Perpetual Private

Fund Profile - 30 September 2025

Implemented Real Estate Portfolio

Fund facts

APIR code	PER0712AU
Inception date	9 December 2013
Asset class	Australian & Global Property Securities
Investment style	Multi Manager Blend
Benchmark	Real Estate Composite Benchmark#
Suggested length of investment	5 years or more
Unit pricing frequency	Daily
Distribution frequency	Quarterly
Legal type	Unit Trust
Product type	Wholesale Managed Investment Scheme
Status	Open
Management fee*(%)	0.70%
Buy/Sell spread	0.24% / 0.00% as at September 2025
Issuer	Perpetual Investment Management Limited

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

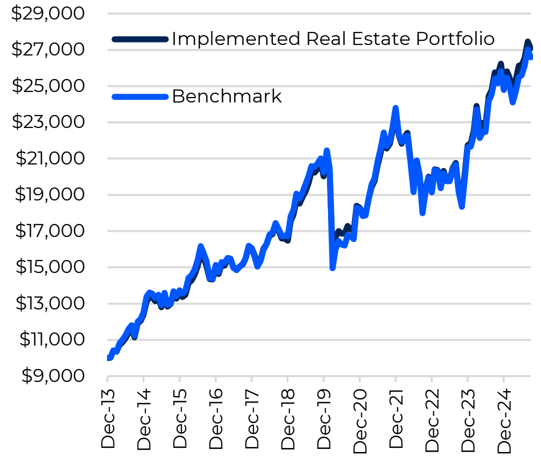
Investment objective

To provide investors with income and long-term capital growth through investment in a diversified portfolio of Australian and international real estate investment trusts. To outperform the stated benchmark over rolling three-year periods.

Benefits

Provides investors with the potential for maximising income and capital growth, with broad market exposure.

Growth of $10,000 since inception (net of fees)



Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance.

#The Real Estate Composite benchmark consists of 50% S&P/ASX 300 A-REIT Accumulation Index & 50% FTSE EPRA/NAREIT Developed Index – Net Return (Unhedged in AUD), reflecting the portfolio's investment strategy.

Net performance

As at September 2025

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	-1.4%	3.5%	5.1%	14.0%	9.6%	9.0%
Growth return	-1.7%	3.2%	-3.3%	9.2%	5.0%	5.4%
Distribution return	0.3%	0.3%	8.4%	4.8%	4.7%	3.5%
Benchmark	-1.6%	3.9%	4.6%	13.9%	9.7%	8.8%
Excess Return	0.3%	-0.3%	0.5%	0.1%	-0.1%	0.2%

Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance. *Since Inception

Top 10 stock holdings

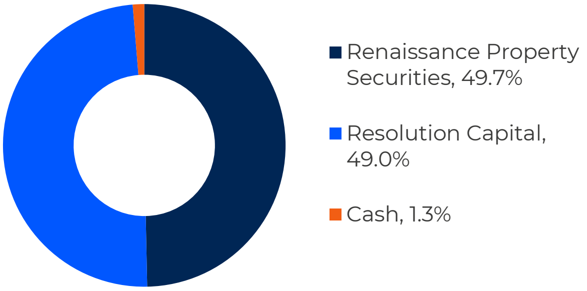
As at September 2025

Stock	Weight %	Country
Goodman Group	15.7%	Australia
Scentre Group	7.1%	Australia
Stockland	4.3%	Australia
Unibail-Rodamco-Westfield	4.3%	France
Welltower Inc.	4.1%	United States
Charter Hall Group	3.3%	Australia
Mirvac Group	3.2%	Australia
Digital Realty Trust, Inc.	2.8%	United States
Dexus Group	2.7%	Australia
Equinix	2.6%	United States
Total Top 10 Holdings %	**50.2%**	

Source(s): State Street, FactSet.

Portfolio exposure by manager

As at September 2025



Source(s): State Street, FactSet

Investment approach

A multi-manager framework is utilised, where specialist investment managers are selected to form a diverse and complementary mix of investment strategies and styles. This can help reduce volatility by avoiding over exposure to a particular specialist investment manager. Derivatives may be used in managing the portfolio.

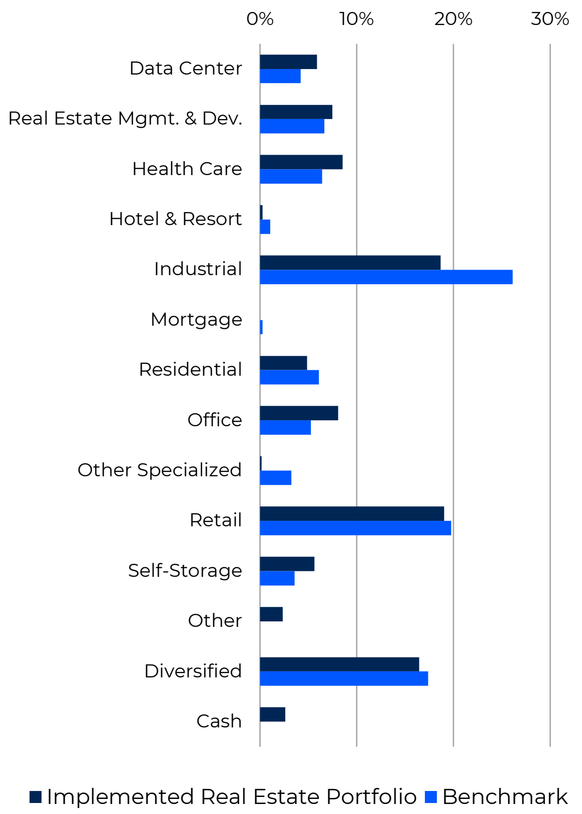
Investment strategy

The strategy is biased towards utilising managers who are fundamental bottom-up stock pickers, have a repeatable investment process, operate within an appropriate risk management framework, and operate in an aligned and stable organisational structure. We believe these factors best deliver a stable outcome of returns within a multi-manager framework.

The Implemented Real Estate Portfolio uses two broad market managers that respectively invest across the entire market capitalisation spectrum of the domestic and global Real Estate Investment Trust (REIT) markets. That includes large, mid and small REITs by market capitalisation.

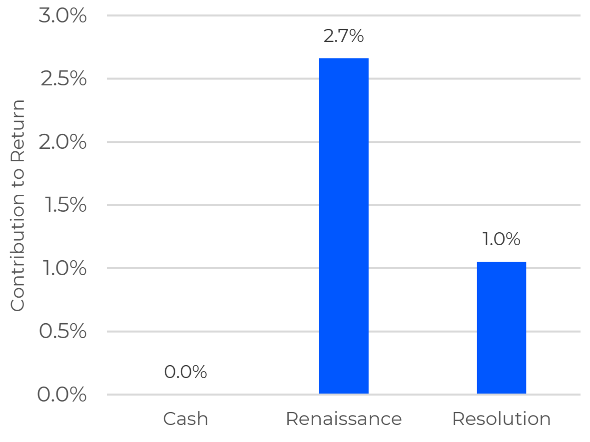
The portfolio managed by the domestic REIT manager will tend to be diversified in nature as it relates to the domestic benchmark and typically hold anywhere between 15-25 Australian REITs. The portfolio managed by the global REIT manager will typically be concentrated in nature as it relates to the global benchmark, holding anywhere between 30-50 global REITs. This allows for the Implemented Real Estate Portfolio to access the managers' high conviction stock picking decisions across what is a broader global REIT universe when compared to the domestic REIT universe. The portfolio blends the above-mentioned managers, targeting managers who have a long term and consistent track record, are expected to continue to deliver on this track record, and whose investment styles complement each other well. Consistency of return profiles are of paramount importance such that we can comfortably blend managers who we believe will continue to complement each other well. The end result is the creation of a portfolio that aims to have an overall volatility below that of the composite benchmark.

Sector exposures
As at September 2025



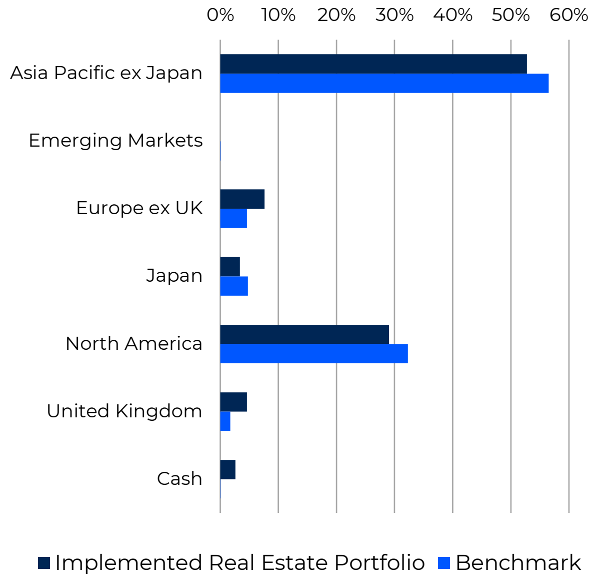
Source(s): State Street, FactSet

Contribution by manager
Quarter to September 2025



Source(s): State Street, FactSet

Region Exposures
As at September 2025



Source(s): State Street, FactSet

Manager line-up and approach
As at September 2025

Manager	Approach
Renaissance Property Securities	Diversified A-REIT portfolio, fundamental bottom-up stock selection
Resolution Capital	Concentrated G-REIT portfolio, fundamental bottom-up stock selection

Market Commentary

Listed Real Estate (as represented by A-REITs and G-REITs) broadly enjoyed relatively healthy returns over the third quarter of the calendar year. Domestically, Real Estate Investment Trust (A-REITS) continued to recover from a challenging first half of 2025, breaking back into positive returns, year-to-date (YTD), before fading 2.9%[1] into the end of September. This resulted in a return of 4.8% for the 3 month period; mildly higher than the YTD tally of 4.3%. With inflation and therefore interest rates continuing to be 'higher for longer', diminishing expectations for rate cuts into the end of the year, weighed on valuations.

Across the Global REIT universe, the experience was similar to that here in Australia, with a general theme of recovery over the year (4.5%[2] YTD), a reasonable quarter (3.0%), with some softness in September (-0.3%). This isn't to say that every area within the asset class enjoyed such fair conditions. When we consider the outcomes across geographical regions, we notice a stark contrast in returns. Of the main regions we monitor, Germany was the notable laggard, falling 9.9%[3] in the three months, almost half of which was in September alone. In contrast, Japan saw some of the best conditions it has seen in years, gaining 9.9%[4] over the quarter and even posting a small positive return in September.

Portfolio Commentary

The Perpetual Implemented Real Estate Portfolio underperformed its benchmark over the September quarter.

Resolution Capital, the portfolio's sole exposure to Global REITs, underperformed its benchmark over the quarter, net of fees. Healthcare, Ventas and Welltower and retail, Unibail-Rodamco and Scentre, were the major contributors. Office, including Derwent London, and self-storage which underperformed as a sector, were the largest detractors.

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 value. Fund managers, data centres and specialised REITs all detracted but there were no significant individual stock moves.

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

[1] As measured by the S&P/ASX 300 A-REIT index
[2] As measured by the FTSE EPRA Nareit Global index in AUD terms
[3] As measured by the FTSE EPRA Nareit Germany index in AUD terms
[4] As measured by the FTSE EPRA Nareit Japan index in AUD terms
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Manager Insights and Outlook

REITs have underperformed broader equity markets, particularly offshore, but absolute returns remain positive. This is consistent with what we see as a constructive environment for existing landlords. We believe REITs are now trading near fair value, with limited exposure to the mega-cap technology companies that have been driving global equity markets higher—though there is some secondary exposure via data centres.

We've long highlighted the divergent outcomes between industrial and office property, but these sectors now appear to be converging: office is beginning to stabilise from its trough, while industrial is softening from peak conditions. Residential has been the more perplexing area of weakness. 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 should support the sector over time. In the US, CBRE has reported rising absorption rates and falling construction pipelines, yet rental growth has been modest and volatile. A reversal in net migration trends may be a factor here, and is a theme we will continue to monitor.

The third quarter produced mixed results locally. Healthcare stocks rebounded, Residential weakened further, with Office and Industrial delivering modest returns. Retail has been resilient, supported by firm consumer demand and a healthy transaction environment. While employment remains solid for now, any weakening in the labour market could weigh on retailers. In industrial, rental growth is being offset by higher incentives, leading to negative effective rental growth, while vacancy rates—though still low—are trending upwards. The sector also faces tariff-related risks, particularly in Australia where Goodman Group accounts for around 40% of the index. Regionally, weakness in Europe and the UK this quarter has tempered what was otherwise strong performance earlier in the year.

In the US, cash rate increases between early 2022 and mid-2023 disrupted the sector, but two years on, markets are adjusting. Over that period, returns have exceeded 10% p.a. globally and 20% p.a. domestically. REITs remain more sensitive to rate moves than broader equities, which explains some of the relative underperformance. Looking ahead, 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. While not our base case, recent signs of softer US labour market data suggest this is a risk worth watching closely.

More information

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