

Perpetual Private

PERPETUAL SELECT REAL ESTATE FUND

September 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

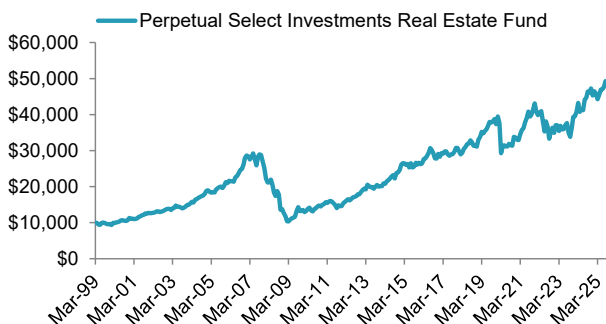
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether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

TOTAL RETURNS % (AFTER FEES) AS AT 30 SEPTEMBER 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	-1.4	3.4	9.8	4.7	13.4	9.1
Perpetual Select Real Estate Composite Benchmark		-1.6	3.9	10.3	4.6	13.9	9.7

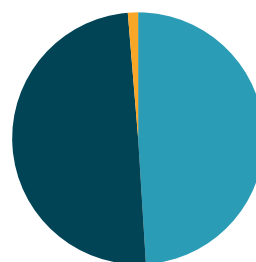
Past performance is not indicative of future performance

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[^]



- Resolution Capital, 49.0%
- Renaissance Property Securities, 49.7%
- Cash, 1.3%

[^]Portfolio exposures represent the Perpetual Select Investments Real Estate Fund

TOP 10 STOCK HOLDINGS	WEIGHTS (%)
Goodman Group	15.7
Scentre Group Limited	7.1
Stockland	4.3
Unibail-Rodamco-Westfield SE	4.3
Welltower Inc.	4.1
Charter Hall Group	3.3
Mirvac Group	3.2
Digital Realty Trust, Inc.	2.8
Dexus	2.7
Equinix, 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

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% during 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% 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% 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% over the quarter and even posting a small positive return in September.

PORTFOLIO COMMENTARY

The Perpetual Select Real Estate Fund 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 Select Real Estate Fund during the quarter. We remain comfortable with our manager selection.

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.

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.

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.

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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MORE INFORMATION

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