

PERPETUAL SELECT CONSERVATIVE FUND

September 2026

FUND FACTS

Investment objective: Stable returns through investment in a diversified portfolio with an emphasis on fixed income and cash investments.

Suggested length of investment: Three years or longer

INVESTMENT APPROACH

Invests into a diverse mix of assets (see 'Investment guidelines' below). Tactical asset allocation strategies may be applied. This process involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines. Derivatives and exchange traded funds may be used in managing each asset class.

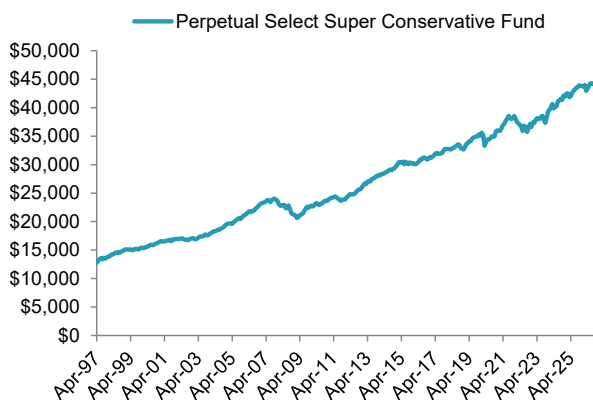
TOTAL RETURNS % (AFTER FEES) AS AT 30 SEPTEMBER 2026*

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Investments Conservative Fund	PER0248AU	-0.9	-0.9	2.7	-	-	-
Perpetual Select Super Conservative Fund	WDL0005AU	-0.8	-0.8	2.2	0.7	5.1	2.8
Perpetual Select Pension Conservative Fund	WDL0015AU	-0.9	-0.9	2.6	1.0	5.7	3.1
Perpetual Select Conservative Composite Benchmark		-0.6	-0.7	3.2	2.7	8.0	5.1

Past performance is not indicative of future performance

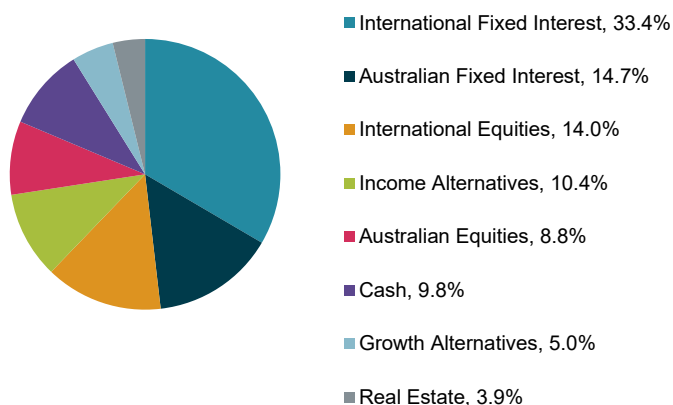
*Prior to the 23 March 2026 the Perpetual Select Investments Conservative Fund (APIR0248AU) was offered to investors as the Perpetual Select Investment Diversified Fund. On 23 March 2026 the investment strategy of the Fund was changed to Conservative and the fund was renamed to 'Perpetual Private Conservative Fund No.2'. It is marketed as the Perpetual Select Conservative Fund. Please refer to the product PDS and continuous disclosure for more details.

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[^]



[^]Portfolio exposures represent the Perpetual Select Investments Conservative Fund.

INVESTMENT GUIDELINES

	BENCHMARK (%)	RANGE (%)
Cash	10	0 - 30
International Fixed Interest	33.5	15 - 60
Australian Fixed Interest	14.5	10 - 40
Income Alternatives	10	0 - 20
Australian Equities	9	5 - 20
Real Estate	4	0 - 10
International Equities	14	10 - 30
Growth Alternatives	5	0 - 10

PORTFOLIO COMMENTARY

The Perpetual Select Conservative Fund finished lower for the September quarter and underperformed its composite benchmark over the same time period. In absolute terms, Australian Equities, Growth Alternatives, Defensive Alternatives and International Equities were positive contributors, whilst Global Fixed Income, Australian Fixed Income and Real Estate were negative. International Equities and Real Estate were able to exceed their benchmarks; however Australian Fixed Income, Global Fixed Income, Australian Equities, Growth Alternatives and Defensive Alternatives came in below their respective benchmarks.

For the quarter, Australian Equities (S&P/ASX 300 Accumulation Index) and the Global Equities (MSCI All Country World Index) both rose 1.3% and 1.2% respectively. On the other hand, the Real Estate (Composite Listed Index) notably fell 7.4%. Australian Fixed Income (Composite Index) and Global Fixed Income (Composite Index) both fell 1.5% and 2.4% respectively. All returns are in AUD.

The Perpetual Select Australian Share Fund underperformed the S&P/ASX 300 Index over the September quarter, despite four of the six underlying managers performing in-line with their benchmarks or exceeding them. Market returns were again widely spread across sectors. Health Care (+25.4%) and Energy (+17.3%) led gains, while Information Technology (-9.4%), Consumer Discretionary (-9.3%) and A-REITs (-8.4%) lagged. Sector positioning added value for the fund, led by the overweight to Health Care as the sector rebounded strongly. However, weaker stock selection more than offset this, particularly within Health Care, where the underweight to CSL (+63%) was the largest single detractor. Small-cap manager Tribeca was a standout, comfortably outperforming in a quarter when small caps went backwards. Stock selection drove its result, with FleetPartners (+61%), Viva Energy and MAAS Group among the key contributors. Our core manager, Acadian, also outperformed, with broad-based stock selection gains led by Codan, Ampol and South32. Our value manager, Perpetual, outperformed in another supportive quarter for value-oriented strategies. Its overweight to Health Care drove the result, and key contributors included AMP (+64%), Ramsay Health Care and Ansell. The UBS ASX 20 strategy delivered returns broadly in line with the fund's S&P/ASX 300 benchmark. The largest detractor was high-conviction small-cap manager DNR, where lithium exposures fell sharply. Key stock detractors included Liontown (-45%), Elevra Lithium (-41%) and Alcoa, partly offset by gold miners Genesis Minerals and Capricorn Metals. Growth manager Selector also underperformed as Value materially outperformed Growth. Holdings in Pro Medicus and Nanosonics weighed on returns, and no exposure to CSL also weighed on Selector's returns.

The Perpetual Select International Share Fund outperformed the MSCI All Country World Index (unhedged AUD) on a net-of-fees basis in the September quarter. Of the manager line up, Man Numeric, Lazard and SGA outperformed the benchmark over the period, while Arrowstreet and Barrow Hanley marginally underperformed. At the aggregate portfolio level, underperformance was a primarily driven from stock selection. Stock selection was strongest within North America and particularly within the Information Technology and Industrials sectors. The largest contributors to performance were Microsoft, Nvidia and Apple.

The Perpetual Select Real Estate Fund declined over the September quarter but outperformed its benchmark both gross and net of fees. Listed real estate faced a challenging environment as rising inflation expectations and bond yields placed pressure on valuations. The portfolio benefited from positive relative performance within its Australian REIT allocation, managed by Renaissance Asset Management, which offset weaker relative performance from the global REITs allocation managed by Resolution Capital.

Resolution Capital underperformed its benchmark. Relative performance was adversely affected by overweight positions in TAG Immobilien, Vornado Realty Trust, Federal Realty Investment Trust, and Unibail-Rodamco-Westfield. These detractors were partly offset by an overweight position in Equinix and the portfolio's nil exposure to Realty Income, Vonovia and Public Storage.

Renaissance Asset Management outperformed its benchmark over the quarter, with strong stock selection the principal driver of relative performance. Positive contributions from GDI Property Group, Dexus, Digico Infrastructure REIT and Ingenia Communities, together with the portfolio's underweight position in Goodman Group, were partially offset by overweight positions in Centuria Capital Group and Unibail-Rodamco-Westfield, which detracted from relative performance.

The Perpetual Private Global Fixed Income Fund returned -2.99% for the period, underperforming the Bloomberg Global Aggregate (Hedged) Index return of -2.42%. Global bond markets weakened as higher energy prices renewed inflation concerns and government bond yields rose materially, while High Yield Credit also came under pressure as spreads widened during September.

RETURNS BREAKDOWN (Super)

	FY 2026	FY 2025	FY 2024
Growth Return %	-4.9%	9.6%	-0.2%
Distribution Return %	0.0%	0.0%	0.0%
Total Return %	-4.9%	9.6%	-0.2%

PRODUCT FEATURES

	SUPER	PENSION	INVEST.
Inception date	Jul 92	Jul 92	Mar 99
Investment Fee (p.a.)*	0.62%	0.62%	0.72%
Ongoing fee discount	Yes	Yes	No
Admin fee	0.10%	0.10%	0.00%
Buy spread	0.18%	0.18%	0.18%
Sell spread	0.00%	0.00%	0.00%
Contribution fee	0.00%	0.00%	0.00%
Withdrawal fee	\$0.00	\$0.00	\$0.00
Monthly member fee	\$0.00	\$0.00	\$0.00
Min. initial contribution	\$3,000	\$20,000	\$2,000
Min. additional contribution	\$0	\$0	\$0
Savings plan	Yes	No	Yes
Withdrawal plan	No	No	Yes
Distribution frequency	N/A	N/A	Quarterly
Contact information	1800 677 648		

*Additional fees and costs generally apply. Please refer to the Product Disclosure Statement for further details.
Prior to 23 March 2026 the Perpetual Select Conservative Fund (APIR0248AU) was marketed as the Perpetual Select Diversified Fund, and implemented a diversified investment strategy. See the PDS and continuous disclosure for more information.

The Perpetual Private Australian Fixed Income Fund returned -1.54% for the period, marginally underperforming the AusBond Composite All Maturities Index return of -1.51%. Australian bonds declined as persistent inflation, a resilient labour market and tighter monetary policy expectations drove government bond yields higher over the quarter.

Perpetual Defensive Alternatives Pool Fund returned 1.48% for the three months ended September 2026, underperforming the Bank Bill +2.5% benchmark return of 1.74%. Broadly Syndicated Loans continued to recover from their March weakness, while Australian Floating Rate Credit, Catastrophe Bonds, Insurance Premium Funding and Specialty Finance delivered positive returns. The Fund also benefited from its newer Asset-Backed Lending and Private Insurance-Linked Assets exposures, which continued to perform well. These gains were partly offset by weaker performance from older-vintage investments in Special Situations, Core Property and Commercial Real Estate Lending, which continued to lag expectations.

Perpetual's Growth Alternatives Pool Fund returned 2.00% during the quarter to the end of September 2026. All underlying asset classes contributed positively to performance over the quarter. In local-currency terms, Absolute Return, Other Growth Alternatives, Private Equity, Opportunistic Property, Infrastructure and Other Cash all made positive contributions.

OUTLOOK

The September quarter highlighted the growing tension between resilient equity markets and a more challenging macroeconomic backdrop. Markets began the period reassessing the artificial intelligence investment cycle, as investors questioned whether substantial investment in data centres, semiconductors and advanced models would translate into sustainable earnings and cash flows. Strong corporate results and continued demand for AI infrastructure subsequently restored confidence, supporting a recovery in technology shares and broader equity markets. However, enthusiasm became increasingly selective, with investors placing greater scrutiny on AI business models and the sustainable use of leverage.

At the same time, renewed disruption in the Middle East pushed oil and broader fuel costs higher, adding to inflation pressures and complicating the outlook for central banks. The US Federal Reserve returned to raising interest rates, lifting the federal funds rate to 4.0%, while the Reserve Bank of Australia subsequently lifted the cash rate to 4.60%. Government bond yields moved sharply higher across developed markets as investors reassessed monetary policy, fiscal deficits and growing competition for capital. This weighed particularly heavily on Fixed Income and Listed Real Estate, even as equity markets remained comparatively resilient.

Looking ahead, we expect the investment environment to remain firm but is likely to become increasingly selective. Economic activity and corporate profitability remain resilient, while AI continues to support investment and structural growth. However, elevated valuations, higher financing costs and persistent inflation leave less room for disappointment. In this environment, diversification and active management remain important. We believe investors should maintain exposure to long-term structural opportunities without becoming overly reliant on a narrow group of companies or a single market outcome. Widening dispersion across companies, sectors and asset classes should increasingly reward durable earnings, strong balance sheets and disciplined portfolio construction.

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