

| | Month (%) | Quarter (%) | FYTD (%) | 1 Year (%) | 3 Years (% p.a.) | Since Inception [^] (% p.a.) |
|---|-------------|-------------|-------------|-------------|------------------|---------------------------------------|
| Income Distribution | 0.5 | 1.5 | 4.9 | 9.3 | 7.7 | 7.6 |
| Capital Growth | -0.3 | 2.9 | 7.4 | -7.7 | 10.2 | -1.4 |
| Total Return | 0.2 | 4.4 | 12.2 | 1.6 | 17.9 | 6.1 |
| Franking Credits [#] | 0.1 | 0.2 | 0.5 | 2.7 | 2.8 | 3.0 |
| Income Distribution including Franking Credits | 0.6 | 1.7 | 5.4 | 12.0 | 10.5 | 10.6 |
| Benchmark Yield including Franking Credits [*] | 1.3 | 2.0 | 5.9 | 5.9 | 5.7 | 5.7 |
| Excess Income to Benchmark[#] | -0.7 | -0.3 | -0.5 | 6.1 | 4.8 | 4.9 |

[^]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.

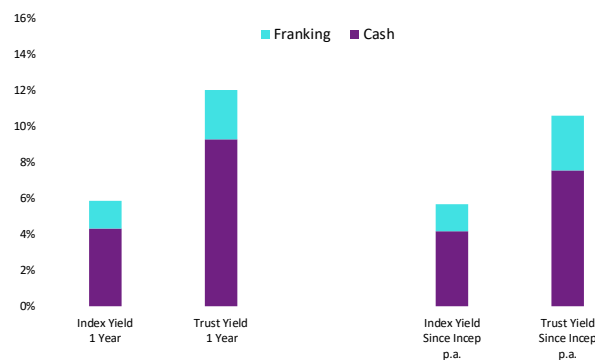
Overview

March saw a wild ride in markets, with concerns over US regional banks leading to a sharp sell-off in the first half of the month, followed by a strong recovery rally in the latter part.

The Australian market followed a similar pattern, with the ASX300 Accumulation Index declining sharply but rallying to finish the month down only -0.2%. The market was weighed down by the Financials (-4.9%) REIT (-6.8%) sectors. By contrast, the Metals & Mining sector (+6.4%) was stronger, with increases in base metal and iron ore prices. The gold miners were also very strong, with the gold price rising sharply, as a result of the elevated uncertainty.

EIGA is currently targeting a 5% increase in FY23 net monthly distributions to 1.8 CPU. Based on the unit price at the start of the financial year, this equates to an annualised cash distribution yield of around 6.2% or 8.8%, including franking credits.

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.

Fund Characteristics

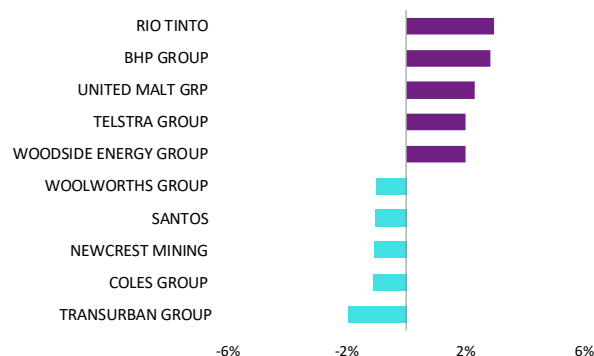
The objective of EIGA is to provide investors with an attractive level of tax effective income, paid via monthly distributions. EIGA aims to provide a gross distribution yield, adjusted for applicable franking credits, above that provided by the S&P/ASX300 Franking Credit Adjusted Daily Total Return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

Portfolio Manager EIGA FUM
Stephen Bruce \$33 million

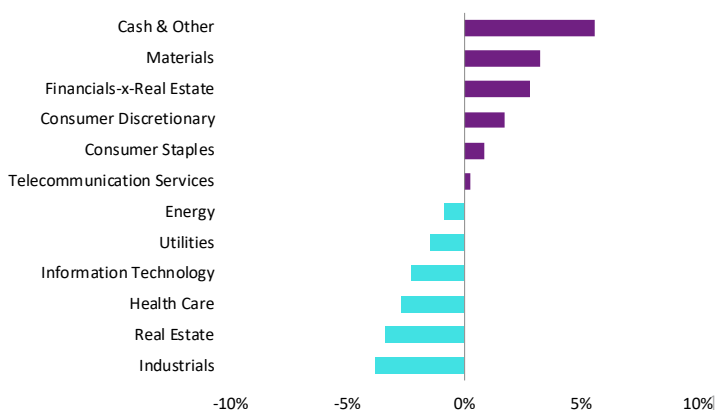
Distribution Frequency
Monthly

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

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



| Portfolio Characteristics – FY23 | Fund | Market |
|----------------------------------|------|--------|
| Price to Earnings (x) | 12.8 | 14.4 |
| Price to Free Cash Flow (x) | 11.9 | 13.4 |
| Gross Yield (%) | 6.5 | 5.7 |
| Price to NTA (x) | 2.4 | 2.7 |

Source: Perennial Value Management. As at 31 March 2023

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.

Fund Review

The Fund returned +0.3%, including franking credits and after-fees in March, outperforming the benchmark by +0.2%

The market continues to oscillate between optimism that inflation has peaked meaning, that the interest rate increases are close to an end, and pessimism that inflation will prove persistent and that rates have a way to go yet. Ironically, it was the outbreak of a banking crisis, and the likely resulting impact on the real economy, which swung the pendulum back to the view that inflation and rates had peaked.

This optimistic view was supported by the inflation readings, in both the US and Australia, which were slightly lower than market expectations. These statistics bounce around from month to month, and can often be interpreted in different ways, however, this was enough for the market to take a positive tack.

Key positive contributors to performance included United Malt (+33%). United Malt is the world's fourth largest maltster, with strong positions in North America, Australia and the UK. We have been positive on this company for some time, expecting a strong earnings turnaround, and with our valuation showing upside of over 20% to \$4.40. We also believed that there was a strong chance of it being a takeover target as the global malt industry continues to consolidate, with European agricultural conglomerate, InVivo, a likely acquirer. InVivo owns Malteries Soufflet, the world's second largest maltster, and combining the businesses would be a perfect fit. Under a takeover scenario, there would likely be a further premium to our fair valuation. During March, United Malt received a cash takeover offer at \$5.00 per share from Malteries Soufflet. This is a good outcome and we intend to accept the offer (in the absence of a superior bid).

Another of our holdings, Healius (+15%), rallied after receiving a merger proposal from Australian Clinical Laboratories. More broadly, we expect corporate activity to be an ongoing feature of the market, driven by two factors. Firstly, slowing economic growth often leads mature companies to pursue growth via acquisition. Secondly, financial buyers such as private equity funds, are sitting on record levels of undeployed funds and we anticipate that they will become very active as soon as markets stabilise. In addition to United Malt and Healius mentioned above, we believe that a number of other holdings may well attract interest, from either corporate or financial buyers. Examples include, Orora (-1%) and Lotteries Corporation (0%).

Mining stocks were also strong during the month, as the data showed the post-COVID recovery in Chinese manufacturing and construction activity accelerating. This saw BHP (+8%), Rio Tinto (+6%) and Fortescue Metals (+5%) all outperforming.

The major banks, underperformed by an average of -5% during the month, largely on the back of negative sentiment towards the financial sector, spilling over from the US banking issues. The Fund currently holds a neutral position in the major banks, and we note that the Australian banks are financially very strong and not exposed to the same issues which caused problems for the offshore banks.

The main detractors over the month included financial holdings, with Virgin Money UK (-16%) and Macquarie Group (-7%), being sold off for reasons mentioned above. Energy stocks were also weaker, on the back of a lower oil price, with Woodside Energy (-1%) down modestly.

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Fund Activity

During the month, we added to our major bank holdings, following their recent underperformance and exited our holdings in Transurban and Incitec Pivot. At month end, stock numbers were 31 and cash was 5.6%.

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 we expect healthy dividends. The Fund is currently forecasting a 5% increase in FY23 monthly net cash distributions to 1.8 CPU. Based on the month end unit price, this represents an annualised cash distribution yield of 6.2% or 8.8%, including franking credits.

We do not expect the same level of off-market buy-backs or special dividends in the coming year compared to the high level seen in FY22, as many companies have now restored their balance sheets to their desired gearing ranges.

Outlook

Global growth is clearly slowing, as the delayed impacts of tighter monetary policy begin to flow through the real economy. While inflation is showing some signs of having peaked, it is still at a very high level, and this is presenting issues for consumers and businesses. Similarly, energy prices remain elevated and supply chain problems persist. On the positive, economies are benefitting from the ongoing post-COVID normalisation, particularly of migration patterns. While economic data is mixed, and varies greatly from region to region, unemployment rates are very low in most major markets. The Australian economy is performing particularly strongly and will continue to be a key beneficiary of the strength in commodity markets. Further, an expected strong increase in immigration will be supportive for growth. However, at the high level, there are a number of potentially significant changes in the global economic and political backdrop, from the return of inflation and the change in the interest rate cycle, to rising geopolitical tensions. As a result, the level of uncertainty is elevated, and a degree of caution is warranted.

This view is expressed in the portfolio through holding a combination of stocks with cyclical leverage, as well as stocks with solid defensive characteristics. Importantly, the portfolio is positively leveraged to post-COVID reopening, higher inflation, and higher interest rates. Within the cyclical part of the portfolio, this is achieved through overweight positions to select parts of the Resources, Financials and Consumer Discretionary sectors. In the defensive part of the portfolio, this is achieved through holdings in the sectors such as Telcos and Consumer Staples.

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.