

Fund Profile - 31 March 2026

Implemented International Share Portfolio

Fund facts

| | |
|---------------------------------------|--|
| APIR code | PER0711AU |
| Inception date | 9 December 2013 |
| Asset class | Global Equities |
| Investment style | Multi manager blend |
| Benchmark | MSCI AC World Index – Net Return (Unhedged in AUD) |
| Suggested length of investment | Five years or more |
| Unit pricing frequency | Daily |
| Distribution frequency | Quarterly |
| Legal type | Unit trust |
| Product type | Wholesale Managed Investment Scheme |
| Status | Open |
| Management fee* | 0.93% |
| Buy/Sell spread | 0.22% / 0.00% as at September 2025 |
| Issuer | Perpetual Investment Management Limited |

*Additional fees and costs generally apply. Please refer to the Product Disclosure Statement for further details.

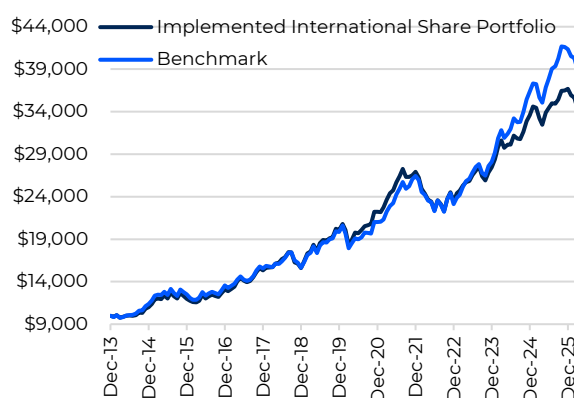
Investment objective

To provide investors with long term capital growth through investment in a diversified portfolio of international shares, aiming to outperform the stated benchmark over rolling three-year periods.

Benefits

Provides investors with the potential for maximising capital growth, with broad market exposure.

Growth of \$10,000 since inception



Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance.

Net performance

As at March 2026

| Returns | 1M | 3M | 1YR | 3YR | 5YR | S/I* |
|----------------------------|-------|-------|-------|-------|-------|-------|
| Total return | -3.6% | -6.3% | 3.5% | 10.8% | 7.8% | 10.9% |
| Growth return | -3.7% | -6.3% | -5.3% | 2.2% | -0.0% | 5.1% |
| Distribution return | 0.1% | 0.1% | 8.8% | 8.6% | 7.8% | 5.8% |
| Benchmark | -3.4% | -5.8% | 9.2% | 15.7% | 11.8% | 12.0% |
| Excess Return | -0.2% | -0.5% | -5.7% | -4.9% | -4.1% | -1.1% |

Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance. *Since Inception.

Top 10 stock holdings

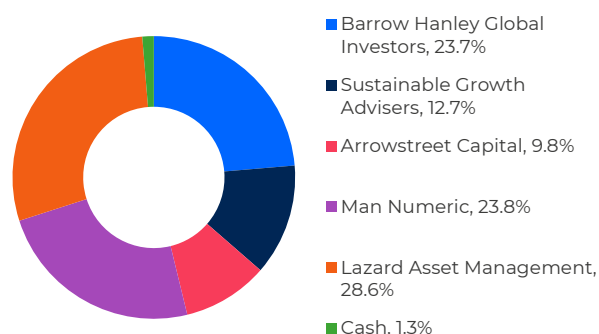
As at March 2026

| Stock | Weight | Country |
|--------------------------------|--------------|---------------|
| NVIDIA Corporation | 3.6% | United States |
| Alphabet Inc. | 3.4% | United States |
| Amazon.com | 2.4% | United States |
| Microsoft Corporation | 2.1% | United States |
| TSMC Ltd. | 1.9% | Taiwan |
| Apple Inc. | 1.8% | United States |
| Merck & Co., Inc. | 1.7% | United States |
| Meta Platforms | 1.5% | United States |
| Broadcom | 1.3% | United States |
| Novartis AG | 1.1% | Switzerland |
| Total Top 10 Holdings % | 21.0% | |

Source(s): State Street, FactSet.

Portfolio exposure by manager

As at March 2026



Source(s): State Street, FactSet.

Investment approach

A multi-manager framework is utilised, where specialist investment managers are selected to form a diverse and complementary mix of investment strategies and styles. This can help reduce volatility by avoiding over exposure to a particular specialist investment manager. Derivatives may be used in managing the portfolio.

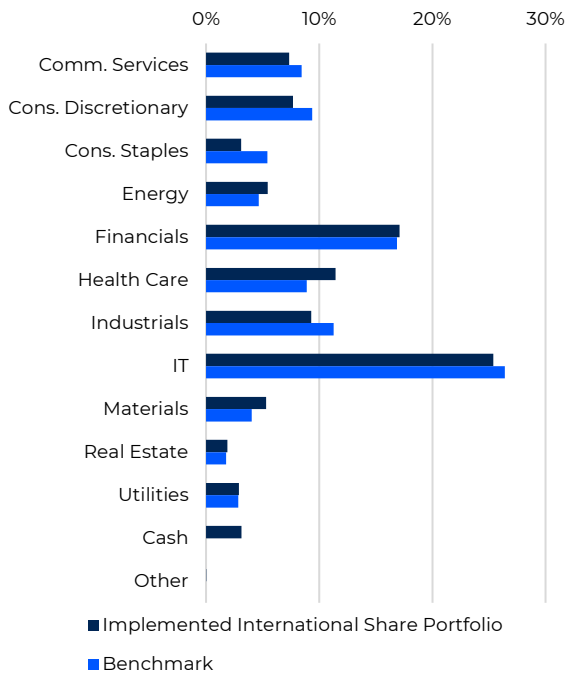
Investment strategy

The portfolio combines managers who apply either a bottom-up fundamental stock picking or quantitative approach to security selection, have a repeatable investment process, work within appropriate risk management frameworks, operate in an aligned and stable organisational structure, and have a performance track record that is consistent with their style and approach. We believe combining these characteristics positions the portfolio to best deliver a stable outcome within a multi-manager framework.

The Implemented International Share Portfolio combines managers who operate across all industry sectors and geographic regions, including both developed and emerging markets. All managers within the portfolio play a specific role, despite individually managing appropriately diversified portfolios. The portfolio is diversified in a range of ways including by market capitalisation (small, mid, and large cap), investment style (value, growth, quality, or a combination) and investment approach (fundamental or quantitative). The overarching characteristic of the managers within the portfolio is a modest bias towards 'quality', embodying our 'protect and grow' investment philosophy. The portfolio blends the above-mentioned group of managers targeting a portfolio that combines investment styles, market capitalisation biases, and other characteristics in a way that complements each other, and should over time deliver a well-balanced, consistent performance outcome. The end result is the creation of a portfolio that aims to have an overall volatility below that of the broader benchmark, while exhibiting a modest level of tracking error.

Sector exposures

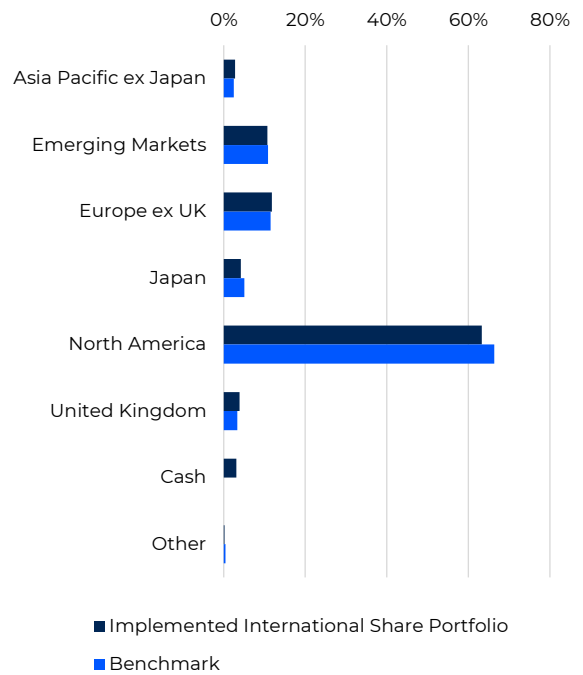
As at March 2026



Source(s): State Street, FactSet.

Region exposures

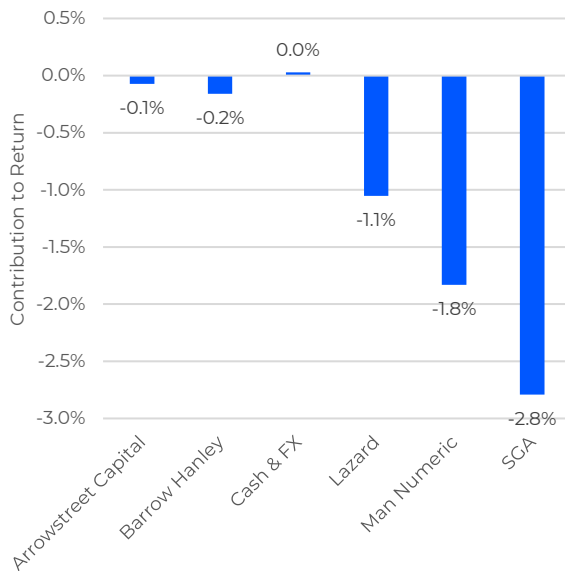
As at March 2026



Source(s): State Street, Factset.

Contribution by manager

Quarter to March 2026



Source(s): State Street, Factset.

Manager line-up and approach

As at March 2026

| Manager | Approach |
|--|---|
| Barrow Hanley Global Investors | Diversified portfolio, mid-large cap value |
| Man Numeric | Concentrated portfolio, quantitative global large to mega cap |
| Sustainable Growth Advisers (SGA) | Concentrated portfolio, mid to large cap growth |
| Arrowstreet Capital | Quantitative, core, global small cap |
| Lazard Asset Management | Quantitative, core, benchmark aware |

Market Commentary

International equities pulled back over the March quarter, with the MSCI All Country World Index declining -5.8%¹ as escalating conflict across the Middle East weighed heavily on investor sentiment. The quarter began constructively - one of the best Q4 earnings seasons in recent memory provided a strong foundation, a broadening in market participation away from concentrated AI names was underway, and solid economic fundamentals continued to support risk appetite. However, the outbreak of hostilities between the US, Israel and Iran in late February, and the subsequent disruption to oil flows through the Strait of Hormuz, injected a new and destabilising variable into global markets. Mounting concerns around energy security, inflation and the potential for a broader growth slowdown drove a sharp de-risking into quarter-end. An early quarter 'debasement' narrative also unwound as investors sought refuge in the US dollar, which strengthened 4.1% against the Australian dollar in March. However, this reversal only partially offset earlier moves with the Aussie dollar still ending the quarter 2.7% stronger, materially dampening unhedged returns for Australian investors.

From a style perspective, Value (-1.5%²) meaningfully outperformed Growth (-10.9%³), reversing the prior twelve-month trend. Growth stocks entered the period with elevated valuations following a sustained period of outperformance, leaving them vulnerable as volatility rose and investors tolerance for long-duration earnings diminished. Value benefited from stronger near-term earnings visibility and greater exposure to energy and commodity-linked sectors. Small caps (-1.6%⁴) led their larger counterparts for the quarter, having led early in the period, before a higher-for-longer rate environment reasserted pressure on smaller companies through March.

Energy (+30.1%⁵) was the standout sector by a wide margin, with supply-chain disruptions and surging oil prices fuelling returns across producers, refiners and energy infrastructure companies. Utilities (+5.5%⁶), Consumer Staples (+0.6%⁷) and Materials (+3.8%⁸) were the only other sectors to finish positive as investors rotated into defensives. Consumer Discretionary (-13.2%⁹) was the weakest performer. Information Technology (-9.2%¹⁰) and Communication Services (-10.3%¹¹) were also hit hard and not solely due to geopolitics. Advancements in agentic AI technologies triggered a sharp sell-off across enterprise software platforms, an event colloquially termed the 'SaaSocalypse', as investors grew fearful that generative AI would undermine the software-as-a-service subscription model the sector has relied on for years. Financials (-9.1%¹²) also faced a difficult quarter, contending with both the deteriorating macroeconomic backdrop and sector-specific concerns around private credit quality.

Regionally, the 'ex-US' dominance that defined much of 2025 began to unravel toward quarter-end, as a flight to quality and defensives translated to relative US strength. The UK's FTSE 100 was the standout, limiting losses to just -1.3%¹³ on the back of its defensive composition and energy sector weighting, while Japan's Nikkei 225 fell a modest -2.1%¹⁴. European markets fared worse, with the German DAX declining -11.5%¹⁵, and France's CAC 40 (-8.3%¹⁶), reflecting their cyclical and export-heavy compositions. The S&P 500 fell -6.9%¹⁷ and the Nasdaq dropped -9.4%. Emerging markets declined -2.8%¹⁸ for the quarter,

¹ As measured by the MSCI All Country World index in AUD (unhedged) terms

² As measured by the MSCI World Value index in AUD (unhedged) terms

³ As measured by the MSCI World Growth index in AUD (unhedged) terms

⁴ As measured by the MSCI AC World Small Cap index in AUD (unhedged) terms

⁵ As measured by the MSCI AC World – Energy index in AUD (unhedged) terms

⁶ As measured by the MSCI AC World – Utilities index in AUD (unhedged) terms

⁷ As measured by the MSCI AC World – Consumer Staples index in AUD (unhedged) terms

⁸ As measured by the MSCI AC World – Materials index in AUD (unhedged) terms

⁹ As measured by the MSCI AC World – Consumer Discretionary index in AUD (unhedged) terms

¹⁰ As measured by the MSCI AC World – Information Technology index in AUD (unhedged) terms

¹¹ As measured by the MSCI AC World – Communication Services index in AUD (unhedged) terms

¹² As measured by the MSCI AC World – Financials index in AUD (unhedged) terms

¹³ As measured by the FTSE 100 in AUD (unhedged) terms

¹⁴ As measured by the Nikkei 225 in AUD (unhedged) terms

¹⁵ As measured by the Germany DAX in AUD (unhedged) terms

¹⁶ As measured by the France CAC 40 in AUD (unhedged) terms

¹⁷ As measured by the S&P 500 in AUD (unhedged) terms

¹⁸ As measured by MSCI Emerging Markets index in AUD (unhedged) terms

outperforming developed markets overall, though a sharp late-quarter reversal illustrated how quickly sentiment deteriorated as higher energy costs and risk-off flows weighed on energy-importing nations, most notably India and Korea.

Portfolio Commentary

The Perpetual Implemented International Share Portfolio underperformed the MSCI All Country World Index (unhedged AUD) on a net-of-fees basis in the first quarter of 2026. There were no manager changes during the quarter.

Barrow Hanley outperformed the MSCI ACWI (unhedged AUD) in the March quarter. The strategy's value style was a strong contributor to performance as value held up far stronger than other styles over the period. Outperformance was driven by stock selection as well as sector and regional allocation. Notably, stock selection was overwhelmingly positive in US Information Technology whilst allocation benefited from underweights to the US and overweights to Energy and Utilities. Key stock contributors to total return include Permian Resources, Equinor, and Chevron.

Man Numeric underperformed the MSCI ACWI (unhedged AUD) in the March quarter. As a large and mega-cap-oriented strategy, the size bias was a headwind to performance as large caps underperformed small caps over the period. Stock selection and sector allocation were the primary drivers of underperformance, while regional allocations were neutral. Stock selection was weakest within US Information Technology, US Industrials as well as Financials. From a sector allocation perspective, underweights to Industrials, Consumer Staples and Utilities as well as an overweight to Information Technology were the largest detractors. The largest stock detractors for the period were Microsoft, SAP, Meta and Adobe.

SGA materially underperformed the MSCI ACWI (unhedged AUD) in the March quarter. Performance has continued to be challenged by significant headwinds faced by growth and quality styles, both of which materially lagged value during the period. Stock selection was the primary driver of underperformance, while sector allocation detracted to a lesser extent and regional allocation was flat. From a sector allocation perspective, nil exposure to Energy, Materials and Utilities were the largest detractors. The largest stock detractors included Microsoft, Adyen, Intuit, SAP and Salesforce.

Arrowstreet Capital outperformed both the MSCI ACWI (unhedged AUD) and its strategy benchmark, the MSCI World Small Cap Index (unhedged AUD). Against the ACWI benchmark, Arrowstreet's small cap orientation was a positive tailwind as small caps outperformed large caps over the period. Against the strategy benchmark, outperformance was primarily driven by stock selection and regional allocation. Stock selection was strongest in the US and within the Information Technology sector whilst an overweight to Japan and underweight to Asia Pacific and Europe contributed most to regional allocation. The primary stock contributors to total return during the period were Sandisk Corporation, Comfort Systems and Coeur Mining.

Lazard outperformed the MSCI ACWI (unhedged in AUD) in the March quarter. Stock selection was the primary driver of outperformance, while sector allocation and regional allocations were flat. also making a modest contribution to returns. Stock selection was positive across EM, Europe and North America and from a sector perspective was strongest in Information Technology, Healthcare and Financials. The largest stock contributors for the period were Samsung, Micron Technology and Delta Electronics. The largest stock detractors were Microsoft, Nvidia and Meta.

Manager Insights and Outlook

Markets entered 2026 with a degree of optimism that equity leadership would broaden and that a gradual easing cycle would support risk assets. That early confidence faded as the quarter progressed, with geopolitical developments and commodity shocks re-introducing more macro driven equity markets worldwide.

In late February, US-Israeli strikes in Iran led to the outbreak of war across the Middle East, causing severe disruption to key global energy supply routes via the Strait of Hormuz. As supply fears intensified, oil prices surged, and the shock propagated through markets via higher near-term inflation expectations and a “higher-for-longer” rates repricing. In turn, global equities sold off in a broad risk-off move with large dispersion across sectors. The energy sector was the clear standout along with more defensive and valuation-supported parts of the market whilst consumer discretionary and high-beta growth exposures struggled as higher inflation risk compressed the valuation support for long-duration assets.

Another headwind for growth stocks during the quarter was the so-called ‘SaaSocalypse’, which saw a sharp and sudden sell-off across global software stocks. The initial catalyst was a series of high-profile product releases in February that showcased agentic AI systems capable of executing end-to-end workflows, triggering a rapid de-rating as investors questioned pricing power and the durability of recurring revenues. Opinions on AI's impact on the economy have shifted from broadly positive to one of increased scepticism, with concerns now centred on whether massive infrastructure spending by large technology companies will generate adequate returns, and whether AI-driven disruption could hollow out entire sectors and weigh on broader economic growth. In response, investment managers have been forced to reassess their technology and AI exposure, with many instead favouring the “picks and shovels” such as companies focused on IT infrastructure and hardware. For those managers maintaining software and AI-exposed holdings greater emphasis is being put on durable competitive moats, demonstrable customer ROI, data and distribution advantages, deep ‘system-of-record’ integration, and credible paths to monetisation that move beyond per-seat pricing.

From a valuation perspective, whilst global equity markets remain expensive, pockets of value remain, such as in emerging markets, small caps, as well as select sectors. Recent events such as geopolitical turmoil and AI disruption have added notable repricing across previously crowded areas (e.g. the Magnificent 7, software stocks, etc.). Looking ahead, we believe earnings growth will be the critical differentiator, as energy supply disruptions and renewed inflationary pressures risk hurting both consumer strength and corporate margins. In this environment, companies with pricing power, balance-sheet strength and credible earnings delivery are likely to be rewarded, and as recent weeks have demonstrated, the geopolitical and economic landscape can shift very quickly indeed.

More information

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