

	1 Month (%)	Quarter ¹ (%)	FYTD ² (%)	1 year (%)	2 years (% p.a.)	3 years (% p.a.)	Since inception ³ (% p.a.)
Perennial Future of Health Care Fund	-4.2	-8.0	-13.6	-13.6	7.1	11.0	4.5
MSCI World Healthcare Net Return Index Unhedged (in AUD) ⁴	-0.4	-8.8	-3.8	-3.8	3.2	5.4	8.0
Value Added	-3.8	+0.8	-9.8	-9.8	+3.9	+5.6	-3.5

¹ Quarter refers to the 3 months ending the month of the report.

² Financial Year to Date refers to the period commencing the prior 1st July and ending on the month of the report.

³ The inception date for performance calculations is 8 April 2021.

Returns are calculated after fees and expenses and assumes the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

⁴ The benchmark was introduced to the strategy on 1 November 2023, it has been used retrospectively for comparative performance.

Fund Review

The Fund returned -4.2% for the month (net of all fees), while the MSCI World Healthcare Net Return Index Unhedged (in AUD), which declined -0.4%. The Fund's performance was primarily driven by a revaluation of an unlisted asset.

Clarity Pharmaceuticals added +0.9% to performance. Shares rallied after the company announced positive top-line results from its SABRE radioligand imaging trial. The study demonstrated significant promise in identifying lesions in PSMA-negative biochemical recurrence prostate cancer patients, an area of high unmet need. The diagnostic achieved a 100% true positive rate, with cancerous lesions confirmed via biopsy that were undetected by standard-of-care imaging.

Eli Lilly & Co contributed +0.4%, the stock was supported by sustained demand for its GLP-1 franchise, with investor sentiment further buoyed by updated obesity trial results presented at the American Diabetes Association (ADA) conference, confirming both efficacy and safety.

Scholar Rock added +0.3% following encouraging data from its Phase 2 EMBRAZE trial. The study evaluated its anti-myostatin therapy Apitegromab in combination with tirzepatide (Eli Lilly's weight loss drug) and showed a 54.9% preservation of lean muscle mass—compared to significantly greater muscle loss with tirzepatide alone. While not the company's primary indication, the results reinforced Scholar Rock's differentiated approach to muscle preservation.

The key detractor for the month was an unlisted asset, which underwent a downward valuation adjustment. It was determined based on an indicative term sheet that the holding value did not reflect the current market price for new financing. Despite this, we maintain positive about the long-term prospects of this company.

Zealand Pharma detracted -0.6%. Shares weakened following the ADA conference as investor attention shifted toward the increasingly competitive GLP-1 landscape. With limited near-term catalysts expected over the next six months, investor hesitation grew, creating a short-term overhang.

Verastem detracted -0.4% after its partner released Phase I data on a G12D inhibitor for pancreatic cancer. While early signs of efficacy are promising, concerns around the safety profile emerged with one-third of patients experiencing a treatment-related adverse event including some cases of liver toxicity. The trial remains in early stages, and further investigation is ongoing.

Perennial Future of Healthcare Fund

The Fund's primary goal is to drive enduring capital growth by deploying investment capital to tackle critical challenges stemming from an ageing populace, escalating chronic and communicable diseases, disabilities, and mental health concerns.

Portfolio Managers

Victor Windeyer & Sam Walker

APIR Code

AUS9268AU

Distribution Assessment Frequency

Annual

Minimum Initial Investment

\$20,000

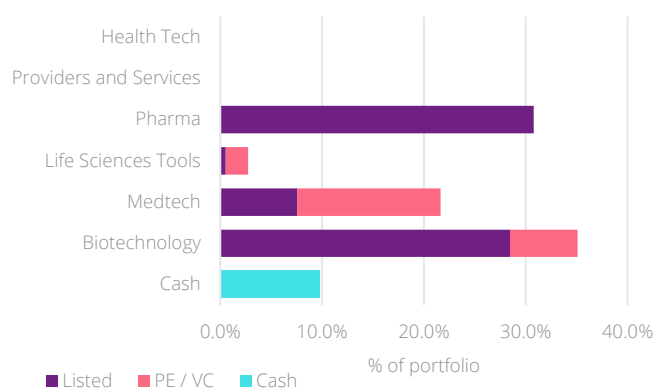
Inception Date

April 2021

Fees

0.95% p.a. + recoverable expenses + performance fee

Portfolio Allocation



Subsector Performance

Sector	Performance (1 Month USD)
Biotechnology	-0.3%
Health Tech	2.4%
Life Sciences Tools	4.5%
Medtech and Supplies	1.9%
Pharmaceuticals	0.0%
Providers and Services	3.4%

Past performance is not a reliable indicator of future performance. Returns are based on GICS Level 3 (Industry Level) of the MSCI World Healthcare Index. Returns are provided as USD returns to better reflect industry level sentiment with less impact from currency fluctuations.

Market Commentary

Global equity markets, as measured by the MSCI World Index (USD), rose +2.5% in June. In contrast, the MSCI World Healthcare Total Net Return Index declined -0.4%, underperforming broader markets as sentiment remained weighed down by ongoing policy and regulatory uncertainty.

The U.S. 10-year government bond yield declined from 4.4% to 4.2%, while the Australian dollar appreciated to USD 0.658 from 0.643, driven by a broad-based weakening in the U.S. dollar over the month.

Within the U.S., the Russell 3000 Healthcare Value Index performed in line with its Growth counterpart. Globally, small-cap healthcare companies outperformed large caps, with the MSCI World Healthcare Small Cap Index outperforming by 0.7%.

Healthcare sector performance was mixed. Life Sciences Tools and Healthcare Providers and Services delivered solid returns in June, as valuations became increasingly attractive despite some lingering headline risks. Medical Technology and Supplies, as well as Health Tech, also performed well, benefiting from relative insulation from the more pressing regulatory headwinds. That said, tariff-related pressures may begin to weigh more meaningfully on margins for MedTech and Supplies in 2026, although most companies have managed these headwinds effectively in the near term.

Pharmaceuticals and Biotechnology were relatively flat—an encouraging outcome given persistent uncertainty. Investor sentiment appears to be improving, particularly as valuations become more compelling. Key policy overhangs remain, including the proposed Most Favored Nation (MFN) pricing model, pharmaceutical tariffs, transfer pricing scrutiny, and the potential enactment of further pricing reforms. However, recent engagement efforts by the FDA—including a “listening tour” and a series of fireside chats—have offered some reassurance to market participants.

We continue to believe that valuations across many healthcare subsectors remain attractive, both on an absolute basis and relative to broader equity markets. As policy risk begins to recede, we expect investor focus to return to company fundamentals and the ability of healthcare businesses to meaningfully impact patient outcomes.

News from the Lab or Clinic

A key concern with weight loss drugs—particularly in older patients—is the loss of lean muscle mass. Typically, 20–30% of weight lost through diet and exercise comes from muscle, which poses greater risks in older populations where muscle preservation is crucial.

Scholar Rock's anti-myostatin therapy, which targets the protein that inhibits muscle growth, showed encouraging results in a Phase II study. When combined with a weight loss drug, it halved lean muscle loss to 15%, compared to 30% with the weight loss drug alone. This compares favorably to lifestyle-induced weight loss and highlights how muscle-preserving approaches may become a key point of differentiation in the evolving weight loss landscape.

Top 10 Positions (A – Z)	Description
Alnylam NASDAQ: ALNY	RNA interference pioneer, presently cardiovascular treatments
AstraZeneca LSE: AZN	Large pharmaceutical company with a leading oncology platform
Clarity Pharmaceuticals ASX: CU6	Radiopharmaceutical company
Eli Lilly & Co NYSE: LLY	Large pharma with weight loss drugs as a focus
ImmvirX Unlisted	Biotech targeting difficult cancer indications.
OncoRes Medical Unlisted	Intra-operable tumour margin detection device
Sanofi EPA: SAN	Large pharma with very diverse business
Venstra Medical Unlisted	Temporary heart pump (pVAD)
Vertex Pharmaceuticals NASDAQ: VRTX	Large biotech, leader in cystic fibrosis
Zealand Pharma CPH: ZEAL	Emerging diabetes company partnered with Roche

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