

# WEALTHFOCUS PERPETUAL SMALLER COMPANIES

July 2025

## FUND FACTS

**Investment objective:** Aims to provide long-term capital growth and income through investment in quality Australian industrial and resource shares which, when first acquired, do not rank in the S&P/ASX 50 Index.

## FUND BENEFITS

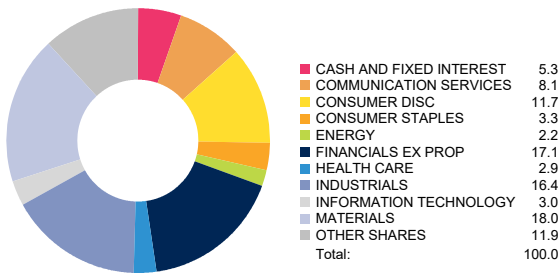
Provides investors with the potential to benefit from the growth of quality smaller or emerging companies, through active management by one of Australia's most experienced investment management teams.

## 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 Small Ordinaries Accum. Index  
**Inception Date:** June 1995  
**Size of Portfolio:** \$158.83 million as at 30 Jun 2025  
**APIR:** PER0025AU  
**Management Fee:** 1.03%\*  
**Investment style:** Active, fundamental, bottom-up, value  
**Suggested minimum investment period:** Five years or longer

## PORTFOLIO SECTORS



## TOP 5 STOCK HOLDINGS

	% of Portfolio
Capricorn Metals Ltd	3.1%
EQT Holdings Limited	3.0%
Centuria Capital Group	2.9%
Genesis Minerals Limited	2.9%
Monadelphous Group Limited	2.7%

## NET PERFORMANCE - periods ending 31 July 2025

	Fund	Benchmark #	Excess
1 month	1.73	2.82	-1.09
3 months	8.41	9.67	-1.26
1 year	8.04	11.53	-3.49
2 year p.a.	6.65	10.40	-3.75
3 year p.a.	7.25	7.09	+0.15
4 year p.a.	6.05	2.27	+3.78
5 year p.a.	11.60	7.67	+3.93
7 year p.a.	8.52	5.19	+3.32
10 year p.a.	8.83	7.77	+1.06

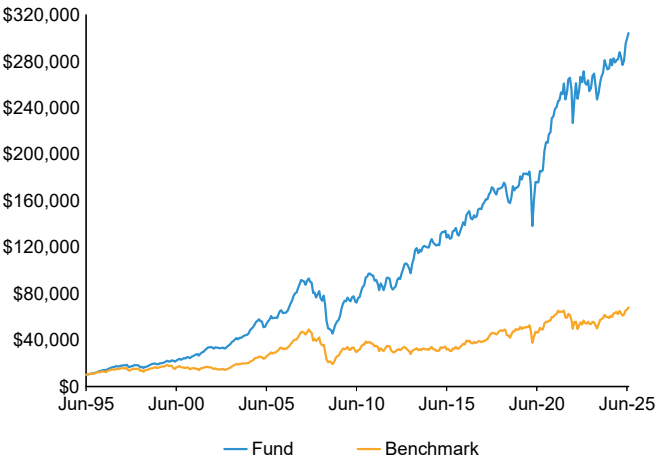
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

## PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	14.2	17.9
Dividend Yield*	4.1%	3.6%
Price / Book	1.8	1.7
Debt / Equity	27.1%	33.9%
Return on Equity*	12.8%	11.0%

^ 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

Australian equities extended their winning streak in July, with the Small Ordinaries gaining 2.82% to 3,338.30, its fourth straight monthly advance. 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. Energy weighed on benchmark performance (-10.8%) while Gold miners lagged as safe-haven demand faded, marking a second month of underperformance. Healthcare was the standout (+12.8%), driven by a 74.8% surge in Clarity Pharmaceuticals, robust gains in Clinuvel Pharmaceuticals, and a 43.8% rally in Mesoblast. Consumer Discretionary (+4.6%) 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 Servcorp Limited, EQT Holdings Ltd and Universal Store Holdings Limited.. Conversely, the portfolio's largest underweight positions include Netwealth Group Ltd, Zip Co Limited and Regis Resources Limited, all of which are not held in the portfolio.

Enero Group rose +46.0% in the month as sentiment improved following the sale of AdTech subsidiary OBMedia. The Australian marketing and communications group provides PR, creative, digital, brand and data-driven services globally. Divesting OBMedia sharpens focus on the core, higher-performing agencies - Hotwire Global, BMF and Orchard - whose differentiated propositions and leadership underpin strong execution. We see a more streamlined, pure-play agency platform better positioned for sustainable growth.

The portfolio's overweight in Infomedia contributed +9.7% in July. Infomedia is a global automotive software provider spanning parts cataloguing (Microcat), aftersales quoting/inspections (Superservice), analytics (Infodrive) and e-commerce (SimplePart), with attractive recurring revenue, margins and cash flow. International upside remains meaningful given under-penetration and prior execution gaps (limited dealer-software integration and OEM engagement, particularly in Europe). Since 2022, CEO Jens Monsees has targeted these issues, with early progress evident in steady revenue growth and margin expansion. We believe IFM is now better placed to scale offshore and re-rate from current levels.

Boss Energy detracted from relative performance in July (-62.7%) after the company flagged it is unlikely to meet production targets at the Honeymoon uranium project and indicated higher operating costs due to lower-than-expected mineralisation continuity and ore quality. While this weighed on near-term sentiment, the thesis remains supported by favourable uranium market dynamics - decarbonisation goals, energy-security concerns, and a global shift toward nuclear. With constrained supply, elevated prices, a fully permitted asset and production growth underway, we believe Boss is well placed to benefit over the medium to long term.

EQT Holdings also detracted (-4.2%) despite no material company-specific news; minor sentiment factors (including changes in the register) may have played a role. The business retains attractive fundamentals - sticky, long-term client relationships, a 135-year brand, and pre-tax margins >30%. Structural tailwinds remain intact: ageing demographics, intergenerational wealth transfer, and the expansion of superannuation and investment markets, with easing bond yields supporting rate-sensitive sectors. With a consolidated industry, favourable demographics, and a focused trusteeship strategy, EQT is well positioned to capture ongoing growth in its core markets.

## 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 Small Ordinaries Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX Small Ordinaries 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.

## MORE INFORMATION

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