

## Perpetual Investment Funds

# PERPETUAL CONCENTRATED EQUITY FUND

April 2025

### FUND FACTS

**Investment objective:** Aims to provide long-term capital growth and income through investment predominantly in quality Australian industrial and resource shares.

### FUND BENEFITS

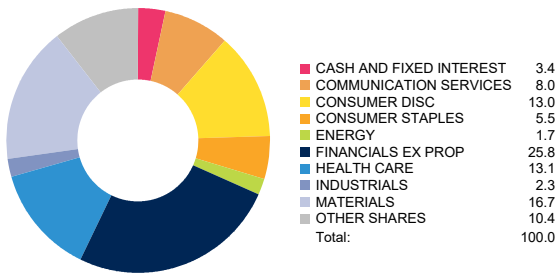
Provides investors with higher potential returns, through the active management of a portfolio of fewer stocks but with higher conviction, than our core Australian equity funds. This concentration may lead to increased short term volatility.

### FUND RISKS

All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether a fund is suited to your financial needs.

<b>Benchmark:</b>	S&P/ASX 300 Accum. Index
<b>Inception Date:</b>	August 1999
<b>Size of Portfolio:</b>	\$278.88 million as at 31 Mar 2025
<b>APIR:</b>	PER0102AU
<b>Management Fee:</b>	1.10%*
<b>Investment style:</b>	Active, fundamental, bottom-up, value
<b>Suggested minimum investment period:</b>	Five years or longer

### PORTFOLIO SECTORS



### TOP 10 STOCK HOLDINGS

	% of Portfolio
Commonwealth Bank of Australia	9.8%
BHP Group Ltd	8.2%
CSL Limited	6.6%
Wesfarmers Limited	4.3%
GPT Group	4.1%
News Corporation	3.8%
ANZ Group Holdings Limited	3.8%
Washington H. Soul Patt.	3.8%
Westpac Banking Corporation	3.2%
EVT Limited	3.2%

### NET PERFORMANCE - periods ending 30 April 2025

	Fund	Benchmark #	Excess
1 month	4.12	3.60	+0.53
3 months	-2.43	-3.66	+1.23
1 year	4.10	9.54	-5.43
2 year p.a.	4.75	9.29	-4.54
3 year p.a.	4.67	6.85	-2.17
4 year p.a.	7.24	7.67	-0.43
5 year p.a.	12.99	12.08	+0.91
7 year p.a.	7.05	8.54	-1.48
10 year p.a.	6.30	7.71	-1.41
Since incep. p.a.	10.01	8.26	+1.75

Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

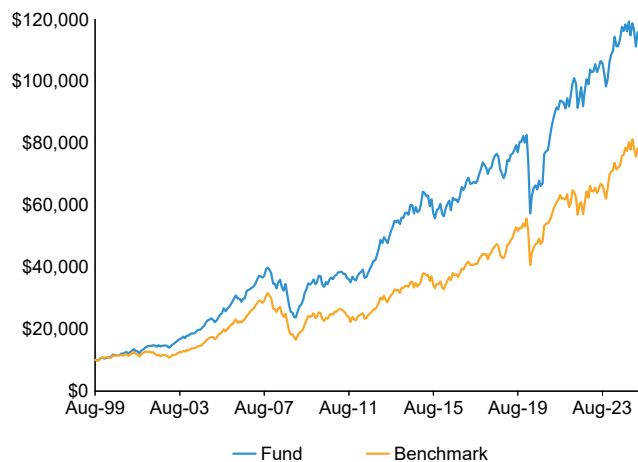
### PORTFOLIO FUNDAMENTALS<sup>^</sup>

	Portfolio	Benchmark
Price / Earnings*	19.1	18.0
Dividend Yield*	2.9%	3.6%
Price / Book	2.1	2.2
Debt / Equity	33.2%	37.8%
Return on Equity*	10.6%	12.6%

<sup>^</sup> Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating the Fund's investment style in action. These figures are forecast estimates, calculated based on consensus broker estimates where available, and should not be relied upon. Dividend Yield is a dividend forecast of underlying securities for the portfolio and does not reflect the distributions to be determined for the fund.

\* Forward looking 12-month estimate.

### GROWTH OF \$10,000 SINCE INCEPTION



\*Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

## MARKET COMMENTARY

The S&P/ASX 300 rose 3.6% in April, navigating a volatile month marked by geopolitical shocks and shifting investor sentiment. Volatility spiked early in the month following “Liberation Day” on 2 April, when the Trump Administration imposed harsher-than-expected tariffs, sparking the sharpest global equity sell-off since the COVID-19 crash. Markets struggled to price in the broad and indiscriminate nature of the tariffs, with a temporary tariff pause announced mid-month doing little to calm investor nerves. Despite the external chaos, domestic markets were buoyed by a flight to safety. Commonwealth Bank extended its strong performance (10.4%) as investors rotated into high-quality, defensive names. Gold prices continued to climb amid safe-haven demand, while oil prices slumped sharply, reflecting mounting concerns over global growth. Sector performance was mixed. Communication Services (6.4%) and Information Technology (6.3%) led gains as investors sought structural growth and defensive earnings. In contrast, Energy (-7.52%) and Materials (0.70%) lagged, hurt by falling commodity prices and weakening sentiment toward cyclicals.

## PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include News Corp, GPT Group and EVT Limited. Conversely, the portfolio's largest relative underweight positions include Commonwealth Bank of Australia, Telstra Group Limited (not held) and Woodside Energy Group Ltd (not held).

Nick Scali (+12.7%) was a strong contributor to performance in April, despite the absence of material stock-specific news. The company continues to offer attractive exposure to a founder-led retailer with a strong track record of navigating soft consumer conditions. Its capital-disciplined entry into the UK market via the acquisition of Fabb Furniture presents a compelling long-term growth opportunity, particularly through the implementation of Nick Scali's best-in-class operational standards, which should support margin expansion. Encouragingly, UK household data shows signs of meaningful deleveraging, while recent government policy shifts have begun to stimulate housing demand both of which are likely to support Fabb's performance and reinforce our positive outlook on the business.

Northern Star (+4.6%) contributed positively to portfolio performance in April, outperforming a softer market. In its quarterly update, Northern Star reported solid free cash flow and mixed guidance revisions highlighting higher royalties due to strong gold prices, offset by increased maintenance costs. The acquisition of De Grey's Hemi project was approved during the month, reinforcing Northern Star's strategy to scale tier-1 assets and extend production growth beyond 2030. With the KCGM mill expansion progressing and management maintaining a disciplined capital allocation approach, the company remains well positioned with strong operating leverage to gold and potential upside from future capital management initiatives.

BlueScope Steel (12.1%) was a positive contributor to relative performance in April, with its share price supported by broader market dynamics rather than company-specific catalysts. Encouragingly, U.S. peers Nucor and Steel Dynamics exceeded first-quarter earnings expectations, reinforcing the strength of the global steel backdrop. Steel spreads in the U.S. remain above BlueScope's FY25 guidance, supporting our view that pricing dynamics offer asymmetric upside potential. BlueScope remains a standout operator in the global steel industry, backed by strong management, a valuable strategic asset at Port Kembla, and a brand in Colorbond that supports both margin expansion and international growth opportunities.

Light & Wonder (-6.25%) detracted from portfolio performance in April, as litigation concerns weighed on sentiment despite otherwise solid operational performance. The company updated the market during the month, confirming that Aristocrat had filed a second amended complaint with the Nevada District Court. While Light & Wonder stated it would vigorously defend the claims, the update raised renewed concerns around potential legal and financial risk. These developments overshadowed continued growth in U.S. gaming operations and stable i-gaming results. Despite governance and litigation headwinds, Light & Wonder continues to gain market share and is guided toward double-digit EBITDA growth.

Ampol (+0.75%) underperformed the broader market in April, detracting from relative performance as refining and trading headwinds continued to weigh on sentiment. The company is still feeling the impact of a refinery outage late last year, which significantly reduced earnings and was not offset under the government's Fuel Security Services Payment due to the structure of the scheme. ALD is materially oversold with the market extrapolating refining earnings depressed by one-off events and cyclical lows. Together with the solidly growing convenience business, balance sheet deleveraging will accelerate and provide both capital management and potentially M&A opportunities.

Orora (-3.72%) detracted from portfolio performance in April, with the stock under pressure amid mixed updates from global packaging peers. Rising input costs and unfavourable pricing trends across the sector weighed on sentiment. We built our overweight position in Orora when we believed prospective investors were paying fair value for the Australasian and North American businesses, while acquiring Saverglass at a substantial discount. Assuming the sale of the North American business completes as expected, investors will be left with a high-quality, globally diversified packaging business.

## OUTLOOK

Equity markets have entered a structurally more volatile regime under the Trump presidency, as geopolitical tensions escalate and policy unpredictability becomes a defining feature of the investment landscape. Initial hopes that tariff rhetoric was merely strategic posturing have faded, replaced by the realisation that protectionist measures may be both broader in scope and more disruptive in execution than previously anticipated. This uncertainty has contributed to heightened risk aversion and a more reactive market environment. In the U.S., we are seeing the early stages of a meaningful rotation out of high-momentum growth stocks, where fundamentals had often been overlooked in favour of narrative-driven price appreciation. This shift marks a healthy rebalancing, with markets beginning to reward quality, valuation discipline, and tangible earnings delivery. While elevated volatility may feel uncomfortable, we believe it is fertile ground for active management. Dislocations are already emerging, and we are capitalising on these opportunities by leaning into high-conviction positions where long-term fundamentals are being mispriced. Our portfolio remains positioned to benefit from a more rational market regime—one in which investors are once again distinguishing between price and value.

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# The Ordinaries benchmark prior to 1/4/2000 was the ASX All Ordinaries Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX 300 Accumulation Index. The publication has been prepared and issued by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426, as promoter for the Perpetual WealthFocus Superannuation Fund. The information contained in this document is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The information contained in this document is in addition to and does not form part of the product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund. The PDS for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL 229757, RSE L0001458, should be considered before deciding whether to acquire or hold units. The PDS and Target Market Determination can be obtained by calling 1800 011 022 or visiting [www.perpetual.com.au](http://www.perpetual.com.au). Neither PIML, ETSL nor any of their related parties guarantee the performance of any fund or the return of an investor's capital. Total returns shown for the Perpetual WealthFocus Superannuation Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.

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## MORE INFORMATION

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