Perpetual Private

PERPETUAL SELECT REAL ESTATE FUND

June 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

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.

INVESTMENT APPROACH

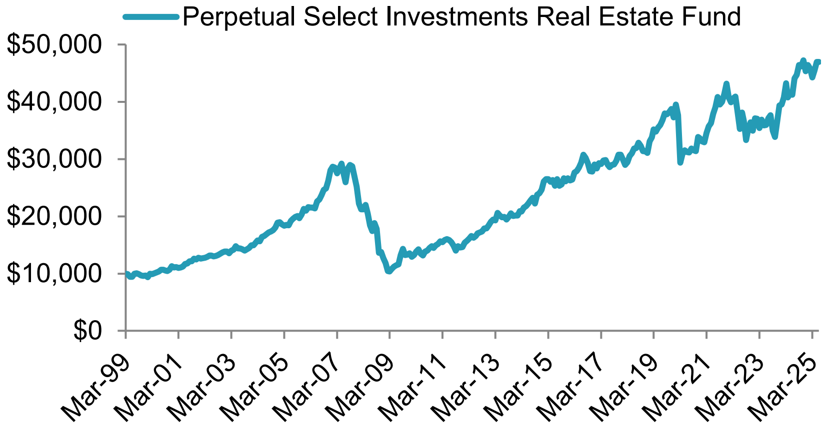
The Fund combines specialist invesment managers with different investment styles and philosophies. This can help reduce the volatility of the Fund by avoiding over exposure to a particular specialist investment manager.
The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.

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 Investments Real Estate Fund	PER0254AU	0.1	6.1	3.7	13.9	10.0	8.5
Perpetual Select Real Estate Composite Benchmark		0.4	6.2	3.3	13.9	10.1	9.5

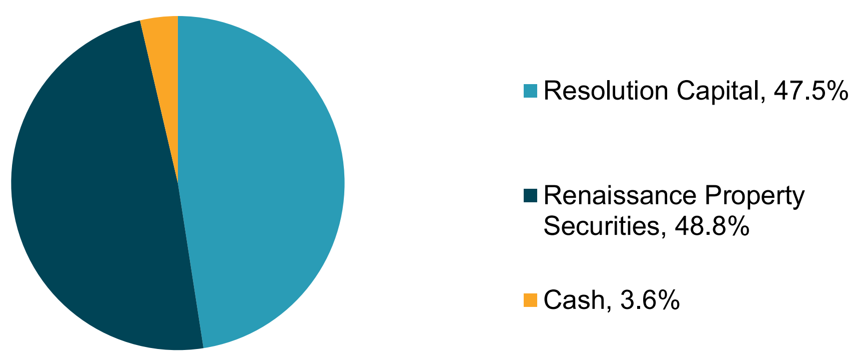
Past performance is not indicative of future performance

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 Investments Real Estate Fund

TOP 10 STOCK HOLDINGS	WEIGHTS (%)
Goodman Group	16.8
Scentre Group Limited	6.4
Unibail-Rodamco-Westfield SE	4.0
Welltower Inc.	3.9
Stockland	3.7
Mirvac Group	3.0
Charter Hall Group	2.9
Digital Realty Trust, Inc.	2.6
Dexus	2.6
Vicinity Centres	2.5

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

REITs (Real Estate Investment Trusts) experienced differing outcomes over the quarter, with meaningful rebounds continuing for European and Asian securities, whilst US assets lagged with heightened borrowing costs and a weakening US dollar weighing on outcomes. Locally, A-REITs delivered a respectable return over the period, delivering 13.4%[1] for the three months – significantly below Germany's 26.6%[2] but comfortably above the -6.4%[3] generated by the US.

Digging deeper into regional returns, we note that when removing the currency effect, US returns improve to -1.6%, with the US dollar weakening over 5% in the period. Conversely, given the strengthening of the Euro, Germany's outcome in Australian dollar terms was flattened, generating only 21.9% in local currency terms.

On a sector level, residential developers (particularly German and Asian) performed strongly as residential shortages became evident across Developed markets. Data centres continue to be an area of strength due to their proximity to the AI trend, meanwhile Healthcare experienced softer outcomes, whilst Industrial's performance was varied across regions.

[1] As measured by S&P / ASX 300 A-REIT (Sector) – Total Return index
[2] As measured by FTSE EPRA Nareit Germany Net Return (AUD) index
[3] As measured by FTSE EPRA Nareit USA Net Return (AUD) index.

PORTFOLIO COMMENTARY

The Perpetual Select Real Estate Fund underperformed its benchmark over the June 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.

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

OUTLOOK

Last quarter, we raised the threat that tariffs may have on the residential sector despite our view that this is an attractive place to invest for the future due to the widespread imbalance, between demand and supply (primarily a supply shortage). US-based companies within the sector sold off heavily on 2nd April as the US Government announced a suite of global tariffs. Many of these companies have partially rebounded but few were able to recoup all of their losses from that day. This impacted key US businesses including; Essex Property Trust, Avalon Bay, Equity Residential and Invitation Homes, all declining between 9-12% over the quarter in AUD terms. On a more positive note, last quarter we referenced the probable trough in Office as a buffer against losses, and the sector outperformed during the quarter. The Office sector is down to around 5% of the index so its influence is greatly diminished but many of these are very credible businesses with high quality assets and gradually improving prospects.

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.

The second quarter was also notable for a reversal in what had been some of the best performing sectors. Healthcare still represents the best performing sector over the last twelve months but joined the Residential sector in large declines. Ventas and Welltower are the largest listed healthcare companies, with the drawdown over the quarter coming in large part from Ventas. In late April, it announced solid financial results but gave weak forward guidance. The quarter also saw weakness in life sciences with a sell-off in Alexandria Real Estate and Healthpeak Properties. HealthCo Healthcare & Wellness REIT in Australia similarly fell after providing rent relief to Healthscope (hospital operator), which subsequently went into receivership.

The regional disparity in global REIT performance over the quarter has alleviated some of the discount that had been apparent in UK and European companies. It suggests that overall, REIT's are trading around fair value and the future direction for markets will be dependent on the pace of rental growth. We reiterate our comment from last quarter that fundamentals remain supportive. The lack of new supply evident across sectors, excluding data centres which are expanding quickly, and likely to be in effect for at least the next year or longer, will support rent growth for existing landlords. Construction and developers are facing much more challenging conditions including elevated construction costs, higher borrowing costs and less liquid markets. In this environment, we still believe our managers can take advantage of any large shifts in prices or regional dislocations.