

| | Month (%) | Quarter (%) | FYTD (%) | 1 Year (%) | 3 Years (% p.a.) | 5 Years (% p.a.) | Since Inception [^] (% p.a.) |
|---|------------|-------------|------------|------------|------------------|------------------|---------------------------------------|
| Income Distribution | 1.0 | 1.9 | 6.1 | 6.1 | 7.3 | 6.6 | 7.3 |
| Capital Growth | 1.3 | -1.6 | 4.2 | 4.2 | -0.9 | -0.3 | -0.8 |
| Total Return | 2.3 | 0.3 | 10.3 | 10.3 | 6.4 | 6.3 | 6.5 |
| Franking Credits [#] | 0.1 | 0.2 | 1.7 | 1.7 | 2.7 | 2.6 | 3.0 |
| Income Distribution including Franking Credits | 1.1 | 2.1 | 7.8 | 7.8 | 10.0 | 9.2 | 10.3 |
| Benchmark Yield including Franking Credits [*] | 0.2 | 0.7 | 5.7 | 5.7 | 5.8 | 5.4 | 5.6 |
| Excess Income to Benchmark[#] | 0.9 | 1.4 | 2.1 | 2.1 | 4.2 | 3.8 | 4.7 |

[^]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.

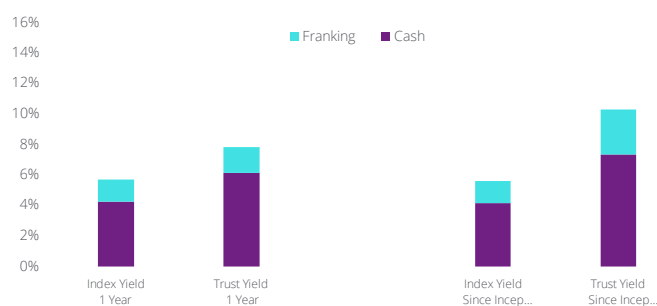
Overview

Markets were mixed in June, with the US continuing its mega-cap Tech-driven rampage, with the S&P500 up +3.5% and the NASDAQ +6.0% to new highs. The Japanese market was also up, with the Nikkei 225 +2.8% on signs of stirring growth. The FTSE100 down -1.3%, while the Shanghai Composite fell -3.9%.

The Australian market also posted a gain, with the ASX300 Accumulation Index rising +0.9% over the month, to have delivered a return of +11.9% over the last financial year.

The Fund has paid FY24 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 5.0%.

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.

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)

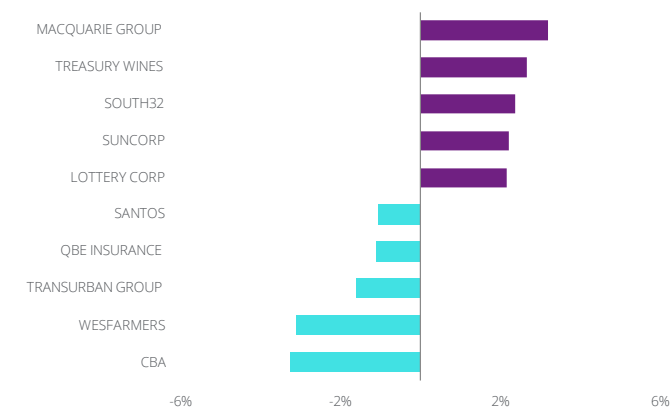
| Portfolio Characteristics – FY25 | Fund | Market |
|----------------------------------|------|--------|
| Price to Earnings (x) | 16.0 | 16.4 |
| Price to Free Cash Flow (x) | 11.9 | 13.6 |
| Gross Yield (%) | 5.5 | 5.0 |
| Price to NTA (x) | 2.2 | 2.6 |

Source: Perennial Value Management. As at 30 June 2024.

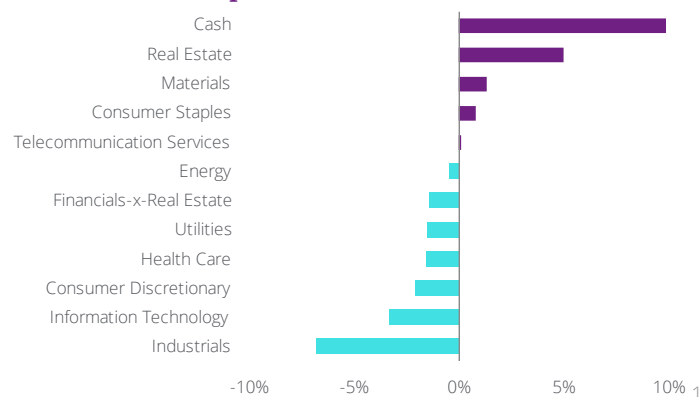
The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

| Franking Levels (%) | | | |
|---------------------|------|------|-------|
| FY24 | 60.0 | FY21 | 100.0 |
| FY23 | 75.5 | FY20 | 100.0 |
| FY22 | 99.6 | FY19 | 101.4 |

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Fund Review

The Fund returned 1.1%, including franking credits and after-fees in June, outperforming the benchmark by 0.9%.

Key contributors to performance over the month included insurer IAG (+15.2%), which rallied after delivering a positive trading update. Operating conditions for insurance companies continue to be favourable, with strong premium rate increase and healthy earnings on their investment portfolio. Suncorp (+9.4%), also outperformed after ANZ received approval to acquire its banking business. Both of these stocks have returned more than 30% over the past 12 months.

Treasury Wine Estates (+9.8%) outperformed after hosting an analyst trip to showcase DAOU, its recently acquired luxury wine business located in Paso Robles, California. The market had been sceptical of this acquisition, however, the feedback from the tour was positive. The company also re-affirmed its earnings guidance and provided a positive update on the Penfolds business and its re-entry into the Chinese market following the lifting of tariffs.

Aristocrat Leisure (+10.8%) also continued its upwards momentum following its positive half-year result last month. The business continues to perform well and take market share from its competitors.

The major banks continued to grind higher over the month, up an average of +4.5%, bringing their average total return for the financial year to a very strong +36.1%. The banks are in very good financial shape, and while it will be difficult for them to deliver any meaningful earnings growth in the near term, their strong capital positions should allow them to continue to pay attractive dividends.


Challenger (+8.2%) outperformed, as the market pushed out its forecasts for rate cuts. The stock benefits from higher-for-longer interest rates, as these make its annuities more attractive to investors. Along with the insurers, this stock is positively leveraged to higher interest rates and gives good portfolio diversification. Further the stock is trading on an undemanding valuation, and may become a takeover target at some time, with Apollo currently holding a 27% strategic stake in the business.

The main detractors over the month were our resources holdings, with ongoing negative sentiment towards the Chinese economic outlook. Despite this, however, commodity prices remain generally resilient. For example, iron ore remains well over US\$100/t. As a result, cash flow generation from the bulk miners is very strong and valuation multiples are very attractive, particularly given their debt-free balance sheets.

Fund Activity

During the month, we exited our holdings in retail REITs, Scentre Group and Vicinity Centres as the retail outlook deteriorated and reinvested the proceeds into Stockland and Mirvac. We also added James Hardie to the portfolio. At month end, stock numbers were 30 and cash was 9.9%.

Contact us

 Level 27, 88 Phillip Street
Sydney NSW 2000

 1300 420 094

 invest@perennial.net.au

 www.perennial.net.au

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 flat monthly net cash distribution of 1.785 CPU. Based on the month end unit price, this represents an annualised cash distribution yield of 5.0%.

Outlook

Globally, inflation continues to moderate, albeit at a slowing pace, as while goods inflation has fallen sharply, services inflation is proving more persistent. While the expected timing of interest rate cuts has been pushed out, the consensus view is that rate cuts are coming, and a soft landing will be achieved.

This would be an excellent outcome however, history suggests that soft landings are few and far between, so a degree of caution is warranted. Should inflation prove resurgent, then the sentiment could change quickly. Given that much of the market – particularly the Tech sector – is very fully-valued, there is not much margin for error here.

Similarly, the Australian economy continues to look reasonably healthy, boosted by immigration, however, GDP growth is weakening, and per capita GDP growth is negative. While the prospect of RBA interest rate cuts is positive for sentiment and the upcoming tax cuts will also boost disposable income, there are signs the labour market is beginning to soften, leaving us cautious on the consumer.

Despite the Chinese economic woes, demand for most commodities remains healthy and supply is generally constrained. We continue to believe that Resources represent the clear value opportunity in the market at the present time.

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.

Issued by Perennial Value Management Limited (ABN 22 090 879 904, AFSL No. 247293) as the Investment Manager. The Responsible Entity is Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No. 275101). Perennial Partners Limited (ABN 90 612 829 160) is a Corporate Authorised Representative (1293138) of Perennial Value Management Limited. Both the Investment Manager and Responsible Entity form part of Perennial Partners. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation and is not intended to constitute advertising or advice of any kind and you should not construe the contents of promotional statement as legal, tax, investment or other advice. This promotional statement does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. You should read and consider any relevant offer documentation applicable to any investment product or service and consider obtaining professional investment advice tailored to your specific circumstances before making any investment decision. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. The current relevant product disclosure statement and target market determination can be found on Perennial's website www.perennial.net.au. Use of the information on our website is governed by Australian law and is subject to the terms of use. No distribution of this material will be made in any jurisdiction where such distribution is not authorised or is unlawful.