

Perpetual Investment Funds

PERPETUAL SHARE-PLUS LONG-SHORT FUND

August 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

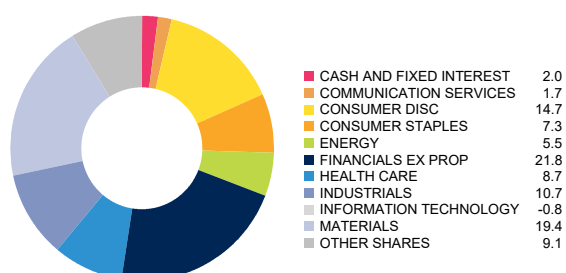
Offers broad market exposure with the potential for higher returns through the use of shorting (taking short positions) within a risk-controlled environment, and actively managed by one of Australia's most experienced investment management teams.

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	7.3%
BHP Group Ltd	6.6%
Flutter Entertainment Plc	6.3%
Goodman Group	5.5%
Westpac Banking Corporation	4.8%

MARKET EXPOSURE

	% of Portfolio
Long	119.0%
Short	-21.0%
Net	98.0%

NET PERFORMANCE - periods ending 31 August 2025

	Fund	Benchmark #	Excess
1 month	4.91	3.16	+1.75
3 months	8.51	7.17	+1.34
1 year	13.59	14.91	-1.32
2 year p.a.	12.04	14.78	-2.74
3 year p.a.	9.76	12.81	-3.05
4 year p.a.	9.69	8.44	+1.25
5 year p.a.	14.43	12.20	+2.23
7 year p.a.	9.44	9.16	+0.28
10 year p.a.	9.22	9.87	-0.65
Since incep. p.a.	11.36	9.85	+1.50

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.

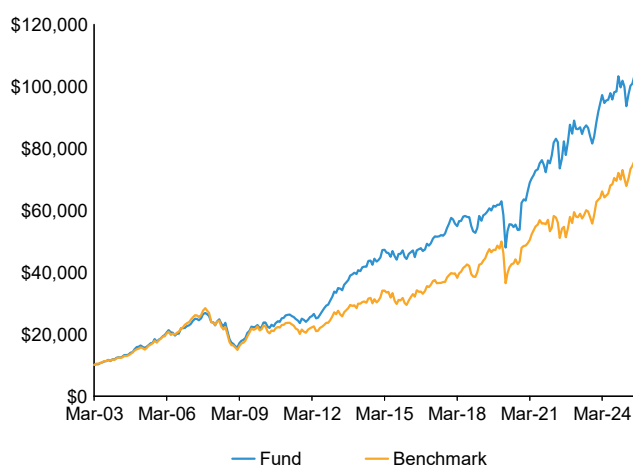
PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	20.4	20.3
Dividend Yield*	2.6%	3.2%
Price / Book	2.5	2.4
Debt / Equity	37.6%	39.4%
Return on Equity*	11.7%	12.0%

[^] 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 advanced in August, with the ASX 300 gaining 3.16% to 9,019, its fifth consecutive monthly rise. The index briefly cracked the 9,000 mark for the first time on record before finishing the month just shy of that milestone. The gains came despite one of the most volatile reporting seasons in memory, where sharp swings in heavyweight stocks amplified market moves. High-profile downgrades at CSL, Woolworths, and James Hardie wiped billions from the index, while standout beats in retailers and select industrial names helped offset the gloom. Sector performance reflected these cross-currents. Materials (+9.4%) led the market, supported by diversified miners even as iron ore softened late in the month. Consumer Discretionary (+7.5%) and Staples (+2.5%) rallied on resilient retail earnings, while Real Estate (+4.7%) was buoyed by firm housing activity. Financials (+3.8%) remained a steady anchor, but Health Care (-12.9%) endured one of its sharpest reporting-season falls on record, with CSL's result triggering its steepest one-day decline since 1999. Communication Services (-7.7%) and Industrials (-4.5%) also lagged as earnings disappointed. Globally, sentiment was tested by U. S. policy developments. President Trump's renewed push for steep Federal Reserve rate cuts - and his attempts to dismiss a sitting governor - sparked concerns over central bank independence. Gold surged toward record highs, driving local producers sharply higher into month-end. While the broader market remained near all-time highs, the breadth of results underscored the risks of Australia's top-heavy index, where outsized moves in a handful of blue chips can shape overall performance. Dispersion in results underscored a market increasingly sensitive to earnings momentum and policy signals, leaving selective positioning critical heading into September.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Flutter Entertainment Plc, Cobram Estate Olives Ltd and Goodman Group. Conversely, the portfolio's largest underweight positions include National Australia Bank Limited, Commonwealth Bank of Australia and CSL Limited.

Iluka Resources contributed positively to performance in August, finishing the month up +22.9%. The company reported half-year results that highlighted disciplined margin management despite ongoing softness in zircon markets, with sales strategies and cost controls helping preserve profitability. Investor sentiment was further supported by the announcement of a 15-year rare earths feedstock supply agreement with Lindian Resources, which underpins the long-term feedstock requirements for Iluka's Eneabba refinery. Construction of Eneabba continues toward its 2027 commissioning, positioning Iluka as a key player in the global rare earths supply chain. We remain constructive on Iluka given its strong balance sheet, valuable stake in Deterra Royalties, and the optionality provided by its rare earths strategy alongside its leading positions in rutile and zircon.

A2 Milk delivered standout performance in August, contributing +18.7% to the portfolio. The company's 21% rise in full-year profit, higher-than-expected results, and declaration of a special NZ\$300 million fully-franked dividend highlighted both its earnings power and cash generation capabilities. Management further strengthened the firm's position through strategic supply chain investment - namely the acquisition of the Pokeno manufacturing facility - to support future growth in China's infant milk formula market. Notably, A2 expanded its market position in China, growing China-label infant formula sales by 3.3% in a market down 5.6%. We remain optimistic about A2 Milk, given its strong balance sheet, disciplined capital management, and continued expansion across China and international markets, all of which provide a supportive backdrop for future growth.

EVT Limited detracted from portfolio performance in August, finishing the month down -17.4%. The company's full-year results, released during the period, showed Group revenue and EBITDA growth but highlighted continued softness across its cinema operations. Entertainment admissions have been slower to recover than expected, and Australian and German Media revenues were weaker, reflecting variability in the blockbuster film pipeline and the timing of releases. While Hotels and Resorts delivered solid results - benefiting from higher occupancy rates and improved revenue per room - these gains were insufficient to offset the drag from entertainment. Investor sentiment was also impacted by the limited visibility on near-term catalysts, with the box office recovery proving uneven and management cautious on the timing of further asset divestments. Despite these headwinds, EVT's property and hotel portfolio remains a source of embedded value, and its strong balance sheet provides flexibility through periods of softer cinema trading. We continue to see scope for earnings recovery over time as the film slate normalises and operating leverage in the cinema business becomes more evident, though near-term performance is likely to remain influenced by the volatility of entertainment revenues.

Ramsay Health Care detracted from portfolio performance in August (-12.6%) as underlying concerns about private hospital utilisation trends were further revealed in the latest industry data. While private health insurance statistics showed benefits growth maintaining positive momentum, the company continues to face headwinds from persistently soft overnight volumes that remain at pre-pandemic levels despite increased policyholder numbers, suggesting ongoing structural shifts in healthcare delivery patterns. The data highlighted ongoing challenges with utilisation rates, particularly for overnight procedures, which presents a limiting factor for the pace of margin recovery across the Australian operations. Although pricing improvements from insurers provided some offset through higher benefits per admission, the company's path to meaningful margin expansion remains constrained by labour cost pressures and the fundamental volume dynamics that continue to weigh on operational leverage across its hospital network. Despite this, we remain happy with a refreshed management's approach to the issues at hand and believe there is considerable value to be unlocked should the business be managed rationally.

OUTLOOK

Markets approach September with gains intact but vulnerabilities rising. Reporting season underscored resilient consumer demand yet highlighted stretched margins and record earnings volatility, leaving investors quick to rotate across sectors. Globally, leadership remains narrow, with U. S. technology names still driving indices even as profit-taking shows sentiment is fragile. Political risks have grown, with President Trump's push for steep rate cuts unsettling confidence in the Federal Reserve's independence and sending gold to near record highs. Meanwhile, the U. S. dollar has softened and the Australian dollar found support from firmer inflation prints. Valuations remain near historical extremes, suggesting asymmetric downside risk. Past cycles indicate such peaks often coincide with turning points in capital flows, with investors rotating toward regions and styles offering better value. Against this backdrop, policy uncertainty, tariffs, and slowing earnings momentum argue for caution, but also create dispersion. For active managers, this widening opportunity set reinforces the importance of valuation discipline and selective positioning as leadership broadens beyond the narrow cohort that has dominated much of 2025.

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.

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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