

# WEALTHFOCUS PERPETUAL GLOBAL ALLOCATION ALPHA

February 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:** November 2008

**Size of Portfolio:** \$19.04 million as at 31 Dec 2025

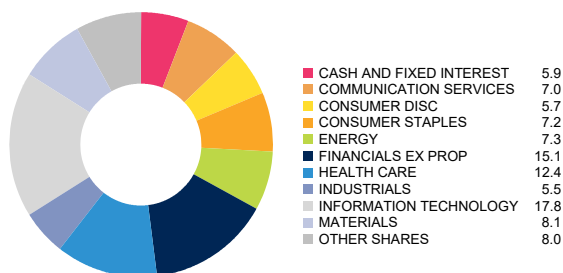
**APIR:** PER0496AU

**Management Fee:** 0.80%\*

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

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

## PORTFOLIO SECTORS



## TOP 10 STOCK HOLDINGS

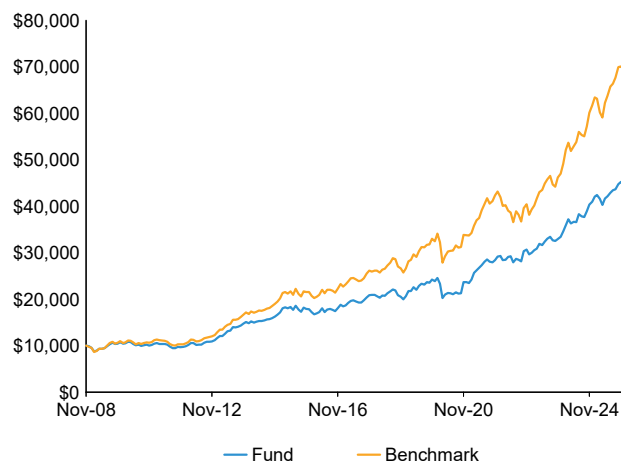
	% of Portfolio
Apple Inc.	2.9%
Microsoft Corporation	2.8%
NVIDIA Corporation	2.0%
Broadcom Inc.	1.3%
Alphabet Inc.	1.2%
Alphabet Inc.	1.1%
Chevron Corporation	1.1%
Merck & Co., Inc.	1.1%
AbbVie, Inc.	1.1%
Roche Holding Ltd	1.0%

## PERFORMANCE- periods ending 28 February 2026

	Fund	Historical <sup>1</sup> Performance	Benchmark	Excess
1 month	0.57	-	-1.09	+1.66
3 months	-1.55	-	-4.68	+3.12
1 year	4.99	-	5.74	-0.75
2 year p.a.	11.36	-	13.25	-1.89
3 year p.a.	13.41	-	18.52	-5.11
4 year p.a.	-	11.89	13.62	-1.72
5 year p.a.	-	12.95	14.32	-1.38
7 year p.a.	-	10.80	13.14	-2.34
10 year p.a.	-	10.28	12.68	-2.40

<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



\*Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

## MARKET COMMENTARY

Equities saw elevated volatility and credit spreads softened as markets priced rising geopolitical tensions, concerns around private credit markets, US trade policy uncertainty and the impact of agentic AI disruption.

- Global shares (+1.0%) ended the month higher with the broadening of investment returns seen in January continuing as Ex-US, small caps and value stocks and sectors outperformed their respective US, large cap and growth peers.
- US equities (-0.8%) underperformed the broader global market led by weakness in software and broader tech names as markets continued to price the disruptive impact of agentic AI on traditional enterprise software business models.
- European equities (+4.3%) advanced, benefiting from strengthening leading macro indicators and the ongoing rotation from US shares. The ECB remained on hold, with President Lagarde repeating the view that inflation is “in a good place”.
- UK equities (+7.0%) advanced strongly to a fresh record high as global investors rotated into healthcare and financials, basic materials, utilities and telecommunications. The Bank of England remained on hold but the latest inflation reading showed continued disinflation which saw market expectations for 2026 rate cuts firmed.
- Japanese equities (+10.4%) again led the pace of gains in developed markets reflecting anticipated pro-growth policies following the landslide victory of the LDP in the February election.
- Emerging market equities (+5.0%) outperformed developed markets, led by index heavyweights Korea and Taiwan.
- Australian Shares (+3.9%) performed strongly, in response to a fairly solid reporting season which sparked upgrades from analysts.
- Global bond yields fell over the month reflecting the broader risk-off tone as geopolitical tensions mounted. Australia 10-year yields rallied 15 bps while US 10-year yields fell 20bps and the curve flattened.

Geopolitical issues remained a key concern for markets over the month with escalating tensions between the US, Israel and Iran culminating in strikes commencing on the 28th of February. Hostilities commenced after markets had closed for the month however the action precipitated significant volatility in equity bond and commodity markets in early March. The team continues to monitor the situation in the region which remains fluid. The potential ramifications for the global economy are material with oil prices reacting to reduced activity in the Straits of Hormuz. Elevated oil prices have implications for headline inflation via energy prices, and to core inflation through transportation costs which every business endures.

The bear case for risk markets would be if oil prices were to rise sharply and remain elevated for the remainder of the year, thereby threatening the duration of the business cycle. The two 1970s oil shocks saw oil prices at least doubled with high prices persisting for over a year, but the global economy is today less oil price sensitive than it was 50 years ago. In the past 75 years, there have been 22 episodes of rising geopolitical tensions sparking elevated share market volatility, but in the 1/6/12 months post these occurrences, the S&P 500 has on average risen +2%/+6%/+8%, with only four episodes seeing greater than -10% losses and two-thirds of the episodes recording positive returns over the ensuing 12 months.

Though overshadowed by geopolitical developments by month end, February saw a key development in path of US trade policy. The US Supreme Court ruled against the use of the International Economic Emergency Powers Act to justify the April 2025 “liberation day” tariffs. The decision has potential fiscal implications with reduced receipts and ~US\$175 billion in duties potentially subject to refunds contingent on litigation. While the administration has used Section 122 to reinstate a 10% across the board tariff for 150 days, the Supreme Court’s ruling has complicated the Trump administration trade policy strategy, although several avenues remain open for the Administration to implement import taxes.

Meanwhile, the February FOMC minutes signalled a more hawkish tilt, with some policymakers indicating that further rate increases may be warranted if inflation does not ease. This shift reflects internal forecasts showing unemployment falling below its long run sustainable level by year end while inflation remains above the Federal Reserve’s 2% target.

February was witnessed rising concerns around loan quality in private credit markets. A US private credit manager was forced to change redemption terms on one of its retail funds highlighting the risks of liquidity mismatches and potential conflicts of interest arising from internal valuations. The initial spike in redemptions reflected rising concerns around SAAS (Software as a service) lending in the face of disruption from agentic AI. The event sparked a selloff in high yield credit and share price declines for listed managers. Meanwhile in the UK a specialist property finance lender MFS entered administration amid allegations of fraud with creditors and administrators citing double pledging of assets as collateral to secure financing. This highlights a systemic stress point within the industry and raises questions about poorly vetted security in other parts of the ecosystem. Contagion risk exists between private credit markets and the regulated banking sector, as poor collateral means banks are potentially levered in their private credit exposure. The Fund currently has no exposure to illiquid assets including private credit. While illiquids can provide genuine diversification when return drivers are truly distinct, private markets are currently characterised by heavy capital inflows, elevated valuations, high transaction and implementation costs, and low visibility and transparency.

Equity markets were not immune from the anticipated impact of agentic AI. Market weakness during a volatile month reflected a shift in leadership as expectations for long duration themes such as digital transformation and AI were reassessed after years of strong price gains, prompting capital to rotate toward companies, sectors and markets with more reasonable valuations and which are under-owned and have beatable EPS expectations. Technology remained a key laggard, with investors becoming more selective about which business models will genuinely benefit from AI. Higher valued software and platform stocks underperformed, while hardware and semiconductor firms fared better, highlighting a preference for companies enabling AI adoption rather than those reliant on distant or uncertain benefits. 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.

Elsewhere, the RBA became only the second major central bank to raise rates this cycle, lifting the cash rate by 25 basis points at its February meeting. While further hikes have already been priced in for May in the line the Banks detailed forecasts contained in the Quarterly Statement of Monetary Policy, subsequent communication highlighted some uncertainty around the next policy move, but the impact of rising oil prices is set to add to the domestic inflation challenge. Economic data released over the month was mixed after a strong January, with declines in building approvals offset by an improvement in household spending. While the economy has improved growth momentum, the medium-term outlook remains tepid with zero real wages growth for the next few years, and an increasingly cautious corporate sector.

## PORTFOLIO COMMENTARY

February was another strong month for global equity stock selection as the rotation from growth to value stocks and the outperformance of ex-US developed markets persisted.

Permian Resources Corp positively contributed to relative performance during the month as the shares of this Permian Basin-focused oil and gas producer responded to solid execution and a supportive commodity backdrop. The company’s latest quarterly results showed better than expected earnings and cash flow, helped by higher oil price realizations and continued cost discipline, even though total production was modestly below expectations due to softer natural gas volumes. Management’s 2026 outlook reinforced the quality of the franchise, with oil production guidance paired with a lower than anticipated capital budget that reflects reduced drilling and completion costs and faster well cycle times, directly supporting our view that this is a premier operator steadily improving its cost base. The stock also benefitted from rising oil prices in the run up to the Iran conflict, though these gains were not fully captured in reported monthly performance because U.S. equity markets were closed when strikes began.

Newmont Corporation positively contributed to relative performance during the month as markets rewarded its significant leverage to higher gold and copper prices. As a leading global gold miner with additional copper production, the company saw stronger realized prices flow through to revenue and cash generation as both metals rallied meaningfully over the period. This supportive commodity backdrop helped offset investor concerns around higher unit cost guidance and capital spending that accompanied its latest quarterly update. Newmont's portfolio is now more concentrated in large, long-life Tier 1 assets, which positions it to translate periods of elevated metal prices into improved margins and free cash flow over time. Management also reiterated a focus on disciplined capital returns, using the stronger pricing environment to fund dividends and growth projects without overextending the balance sheet.

Baidu, Inc. detracted from relative performance during the month despite reporting results that were broadly in line with expectations. As a leading Chinese internet and AI platform, the company delivered modest overall revenue growth but much stronger profit growth, reflecting expanding margins and tighter cost control. Management began reporting results in clearer buckets—faster growing AI powered activities such as cloud infrastructure, chips, applications, and AI native marketing services versus its more mature search operations—highlighting the steady mix shift toward AI businesses that are increasingly offsetting pressure in traditional search. Cash generation improved as operating cash flow turned positive in the second half of the year while capital spending remained relatively disciplined compared with domestic peers, supported by a strategic emphasis on developing AI applications rather than aggressively building out data centers. Longer term drivers such as rapid growth in its Apollo Go autonomous ride service, the planned listing of its chip unit, a sizable new share repurchase authorization, and the introduction of a regular dividend underpin our constructive view even as the share price has recently been weighed down by market speculation around potential tax changes and competitive dynamics in China's internet and AI sectors.

## OUTLOOK

Markets are facing challenges in the near term (elevated volatility, geopolitical and inflation risks with several Fed rate cuts already priced in for 2026) and long term (investors living in a '4% world' given high valuations and likely having priced in years of productivity improvement). Notwithstanding the recent rotation in equity markets, valuations remain stretched 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.

We continue to manage downside risks by maintaining little or no exposure to the most expensive parts of the global equity 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.

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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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