Perpetual Investment Funds

PERPETUAL SHARE-PLUS LONG-SHORT FUND

July 2025

FUND FACTS

Investment objective: Aims to provide long-term capital growth and income through investment in quality shares and taking short positions predominantly in selected Australian shares.

FUND BENEFITS

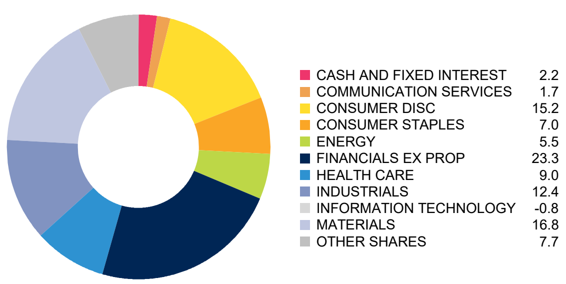
Offers broad market exposure with the potential for higher returns through the use of shorting (taking short positions) within a risk-controlled environment, and actively managed by one of Australia's most experienced investment management teams.

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 300 Accum. Index
Inception Date:	March 2003
Size of Portfolio:	$863.62 million as at 30 Jun 2025
APIR:	PER0072AU
Management Fee:	0.99%*
Performance Fee:	13.98% of outperformance*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Commonwealth Bank of Australia	8.5%
Flutter Entertainment Plc	6.7%
Goodman Group	5.7%
BHP Group Ltd	5.3%
Westpac Banking Corporation	4.4%

MARKET EXPOSURE

	% of Portfolio
Long	116.1%
Short	-18.2%
Net	97.8%

NET PERFORMANCE - periods ending 31 July 2025

	Fund	Benchmark #	Excess
1 month	2.70	2.43	+0.27
3 months	6.33	8.25	-1.91
1 year	6.00	11.88	-5.88
2 year p.a.	8.90	12.57	-3.67
3 year p.a.	10.51	12.08	-1.57
4 year p.a.	9.09	8.29	+0.79
5 year p.a.	13.71	12.17	+1.54
7 year p.a.	8.61	8.89	-0.28
10 year p.a.	8.28	8.65	-0.37
Since incep. p.a.	11.16	9.74	+1.42

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

GEOGRAPHIC LOCATION

The Fund holds no single international asset representing more than 10% of the Fund's net asset value.

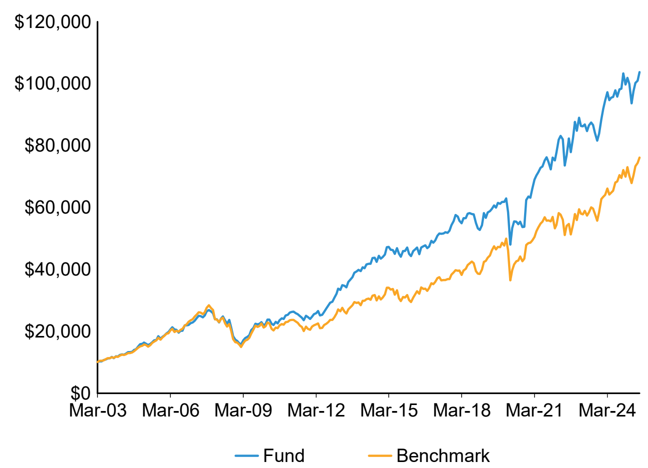
PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	19.7	19.6
Dividend Yield*	2.7%	3.3%
Price / Book	2.3	2.3
Debt / Equity	36.4%	38.7%
Return on Equity*	11.8%	12.4%

^ 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 and a full description of the Fund's performance fee is set out in the Fund's PDS.

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, Goodman Group and Cobram Estate Olives. Conversely, the portfolio's largest underweight positions include ANZ Group Holdings Limited (not held), Macquarie Group Ltd (not held) and Commonwealth Bank of Australia.

Cobram Estate delivered encouraging operational momentum during July as the company announced a successful 2025 Australian harvest of 15.3 million litres, demonstrating resilience despite the natural variability inherent in agricultural production and the biennial nature of olive crop yields. Management's upgraded EBITDA guidance to approximately $115 million for FY25 exceeded prior expectations and reflected the company's ability to maintain firm pricing points despite increased international competition and retail discounting pressures. The company's dual-brand strategy combining the leading Cobram Estate and Red Island labels, combined with substantial immature orchard assets providing multi-year production growth visibility and strategic expansion into the undersupplied US premium market, positions it well to benefit from increasing consumer preference for locally-produced, premium olive oil products while generating strong cash flows and economies of scale.

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.

Select Harvests faced significant headwinds in July as global almond market volatility weighed on the share price, following the USDA's California crop forecast projecting a larger-than-expected harvest that drove spot prices lower. The company reaffirmed volume guidance and noted that roughly three-quarters of the current season's crop was contracted at favourable prices, offering downside protection. While spot market conditions remain challenging, analysts maintained constructive medium-term outlooks, expecting global demand growth to rebalance supply and support higher prices. Forward contracting highlights management's prudent risk controls. As Australia's largest vertically integrated almond producer, Select Harvests benefits from scale, premium orchards, strong balance sheet strength, and exposure to long-term health and demographic trends.

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 $50 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.

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.

The performance fee is equal to 13.98% of daily outperformance over the hurdle rate of return. The current hurdle rate is the S&P/ASX 300 Accumulation Index + 2%pa. Performance fees are accrued daily however will only be paid in the event that the Fund's return over the performance fee calculation period is positive and the performance fee accrual is positive. For further information on the calculation of the performance fee please consult the Fund's PDS.

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.

MORE INFORMATION

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