Perpetual Private

Perpetual

Fund Profile - 28 February 2025

Implemented RI Australian Share Portfolio

Fund facts

APIR code	PER6066AU
Inception date	1 November 2024
Asset class	Domestic Equities
Investment style	Multi manager blend
Benchmark	S&P/ASX 300 Accumulation index
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*(%)	0.90%
Buy/Sell spread	0.12% / 0.12% as at November 2024
Issuer	Perpetual Investment Management Limited

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

Investment objective

Aims to provide investors with long term capital growth and income through investment in a diversified portfolio of Australian Shares. To outperform the S&P/ASX 300 Accumulation Index (before fees and tax) over rolling three-year periods.

Investment approach

The portfolio combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the fund by avoiding over exposure to a particular specialist investment manager.

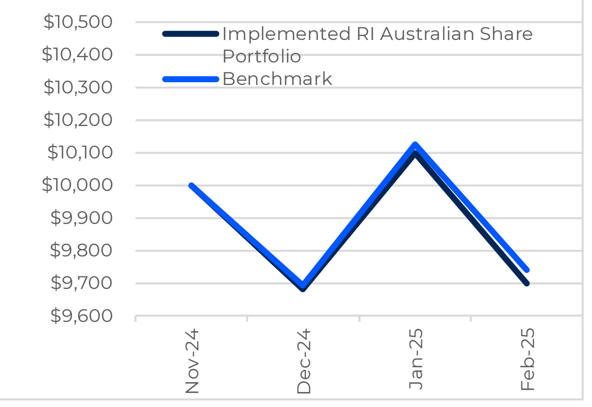
The portfolio selects specialist investment managers who implement Responsible Investment strategies (which may include the replication of an ESG index).

Derivatives may be used in managing the Portfolio.

Benefits

Provides investors with a practical solution to managing and diversifying exposure to Australian Shares through a multi–manager style investment portfolio.

Growth of $10,000 since inception (net of fees)



Net performance

As at 28 February 2025

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	-4.0%	-3.0%	-	-	-	-3.0%
Growth return	-4.0%	-3.0%	-	-	-	-3.3%
Distribution return	0.0%	0.0%	-	-	-	0.2%
Benchmark	-3.8%	-2.6%	-	-	-	-2.6%
Excess Return	-0.2%	-0.4%	-	-	-	-0.4%

Source: State Street. Past performance is not indicative of future performance. *Since Inception

Top 10 stock holdings

As at 28 February 2025

Stock	Weight %	Country
CSL Limited	8.8%	Australia
Commonwealth Bank	6.4%	Australia
BHP Group Limited	6.0%	Australia
Goodman Group	5.5%	Australia
Macquarie Group	5.2%	Australia
ANZ Banking Group	4.8%	Australia
Westpac Banking Corporation	4.3%	Australia
QBE Insurance Group Limited	4.1%	Australia
National Australia Bank	3.3%	Australia
Suncorp Group	3.2%	Australia
Total Top 10 Holdings %	**51.5%**	

Source: State Street, FactSet.

Investment strategy

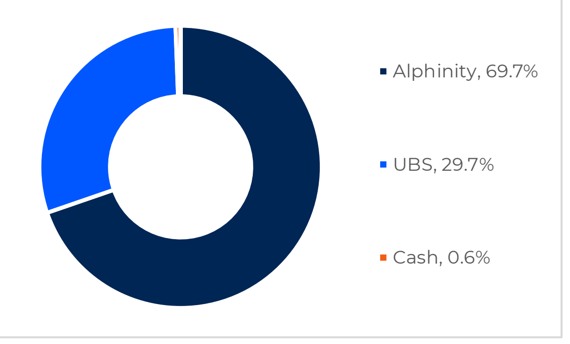
The strategy is biased towards utilising specialist investment managers that have a robust investment process, operate within an appropriate risk management framework and operate in an aligned and stable organisational structure. Utilising a multi-manager framework, the strategy aims to provide a blend of managers that together are expected to deliver a relatively smooth return profile whilst also integrating responsible investment considerations holistically as part of their investment approach. We note each manager is granted the flexibility to employ their own unique investment approach and philosophy in assessing companies from an ESG and Responsible Investment perspective, which may be a combination of both negative and/or positive screens. As part of this process, all managers are also mandated to adhere to the strategy's GICS-based exclusionary screens (per the PDS), which prohibits the managers from investing within particular GICS sub-sectors.

From a portfolio construction perspective, the highest weighting will be afforded to a Core manager, one that will have a more neutral investment style and is expected to add ballast to the overall portfolio. This manager will have the flexibility to invest broadly across the market capitalization spectrum of the domestic equity market and is expected to deliver a relatively consistent and stable return profile through time (relative to the benchmark). Beyond the Core, managers are then intentionally selected with certain investment styles and/or biases that are complementary to one another. In aggregate the portfolio is expected to be diversified across a number of holdings and have broad-based exposures from a sector and market cap perspective.

Perpetual conducts rigorous due diligence before selecting any manager for inclusion in the portfolio. Any chosen managers will be appointed to manage a proportion of the aggregate portfolio as a separate account under an agreement on behalf of the fund, whereby Perpetual will have full visibility over all underlying holdings. Each pool of assets that is managed by each manager is

Portfolio exposure by manager

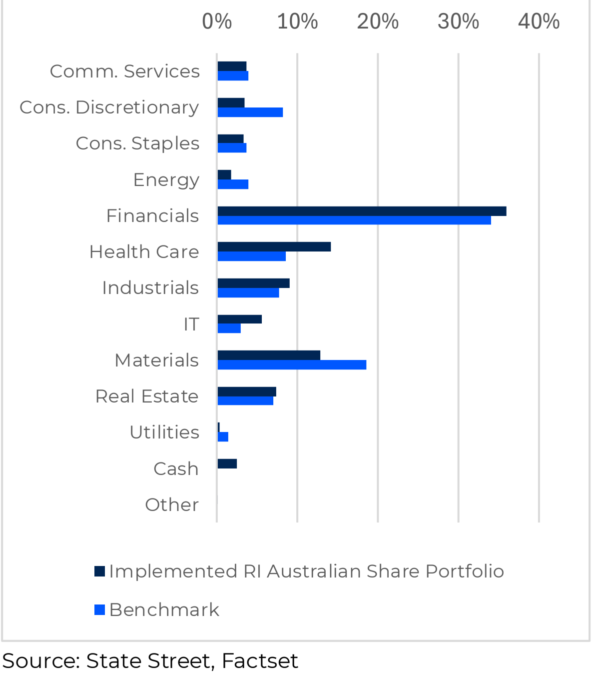
As at 28 February 2025



Source: State Street, FactSet

Sector Exposures

As at 28 February 2025



Source: State Street, Factset

Manager line-up and approach

Manager	Approach
Alphinity Investment Management	Core manager with a hybrid fundamental/quant approach, with a multi-layered ESG integration process.
UBS Asset Management	Passive exposure to MSCI Australia Selection Index, representing companies meeting specific ESG criteria.

held by a Custodian that has been appointed by Perpetual as its agent. These specialist investment managers are regularly reviewed and may be appointed or removed at any time without notifying you. As a result, the specialist investment managers may vary throughout the life of your investment

Market Commentary

February saw Australian equities retreat, with the ASX 300 losing 3.9%[1] over the month. A flurry of macroeconomic data, geopolitical uncertainty, and a subdued reporting season both in Australia and abroad kept investors on edge.

In the US, the rally that had been fuelled by optimism around a soft landing came under pressure as inflation prints surprised to the upside and Federal Reserve rhetoric turned more hawkish. Concerns grew that sticky inflation could delay rate cuts, while consumer sentiment dipped on the back of persistent cost-of-living pressures and political uncertainty. The Australian equity market's strong run had been largely supported by momentum in global growth stocks, but as that trend wavered, Australian equity investors sought refuge in lower-multiple, lagging names.

Back home, the Reserve Bank of Australia's widely expected rate cut was delivered with a hawkish tone, as policymakers flagged resilience in the labour market and concerns that inflation had still not returned sustainably to within their target range. The local market, which had been trading at historically high valuations, felt the weight of these macro headwinds, with February's reporting season adding further pressure. Aggregate earnings revisions remained negative across most sectors, reinforcing the view that earnings growth is yet to catch up to stretched multiples.

When we look at the market through a sector 'lens', the divergence in performance between best and worst, is meaningful, with 7 out of the 11 GICS sectors finishing in negative territory. For the month, Utilities performed best, gaining 3.2%[2]. In stark contrast, Information Technology fell 12.3%[3].

Exclusionary Screens

Excluded Industries for Direct Investment*
Tobacco (30203010 – Manufacturers of cigarettes and other Tobacco products
Casinos and Gaming (25301010 – Owners and operators of casinos and gaming facilities. Includes companies providing lottery and betting services)
Brewers or Distillers and Vintners (30201010 & 30201020 producers of beer and malt liquors, distillers, vintners and producers of alcoholic beverages)
Other specialised REITS (60108010 Companies or Trusts engaged in the acquisition., development, ownership. Leasing, management and operation of properties not classified elsewhere (under another GICS equity real estate investment Trusts classification))

*Please refer to the Product Disclosure Statement for further information in relation to our ESG screening criteria

Portfolio Commentary

The Perpetual Implemented RI Australian Share Portfolio underperformed the S&P/ASX 300 Accumulation Index in February. An overweight allocation to the Health Care sector and Goodman Group weighed on returns, while an overweight allocation to Diversified Financials, contributed to relative returns.

Alphinity

Alphinity outperformed the S&P/ASX 300 Accumulation Index in February and over the last three months. The best contributors during February were health insurer Medibank Private, packaging company Amcor, insurers QBE and Suncorp, and airline Qantas, although not owning software group WiseTech contributed nicely. These gains were partly offset by payment platform Block, property developer Goodman Group, hearing device maker Cochlear and not owning registry company Computershare.

UBS

UBS are running a passive strategy that aims to track the MSCI Australia Selection Index and invests in the corresponding constituents. During February this was delivered with minimal tracking error, underperforming the benchmark only by its cost of implementation. At a sector level, the mandate's index was dragged lower by Information Technology, Real Estate and Health Care, while Utilities and Industrials performed best. On a stock level, the index was led by Computershare and Bluescope Steel posting double-digit returns. Meanwhile, Mineral Resources, WiseTech, Cochlear, Goodman Group and Fortescue were the biggest detractors

Outlook

The portfolio remains positioned for a continuation of the current volatile environment. Recent shifts have seen a reduction in exposure to high-valuation stocks where expectations have run ahead of earnings delivery, while maintaining select growth positions where valuation remains reasonable, and earnings prospects remain favourable.

Exposure to banks has been moderated, reflecting a more challenging earnings outlook and elevated valuations. Within Health Care and Technology, positions have been refined to focus on areas where earnings conviction remains strong. Consumer and defensive sectors continue to be an area of selective opportunity, with the portfolio increasing exposure to certain Consumer names while remaining underweight Staples due to regulatory and competitive headwinds. Defensive allocations in Property and Telecommunications have also been adjusted, where valuations and earnings support an attractive risk-reward balance.

Overall, the portfolio is structured to navigate ongoing market rotations, with a focus on valuation discipline, earnings resilience, and exposure to sectors where fundamentals support long-term returns.

[1] As measured by the S&P ASX 300 – Net Return

[2] As measured by the S&P/ASX 300 Utilities (Sector) - Total Return index

[3] As measured by the S&P/ASX 300 Information Technology (Sector) - Total Return index

More information

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