

	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	8.1	-0.1	8.1	-9.3	10.5	12.0	6.4
MSCI World Healthcare Net Return Index Unhedged (in AUD) ⁴	-1.2	-5.7	-1.2	-10.0	2.6	4.3	7.5
Value Added	+9.3	+5.6	+9.3	+0.7	+7.9	+7.7	-1.1

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 +8.1% for the month (net of all fees), outperforming the MSCI World Healthcare Net Return Index Unhedged (in AUD), which declined -1.2%. Strong stock-specific performance within the biotechnology sector was the primary driver of monthly returns.

Clarity Pharmaceuticals was the standout contributor, adding +5.1% to fund performance. Shares continue to gain after the company released further positive clinical updates with the highly anticipated Co-PSMA trial being fully recruited during the month. Clarity's copper-based radiopharmaceutical has demonstrated compelling sensitivity and utility, reinforcing its clinical and commercial potential. The company also raised a further \$203m in funding from equity markets during the month bolstering the balance sheet for further progress.

Alnylam Therapeutics contributed +1.0%, following an impressive quarter update which demonstrated the demand for their drug Amvuttra in the ATTR-CM indication. Clinicians have been able to prescribe the medication in the first line setting and patients have experienced good payor coverage, paving the way for the drug to beat expectations in launch.

Argenx added +0.3% on a good quarterly result. The company's key drug in the myasthenia gravis (MG) indication continues to do well driven by patient convenience with the mode of delivery allowing patients to lead more normal lives.

Eli Lilly detracted -0.4%. While demand for its GLP-1 drugs remains strong, concerns around pricing pressures and increasing competition weighed on sentiment. Eli Lilly is still well placed to be a dominant player in the metabolic syndrome field.

Ultragenyx declined -0.2% after the company updated timelines for some of its disease programs, delaying expected milestones. The delays, though not entirely unexpected, led to short-term selling pressure.

Zealand Pharmaceuticals detracted -0.1%, as investor interest remained focused on GLP-1 market leaders, with few near-term catalysts for Zealand to stand out despite promising longer-term prospects. The company is well placed with a partnership with Roche.

Overall, the Fund's outperformance this month reflects its overweight positioning in biotechnology and a focus on companies with clearly differentiated clinical assets. We remain constructive on the portfolio's potential to deliver strong risk-adjusted returns through bottom-up stock selection in this innovation-rich sector.

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

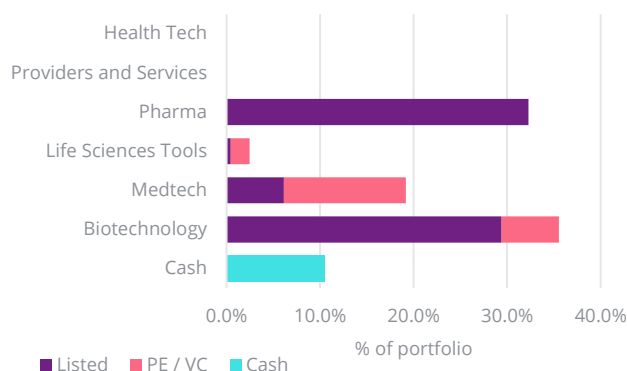
Inception Date

April 2021

Fees

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

Portfolio Allocation



Subsector Performance

Sector	Performance (1 Month USD)
Biotechnology	4.6%
Health Tech	0.1%
Life Sciences Tools	4.9%
Medtech and Supplies	-2.7%
Pharmaceuticals	-3.1%
Providers and Services	-14.9%

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 extended their gains, with the MSCI World Index rising +3.5% in July in AUD. However, healthcare as measured by the MSCI World Healthcare Net Return Index declined -1.2%. The divergence reflects continued investor caution around regulatory risk.

U.S. Treasury yields ticked higher, with the 10-year yield rising from 4.23% to 4.37%, as markets recalibrated expectations around inflation and Federal Reserve policy. The Australian dollar weakened to 0.643 USD, down from 0.658, modestly benefiting unhedged returns for AUD-based investors.

Subsector performance remained mixed. The Biotech index rising +4.6%, driven by investor appetite for innovation-led growth stories, a recent uptick in acquisitions and improving sentiment around clinical pipeline updates. In contrast, MedTech (-2.7%) and Pharmaceuticals (-3.1%) lagged, with margin pressure and pricing policy uncertainty acting as key headwinds.

Healthcare Providers and Services underperformed sharply, falling -14.9%, following disappointing earnings from major U.S. managed care players. Rising utilisation and reimbursement challenges prompted earnings downgrades and renewed questions around cost containment strategies.

Life Sciences Tools returned +4.9%, rebounding from recent lows as investors began to rotate into attractively valued, secular growth exposures. Meanwhile, Healthcare Technology posted a marginal gain of +0.1%.

Across investment style, small-cap healthcare stocks modestly outperformed, with the MSCI World Healthcare Small Cap Index falling -0.9%. In the U.S., both growth and value healthcare indices declined, though value lagged slightly.

We continue to see attractive opportunities in underappreciated areas of biotech and life sciences. While macro and policy risks remain, the risks of worst-case scenarios appear to be abating. We believe investor focus will gradually shift back toward fundamentals, especially in segments where innovation is translating into meaningful patient outcomes and commercial value.

News from the Lab or Clinic

Setrusumab (UX143), developed by Ultragenyx and Mereo BioPharma, is a monoclonal antibody for treating osteogenesis imperfecta (OI). It promotes bone formation and reduces resorption. In the Phase 2 Orbit study, setrusumab reduced the annualized radiologically confirmed fracture rate by 67% in patients aged 5–25, with sustained effects and increased bone mineral density observed at 14 months. The ongoing Phase 3 Orbit trial, focuses on annualized clinical fracture rate as the primary endpoint. While the second interim analysis didn't demonstrate statistical significance, the independent Data Monitoring Committee (DMC) recommended the trial continue to the final analysis, which has a less conservative hurdle ($p < 0.04$). The drug remains a promising therapy to reduce fracture burden.

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.
Immutep ASX: IMM	Oncology focused immunotherapy biotech
OncoRes Medical Unlisted	Intra-operable tumour margin detection device
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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