

## Perpetual Investment Funds

# PERPETUAL STRATEGIC CAPITAL FUND - CLASS S

May 2024

### FUND FACTS

**Investment objective:** To provide investors with long-term capital growth through investment in a concentrated portfolio of quality shares and outperform the stated benchmark (before fees and taxes) over rolling 3-year periods.

### FUND BENEFITS

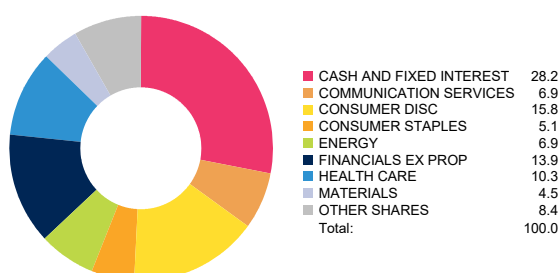
A concentrated, high conviction portfolio with a focus on active ownership where Perpetual has a long history. Companies where we are active owners will be positioned in the portfolio alongside the best ideas of our Portfolio Managers.

### FUND 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.

<b>Benchmark:</b>	S&P/ASX 300 Accum. Index
<b>Inception Date:</b>	October 2023
<b>Size of Portfolio:</b>	\$0.78 million as at 31 Mar 2024
<b>APIR:</b>	PER9275AU
<b>Management Fee:</b>	0.65%*
<b>Performance Fee:</b>	25% of outperformance*
<b>Investment style:</b>	Active, fundamental, bottom-up, value
<b>Suggested minimum investment period:</b>	Five years or longer

### PORTFOLIO SECTORS



### NET PERFORMANCE - periods ending 31 May 2024

	Fund	Benchmark	Excess
1 month	-0.06	0.85	-0.91
3 months	-0.05	1.10	-1.15
FYTD	-	-	-
1 year	-	-	-
2 year p.a.	-	-	-
3 year p.a.	-	-	-
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	11.08	16.27	-5.18

Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

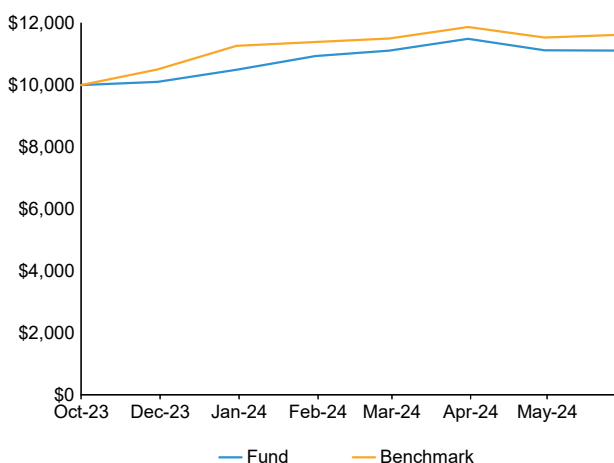
### PORTFOLIO FUNDAMENTALS<sup>^</sup>

	Portfolio	Benchmark
Price / Earnings*	18.2	16.8
Dividend Yield*	3.0%	4.0%
Price / Book	1.4	2.1
Debt / Equity	21.0%	37.3%
Return on Equity*	7.8%	12.9%

<sup>^</sup> Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating the Fund's investment style in action. These figures are forecast estimates, calculated based on consensus broker estimates where available, and should not be relied upon. Dividend Yield is a dividend forecast of underlying securities for the portfolio and does not reflect the distributions to be determined for the fund.

\* Forward looking 12-month estimate.

### GROWTH OF \$10,000 SINCE INCEPTION



\*Information on Management Costs (including estimated indirect costs) and a full description of the Fund's performance fee is set out in the Fund's PDS.

## MARKET COMMENTARY

The market experienced a notable rally throughout May, though it surrendered some gains in the final days of the month. Early optimism was driven by the Reserve Bank of Australia's (RBA) decision to maintain current interest rates. Mid-month, lower-than-expected US CPI figures and an increase in Australia's unemployment rate fuelled speculation of potential rate cuts, which the market eagerly anticipated. However, in Australia, an unexpected rise in April's inflation to 3.6% year-on-year, up from 3.5% in March, unsettled equities as investors adjusted their expectations, postponing the first anticipated RBA rate cut to mid-2025. Despite these fluctuations, the Information Technology sector outperformed, ending the month up by 4.5%, partly buoyed by strong international sentiment towards tech stocks. In contrast, the Telecommunications sector declined by 2.8% and Consumer Staples fell by 1.0%, as concerns over a weakening consumer environment impacted market confidence.

## OUTLOOK

Australian equities remain close to their all-time highs and continue to exhibit overall buoyancy. Unlike the U.S. market, which has substantial exposure to high-growth technology stocks, the Australian market lacks a similar dynamic. Nevertheless, many local growth stocks are rallying in tandem with global trends, indicating that substantial value opportunities may be underappreciated and currently out of favour. Our investment strategy focuses on acquiring quality assets at reasonable prices, exemplified by our purchase of GMG shares in 2023 at under \$20 each. We believe that the portfolio's deeply undervalued classic value opportunities will be pivotal in driving alpha in the coming period.

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This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

The PDS for the relevant fund, issued by PIML, should be considered before deciding whether to acquire or hold units in that fund. The PDS and Target Market Determination can be obtained by calling 1800 022 033 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au). No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of any investor's capital. Total return shown for the fund(s) have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for contribution or withdrawal fees or taxation (except in the case of superannuation funds, as applicable). Past performance is not indicative of future performance.

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## MORE INFORMATION

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