

# WEALTHFOCUS PERPETUAL GLOBAL ALLOCATION ALPHA

November 2024

## 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:** \$16.65 million as at 30 Sep 2024

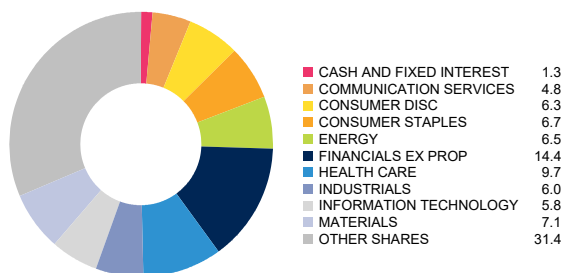
**APIR:** PER0109AU

**Management Fee:** 0.55%\*

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

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

## PORTFOLIO SECTORS



## TOP 10 STOCK HOLDINGS

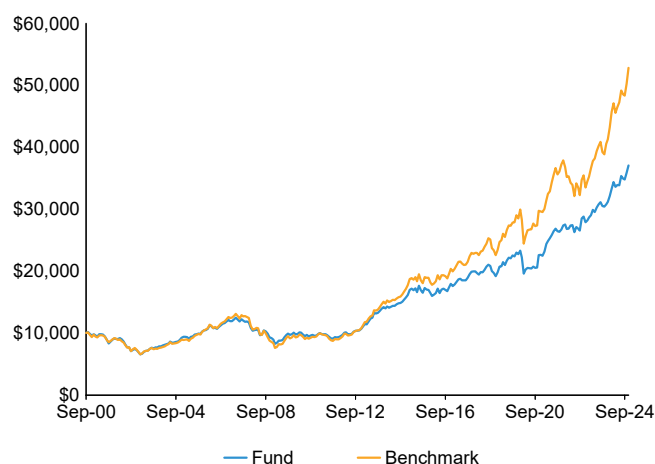
Stock Holding	% of Portfolio
Merck & Co., Inc.	1.2%
Comcast Corporation Class A	1.1%
Bank of Nova Scotia	1.1%
Sanofi	1.0%
Air Products and Chemicals, Inc.	0.9%
Microsoft Corporation	0.8%
Exxon Mobil Corporation	0.8%
Entergy Corporation	0.8%
Enbridge Inc.	0.7%
Verizon Communications Inc.	0.7%

## PERFORMANCE- periods ending 30 November 2024

Period	Fund	Historical <sup>1</sup> Performance	Benchmark	Excess
1 month	3.37	-	5.18	-1.81
3 months	6.03	-	8.79	-2.76
1 year	20.37	-	30.23	-9.86
2 year p.a.	13.44	-	22.04	-8.61
3 year p.a.	-	11.52	12.39	-0.88
4 year p.a.	-	13.16	15.46	-2.30
5 year p.a.	-	9.99	12.74	-2.74
7 year p.a.	-	9.28	12.64	-3.36
10 year p.a.	-	9.20	12.24	-3.04

<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

November delivered on the promise of a flurry of headlines relating to geopolitics and macroeconomics. The American presidential race ended with Donald Trump winning; he will be the second U.S. candidate ever elected to two non-consecutive terms. The quick and decisive outcome led the S&P 500 to have its best month of the year, up 5.7%, as the VIX Index fell in conjunction with the closing out of crowded market hedges. U.S. job openings hovered near the 3+ year lows hit last month. After the U.S. Federal Reserve (the Fed) opted to cut rates by 50 basis points (bps) in September, yields backed up on concerns surrounding the durability of inflation and higher long-term deficit spending. However, the market is still expecting a rate cut in December. Outside the U.S., central banks in Canada, UK, and other western-oriented central banks are still lowering rates while Japan has been holding steady after raising rates in the third quarter. This leads to the most popular question of how these election results will impact companies, trade, and foreign policy. There is much uncertainty, but some level of tariffs seems likely. This will damage bilateral trade with China, and even European exporters continue to suffer given the fear that a global tariff could be enacted. In spite of the uncertainty, global equity markets were positive in November, driven higher by the U.S. As noted earlier, the U.S. was the best performing market during the month. It was a notably risk-on environment with small caps and speculative technology names outperforming. Japan and the UK were positive, at least in U.S. dollar terms. However, continental Europe fell during the month on weakening economic data and political turmoil. Emerging markets were the worst performing segment, led lower by China. Currencies were still volatile and impacted returns as the U.S. dollar went from a one-year low before the election to a one-year high after the election.

## PORTFOLIO COMMENTARY

Carnival Corporation positively contributed to relative performance for the second month in a row after the cruise line reported strong earnings. The industry as a whole is thriving as it remains the value vacation option, with affordable pricing a concern for many consumers. When paired with positive currency trends, lower fuel prices, and continued strong demand, the setup for the company going forward remains strong.

Rheinmetall AG, the European defense contractor domiciled in Germany, positively contributed to relative performance during the month. The company released strong Q3 results in November and is pushing back toward all-time highs. While the Trump administration will push for a ceasefire in Ukraine, there is still an expectation for structurally higher European defense spending that would benefit the company. The company also released long-term expectations which are higher than the current consensus for both revenue growth and margins.

Danone SA, the French food manufacturer, reported solid 3Q results in the month of October. However, the appointment of Robert F. Kennedy Jr. to lead the department of Health and Human Services in November weighed on many processed food manufacturers. The U.S. accounts for more than 20% of Danone's revenue.

Newmont Corporation detracted from relative performance in November as the mining and metals company reported quarterly results that were slightly less than the market expected in late October. Also, the price of gold slumped slightly during the month after a strong rally throughout the year.

## OUTLOOK

The persistent political change across the globe continues to drive short-term tactical repricing, but the long-term impacts are far from certain as ideology will ultimately clash with political reality. What does stand out is the juxtaposition of continued U.S. economic strength and tepid economic growth in Europe. Markets continue to expect rate cuts going forward, but the pace and magnitude remain a question, especially given the political context. While the market expects more cuts, expansionary fiscal policy could force the Fed to slow down if inflation remains above its target and the economy remains healthy. A few areas to watch going forward in the U.S. are policy initiatives, who is part of the new administration, and whether the next jobs report confirms that October's weakness was an aberration.

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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 by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426 and issued by Perpetual Superannuation Limited (PSL) ABN 84 008 416 831 AFSL No 225246 RSEL No L0003315. It 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 product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by PSL, should be considered before deciding whether to acquire or hold units in the fund. The PDS and Target Market Determination can be obtained by calling 1800 022 033 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au). 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. 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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