

# WEALTHFOCUS PERPETUAL GLOBAL ALLOCATION ALPHA

October 2025

## 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:** November 2008

**Size of Portfolio:** \$18.60 million as at 30 Sep 2025

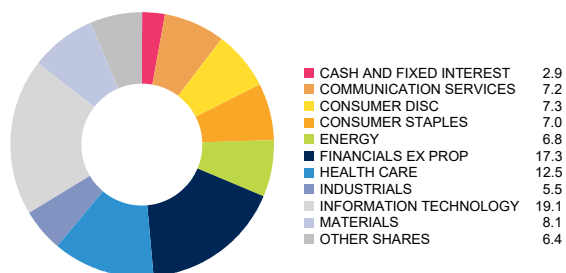
**APIR:** PER0496AU

**Management Fee:** 0.80%\*

**Investment style:** Active, fundamental, disciplined, value

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

## PORTFOLIO SECTORS



## TOP 10 STOCK HOLDINGS

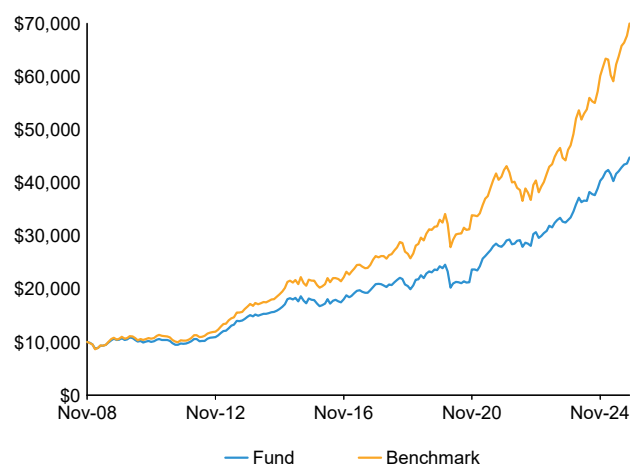
	% of Portfolio
Microsoft Corporation	3.3%
Apple Inc.	2.8%
NVIDIA Corporation	2.3%
Alphabet Inc.	2.1%
Broadcom Inc.	1.6%
Amazon.com, Inc.	1.2%
Exxon Mobil Corporation	1.0%
Chevron Corporation	0.9%
Roche Holding Ltd	0.9%
Meta Platforms Inc	0.9%

## PERFORMANCE- periods ending 31 October 2025

	Fund	Historical <sup>1</sup> Performance	Benchmark	Excess
1 month	2.52	-	3.32	-0.79
3 months	4.27	-	6.34	-2.07
1 year	14.94	-	22.32	-7.38
2 year p.a.	17.32	-	25.76	-8.44
3 year p.a.	13.87	-	20.90	-7.03
4 year p.a.	-	12.53	14.22	-1.68
5 year p.a.	-	16.03	17.53	-1.50
7 year p.a.	-	11.52	14.57	-3.06
10 year p.a.	-	9.41	12.42	-3.00

<sup>1</sup>Effective 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

Global equities extended their rally in October, reflecting positive US corporate earnings growth and easing US inflation. The month saw elevated volatility as markets navigated rising – and later easing – US China trade tensions, a US government shutdown and increasingly hawkish rhetoric from the Fed.

- Developed market equities (+2.6%) rose, marginally outpacing the S&P 500 (+2.3%). Growth stocks sectors extended their outperformance over value fuelled by investor enthusiasm for AI, rising AI related capex guidance and robust revenue growth for cloud providers including Microsoft, Alphabet and Amazon.
- The ASX 300 (+0.4%) trailed the broader developed market, as above expectation inflation dimmed expectations of further RBA rate cuts.
- Japanese stocks (+16.7%) surged in yen terms reflecting optimism surrounding new prime minister Sanae Takaichi's pro-growth platform including targeted infrastructure investment, elevated defence spending and tax cuts.
- UK shares (+4.1%) rallied alongside gilt yields, in response to a dovish shift from Bank of England and anticipation of 2026 rate cuts, reflecting softer inflation data and growth expectations.
- European stocks (+2.5%) saw a modest gain led by value sectors and stocks. Turmoil in the French government persisted in October and the region continues to grapple with soft growth even as inflation has moderated.
- Emerging Market equities (+4.6%) rallied, led by Korea and Taiwan. China (-3.9%) declined, giving back a portion of recent gains. The negative sentiment surrounding US China trade relations over the majority of the month weighed on market performance before Trump and Xi reached a deal in the last week of October.
- Bond markets were mixed, led by UK 10-year bond yields (-27bps) which rallied strongly. US private and high yield credit markets saw elevated volatility following the bankruptcies of automotive parts company First Brands group and auto loan specialist Tricolor Holdings.

US tariff policy remained in focus during October with President Trump announcing additional levies of 100% on imports from China and new export controls on software early in the month. This precipitated the largest single day selloff in US equities since April. By the end of month, sentiment had improved with Presidents Trump and Xi meeting in Korea and agreeing to a one-year trade truce including a slight rollback of US tariffs on Chinese goods as well as China resuming purchase of US soybeans and suspending export controls on rare earth minerals. While the US equity market seems complacent about risk arising from US trade policy, we remain cautious about the outlook.

The Impact of tariffs on inflation has thus far been muted with US CPI continuing to print below expectations. September CPI (+ 3.0% y/y) eased, with moderating rents and easing services inflation offsetting a sharp increase in gasoline prices. The Fed delivered its second consecutive rate 25bps rate cut in late October. Commentary from Fed Chair Powell took a more hawkish tone however, emphasizing that a December rate cut was “not a foregone conclusion”. Futures markets moved to remove almost 50bps of anticipated 2026 cuts in reaction. The Fed also announced plans to halt quantitative tightening by December, reflecting credit market liquidity concerns.

In the UK, inflation surprised to the downside (+3.8% y/y versus expectations of 4.0% y/y), easing pressure on the Bank of England (BoE) and precipitating a rally in bond yields as investors brought forward expectations for 2026 rate cuts. Fiscal risks remain a key concern however with the upcoming November budget anticipated to include tax increases to address the deficit and appease bond market vigilantes. The European Central Bank (ECB) maintained its policy rate at 2.0% for a third consecutive meeting, signalling continued caution as inflation trends downward. Economic growth remains weak with GDP expanding just 0.2% in the third quarter and the 2026 outlook growth remains modest with most growth backloaded. Equity markets in Europe continue to trade below US and Australian valuations but remain expensive relative to long-term averages.

Domestically, labour market data pointed to cooling momentum. The unemployment rate rose unexpectedly to 4.5 %, up from 4.3%, as workforce participation increased. Trimmed mean inflation, meanwhile, surprised on the upside (+ 3.0% y/y), largely driven by housing construction costs and reduced energy subsidies. Bond yields and equities initially rallied on expectations of additional easing, but sentiment turned cautious following softer late-month inflation data. By month-end, futures markets had priced in one final rate cut by mid-2026. Data suggests that the Australian economy has cyclically improved, but the longer-term trend outlook looks tepid with households not spending tax cuts, businesses remaining cautious about any material rise in investment and per capita GDP growth in negative territory for 8 of the past 10 quarters.

## PORTFOLIO COMMENTARY

Sanofi positively contributed to relative performance during the month, supported by strong execution across its pharmaceutical and vaccine divisions. The company, a global pharmaceutical leader with specialties in immunology, oncology, rare diseases, and vaccines, maintained its full-year earnings guidance and demonstrated margin resilience. Notably, growth in Dupixent and Beyfortus helped offset weaker performance in other areas, with Dupixent continuing to expand across multiple indications. Management emphasized profitable growth for FY 26, driven by volume gains, product mix improvements, and industrial restructuring.

LPL Financial Holdings Inc. positively contributed to relative performance during the month due to strong earnings and improved business fundamentals. The company, which provides investment and wealth management services to independent financial advisors, reported adjusted earnings per share that significantly exceeded expectations, driven by higher cash sweep fees and lower expenses. A key concern regarding advisor attrition at Commonwealth was alleviated, with 80% of assets already signed and a reaffirmed goal of 90 %, reducing fears of mass migration to competitors. Net new assets and cash balances both grew in September, outpacing peers and supporting future growth.

BAE Systems plc detracted from relative performance during the month, despite securing notable new contracts and expanding their strategic footprint across Europe. BAE announced a £5.4B deal with Turkey for 20 new Eurofighters, which will be assembled in the UK, alongside a separate purchase of 24 second-hand jets from Qatar and Oman. While this order boosts BAE's Air division and restores momentum to its Warton assembly line, the broader European defense sector has been under pressure due to geopolitical uncertainty, including speculation around upcoming diplomatic meetings involving Trump and Putin.

Everest Group, Ltd. detracted from relative performance during the month due to an earnings miss and renewed investor concerns over reserve adequacy. The company, which provides insurance and reinsurance solutions globally, reported earnings per share of \$7.54, well below consensus expectations, driven by a \$478M adverse reserve charge. This charge followed a prior \$1.7B reserve addition in 4Q24, undermining management's previous assurances.

## OUTLOOK

Markets are facing challenges in the near term (softening growth and rising risk to US core inflation) and long term (investors living in a '4% world' given high valuations and likely having priced in years of productivity improvement). Valuations are expensive relative to history in nearly all regions, while elevated market concentration and the preponderance of value-agnostic passive funds have made regional equity markets increasingly vulnerable to unexpected news. The past decade and a half of US exceptionalism - culminating in the extraordinary run of the Magnificent 7 tech stocks - has underpinned very strong global equity returns. The stellar gains in US equities and their leading tech firms, represents a bring forward of investment returns, rather than a new steady state of ongoing out-performance. All equity exposures remain focused on stock selection alpha opportunities and exposure to equity beta remains carefully managed.

We continue to manage downside risks by maintaining little or no exposure to the most expensive parts of the equity market and complementing this with option protection where it has been attractively priced to implement. These include S & P 500 put spreads, call options on the GBP against the US dollar, and a USD call option versus the Hong Kong Dollar.

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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](http://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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## MORE INFORMATION

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