Perpetual Private

Fund Profile - 31 December 2025

Implemented RI International Share Portfolio

Fund facts

APIR code	PER3458AU
Inception date^	1 November 2024
Asset class	Global Equities
Investment style	Multi manager blend
Benchmark	MSCI AC World Index - Net Return (Unhedged in AUD)
Suggested length of investment	Five years or more
Unit pricing frequency	Daily
Distribution frequency	Quarterly
Legal type	Unit trust
Product type	Wholesale Managed Investment Scheme
Status	Open
Management fee*	0.93%
Buy/Sell spread	0.12% / 0.12% as at June 2025
Issuer	Perpetual Investment Management Limited

*Additional fees and costs generally apply. Please refer to the Product Disclosure Statement for further details.

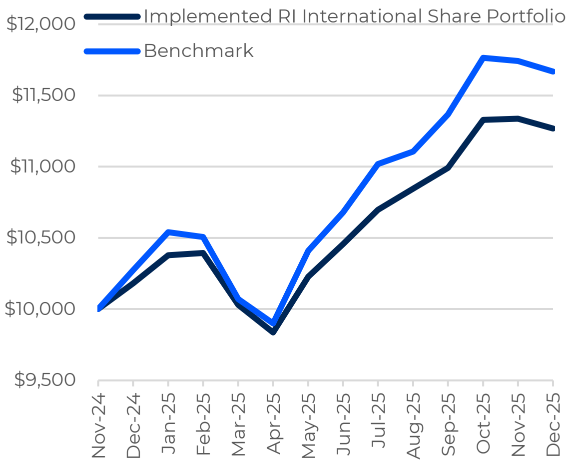
Investment objective

To provide investors with long-term capital growth through investment in a diversified portfolio of international shares.† To outperform the MSCI All Country World Index – Net Return (unhedged in AUD) (before fees and tax) over rolling three-year periods.

Benefits

Provides investors with access to a diversified portfolio of international shares through a professionally managed, multi-manager investment structure. Manager-specific risk is reduced through the diversification of investment style and philosophy. Responsible Investment considerations are inherent within the specialist investment managers' investment strategies.

Growth of $10,000 since inception



Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance.

Net performance

As at December 2025

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	-0.6%	2.5%	10.7%	-	-	11.6%
Growth return	-0.8%	2.3%	7.5%	-	-	8.4%
Distribution return	0.2%	0.2%	3.2%	-	-	3.2%
Benchmark	-0.6%	2.7%	13.6%	-	-	15.3%
Excess Return	0.0%	-0.1%	-2.9%	-	-	-3.6%

Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance. *Since Inception^.

Top 10 stock holdings

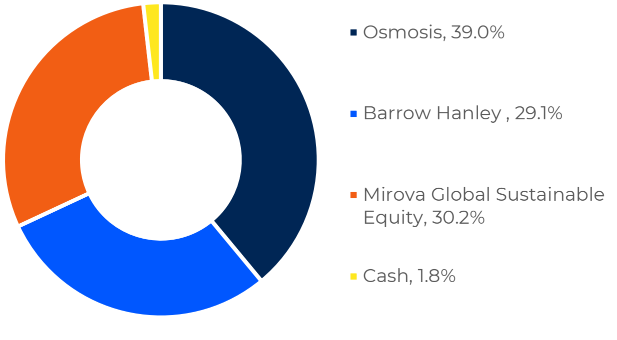
As at December 2025

Stock	Weight	Country
NVIDIA Corporation	4.6%	United States
Microsoft Corporation	3.2%	United States
Apple Inc.	2.0%	United States
Mastercard Inc.	1.5%	United States
Broadcom	1.5%	United States
Alphabet Inc.	1.5%	United States
Iberdrola	1.3%	Spain
Eli Lilly and Company	1.2%	United States
Taiwan Semiconductor Co.	1.2%	Taiwan
Shopify Inc.	1.1%	Canada
Total Top 10 Holdings %	**19.1%**	

Source(s): State Street, FactSet.

Portfolio exposure by manager

As at December 2025



Source(s): State Street, FactSet.

Investment approach

The Portfolio adopts a multi-manager approach, combining specialist investment managers with complementary but different styles and philosophies. This diversification seeks to reduce volatility of the Portfolio by avoiding over-exposure to any single manager or investment style. Specialist investment managers are selected based on their ability to implement Responsible Investment strategies, which may include replication of an ESG index. The currency exposure of international assets is monitored, and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.

Investment strategy

The strategy is biased towards utilising investment managers that have a robust investment process, operate within an appropriate risk management framework and operate in an aligned and stable organisational structure. Utilising a multi-manager framework, the strategy aims to provide a blend of managers that together are expected to deliver a relatively smooth return profile, while including Responsible Investment considerations as part of their investment strategy.

Each investment manager is granted the flexibility to apply their unique investment philosophy and approach to assessing investments from an ESG and responsible investment perspective. This may include the use of both negative and/or positive screening methodologies. However, all specialist investment manager strategies must include the Global Industry Classification Standard (GICS§) based exclusionary screens as outlined in the Product Disclosure Statement (PDS), which prohibit investment in companies identified in specific GICS sub-sectors.

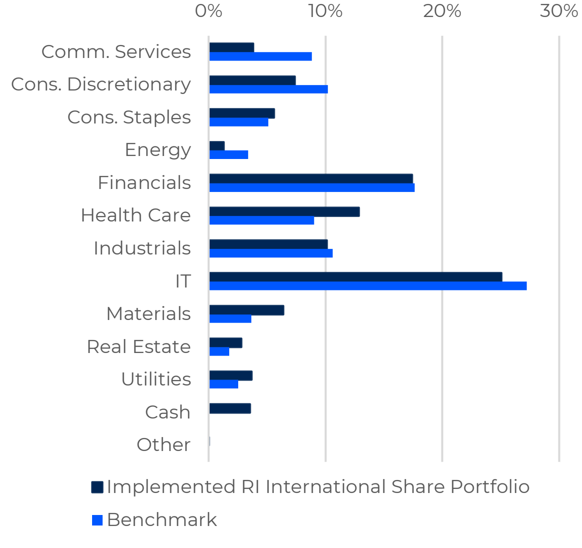
From a portfolio construction perspective, the highest weighting within the Portfolio is allocated to a “Core” manager, who is selected to deliver a broadly neutral investment style with the intention of adding ballast to the overall portfolio. With the flexibility to invest broadly across the market capitalisation spectrum of Developed Markets, this style of investment strategy is a benchmark-aware framework, constructing a portfolio that is well diversified and has similar characteristics to the broader market, whilst seeking to deliver attractive risk-adjusted returns via their stock selection process.

Beyond the Core, managers are then selected with certain investment styles and/or biases that are complementary to one another, including the flexibility to invest across Emerging Markets as part of their portfolio construction. In aggregate, the portfolio is expected to be diversified across a large number of holdings and have broad-based exposures from a sector, regional and market capitalisation perspective.

Perpetual undertakes rigorous due diligence prior to manager selection. Each selected manager is engaged under a separate account arrangement, allowing full transparency over the underlying holdings. Managers are subject to ongoing review and may be appointed or removed at Perpetual's discretion, without prior notice to investors. As such, the composition of specialist investment managers may vary throughout the life of your investment.

Sector exposures

As at December 2025



Source(s): State Street, FactSet.

Manager line-up and approach

As at December 2025

Manager	Approach
Barrow Hanley Global Investors	Mid-large cap value manager that applies an ESG framework to their stock selection process.
Mirova Global Sustainable Equity	High-conviction, quality growth manager applying bottom-up research to long-term structural themes and incorporating ESG considerations
Osmosis Investment Management	Core, quantitative strategy targeting resource efficient companies.

Exclusionary screens

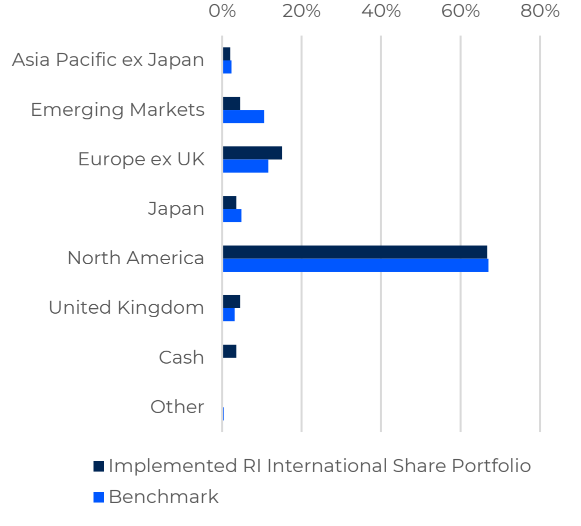
As at December 2025

Excluded Industries for Direct Investment*
Tobacco (GICS sector 30203010) – Defined as "Manufacturers of cigarettes and other Tobacco products"
Casinos and Gaming (GICS sector 25301010) – Defined as "Owners and operators of casinos and gaming facilities. Includes companies providing lottery and betting services"
Brewers or Distillers and Vintners (GICS sectors 30201010 & 30201020) – Defined as "Producers of beer and malt liquors, distillers, vintners and producers of alcoholic beverages"
Other specialised REITS (GICS sector 60108010) – Defined as "Companies or Trusts engaged in the acquisition., development, ownership. Leasing, management and operation of properties not classified elsewhere (under another GICS equity real estate investment Trusts classification)"

*Please refer to the Product Disclosure Statement for further information in relation to our ESG screening criteria.

Region exposures

As at December 2025



Source(s): State Street, FactSet.

Market Commentary

International shares delivered solid gains to close out 2025, returning 2.7%[1] for the December quarter and 13.6% for the full year. This represents the third consecutive calendar year of double-digit returns for the MSCI All Country World Index, albeit the most muted of the three. The December quarter saw persistent trade tensions, the 43-day US government shutdown (the longest in history), and ongoing debates about the sustainability of AI-driven valuations, all of which contributed to periods of heightened volatility. However, the US Federal Reserve's rate cuts in both October and December generally supported risk assets. In addition, corporate earnings results were overall positive and economic growth remained robust. The US dollar weakened 0.6% against the Australian dollar over the three-month period, modestly dampening unhedged returns for Australian investors.

From a style perspective, market breadth improved during the quarter, with Value stocks (+2.7%[2]) outperforming Growth (+2.1%[3]). This performance differential was driven by mixed earnings in the technology sector and growing concerns regarding the elevated valuations of certain AI-linked stocks. Consequently, investors rotated capital into cyclical and defensive sectors, which were supported by resilient economic data and more attractive trading multiples. On a full-year basis, however, performance was effectively tied, with Growth (+12.5%) and Value (+12.2%) delivering similar returns as early-year AI momentum was counterbalanced by the year-end rotation. Smaller companies returned 2.0%[4] for the quarter and 11.6% for the previous 12-months. While positive, small caps continue to trail their larger counterparts over the longer term.

At the sector level, Health Care was the strongest performer, rising 9.2%[5]. This was attributed to investors rotating into defensive assets trading at attractive valuations, alongside relief that the government shutdown did not result in material decreases in US federal healthcare spending. Materials also gained 5.8%[6] as the prices of certain commodities rallied, while Financials rose 4.3%[7], supported by improved lending prospects in a lower-rate environment. Conversely, Information Technology and Communication Services posted a return of 2.3%[8] and 2.7%[9], respectively. A departure from the outsized gains investors have become accustomed to in these sectors. Real Estate was the weakest performer, declining -3.1%[10]. The sector faced headwinds from lingering home affordability concerns, particularly out of the US, and a rise in longer-dated bond yields.

Regionally, 2025 marked the first time in several years where international markets (excluding the US) outperformed US equities. While the bulk of this outperformance was established in the first quarter, the performance gap narrowed significantly following the "Liberation Day" market lows in April. Performance was led by the UK and Japan, with the FTSE 100 increasing 6.1%[11] and the Nikkei 225 rising 5.0[12], the latter supported by the election of Prime Minister Sanae Takaichi and expectations of fiscal stimulus. US returns were more muted compared to the normal pattern that has been observed over the last several years, with S&P 500 and Nasdaq Composite Index posted 1.9%[13] and 2.1%[14], respectively. Emerging Markets performed strongly, returning 4.1%[15] for the quarter, led by South Korea and Taiwan where demand for AI memory technology and semiconductors remained robust. Falling global interest rates and a generally weaker US dollar provided further support. Conversely, despite a strong run earlier

[1] As measured by the MSCI All Country World index in AUD (unhedged) terms
[2] As measured by the MSCI World Value index in AUD (unhedged) terms
[3] As measured by the MSCI World Growth index in AUD (unhedged) terms
[4] As measured by the MSCI AC World Small Cap index in AUD (unhedged) terms
[5] As measured by the MSCI AC World – Health Care index in AUD (unhedged) terms
[6] As measured by the MSCI AC World – Materials index in AUD (unhedged) terms
[7] As measured by the MSCI AC World – Financials index in AUD (unhedged) terms
[8] As measured by the MSCI AC World – Information Technology index in AUD (unhedged) terms
[9] As measured by the MSCI AC World – Communication Services index in AUD (unhedged) terms
[10] As measured by the MSCI AC World – Real Estate index in AUD (unhedged) terms
[11] As measured by the FTSE 100 in AUD (unhedged) terms
[12] As measured by the Nikkei 225 in AUD (unhedged) terms
[13] As measured by the S&P 500 in AUD (unhedged) terms
[14] As measured by the Nasdaq Composite index in AUD (unhedged) terms
[15] As measured by MSCI Emerging Markets index in AUD (unhedged) terms

in 2025, Chinese equities underperformed, with the Hang Seng index declining -4.8%[16] over the quarter, as profit-taking and domestic property market weakness weighed on investor sentiment.

Portfolio Commentary

The Implemented Responsible Investment (RI) International Share Portfolio marginally underperformed the MSCI All Country World Index (unhedged AUD) on a net of fees basis in the final quarter of 2025.

Barrow Hanley outperformed the MSCI All Country World Index (unhedged AUD) in the final quarter of 2025, with relative performance supported by stock selection, and regional allocations, while sector allocations detracted from relative performance. At the sector level, an overweight exposure to Financials contributed, while overweight exposure to Real Estate detracted. Regional exposures were supported by overweight positioning in EM and underweight exposures to North America. The largest contributors to performance were Standard Chartered, Merck & Co, and Bank of Nova Scotia, while the largest detractors from performance were JD.com. Aptiv plc and Public Storage REIT.

Mirova slightly underperformed the MSCI All Country World Index (unhedged AUD) in the final quarter of the 2025. Stock selection was the primary detractor, while regional and sector allocations added to relative performance. Stock selection was weakest across Information Technology and Materials, while stock selection and overweight positioning in Health Care contributed. Overweight exposure to Europe ex UK contributed to performance, while stock selection was the weakest in Japan. The largest contributors to performance were Ely Lily, Thermo Fisher Scientific and Iberdola SA, while the largest detractors were Micrsoft, Palo Alto Networks, and Roper Technologies.

Osmosis underperformed the MSCI All Country World Index (unhedged AUD) in the final quarter of 2025. As a benchmark-aware strategy, sector and regional positioning had minimal impact on relative returns. From a stock perspective, key contributors were Alphabet, Ely Lilly and Apple, while key detractors were Microsoft, Oracle, and Meta.

Manager Insights and Outlook

The new calendar year brings the opportunity to spend some time navel-gazing and thinking about what the year ahead might bring. As we look into 2026, there are several ideas percolating in our thinking.

1. Artificial intelligence – While AI remains an exciting prospect for productivity enhancements across industries and sectors, the current hype requires a ‘pause for thought’ as to what the next stage might bring. Some of our current questions include:
    a. Can the AI’s business model (which we still think is yet to be proven) sustain debt-financed capex, high aggregate debt levels, and increased interrelated-party transactions and financings, etc.?
    b. Can corporates in traditional industries generate adequate return on AI-capex investment to deliver increased revenue? Or, will most of the benefits come from ‘corporate efficiencies’ (cost out)?
    c. Can AI companies sustain what are already arguably stretched valuations? (To this end (and as at the time of writing), recent earnings from Nvidia were positive and impressive, but the stock price has taken a pause, and retreated somewhat.)
2. Emerging Markets – Up until recently, Emerging Market equity has lagged behind broader Developed Market equities, and most notably US equities. Recent (positive) price movements across Emerging Markets have seen the asset move towards long term average valuations, but relative to Developed Markets, they still look attractive. To support the case for Emerging Market equities, we’ll be looking to see clear indications of sustainable EPS growth. Given China’s recent weakness, to

[16] As measured by the Hang Seng index in AUD (unhedged) terms

support our thesis, we need to see stabilisation in China's macroeconomic outlook, and preferably fiscal stimulus. Elsewhere in Emerging Markets, we are seeing greater emphasis on corporate reforms. For example, South Korea is implementing a Corporate Value-Up Program that is making solid progress toward changing corporate behaviour and increasing shareholder value, and looking to emulate pockets of success witnessed in Japan with similar programmes. Finally, impact of tariffs on EM growth has been less than anticipated, with those countries expecting greater impacts taking a proactive approach and implementing policy responses prioritizing domestic markets and enhancing economic resilience. At the same time, lower central bank policy rates have been a significant net positive for financial conditions within emerging markets.

3. Broadening equity markets – Earnings growth has largely been confined to US mega-cap stocks over the last three years, however recent months have seen a broadening of earnings growth both in terms of market cap, and region. With strong fiscal impetus from the Trump Administration coming into effect in 2026, we hope to see this nascent trend continue. Further afield, European nations are also engaging in fiscal stimulus (eg. Germany) while the ECB embarked on a rate cutting programme in 2025, from which we expect to see fruits of lower interest rates as 2026 proceeds.

More information

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^Fund commenced in November 2024 with performance reporting from December 2024 once the fund had made an investment.

†International shares may include an allocation to Australian shares.

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