WealthFocus Investment Advantage

WEALTHFOCUS PERPETUAL SMALLER COMPANIES

December 2024

FUND FACTS

Investment objective: Aims to provide long-term capital growth and income through investment in quality Australian industrial and resource shares which, when first acquired, do not rank in the S&P/ASX 50 Index.

FUND BENEFITS

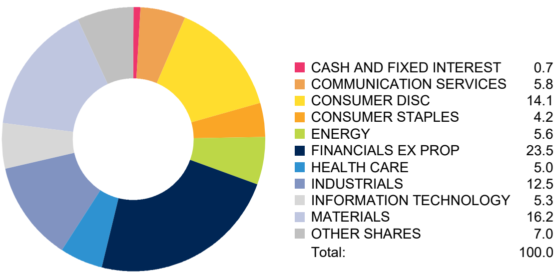
Provides investors with the potential to benefit from the growth of quality smaller or emerging companies, through active management by one of Australia's most experienced investment management teams.

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 Small Ordinaries Accum. Index
Inception Date:	May 1995
Size of Portfolio:	$398.32 million as at 30 Sep 2024
APIR:	PER0039AU
Management Fee:	1.28%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Pacific Current Group Ltd	8.0%
Gold Road Resources Ltd	2.8%
MAAS Group Holdings Ltd.	2.6%
Universal Store Holdings Ltd.	2.6%
Centuria Capital Group	2.6%

NET PERFORMANCE - periods ending 31 December 2024

	Fund	Benchmark #	Excess
1 month	0.44	-3.07	+3.51
3 months	-0.28	-1.01	+0.73
1 year	7.72	8.36	-0.64
2 year p.a.	3.25	8.09	-4.84
3 year p.a.	2.09	-1.57	+3.66
4 year p.a.	7.72	2.75	+4.96
5 year p.a.	9.44	4.01	+5.43
7 year p.a.	7.44	4.37	+3.06
10 year p.a.	8.96	7.28	+1.68

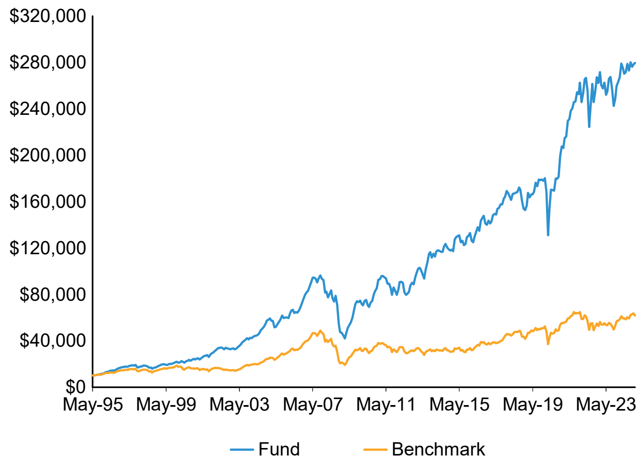
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	14.1	18.3
Dividend Yield*	4.3%	4.0%
Price / Book	1.5	1.6
Debt / Equity	22.9%	29.8%
Return on Equity*	11.5%	10.9%

^ 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

Markets sold off in December after their strong bounce in November. The S&P/ASX Small Ordinaries gave up -1.01% with the best performing sector Financials up 10.35% and the worst Real Estate down -8.02%. Euphoria over hoped-for tax cuts and de-regulation from the incoming Trump administration were tempered by the growing reality of governing with a narrow Republican majority in the House of Representatives. Squabbling over spending measures nearly forced the US federal government into shutdown before Christmas. Combined with resurgent economic confidence this led to US bond yields rising, with the yield on the US 10 year threatening to rise above the 4.7% peaks in April. The Australian economy sent mixed signals. Employment growth remained robust, at 35,600 in November, pushing the unemployment rate down to 3.9%, but most jobs were being created by government as public spending continued to grow. Meanwhile GDP slowed to just 0.8% for the year ended Q3 with just 0.3% for the quarter. GDP per capita fell -0.3% the seventh consecutive quarterly decline.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Pacific Current Group Ltd, Universal Store Holdings Ltd and EQT Holdings Ltd. Conversely, the portfolio's largest relative underweight positions include Life360, Inc, Zip Co Ltd and AUB Group Limited.

Pacific Current Group outperformed the Small Ordinaries index over the quarter up 11.58%. It was a busy period of announcements for the company announcing planned further buybacks and an EGM. This has been a classic case of the sum of the parts equating to a greater value than the whole, with considerable value set to be unlocked as PAC winds up and shareholders receive a significant amount of capital.

Myer rallied 50.34% during the December quarter as the company continued towards its potential combination with Premier Investments apparel brands Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E. The combination will create a leading omni-channel retail platform that brings enhanced scale and significant operating leverage benefits. Myer will also benefit from the expected addition of Retail Stalwart Solomon Lew's potential addition to the board.

Universal Store contributed to portfolio performance in the fourth quarter of the calendar year rallying 14.29%. This marks a period of incredibly strong performance for the stock having more than doubled over the past 12 months. The company has been a strong performer over the past year. We remain invested in UNI as the opportunity to expand the private label offering through the Perfect Stranger and Cheap THRILLS Cycles (CTC) businesses, along with a continued store rollout, further enhances the medium term earnings growth outlook.

Healius continued to be a challenging position detracting from relative performance over the quarter (-20.58%) with pathology margins being impacted by higher labour and other inflationary costs despite volume growth. The company is however showing signs of recovery under new management following a stretch of underperformance. Looking ahead, we see further upside after the rationalisation of Healius' portfolio, including the sale of Lumus Imaging at a favourable price, possible capital returns, and topline growing stronger in FY 2025.

Enero Group Limited detracted from performance over the quarter (-15.38%) as investors sentiment remained weak. Enero Group operates a collection of global performance media agencies & a high quality Australian creative media agency which should see tailwinds as business confidence & advertising markets improve. The company owns a 51% stake in an web based advertising arbitrage business OBMedia which has been an overhang on the stock across the last 12 months. The business is currently pursuing a strategy to divest this asset and unlock value for shareholders. We have had engagement with the incoming chair has been constructive. The balance sheet of the consolidated entity is net cash ($43.7m - FY24) & the business has capacity to continue to manage the cost base given ongoing macro-economic conditions.

Centuria Capital Group detracted from performance over the quarter (-12.64%) largely on the back of a rally in the yield curve which impacted the whole REIT sector negatively. Despite the medium term market dynamics, with inflation slowly under control the sector will face a renewed optimism from investors and we believe Centuria to be best in class operators.

OUTLOOK

After initially embracing Trumponomics attention is now turning to the challenges of delivery and containing excesses in the economy, including the potential for inflation to return in 2025. The incoming administration will need all its political guile to deliver the much hyped agenda of reduced regulation, tax relief and spending cuts whilst also reducing the budget deficit. Bond vigilantes will no doubt be around to remind markets if they think that this ambitious mix of goals is not being achieved. Whilst bond markets have been wary of the period ahead equity markets in the United States continue to exhibit extreme exuberance and are once again trading at similar valuations to the Dotcom peak in 2000 and the post COVID bubble in 2021. Australian equity valuations, whilst stretched in some sectors, are not as out of kilter overall, especially as resources trade near multi year lows. The big question remains what happens in China where the economy flirts with deflation and whether authorities can pull off a the sustained stimulus that Mario Draghi and Ben Bernanke did in 2012, such as QE3, that allayed market concerns about the commitment to reflating the economy.

MORE INFORMATION

Adviser Services 1800 062 725
Investor Services 1800 022 033
Email investments@perpetual.com.au
www.perpetual.com.au

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