

# WealthFocus Investment Advantage

## WEALTHFOCUS PERPETUAL BALANCED GROWTH

June 2026

### FUND FACTS

**Investment objective:** The fund aims to provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments.

### FUND BENEFITS

Provides investors with access to a diverse range of growth and income producing assets. Active management and asset allocation techniques are employed in order to further enhance the fund's return and manage risk.

### 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:** Balanced Growth Index (Internally generated composite)

**Inception Date:** June 1995

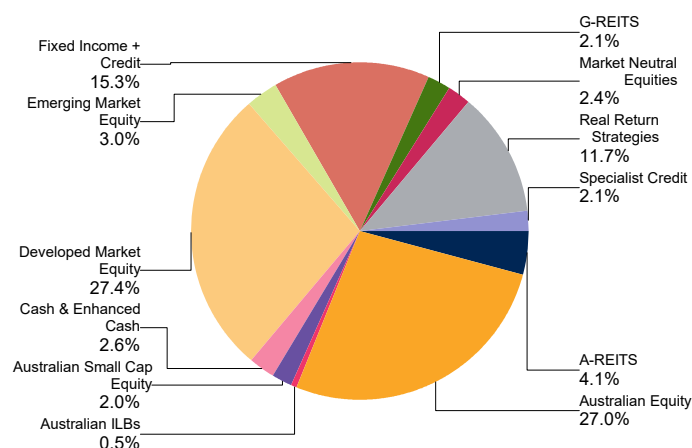
**APIR:** PER0036AU

**Management Fee:** 1.04% p.a.

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

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

### PORTFOLIO SECTORS



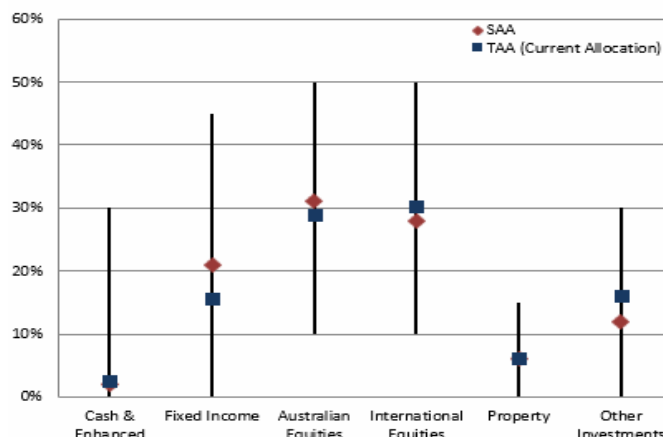
### NET PERFORMANCE- periods ending 30 June 2026

|              | Fund | Benchmark | Excess |
|--------------|------|-----------|--------|
| 1 month      | 1.0  | 1.2       | -0.2   |
| 3 months     | 6.2  | 7.1       | -0.9   |
| 1 year       | 7.6  | 9.0       | -1.4   |
| 2 year p.a.  | 8.0  | 10.7      | -2.7   |
| 3 year p.a.  | 7.6  | 11.1      | -3.5   |
| 5 year p.a.  | 6.1  | 6.9       | -0.9   |
| 10 year p.a. | 6.7  | 8.3       | -1.5   |

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

### ASSET ALLOCATIONS AND INVESTIBLE RANGES

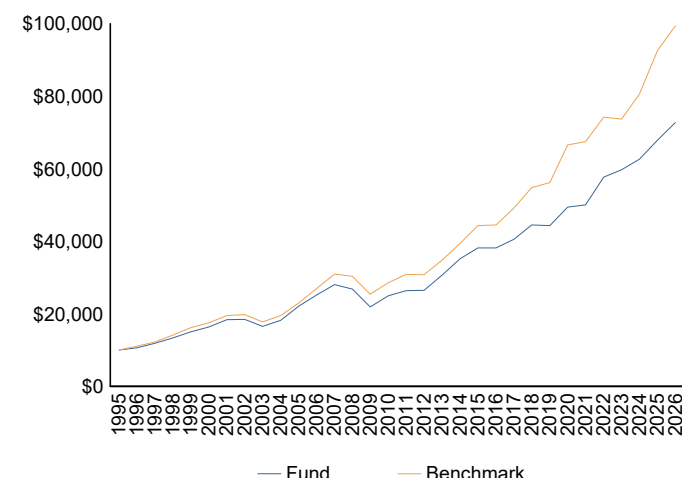
FUND TACTICAL AND STRATEGIC ALLOCATIONS INCLUDING ALLOWABLE MAXIMUM AND MINIMUM RANGES



### STRATEGIC AND TACTICAL ASSET ALLOCATIONS

The Strategic Asset Allocation (SAA) is the neutral allocation acting as an anchor for active positioning, while the Tactical Asset Allocation (TAA) process adjusts the asset allocation according to market opportunities and risks.

### GROWTH OF \$10,000 SINCE INCEPTION



## MARKET COMMENTARY

Markets staged a powerful recovery over the June quarter, more than reversing the March selloff that followed the outbreak of the US-Iran conflict. Early in the period, the ongoing disruption to global energy supply kept investor's focus firmly on inflation, growth and monetary policy risks. As the quarter progressed, a combination of de-escalation in the Middle East, resilient US corporate earnings and renewed enthusiasm for artificial intelligence (AI) drove a broad risk-on rally. In mid-June, when the United States and Iran signed a framework agreement to end the war, allowing the Strait of Hormuz to reopen without tolls and lifting the US naval blockade. Oil prices declined sharply and returned almost to their eb'26 close, safe-haven trades unwound, and equities rallied led by Asian markets with several indices reaching all-time highs.

- Global shares (+14.0%) rallied strongly over the quarter, more than recovering the March decline. The US market rallied (+15.2%) as the AI investment theme reasserted itself and corporate earnings beat expectations by a wide margin, led by US tech stocks.

- Growth (+19.2%) outpaced value (+9.6%) over the quarter as AI leadership resumed, although June saw a sharp reversal (Magnificent 7 Index was -8.0% lower) as investors began to question the returns on the enormous capital being committed to AI infrastructure.

- Japanese equities (+37.4%) were the standout of the developed markets, supported by a weaker Yen, expectations of fiscal easing, and strong AI-related demand.

- Emerging markets (+24.1%) led global markets, powered by semiconductor manufacturers in Taiwan (+46.0%) and Korea (+84.3%), while Chinese equities (+12.8%) rose by smaller amount and Hong Kong (Hang Seng -6.4%) fell on soft growth.

- European equities (+15.2%) were strong as energy-price relief and resilient earnings supported cyclical and exporters, even as the ECB signalled further tightening. UK equities (+4.7%) lagged, with the FTSE 100 held back by the index's defensive composition in a quarter that rewarded growth and technology.

- Australian shares (+4.1%) rose more modestly, with resources supported while the banks lagged.

- Global bond markets diverged: US yields rose, led by the policy-sensitive 2-year tenor (+38bps), as markets increasingly priced the possibility of further monetary tightening. In contrast, Australian bond yields declined as the easing oil price softened the near-term inflation outlook, and market progressively priced in the peak of RBA rate hikes.

- Commodities fell sharply, led by Brent crude (-38.4%), as hostilities de-escalated in Iran, while gold (-11.4%) reversed its safe-haven rally; copper (+10.3%) rallied on the raw material intensity of AI infrastructure development.

Geopolitics remained the central driver early in the quarter, after the closure of the Strait of Hormuz removed an estimated 14 million barrels a day from the global oil market and kept energy prices elevated. The decisive shift came in mid-June, when the United States and Iran signed a memorandum of understanding to end the war, providing for the reopening of the Strait without transit fees and the immediate lifting of the US naval blockade. Brent crude, which had traded close to US\$120 per barrel at the peak of the conflict, dropped sharply to around US\$73 a barrel by quarter-end. A full normalisation of shipping is expected to take months given the backlog of vessels and the need to clear naval mines and rebuild energy infrastructure.

Central banks continued to converge towards patience, though policy divergence remained. The US Federal Reserve held rates steady and, with inflation appearing close to its cyclical peak, markets priced in around one further 25bp increase by the end of 2026, although several officials including the senior members of the committee signalled a willingness to pause and see how the US economy adjusts to the shock before deciding on any policy action. In Japan, political pressure from Prime Minister Takaichi for further fiscal expansion and continued monetary accommodation has raised concerns over Bank of Japan

independence. The Yen fell to a 40-year low even as 10-year JGB yields reached 30-year highs of 2.83% as investors fretted about the size of the Japanese government's interest payments. In Australia, the RBA raised the cash rate by 25bps to 4.35% in May – its third increase of the year – before holding steady in June for the first time in 2026, as it sort to assess the impact of prior hikes and the oil-supply shock on the local economy desiring for inflation to not become embedded once the energy impulse has passed.

The broader macro backdrop remains constructive. The US expansion continues to be supported by strong corporate profitability, resilient labour demand and accommodative financial conditions. European disinflation continues only gradually, with core inflation around 2.4% and a resilient labour market, while global PMIs point to improving growth in the second half of 2026, albeit at a more measured pace than consensus currently expects.

The AI investment theme performed very strongly throughout April and May before retracing in June. For the past two years investors rewarded the rapid expansion of AI infrastructure, but the debate has shifted from the capacity build-out to utilisation, monetisation and returns on capital. The question is no longer whether AI will transform the economy, but which participants will capture the economic value. As infrastructure becomes more abundant, we expect market leadership to broaden and valuations to compress; the 12MF PE compression among AI builders and hyperscalers, has so far been masked by exceptional 12MF EPS growth upgrades, which may have further to run. We continue to have concerns around the quality and expected returns from the trillions of dollars being committed to AI capital expenditure, and we look for opportunities outside this cohort.

Australian equity stock selection was constructive for relative performance over the quarter. Within the Perpetual Australian Share Fund, overweight positions in Washington H. Soul Pattison, AMP and James Hardie Industries were contributors, alongside key underweights including CSL and Brambles. Conversely, overweight position in a2 Milk detracted as the stock fell continued to fall on the back of numerous operational headwinds such as a product recall and a full-year downgrade.

Global equity alpha was the key determinant of underperformance over the period as negative stock selection from the Barrow Hanley Global Share Fund and the Dividend Weighted Global Equity strategy (both held via the Perpetual Global Allocation Alpha Fund) weighed on performance, reflecting the underperformance of value securities and sectors relative to growth.

Elevated P/E ratios and market concentration, alongside the preponderance of valuation-agnostic passive funds, have made regional equity markets increasingly vulnerable to unforeseen events. On a cyclically adjusted 10Yr basis, US equities sit among the most expensive readings in market history, and roughly 30% of the S&P 500 is now tied to the AI theme. The Fund is close to benchmark weight in equities with a marginal underweight in Australian stocks. 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 global equity and credit markets, and we 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. This includes cost-effective, layered S&P 500 put structures that risk only a low single-digit basis-point premium while delivering asymmetric protection across shallow, moderate and deep drawdown scenarios without requiring precise market timing.

The Fund remains below benchmark weight in fixed income, positioning that contributed to outperformance during a strong quarter for equity markets relative to bonds. Fixed income exposures remain primarily focused on 10-year Australian government bonds alongside domestic credit and a small allocation to inflation linked bonds.

The Fund maintains its Perpetual Diversified Real Return Fund which continues to deliver low volatility absolute returns while retaining a relatively low correlation to equity markets.

## OUTLOOK

Geopolitical uncertainty and sticky inflation continue to present risks to regional sharemarkets, where forward-looking valuations and EPS growth expectations remain elevated. Meanwhile, with government bonds offering less reliable diversification, risk management remains paramount. We continue to carefully manage the Fund's exposure to global equities and maintain diversity in regional and sector allocations. The Fund retains multiple embedded risk protections and sources of portfolio convexity.

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The Balanced Growth Fund gains its exposure to Australian Shares by investing in an underlying Australian Share Fund/s which primarily invests in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. The investment guidelines showing the Fund's maximum investment in international shares do not include this potential additional exposure. Short positions may be part of the underlying Australian Share Fund's strategy. Currency hedges may be used from time to time.

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The product disclosure statement (PDS) for the Perpetual WealthFocus Investment Advantage Fund, issued by PIML, should be considered before deciding whether to acquire, dispose, or hold units in the investment option. The PDS and Target Market Determination for the Fund can be obtained by calling 1800 022 033 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au).

Total returns shown for the investment option 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. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. All investing involves risk including the possible loss of principal.

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## MORE INFORMATION

Investor Services 1800 022 033

Email [PerpetualUTqueries@cm.mpms.mufg.com](mailto:PerpetualUTqueries@cm.mpms.mufg.com)

[www.perpetual.com.au](http://www.perpetual.com.au)

