

	1 Month (%)	Quarter ¹ (%)	FYTD ² (%)	1 year (%)	2 years (% p.a.)	3 years (% p.a.)	5 years (% p.a.)	Since inception ³ (% p.a.)
Perennial Future of Healthcare Fund	6.6	2.9	9.4	9.4	-2.8	7.9	4.9	5.4
MSCI World Healthcare Net Return Index Unhedged (in AUD) ⁴	9.1	5.6	9.9	9.9	2.8	5.4	6.5	8.3
Value Added	-2.5	-2.7	-0.5	-0.5	-5.6	+2.5	-1.6	-2.9

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 May 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 6.6% (net) for June, against a return of 9.1% for the MSCI World Healthcare NR Index (AUD). The result reflects a period of exceptionally strong healthcare sector performance, led by biotechnology and large-cap pharmaceuticals. The Fund's cash and unlisted holdings softened the participation in the rally.

Eli Lilly (+1.3% contribution) was supported by several positive developments over the month. The obesity franchise strengthened further, with retatrutide (a next generation weight loss drug) data showing improvements in knee osteoarthritis pain and obstructive sleep apnoea alongside substantial weight loss. The company also completed its acquisition of Centessa Pharmaceuticals. On reimbursement, a US Medicare GLP-1 Bridge was announced which provides eligible beneficiaries access to certain obesity GLP-1s for a flat US\$50/month improving patient access to Zepbound.

Revolution Medicines shares (+1.1%) continued to build on strong sentiment following ASCO data for daraxonrasib in pancreatic cancer, with the company announcing the initiation of patient treatment in the Phase 3 RASolute 305 trial (a study focused on RAS G12D) and confirming further RAS(ON) pipeline presentations at the upcoming ESMO Gastrointestinal Cancers Congress. The market is re-evaluating this biotech as an emerging commercial story.

Ultragenyx (1.0%) was supported by participation at the Goldman Sachs Global Healthcare Conference highlighting the company's gene therapy pipeline. In addition, supportive draft FDA guidance intended to streamline gene therapy approval pathways was released buoying sentiment. The stock has two upcoming approval deadlines, "PDUFA date" catalysts for DTX401 (August 2026) and UX111 (September 2026).

Clarity Pharmaceuticals shares declined (-1.0% detractor) amid a broader de-rating of clinical-stage, pre-revenue Australian biotechnology names, with investors demanding greater near-term cash-generation certainty. This decline appears more consistent with the end of financial year tax-loss selling, Federal Budget tax changes and positioning rather than an identifiable fundamental reason.

An unlisted medical device investment was revalued down during the month detracting 0.3% from performance. Private capital markets, particularly in Australian healthcare continued to be challenging.

Boston Scientific detracted (-0.2%) following continued analyst downgrades tied to slower-than-expected adoption of the WATCHMAN FLX device and intensifying competitive pressure in electrophysiology, building on the guidance reduction flagged in late May. The move appeared to reflect ongoing sentiment and earnings-revision pressure specific to structural heart and electrophysiology franchises.

Despite the relative underperformance for the month, the Fund's exposure to leading obesity, oncology and rare disease franchises leaves it well placed to benefit from what continues to be a rich near-term catalyst pipeline with ongoing consolidation activity within the 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

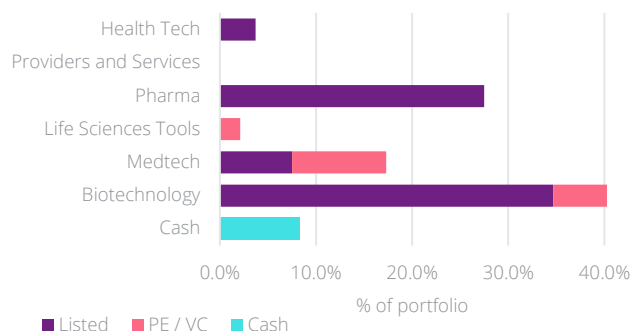
Inception Date

May 2021

Fees

1.35% p.a. + recoverable expenses (capped at 0.25%) + performance fee

Portfolio Allocation



Subsector Performance

Sector	Performance (1 Month USD %)
Biotechnology	+8.7%
Health Tech	+9.9%
Life Sciences Tools	+3.4%
Medtech and Supplies	-0.5%
Pharmaceuticals	+4.9%
Providers and Services	+8.1%

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

Healthcare equities materially outperformed the broader global equity market in June, with the MSCI World Healthcare NR Index returning 4.9% in USD terms (9.0% in AUD) compared with a decline of 0.6% in USD for the MSCI World Index. The move extended a broader recovery in investor sentiment toward the sector underpinned by improving policy clarity and more constructive valuations. This follows an earlier de-rating cycle particularly for large pharma. High levels of clinical innovation and continued strategic M&A activity is expected as large-cap pharmaceutical companies look to supplement pipelines ahead of looming patent expiries.

In June, several acquisitions were announced including the acquisition of Bio-Techne Corp (not owned) by Merck KGaA (for US\$11.5bn), Apogee Therapeutics (owned) by Abbvie (for US\$10.9bn) and Nuvalent (not owned) by GSK (for US\$10.6bn). As highlighted previously, we expect large pharma to continue to acquire late-stage biotech or other businesses (in the case of Merck KGaA) to bridge the revenue gap from loss of exclusivity on key drugs.

The FDA was also viewed by market participants as broadly supportive of innovation during the month, including via accelerated review pathways and clarification of regulatory pathways, which contributed to renewed interest in small- and mid-cap biotechnology.

On rates, the US Federal Reserve held its target range steady at 3.50%–3.75% at its June meeting, with the accompanying dot plot signalling a modestly higher year-end median rate path amid persistent inflation concerns linked to elevated energy prices and geopolitical tensions in the Middle East. The US 10-year government bond yield edged higher over the month, from 4.4% to 4.5%, a headwind at the margin for more richly valued, long-duration biotechnology names, though this was more than offset by the improvement in sector sentiment. The Australian dollar depreciated against the US dollar, from 0.717 to 0.692, a move that provided a modest translation benefit to the Fund's unhedged offshore healthcare exposure.

At the subsector level, biotechnology (+8.7%), pharmaceuticals (+4.9%), healthcare providers and services (+8.1%) and healthcare technology (+9.9%) all recorded material gains, while life sciences and tools also advanced materially (+3.4%). Medical devices slightly declined, down 0.5%.

Small-capitalisation healthcare names outperformed their large-cap counterparts over the month, while growth-oriented healthcare names outpaced value, consistent with the sector-wide re-rating of clinical-stage and innovation-led businesses. The combination of clinical progress, a more constructive policy backdrop and improving sentiment leaves the outlook for healthcare investors constructive heading into the second half of the year.

Future of Healthcare Investment Team



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News from the Lab or Clinic

Natera, one of the few diagnostic companies in the portfolio had a critical milestone in June, the inclusion of the Signatera test in National Comprehensive Cancer Network guidelines for bladder cancer.

Bladder cancer is one of the most frequently recurring cancers with rates ranging from 30% to 80% within five years, depending on the stage and grade as a result of the entire lining of the urinary tract being exposed to the same cancer-causing agents.

Signatera is the flagship technology of Natera which detects circulating tumour (ct) DNA in what is known as a minimal residual disease (MRD) test. Securing a Category 1 guideline inclusion is the catalyst that drives payer coverage and clinical adoption.

ct-DNA MRD tests have been practice changing in colorectal cancer and useful in other cancer types. With the NCCN guideline inclusion, more patients will have access to the test for bladder cancer.

Top 10 Positions (A – Z)	Description
Argenx NASDAQ: ARGX	Immunology company with first in class drugs targeting the Neonatal Fc Receptor (FcRn)
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.
Novartis CHF: NOVN	Large Swiss pharma company exposed to Lp(a) and radiopharmaceuticals
OncoRes Medical Unlisted	Intra-operable tumour margin detection device
Revolution Medicine NASDAQ: RVMD	RAS focused oncology company with new developments in pancreatic cancers.
Ultragenyx NASDAQ: RARE	Rare disease biotech company with commercial stage assets
Vertex Pharmaceuticals NASDAQ: VRTX	Large biotech, leader in cystic fibrosis, pipeline in areas of high unmet need

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