

# PERPETUAL ESG AUSTRALIAN SHARE ACTIVE ETF

## ASX code: GIVE

December 2025

### FUND FACTS

**Investment objective:** Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian shares that meet Perpetual's ESG and values-based criteria. Aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.

### FUND BENEFITS

The Fund has two exclusion screens, with which we assess companies. A values-based exclusionary screen for involvement in certain activities, and a ESG exclusionary screen based on an evaluation of companies overall performance on ESG issues.

### 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:** S&P/ASX 300 Accum. Index

**Inception date of strategy:** April 2002

**ASX commencement date:** 29 November 2021

**Distribution Frequency:** Half-Yearly

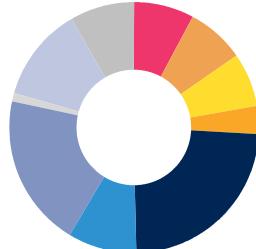
**Management Fee:** 0.65%\*

**Performance Fee:** 15 % of outperformance\*

**Investment style:** Active, fundamental, bottom-up, value

**Suggested minimum investment period:** Five years or longer

### PORTFOLIO SECTORS



CASH AND FIXED INTEREST	7.8
COMMUNICATION SERVICES	7.6
CONSUMER DISC	6.7
CONSUMER STAPLES	3.8
FINANCIALS EX PROP	23.9
HEALTH CARE	8.8
INDUSTRIALS	19.8
INFORMATION TECHNOLOGY	1.0
MATERIALS	12.3
OTHER SHARES	8.3
Total:	100.0

### TOP 10 STOCK HOLDINGS

	% of Portfolio
Deterra Royalties Ltd	8.0%
GPT Group	6.3%
Reliance Worldwide Corp. Ltd.	6.1%
GWA Group Limited	5.5%
News Corporation	4.8%
ANZ Group Holdings Limited	4.0%
Commonwealth Bank of Australia	3.1%
Howden Joinery Group PLC	3.1%
a2 Milk Company Limited	2.8%
ASX Limited	2.8%

\*Information on management costs is set out in the relevant PDS

### NET PERFORMANCE - periods ending 31 December 2025

	Fund	Benchmark	Excess
1 month	-2.08	1.37	-3.45
3 months	-1.61	-0.89	-0.72
1 year	7.04	10.66	-3.63
2 year p.a.	9.90	11.03	-1.13
3 year p.a.	10.71	11.39	-0.68
Since incep. p.a.	7.31	8.53	-1.23

Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

### PORTFOLIO FUNDAMENTALS<sup>^</sup>

	Portfolio	Benchmark
Price / Earnings*	17.3	18.3
Dividend Yield*	3.3%	3.5%
Price / Book	2.2	2.3
Debt / Equity	34.7%	39.5%
Return on Equity*	12.1%	12.9%

<sup>^</sup> Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating the Fund's investment style in action. These figures are forecast estimates, calculated based on consensus broker estimates where available, and should not be relied upon. Dividend Yield is a dividend forecast of underlying securities for the portfolio and does not reflect the distributions to be determined for the fund.

\* Forward looking 12-month estimate.

## MARKET COMMENTARY

The S&P/ASX300 declined -0.9% in the December quarter despite significant sector rotation. Materials surged +13.0%, driven by gold and copper strength amid persistent inflation concerns and demand for real assets, while Energy (+0.9%) and Industrials (+0.6%) offered modest gains. Conversely, Information Technology plummeted -23.7% as global AI valuation pressures intensified, compounded by governance issues at WiseTech and regulatory uncertainties. Health Care (-9.5%), Consumer Discretionary (-11.5%) and Communication Services (-6.6%) underperformed as consumer confidence weakened and macro uncertainty mounted. Financials declined -1.91% with bellwether CBA falling after disappointing earnings and stretched valuations. Throughout the quarter, sticky inflation above the RBA's 2-3% target band, evidenced by October's 3.2% CPI print and November's 3.8% reading, constrained rate-cut expectations and fuelled potential tightening speculation. A resilient labour market and moderating but positive PMI data provided some economic resilience, while corporate-specific headwinds including ANZ's record \$250 million regulatory penalty and the continued de-rating of CSL as concerns mounted over its performance.

## PORTFOLIO COMMENTARY

A feature of this portfolio is that it applies Perpetual's ESG process and values-based investment criteria. The portfolio's largest overweight positions include Deterra Royalties Ltd, Reliance Worldwide Corporation and GPT Group. Conversely, the portfolio's largest underweight positions include BHP Group Ltd (not held), Commonwealth Bank of Australia and Wesfarmers Limited (not held).

The overweight position of a2 Milk added to portfolio performance in the quarter, rising +6.7% as investors are optimistic on the delivery of results and execution of strategic initiatives. Notably, the company reported better-than-expected performance as revenue growth and EBITDA margins expand. Currency rate movements are favourable in line with the company's almost-half a billion dollars in investments to expand operations in China. While acknowledging China's declining birth rate and expecting infant formula sales to remain relatively flat over the medium term, management is strategically diversifying beyond infant formula into products targeting older age groups. The company's focus on premiumisation and innovation across different life stages positions it well to capture market share in a challenging environment. We remain optimistic about a2 Milk's growth trajectory, supported by its strategic investments, product diversification, and New Zealand's constructive trade relationship with China, which provides a stable foundation for long-term expansion.

Ramsay Health Care's overweight position was a solid contributor to portfolio performance in the quarter, rallying +8.3%, despite a weak performance in December. The company delivered strong quarter-end results as they demonstrated meaningful recovery across its Australian operations. Domestic performance showed notable improvement from earlier volume softness and wage pressures, with EBIT margins expanding materially and revenue growth of 6.5%. We view this as an encouraging sign that management is taking meaningful steps in improving the operations of the business. While operating cost headwinds from wage inflation persist across the sector, Ramsay's extensive hospital network, targeted transformation initiatives aimed at improving operational efficiency, and exposure to rising structural healthcare demand provide a solid foundation for sustained long-term earnings growth.

Premier Investments underperformed the market over the quarter, declining -25.8% as investors assessed the company's post-divestment trajectory and were worried with higher than expected employee and rental costs which compressed earnings margins. Peter Alexander has emerged as the portfolio's standout performer, with sales more than doubling over the past six years. This resilience suggests Peter Alexander remains in a growth phase, with management planning new stores featuring larger footprints to capture opportunities, alongside international expansion. Smiggle presents a contrasting picture as highlighted by the AGM in November. Sales have declined since COVID, accompanied by UK store closures, and while management plans new product launches to reinvigorate demand, emerging competitors have raised questions about whether some weakness may be structural rather than cyclical. The market remains focused on whether management can successfully navigate this transition while addressing Smiggle's structural headwinds.

News Corporation was a detractor from portfolio performance in the quarter, with the stock down -13.3%. The stock sold off in line with the performance of REA Group, in which it holds a 61% shareholding. REA was pressured by comments from Costar, the new owner of competitor Domain, pointing to improved performance in market from Domain. Further, increasing polarisation and uncertainty around the potential impact of Artificial Intelligence on classifieds more broadly weighed. Ultimately, we see both concerns as overblown and believe REA's very dominant market position in both the eyes of consumers. With the sell-off in the NWS share price, we believe the current valuation is implying a material discount to the current market value of the REA stake, with the value of Dow Jones and Harper Collins justifying most of the current market cap of the company.

## OUTLOOK

As we head into 2026, Australian equity valuations remain elevated, with market P/E ratios above their 20-year averages, though still less stretched than in the US. Investors are grappling with three dominant themes. First is the AI-driven technology cycle: a genuine capital-expenditure boom in data centres and advanced semiconductors is colliding with increasingly demanding valuations, raising questions about durability and the risk of eventual bust. Second is the resurgence in commodities. Gold has led headlines as investors seek inflation protection amid currency concerns, while copper and other critical materials are rising on tight supply and accelerating demand from electrification, energy transition and AI infrastructure. Third is monetary policy divergence. The US Federal Reserve is edging toward further rate cuts, while the Bank of Japan's long-anticipated policy normalisation looms large. The RBA sits uncomfortably between these forces, still focused on containing domestic inflation. Overlaying all of this, the abrupt removal of Venezuela's President Maduro is a reminder of how quickly geopolitical risks can re-emerge, even if markets remain outwardly calm - for now.

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Investment returns, net of management costs have been calculated on the growth of Net Asset Value (NAV) after taking into account all operating expenses (including management costs) and assuming reinvestment of distributions on the ex-date. Distribution return has been calculated based on the ETMF's investment portfolio return less the growth of NAV. No allowance has been made for taxation. Future returns may bear no relationship to the historical information displayed. The returns shown represent past returns only and are not indicative of future returns of an ETMF. Returns on an ETMF can be particularly volatile in the short term and in some periods may be negative. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of the ETMF or the return of an investor's capital.

## MORE INFORMATION

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