

Perpetual Private

PERPETUAL SELECT INTERNATIONAL SHARE FUND

June 2025

FUND FACTS

Investment objective: Long-term capital growth through investment in a diversified portfolio of international shares.

Suggested length of investment: Five years or longer

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. 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.

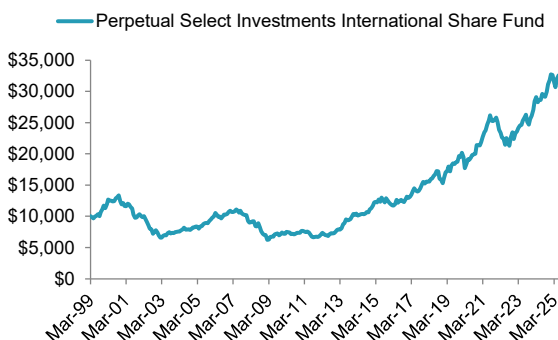
TOTAL RETURNS % (AFTER FEES) AS AT 30 JUNE 2025

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Investments International Share Fund	PER0256AU	1.6	3.6	2.4	13.8	14.9	11.3
Perpetual Select Super International Share Fund	WDL0009AU	1.4	3.1	2.1	12.8	13.9	10.5
MSCI All Country World Index - Net Return (unhedged in AUD)		2.6	6.0	4.0	18.4	19.2	14.8

Past performance is not indicative of future performance

February 2022 onwards, Mercer Super/Pension International Shares Median is no longer published by Mercer

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 (%)
Microsoft Corporation	3.4
Amazon.com, Inc.	3.3
Meta Platforms Inc	2.5
Visa Inc.	2.5
Alphabet Inc.	2.1
NVIDIA Corporation	2.1
Intuit Inc.	1.9
Salesforce, Inc.	1.5
Merck & Co., Inc.	1.5
HDFC Bank Limited	1.4

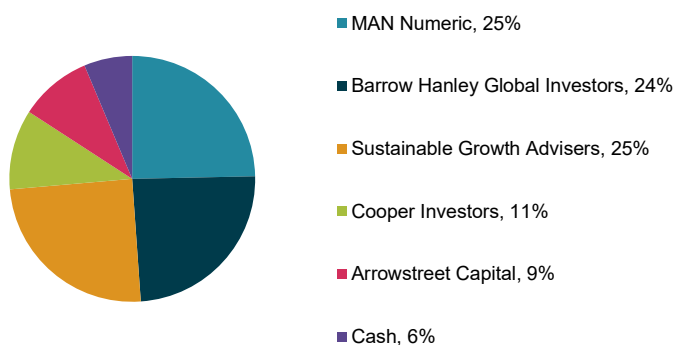
BENEFITS

Offers investors access to returns from companies overseas. Investing internationally allows investors the ability to diversify their portfolio, reducing overall volatility.

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.

PORTFOLIO EXPOSURES[^]



Source: State Street

[^]Portfolio exposures represent the Perpetual Select Investments International Share Fund

MANAGER INVESTMENT APPROACH

MAN Numeric	Concentrated portfolio, quantitative global large to mega cap
Barrow Hanley Global Investors	Diversified portfolio, mid to large cap value
Cooper Investors	Concentrated portfolio, mid to large cap quality
Arrowstreet Capital	Quantitative core global small cap
Sustainable Growth Advisers	Concentrated portfolio, mid to large cap growth

MARKET COMMENTARY

International shares delivered strong gains over the June quarter, with the MSCI All Country World Index (ACWI) rising 6.0%¹ in AUD terms. This performance came despite several headwinds, including renewed geopolitical tensions in the Middle East, heightened trade uncertainty following President Trump’s 2nd April tariff announcements, and softer global economic data. Markets rebounded sharply from April’s sell-off, buoyed by a partial reversal of aggressive tariff measures, a strong US earnings season - particularly in tech - and growing expectations for central bank easing later in the year. Over the 12 months to June, the MSCI ACWI returned 18.4%, and has delivered an impressive 19.2% annualised basis over the past three years.

Growth stocks (+11.9%²) strongly outperformed Value (+0.2%³), with tech-heavy names drawing renewed interest from investors following the April dip. Small caps also posted a solid gain (+6.8%⁴) but continue to lag large caps over the longer term.

In the US, a rally in mega-cap technology stocks drove performance, with the so-called “Magnificent 7” rising 21% in USD terms and Nvidia alone gaining nearly 50%. Market breadth in the US remained narrow, with equal-weighted indices lagging headline benchmarks by one of the widest margins in a decade. The S&P 500 returned 5.4%⁵ and the Nasdaq Composite 12.2%⁶. A weaker US dollar against most major currencies - including a 5.2% depreciation against the Australian dollar - modestly dampened unhedged returns for Australian investors, though underlying local-currency gains remained strong.

European equities also posted strong returns and continued to outperform other major markets on a year-to-date basis. Germany (+11.5%⁷) continued to benefit from fiscal expansion and rising industrial activity, while France (+3.7%⁸) and the UK (+4.2%⁹) also advanced, despite sluggish economic growth. In the Asia Pacific region, performance was more mixed. Japanese equities rose 12.1%¹⁰, while Chinese equities lagged (-0.4%¹¹). Elsewhere, Taiwan and Korea outperformed on the back of semiconductor strength, and the MSCI Emerging Markets Index rose 6.5%¹², supported by improving sentiment, a lower USD, and de-escalation in US-China trade tensions.

At the sector level, Information Technology (+17.2%), Communication Services (+12.0%) and Industrials (+9.7%) led the way, buoyed by tariff exemptions, strong earnings, and global demand for infrastructure and AI-linked technology. In contrast, Energy (-8.5%) declined as oil prices ended the quarter lower, despite a brief surge in June driven by supply concerns linked to the Israel-Iran conflict. Health Care (-8.4%) underperformed due to uncertainty around pharmaceutical tariffs and policy proposals. Consumer Staples (-1.6%) and Real Estate (-1.6%) also ended the quarter in negative territory.

PORTFOLIO COMMENTARY

The Perpetual Select International Share Fund underperformed the MSCI All Country World Index (unhedged AUD) on a net-of-fees basis in the second quarter of 2025. There were no changes to the manager line-up during the period.

Arrowstreet Capital underperformed both the MSCI ACWI (unhedged AUD) and its strategy benchmark, the MSCI World Small Cap Index (unhedged AUD). Relative to its small-cap benchmark, regional positioning was a modest detractor, while stock selection was negative, and sector allocation was neutral. Overweight positioning in Europe and underweight exposure to the US contributed to performance. Sector positioning was neutral, despite underweight exposures in Health Care and Real Estate contributing. At the stock level, the main contributors were Bankinter SA, AJ Bell, and Brinker International, while Brighthouse Financial, ACI Worldwide, and Lincoln National Corp detracted.

Barrow Hanley underperformed the MSCI ACWI (unhedged AUD) in the June quarter, with regional allocation, sector positioning, and stock selection all detracting from relative performance. Overweight positioning in European and UK listed stocks and underweight in US stocks all detracted over the period. Underweight positioning in Information Technology and overweights to Real Estate and Energy sectors detracted from relative returns. Stock selection was weakest across Communication Services, Information Technology and Health Care. Key contributors include Vertiv Holdings, Carnival Corporation and Rheinmetall AG, while the main detractors included Sanofi, Merck & Co and Elevance Health.

Cooper Investors underperformed the MSCI ACWI (unhedged AUD) in the June quarter, with regional positioning and stock selection detracting from relative performance, while sector allocation contributed. Overweight positioning in the UK, and underweight exposure to the US detracted from performance. Underweight positioning in Health Care and Energy contributed, while an underweight allocation to Information Technology detracted. The main contributors during the quarter were Microsoft, Booking.com and Diploma, while exposure to Accenture, LSEG and GE Healthcare detracted.

Man Numeric underperformed the MSCI ACWI (unhedged AUD) in the June quarter. Regional allocation and stock selection detracted, while sector positioning contributed. A regional overweight to Europe detracted, though an overweight to the US contributed. An overweight in IT, was the primary contributor, while underweight positioning in Consumer Staples, and Industrials, as well as an overweight in Health Care were the main detractors. The main detractors over the period were Merck & Co, Abbvie and Qualcomm, while Intuit, Meta Platforms and Eli Lilly contributed.

RETURNS BREAKDOWN (INVESTMENTS)

	FY 2025	FY 2024	FY 2023
Growth Return %	4.4%	-1.0%	17.4%
Distribution Return %	9.4%	14.0%	0.5%
Total Return %	13.8%	13.0%	18.0%

DISTRIBUTION BREAKDOWN

	FY 2025	FY 2024	FY 2023
Cents per unit	13.9717	20.9956	0.6966

PRODUCT FEATURE

	SUPER	INVEST.
Inception date	Dec 94	Mar 99
Management/Investment Fee (p.a.)*	0.92%	1.02%
Ongoing fee discount	Yes	No
Admin fee	0.10%	0.00%
Buy spread	0.22%	0.22%
Sell spread	0.00%	0.00%
Contribution fee	0.00%	0.00%
Withdrawal fee	\$0.00	\$0
Monthly member fee	\$0.00	\$0
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.

SGA outperformed the MSCI ACWI (unhedged AUD) in the June quarter. Regional positioning was mildly positive, with an underweight to Europe and an overweight to the US supporting relative returns. Sector allocation contributed during the period, supported by underweights to Consumer Staples and Energy sectors, overweight positioning in Information Technology, while overweight positioning in Health Care detracted. Largest contributors for the period were Microsoft, Arm Holdings and Nvidia, while the largest detractors were UnitedHealth, Icon and Apple.

OUTLOOK

Market dynamics continue to evolve, with our ‘shifting sands’ thesis continuing to hold through the quarter. After strong outperformance of Value and Quality investment styles in the first quarter of 2025, we saw President Trump’s announcement of ‘reciprocal tariffs’ rock markets in early April. With this came a sharp sell off across a range of sectors and regions, however, since the depths of the sell off, markets have rallied strongly, again with notable changes in leadership from week to week.

While many were concerned about the Israel / Iran conflict and the risk that US would intervene (which ultimately it did) combined with the risk it could lead to broader conflict and subsequently a significant sell off in markets; it became clear that the oil and energy complex remains the markets preferred ‘tool’ for expressing risks as they relate to the Middle East and that for intents and purposes, the Middle East is relatively limited on its impact on the world economy.

Looking forward, we believe that the market views President Trump’s ability to negotiate and agree several trade deals with selected trading partners in recent weeks as proof that he will ultimately be successful with all the US’s trading partners. This remains to be seen; however, we expect near term progress on trade deals to primarily be with countries who are incentivised to work faster to achieve an outcome with the US i.e. they are heavily reliant on the US consumer demand for their domestic industries.

Furthermore, US tariffs remain at the highest levels in almost a century, and while this will likely result in modestly higher inflation in the near term, we expect the market to focus on what this means for revenue, margins and profits as we come into the next earnings season.

Markets are not ‘cheap’, with valuations still at or above long-term averages. We believe corporates’ ‘margin for error’ has narrowed, and that earnings misses will likely be met with harsh treatment and sharp price drawdowns. Avoiding names where this risk is elevated will be key to delivering strong outcomes. Further, we expect the market to reward those management teams who demonstrate apt understanding of their supply chains and have the ability to adjust in response of tariffs and protect margins.

¹ As measured by the MSCI ACWI – Net Return in AUD terms (Unhedged)
² As measured by the MSCI World Index Growth – Net Return index in AUD terms (Unhedged)
³ As measured by the MSCI World Index Value – Net Return index in AUD terms (Unhedged)
⁴ As measured by the MSCI AC World Index Small Cap – Net Return in AUD terms (Unhedged)
⁵ As measured by the S&P 500 index – Net Return in AUD terms (Unhedged)
⁶ As measured by the NASDAQ Composite index – Gross Return in AUD terms (Unhedged)
⁷ As measured by the DAX index – Gross Return in AUD terms (Unhedged)
⁸ As measured by the CAC 40 index – Net Return in AUD terms (Unhedged)
⁹ As measured by the FTSE 100 index – Net Return in AUD terms (Unhedged)
¹⁰ As measured by the Nikkei 225 index – Net Return in AUD terms (Unhedged)
¹¹ As measured by the Hang Seng index – Net Return in AUD terms (Unhedged)
¹² As measured by the MSCI Emerging Markets index – Net Return in AUD terms (Unhedged)

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