

PERPETUAL SELECT CONSERVATIVE FUND

June 2025

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

INVESTMENT APPROACH

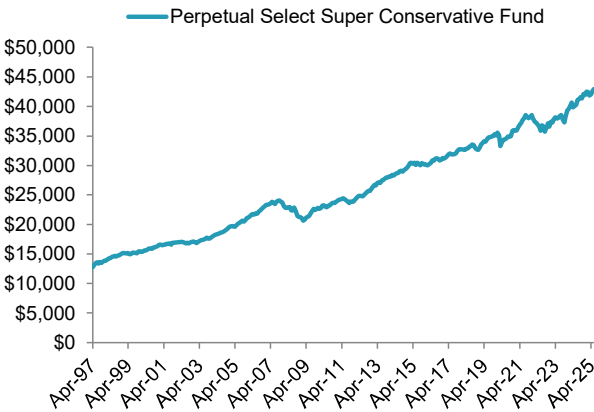
Invests into a diverse mix of assets (see 'Investment guidelines' below). Tactical asset allocation strategies may be applied. This process involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines. Derivatives and exchange traded funds may be used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

TOTAL RETURNS % (AFTER FEES) AS AT 30 JUNE 2025

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Super Conservative Fund	WDL0005AU	0.8	2.6	2.3	6.6	6.2	4.5
Perpetual Select Pension Conservative Fund	WDL0015AU	0.9	2.8	2.5	7.3	6.8	4.9
Perpetual Select Conservative Composite Benchmark		1.2	3.7	3.8	9.8	8.5	6.0

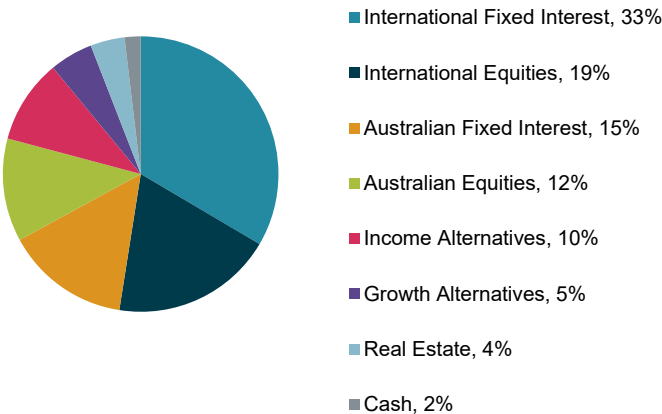
Past performance is not indicative of future performance

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	14.5	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 June quarter but underperformed its composite benchmark over the same time period. Global Fixed Income was the sole contributor to added value. While the majority of other asset classes within the fund finished in positive territory, none managed to beat their respective benchmarks, contributing to the relative underperformance of the fund.

For the quarter, Australian Equities (S&P/ASX 300 Accumulation Index) gained 9.5%, Global Equities (MSCI All Country World Index) increased 6.0% and listed Real Estate (Composite Listed Index) rose 6.2%. Australian Fixed Income (Composite Index) delivered 2.6% and Global Fixed Income (Composite Index) returned 1.5%. All returns are in AUD.

The Perpetual Select Australian Share Fund underperformed the S&P/ASX 300 benchmark for the June quarter. Our Core manager, Cooper Investors, had a very difficult quarter and was the primary detractor for the period. Around a third of their underperformance can be tied to their sector allocations – not holding any Tech, combined with a considerable underweight to Financials (particularly the banks) and a strong overweight to Healthcare, all detracted. The remaining underperformance was due to stock selection, with key detractors being their underweight to CBA over the period, as well as key positions in Ryman Healthcare, HMC Capital, Lendlease and Worley. It was also a tougher quarter for Value stocks, which saw our value-focused Manager (Perpetual) face into some stylistic headwinds, also underperforming over the quarter. It was a much more pleasing quarter from our small cap managers, both having outperformed not only their Small Ordinaries benchmarks, but also the aggregate fund's ASX300 benchmark, which was impressive given it was a tougher quarter for small cap stocks (versus large caps). DNR had a particularly strong quarter-their strong overweight to the Tech sector was a key contributor, with large positions in both Life360 and Technology One. Another key contributor was their strong overweight to the non-bank Financials that did particularly well, these being Zip, Netwealth, Hub24 and Pinnacle. Our UBS ASX20 passive strategy also delivered a return that was 0.8% above the fund's ASX300 benchmark, largely driven by strength from the major banks including Macquarie, as well as Goodman Group and WiseTech Global. While our Growth manager, Selector, was slightly below benchmark for the period.

The Perpetual Select International Share Fund underperformed the MSCI All Country World Index (unhedged AUD) on a net-of-fees basis in the June quarter. The only manager to outperform over the period was SGA, with other managers underperforming the fund's benchmark. Regional positioning, sector allocation and stock selection all detracted from relative performance. Notably, the largest detractors from regional positioning was the fund's overweight exposure to the UK, primarily via Cooper Investors. Sector allocation, primarily due to overweight exposures to Health Care, was the main detractor, while an underweight exposure to Energy contributed to relative performance. No changes were made to the manager line-up during the quarter.

The Select Real Estate Fund underperformed 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 came from Asian developers Sun Hung Kai and Sumitomo Realty & Development and German Residential developer, Tag Immobilien AG, Key detractors included Ventas (healthcare), Goodman Group (Industrial) and Equity Residential (multi-family). Renaissance Asset Management, the portfolio's sole exposure to Australian REITs, underperformed its benchmark over the quarter, net of fees. An underweight to Goodman Group was the key detractor as the stock bounced heavily after a prolonged period of underperformance. An overweight to office detracted with key positions in Dexus and GDI both lagging. Aspen Group, a provider of affordable living, was a major contributor.

The Perpetual Private Global Fixed Income Fund outperformed the Bloomberg Global Aggregate Bond Index (hedged AUD) over the quarter. Positive performance contribution was primarily driven by manager alpha across all three managers. Both Western and Alliance Bernstein benefitted from their long government bond positions, especially in Emerging Market (EM) which benefitted from falling yields and a weak USD. Both managers also made gains through their credit positions. Colchester's overweights to EM were strong contributors to its outperformance of government bonds.

The Perpetual Private Australian Fixed Income Fund returned 2.6% during the quarter, generally in-line with the performance of the Bloomberg AusBond Composite 0+ Year Index. The Macquarie True Index Australian Fixed Interest is a passive strategy and has matched the benchmark performance over the quarter.

RETURNS BREAKDOWN (Super)

	FY 2025	FY 2024	FY 2023
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 677 648	

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

Perpetual's Defensive Alternatives Pool Fund returned 0.9% for the three months ending June 2025, underperforming the Bank Bill +2% benchmark return of 1.6%. Returns from the Fund's allocations to broadly syndicated loans, trade finance and floating rate credit were generally disappointing but positive, underperforming our expectations by around 1%. The Fund's allocations to CLOs, new vintage private debt and specialty finance performed well.

Perpetual's Growth Alternatives Pool Fund underperformed its benchmark in Q2 2025, delivering investors -0.4% over the period. In local currency terms, underlying asset performance was positive. Other Growth Alternatives, including our CLO Equity investments, Aviation Leasing and GP Stakes investment all contributed positively, as did Infrastructure and Private Equity. Opportunistic Property was flat during the period, while Absolute Return (hedge funds) detracted, primarily within our directional exposures. Of note, the weak USD / strong AUD was the primary reason for the negative return over the period.

OUTLOOK

The final three months of the 2025 financial year was awash with information for investors to digest. Escalating conflict in the Middle East, a smouldering invasion at the eastern flank of Europe, a clash between nuclear armed India and Pakistan, a mould-breaking US president intent on disrupting global norms, diverging regional growth and inflation prospects, a less-strong US dollar, high levels of government debt, and the rapid emergence and adoption of AI; were just some of the issues that markets had to adjust for.

For us, the correct approach is clear, even if it isn't comfortable. With the balance of risks evenly shared between upside and downside outcomes, now is not the environment to be bold, nor is it the time to be shy. This period is one in which patience will truly be a virtue. Knee-jerk reactions, into or out of, investments are likely to be punished by markets, in addition to the risk of dissipation of returns via trading costs.

Instead, a calm and methodological approach to market developments will be key, whilst we wait for the emergence of a deep economic trend. Volatility is likely to remain a feature of markets for the months ahead, investors who use those periods to get set for the course ahead, will be best placed to weather whatever comes.

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