

Perpetual Private

PERPETUAL SELECT INTERNATIONAL SHARE FUND

September 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.

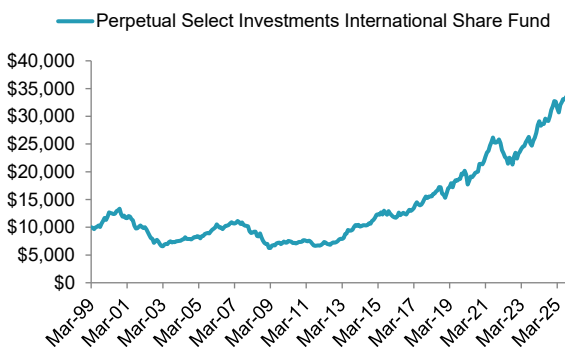
TOTAL RETURNS % (AFTER FEES) AS AT 30 SEPTEMBER 2025

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Investments International Share Fund	PER0256AU	1.3	2.9	6.6	14.9	16.3	11.0
Perpetual Select Super International Share Fund	WDL0009AU	1.2	2.7	5.9	13.8	15.1	10.2
MSCI All Country World Index - Net Return (unhedged in AUD)		2.3	6.4	12.9	22.8	21.9	15.3

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	3.2
NVIDIA Corporation	3.2
Alphabet Inc.	3.1
Amazon.com, Inc.	3.0
Meta Platforms Inc	2.2
Apple Inc.	2.0
Merck & Co., Inc.	1.7
Intuit Inc.	1.6
Visa Inc.	1.5
QUALCOMM Incorporated	1.4

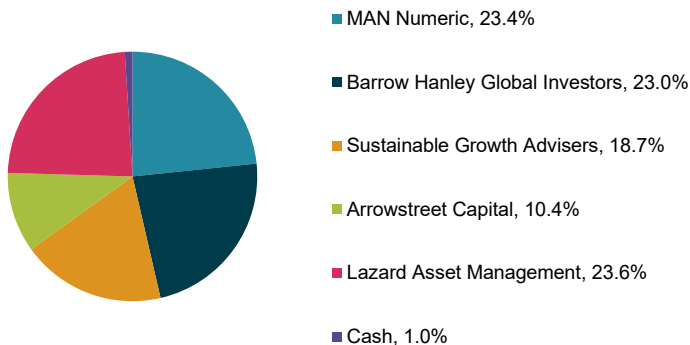
BENEFITS

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^



^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
Lazard Asset Management	Quantitative, core, benchmark aware
Arrowstreet Capital	Quantitative core global small cap
Sustainable Growth Advisers	Concentrated portfolio, mid to large cap growth

MARKET COMMENTARY

International shares enjoyed another buoyant period, brushing off the complicated economic and geopolitical landscape, to return a robust 6.4% for the quarter, and 2.3% for September; a month that is typically the weakest in the year. With the turmoil of President Trump’s April 2nd tariffs announcement firmly in the rearview, markets have embraced a ‘glass half full’ perspective, opting instead to focus on the clear potential of the Artificial Intelligence (AI) revolution, over the haze of trade tensions and geopolitical conflict.

As such, the backdrop of global investment markets riding the continued and rapidly paced growth of AI and its related industries, has driven the performance of Growth companies over Value, delivering 7.4% over the 3 months to the end of September (vs 4.7%) and 28.1% over 12 months (vs 17.2%). Indeed, when we look through a sectoral lens, Information Technology and Communication Services, both of which contain the main tech giants you would associate with the AI ecosystem, are the stand-out best performing sectors over the 3 month period returning 11.5% and 10.5% respectively.

Pleasingly however, markets more broadly have been basking in the positive market sentiment AI has inspired, along with the continued delays to Trump’s tariffs and a robust consumer. Indeed, the third best performing sector (behind Information Technology and Communication Services) was Consumer Discretionary, which returned a respectable 8.4% over three months. Even smaller companies have been enjoying farer conditions, returning 6.9% over the period, a healthy 0.7% higher than their larger company peers. This isn’t to say that all segments of markets were strong. Consumer Staples was the only sector with a negative return for the quarter, receding -2.9%, taking its 12 month performance to 4.4% (in stark contrast to Communication Services’ 40.8% for the same period). Real Estate and Health Care were also somewhat subdued (returning 1.5% and 2.1% respectively), as post COVID inflation and higher-for-longer interest rates weigh on their earnings and valuation multiple.

On a regional basis, Hong Kong’s Hang Seng index was the best performing of the primary markets we follow, returning 12.4% in local currency terms; a gain that outpaces that of the US’ tech-heavy Nasdaq market at 11.4% (also in local currency terms). A combination of Chinese government buying through state-owned enterprises, attractive valuation differentials and some positive developments in China’s own tech industry, has been stoking share market returns across Asia. Trailing the pack, we saw Germany’s DAX index consolidate with a -0.1% return for the quarter, after some strong performance over the year (23.6%).

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 third quarter of 2025. During the quarter, Cooper Investors Global Stalwart portfolio was terminated in favour of Lazard Global Equity Advantage.

Arrowstreet Capital outperformed 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 contributor, while most of the strategy’s outperformance was driven by positive stock selection. Stock selection was strongest across Industrials, Materials and Information Technology, but a headwind in Health Care. Sector allocation detracted over the period.

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

Man Numeric modestly outperformed the MSCI ACWI (unhedged AUD) in the September quarter. The portfolios allocation to larger cap stocks and sector exposures contributed to performance, while regional allocation detracted. Stock selection with Emerging Markets, and North America were the main contributors to performance. Of note, stock selection within Information Technology was poor, as was Consumer Discretionary, while positive within Health Care and Communication Services. Key contributors to performance during the period were Alphabet Inc (Class A), Johnson & Johnson, Abbvie, Inc and Samsung Electronic, while notable detractors included SAP SE, Salesforce Inc, Adobe Inc, and Intuit (all software businesses).

SGA materially underperformed the MSCI ACWI (unhedged AUD) in the September quarter. Despite regional positioning having a mildly positive impact, sector allocation and stock selection detracted from returns during the period. Stock selection detracted from performance across all sectors held in the portfolio, but primarily Information Technology, Consumer Discretionary and Financials. Largest contributors for the period were Alphabet, Nvidia, TSMC and United Health, while the largest detractors were Chipotle, Intuit, and Gartner.

Lazard outperformed the MSCI ACWI (unhedged in AUD) since its inception in mid-August 2025 through to the end of Q3 2025. Stock selection was the primary driver of outperformance, while sector allocation also made a modest contribution to returns. More detailed commentary will be provided, in line with other managers in the portfolio, in future quarters.

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.

- ¹ As measured by the MSCI All Country World index in AUD terms
- ² As measured by the MSCI World Growth index in AUD terms
- ³ As measured by the MSCI World Value index in AUD terms
- ⁴ As measured by the MSCI AC World - Information Technology index in AUD terms
- ⁵ As measured by the MSCI AC World - Communication Services index in AUD terms
- ⁶ As measured by the MSCI AC World – Consumer Discretionary index in AUD terms
- ⁷ As measured by the MSCI AC World Small Cap index in AUD terms
- ⁸ As measured by the MSCI AC World - Consumer Staples index in AUD terms
- ⁹ As measured by the MSCI AC World - Real Estate index in AUD terms
- ¹⁰ As measured by the MSCI AC World - Health Care index in AUD terms
- ¹¹ As measured by the Hang Seng Index in local currency terms
- ¹² As measured by the Nasdaq Composite in local currency terms
- ¹³ As measured by the German DAX in local currency terms

OUTLOOK

Following the April tariff announcement, investors adopted a more cautious stance given heightened apprehensions about trade policy and its economic implications. Nonetheless, this decline in confidence was transitory, with sentiment stabilising by May and risk appetite subsequently recovering. Equity markets have since advanced, reaching new highs, and reflecting a broadly constructive sentiment despite ongoing uncertainties.

US equities remain priced above historical averages, though a closer examination reveals subtleties. The S&P 500’s valuation is notably influenced by a concentration of high-value constituents; it would be inaccurate to characterise the entire US market as uniformly expensive. In fact, smaller-cap stocks generally present more attractive valuations.

Within emerging markets, equities trade at a discount relative to developed markets, implying that growth risks and tariff concerns have largely been absorbed into current prices. Chinese corporates have demonstrated improving fundamentals against a challenging macroeconomic backdrop, and emerging market equities have historically outperformed during periods of US dollar weakness.

Although valuations are a key consideration, earnings growth is the principal driver of equity performance. Corporate profit results have generally exceeded expectations in recent periods. While some organisations have withdrawn earnings guidance due to persistent macroeconomic uncertainties, management commentary has thus far indicated that tariff-related impacts have been limited. Analyst projections have, to date, been overly pessimistic regarding the effects of tariffs on margins, as firms have managed to mitigate costs either through price adjustments or operational efficiencies.

Within the United States, investment in artificial intelligence has emerged as a principal driver of economic momentum. According to JP Morgan, since the debut of ChatGPT in November 2022, companies engaged in AI have contributed approximately 80% of the S&P 500’s earnings growth and 90% of capital expenditure growth. The remainder of the market is anticipated to deliver earnings growth of around 4% in the fourth quarter, illustrating a bifurcated economic landscape. It is important to keep in mind that semi-conductors are cyclical sector and demand can change quickly on the back of management decisions, particularly around the efficacy of AI integration into business practices and processes.

An emergent theme during the quarter has been a pronounced shift toward more cost-conscious consumer behaviour. With tariffs contributing to higher prices, consumers are demonstrating increased prudence and a heightened emphasis on value and affordability. The impact on consumer-oriented companies will vary according to each company’s value proposition and its capacity to absorb or circumvent increased input costs.

Businesses providing essential products, with robust supply chains, or those commanding strong brand loyalty are likely to prove more resilient, whereas companies more exposed to tariffs or facing weakening demand may experience greater pressure on margins and earnings growth.

It is our assessment that the margin for error has narrowed; earnings disappointments may be met with significant share price declines. Selectively avoiding higher-risk exposures will be critical to achieving strong investment outcomes. Moreover, we anticipate that the market will reward management teams exhibiting a sophisticated understanding of their supply chains and an ability to adapt to tariffs while safeguarding margins. Looking ahead, we expect a higher level of volatility throughout the final quarter of 2025, driven by uncertainties related to US trade policy, Federal Reserve decisions, and geopolitical developments. Nevertheless, such volatility may present compelling opportunities for discerning investors.

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