Perpetual Investment Funds

PERPETUAL SMALLER COMPANIES FUND

November 2024

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

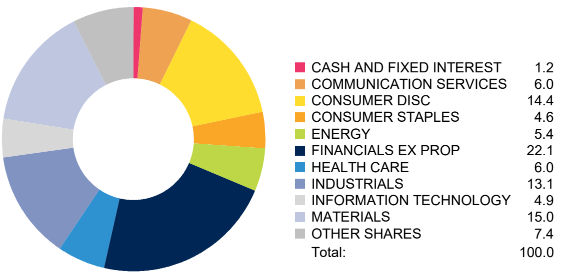
Provides investors with the potential to benefit from the growth of quality smaller or emerging companies, through active management by one of Australia's most experienced investment management teams.

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:	October 1996
Size of Portfolio:	$651.57 million as at 30 Sep 2024
APIR:	PER0048AU
Management Fee:	1.25%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Pacific Current Group Ltd	7.3%
Centuria Capital Group	2.9%
Capricorn Metals Ltd	2.8%
EQT Holdings Limited	2.8%
Hansen Technologies Limited	2.6%

NET PERFORMANCE - periods ending 30 November 2024

	Fund	Benchmark #	Excess
1 month	0.66	1.32	-0.65
3 months	1.90	7.29	-5.40
1 year	11.89	19.88	-7.99
2 year p.a.	2.09	7.73	-5.64
3 year p.a.	3.32	-0.08	+3.39
4 year p.a.	8.72	4.26	+4.46
5 year p.a.	9.40	4.60	+4.80
7 year p.a.	8.20	5.31	+2.89
10 year p.a.	9.47	7.66	+1.80
Since incep.	11.72	5.55	+6.16

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

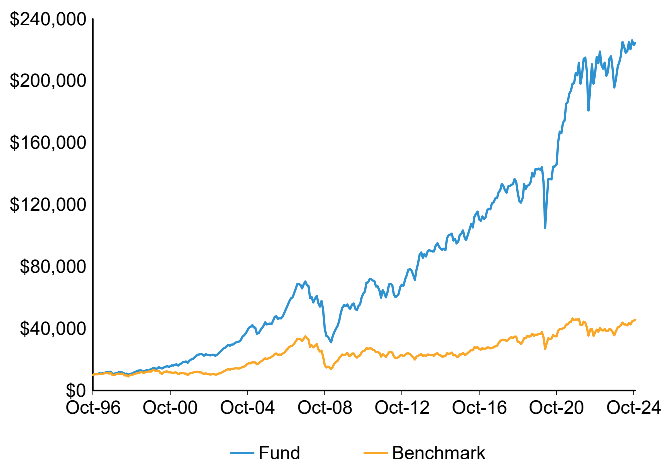
PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	14.4	19.5
Dividend Yield*	4.4%	3.8%
Price / Book	1.5	1.7
Debt / Equity	22.4%	29.6%
Return on Equity*	11.3%	10.6%

^ 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

The election of Donald Trump fueled a strong rally in equities throughout November, with the S&P/ASX Small Ordinaries underperforming the ASX 300 only up 1.32%. The Health Care sector led the charge, posting a remarkable 8.46% gain driven by continued strong performance in Sigma Healthcare Ltd. Financials was the largest contributor to the market's performance, rising 7.77% and single handedly delivering a 1% return for passive index investors who received a 1.32% return. In contrast, Energy (-5.68%) and Materials (-4.90%) were the sectors with the biggest declines, as markets weighed the potential impact of tariffs and persistent deflationary pressures in China. Meanwhile, Westpac and NAB surveys indicated improving consumer and business confidence in Australia, despite weaker-than-expected employment data and the Reserve Bank of Australia's ongoing concern over elevated underlying inflation, which continued to rule out the possibility of a rate cut.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Pacific Current Group Ltd, EQT Holdings Ltd and Universal Store Holdings Ltd. Conversely, the portfolio's largest underweight positions include Life360 Inc, Alcoa Corporation and Zip Co Ltd, all of which are not held in the portfolio.

Sigma Healthcare was both the strongest performing stock to index returns and the portfolio returns over November (+47.5%) after the ACCC announced it did not oppose the Sigma Healthcare Limited and CW Group Holdings Limited merger creating a new listed retail giant. The acquisition creates a larger high-quality company which operates in a favourable oligopolistic wholesale market and has an industry leading distribution network. We believe that the quality of the combined business will improve as the group moves to become an integrated wholesaler as well as a pharmacy franchisor with dominant market share and a pipeline of pharmacists to continue to expand their franchise network. We have admired Chemist Warehouse for a long time and believe that it is probably the best franchisor/retailer in Australia. Chemist Warehouse brings with it a high-quality management team to be instilled into the new combined board through founders Mario Verrocchi and Jack Gance as well as further long-term synergies to be realised by the group.

Hansen Technologies Limited contributed to performance in November (+16.90%) as the company reaffirmed at it's AGM that the step change in topline growth achieved over the last 2 years is expected to continue and they have numerous opportunities in the pipeline near closing. Hansen is a high quality global provider of software and services tailored for the energy, water, and communications industries. Their comprehensive software suite assists over 600 clients across more than 80 countries in creating, selling, and delivering new products and services, managing and analyzing customer data, and overseeing critical revenue management and customer support processes.

Healius continued to be a challenging position detracting from relative performance over the month (-16.6%) with pathology margins being impacted by higher labour and other inflationary costs despite volume growth. The company is however showing signs of recovery under new management following a stretch of underperformance. Looking ahead, we see further upside after the rationalisation of Healius' portfolio, including the sale of Lumus Imaging at a favourable price, possible capital returns, and topline growing stronger in FY 2025.

After contributing to last month's performance, Vault Minerals Limited detracted from performance in November (-11.39%) as the price of gold hesitated after a two year rally. Vault became an attractive opportunity to us post the merger between RED and SLR which created an investment opportunity which had both a strong balance sheet and extremely high-quality assets.

OUTLOOK

Market confidence remains fragile following further declines in early September, particularly in the U.S. tech sector, markets remain sensitive to economic indicators. Nvidia's share price, for instance, fell from $130 on August 19 to $106 in early September, impacted by weak manufacturing PMI data and a decline in job openings, raising concerns about a potential slowdown in the U.S. economy. In Australia, second-quarter GDP growth for 2024 was just 0.2%—the slowest rate of expansion since the early 1990s, excluding the COVID period—marking a sixth consecutive quarterly decline in GDP per capita. The economy has been buoyed by government spending and high migration rates, while consumers continue to face the pressures of persistent inflation and elevated interest rates. Adding to this complex outlook, U.S. 10-year bond yields have been rising in anticipation of higher economic growth and the potential return of inflation, with Australian bond yields climbing in tandem. This trend suggests a possible shift in equity markets toward cyclical stocks, likely bolstered by any Republican gains in the upcoming U.S. election. While markets remain near all-time highs, these dynamics underscore the importance of continued caution.

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.

MORE INFORMATION

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