

INSTITUTIONAL UPDATE

April 2026



AUSTRALIAN EQUITIES STRATEGIES

The ASX 300 closed April up 2.2%, though well off its highs after eight consecutive falls into month end. Markets were volatile throughout, caught between an early recovery from March's correction and mounting pressure from intensifying geopolitical risk. The dominant macro theme was the US Iran conflict and Iran's closure of the Strait of Hormuz, which the IEA described as the largest oil supply disruption in market history. Fuel prices surged 32.8% year on year, lifting goods inflation and stoking stagflation concerns globally. Domestically, the RBA stayed on hold in April, but hawkish momentum continued to build, with markets pricing a roughly 75% probability of a further hike at the May meeting. The labour market remained tight, with 52,500 full time jobs added in March. Sector performance was mixed. Information Technology and Materials advanced, while Health Care fell to eight year lows and Consumer Staples weakened late on a cautious outlook from Woolworths.

Gross Performance	1M%	3M%	6M%	1Y%	2Y%	3Y%	5Y%	7Y%	10Y%
Perpetual Australian Share Fund	2.1	-2.7	-1.7	4.5	4.8	4.6	6.5	8.0	7.9
S&P/ASX 300 Accumulation Index	2.2	-1.5	-1.1	10.1	9.8	9.6	8.2	8.5	9.3
Excess	-0.2	-1.2	-0.5	-5.7	-5.0	-5.0	-1.7	-0.5	-1.4
Perpetual Concentrated Equity Fund	1.9	-3.8	-2.1	4.9	5.1	5.6	7.7	7.8	8.3
S&P/ASX 300 Accumulation Index	2.2	-1.5	-1.1	10.1	9.8	9.6	8.2	8.5	9.3
Excess	-0.3	-2.2	-1.0	-5.3	-4.8	-4.0	-0.4	-0.7	-1.0
Perpetual ESG Australian Share Fund - Class A	0.9	-6.4	-7.9	-2.6	3.0	6.3	6.9	9.1	8.2
S&P/ASX 300 Accumulation Index	2.2	-1.5	-1.1	10.1	9.8	9.6	8.2	8.5	9.3
Excess	-1.3	-4.8	-6.8	-12.7	-6.9	-3.3	-1.3	+0.6	-1.1
Perpetual Pure Equity Alpha Fund - Class A	0.5	0.1	2.9	10.9	8.2	7.8	8.6	9.6	8.8
RBA Cash Rate Index	0.3	1.0	1.9	3.8	4.1	4.2	3.0	2.3	2.1
Excess	+0.2	-0.9	+1.0	+7.0	+4.1	+3.6	+5.6	+7.3	+6.8
Perpetual Share-Plus Long-Short Fund	2.1	-1.6	0.3	10.6	7.6	8.6	10.3	10.6	10.2
S&P/ASX 300 Accumulation Index	2.2	-1.5	-1.1	10.1	9.8	9.6	8.2	8.5	9.3
Excess	-0.2	-0.0	+1.5	+0.5	-2.3	-1.0	+2.1	+2.1	+1.0
Perpetual Smaller Companies Fund	2.8	-9.9	-5.1	17.2	9.4	8.3	8.3	11.5	10.9
S&P/ASX Small Ordinaries Accumulation Index	3.3	-10.4	-8.0	15.3	9.4	8.7	3.7	5.5	7.3
Excess	-0.5	+0.5	+2.8	+1.8	-0.0	-0.4	+4.7	+6.0	+3.6
Perpetual Strategic Capital Fund - Class S	1.3	-1.6	-1.5	4.5	5.5	-	-	-	-
S&P/ASX 300 Accumulation Index	2.2	-1.5	-1.1	10.1	9.8	-	-	-	-
Excess	-1.0	-0.1	-0.3	-5.6	-4.3	-	-	-	-

GLOBAL EQUITIES STRATEGIES

April marked a sharp risk on reversal from March's geopolitical shock, with equities rebounding as investors toggled between ceasefire optimism and renewed escalation risk, but ultimately leaned into earnings resilience, positioning support, and a reacceleration in AI linked sentiment. The rebound was experienced across the globe and powerful: MSCI World and MSCI AC World both posted strong gains, while U.S. large caps led with the S&P 500 and Russell 1000. This strength fits the month's pattern: geopolitics created continual headline noise, but markets increasingly faded the worst case path and re priced back toward a base case of continued growth and intact corporate fundamentals. Under the surface, the "why" of performance mattered as much as the magnitude. April's rally was supported by risk releveraging and systematic flows alongside an improving earnings tone, which helped extend upside even when oil and rates reintroduced volatility. The result was a month where equities effectively absorbed macro uncertainty, including the still unresolved Iran situation and the Strait of Hormuz being a recurring focal point, without repeating March's drawdown dynamics.

Gross Performance	1M%	3M%	6M%	1Y%	2Y%	3Y%	5Y%	7Y%	10Y%
Barrow Hanley Emerging Markets Fund	13.1	6.6	15.9	52.9	29.0	19.4	-	-	-
MSCI Emerging Markets Net Total Return (AUD)	9.3	2.5	4.8	30.5	20.2	17.3	-	-	-
Excess	+3.8	+4.1	+11.1	+22.4	+8.8	+2.1	-	-	-
Barrow Hanley Global Share Fund - Class A	2.8	2.2	3.9	13.7	14.4	13.9	12.2	12.7	13.6
MSCI World Net Total Return Index (\$A)	4.4	0.7	-2.7	14.9	14.4	16.4	12.9	12.9	13.3
Excess	-1.6	+1.4	+6.6	-1.3	0.0	-2.5	-0.7	-0.2	+0.2

CASH & FIXED INCOME STRATEGIES

The Middle East conflict continued to dominate global markets through April, driving sharp swings in oil prices, bond yields and equities as ceasefire talks repeatedly stalled and resumed. Despite the volatility, risk assets finished strongly, supported by a strong US earnings season. Bond yields rose across the board, and major central banks held rates, though the Fed saw three dissenters favouring removal of

the easing bias and the Bank of Japan recorded three votes for a hike.

There was no RBA Board meeting in April, following back-to-back 25 basis point hikes in February and March. At Month end, the May rate increase was near fully priced in reflecting the hot inflation report released in late April. Monthly headline inflation rose 1.1% in March - driven by a 32.8% surge in fuel - pushing annual CPI to 4.6%, the highest since monthly reporting began. Australian bond yields rose along the curve with 10-year yields, breaching 5% for the first time in over a decade. Business confidence collapsed to -29 in the NAB survey - the second largest monthly fall on record - while Westpac Consumer Confidence dropped 12.5%.

Australian credit markets recovered through April, retracing some of March's weakness as reduced Middle East tail risks and a strong US earnings season underpinned confidence in credit fundamentals. The iTraxx Australia CDS index traded in a wide 19 basis point range before finishing 15bps tighter at 77bps. Physical credit spreads tightened by an average of 4bps over the month. Domestic banks outperformed, on the back of solid earnings, while real estate lagged, edging 1bp wider as higher rates weighed on sector sentiment. Tier 2 subordinated bank spreads were supported by reduced primary issuance.

The primary market was active in April following a subdued month prior. UBS came to market issuing \$2.75B of senior notes across 2 and 5-year tranches. APA infrastructure issued \$1.5B (\$1B 30-year non-call 7.5-year hybrid paper and \$0.5B 10-year senior). Domestic bank activity was relatively subdued ahead of mid-year reporting for BAB, Westpac and ANZ.

Gross Performance	1M%	3M%	6M%	1Y%	2Y%	3Y%	5Y%	7Y%	10Y%
Perpetual High Grade Floating Rate Fund	0.5	1.0	2.2	5.5	5.6	6.0	4.3	3.7	3.6
Bloomberg AusBond Bank Bill Index	0.3	0.9	1.9	3.8	4.1	4.2	3.0	2.3	2.2
Excess	+0.1	+0.1	+0.4	+1.7	+1.5	+1.9	+1.3	+1.5	+1.5
Perpetual Credit Income Fund	1.2	1.5	2.8	7.2	6.7	7.8	5.4	5.0	4.9
Bloomberg AusBond Bank Bill Index	0.3	0.9	1.9	3.8	4.1	4.2	3.0	2.3	2.2
Excess	+0.9	+0.6	+1.0	+3.4	+2.6	+3.6	+2.4	+2.7	+2.7
Perpetual Active Fixed Interest Fund	0.2	-0.5	-1.6	1.0	4.6	3.6	1.1	1.8	2.8
Bloomberg AusBond Composite Index	0.1	-0.5	-1.8	-0.1	3.4	2.0	0.0	0.8	1.8
Excess	+0.1	-0.0	+0.2	+1.2	+1.2	+1.6	+1.0	+1.0	+1.0
Perpetual ESG Credit Income Fund- Class A	1.1	1.4	2.6	7.7	7.1	7.9	5.7	5.1	-
Bloomberg AusBond Bank Bill Index	0.3	0.9	1.9	3.8	4.1	4.2	3.0	2.3	-
Excess	+0.7	+0.4	+0.7	+3.9	+3.0	+3.7	+2.7	+2.8	-
Perpetual Pure Credit Alpha Fund - Class W	0.7	1.4	3.1	7.7	7.5	8.5	6.6	6.0	6.1
RBA Cash Rate Index	0.3	1.0	1.9	3.8	4.1	4.2	3.0	2.3	2.1
Excess	+0.4	+0.4	+1.2	+3.8	+3.4	+4.3	+3.6	+3.8	+4.1

MULTI-ASSET STRATEGIES

Equity markets rebounded strongly in April, looking beyond persistent geopolitical risks to post new highs. The dominant market story was one of renewed confidence, driven by a powerful risk-on rally centred on artificial intelligence (AI) stocks and buoyed by a very positive US corporate earnings season. Tensions between the US and Iran continued to dominate headlines, with the Strait of Hormuz remaining severely disrupted and Brent crude pushing to US\$114 per barrel by month-end. Yet global equities staged a remarkable recovery, led by extraordinary gains across the AI semiconductor supply chain, but with advances in all regions.

- Global shares (+8.9%) staged a powerful rebound in April, underpinned by US equities (+10.5%), which benefited from a decisive rotation back into AI stocks and were buoyed by a strong earnings season in which 84% of reporting S&P 500 companies beat consensus expectations, with aggregate EPS growth of approximately 14.5% year-on-year. Resilient activity data and the Fed remaining on hold were also constructive.

- April saw a sharp reversal in equity market leadership with the Russell 1000 Growth index (+11.9%) outperforming its value peer (+8.2%) as investor appetite for companies leveraged to the AI investment cycle returned in force.

- Japanese equities (+16.1%) outperformed developed market peers, supported by yen weakness and the return of foreign investors to Japanese technology-related names.

- European equities (+6.2%) performed well as markets increasingly priced a contained Middle East outcome, and resilient global growth and strong US earnings supported cyclicals and exporters around the world. The rally was also aided by corporates having stronger-than-expected pricing power and improving financial conditions as the ECB remained on hold.

- UK equities (+2.3%) rose but underperformed primarily because the UK is one of the most stagflation-sensitive major markets which had greater sensitivity to higher energy costs and tighter financial conditions. The bourse also has limited exposure to the AI phenomenon, and rising bond yields and renewed inflation concerns weighed on domestic cyclicals and rate-sensitive sectors. - Australian shares (+2.2%) advanced modestly, underperforming the broader global rally as the Australian market's more limited direct exposure to the AI theme constrained returns.

- Emerging markets (+13.3%) outperformed their DM peers, powered by extraordinary gains in Taiwan (+22.7%) and South Korea (+33.9%) and other parts of EM Asia, where the global capex and semiconductor investment boom continued to drive strong earnings upgrades and capital inflows.

- Commodity markets gained broadly, with energy and industrial metals the clear outperformers, reflecting both the sustained supply disruption from the Strait of Hormuz closure and surging real-world demand for materials underpinning the global AI data centre buildout.

The strong rally in risk markets during April was supported by strong US corporate earnings results and centred primarily on companies

exposed to AI and the technology supply chain. Both the percentage of S&P 500 companies reporting earnings above expectations (84%) and the magnitude of those surprises were above recent averages. The largest contributors to the acceleration in earnings growth have been three of the “Magnificent 7” (Alphabet, Amazon and Meta). A key theme for the season has been its broad strength, with cyclical sectors contributing meaningfully despite a softer quarter of economic growth. Markets have notably rewarded revenue growth, not just cost discipline, with rising revenue growth and margins both contributing to corporate bottom lines.

We continue to look for opportunities in companies and sectors with more reasonable valuations, strong balance sheets, and earnings that are beatable against modest consensus expectations, particularly where the AI-driven capital expenditure cycle may benefit industries beyond the technology sector itself.

Geopolitical uncertainty persisted throughout April, with the Strait of Hormuz effectively closed which pushed spot Brent crude prices to US\$114 per barrel by month-end. The key for markets from here is not how high energy prices go, but rather where they stay; prices sustained above US\$110 per barrel for an extended period would be expected to trigger a material decline in consensus global growth and a rise in global inflation expectations, thereby threatening the duration of the business cycle. At present, markets have seemingly factored in that de-escalation is desired and beneficial for both sides. However, the bar for an oil spike threatening the business cycle is high given the development of large services industries, the world’s reduced energy intensity, the strong state of global corporate balance sheets, and more diversified energy supply across regions and energy types.

The US Federal Reserve kept interest rates unchanged at its April FOMC meeting, as the FOMC weighed temporary energy-driven inflation against the resilience of the US labour market and consumer spending. By month end, market pricing implies that the Federal Reserve will hold rates steady for the remainder of 2026, with rate cuts increasingly pushed into 2027. The Bank of Japan, by contrast, moved to a more hawkish stance over the month, with upward revisions to its inflation forecasts leading markets to bring forward expectations for further rate hikes. Ten-year Japanese government bond yields rose to their highest level since 1997, reflecting the combination of imported energy inflation and a reassessment of fiscal sustainability given Japan’s large stockpile of debt and the newly elected PM’s desire to increase spending and lower taxes. In Europe, the ECB held rates at its April meeting, acknowledging the stagflationary pressures from elevated energy costs against a backdrop of weakening business activity, with eurozone Purchasing Managers’ Index coming in a bit soft, although it is still aligned with GDP of about +0.4%QA in the Jun’26 quarter.

In Australia, there was no RBA Board meeting in April, but the Bank remained very much in focus over the month as the release of March quarter CPI data showed that headline inflation rose to +4.6%Y in the year to March 2026, its highest reading in 30 months, while trimmed mean inflation rose a slightly softer +0.8%Q to +3.5%Y. Against a backdrop of weakening consumer and business confidence, the RBA will be balancing the risk of higher inflation against downside risks to growth and the labour market. While the economy has shown improved growth momentum in recent quarters, the medium-term outlook remains tepid, with zero real wages growth expected over the next few years and an increasingly cautious corporate sector as the impact of previous (and upcoming) rate hikes slowly filters through the economy.

Gross Performance	1M%	3M%	6M%	1Y%	2Y%	3Y%	5Y%	7Y%	10Y%
Perpetual Balanced Growth Fund	2.6	-0.4	0.7	8.4	7.4	7.0	7.0	7.7	8.0
Balanced Growth Index	3.2	0.0	-0.5	10.4	10.0	9.8	6.9	7.4	8.0
Excess	-0.6	-0.4	+1.2	-2.0	-2.5	-2.8	+0.1	+0.3	-0.1
Perpetual Diversified Growth Fund	1.9	-0.3	0.3	6.7	6.6	6.0	5.6	6.2	6.5
Moderate Growth Index	2.4	0.0	-0.6	7.5	8.1	7.7	5.1	5.6	6.3
Excess	-0.4	-0.3	+0.9	-0.8	-1.5	-1.7	+0.5	+0.6	+0.2
Perpetual Diversified Real Return Fund - Class W	1.4	0.2	2.9	8.1	7.1	5.9	4.9	5.3	5.5
Australian CPI +5% (Target Objective)							9.5	8.7	
Perpetual ESG Real Return Fund	1.7	-1.0	-0.2	4.7	5.3	4.0			
Australian CPI +5% (Target Objective)							-	-	

Total returns shown have been calculated using gross performance and assuming reinvestment of distributions. No allowance has been made for fees or taxation. Past performance is not indicative of future performance.

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* Due to CPI data being released by the Australian Bureau of Statistics later in the month after quarter end, CPI figures reported are lagged by one month.
