

Perpetual Private

PERPETUAL CHARITABLE ENDOWMENT FUND

March 2025



FUND FACTS

Investment objective: Aims to provide income tax exempt investors such as charitable endowments and foundations with income and long-term capital growth through an investment in a diversified portfolio with an emphasis on Australian Shares.

Suggested length of investment: Five 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

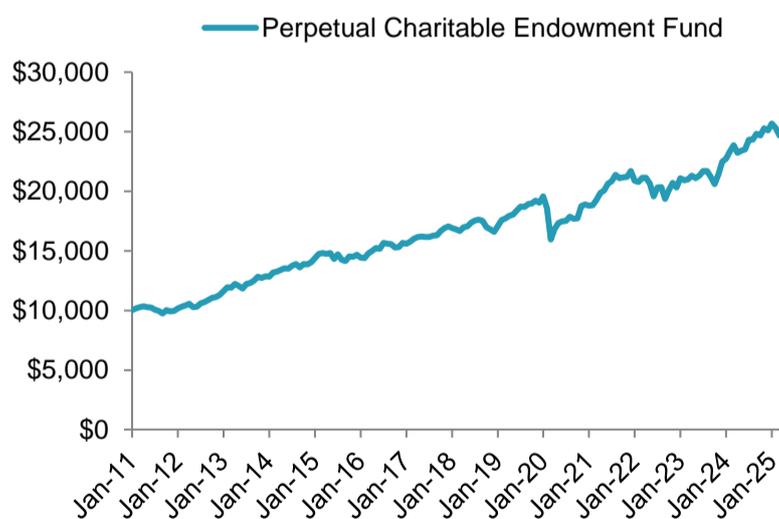
The Fund combines investment managers with different investment styles and philosophies. For asset classes other than Diversified Alternatives, cash and derivatives, the Fund aims to invest in underlying funds which consider environmental, social, and governance (ESG) factors as part of their investment process. The Fund is managed according to its investment guidelines which have a set exposure to each investment manager. The Fund is regularly reviewed and re-weighted to the set investment guideline. Re-weighting means realigning the asset allocation to the investment guidelines for each investment manager. This can help reduce the volatility of the investment by avoiding over exposure to a particular investment manager that has grown more quickly than another.

TOTAL RETURNS % (AFTER FEES) AS AT 31 MARCH 2025

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Charitable Endowment Fund	PER0558AU	-2.6	-1.7	-0.6	3.5	5.3	9.1
Perpetual Charitable Endowment (incl. Franking)	PER0558AU	-2.6	-1.7	-0.6	3.7	5.8	9.6
Perpetual Charitable Endowment Composite Benchmark		-2.4	-1.0	1.1	6.3	7.0	9.9

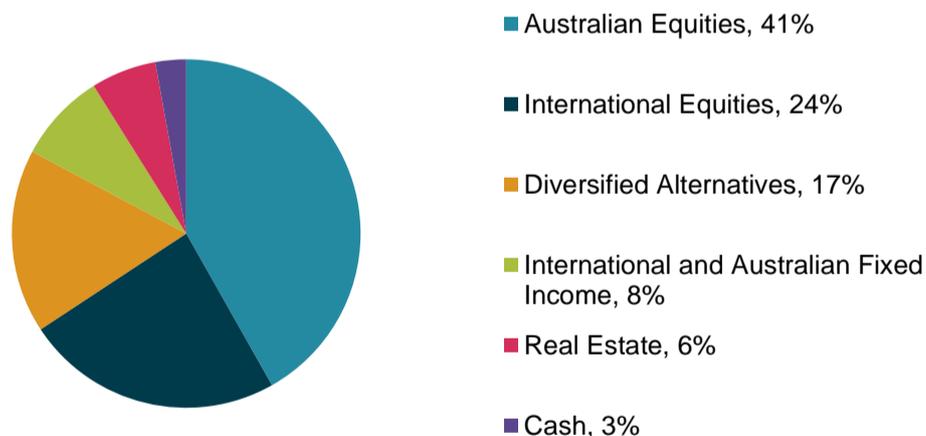
Past performance is not indicative of future performance

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[^]



INVESTMENT GUIDELINES

	BENCHMARK (%)	RANGE (%)
Cash	2	0 - 30
International Fixed Income	5.5	0 - 20
Australian Fixed Income	2.5	0 - 20
Australian Shares	42	25 - 60
Real Estate	6	5 - 15
International Shares	24	0 - 30
Diversified Alternatives	18	0 - 30

PORTFOLIO COMMENTARY

The Perpetual Select Charitable Endowment Fund finished lower for the March quarter and underperformed its composite benchmark over the same time period. International Equities, Fixed Income and Real Estate added to performance however Australian Equities detracted from performance relative to the fund's benchmark. Diversified Alternatives returns were flat over the quarter.

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.

RETURNS BREAKDOWN (INVESTMENTS)

	FY 2024	FY 2023
Growth Return %	5.8%	4.4%
Distribution Return %	4.5%	4.5%
Total Return %	10.2%	8.9%

DISTRIBUTION BREAKDOWN

	FY 2024	FY 2023
Cents per unit	4.9388	4.7669

PRODUCT FEATURES

	INVEST.
Inception date	Jan 11
Management Fee (p.a.)*	1.05%
Ongoing fee discount	Yes
Buy spread	0.20%
Sell spread	0.00%
Contribution fee	0.00%
Withdrawal fee	\$0
Monthly member fee	\$0
Min. initial contribution	\$0
Min. additional contribution	\$0
Savings plan	NA
Withdrawal plan	NA
Distribution frequency	Quarterly
Contact information	1800 677 648

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

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.

The Diversified Alternatives sector constitutes private equity exposures primarily located in the USA and emerging markets. The return was flat over the quarter. The underlying businesses continue to perform in line with manager forecasts. Currency exposures are partially hedged to the Australian dollar.

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.

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MORE INFORMATION

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