

WEALTHFOCUS PERPETUAL ESG AUSTRALIAN SHARE

June 2025

FUND FACTS

Investment objective: Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian shares that meet Perpetual's ESG and values-based criteria. Aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.

FUND BENEFITS

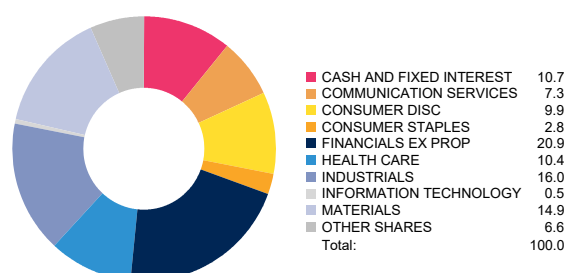
The Fund has two exclusion screens, with which we assess companies. A values-based exclusionary screen for involvement in certain activities, and a ESG exclusionary screen based on an evaluation of companies overall performance on ESG issues.

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.

Benchmark: S&P/ASX 300 Accum. Index
Inception Date: November 2008
Size of Portfolio: \$24.19 million as at 31 Mar 2025
APIR: PER0491AU
Management Fee: 1.43%*
Investment style: Active, fundamental, bottom-up, value
Suggested minimum investment period: Five years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Brickworks Ltd	5.7%
Deterra Royalties Ltd	5.7%
EVT Limited	5.2%
Reliance Worldwide Corp. Ltd.	4.8%
GWA Group Limited	4.7%
Commonwealth Bank of Australia	4.1%
ANZ Group Holdings Limited	4.1%
CSL Limited	4.0%
GPT Group	3.7%
National Australia Bank Limited	3.1%

Class A has been operating since August 2014. In September 2020, Barrow Hanley, Mewhinney & Strauss, LLC commenced as Investment Manager of the Fund.

	Fund	Excess
1 month	0.00	
3 months	-	
1 year	-	
2 year p.a.	-	
3 year p.a.	-	
4 year p.a.	-	
5 year p.a.	-	
7 year p.a.	-	
10 year p.a.	-	-

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

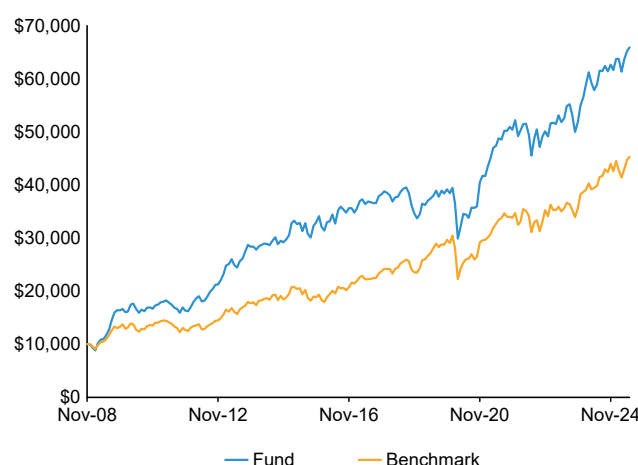
PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	18.4	19.1
Dividend Yield*	3.1%	3.4%
Price / Book	2.1	2.3
Debt / Equity	35.8%	39.1%
Return on Equity*	11.0%	12.5%

[^] 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



MARKET COMMENTARY

The S&P/ASX 300 Accumulation Index staged a strong recovery over the June quarter, rising 9.48%. The rally came as fears of extreme tariff scenarios continued to recede, helping restore market confidence after a volatile start to the year. While geopolitical risks and global growth concerns lingered, sentiment improved as it became increasingly clear that the most aggressive US tariff proposals were unlikely to materialise. Markets have coined the term ‘TACO trade’- ‘Trump Always Chickens Out’- to describe the pattern of tariff escalation followed by policy reversals, which has contributed to easing market volatility. Financials (+15.67%) supported gains as investor sentiment improved, while Communication Services (+14.08%) and Real Estate (+12.88%) outperformed amid rotation into resilient sectors. In contrast, defensives lagged with Health Care (+2.37%), Utilities (+2.03%) and Consumer Staples (+3.93%) underperforming as risk appetite returned. Materials (-0.36%) was the weakest sector, weighed down by softer commodity prices and concerns over Chinese steel demand. While investors have enjoyed solid gains, often driven by narrow pockets of the market, the outlook highlights the importance of finding value beyond the obvious leaders.

PORTFOLIO COMMENTARY

A feature of this portfolio is that it applies Perpetual’s ESG process and values-based investment criteria. The portfolio’s largest overweight positions include Deterra Royalties Ltd, EVT Limited and Reliance Worldwide Corporation. Conversely, the portfolio’s largest underweight positions include BHP Group Ltd (not held), Commonwealth Bank of Australia and Wesfarmers Limited (not held).

The portfolio’s overweight to EVT Limited contributed positively to relative performance over the June quarter (+25.1%), with the stock continuing to re-rate as the market narrows the disconnect between asset value and share price. The recent announcement of a sale process for the company’s prime 525 George Street property marks a significant milestone, unlocking value from its high-quality real estate portfolio. This follows a period of improving operating momentum, with a recovery in cinema earnings underway and spend per visitor continuing to grow. We remain constructive on EVT’s outlook, with ongoing earnings recovery, embedded property value, and potential capital management acting as catalysts for further upside.

The portfolio’s overweight to GPT Group (GPT) contributed positively to relative performance over the June quarter (+13.8%), supported by improving sentiment towards high-quality Australian property names. The group’s announcement of the \$200 million expansion of Rouse Hill Town Centre highlights the continued relevance of well-located, brick-and-mortar retail, with the project set to deliver over 11,000sqm of additional retail space and new community amenities. The development reflects GPT’s ability to unlock value from its portfolio while catering to growing demand in strategic growth corridors. Coupled with improving leasing momentum in logistics and office, and progress on capital management, we believe GPT remains well-positioned to deliver long-term value.

Myer detracted from performance over the June quarter (-6.9%) as recent sales updates highlighted a more challenging retail backdrop, with softer consumer demand and higher costs weighing on sentiment. Operationally, setbacks at the new national distribution centre in Ravenhall have delayed expected efficiencies and added to short-term strain. To mitigate these issues ahead of peak trading periods, Myer has implemented an interim logistics strategy, with third-party provider Toll now managing up to 40% of online volumes, while Ravenhall processes 10–15%. Despite these near-term challenges, underlying trends within the business remain encouraging. Growth in online sales, continued expansion of the MyerOne loyalty program, and early progress on cost savings from the Apparel Brands integration are helping to offset external pressures. Notably, recent upgraded profit guidance and progress on cost savings demonstrate management’s ability to execute in a difficult environment, providing a more positive foundation for earnings in the year ahead.

Healius Limited detracted from portfolio performance over the quarter (-23.1%), with investor sentiment weighed down by a combination of regulatory uncertainty, earnings pressure, and heightened political scrutiny. While the sale of its Lumus Imaging division for \$965 million marked a significant balance sheet reset - enabling the return of \$300 million to shareholders via a fully franked special dividend - the stock declined sharply following the ex-dividend date and broader concerns over its pathology business. Sector-wide changes to Medicare rebates for select bulk-billed tests are expected to reduce annual revenue across the industry by approximately \$100 million, with Healius particularly exposed given its domestic focus. Further pressure came as the federal government signalled potential regulatory action should providers move to pass costs onto patients, raising risks of increased scrutiny and pricing constraints. Despite these challenges, the company’s stronger financial position post-divestment provides optionality, and we continue to monitor the evolving operating environment and cost dynamics closely.

OUTLOOK

Looking ahead, we expect financial markets to grapple with a more complex and uneven growth backdrop. While recession fears have eased for now, the underlying risks - from geopolitical tensions to persistent fiscal imbalances - are yet to be resolved. The U.S. remains at the centre of global market attention, with high equity valuations, growing deficit concerns, and trade policy uncertainty likely to be key drivers of volatility in the second half of the year. In Europe, weak business conditions and rising tariff risks point to subdued growth. China’s ability to stabilise growth will depend heavily on further policy support, particularly as consumer demand shows signs of fatigue. Closer to home, the near-term picture remains challenging. Growth is expected to remain below trend as the economy works through the lagged impacts of tighter policy, a weaker household sector, and slowing public sector spending. However, with inflation moderating and interest rates likely to ease further, policy settings are shifting toward support. In this environment, we see greater dispersion in market outcomes, reinforcing the importance of selectivity and discipline across portfolios as investors navigate the next phase of the cycle.

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. 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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