

Fund Profile - 30 June 2025

Implemented Australian Share Portfolio

Fund facts

APIR code	PER0708AU
Inception date	9 December 2013
Asset class	Domestic Equities
Investment style	Multi manager blend
Benchmark	S&P/ASX 300 Accumulation index
Suggested length of investment	Five years or more
Unit pricing frequency	Daily
Distribution frequency	Quarterly
Legal type	Unit trust
Product type	Wholesale Managed Investment Scheme
Status	Open
Management fee*(%)	0.90%
Buy/Sell spread	0.26% / 0.00% as at April 2025
Issuer	Perpetual Investment Management Limited

*Additional fees and costs generally apply. Please refer to the Product Disclosure Statement for further details.

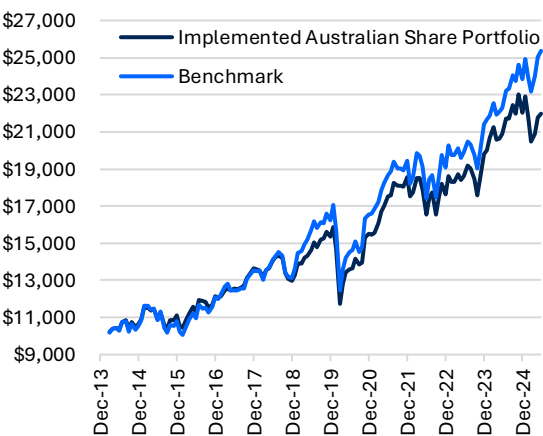
Investment objective

To provide investors with long term capital growth and income through investment in a diversified portfolio of Australian shares. To outperform the stated benchmark over rolling three-year periods.

Benefits

Provides investors with the potential for maximising capital growth and income, with broad market exposure.

Growth of \$10,000 since inception (net of fees)



Source: State Street.

Net performance

As at June 2025

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	0.8%	7.2%	5.0%	9.8%	10.0%	7.4%
Growth return	0.5%	6.9%	3.3%	6.2%	2.7%	1.7%
Distribution return	0.3%	0.3%	1.7%	3.7%	7.4%	5.7%
Benchmark	1.4%	9.5%	13.7%	13.3%	11.8%	8.8%
Excess Return	-0.6%	-2.3%	-8.7%	-3.5%	-1.7%	-1.4%

Source: State Street. Past performance is not indicative of future performance. *Since Inception

Top 10 stock holdings

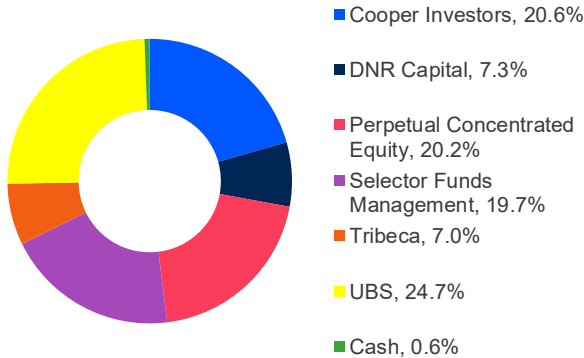
As at June 2025

Stock	Weight %	Country
Commonwealth Bank	8.5%	Australia
BHP Group Limited	6.0%	Australia
CSL Limited	4.8%	Australia
National Australia Bank	3.6%	Australia
Westpac Banking Corporation	3.1%	Australia
ANZ Banking Group	2.9%	Australia
Macquarie Group	2.5%	Australia
Wesfarmers	2.5%	Australia
Aristocrat Leisure	2.1%	Australia
Technology One Limited	2.0%	Australia
Total Top 10 Holdings %	38.2%	

Source: State Street, FactSet.

Portfolio exposure by manager

As at June 2025



Source: State Street, FactSet

Investment approach

A multi-manager framework is utilised, where several specialist investment managers are selected to form a diverse and complementary mix of investment strategies and styles. This can help reduce volatility by avoiding over exposure to a particular specialist investment manager. Derivatives may be used in managing the portfolio.

Investment strategy

The strategy is biased towards utilising managers who are fundamental bottom-up stock pickers, have a repeatable investment process, operate within an appropriate risk management framework and operate in an aligned and stable organisational structure. We believe these factors best deliver a stable outcome of returns within a multi-manager framework.

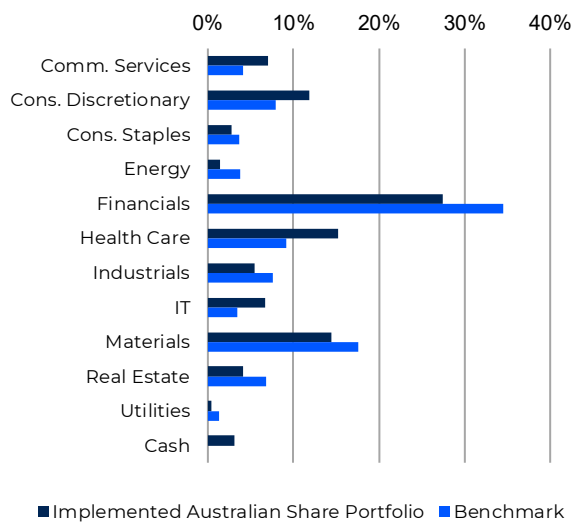
The Implemented Australian Share Portfolio uses broad market managers that invest across the entire market capitalisation spectrum of the domestic equity market. Their portfolios tend to be concentrated in nature and hold anywhere between 30-50 companies. This allows for the portfolio to access these managers' high conviction stock picking decisions. This lowers the degree of overlap across securities in each portfolio and lowers the risk of over diversification.

The portfolio will also typically use one to two specialist managers with focused strategies across the small company segment of the domestic share market. This is a relatively inefficient part of the domestic sharemarket where we feel a targeted and specialist approach is warranted. The exposure to small company specialist managers as a whole is typically held in line with the exposure of the small company segment of the sharemarket to the overall sharemarket by capitalisation.

The portfolio blends the above-mentioned group of managers, targeting managers who have a long term and consistent track record, are expected to continue to deliver on this track record, and whose investment styles complement each other well.

Sector exposures

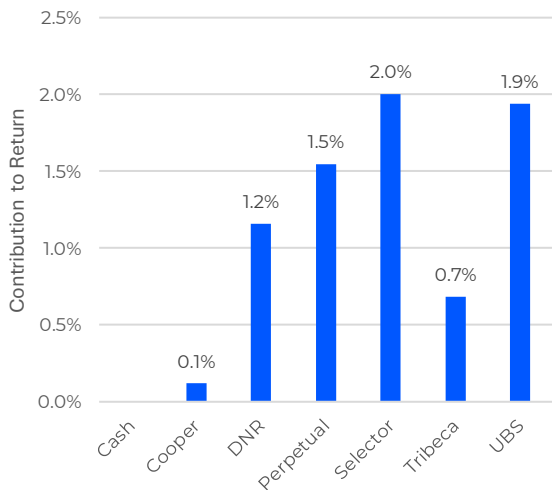
As at June 2025



Source: State Street, FactSet.

Contribution by manager

Quarter to June 2025



Source: State Street, FactSet

Manager line-up and approach

As at June 2025

Manager	Approach
Cooper Investors	High conviction portfolio, fundamental bottom-up stock selection
DNR Capital	Concentrated small company portfolio, fundamental bottom-up stock selection.
Perpetual Investments Concentrated Equity	High conviction portfolio, fundamental bottom-up stock selection
Selector Funds Management	High conviction portfolio, benchmark agnostic, fundamental bottom-up stock selection
Tribeca Investment Partners	Small cap style neutral manager, diversified portfolio, fundamental bottom-up stock selection
UBS Asset Management (Australia)	Passive ASX20 mandate

Market Commentary

Australian shares rebounded strongly in the June quarter, with the S&P/ASX 300 Index rising +9.5%¹, recovering from Q1 weakness and finishing just 1% below its 52-week high. Over the 12 months to 30 June, the index returned +13.7%, capping off a resilient financial year for investors. This came despite persistent global headwinds—including President Trump’s “Liberation Day” tariffs, conflict in the Middle East, and diverging growth prospects. Sentiment improved as inflation moderated and expectations for further rate cuts by the Reserve Bank of Australia (RBA) began to build.

Performance was broad-based. Large caps (ASX 100: +9.6%²) and small caps (Small Ordinaries: +8.6%³) both posted strong gains. At the sector level, Information Technology (+26.9%) led the market, buoyed by renewed enthusiasm for AI and data infrastructure. Communication Services (+14.1%) and Financials ex-REITs (+15.7%) also delivered standout results. Within Financials, index heavyweight CBA rose over 22% for the quarter, earning the title of Australia’s “Magnificent 1” and contributing just over a quarter of the ASX 300’s total return. Most valuation metrics now show it to be the most expensive bank in the world.

Several other sectors also contributed meaningfully. Consumer Discretionary (+9.4%), Industrials (+9.0%), and A-REITs (+13.4%) all performed well, with REITs benefiting from lower bond yields. Energy (+9.5%) also posted a strong return, aided by corporate activity after Santos received a takeover bid from an international consortium led by Abu Dhabi’s National Oil Company (ADNOC). In contrast, gains were more muted in Health Care (+2.4%), Utilities (+2.0%), and Consumer Staples (+3.9%), while Materials (-0.4%) declined, weighed down by weaker Chinese demand and trade concerns.

From a style perspective, Growth (+12.1%⁴) outpaced Value (+6.5%⁵), reflecting renewed investor appetite for high-multiple sectors and expectations of looser monetary policy in H2 of 2025.

¹ As measured by the S&P/ASX 300 – Total Return index

² As measured by the S&P/ASX 100 – Total Return index

³ As measured by the S&P/ASX Small Ordinaries – Total Return index

⁴ As measured by the MSCI Australia Growth – Net Return index

⁵ As measured by the MSCI Australia Value – Net Return index

Portfolio Commentary

The Perpetual Implemented Australian Share Portfolio underperformed its benchmark in the second quarter on a net of fees basis.

Cooper Investors underperformed their benchmark over Q2. Around a third of their underperformance can be tied to their sector allocations – not holding any Tech, combined with a considerable underweight to Financials (particularly the banks) and a strong overweight to Healthcare, all detracted. The remaining underperformance was due to stock selection, with key detractors being their underweight to CBA, as well as key positions in Ryman Healthcare, HMC Capital, Lendlease and Worley.

Perpetual Concentrated Equity underperformed the benchmark over Q2. It was a tougher quarter for Value stocks, and so the manager faced some headwinds given their Value-focused investment style. Sector allocation was the other primary detractor, not having any exposure to the Tech sector coupled with an underweight to Financials. From a stock perspective, key detractors were Reliance Worldwide, Select Harvests, Dexs, Myer Holdings and BHP Group.

Selector Funds Management marginally underperformed their benchmark over Q2. Their sector allocation contributed positively for the period, in particular their heavy overweight to the strong performing Tech sector coupled with not holding any Resources stocks within the Materials sector, which was the only negative sector for the quarter. Outcomes at the stock level were mixed. The fund saw strong contribution from key positions held in Technology One, WiseTech Global, Pro Medicus and CAR Group. While key detractors were Nanosonics, OFX Group, Reece, Telix Pharmaceuticals, Breville Group and Domino's Pizza.

UBS are running a passive ASX20 indexing strategy and have delivered a return of 10.3% for the quarter, which on an absolute basis has outperformed the Implemented Australian Share Portfolio's ASX300 benchmark by 0.8%. A stronger relative return from the ASX20 was driven by strength from the major banks including Macquarie, as well as Goodman Group and WiseTech Global.

DNR materially outperformed their Small Ordinaries benchmark for Q2. Their strong overweight to the Tech sector was a key contributor, with large positions in both Life360 (+62%) and Technology One (+47%). Another key contributor was their strong overweight to the non-bank Financials that did particularly well, these being Zip (+91%), Netwealth (+32%), Hub24 (+31%) and Pinnacle (+17%).

Tribeca outperformed their Small Ordinaries benchmark for Q2. The drivers were more stock specific. Key contributors were positions held in Boss Energy, Life360, Qualitas, Global Data Centre Group, Challenger, Superloop and Temple & Webster. While key detractors were Champion Iron, Judo Capital Holdings, Monash IVF Group and Imdex.

Manager Insights and Outlook

As we entered 2025, we anticipated volatility would remain elevated, with equity markets more likely to be driven by macro and geopolitical headlines than company fundamentals. Given the evolving economic backdrop, our positioning was broadly balanced across styles (Growth vs Value). We retained a preference for small to mid-sized companies, where long-term structural growth tailwinds and more attractive valuations remain underappreciated by the broader market and there are greater market inefficiencies for our active managers to target compelling stock opportunities. At the sector level, we continue to favour Tech, Healthcare, and Consumer Discretionary, while remaining underweight Financials and Materials.

A persistent theme has been the continued strength of the Financials sector, which rose 15.7% for the quarter and an impressive 29.2% for the past 12 months—making it by far the best-performing sector for the year and more than doubling the return of the S&P/ASX 300, which was up 13.7% by comparison. Within Financials, the major banks demonstrated notable resilience, with CBA standing out for its exceptional share price growth. Over FY 2025, CBA rose 46%, becoming the first ASX-listed company to surpass a market capitalisation of \$300 billion. It now represents approximately 12% of the ASX 300 Index.

Despite such strong equity markets over FY 2025, the Materials sector has been notably weaker and was down 1.9% over that same period. We are increasingly becoming constructive on select areas of the commodities complex. A good example being lithium, where the price has declined more than 30% over the past year on concerns of oversupply and a slowdown in demand for electric vehicles. Despite short term challenges, the long-term outlook remains positive and with the share prices having re-based for a number of the ASX-listed lithium miners, opportunities appear attractive. Conversely, there are pockets within the Materials sector that are perceived as being overvalued. A good example is gold, which has more recently been a safe-haven asset for investors through a period of escalating geopolitical tensions and higher inflation. Despite the robust performance we've seen from ASX-listed gold miners, there are concerns emerging that gold may be at the peak of its cycle, with cash margins at record high levels, while valuations and index representation have sharply increased.

Looking ahead, our outlook remains somewhat cautious for the Australian share market. Falling interest rates tend to be a natural tailwind for equity markets and through the quarter we saw the RBA cut interest rates by 25 basis points to 3.85% in May, in response to subdued inflation and global growth concerns. However, with the market now already pricing in a further two interest rate cuts from the RBA by December this year, and at the same time Trump having also pivoted to more friendly policies and a less aggressive tariff agenda, we hold some concern that the current market pricing appears more optimistic and that share price valuations more broadly are inflated. Geopolitical risks (such as ongoing trade tensions, policy uncertainties and war) could impact global growth and investor sentiment, while any delay to the anticipated interest rate cuts from the RBA could also further dampen sentiment. Against this backdrop, we continue to be positioned in a style neutral posture, while being positioned for a rotation away from the banks and large cap names towards other opportunities further down the market cap spectrum, which will likely be prime beneficiaries from lower interest rates and reduced fears of a global recession.

More information

1800 631 381

pcresearch@perpetual.com.au

perpetual.com.au/managed-accounts

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