

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception [^] (% p.a.)
Income Distribution	0.5	1.4	4.1	5.9	7.1	7.0	7.1
Capital Growth	-3.8	-4.7	-4.3	-5.8	-3.4	5.5	-1.4
Total Return	-3.4	-3.3	-0.3	0.0	3.7	12.5	5.7
Franking Credits [#]	0.0	0.0	0.1	0.2	2.1	2.3	2.7
Income Distribution including Franking Credits	0.5	1.4	4.2	6.1	9.2	9.3	9.7
Benchmark Yield including Franking Credits [*]	0.8	1.4	3.9	4.6	5.5	5.5	5.5
Excess Income to Benchmark[#]	-0.3	0.0	0.3	1.5	3.7	3.8	4.2

[^]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.

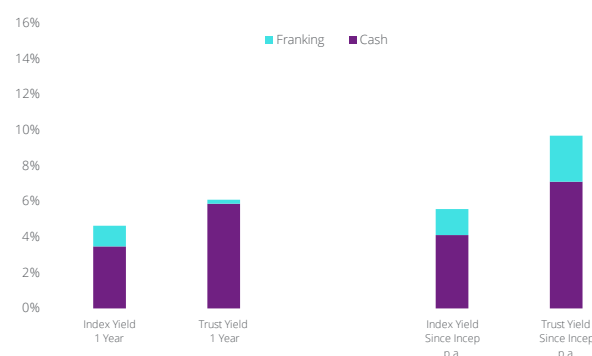
Overview

Markets were softer again in March, with rising uncertainty from ever-changing tariff expectations, weakening consumer confidence and a softening economic outlook, combining with concerns of stagflation, plus the resumption of hostilities in Gaza, the lack of a ceasefire in Ukraine, and the general political circus in Washington (or Mar-a-Lago). This saw most major markets down over the month.

The Australian market was also weaker, with the ASX300 Accumulation Index falling -3.3%, with most sectors seeing declines.

The Fund is currently targeting FY25 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 5.6%.

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
Stephen Bruce

EIGA FUM
\$33 million

Distribution Frequency
Monthly

Inception Date
7 May 2018

Fees
0.80% (incl. of GST and RITC)

Portfolio Characteristics – FY26	Fund	Market
Price to Earnings (x)	16.8	16.9
Price to Free Cash Flow (x)	13.9	15.0
Gross Yield (%)	5.2	4.8
Price to NTA (x)	2.5	2.6

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

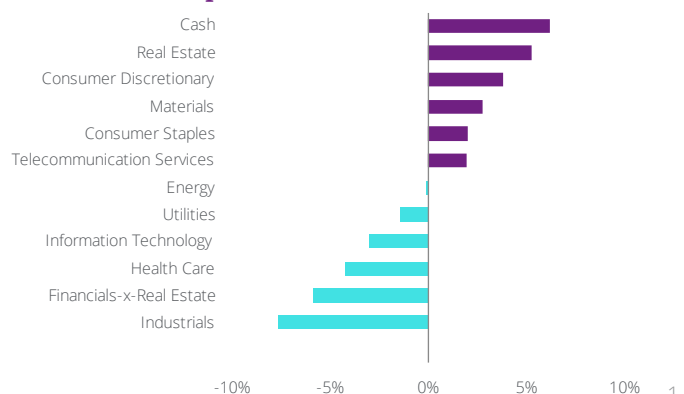
The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Franking Levels (%)			
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

March was another soft and volatile month, with a skittish market reacting erratically to the daily swings in sentiment around tariffs and geopolitical issues. The Fund returned -3.4%, including franking credits and after-fees in March, underperforming the benchmark by -0.3%.

The risk-off market saw Telstra (+1.7%) continue to build on last month's strong performance, with its defensive earnings and domestic focussed operations. AI got a lot of mentions from companies in reporting season, but with very little detail. Telstra, for example, have formed a JV with their internal IT staff and Accenture to develop AI applications for the business. Discussing this with Telstra, it sounds like there is significant scope for cost reductions over time, with AI able to automate many network management functions, which are currently managed manually. This is in addition to the usual customer service, administration and software development functions, which can be increasingly automated. Time will tell, however, in the meantime, the company will continue to deliver strong, reliable cash flows from operations, supplemented by the occasional monetisation of parts of its unrivalled portfolio of infrastructure assets. For example, selling a minority stake in assets such as mobile phone towers or fibre optic cables to an infrastructure fund, while retaining operational control of the asset. Valuation arbitrages make this financially beneficial, as these funds typically pay significantly higher multiples than Telstra trades on. This is certainly a stock for the times and one of our preferred defensive holdings.

Despite the global macro uncertainty, the Resources sector outperformed overall. While trade disruptions would likely be negative for demand, in the short-term, prices of commodities such as copper and aluminium have rallied as people scramble to secure supply at "pre-tariff" prices. Further, despite all the negativity around the outlook for the Chinese economy, the price of iron ore remains stubbornly over US\$100/t, and the cash keeps rolling in for the big miners. This combined to see outperformance by our holdings in Rio Tinto (+4.8%) and BHP (-0.2%). Other outperformers included Healius (+8.6%) and Challenger Financial (+3.6%).

James Hardie (-24.0%), was the largest detractor for the month. The stock was sold off after announcing a US\$8.75bn cash and scrip acquisition of NYSE-listed US building materials company AZEK. AZEK is a leading producer of trim and decking solutions, which are highly complementary to the James Hardie product range. However, the price paid was very full, leading to a sharp drop in the stock price. While large acquisitions have a history of disappointment, the AZEK business is high-quality, the combination makes clear commercial sense, and importantly, the business was not bought off private equity. Time will tell if this was a good deal, however, a lot of potential downside has now been captured in the share price.

Fund Activity

During the month, we exited our holding in Fortescue Metals, reinvesting the proceeds to increase holdings in Rio Tinto and South32. At month end, stock numbers were 27 and cash was 6.2%.

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 are expected to continue to pay 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 5.6%.

Outlook

At the time of writing (Friday 4-April), markets are in the process of throwing a Post-Liberation Day tariff tantrum, with the S&P500, down -5%, having its worst day since June 2020. The Australian market has, so far, proven more resilient, potentially reflecting its relative safe-haven status amongst Asian regional markets. The ultimate extent, application and impact of US tariffs and counter-tariffs imposed by other countries remains to be seen. Clearly, however, the risks to growth and inflation, as well as the smooth functioning of the global economy in general, have increased. On the positive, Australia seems relatively well-placed, with a moderate 10% tariff on our ~\$24bn of annual exports to the US. Further, looking at the composition of our listed market, the direct impact on most of our large companies appears to be fairly limited overall. This is due to them either having a predominantly domestic focus, or limited exports to the US. Of course, the Australian economy and stock market would not be immune from the impacts of a global downturn. However, while this outcome is not a foregone conclusion, if it did transpire, we would likely see interest rate cuts brought forward by the RBA and other central banks.

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.

Contact us



Level 27, 88 Phillip Street
Sydney NSW 2000



1300 420 094



invest@perennial.net.au



www.perennial.net.au

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