

Perpetual Private

PERPETUAL SELECT CASH FUND

December 2024

FUND FACTS

Investment objective: Capital stability through investments in deposits, money market and fixed income securities.

BENEFITS

Provides investors with a relatively consistent rate of return through regular interest payments, generally in line with short-term interest rates. In addition, the fund is widely considered a low risk investment option.

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.

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 Cash Fund	WDL0004AU	0.3	1.0	1.9	3.8	2.7	1.6
Perpetual Select Pension Cash Fund	WDL0014AU	0.4	1.1	2.3	4.5	3.2	1.9
Bloomberg AusBond Bank Bill Index		0.4	1.1	2.2	4.5	3.2	2.0

Past performance is not indicative of future performance

MARKET COMMENTARY

For the thirteenth consecutive month, the Reserve Bank of Australia (RBA) maintained the official cash rate at 4.35% in December, in line with market expectations. This decision reflects the RBA's continued focus on addressing inflationary pressures while managing a fragile economic recovery. Headline inflation eased to 2.8% year-on-year in September, largely due to temporary government subsidy effects, though trimmed mean inflation remained elevated at 3.5%.

Economic indicators during the quarter presented a mixed outlook. GDP growth slowed to just 0.8% year-on-year—the weakest pace since the early 1990s outside the pandemic period—hampered by weak household consumption and restrictive financial conditions. However, the labour market has remained resilient, with unemployment at 3.9% in November, only marginally higher than the post-COVID low of 3.4%. Wage price growth has continued to moderate, reaching 3.5% year-on-year, its slowest pace since 2022. Nonetheless, persistently low productivity growth remains a concern, potentially constraining the degree to which monetary policy can ease in the future.

PORTFOLIO COMMENTARY

The Perpetual Select Cash Fund invests in the Perpetual Cash Management Trust. The strategy's performance remains consistent with the RBA Cash Rate benchmark, which stayed unchanged throughout the quarter and is currently yielding 4.35%. Inflation have moderated somewhat over the period but inflation expectations over the medium-term have increased. Markets do not expect imminent interest rate cuts and thus the forward curves have shifted. We are monitoring the actions of the incoming Trump administration and expect further clarity post his inauguration.

PRODUCT FEATURES

	SUPER	PENSION
Inception date	Jul 92	Jul 92
Investment Fee (p.a.)*	0.00%	0.00%
Admin fee	0.10%	0.10%
Buy spread	0.00%	0.00%
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	\$0.00	\$0.00
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.

OUTLOOK

Looking ahead, the RBA appears cautious as it assesses the timing for rate cuts. While markets are pricing in a >50% chance of a 25-basis-point cut at the February 2025 meeting, May seems a more likely starting point for monetary easing, given the need for greater clarity on inflation trends and future economic conditions.

Underlying inflation remains above the target range, indicating that inflationary momentum persists despite significant declines in headline figures. The RBA will closely monitor consumption trends, wage growth, and productivity as it evaluates when to cut policy rates. Risks around household spending recovery and geopolitical uncertainties add to the complexity of the outlook.

Globally, central banks have started cautiously easing policy, reflecting improved confidence in inflation moderation. The RBA is expected to adopt a similarly gradual approach, aiming to bring the cash rate near the estimated neutral level of 3.60% by late 2025. The Board remains committed to achieving price stability and full employment while staying adaptable to evolving domestic and international risks.

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MORE INFORMATION

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