

WEALTHFOCUS PERPETUAL INDUSTRIAL SHARE

July 2025

FUND FACTS

Investment objective: Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian industrial shares. The fund aims to outperform the S&P/ASX 300 Industrials Accumulation Index (before fees and taxes) over rolling three-year periods.

FUND BENEFITS

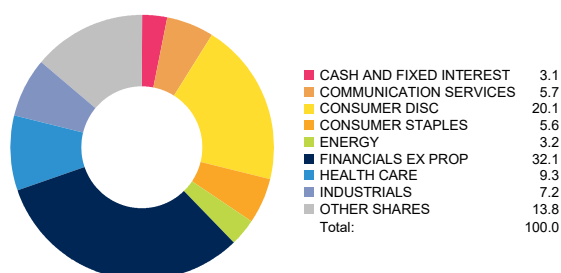
Provides investors with the potential for capital growth and consistent, tax effective income through the active management of quality industrial shares.

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 Industrial Accum. Index
Inception Date:	May 1995
Size of Portfolio:	\$522.43 million as at 30 Jun 2025
APIR:	PER0028AU
Management Fee:	1.23%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Commonwealth Bank of Australia	12.8%
Goodman Group	6.5%
Flutter Entertainment Plc	6.1%
Wesfarmers Limited	4.4%
National Australia Bank Limited	4.1%
Westpac Banking Corporation	3.9%
EVT Limited	3.6%
Suncorp Group Limited	3.5%
ANZ Group Holdings Limited	3.5%
CSL Limited	3.2%

NET PERFORMANCE - periods ending 31 July 2025

	Fund	Benchmark #	Excess
1 month	1.13	1.94	-0.82
3 months	8.34	8.91	-0.57
1 year	13.45	14.67	-1.22
2 year p.a.	16.93	17.61	-0.69
3 year p.a.	15.38	13.71	+1.67
4 year p.a.	10.97	9.63	+1.34
5 year p.a.	14.68	13.10	+1.58
7 year p.a.	8.43	9.18	-0.75
10 year p.a.	6.92	8.36	-1.44
Since incep. p.a.	9.79	9.86	-0.07

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

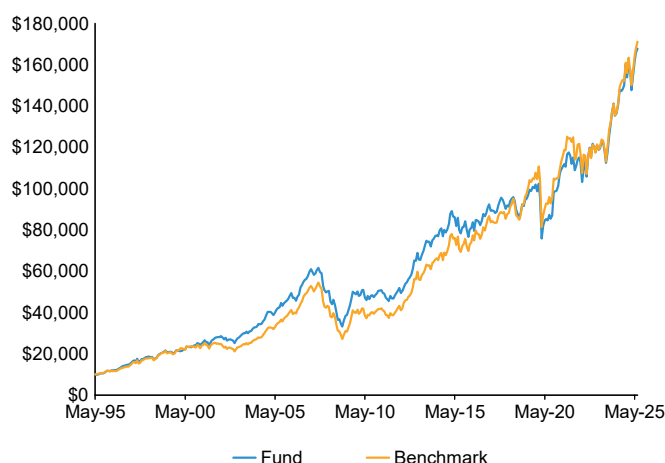
PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	21.6	22.3
Dividend Yield*	2.9%	3.2%
Price / Book	2.6	2.6
Debt / Equity	53.0%	52.6%
Return on Equity*	12.1%	12.1%

^ 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

Australian equities extended their winning streak in July, with the ASX 200 gaining 2.35% to 8,742.80, its fourth straight monthly advance. The index set a fresh all-time high on 7 July before momentum stalled, trading sideways for the remainder of the month. Markets balanced optimism over prospective RBA rate cuts with caution around looming U.S. tariff deadlines. While President Trump's tariff agenda dominated headlines, the impact was muted as front-loaded shipments softened the near-term blow, and late-month trade agreements with Japan and the EU lifted sentiment. Sector rotation was evident with an unwind in crowded bank positions, ongoing since late June, weighed on Financials (-1.0%), while Materials (+4.1%) benefited from stronger iron ore prices. Gold miners lagged as safe-haven demand faded, marking a second month of underperformance. Healthcare was the standout (+8.8%), driven by a 74.8% surge in Clarity Pharmaceuticals, robust gains in CSL, and a 43.8% rally in Mesoblast. Consumer Discretionary (+3.1%) outperformed on positioning ahead of potential rate cuts. The RBA held the cash rate at 3.85%, deferring a widely expected 25 bp cut. Governor Bullock emphasised timing over direction, with the 6-3 vote split highlighting internal debate. Q2 CPI, released late in the month, showed inflation easing to 2.1% y/y, below forecasts, firming expectations for an August cut. Corporate news was active with Johns Lyng Group jumping 23% on a \$1.1B takeover offer, while Origin Energy gained 8.2% on value-unlocking news from Octopus Energy. Lifestyle Communities plunged 36.6% on an adverse VCAT ruling, and Botanix fell 53.1% on softer sales momentum. Earnings revisions skewed slightly negative, with 82 upgrades versus 104 downgrades, suggesting selective positioning remains key in the months ahead.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Flutter Entertainment PLC, EVT Limited and Goodman Group. The portfolio's largest underweight positions include Macquarie Group Ltd (not held), Telstra Group Limited (not held) and CSL Limited.

McMillan Shakespeare was a top contributor to performance in July (+14.7%). The company is one of Australia's leading providers of salary packaging and fleet management services, with novated leasing at the core of its offering. The business is highly cash generative with a strong record of returning capital to shareholders through dividends and buybacks. Shares gained during the month as investors took comfort in resilient earnings, despite earlier concerns around the loss of a South Australian Government contract and slowing new vehicle sales. Solid cash generation in the first half of FY25, combined with a more constructive management outlook, helped restore confidence that any earnings decline will be modest and short lived. Supportive regulatory settings, particularly the FBT exemption for electric vehicles, continue to drive strong demand for novated leases.

Eagers Automotive contributed strongly to performance in July (+12.4%) as investor sentiment remained positive toward its scale and exposure to the ongoing electrification trend. While broader sector news was limited, the market reacted favourably to resilience in hybrid and EV demand, alongside easing consumer pressures. Importantly, BYD's move to take direct control of imports from July provided clarity for the brand's expansion in Australia, with Eagers retaining its position through its stake in the EVDealer Group joint venture. Supported by record revenues and diversified earnings streams, the company is well placed to benefit from accelerating EV adoption and an improving operating environment.

HMC Capital was a significant detractor in July (-29.6%). The company, a diversified alternative asset manager, experienced renewed investor scrutiny as underlying market confidence deteriorated. July's steep decline came amid heightened concerns over underperformance in key listed ventures - particularly DigiCo, the digital infrastructure arm - and ongoing challenges in healthcare real estate assets. HMC has scaled back its much-publicised \$500 billion growth target, citing the difficulties in replicating prior expansion trajectories in the listed space. In parallel, HMC is navigating the transfer of tenancy arrangements for 11 Healthscope hospitals. With Healthscope under receivership, HMC is working with lenders and potential new tenants to secure continuity of operations - an important lever for income stability, but also a source of execution risk until resolved. HMC continues to operate with a solid balance sheet and expanded AUM base (now approaching A\$18-19 billion). The company is redirecting growth focus towards unlisted opportunities - particularly private credit, logistics real estate, and core retail fund strategies - where it has demonstrated more consistent performance.

After a strong June where the stock put on 13.8%, Soul Pattinson gave back -3.4%. Soul Pattinson announced its transformational merger with Brickworks during June, marking the unwinding of a cross-shareholding structure that has existed since 1969 and representing a significant simplification of the corporate framework. The market responded positively to the strategic rationale, recognizing that removing structural complexity should enhance transparency and liquidity while creating a cleaner investment vehicle with improved free float characteristics. The transaction brings together complementary asset bases and demonstrates management's commitment to optimizing the corporate structure for long-term value creation. Soul Pattinson represents a high quality investment given its established position as Australia's premier diversified investment house with 25 consecutive years of dividend growth, demonstrating proven capital allocation expertise across market cycles. The company's uncorrelated portfolio spanning multiple asset classes provides diversification benefits while the strong balance sheet enables opportunistic investments during market dislocations, making it an attractive vehicle for long-term wealth creation.

OUTLOOK

Markets stand at a critical crossroads. Concerns over U.S. debt and deficit continue to mount following passage of the "big, beautiful bill," yet risk appetite has proven resilient. Global equities, led by growth and technology names, have extended the rebound that began in mid-April, erasing much of the tariff-driven sell-off. Investor enthusiasm has been underpinned by strong corporate earnings - particularly in tech, where Nvidia again delivered revenue growth well ahead of expectations - and by signs central banks remain ready to ease policy if growth slows. Beneath the surface, however, a deeper rotation may be underway. U.S. equities still trade near peak valuations, with profit margins stretched. Although the U.S. dollar continues to roll over, it remains near generational highs. Historical precedents in 1985 and 2000 suggest such peaks often coincide with turning points in global capital flows, with investors rotating to regions offering more compelling valuations, including select emerging markets. Policy currents are also shifting with Trump pressing for broader market access while challenging currency and regulatory tools; the U.S. and U.K. are pursuing banking deregulation; Germany is advancing reflation via reforms and a €500b investment plan. With Australian and U.S. equities in the 96th-97th valuation percentile, asymmetric risks skew downside. Together, these forces suggest an imminent inflection in market levels and leadership.

Benchmark prior to 1/4/2000 was the ASX All Industrials Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX 300 Industrials Accumulation Index.

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