

WEALTHFOCUS PERPETUAL GLOBAL ALLOCATION ALPHA

January 2026

FUND FACTS

Investment objective: Aims to provide long-term capital growth and outperform the MSCI World ex Australia Net Total Return Index (AUD) with lower risk (before fees and taxes) over rolling three-year periods.

FUND BENEFITS

Provides investors with long-term growth opportunities across global equities. The fund is run by high quality investment teams.

FUND 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.

Benchmark: MSCI World Ex Australia Net Total Return Index (AUD) - since 1st October 2022

Inception Date: September 2000

Size of Portfolio: \$19.50 million as at 31 Dec 2025

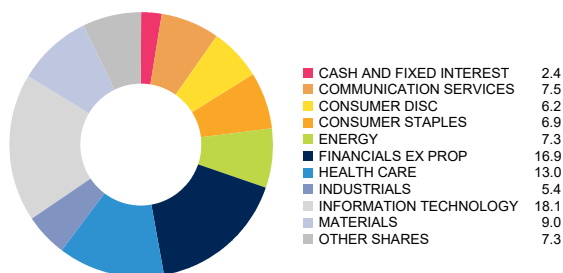
APIR: PER0109AU

Management Fee: 0.55%*

Investment style: Active, fundamental, disciplined, value

Suggested minimum investment period: Five years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

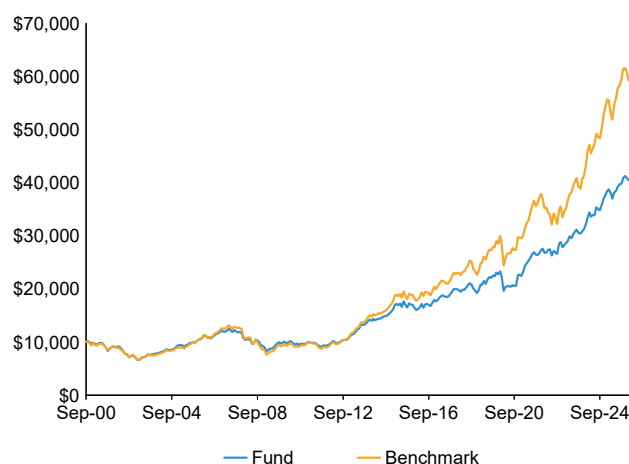
	% of Portfolio
Microsoft Corporation	2.6%
Apple Inc.	2.6%
NVIDIA Corporation	2.1%
Broadcom Inc.	1.4%
Alphabet Inc.	1.3%
Alphabet Inc.	1.2%
Exxon Mobil Corporation	1.1%
Amazon.com, Inc.	1.1%
Merck & Co., Inc.	1.1%
Chevron Corporation	1.0%

PERFORMANCE- periods ending 31 January 2026

	Fund	Historical ¹ Performance	Benchmark	Excess
1 month	-1.15	-	-2.75	+1.60
3 months	-0.93	-	-3.47	+2.54
1 year	5.37	-	6.53	-1.15
2 year p.a.	12.27	-	17.20	-4.93
3 year p.a.	12.82	-	19.77	-6.96
4 year p.a.	-	10.09	12.66	-2.57
5 year p.a.	-	12.49	14.94	-2.45
7 year p.a.	-	10.73	14.21	-3.48
10 year p.a.	-	9.43	12.56	-3.13

¹Effective 1 October 2022 the Fund Investment strategy has changed; including the investment objective, investment approach and benchmark of the Fund. Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

GROWTH OF \$10,000 SINCE INCEPTION



MARKET COMMENTARY

Equities performed and bond yields rose during a month hallmarked by rising geopolitical risks, tariff threats, US Dollar weakness, surging Japanese bond yields, and the pricing of 2026 RBA rate hikes.

- Global shares (+1.7%) ended the month higher although the key narrative was the broadening of equity market returns with small caps, value and ex-US markets outperforming, extending the rotation which commenced in 2025.
- US equities (+1.5%) trailed the broader developed market and experienced elevated volatility after renewed US tariff threats in mid-January, but prices recovered losses with a strong rally in the last week of the month.
- Japanese equities (+4.6%) led the pace of gains in developed markets as the rising risk of expansionary fiscal policy from the Japanese election spending spree would support domestic demand and corporate EPS growth.
- UK equities (+3.0%) outperformed the global index as the rotation away from highly valued US tech sectors sparked increased demand for traditional cyclical sectors which the UK market has an abundance of.
- European equities (+2.8%) outperformed as earnings expectation rose in line with solid economic data. In addition, European defence stocks rallied strongly on rising geopolitical tensions between the US and the rest of NATO over Greenland, which consolidated recent gains from increase government defence spending.
- Emerging markets (+8.8%) performed very strongly, supported by a weaker US dollar, ongoing strength in AI related technology which is trading on a much lower multiple within the region.
- Australian Shares (1.7%) performed in line with the global index with price increases led by resources stocks which benefited from rising commodity prices.
- Global bond yields rose on aggregate reflecting fiscal concerns and changing monetary policy expectations. The US curve steepened as 10-year bond yields rose 9bps whereas the domestic curve flattened as the policy sensitive 2-year tenor sold off sharply (+15bps) as rising inflation sparked pricing for near term rate hikes by the RBA.
- Precious metals including gold (+13.0%) extended their strong rally, notwithstanding a sharp decline in the final week of January, as the continued depreciation of the USD sparked rising demand for other safe havens.

Geopolitical volatility was notable with the US's capture of the Venezuelan President, increased US tensions with NATO allies over Greenland, and civil unrest in Iran, and continued to shape market sentiment throughout the month. President Trump introduced plans to impose a 25% tariff on the UK and seven European nations as leverage to gain their backing for his proposal to acquire Greenland. In response, the European Parliament paused the ratification of a previously negotiated trade agreement with the US, effectively delaying the reduction of tariffs on American imports. Adding to the tension, a Danish pension fund—despite being only a minute holder—announced it would sell its US Treasury positions, citing concerns about the long term fiscal sustainability of the United States. Although diplomatic pressures eased somewhat following discussions at Davos, the episode reinforced the extent to which the US administration views tariffs as a strategic tool in negotiations. Risks associated with further tariffs is tempered however by the impending midterm elections where affordability is likely to remain a key focus for voters.

The Federal Reserve kept interest rates steady in January, noting economic activity had strengthened to a “solid” pace while inflation remained “somewhat elevated.” Inflation improvement was slow, with December CPI at 2.7% amid persistent services inflation ex-housing. The broader US economy stayed resilient: unemployment edged down to 4.4%, core inflation was unchanged, yet consumer confidence weakened and pending home sales fell sharply. Late in January, President Trump nominated Kevin Warsh to lead the Federal Reserve which precipitated a sharp reversal in the previously relentless rise of safe haven precious metals, and the US Dollar bounced as markets were constructive about the prospect of a Warsh-led US Fed. While he has more recently argued for lower rates during his last stint at the Fed, he spoke publicly about his desire to shrink the Fed balance sheet as it was distorting asset prices.

Alongside the broadening of global equity market performance, January saw a bifurcation of performance within the tech sector where supply chain companies including semi-conductor stocks strongly outperformed AI and SAAS names. We continue to have concerns around the sustainability of capital expenditure in the AI sector. So far, the cash burn for Open-AI is \$140 billion, greater than any single loss during the GFC. At the same time, the business model for model developers has limitations broad-based competition is likely to culminate in a contestable, mediocre margin business with ongoing demands for improving computing power. While AI technology itself is transformative, we see some parallels to the first tech boom and are wary of the business of providing AI services will meet the egregious profit expectations which are baked into forward looking valuations. We look for opportunities outside this cohort.

Outside the US, the focus was Japan, where long-term bonds had their worst start to a year since 1994 due to rising fiscal and persistent inflation concerns. PM Takaichi hopes to address inflation by reducing food and energy taxes, which in concert with BOJ tightening and the declining Yen, further adds to debt concerns. Equities continue to be buoyed by the expansionary fiscal agenda and the rally intensified after parliament was dissolved ahead of an early February snap election.

Europe saw improved macroeconomic data during January with the Eurozone CPI falling to 1.9% in December – its first sub 2% reading in eight months – and the regional composite Purchasing Managers' Index (PMI) remained in expansion territory at 51.3. Meanwhile, Dec-25 German growth exceeded expectations, resulting in +0.4%Y growth in 2025 after two years of recession. Large scale fiscal stimulus is anticipated for 2026; however the private sector remains subdued at best. Equity markets in Europe continue to trade below US and Australian valuations but have elevated 12MF PEs when compared with its long-term average.

Australia's trimmed mean inflation rose only +0.2%M in December but gained +0.9%Q over the quarter which was well in excess of the RBA's forecast which combined with an unexpected drop in unemployment to 4.1%, saw markets shift towards expecting a -0.25% RBA hike in February. Employment grew just 1.1% in 2025—below population growth and well down from 2024—though a lower participation rate has kept unemployment contained. While recent spending data has improved, the medium-term outlook looks tepid with zero real wages growth for the next few years, and a cautious corporate sector.

PORTFOLIO COMMENTARY

Banco Bradesco SA positively contributed to relative performance during the month as Brazilian equities recovered. The stock sold off last month and was among the top detractors in December as heightened geopolitical risk and looming elections weighed on Brazilian equities. The market was generally boosted by investment inflows into the company, the continued rotation towards EM stocks, and commodity strength mixed with a weaker USD.

Entegris, Inc. positively contributed to relative performance during the month as steady demand for its advanced materials and process solutions supported results. The company, which provides critical contamination control and specialty chemical technologies used across semiconductor manufacturing,

benefitted from resilient activity at leading edge chip nodes. Its latest quarterly performance reflected stable revenue trends and operational efficiency, as management continued to emphasize innovation and investments that position the business for future technology cycles. Strength in areas tied to high performance computing and next generation manufacturing helped offset cyclical pressures elsewhere in the sector, reinforcing the strategic value of Entegris' offerings.

Humana Inc. detracted from relative performance during the month as shares reacted to the initial Medicare Advantage rate proposal, which came in well below what investors had anticipated. As a major provider of Medicare Advantage plans and related healthcare services, the company is especially sensitive to these early rate signals because they shape expectations for how effectively it can balance benefit design with underlying medical cost trends. The preliminary update, while not final, suggested a more modest funding environment than the market had been expecting, which weighed on sentiment. However, the company continues to focus on serving a large and growing senior population, where its longstanding expertise in coordinated care and plan management remains a strategic advantage. Investors will be watching the final rate announcement later this spring, as these updates have historically improved and could help provide more clarity on the path forward.

OUTLOOK

Markets are facing challenges in the near term (two Fed cuts and EPS growth of +15% for 2026 are already factored in) and long term (investors living in a '4% world' given high valuations and likely having priced in years of productivity improvement). Valuations are above the 90th percentile in every region (ex-UK and Japan) which combined with narrow market leadership and the preponderance of value-agnostic passive funds, have made regional equity markets increasingly vulnerable to unexpected news.

The Fund continues to target undervalued companies overlooked by passive flows. These firms continue to offer, strong fundamentals and elevated free cashflows and are not reliant on valuation expansion for future performance. In scenarios where market performance broadens beyond the "Magnificent 7" stocks, the Fund's diversified, and value style—previously a headwind against concentrated momentum-driven equity indices—should help drive performance.

We continue to manage downside risks by maintaining little or no exposure to the most expensive parts of the global equity and credit markets, and have zero exposure to private markets given their liquidity and valuation risks, where a left tail event could spark vulnerabilities and contagion. The Fund complements this with option protection where it has been attractively priced to implement. These include cost-effective S & P 500 put options, risking only premiums if markets rise, while protecting against downturns without predicting timing. The Fund also maintains a USD call option versus the Hong Kong Dollar which provides cheap protection against geopolitical risks.

Cash levels have not been calculated on a look-through basis. The underlying investments of the fund will also have a proportion of their assets invested in liquid assets. The publication has been prepared and issued by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426, as promoter for the Perpetual WealthFocus Superannuation Fund. The information contained in this document is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The information contained in this document is in addition to and does not form part of the product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund. The PDS for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL 229757, RSE L0001458, should be considered before deciding whether to acquire or hold units. The PDS and Target Market Determination can be obtained by calling 1800 011 022 or visiting www.perpetual.com.au. Neither PIML, ETSL nor any of their related parties guarantee the performance of any fund or the return of an investor's capital. Total returns shown for the Perpetual WealthFocus Superannuation Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.

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