Perpetual Private

PERPETUAL SELECT CONSERVATIVE FUND

December 2024

FUND FACTS

Investment objective: Stable returns through investment in a diversified portfolio with an emphasis on fixed income and cash investments.

Suggested length of investment Three years or longer

BENEFITS

Provides investors with access to a diverse range of growth and income producing assets.

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.

INVESTMENT APPROACH

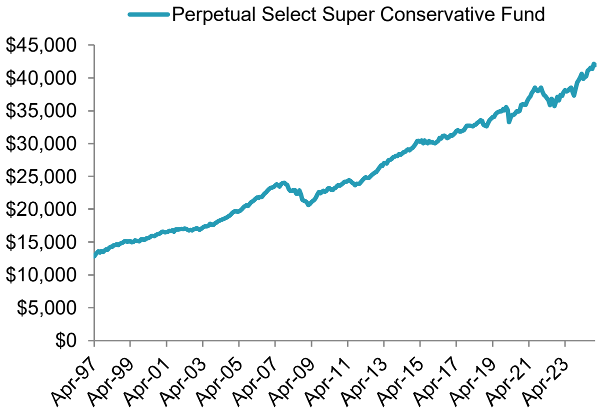
Invests into a diverse mix of assets (see ‘Investment guidelines’ below). Tactical asset allocation strategies may be applied. This process involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines. Derivatives and exchange traded funds may be used in managing each asset class.

TOTAL RETURNS % (AFTER FEES) AS AT 31 DECEMBER 2024

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Super Conservative Fund	WDL0005AU	-0.4	1.0	4.2	6.7	2.9	3.6
Perpetual Select Pension Conservative Fund	WDL0015AU	-0.4	1.1	4.7	7.3	3.1	3.8
Perpetual Select Conservative Composite Benchmark		-0.1	1.7	5.8	9.7	4.8	5.0

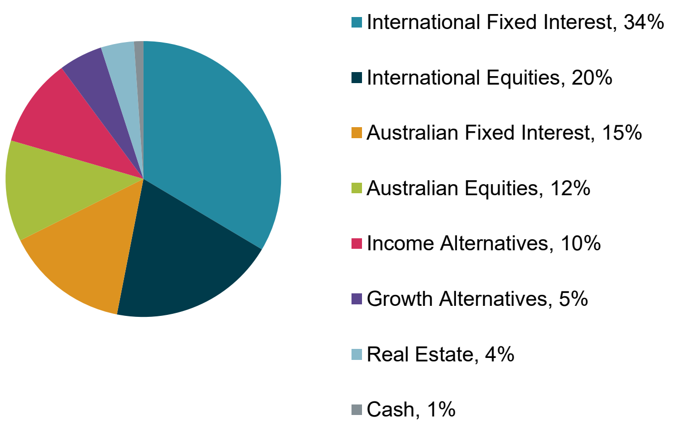
Past performance is not indicative of future performance

GROWTH OF $10,000 SINCE INCEPTION*



*The Growth of $10,000 chart includes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales or redemption charges which would lower these figures.

PORTFOLIO EXPOSURES^



^Portfolio exposures represent the Perpetual Select Super Conservative Fund

INVESTMENT GUIDELINES

	BENCHMARK (%)	RANGE (%)
Cash	2	0 - 30
International Fixed Interest	33.5	15 - 60
Australian Fixed Interest	15.5	10 - 40
Income Alternatives	10	0 - 20
Australian Equities	12	5 - 20
Real Estate	4	0 - 10
International Equities	19	10 - 30
Growth Alternatives	5	0 - 10

PORTFOLIO COMMENTARY

The Perpetual Select Conservative Fund finished higher for the December quarter but underperformed its composite benchmark over the same time period. Real Estate added to performance however Australian Equities, International Equities, Fixed Income, Defensive Alternatives and Growth Alternatives all detracted from performance relative to the fund's benchmark.

For the quarter, Australian Equities (S&P/ASX 300 Accumulation Index) lost 0.8%, Global Equities (MSCI All Country World Index) increased 10.9% and listed Real Estate (Composite Listed Index) fell 2.5%. Australian Fixed Income (Bloomberg AusBond Composite 0+ Year Index) delivered -0.3%, while Global Fixed Income (Bloomberg Global Aggregate Bond Index) returned -1.2%. All returns are in AUD.

The Perpetual Select Australian Share Fund underperformed the S&P/ASX 300 benchmark for the December quarter. four of the six managers outperformed for the period. DNR was the best performer delivering a positive 3.7% return for the period, which was 4.5% in excess of the fund's ASX300 benchmark return of -0.8%. Tribeca and Selector also outperformed their Small Ordinaries benchmark. The primary detractor was Cooper Investors, who are our Large Cap Core manager and currently have the highest weighting in the portfolio. They underperformed the benchmark by over 4% for the period. Almost half the underperformance was attributable to stocks not held in their portfolio that did well over the period. Most notably, their continued underweight to the major banks, not holding any exposure to either CBA or Westpac, the 2 best performing banks, was the primary detractor for the quarter.

The Perpetual Select International Share Fund underperformed the MSCI AC World index (unhedged AUD) over the quarter. Manager performance was disappointing, with Arrowstreet Capital being the only manager to outperform the benchmark over the period. All other managers lagged the benchmark, with MAN Numeric lagging the most, although this was in line with broader market trends where large and mega-cap equities generally had a weaker quarter. At the aggregate portfolio level, sector allocation contributed positively to performance, while stock selection detracted over the period. Stock selection was weakest within Information Technology, Health Care and Consumer Discretionary, yet positive across Industrials, Utilities and Energy. At the regional level, the primary detractor was overweight exposure to Europe ex UK, while stock selection within North America detracted materially. No changes to the manager line up were made during the quarter.

The Select Real Estate Fund outperformed its composite benchmark over the quarter. Resolution Capital, the portfolio's sole exposure to Global REITs outperformed its benchmark over the quarter, net of fees. Relative outperformance over the quarter came from overweight exposure to data centres, (Digital Realty and Equinix), and healthcare, (Welltower), and underweight industrial, (Prologis and Goodman). Self-storage and multi-family detracted. This impact was concentrated in the UK (Big Yellow) and Europe (Shurgard Self Storage). Derwent London (office) also detracted but the office sector in total was broadly neutral. Renaissance Asset Management, the portfolio's sole exposure to Australian REITs, outperformed its benchmark over the quarter, net of fees. Retail was the largest contributor, with overweight Carindale Trust the only positive amongst the retail cohort. Office detracted, driven by the GDI overweight while Aspen Group provided a positive contribution from the living sector.

The Perpetual Private Global Fixed Income Fund underperformed the Bloomberg Global Aggregate Bond Index (hedged AUD) over the quarter. The underlying active managers underperformed their benchmark with Western asset's performance being affected by the shift in interest rates as investors worried about the longer-term impact of a Trump presidency. This compares to Colchester where the relative underperformance was driven primarily by bond holdings in Mexico and Columbia; and an underweight to China.

The Perpetual Private Australian Fixed Income returned -0.3% during the quarter, generally in-line with the performance of the Bloomberg AusBond Composite 0+ Year Index which returned -0.3%. The Macquarie True Index Australian Fixed Interest is a passive strategy and has matched the benchmark performance over the quarter. Slight return variation is attributable to a cash allocation within the portfolio. Australian 10-year government bond yields have risen over the quarter, consistent with most developed market government bonds.

RETURNS BREAKDOWN (Super)

	FY 2024	FY 2023	FY 2022
Growth Return %	-4.9%	9.6%	-0.2%
Distribution Return %	0.0%	0.0%	0.0%
Total Return %	-4.9%	9.6%	-0.2%

PRODUCT FEATURES

	SUPER	PENSION
Inception date	Jul 92	Jul 92
Investment Fee (p.a.)*	0.62%	0.62%
Ongoing fee discount	Yes	Yes
Admin fee	0.10%	0.10%
Buy spread	0.18%	0.18%
Sell spread	0.00%	0.00%
Contribution fee	0.00%	0.00%
Withdrawal fee	$0.00	$0.00
Monthly member fee	$0.00	$0.00
Min. initial contribution	$3,000	$20,000
Min. additional contribution	$0	$0
Savings plan	Yes	No
Withdrawal plan	No	No
Distribution frequency	N/A	N/A
Contact information	1800 022 033	

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

Perpetual's Defensive Alternatives Pool Fund returned 2.3% for the three months ending December 2024, outperforming the Bank Bill +2% benchmark return of 1.6%. Asset-backed and corporate strategies were the strongest performer during the period while other alternatives underperformed. Returns derived from a weakening AUD was offset by the performance of the currency hedging; in-line with the investment strategy of the fund.

Perpetual's Growth Alternatives Pool Fund outperformed its benchmark in Q4 2024, delivering investors 5.6% over the period. In local currency terms, Other Growth Alternatives (via credit-based exposures), Infrastructure, Hedge Funds, and Private Equity all contributed to performance. Opportunistic Property continues to deliver disappointing returns. The falling Australian dollar (primarily vs the USD) contributed to returns.

OUTLOOK

As anticipated last quarter, the trajectory of rate cuts is likely to be shallower than previously expected, constrained by persistent inflationary pressures and a resilient labour market. In equities, we remain constructive on a broadening market rally in 2025, favouring exposures that have lagged but now offer compelling relative value. We also expect a more volatile market over the next 12-months.

In fixed income, we maintain a neutral stance on rates, acknowledging elevated volatility under a Trump administration as markets digest policy uncertainty. Given the potential for sharp repricing's, we prefer to wait for greater clarity before adopting a directional bias. In credit, we retain a short-duration positioning to benefit from higher-than-expected cash rates.

Listed real estate remains sensitive to interest rate movements, and after a strong year of price gains, further upside may be harder to achieve in 2025. We see opportunities emerging amid sectoral divergences, favouring office, healthcare, seniors living, and data centres over industrial and retail.

Navigating 2025 will require balancing structural tailwinds with near-term risks. A well-diversified portfolio, anchored in core investment principles, remains the best defence against volatility. As we have over the past year, we will selectively engage in areas where we hold high conviction while maintaining a disciplined risk budget in more uncertain segments.

MORE INFORMATION
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