

WEALTHFOCUS PERPETUAL CONCENTRATED EQUITY

July 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

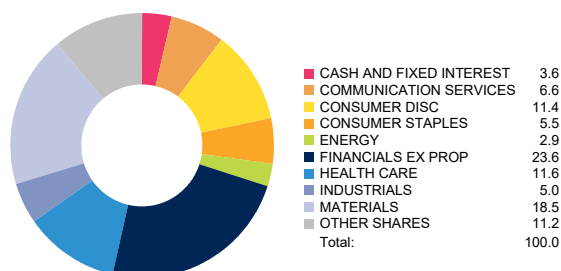
Provides investors with higher potential returns, through the active management of a portfolio of fewer stocks but with higher conviction, than our core Australian equity funds. This concentration may lead to increased short term volatility.

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.

Benchmark: S&P/ASX 300 Accum. Index
Inception Date: November 2008
Size of Portfolio: \$11.66 million as at 30 Jun 2025
APIR: PER0488AU
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
BHP Group Ltd	8.9%
Commonwealth Bank of Australia	8.3%
GPT Group	4.2%
ANZ Group Holdings Limited	4.2%
Washington H. Soul Patt.	4.1%
CSL Limited	3.8%
Goodman Group	3.7%
News Corporation	3.6%
Wesfarmers Limited	3.2%
EVT Limited	3.0%

NET PERFORMANCE - periods ending 31 July 2025

	Fund	Benchmark #	Excess
1 month	1.74	2.43	-0.69
3 months	4.80	8.25	-3.45
1 year	3.10	11.88	-8.78
2 year p.a.	6.58	12.57	-6.00
3 year p.a.	8.40	12.08	-3.68
4 year p.a.	7.35	8.29	-0.94
5 year p.a.	13.09	12.17	+0.92
7 year p.a.	6.55	8.89	-2.34
10 year p.a.	6.42	8.65	-2.23

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

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	19.5	19.6
Dividend Yield*	2.6%	3.3%
Price / Book	2.3	2.3
Debt / Equity	32.9%	38.7%
Return on Equity*	11.2%	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



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 GPT Group, Washington H Soul Pattinson and News Corporation. Conversely, the portfolio's largest relative underweight positions include Macquarie Group Ltd (not held), Commonwealth Bank of Australia and National Australia Bank Limited.

Orora's overweight contributed positively as the stock rose +10.1% in July. End markets remain soft - Australian glass-bottled wine exports fell -14% YoY in the June quarter - but the pace of decline is moderating, suggesting a trough may be near. The US-EU trade deal establishing a flat 15% tariff on most goods, including spirits, reduced a key uncertainty. While spirits volumes weakened through the quarter, prompting FY26 downgrades, the shares still trade materially below our valuation. With tariff stability and early demand improvement in categories such as tequila, Orora is well placed: diversified packaging exposure, strong cans and glass positions, operational flexibility, and an above-market dividend yield.

ResMed rallied through July without stock-specific catalysts; our overweight aided relative performance. Demand for CPAP devices and masks remains strong, and investors anticipated another record quarter given heightened OSA awareness and Philips' continued absence from the U.S. device market. Optimism centred on masks - supported by an expanding portfolio (including the N30i) and seasonal order strength - with European surveys showing five consecutive quarters of rising orders. Post month-end, ResMed delivered a broad-based beat. We view it as a high-quality compounder with market leadership in a large, under-penetrated category, consistent innovation and execution, strong cash generation, and durable moats built over decades.

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.

After a strong June (+13.8%), Soul Pattinson eased -3.4%. In June it announced a transformational merger with Brickworks, unwinding the cross-shareholding in place since 1969 and materially simplifying the corporate structure. The market responded positively, with the removal of complexity expected to improve transparency, liquidity, and free float, creating a cleaner investment vehicle. The transaction combines complementary asset bases and underscores management's focus on optimising the structure for long-term value. We continue to view Soul Pattinson as a high-quality holding: Australia's leading diversified investment house with 25 consecutive years of dividend growth and a strong record of capital allocation across cycles. Its uncorrelated, multi-asset portfolio offers diversification, while the solid balance sheet supports opportunistic deployment during dislocations—together 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.

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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