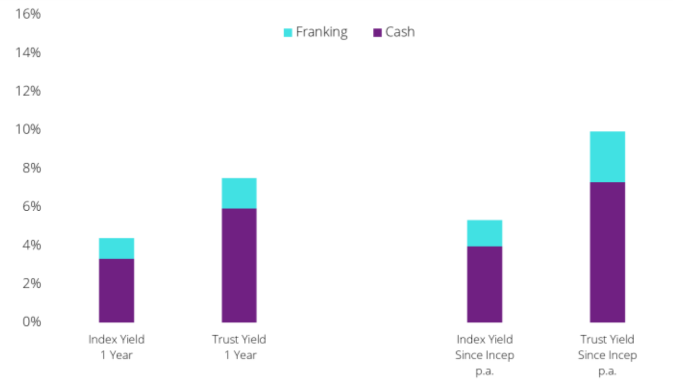
Portfolio Characteristics – FY27	Fund	Market
Price to Earnings (x)	18.1	17.7
Price to Free Cash Flow (x)	13.9	14.6
Gross Yield (%)	4.9	4.2
Price to NTA (x)	2.7	2.9

Source: Perennial Value Management. As at 31 July 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.

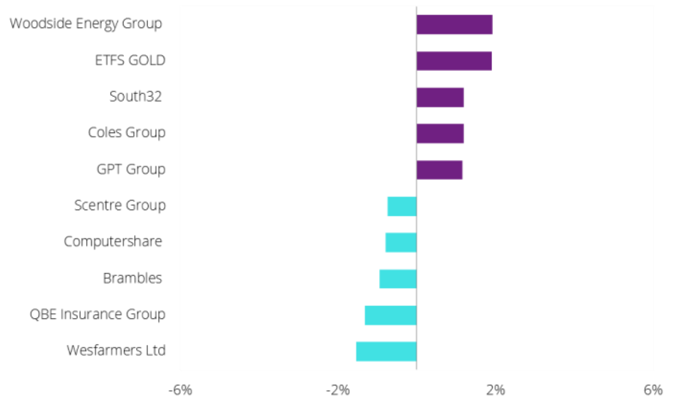
Franking Levels (%)			
FY26	60.0	FY23	75.5
FY25	48.7	FY22	99.6
FY24	60.0	FY21	100.0

Distribution Yield

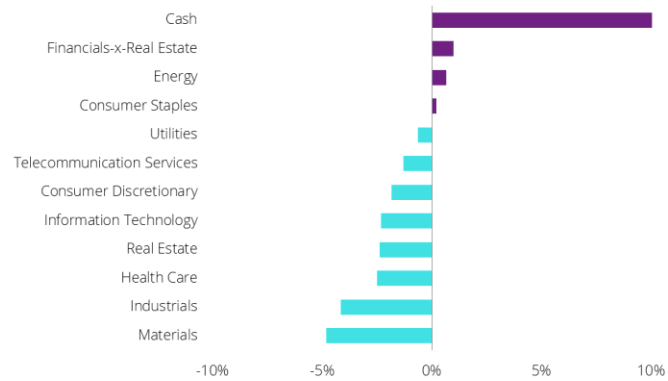


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Fund Review

When people look back, July may prove to have been a pivotal month for markets. Following the euphoria around all things AI, July saw investors begin to query whether the vast sums being invested (or at least announced to be invested) in AI-related capex would generate satisfactory returns. Confidence was further tested by the release of more open-source LLMs, which supposedly offer reasonable performance at a fraction of the cost of models from leaders OpenAI and Anthropic, potentially undercutting the revenue on which the AI buildout depends.

July also saw the much-anticipated SpaceX IPO. While visionaries should be encouraged, and the actual amount raised by SpaceX wasn't all that much in the larger scheme of things, the fact that the valuation was based on prospectus forecasts which included assessing the total addressable market as greater than the entire US GDP, suggests that this could have been the moment that the market "jumped the shark" so to speak. Time will tell. However, as we stand today, early investors are able to exit and realise massive gains, and Wall Street has banked ~US$500m in fees. By contrast, and fairly predictably, new investors who participated in the IPO finished the month with losses of around -20%.

The month also saw renewed concerns around both the circularity of AI financing and the level of risk that private credit funds were assuming by buying debt issued by the sector. Concerningly, we are starting to see some GFC-style financial engineering emerging around some of this debt as well. Finally, the private equity sector continues to struggle to exit businesses at the valuations they need to meet their promised return hurdles. With the listed market refusing to pay the multiples they want or trust the dressed-up prospectus forecasts, they are instead resorting to a game of pass-the-parcel, selling businesses between themselves.

To us, all of the above serves to highlight the appeal of the large, liquid, and understandable businesses which dominate the ASX - and pay reliable, attractive levels of fully-franked dividends!

The Trust returned +2.6%, including franking and after-fees in July. Key drivers of performance over the month included diversified miner, South32 (+17.2%), which rallied after delivering a strong quarterly report and announcing the sale of various downstream aluminium assets. This transaction increasingly positions the business as a focussed upstream base metals supplier. Woodside Energy (+16.8%) and Santos (+8.7%) both outperformed, as the oil price spiked on the renewed tensions in the Middle East. Healthcare name, CSL (+7.3%) also rose, having been sold off sharply over the last 12 months.

The major banks outperformed over the month (up an average +7.5%), benefitting from a general rotation out of resources. While the banks are in strong financial positions, their valuations are becoming stretched given both the subdued earnings growth outlook, and the potential downside risk to the economy in general, and the property market in particular. As a result, the Trust maintains a slight underweight position in the sector.

As we head into the August reporting season, it is likely that stock volatility will continue to be very high, with small beats and misses versus consensus expectations resulting in outsize share price movements. However, underlying this, we expect our portfolio companies to deliver solid profits. Importantly for income-focused investors, this should translate into healthy dividends, given the generally strong state of corporate balance sheets.

Fund Activity

During the month, the Trust reduced its bank holdings. Proceeds were used to increase our energy and gold exposures following their recent underperformance, and to increase the overall cash level in the Trust. At month end, stock numbers were 33 and cash was 18.0%.

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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