

PERPETUAL ESG AUSTRALIAN SHARE ACTIVE ETF

ASX code: GIVE

September 2025

FUND FACTS

Investment objective: Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian shares that meet Perpetual's ESG and values-based criteria. Aims to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.

FUND BENEFITS

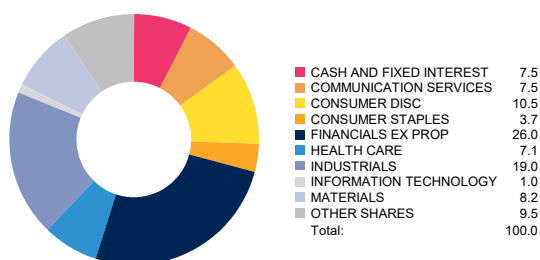
The Fund has two exclusion screens, with which we assess companies. A values-based exclusionary screen for involvement in certain activities, and a ESG exclusionary screen based on an evaluation of companies overall performance on ESG issues.

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:	S&P/ASX 300 Accum. Index
Inception date of strategy:	April 2002
ASX commencement date:	29 November 2021
Distribution Frequency:	Half-Yearly
Management Fee:	0.65%*
Performance Fee:	15 % of outperformance*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Deterra Royalties Ltd	6.7%
Reliance Worldwide Corp. Ltd.	6.2%
GPT Group	5.9%
Washington H. Soul Patt.	5.6%
GWA Group Limited	5.3%
ANZ Group Holdings Limited	4.4%
News Corporation	3.2%
a2 Milk Company Limited	3.2%
Telstra Group Limited	3.0%
Commonwealth Bank of Australia	3.0%

*Information on management costs is set out in the relevant PDS

NET PERFORMANCE - periods ending 30 September 2025

	Fund	Benchmark	Excess
1 month	-4.19	-0.65	-3.54
3 months	1.39	4.99	-3.60
1 year	7.71	10.76	-3.05
2 year p.a.	12.75	16.09	-3.35
3 year p.a.	13.00	15.03	-2.03
Since incep. p.a.	8.27	9.37	-1.11

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

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	18.1	19.7
Dividend Yield*	3.2%	3.3%
Price / Book	2.2	2.4
Debt / Equity	30.3%	39.4%
Return on Equity*	11.2%	12.3%

[^] Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating the Fund's investment style in action. These figures are forecast estimates, calculated based on consensus broker estimates where available, and should not be relied upon. Dividend Yield is a dividend forecast of underlying securities for the portfolio and does not reflect the distributions to be determined for the fund.

* Forward looking 12-month estimate.

MARKET COMMENTARY

Australian equities navigated a turbulent quarter marked by shifting policy expectations and stark performance divergence, ultimately rising almost 5% through the period. The market's resilience was tested through one of the most volatile reporting seasons in recent memory, where sharp swings in heavyweight stocks underscored the risks inherent in a top-heavy market structure. The domestic economy proved more resilient than anticipated, with stronger consumption and household spending challenging forecasts for an extended easing cycle, while inflation data exceeded expectations and prompted markets to narrow rate cut assumptions. Sector performance reflected these cross-currents, with Materials rising over 20% while Financials gained only 1.3%, marking a significant rotation in market leadership. Healthcare endured one of its sharpest falls on record following CSL's high-profile disappointment. Consumer sectors delivered resilient performance supported by retail earnings beats, while gold producers posted exceptional gains as safe-haven demand surged amid concerns over fiscal sustainability and central bank independence.

PORTFOLIO COMMENTARY

A feature of this portfolio is that it applies Perpetual's ESG process and values-based investment criteria. The portfolio's largest overweight positions include Deterra Royalties Ltd, Reliance Worldwide Corporation and GPT Group. Conversely, the portfolio's largest underweight positions include BHP Group Ltd (not held), Commonwealth Bank of Australia and Wesfarmers Limited (not held).

Nick Scali delivered strong performance for investors over the September quarter (+28.3%) following the release of results that highlighted the divergent fortunes of its geographic segments. The company's Australian and New Zealand operations demonstrated exceptional quality with order growth accelerating and gross margins exceeding expectations, reinforcing the strength of its core franchise. However, the UK expansion continued to face headwinds with sales performance falling short of expectations due to refurbishment disruptions and operational challenges in newly converted stores. While management remains confident in the UK opportunity citing early signs of conversion success in select locations, the timeline to profitability has been extended with break-even now pushed further out. Despite the geographic mixed results, the underlying resilience of the ANZ business and management's disciplined approach to cost control and inventory management positions the company well to navigate the current retail environment while pursuing its longer-term growth strategy across both established and emerging markets. A2 Milk delivered standout performance over the September quarter, returning 9.0% to the portfolio. The company's 21% rise in full-year profit, higher-than-expected results, and declaration of a special NZ\$300 million fully-franked dividend highlighted both its earnings power and cash generation capabilities. Management further strengthened the firm's position through strategic supply chain investment - namely the acquisition of the Pokeno manufacturing facility - to support future growth in China's infant milk formula market. Notably, A2 expanded its market position in China, growing China-label infant formula sales by 3.3% in a market down 5.6%. We remain optimistic about A2 Milk, given its strong balance sheet, disciplined capital management, and continued expansion across China and international markets, all of which provide a supportive backdrop for future growth.

Myer underperformed the market over the quarter with the stock down -20.7%. The company is currently in the midst of undertaking an ambitious turnaround to regain relevance with consumers in apparel and beauty following many years of stagnating revenue growth and weak profitability. This requires significant upfront investment in management capability, brands and marketing, internal technology support systems and logistics. The scale of the investment surprised the market at the recent FY25 results, and the shares reacted negatively. There is significant operating leverage to be gained if Myer can execute on its plan over the next 2-3 years which would see a material improvement in earnings and cash flow. Importantly it has a strong net cash balance sheet to support it through this turnaround period.

Premier underperformed the market over the quarter with the stock down -4.8%. Premier is undergoing a transition post divestment of Apparel Brands to Myer in January 2025. The continuing operations of Premier Retail are Peter Alexander and Smiggle. Peter Alexander is growing very strongly with sales more than double that generated six years ago. It is impressive to see no pull back in sales momentum post COVID, unlike many retailers that experienced a temporary spike in demand followed by a large retreat. It likely indicates the Peter Alexander brand is yet to mature, with a number of new and larger footprint stores planned in coming years to capture growth in new categories such as women's, men's, children's and plus size as well as international market opportunities. Smiggle by contrast has experienced a decline in sales since COVID, along with several store closures in the UK. Weaker Smiggle sales offset Peter Alexander strength in FY25, leaving Premier's retail sales growth relatively flat.

OUTLOOK

Markets enter the final quarter with gains intact but underlying tensions building. Recent months have revealed sharp sector rotation and elevated post-result volatility, as resilient consumer demand collides with margin pressures and persistent inflation. Australian household spending has proved surprisingly robust, challenging expectations for an extended easing cycle, while globally, leadership remains concentrated in technology names despite growing fragility in sentiment. Political risks have intensified as questions around central bank independence drive gold near record highs and weigh on the US dollar. Valuations now sit near historical extremes, suggesting asymmetric downside risk at a time when policy uncertainty, tariff disruptions, and moderating earnings momentum argue for caution. Looking ahead, markets face a more complex growth backdrop. The US commands attention given elevated equity valuations and deficit concerns. Europe confronts weak business conditions and tariff headwinds, while China's stabilisation depends on sustained policy support amid cooling consumption. Domestically, growth is expected to remain subdued as the economy absorbs tighter policy settings. Navigating this environment requires discipline and patience as investors assess shifting market leadership and an increasingly uneven path forward.

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