

# WEALTHFOCUS PERPETUAL GLOBAL ALLOCATION ALPHA

November 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:** September 2000

**Size of Portfolio:**

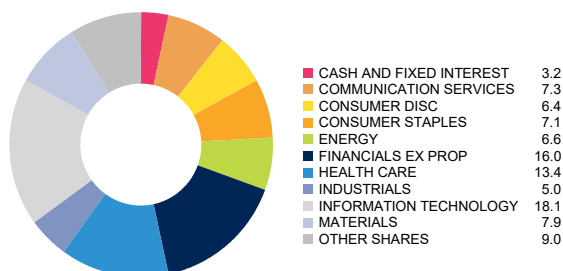
**APIR:** PER0108AU

**Management Fee:** 0.55%\*

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

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

## PORTFOLIO SECTORS



## TOP 10 STOCK HOLDINGS

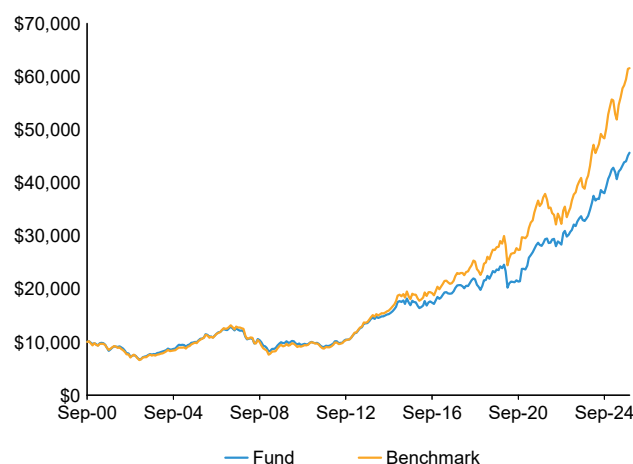
	% of Portfolio
Microsoft Corporation	3.1%
Apple Inc.	2.9%
NVIDIA Corporation	2.0%
Broadcom Inc.	1.8%
Alphabet Inc.	1.3%
Alphabet Inc.	1.2%
Amazon.com, Inc.	1.1%
Merck & Co., Inc.	1.1%
Eli Lilly and Company	1.0%
Exxon Mobil Corporation	1.0%

## PERFORMANCE- periods ending 30 November 2025

	Fund	Historical <sup>1</sup> Performance	Benchmark	Excess
1 month	1.12	-	0.17	+0.95
3 months	4.12	-	5.55	-1.43
1 year	12.01	-	16.49	-4.48
2 year p.a.	17.15	-	23.17	-6.02
3 year p.a.	13.88	-	20.16	-6.29
4 year p.a.	-	12.41	13.40	-0.99
5 year p.a.	-	13.91	15.66	-1.75
7 year p.a.	-	12.17	14.85	-2.68
10 year p.a.	-	10.05	12.52	-2.47

<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

Financial markets saw elevated volatility throughout November with sharemarkets declining sharply early in the month before partially recovering by month end. Volatility was underpinned by rising concerns around the massive AI capital expenditures and when investors might see returns in addition to uncertainty around whether central banks can continue lowering interest rates as inflation remains sticky above their target ranges.

- Developed market equities (+0.2%) rose marginally after selling off early in the month, in line with the S & P 500 (+0.2%). Much of the first half of the month saw a sell-off as concerns around tech valuations, and AI capex outweighed robust third quarter earnings season results. This thematic was observable in the relative outperformance of value sectors and stocks with the Russell 1000 Value index rising (+ 2.5%) while the growth benchmark sold off (-1.9%).
- UK Equities (+0.4%) marginally outperformed the broader MSCI developed markets index, supported by declining gilt yields and a depreciating pound which supported the large cap globally focused names in the FTSE 100.
- Similarly, European shares (+0.2%) recorded a modest advance supported by corporate earnings results among the financial and IT sectors which helped offset a flat month in the French market (0.0%) and losses in Germany (-0.4%).
- In contrast, the ASX 300 (-2.6%) fell as markets parsed higher than expected inflation and jobs data and revised expectations around the path of the RBA's monetary policy.
- Surprisingly, Japanese stocks were mixed with the Topix index up + 1.4% whereas the Nikkei 225 fell (-4.1%) as investors in that index became increasingly concerned around increased talk of a major fiscal spending program by new PM Takaichi and its impact on Japanese bond yields given already high inflation, a hiking BoJ and very high Japanese government debt which saw the latter index giveback a modest portion of its post Mar-25 gains.
- Emerging Market equities (-1.6%) declined, in spite of the declining US dollar as China and tech heavy indices in South Korea and Taiwan gave back recent gains as the technology sector stumbled in line with their US peers during November.
- Bond markets were mixed, with US 10-year yields rallying (- 6bps) while similarly long Australian yields (+22bps) sold off as investors reappraised RBA policy expectations, which resulted in wider spreads.

Strong quarterly earnings results – notably from Nvidia – did not dissuade rising concerns around valuations and return on investment among mega cap US tech giants. Sentiment toward AI shifted from broad optimism to increased scrutiny of capital expenditure the likely payoff period and what sort of returns investors might expect. Although a high 80% of companies beat downbeat expectations in the Q 3-25 US reporting season, market reactions to results were somewhat muted reflecting how much good news was already priced with respect to revenue growth, EPS growth, margins and overall guidance. 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.

There was uncertainty around the path of US monetary policy throughout November as the government shutdown delayed (in the case of October inflation print, indefinitely) economic data and Chair Powell stated that cuts were not a “done deal”. Odds of a December Federal Reserve rate cut rose above 80% by month end following dovish commentary from key Fed officials citing labour market concerns. While September non-farm payrolls (+119,000) showed resilience, the unemployment rate ticked up. Wage growth remained strong, up 3.8% year-over-year, outpacing inflation at 3.0%. A combination of wage growth, back pay for federal workers and seasonal factors is expected to support consumer spending as the US turns into the New Year, and numerous growth supports risks inflation being stickier at a higher level.

Softer inflation and labour market data in the UK saw increased expectations of Bank of England rate cuts. The November Budget was better-than-feared , with greater-than-expected fiscal headroom and lower projected gilt issuance helping to stabilise market sentiment. Meanwhile, European activity indicators remained in expansionary territory with a composite PMI of 52.4 marking eleven consecutive months of growth and a level which suggests GDP will accelerate in 2026. Germany's economic troubles deepened, with Q3 GDP confirmed flat quarter-on-quarter with private consumption declining, but large-scale fiscal stimulus in 2026 is set to improve output, but the private sector looks subdued, at best. Equity markets in Europe continue to trade below US and Australian valuations but remain expensive relative to long-term averages, but 12MF EPS growth is around +11% which is lofty and will require a private sector recovery to be met.

## PORTFOLIO COMMENTARY

Merck & Co. positively contributed to relative performance during the month as strong pipeline progress and strategic business development reinforced investor confidence. The company, a global pharmaceutical leader focused on oncology, vaccines, and specialty medicines, announced successful Phase 2 results for its CADENCE trial of Winrevair, which demonstrated meaningful reductions in pulmonary vascular resistance in patients with pulmonary hypertension. This outcome, combined with plans to advance to Phase 3, added to a series of recent R&D wins that have strengthened Merck's growth narrative. Additionally, the announced \$9.2 billion acquisition of Cidara Therapeutics highlighted Merck's proactive approach to offsetting future revenue pressures from Keytruda's loss of exclusivity, while expanding its presence in infectious disease prevention. These developments supported sentiment that Merck is well-positioned for a value recovery amid improving sector dynamics.

Permian Resources Corporation positively contributed to relative performance during the month as strong operational execution and cost discipline drove results ahead of expectations. The company, an independent oil and gas producer focused on the Permian Basin, reported higher production volumes and lower controllable cash costs, which supported robust profitability. Third-quarter earnings and free cash flow exceeded consensus estimates, aided by improved well efficiency and reduced drilling and completion costs. Management raised full-year production guidance and highlighted enhanced marketing agreements that should improve natural gas pricing and future cash flow. Additionally, the balance sheet strengthened with meaningful debt reduction, reinforcing financial flexibility for continued bolt-on acquisitions and shareholder returns.

Entegris, Inc. detracted from relative performance during the month as cautious guidance overshadowed otherwise stable results. The company, a supplier of advanced materials and process solutions for the semiconductor industry, reported revenue and EBITDA growth in line with expectations, but its outlook signaled continued softness in demand recovery. Management emphasized deleveraging efforts following a major acquisition, prioritizing free cash flow over near-term profitability, which led to inventory reductions and underutilized facilities that pressured margins. Additionally, cyclically weak capital expenditure trends in semiconductor fabrication weighed on sales of equipment-related products, even as consumables like slurries and filtration performed well.

BAE Systems plc detracted from relative performance during the month as European defense stocks softened amid speculation about a potential peace deal for Ukraine. The company, a leading global defense contractor with operations spanning air, land, sea, and cyber domains, issued a trading statement confirming guidance and highlighting strong operational performance, but this reassurance was overshadowed by sector-wide sentiment. While order intake remained robust and management reiterated expectations for high single-digit revenue and earnings growth, investor concerns about future demand weighed on shares despite industry commentary suggesting these fears are misplaced. In our meetings with European peers, companies emphasized that current peace discussions are unlikely to alter long-term procurement plans, with German players particularly confident that demand is secure and execution speed is the primary challenge.

## OUTLOOK

Markets are facing challenges in the near term (softening growth and rising 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.

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 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.

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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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