Perpetual Private

Fund Profile - 31 March 2025

Implemented Australian Share Portfolio

Fund facts

APIR code	PER0708AU
Inception date	9 December 2013
Asset class	Domestic Equities
Investment style	Multi manager blend
Benchmark	S&P/ASX 300 Accumulation index
Suggested length of investment	Five years or more
Unit pricing frequency	Daily
Distribution frequency	Quarterly
Legal type	Unit trust
Product type	Wholesale Managed Investment Scheme
Status	Open
Management fee*(%)	0.90%
Buy/Sell spread	0.26% / 0.00% as at October 2024
Issuer	Perpetual Investment Management Limited

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

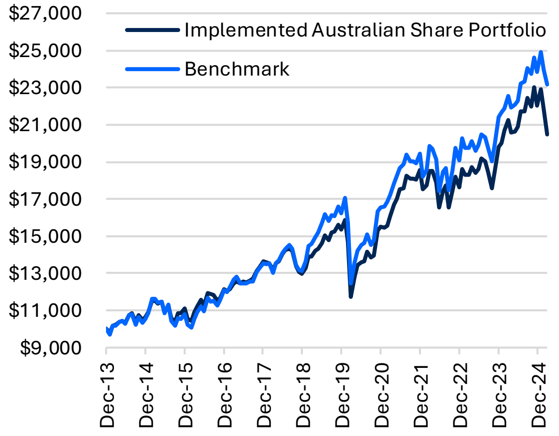
Investment objective

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

Benefits

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

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



Source: State Street.

Net performance

As at 31 March 2025

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	-6.1%	-6.9%	-3.6%	3.4%	11.8%	6.9%
Growth return	-6.5%	-7.3%	-5.7%	-5.1%	4.2%	1.2%
Distribution return	0.4%	0.4%	2.1%	8.5%	7.5%	5.7%
Benchmark	-3.3%	-2.9%	2.6%	5.3%	13.2%	8.1%
Excess Return	-2.8%	-4.0%	-6.2%	-1.9%	-1.5%	-1.2%

Source: State Street. Past performance is not indicative of future performance. *Since Inception

Top 10 stock holdings

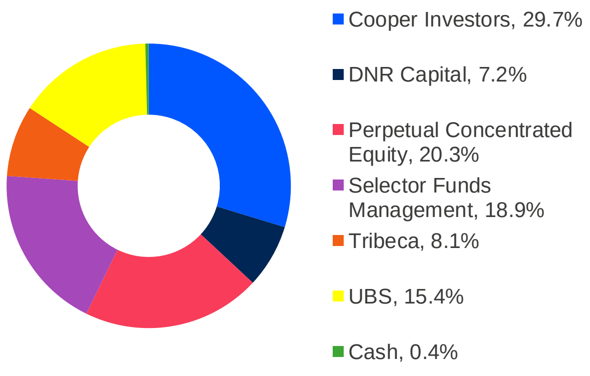
As at 31 March 2025

Stock	Weight %	Country
BHP Group Limited	6.9%	Australia
CSL Limited	5.6%	Australia
Commonwealth Bank	4.4%	Australia
National Australia Bank	3.8%	Australia
ANZ Banking Group	3.4%	Australia
Macquarie Group	2.8%	Australia
Sigma Healthcare Ltd	2.2%	Australia
Technology One Limited	2.1%	Australia
Westpac Banking Corporation	1.9%	Australia
Light & Wonder, Inc.	1.8%	Australia
Total Top 10 Holdings %	**34.6%**	

Source: State Street, FactSet.

Portfolio exposure by manager

As at 31 March 2025



Source: State Street, FactSet

Investment approach

A multi-manager framework is utilised, where several 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.

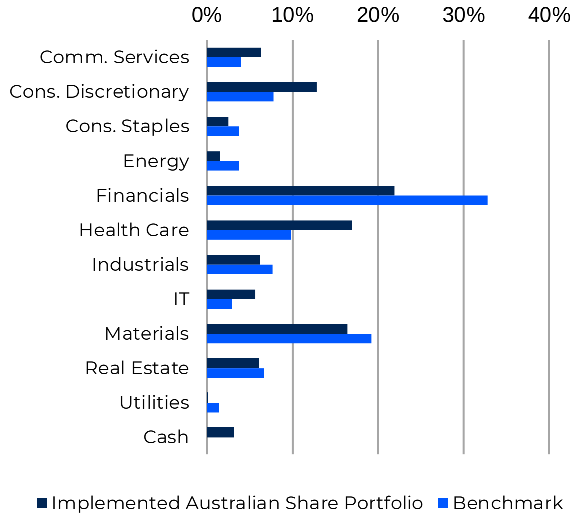
The Implemented Australian Share Portfolio uses broad market managers that invest across the entire market capitalisation spectrum of the domestic equity market. Their portfolios tend to be concentrated in nature and hold anywhere between 30-50 companies. This allows for the portfolio to access these managers' high conviction stock picking decisions. This lowers the degree of overlap across securities in each portfolio and lowers the risk of over diversification.

The portfolio will also typically use one to two specialist managers with focused strategies across the small company segment of the domestic share market. This is a relatively inefficient part of the domestic sharemarket where we feel a targeted and specialist approach is warranted. The exposure to small company specialist managers as a whole is typically held in line with the exposure of the small company segment of the sharemarket to the overall sharemarket by capitalisation.

The portfolio blends the above-mentioned group of 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.

Sector exposures

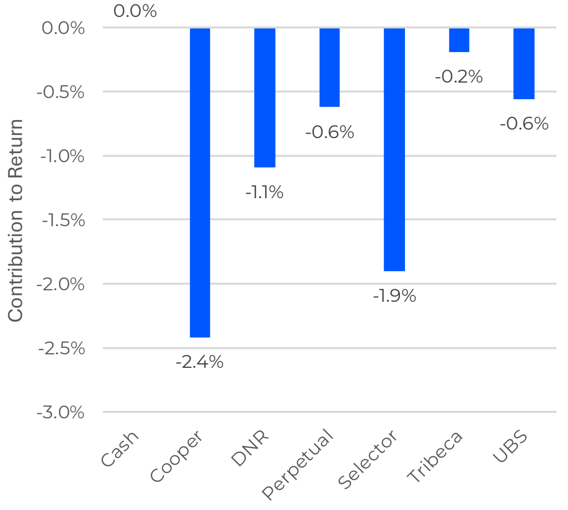
As at 31 March 2025



Source: State Street, FactSet.

Contribution by manager

Quarter to 31 March 2025



Source: State Street, FactSet

Manager line-up and approach

As at 31 March 2025

Manager	Approach
Cooper Investors	High conviction portfolio, fundamental bottom-up stock selection
DNR Capital	Concentrated small company portfolio, fundamental bottom-up stock selection.
Perpetual Investments Concentrated Equity	High conviction portfolio, fundamental bottom-up stock selection
Selector Funds Management	High conviction portfolio, benchmark agnostic, fundamental bottom-up stock selection
Tribeca Investment Partners	Small cap style neutral manager, diversified portfolio, fundamental bottom-up stock selection
UBS Asset Management (Australia)	Passive ASX20 mandate

MARKET COMMENTARY

Australian shares slipped in the first quarter of 2025, with the S&P/ASX 300 index down -2.9%[1]. While markets started the year on firmer footing, sentiment soured in the second half of the quarter. The primary cause of the broad-based weakness was concern about global economic growth, driven by tariff uncertainty and the impact of higher bond and credit yields.

Interestingly, smaller companies held up better than large caps. The ASX Small Ordinaries index fell just -2.0%[2] over the quarter, outperforming most major indices. Gold miners dominated the best-performers list for small caps, which benefited from the gold price reaching new all-time highs.

Returns across sectors were notably mixed, with only a handful managing to stay in the green. Defensives generally outperformed, led by Utilities (+2.2%)[3], Consumer Staples (+0.7%)[4], and Communication Services (+1.9%)[5], reflecting the defensive characteristics of these sectors under more volatile market conditions. Materials were boosted by strong moves in gold and copper prices. A rotation out of banks into resources also helped.

On the downside, Information Technology was the worst-performing sector, falling a sharp -18.2%[6] over the quarter. The sell-off was driven in part by leadership concerns at WiseTech, a key sector heavyweight, and broader fatigue in the AI trade. Other significant laggards included Health Care (-8.9%)[7], A-REITs (-6.6%)[8], and Energy (-5.5%)[9], each facing their own set of headwinds ranging from earnings pressures to rate sensitivity and global growth concerns.

From a style perspective, Value significantly outperformed Growth. The MSCI Australia Value index dipped just -1.3%[10], while Growth stocks slumped -4.9%[11], reflecting investor caution around high-multiple sectors as rate expectations recalibrated.

PORTFOLIO COMMENTARY

The Perpetual Implemented Australian Share Portfolio underperformed its benchmark in the first quarter on a net of fees basis.

Cooper Investors underperformed their benchmark over Q1. More than half the underperformance was attributable to stock selection within the Financials sector. The most meaningful detractor was their holding in HMC Capital, which was down 36% over the quarter. Other detractors in this sector were not having any exposure to CBA, which proved more resilient over the quarter only down 0.1%, and their key position in Macquarie Group which was down 11% for the period. Other key detractors beyond the Financials sector included Reece, WiseTech, Iluka Resources. While key contributors were their positions in Sigma Healthcare, Worley, SGH, Mirvac Group and Orica.

Perpetual Concentrated Equity marginally underperformed the benchmark over Q1. Not having any exposure to the worst performing Information Technology sector contributed positively to relative performance, as was stock selection within Consumer Staples, namely Coles Group, Select Harvests and a2 Milk. While the main detractors were stock specific, these being Orora, Premier Investments, Whitehaven Coal, Iluka Resources and Ampol.

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[1] As measured by the S&P/ASX300 – Total Return index
[2] As measured by the S&P/ASX Small Ordinaries - Total Return index
[3] As measured by the S&P/ASX 300 Utilities (Sector) - Total Return index
[4] As measured by the S&P/ASX 300 Consumer Staples (Sector) - Total Return index
[5] As measured by the S&P/ASX 300 Communication Services (Sector) - Total Return index
[6] As measured by the S&P/ASX 300 Information Technology (Sector) - Total Return index
[7] As measured by the S&P/ASX 300 Health Care (Sector) - Total Return index
[8] As measured by the S&P/ASX 300 A-REIT (Sector) - Total Return index
[9] As measured by the S&P/ASX 300 Energy (Sector) - Total Return index
[10] As measured by the MSCI Australia Value – Net Return index
[11] As measured by the MSCI Australia Growth– Net Return index

Selector Funds Management underperformed their benchmark over Q1. At the sector level, the fund was meaningfully overweight Information Technology sector, which weighed on relative performance. While at the stock level, key detractors were WiseTech, Technology One, Reece, James Hardie, ARB Corporation, Pro Medicus and Polynovo.

UBS are running a passive ASX20 indexing strategy and have delivered the benchmark ASX20 index return (-3.7%) over Q1, which on an absolute basis has underperformed the Implemented Australian Share Portfolio's ASX300 benchmark by 0.85%. Key contributors were QBE Insurance, Telstra and Coles Group, while the key detractors were WiseTech, Goodman Group, CSL, National Australia Bank and Macquarie Group.

DNR underperformed their Small Ordinaries benchmark for Q1. It was their sector allocation that largely drove underperformance for the period. With slightly over 80% of their portfolio invested across companies within three key sectors – Consumer Discretionary, Financials and Information Technology – all of which were the weakest performers within the index over the quarter. Notable detractors included IDP Education, Reece, Technology One, Redox, Pinnacle Investment Management and ARB Corporation.

Tribeca marginally underperformed their Small Ordinaries benchmark for Q1. The drivers were more stock specific. Key contributors were positions held in Genesis Minerals, Capricorn Metals, Imdex, Temple & Webster, Ramelius Resources and Insignia Financial. While key detractors were Block, Myer, Orora, MAAS Group, Champion Iron and HMC Capital.

MANAGER INSIGHTS AND OUTLOOK

As we entered 2025, we anticipated heightened volatility, with equity markets more likely to be driven by macro and geopolitical headlines than company fundamentals. Against this backdrop, we continued to favour active managers in our Australian equities portfolio, particularly those focused on bottom-up stock selection. We believe the current environment—characterised by shifting rate expectations, earnings uncertainty, and geopolitical instability—offers fertile ground for managers to identify companies with resilient earnings profiles, stronger balance sheets, and attractive valuations. We also maintained a modest preference for small and mid-sized (SMID) companies, where market inefficiencies are more pronounced, and active managers have greater scope to add value. Our portfolios remained broadly balanced across styles (Growth vs Value), given the evolving economic backdrop.

The quarter was shaped by two major events: the February earnings season and a turbulent March, driven by escalating concerns about Trump-era tariffs and their implications for global growth.

The February reporting season proved to be one of the most volatile in recent memory. While earnings revisions were only modestly negative overall, outlook statements were cautious, and investor sentiment remained fragile. Fundamentals were often overshadowed by offshore developments, and the market rewarded companies that simply met expectations—particularly those with elevated short interest. Defensive sectors such as Utilities, Consumer Staples, and Communications held up relatively well. In contrast, profit-taking in high-multiple sectors like Technology and Health Care led to sharp pullbacks. Among the weakest segments were Resource stocks, which saw the most consistent earnings downgrades. The banks also faced pressure, as net interest margin expectations were revised lower, triggering a broader sell-off across the sector—though CBA proved more resilient than its peers.

Another theme to emerge was increased M&A activity, supported by a weaker Australian dollar and greater clarity on interest rates following the RBA's first rate cut since 2020. Inflationary pressures—particularly labour and rental costs—continued to weigh on company margins, although the domestic labour market remained resilient, as did income growth and household consumption.

March brought a flurry of economic data. On the positive side, inflation continued to moderate, with the monthly CPI slowing to 2.4% (y/y), and Q4 GDP surprised to the upside. However, a modest federal budget update and growing fears around the global impact of proposed US tariffs quickly shifted market focus. As sentiment deteriorated, nearly all sectors declined in March, with Technology (-9.5%) bearing the brunt of the sell-off, while Utilities (+1.5%) were the only sector to post a gain.

Looking ahead, we maintain a cautiously optimistic view. While volatility is likely to remain elevated, this environment should continue to reward active, fundamentals-driven investing. We retain a preference for SMID-cap companies, where long-term structural growth tailwinds and more attractive valuations remain underappreciated by the broader market. At the sector level, we continue to favour Tech, Healthcare, and Consumer Discretionary, while remaining underweight Financials and Materials. With interest rates now stabilising and signs of rate cuts from other major central banks, we believe the portfolio is well-positioned to benefit from a potential rotation away from defensive large caps and into more attractively priced growth opportunities.

More information

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