

Perpetual Investments

PERPETUAL GLOBAL SHARE FUND - WHY NOW?

The Perpetual Global Share Fund is a handpicked portfolio of high quality companies chosen for their long-term investment potential and attractive valuations. The fund employs the same disciplined quality and value investment approach used across Perpetual's broader equities capability and it's working.

Remaining true to our core value management style has seen the fund invest in a variety of well run, high quality and attractively priced companies. This bottom up approach, together with a conservative attitude towards managing money has helped deliver strong investment returns.

TOTAL RETURN % P.A. (AFTER FEES) AS AT 30 September 2018¹

	1 YR	3 YRS	5 YRS	SINCE INCEPTION ¹
Perpetual Global Share Fund - Class A	13.2	10.6	-	-
Perpetual Global Share Fund - Class W ¹	-	-	16.3	15.1
MSCI World Net Total Return (\$A)	20.6	12.4	15.0	14.4

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

PUT AN OUTSTANDING PERFORMER IN YOUR CLIENT'S PORTFOLIO

- A global equities fund with strong performance over 7 years. It has delivered 18.6% p.a. after fees to 30 September 2018¹.
- Unique true to label global value style – proven for over 50 years in Australian equities.
- Concentrated best ideas portfolio of leaders or emerging leaders around the world.
- Positioned to perform in the event of a rising interest rate environment:
 - Our balance sheet quality filter should deliver outperformance in this environment
 - While value has underperformed during a period of falling bond yields, we have seen this reverse over the past year and we expect it to continue.

HOW WE ARE MAKING MONEY

KEY FUND POSITIONS

COMPANY TYPE	EXAMPLES	RATIONALE
Consumer brands	  	Growing defensive businesses with longevity in earnings through strong brands
High quality, strong free cash flow and dividends	 	Diverse customer bases, strong cash flow
Strong balance sheets		\$19bn of available cash on balance sheet
Fast growing Asian companies	 	Structural tailwinds in the services sector as the economy evolves
Banks with low cost deposits	 	Low price/book (P/B) and leverage to rising US interest rates
Monopolies/oligopolies		High barriers to entry, low capex, stable growing earnings
Online digital advertising companies		Structural shift in advertising expenditure as online becomes integral to daily lives

Source: Perpetual as at 30 September 2018.



TOP STOCK HOLDINGS



Nasdaq is a leading equities and derivatives exchange in North America and Scandinavia. It is also a global leader in market technology and generates a high degree of recurring revenue from selling market data, listing services and corporate solutions. We have held the stock since 2011, where earnings per share (EPS) has grown from USD \$2.50 per share to over USD \$4 per share and the share price has appreciated from USD \$23 to USD \$91. We like the company as its operations have high barriers to entry, generate strong free cashflow and have a predictable recurring earnings stream.

Alphabet

Alphabet Inc. owns the leading search engine globally, Google, as well as a number of leading internet businesses such as Youtube, Android, Chrome, Gmail and Maps. Each of these core businesses have over one billion monthly active users. The founders, Larry Page, Sergey Brin and Eric Schmidt still control the company and have done an exceptional job in building out a technology powerhouse. We like the business due to the structural tailwinds of growing internet advertising expenditure on their search engine, the net cash balance sheet and strong free cashflow that the business generates and the management team's ability to build out leading businesses over time. We have been invested in Alphabet/Google since 2011.

Julius Bär

Julius Bär is a Swiss private bank which was established by Julius Bär in 1901. It has grown over the past century into the world's largest pure private banking group focusing on managing funds for their clients with CHF 355 billion of assets under management. The management team have grown net inflows by 4-6% p.a. over the past decade by building out an extensive network of relationship managers in 50 locations around the world. We have held the company since July 2014.



Britvic is a leading manufacturer and distributor of carbonated and non-carbonated drinks, predominantly in Europe. The company was founded in 1938 and is successfully growing with the transition away from drinks with high sugar content to more healthy options. Their brands include Robinsons and Fruit Shoot and Britvic are the bottler for Pepsi in the UK and Ireland. Most impressively, Britvic has grown Pepsi Max's market share consistently in the UK over the past decade. The business is led by a strong management team and we expect them to continue to deliver good earnings growth into the foreseeable future.



Oracle is the leader in database software management with over 40% market share globally. The business was founded by Lawrence Ellison in 1977 and he has done an exceptional job in growing the business over the years and continues to be the Chairman and largest shareholder. Oracle has built out a suite of cloud applications over the past decade and is well positioned to grow as companies shift their databases and applications into the cloud. As with most of our investments, the company has a strong balance sheet and generates strong free cashflow, and we expect it to do well over the medium term. We have held the stock since July 2013.

For more information speak to your Perpetual Investments Business Development Manager, call Adviser Services on **1800 062 725** or visit perpetual.com.au/globalsharefund

1 The Perpetual Global Share Fund has been operating since August 2014. The Fund did not have a unit class that included fees from the period 1 January 2011 to 28 August 2014. The return shown for Class W in the Total Return table has been calculated using the performance of the W Class less a 1.10% Management Fee and 15% daily Performance Fee which are the fees applicable to Class A. Class A & Class W have identical investments. Further details on the Performance Fee calculation is available in the Perpetual Global Share Fund Product Disclosure Statement offering 'Class A units'. The estimated Performance Fee accrued as at 27 August 2014 is not carried into actual performance calculations commencing 28 August 2014.

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426 and issued by Perpetual Trustee Company Limited (PTCo) ABN 42 000 001 007, AFSL 236643. 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 Perpetual Wholesale Global Share Fund issued by PIML, should be considered before deciding whether to acquire or hold units in the fund. The PDS can be obtained by calling 1800 011 022 or visiting our website www.perpetual.com.au. No company in the Perpetual Group guarantees the performance of any fund or the return of an investor's capital (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries). 2770_1018

MORE INFORMATION

Adviser Services 1800 062 725
Email investments@perpetual.com.au
www.perpetual.com.au/globalsharefund

