Perpetual Investment Funds

# PERPETUAL SHARE-PLUS LONG-SHORT FUND

June 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

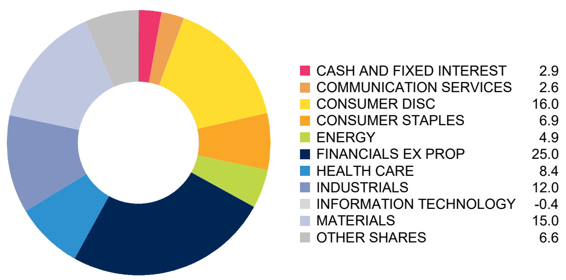
Offers broad market exposure with the potential for higher returns through the use of shorting (taking short positions) within a risk-controlled environment, and actively managed by one of Australia's most experienced investment management teams.

## 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:** | $828.82 million as at 31 Mar 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 | 8.9% |
| Flutter Entertainment Plc | 6.8% |
| Goodman Group | 5.6% |
| BHP Group Ltd | 5.1% |
| Westpac Banking Corporation | 4.5% |

## MARKET EXPOSURE

| | % of Portfolio |
|---|---|
| Long | 116.5% |
| Short | -19.5% |
| Net | 97.1% |

## NET PERFORMANCE - periods ending 30 June 2025

| | Fund | Benchmark # | Excess |
|---|---|---|---|
| 1 month | 0.71 | 1.42 | -0.71 |
| 3 months | 7.89 | 9.48 | -1.59 |
| 1 year | 5.54 | 13.74 | -8.19 |
| 2 year p.a. | 8.05 | 12.83 | -4.78 |
| 3 year p.a. | 11.14 | 13.35 | -2.20 |
| 4 year p.a. | 8.52 | 7.94 | +0.58 |
| 5 year p.a. | 12.75 | 11.77 | +0.98 |
| 7 year p.a. | 8.24 | 8.72 | -0.48 |
| 10 year p.a. | 8.42 | 8.85 | -0.43 |
| Since incep. p.a. | 11.07 | 9.66 | +1.41 |

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

## GEOGRAPHIC LOCATION

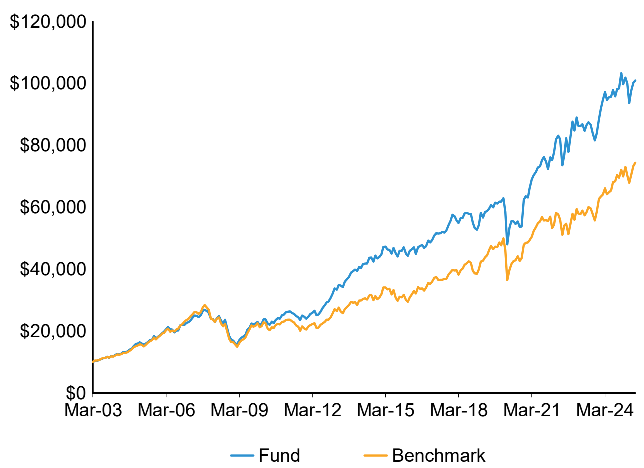
The Fund holds no single international asset representing more than 10% of the Fund's net asset value.

## PORTFOLIO FUNDAMENTALS^

| | Portfolio | Benchmark |
|---|---|---|
| Price / Earnings* | 19.2 | 19.1 |
| Dividend Yield* | 2.7% | 3.4% |
| Price / Book | 2.5 | 2.3 |
| Debt / Equity | 37.1% | 39.1% |
| Return on Equity* | 12.4% | 12.5% |

^ 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

The S&P/ASX 300 Accumulation Index staged a strong recovery over the June quarter, rising 9.48%. The rally came as fears of extreme tariff scenarios continued to recede, helping restore market confidence after a volatile start to the year. While geopolitical risks and global growth concerns lingered, sentiment improved as it became increasingly clear that the most aggressive US tariff proposals were unlikely to materialise. Markets have coined the term 'TACO trade'-'Trump Always Chickens Out'- to describe the pattern of tariff escalation followed by policy reversals, which has contributed to easing market volatility. Financials (+15.67%) supported gains as investor sentiment improved, while Communication Services (+14.08%) and Real Estate (+12.88%) outperformed amid rotation into resilient sectors. In contrast, defensives lagged with Health Care (+2.37%), Utilities (+2.03%) and Consumer Staples (+3.93%) underperforming as risk appetite returned. Materials (-0.36%) was the weakest sector, weighed down by softer commodity prices and concerns over Chinese steel demand. While investors have enjoyed solid gains, often driven by narrow pockets of the market, the outlook highlights the importance of finding value beyond the obvious leaders.

## 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.

The portfolio's overweight to Washington H. Soul Pattinson (SOL) contributed positively to relative performance over the June quarter (+22.6%), with shares benefiting from ongoing strength in the investment portfolio and the announced sale of its strategic stake in Brickworks. The $2.7 billion deal brings an end to over four decades of cross-ownership between the two groups and was well-received by the market, with proceeds expected to enhance capital flexibility and simplify the group structure. Importantly, SOL retains its significant property exposure through its Brickworks holding, providing a cleaner investment structure while preserving access to high-quality assets. With a diversified portfolio and a proven track record of disciplined capital management, we believe SOL remains well-placed to deliver long-term value.

Flutter Entertainment contributed strongly to portfolio performance over the quarter (+22.6%), driven by ongoing operational momentum in its US business and several company-specific catalysts. The group's dominant position in online sports betting and iGaming - anchored by FanDuel's 36% revenue share in active US states - continues to underpin earnings growth, with operational leverage and scale efficiencies supporting further margin expansion. Over the period, investor sentiment was buoyed by the announcement of a US$225 million share buyback program and the company's inclusion in the Russell MidCap Growth Index, which enhances visibility and broadens passive ownership. Flutter's scale advantage supports more effective customer acquisition, superior risk management, and a highly personalised product offering - critical differentiators in a fast-growing, competitive market. Despite recent share price strength, we continue to view valuations as attractive relative to long-term earnings potential, particularly as Flutter scales into newly regulated US markets. Strong fundamentals, rising profitability, and disciplined capital management reinforce our conviction in Flutter as a high-quality compound growth story.

Redox detracted from portfolio performance over the June quarter (-23.7%) as market concerns around the economic outlook weighed heavily on the share price. Despite achieving consistent long-term revenue growth and operating within an attractive, highly fragmented industry, the company has faced significant selling pressure following its half-year result and a broad re-rating of cyclical exposures. Management has attributed recent weakness to market expectations of softer demand and margin pressure in a slowing economic environment. While near-term earnings may face headwinds, we believe Redox's diversified customer base, strong balance sheet, and disciplined M&A strategy position the business to continue gaining market share over the long term as the global chemical distribution industry consolidates.

Select Harvests detracted from performance over the quarter (-17.3%), with the share price under pressure despite signs of improvement in market fundamentals. In April, the company lifted its forecast almond price to $10.35/kg, supported by strong global demand and tighter supply conditions, particularly out of California. However, this was offset by a downgrade to its expected 2025 crop size due to challenging growing conditions, including frost damage and lower yields in some varieties. While volumes are expected to be lower, management remains confident that higher prices will help offset this impact. Around two-thirds of the crop remains unsold, with most of the expected currency exposure already hedged. The company continues to manage its operations and balance sheet conservatively, with recent refinancing helping to reduce funding risks. Although short-term uncertainty around pricing and tariffs has weighed on investor sentiment, the broader outlook remains positive, supported by strong demand, limited global supply, and solid progress in improving margins and reducing debt.

## OUTLOOK

Looking ahead, we expect financial markets to grapple with a more complex and uneven growth backdrop. While recession fears have eased for now, the underlying risks - from geopolitical tensions to persistent fiscal imbalances - are yet to be resolved. The U.S. remains at the centre of global market attention, with high equity valuations, growing deficit concerns, and trade policy uncertainty likely to be key drivers of volatility in the second half of the year. In Europe, weak business conditions and rising tariff risks point to subdued growth. China's ability to stabilise growth will depend heavily on further policy support, particularly as consumer demand shows signs of fatigue. Closer to home, the near-term picture remains challenging. Growth is expected to remain below trend as the economy works through the lagged impacts of tighter policy, a weaker household sector, and slowing public sector spending. However, with inflation moderating and interest rates likely to ease further, policy settings are shifting toward support. In this environment, we see greater dispersion in market outcomes, reinforcing the importance of selectivity and discipline across portfolios as investors navigate the next phase of the cycle.

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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