

Perpetual Private

# PERPETUAL SELECT REAL ESTATE FUND

December 2025



## FUND FACTS

**Investment objective:** Income and long-term capital growth through investment in a diversified portfolio of Australian and international real estate investment trusts and unlisted property trusts.

**Suggested length of investment:** Five years or longer

## INVESTMENT APPROACH

The Fund 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 currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.

## BENEFITS

Offers investors a highly liquid access to the potential long-term growth in property markets, without having to hold and manage physical property assets.

## RISKS

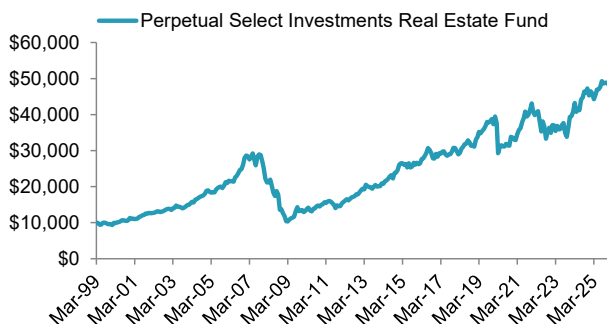
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether a fund is suited to your financial needs.

## TOTAL RETURNS % (AFTER FEES) AS AT 31 DECEMBER 2025

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Investments Real Estate Fund	PER0254AU	-1.0	-0.5	3.0	6.8	11.5	7.5
Perpetual Select Real Estate Composite Benchmark		-0.4	-1.2	2.6	6.0	11.1	7.6

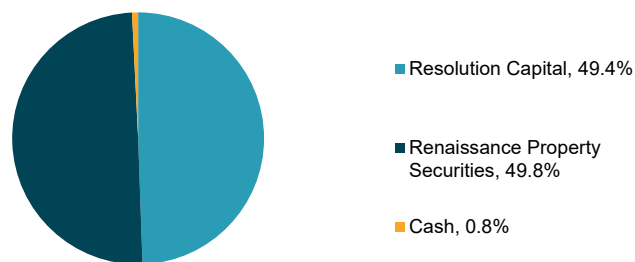
Past performance is not indicative of future performance

## 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<sup>^</sup>



<sup>^</sup>Portfolio exposures represent the Perpetual Select Investments Real Estate Fund

TOP 10 STOCK HOLDINGS	WEIGHTS (%)
Goodman Group	15.3
Scentre Group Limited	7.0
Welltower Inc.	4.3
Unibail-Rodamco-Westfield SE	4.2
Stockland	4.1
Charter Hall Group	3.5
Mirvac Group	2.8
Equinix, Inc.	2.8
Dexus	2.6
Ventas, Inc.	2.6

## MANAGER INVESTMENT APPROACH

Renaissance Property Securities	Diversified Australian Real Estate Investment Trust portfolio, fundamental bottom-up stock selection
Resolution Capital	Concentrated Global Real Estate Investment Trust portfolio, fundamental bottom-up stock selection

## MARKET COMMENTARY

Australian Real Estate Investment Trusts (also known as A-REITs) experienced a relatively soft final quarter of 2026, slipping some 1.2% over the 3-month period, albeit firming by a healthy 2.0% in December. On a 12-month basis however, the segment returned a healthy 9.7% with the Australian property sector continuing to normalise from impacts brought about by the COVID pandemic. The Office sector, however, continues to lag but with many indicators suggesting an improving demand/supply balance (such as reduced incentives and discounting), expectations are growing that the worst is now behind it, particularly with many companies pushing employees to reduce the number of days they work from home.

Globally, G-REITs (Global Real Estate Investment Trusts) did not fare as well as their Australian peers. With the relevant index receding by 1.4% in AUD terms, or 0.8% in USD over the quarter. Germany continues to be the laggard of the pack, losing 9.4% in the quarter. Indeed, the German property market has now lost 10.1% on an annualised basis for the past 5 years (to 31st December 2025). As a highly export focused country, the German economy has been suffering from a multitude of complications, not the least of which include tariff/trade disruption and the loss of Russian gas supply. Whilst the US and Eurozone performed similarly over the quarter (-2.5% and -3.0% respectively), their experience over the year was widely different with the US receding 5.8% (impacted strongly by USD weakness), whilst the Eurozone gained a healthy 11.9% for the year. The best performing regions for the quarter are also amongst the best performing regions for the year, Singapore and Japan. Singapore gained 3.2% for the quarter and 19.1% for the year, whilst Japan had a quieter quarter (2.0%) its year delivered an impressive 29.0%.

## PORTFOLIO COMMENTARY

The Perpetual Select Real Estate Fund outperformed its benchmark over the December quarter by 0.8%.

Resolution Capital, the portfolio's sole exposure to Global REITs, outperformed its benchmark over the quarter, net of fees. Scentre, Sumitomo Realty, Land Securities, National Storage and Derwent were the major contributors to relative performance. Welltower, Big Yellow Group, Ventas, Vornado and Sun Hung Kai properties detracted.

Renaissance Asset Management, the portfolio's sole exposure to Australian REITs, outperformed its benchmark over the quarter, net of fees. An underweight to Goodman Group was the largest contributor while retail exposures, Carindale and Unibail-Rodamco also added relative value. There were no significant individual stock moves.

There were no manager additions or terminations to the Perpetual Select Real Estate Fund Portfolio during the quarter. We remain comfortable with our manager selection.

## OUTLOOK

REITs have underperformed broader equity markets, posting negative returns over the quarter. Despite volatility over the quarter the underlying asset class fundamentals remains constructive. We believe REITs are now trading around fair value, with limited exposure to the mega-cap technology companies that have been driving global equity markets higher.

We have seen a stabilisation in Office, while softening in Industrial property is moderating. Transaction volumes across the Office sector have picked up over the quarter. Retail property continues to be supported by a resilient consumer while vacancy remains low. We have seen a nascent recovery in residential property over the quarter. Higher interest rates and region-specific dynamics play a role, but given the housing shortages across Australia, the US, Canada, the UK, and Europe, fundamentals are supportive of the sector over time. In the US, CBRE continue to report rising absorption rates and falling construction pipelines. Materials and service inflation remains a challenge across all property sectors, contributing to higher development costs. Increasing replacement costs is a positive tailwind for existing property supply but may represent a longer-term issue for the market in general.

## RETURNS BREAKDOWN (INVESTMENTS)

	FY 2025	FY 2024	FY 2023
Growth Return %	5.4%	12.4%	0.0%
Distribution Return %	8.5%	2.2%	2.0%
Total Return %	13.9%	14.7%	1.9%

## DISTRIBUTION BREAKDOWN

	FY 2025	FY 2024	FY 2023
Cents per unit	8.6416	2.0110	1.7652

## PRODUCT FEATURES

	INVEST.
Inception date	Mar 99
Management/Investment Fee (p.a.)*	0.97%
Ongoing fee discount	No
Admin fee	0.00%
Buy spread	0.24%
Sell spread	0.00%
Contribution fee	0.00%
Withdrawal fee	\$0
Monthly member fee	\$0
Min. initial contribution	\$2,000
Min. additional contribution	\$0
Savings plan	Yes
Withdrawal plan	Yes
Distribution frequency	Quarterly
Contact information	1800 677 648

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

Economic conditions remain broadly positive. Employment conditions and the return to office continue to support rental appreciation and take out of leasable space. Resilient labour markets and consumer confidence continue to provide a tailwind for retail. Specific to industrial property, the impact of US tariffs remains limited to date. In Australia, Goodman Group continues to dominate index level performance with one stock representing circa 40% of the index exposure.

Looking ahead, we believe the core fundamentals for real estate remain supportive, but the key risk lies in a slowdown in economic activity that leads to job losses or weaker consumption. Data points to date does not show any cause for concern, although changing interest rate expectations has led to some short-term volatility for REITs.

<sup>1</sup> As measured by the S&P/ASX 300 A-REIT index

<sup>2</sup> As measured by the FTSE EPRA Nareit Global index in AUD terms

<sup>3</sup> As measured by the FTSE EPRA Nareit Global index in USD terms

<sup>4</sup> As measured by the FTSE EPRA Nareit Germany index in AUD terms

<sup>5</sup> As measured by the FTSE EPRA Nareit USA index in AUD terms

<sup>6</sup> As measured by the FTSE EPRA Nareit Eurozone in AUD terms

<sup>7</sup> As measured by the FTSE EPRA Nareit Singapore index in AUD terms

<sup>8</sup> As measured by the FTSE EPRA Nareit Japan index in AUD terms

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## MORE INFORMATION

Adviser Services 1800 677 648  
Email [Selectqueries@cm.mprms.mufg.com](mailto:Selectqueries@cm.mprms.mufg.com)  
[www.perpetual.com.au](http://www.perpetual.com.au)

