

|                                                         | Month (%)  | Quarter (%) | FYTD (%)   | 1 Year (%) | 3 Years (% p.a.) | 5 Years (% p.a.) | 7 Years (% p.a.) | 10 Years (% p.a.) | Since Inception <sup>^</sup> (% p.a.) |
|---------------------------------------------------------|------------|-------------|------------|------------|------------------|------------------|------------------|-------------------|---------------------------------------|
| Income Distribution                                     | 0.5        | 1.4         | 2.5        | 5.9        | 7.6              | 7.5              | 8.0              | 14.2              | 6.6                                   |
| Capital Growth                                          | -4.0       | -6.7        | -3.0       | -6.7       | -2.0             | 0.4              | -0.9             | -8.0              | -0.4                                  |
| Total Return                                            | -3.5       | -5.2        | -0.5       | -0.8       | 5.7              | 7.9              | 7.1              | 6.1               | 6.1                                   |
| Franking Credits <sup>#</sup>                           | 0.1        | 0.3         | 0.5        | 1.6        | 0.6              | 2.7              | 3.0              | -4.8              | 2.4                                   |
| <b>Income Distribution including Franking Credits</b>   | <b>0.6</b> | <b>1.7</b>  | <b>3.0</b> | <b>7.5</b> | <b>8.2</b>       | <b>10.2</b>      | <b>11.0</b>      | <b>9.4</b>        | <b>9.0</b>                            |
| Benchmark Yield including Franking Credits <sup>*</sup> | 0.5        | 1.3         | 2.0        | 4.4        | 5.2              | 5.5              | 5.4              | 5.6               | 5.9                                   |
| <b>Excess Income to Benchmark<sup>#</sup></b>           | <b>0.1</b> | <b>0.4</b>  | <b>1.0</b> | <b>3.1</b> | <b>3.0</b>       | <b>4.6</b>       | <b>5.6</b>       | <b>3.8</b>        | <b>3.1</b>                            |

<sup>^</sup>Since inception: December 2005. Past performance is not a reliable indicator of future performance. <sup>#</sup>Franking credits are an estimate as tax components will only be known with certainty at the end of the financial year. <sup>\*</sup>Benchmark yield including franking credits is calculated as the difference between the return on S&P/ASX300 Franking Credit Adjusted Daily Total Return Index (Tax Exempt) and the return of the S&P/ASX300 Index.

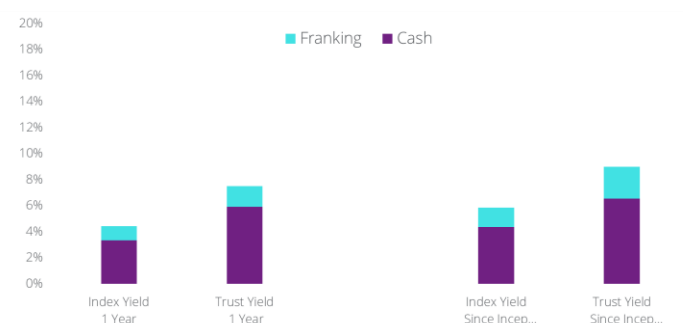
## Overview

After a very strong run, global markets took a breather in November, with declines in most major markets. This was due to a slight cooling in excitement around AI, combined with a reduction in US interest rate cut expectations on the back of higher inflation.

The Australian market also declined, with the ASX300 Accumulation Index falling -2.6% in November. Defensive sectors such as Healthcare and Consumer Staples outperformed, while interest rate-sensitive sectors underperformed.

The Trust is currently targeting FY26 net monthly distributions of 0.493 CPU. Based on the unit price at the start of the financial year, this equates to an annualised cash distribution yield of 6.2%.

## 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.

## Trust Characteristics

The objective of the Trust is to provide investors with an attractive level of tax effective income, paid via monthly distributions. The Trust 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).

|                               |                                   |                  |
|-------------------------------|-----------------------------------|------------------|
| <b>Portfolio Manager</b>      | <b>Trust FUM</b>                  |                  |
| Stephen Bruce                 | AUD \$14 million                  |                  |
| <b>Distribution Frequency</b> | <b>Minimum Initial Investment</b> |                  |
| Monthly                       | \$25,000                          |                  |
| <b>Trust Inception Date</b>   | <b>Fees</b>                       | <b>APIR Code</b> |
| December 2005                 | 0.92%                             | IOF0078AU        |

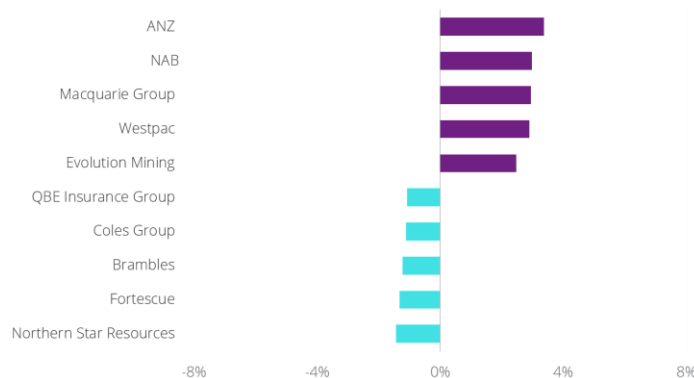
| Portfolio Characteristics – FY26 | Trust | Market |
|----------------------------------|-------|--------|
| Price to Earnings (x)            | 18.1  | 18.4   |
| Price to Free Cash Flow (x)      | 16.0  | 15.8   |
| Gross Yield (%)                  | 4.9   | 4.1    |
| Price to NTA (x)                 | 2.6   | 2.8    |

Source: Perennial Value Management. As at 31 November 2025.

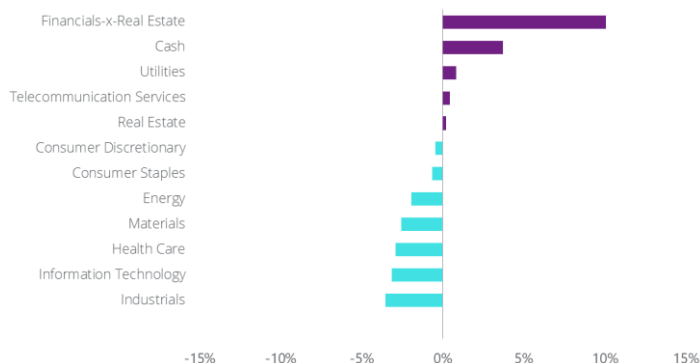
The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

| Franking Levels (%) |      |      |       |
|---------------------|------|------|-------|
| FY25                | 73.8 | FY22 | 100.2 |
| FY24                | 64.4 | FY21 | 90.3  |
| FY23                | 74.3 | FY20 | 94.4  |

## Top 5 Over / Underweight Positions vs Index



## Sector Active Exposure vs Index



## Trust Review

The Metals & Mining sector (+1.6%) was strong again in November, led by gold (+5.3%), which saw our holding in Newmont (+12.0%) outperform. We regard Newmont as a low-risk gold exposure given its size and diversified asset base.

A slight weakening in the iron ore price saw the bulk miners decline, with Rio Tinto (-0.4%) and BHP (-4.1%). BHP fell more than Rio due to company disclosing that it had been in discussions with Anglo American regarding a potential transaction. While the discussions have ceased, there is ongoing speculation that the company will undertake large scale M&A. The attraction of the merger would be to boost BHP's copper production, as this is seen as the most important commodity to drive future growth, with iron ore demand expected to peak in the coming years. The market is naturally wary of such transactions, as they have historically tended not to generate the expected returns. Regardless, we consider the sector to be attractive, with iron ore remaining over US\$100/t and the copper price very strong. We remain overweight the bulk miners, as they are trading on undemanding valuations and have strong balance sheets. Further, if you were to assume spot commodity prices persist for the current financial year, these stocks will see EPS upgrades of over +20%. This makes them very attractive, in a market which is expensive overall, and in which many stocks face earnings headwinds.

We are always on the lookout for opportunities to buy into high quality companies at depressed valuations. Examples of these are CSL and Woolworths, both of which were positive contributors over the month.

CSL (+4.4%) has faced numerous headwinds in recent times and has suffered a significant share price de-rating. While the market's concerns are valid, management are moving to address these issues, and the company remains well-placed to deliver double-digit earnings growth over the medium-term.

Woolworths (+3.2%) outperformed over the month, with Consumer Staples stocks doing better in the more risk-off environment. Woolworths is another example of a high-quality stock which has been sold down in recent times. While the operational issues at Woolworths are real, it is highly-likely that these will be addressed in time, and that the market share which has been ceded to Coles and other competitors will be regained. At the most basic level, Woolworths should have an advantage over its competitors, simply because of its scale, which should enable greater purchasing power and fixed cost fractionalisation. While it will take time for operational momentum to recover, as business execution improves, we expect the stock to re-rate materially.

Other positive contributors included packaging company, Orora (+10.9%), pathology company, Healius (+10.1%) and GPT (+3.5%) in the REIT sector.

The main detractors over the month included the banks, which declined (average -5.5%), after reporting full-year results which highlighted the subdued growth outlook they are facing. On the positive, credit growth is healthy, and bad debts are currently very low. However, competition is crimping interest margins and cost inflation remains persistently high. Macquarie Group (-8.6%) was also weaker after delivering a lacklustre result.

## Trust Activity

During the month, we took profits and reduced holdings in resources companies and rotated into the financials ahead of their dividend paying period. At month end, stock numbers were 32 and cash was 3.1%.

## 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 FY26, the Trust is currently forecasting a flat monthly net cash distribution of 0.493 CPU. Based on the unit price at the start of the financial year, this equates to an annualised cash distribution yield of 6.2%.

## Outlook

Globally, investors are taking an optimistic view on the outlook, with expectations that interest rate cuts will both stimulate economic activity and support asset prices. Further, markets are taking a sanguine view around the potential impacts of trade and tariffs and the ever-increasing level of geopolitical tension and conflict (albeit these concerns are clearly manifesting in the gold price!). Of course, any sustained change in confidence and activity in the US will set the tone for other markets, including ours.

Domestically, the sharp change in expectations for RBA rate cuts has increased the level of uncertainty and downside risk. However, for now, the economy appears to be in reasonable shape, with unemployment low and house prices strong.

That said, our base case is a "muddle through" outcome, and the portfolio is leveraged to a rebound in cyclical stocks that is likely in the event of some form of stability emerging. Clearly, however, the risks to growth and inflation, as well as the smooth functioning of the global economy in general, are higher now than ever.

**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.**

**Invest Online Now**

## Contact us



Level 27, 88 Phillip Street  
Sydney NSW 2000



1300 730 032



invest@perennial.net.au



www.perennial.net.au

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