

WEALTHFOCUS PERPETUAL INDUSTRIAL SHARE

August 2025

FUND FACTS

Investment objective: Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian industrial shares. The fund aims to outperform the S&P/ASX 300 Industrials Accumulation Index (before fees and taxes) over rolling three-year periods.

FUND BENEFITS

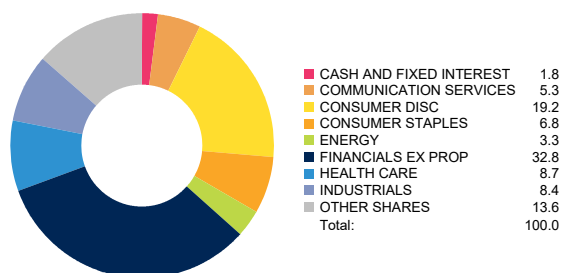
Provides investors with the potential for capital growth and consistent, tax effective income through the active management of quality industrial shares.

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 Industrial Accum. Index
Inception Date: May 1995
Size of Portfolio: \$522.43 million as at 30 Jun 2025
APIR: PER0028AU
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
Commonwealth Bank of Australia	11.4%
Goodman Group	6.8%
Flutter Entertainment Plc	5.9%
ANZ Group Holdings Limited	5.5%
Westpac Banking Corporation	4.6%
Suncorp Group Limited	3.7%
Wesfarmers Limited	3.6%
Premier Investments Limited	3.4%
Ampol Limited	3.3%
National Australia Bank Limited	3.1%

NET PERFORMANCE - periods ending 31 August 2025

	Fund	Benchmark #	Excess
1 month	2.06	1.40	+0.66
3 months	5.82	5.70	+0.12
1 year	16.22	14.66	+1.56
2 year p.a.	18.31	18.65	-0.34
3 year p.a.	14.74	14.41	+0.32
4 year p.a.	10.08	8.52	+1.56
5 year p.a.	14.42	12.61	+1.81
7 year p.a.	8.64	8.95	-0.32
10 year p.a.	7.90	9.40	-1.49
Since incep. p.a.	9.84	9.89	-0.05

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

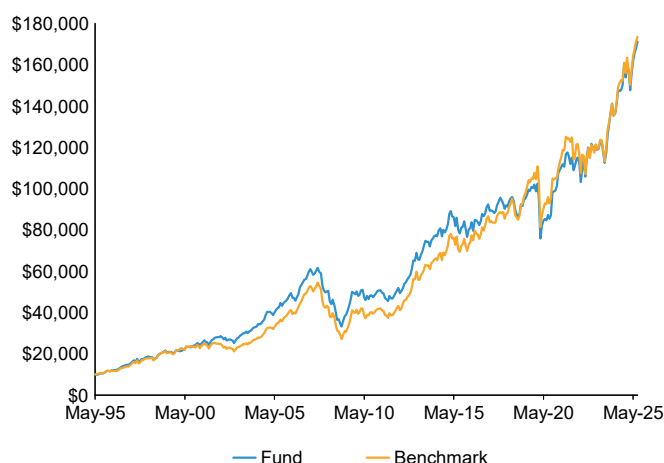
PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	21.8	22.6
Dividend Yield*	2.7%	3.2%
Price / Book	2.7	2.6
Debt / Equity	56.1%	54.1%
Return on Equity*	11.9%	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



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, Goodman Group and Ampol Limited. The portfolio's largest underweight positions include Macquarie Group Ltd (not held), National Australia Bank Limited and Telstra Group Limited (not held).

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.

Eagers Automotive delivered a solid performance in August (+40.9%) with the stock advancing following the release of encouraging half-year results that surpassed market expectations. The company demonstrated operational resilience with underlying profit exceeding forecasts, driven by stronger-than-anticipated revenue growth though margin pressures persisted in line with broader industry conditions. Particularly impressive was the significant improvement in operating cash flow generation, which enabled meaningful debt reduction and reinforced the company's robust financial foundation. Management's guidance that the first half represents trough margins, with expectations for progressive improvement through enhanced productivity initiatives and industry recovery, supports our constructive outlook. With its commanding market position in Australian automotive retail and diversified earnings base, Eagers remains well-positioned to benefit from the anticipated margin expansion and operational leverage as market conditions continue to normalise and the company executes on its strategic initiatives.

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.

Light & Wonder detracted from performance in August (-6.8%) as market sentiment tightened despite solid underlying execution. The company reported a slight 1% drop in Q2 revenue, weighed by softer performance in Gaming equipment and SciPlay segments, though importantly, iGaming grew 9%, supported by margin expansion and disciplined cost control. Light & Wonder reaffirmed its 2025 financial outlook and announced the transition to a sole primary listing on the ASX, along with continued share buy-backs and integration of its Grover Gaming acquisition. However, concerns lingered around its ongoing litigation with Aristocrat, including trade-secret misappropriation claims and the continuing legal uncertainty. This combination of softer near-term top-line dynamics and regulatory risks overshadowed otherwise resilient financials.

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.

Benchmark prior to 1/4/2000 was the ASX All Industrials Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX 300 Industrials 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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Investor Services 1800 022 033

Email PerpetualUTqueries@cm.mpms.mufig.com

www.perpetual.com.au

