WealthFocus Allocated Pension

WEALTHFOCUS PERPETUAL ESG AUSTRALIAN SHARE

April 2024

FUND FACTS

Investment objective: Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian shares that meet Perpetual's ESG and values-based criteria. Aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.

FUND BENEFITS

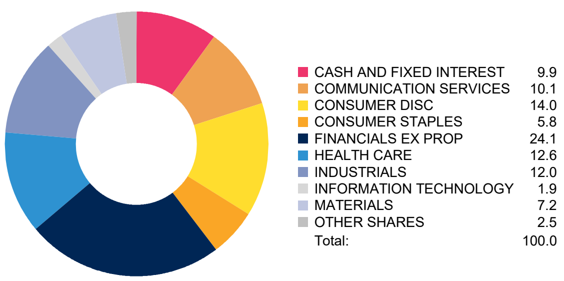
The Fund has two exclusion screens, with which we assess companies. A values-based exclusionary screen for involvement in certain activities, and a ESG exclusionary screen based on an evaluation of companies overall performance on ESG issues.

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:	December 2003
Size of Portfolio:	$9.62 million as at 31 Mar 2024
APIR:	PER0146AU
Management Fee:	1.18%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
GWA Group Limited	5.1%
a2 Milk Company Limited	4.8%
Insurance Australia Group Ltd	4.6%
Telstra Group Limited	4.5%
National Australia Bank Limited	4.5%
EVT Limited	4.0%
Bapcor Ltd	4.0%
Healius Limited	3.7%
CSL Limited	3.4%
Deterra Royalties Ltd	3.2%

NET PERFORMANCE - periods ending 30 April 2024

	Fund	Benchmark #	Excess
1 month	-3.09	-2.92	-0.17
3 months	4.87	1.23	+3.64
FYTD	14.45	9.97	+4.48
1 year	13.31	9.04	+4.27
2 year p.a.	8.85	5.53	+3.33
3 year p.a.	9.55	7.05	+2.49
4 year p.a.	17.92	12.72	+5.20
5 year p.a.	11.34	7.98	+3.36
7 year p.a.	8.33	7.98	+0.34
10 year p.a.	8.83	7.77	+1.07

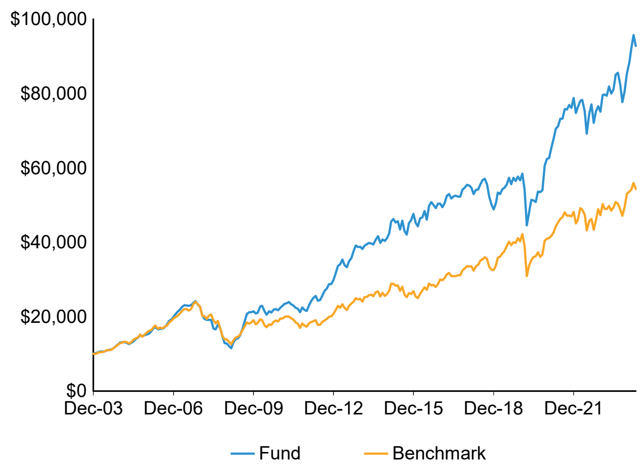
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	18.9	16.7
Dividend Yield*	3.3%	4.0%
Price / Book	2.2	2.0
Debt / Equity	29.8%	37.0%
Return on Equity*	11.4%	12.9%

^ 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

In April market sentiment shifted as 10 of the 11 main sectors experienced declines with the ASX 300 registering a -2.92% decline. March's top performers faced a downturn, contributing to overall market weakness. Rate-sensitive sectors suffered, reflecting diminished expectations of rate cuts and a growing anticipation of an RBA rate hike by year-end, now nearing 60%. Heightened concerns over inflation arose from hotter-than-expected Q1 CPI data, further impacting market dynamics. Additionally, the Aus 10Y yield reached a five-month high at 4.56%. The market started weak and drifted lower, with notable outflows from banks/financials and consumer discretionary stocks. Gold miners remained resilient, while the ASX-200 VIX surged by +21.3%, signalling a shift from bullish sentiment.

PORTFOLIO COMMENTARY

A feature of this portfolio is that it applies Perpetual's ESG process and values-based investment criteria. The portfolio's largest overweight positions include GWA Group Limited, a2 Milk Company Limited and EVT Limited. Conversely, the portfolio's largest underweight positions include BHP Group Ltd (not held), Commonwealth Bank of Australia, and Macquarie Group Ltd (not held).

IGO Limited contributed to performance over the month (+11.88%) as lithium prices recovered from the lows after the correction in the second half of 2023 and 1Q24. It has been a turbulent few months for the stock though as initially the stock sold off following the suspension of the construction activities at the Cosmos nickel mine due to the fall in the nickel price. Reduced sales volumes from the Greenbushes lithium mine due to JV offtake of spodumene in a weak market and due to the outdated pricing mechanism also contributed to the weakness. Finally, the company and JV partner Tianqi are still struggling to consistently operate the lithium hydroxide plant in Kwinana. Despite these issues the stock recovered on improved sentiment to lithium and new CEO starting to communicate his strategy to the market. We still believe Greenbushes to be one of the lowest cost, highest quality hard rock lithium mines globally that has further expansion potential.

The overweight position in mining royalty firm Deterra Royalties Ltd (+0.41%) contributed to performance over the month. Deterra Royalties ended the month slightly higher while the market finished down -2.92% as sentiment around iron ore largely remains positive. This is despite last month's BHP Q3 operational review, which reported that its Mining Area C royalty achieved production for the March quarter of 29.7 million wet metric tonnes, a decrease of 3.9% compared to the prior quarter. The company receives an ongoing royalty of 1.232% of Australian dollar-denominated quarterly Free on Board (FOB) revenue from the MAC royalty area. MAC is expected to ramp-up to full capacity of 145 million tonnes per annum in JQ24 that will increase the royalty and capacity payments to Deterra.

The overweight position in motor vehicle equipment, parts, and servicing supplier Bapcor Ltd (-8.40%) detracted from relative performance in April despite no stock specific news during the month. Following on from April, the incoming CEO Paul Dumbrell, quit on the 30th of April just before he was due to start on the 1st of May. The business is now in an unenviable situation lacking a CEO, CFO and with a Chair that has flagged she won't stand for re-election at the next AGM. Despite this, FY23 was a solid result with significant improvement in cash flow conversion through the second half as BAP was able to reduce inventory whilst maintaining strong gross margins. We continue to believe that BAP is a good quality business with material opportunity to improve margins, although volatility could persist with a potentially tough trading environment and uncertainty around future leadership.

After a period of very strong performance, our overweight in Premier detracted from performance over the month (-7.95%). Despite negative industry trends and heightened consumer pressures, Premier has demonstrated its strength through consistently robust trading outcomes. PMV has been a cornerstone of our core retail investments, renowned for its quality business model, fortified by a robust net cash balance and overseen by engaged and experienced executive leadership. PMV's strategic review signals proactive measures to assess and potentially enhance the corporate, operating, and capital structure, reinforcing its commitment to sustained excellence. The strategic review has resulted in a potential demerger and separate listings of its Smiggle and Peter Alexander brands. Although future outcomes are currently uncertain, they are expected to reflect Premier's commitment to maintaining its high-quality standing in the market.

OUTLOOK

The outlook remains clouded by uncertainty over the direction of the economy and markets. Investors are still unsure if the final outcome is a recession, a soft landing or an economic rebound. Strong commodity prices point to growth but other data including employment, is mixed as the consumer labours under high rates. Fears are growing that inflation will rise either way, raising the prospect of stagflation. We continue to invest in a selection of quality businesses with good prospects and solid balance sheets trading at reasonable valuation.

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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