

# PERPETUAL SELECT AUSTRALIAN SHARE FUND

December 2025

**FUND FACTS**

**Investment objective:** Long-term capital growth and income through investment in a diversified portfolio of Australian shares.

**Suggested length of investment:** Five years or longer

**BENEFITS**

Provides investors with the potential for maximising capital growth and income, with broad market exposure.

**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.

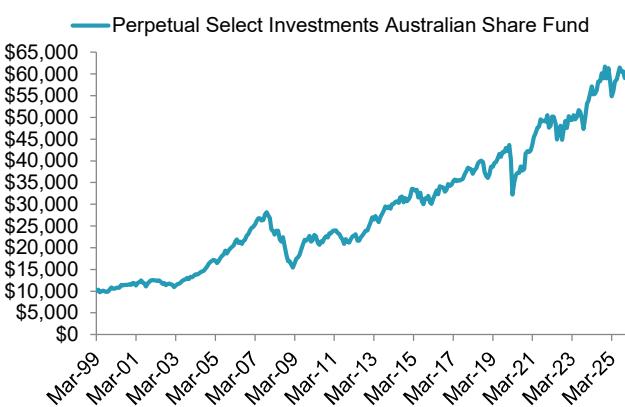
**INVESTMENT APPROACH**

The Fund combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the Fund by avoiding over exposure to a particular specialist investment manager. Derivatives may be used in managing the Fund.

**TOTAL RETURNS % (AFTER FEES) AS AT 31 DECEMBER 2025**

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Investments Australian Share Fund	PER0255AU	0.4	-2.0	1.0	0.6	7.6	7.1
Perpetual Select Super Australian Share Fund	WDL0001AU	0.4	-1.7	1.1	1.2	7.7	7.2
S&P/ASX 300 Accumulation Index		1.4	-0.9	4.1	10.7	11.4	9.8

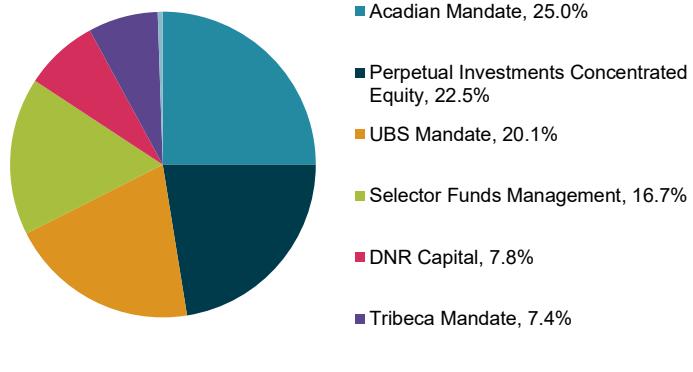
Past performance is not indicative of future performance

**GROWTH OF \$10,000 SINCE INCEPTION\***

\*The Growth of \$10,000 chart includes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales or redemption charges which would lower these figures.

TOP 10 STOCK HOLDINGS*	WEIGHTS (%)
Commonwealth Bank of Australia	7.8
BHP Group Ltd	6.9
ANZ Group Holdings Limited	3.6
National Australia Bank Limited	3.5
Westpac Banking Corporation	3.4
CSL Limited	2.9
Wesfarmers Limited	2.4
Rio Tinto Limited	2.2
Aristocrat Leisure Limited	2.0
Goodman Group	1.9

\*Top 10 Stock Holdings does not include indirect exposure to individual securities from index based investment of Funds in transition. Funds in transition are excluded from these estimates.

**PORTFOLIO EXPOSURES<sup>^</sup>**

<sup>^</sup>Portfolio exposures represent the Perpetual Select Investments Australian Share Fund

**MANAGER INVESTMENT APPROACH**

DNR Capital	Concentrated small company portfolio, fundamental bottom up stock selection.
Tribeca Investment Partners	Small cap style neutral manager, diversified portfolio, fundamental bottom-up stock selection
Perpetual Investments Concentrated Equity	High conviction portfolio, fundamental bottom up stock selection
Selector Funds Management	High conviction portfolio, benchmark agnostic, fundamental bottom up stock selection
UBS Asset Management (Australia)	Passive ASX20 mandate
Acadian Asset Management	Quantitative, core, benchmark aware

## MARKET COMMENTARY

Australian equities weakened into year end, with the S&P/ASX 300 declining -0.9% over the December quarter, though the market still delivered a solid 10.7% return for the full year. This marked the third consecutive calendar year of double-digit returns for Australian equities, underscoring the strength of the broader cycle despite a softer finish to 2025. Investor sentiment was weighed down by a more hawkish domestic monetary policy backdrop, as the Reserve Bank of Australia kept rates on hold in December and continued to emphasise its commitment to returning inflation to target. Persistent inflation in the monthly CPI prints led markets to reassess the likelihood of further easing, with growing expectations that the next policy move may eventually be higher rather than lower.

From a style perspective, Value stocks materially outperformed Growth, returning 3.1% over the quarter compared with a decline of -6.5% for Growth. This relative strength held over the full year, with Value up 17.9% while Growth fell -4.3%. The divergence reflected strong investor demand for more attractively valued sectors, particularly those linked to commodities, as well as continued weakness in high-multiple technology and healthcare names. Size also proved a key differentiator; Large caps fell -1.2% for the quarter, while smaller companies rose 1.8%, extending their standout run to deliver a 25.0% gain for the year. Small caps benefited disproportionately from the cumulative impact of the RBA's three rate cuts delivered earlier in 2025, as well as their heavy weighting to the resources complex, where record gold prices have provided a massive tailwind for junior miners and explorers.

Sector performance was narrow through the quarter, with only three of the eleven ASX 300 sectors finishing in positive territory. Materials were the clear standout, rising 13.0% and ending the year up 37.5%. Strength was led by the major miners, with index heavyweight Rio Tinto hitting a record high late in the year and gaining 20.3% over the period, while BHP rose 7.0%. Industrials also edged higher, up 0.6%, and Energy delivered a modest 0.9% gain. At the other end of the market, Information Technology was the weakest sector, falling -23.7% over the period and -19.1% over the year, as enthusiasm for technology stocks continued to fade. WiseTech Global came under significant pressure, declining -24.1% amid ongoing leadership concerns, while Xero fell -27.6%, extending a challenging year for the sector. Health Care also underperformed, dropping -9.5% over the period and nearly -24% for the year. Financials ex-REITs declined -1.9%, reflecting some rotation away from banks toward mining stocks, although the sector still delivered a solid 12.0% return for 2025 and remains the strongest performer over the past three years. Consumer Discretionary was another notable laggard, falling -11.5%, as a more restrictive interest rate outlook weighed on household spending and consumer confidence.

## PORTFOLIO COMMENTARY

The Perpetual Select Australian Share Fund Portfolio underperformed its benchmark in the December quarter on a net of fees basis.

Perpetual Concentrated Equity outperformed its benchmark in Q4. Outperformance was driven primarily by stock selection within Financials, Industrials and Consumer Discretionary. In addition, an underweight to the Information Technology sector added to returns. Key stock contributors were Rio Tinto, BHP and ANZ, while CSL and News Corporation detracted.

Selector Funds Management underperformed its benchmark over Q4. As our growth manager, it faced stylistic headwinds, with growth stocks underperforming value stocks by over 9% during the quarter. A heavy overweight to Information Technology (-23.7% for the three-month period), an underweight to Materials (+13.0% for the quarter), and a heavy overweight to Healthcare (-9.5%) were key drivers of underperformance. The main stock detractors were Technology One, Pro Medicus, WiseTech, Aristocrat and Telix Pharmaceuticals, while key contributors were Reece and Flight Centre.

UBS is running a passive S&P/ASX 20 indexing strategy and delivered a return of -0.5% for the quarter, which on an absolute basis outperformed the S&P/ASX 300. Key contributors were BHP, ANZ, Rio Tinto and Fortescue, while CSL, Wesfarmers, CBA and Aristocrat detracted.

DNR materially outperformed its S&P/ASX Small Ordinaries benchmark in Q4, as well as the broader S&P/ASX 300. An overweight allocation to Materials was a major driver of returns. Stock selection within the sector also helped, with key contributors including PLS Group, Alcoa, Liontown and IGO. An overweight to Information Technology slightly detracted, with Zip and Catapult Sports the main detractors.

<sup>1</sup> As measured by the S&P/ASX 300 – Total Return index

<sup>2</sup> As measured by the MSCI Australia Value – Net Return index

<sup>3</sup> As measured by the MSCI Australia Growth – Net Return index

<sup>4</sup> As measured by the S&P/ASX 100 – Total Return index

<sup>5</sup> As measured by the S&P/ASX Small Ordinaries – Total Return index

<sup>6</sup> As measured by the S&P/ASX 300 Materials (Sector) – Total Return index

<sup>7</sup> As measured by the S&P/ASX 300 Industrials (Sector) – Total Return index

<sup>8</sup> As measured by the S&P/ASX 300 Energy (Sector) – Total Return index

<sup>9</sup> As measured by the S&P/ASX 300 Information Technology (Sector) – Total Return index

<sup>10</sup> As measured by the S&P/ASX 300 Health Care (Sector) – Total Return index

<sup>11</sup> As measured by the S&P/ASX 300 Financials ex-REITs (Sector) – Total Return index

<sup>12</sup> As measured by the S&P/ASX 300 Consumer Discretionary (Sector) – Total Return index

## RETURNS BREAKDOWN (INVESTMENTS)

	FY 2025	FY 2024	FY 2023
Growth Return %	3.3%	9.6%	5.5%
Distribution Return %	1.4%	2.2%	6.3%
Total Return %	4.6%	11.8%	11.8%

## DISTRIBUTION BREAKDOWN

	FY 2025	FY 2024	FY 2023
Cents per unit	2.3335	3.3419	9.1069

## PRODUCT FEATURES

	SUPER	INVEST.
Inception date	Dec 94	Mar 99
Management/Investment Fee (p.a.)*	0.90%	1.00%
Ongoing fee discount	Yes	No
Admin fee	0.10%	0.00%
Buy spread	0.26%	0.26%
Sell spread	0.00%	0.00%
Contribution fee	0.00%	0.00%
Withdrawal fee	\$0.00	\$0.00
Monthly member fee	\$0.00	\$0.00
Min. initial contribution	\$3,000	\$2,000
Min. additional contribution	\$0	\$0
Savings plan	Yes	Yes
Withdrawal plan	No	Yes
Distribution frequency	N/A	Quarterly
Contact information	1800 677 648	

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

Tribeca underperformed its S&P/ASX Small Ordinaries benchmark in Q4 but outperformed the S&P/ASX 300. Stock selection was the primary contributor to returns, with Alcoa, Mineral Resources and Ora Banda Mining contributing the most. The largest detractors were Temple & Webster, Zip Co and DroneShield.

Acadian was added to the manager line-up during the December quarter. Full quarterly performance commentary will be provided next quarter.

## OUTLOOK

Heading into the December quarter we remained cautious on the outlook for Australian shares, which were already trading at near record highs and at considerable valuation premiums versus their historical averages. Despite relatively subdued earnings growth from companies more broadly, the continued flow of capital from both institutional investors, such as the larger superannuation funds and offshore investors, and retail investors, through the now abundant choice of ASX-listed passive and active exchange traded funds, had been a key source of support for Australian Equities. Our expectations were that whilst these continued flows and positive investor sentiment might be supportive of equities over the near term, we could at some point soon expect a correction back towards more sustainable valuation levels, particularly should we see persistent inflation and softer macroeconomic conditions. Against this backdrop, our portfolio held a broadly style neutral approach with a notable bias towards mid and smaller sized companies, where we believe our managers can target companies with stronger growth profiles and often at more attractive valuations.

In reflecting on the quarter that's now past, it was a relatively weak period for Australian Equities when examined on a sector-by-sector basis. Materials (+13%) were the only materially positive for the quarter and given they represent nearly a quarter of the benchmark S&P/ASX 300 on a market-cap weighted basis, the sector was a major positive contributor to the aggregate market return. Outside of Energy and Industrials which were marginally positive, all other sectors were negative. Rhetoric from the RBA suggested a more hawkish stance on interest rates may be adopted going forwards, as inflation remained persistent and more imminent rate cut expectations diminished. It was no surprise the more richly valued growth stocks and other cyclical exposures that are more sensitive to interest rate expectations bore the brunt of the pain, such as Tech (-24%), Consumer Discretionary (-12%) and Healthcare (-9%).

Along a similar vein with our portfolio, whilst we saw a positive contribution to our performance from both our Core large cap and Value managers; this was more than offset by what was a perfect storm for our Growth manager – not only did Growth stocks underperform Value stocks by nearly 10% for the quarter, but our manager also held a strong overweight allocation to the 3 weakest sectors (Tech, Healthcare and Consumer Discretionary), whilst also not holding any Resources companies which fit within the strongest performing Materials sector. While separately our continued bias towards companies further down the market spectrum, with discrete allocations to specialist Small Cap managers, proved favourable – with small caps beating large caps by around 3% for the quarter.

Looking ahead, we remain slightly cautious on the outlook for the Australian Equities market and expect more modest returns over 2026. Our outlook is constructive, but mixed – in that whilst the labour market and economic growth has remained relatively resilient and the tide may continue to rise with the steady flow of capital into our local share market from a variety of both institutional, offshore and retail investors; we hold some concerns around the current elevated valuations more broadly, persistent inflation and subsequently more hawkish stance from the RBA, as well as the continued macro-economic uncertainty and geopolitical conflicts abroad. Investor sentiment has already weakened slightly on the news that there would be no rate cut in December with more stubborn inflation prints. Against this backdrop, we have maintained a portfolio that is relatively balanced by style, while having a distinct bias to the mid and small cap segment of the market where we believe more attractive opportunities remain available for skilled stock pickers.

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#### MORE INFORMATION

Adviser Services 1800 677 648  
Email [Selectqueries@cm.mpmms.mufg.com](mailto:Selectqueries@cm.mpmms.mufg.com)  
[www.perpetual.com.au](http://www.perpetual.com.au)

