

## Perpetual Investment Funds

# PERPETUAL STRATEGIC CAPITAL FUND - CLASS A

February 2024

### FUND FACTS

**Investment objective:** Aims to: 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

Perpetual has a long history of active ownership over many decades.

Concentrated, high conviction portfolio that provides an opportunity for investors in a dedicated investable sleeve of active ownership.

### 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.

**Benchmark:** S&P/ASX 300 Accum. Index

**Inception Date:** October 2023

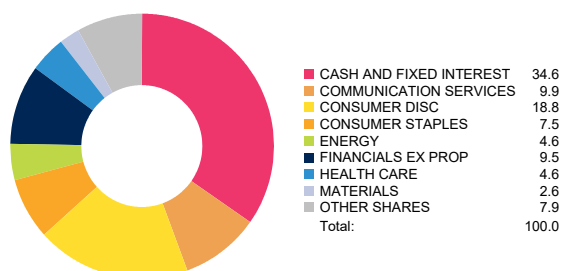
**APIR:** PER6669AU

**Management Fee:** 0.90%\*

**Investment style:** Value Bias

**Suggested minimum investment period:** Five years or longer

### PORTFOLIO SECTORS



### NET PERFORMANCE - periods ending 29 February 2024

	Fund	Benchmark	Excess
1 month	1.59	0.98	+0.61
3 months	9.93	9.46	+0.46
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.	11.05	15.01	-3.95

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

### PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	17.7	16.7
Dividend Yield*	3.3%	4.0%
Price / Book	1.7	2.0
Debt / Equity	23.8%	36.4%
Return on Equity*	10.1%	12.7%

^ 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.

\*Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

## MARKET COMMENTARY

In February, the S&P/ASX 300 experienced a 0.98% increase. The dominating theme throughout the month was the reporting season, where key focus areas included the challenges of rising costs and the resilience of the consumer. Amidst this, traditional value sectors such as Energy (-5.9%) and Materials (-4.8%) faced difficulties, grappling with uncertainties surrounding China's economic growth. In contrast, the relatively modest but lively IT sector recorded a remarkable surge of +19.7%, mirroring the tech boom observed internationally. The performance of significant resource players like Fortescue (-9.6%), Woodside (-6.3%), and Rio (-8.1%) exerted downward pressure on the index. Conversely, sectors such as Consumer, Real Estate, and Financials emerged as strong performers during this period.

## PORTFOLIO

Perpetual's active ownership approach involves engagement on matters that Perpetual believes are relevant to the current and/or future financial performance of the company. Perpetual will seek to engage constructively with companies on a variety of matters, including but not limited to, a company's: 1. Strategy or business model. 2. Financial performance or capital management; or, 3. Governance structures. The engagement priorities for the companies Perpetual engages with will be unique to each company and driven by the areas that Perpetual believes have the potential to unlock the most value for investors.

## OUTLOOK

Considerable uncertainty looms on the horizon. Despite appearing subdued in the US, inflation is displaying renewed vigour, potentially serving as a precursor to further inflationary pressures in Australia. Consequently, inquiries about the Federal Reserve (Fed) and Reserve Bank of Australia (RBA) contemplating rate cuts are gaining prominence, introducing elements of uncertainty regarding their timing and pace. Australia finds itself more vulnerable to the unpredictable growth trajectory in China, where policymakers grapple with subdued consumer sentiment and an enduring property downturn. Additionally, geopolitical and policy risks add complexity to the landscape. In navigating these turbulent waters, our strategy remains centred on identifying high-quality businesses with reasonable valuations.

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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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