

Implemented Real Estate Portfolio

Fund facts

APIR code	PER0712AU
Inception date	9 December 2013
Asset class	Australian & Global Property Securities
Investment style	Multi Manager Blend
Benchmark	Real Estate Composite Benchmark [#]
Suggested length of investment	5 years or more
Unit pricing frequency	Daily
Distribution frequency	Quarterly
Legal type	Unit Trust
Product type	Wholesale Managed Investment Scheme
Status	Open
Management fee*	0.70%
Buy/Sell spread	0.24% / 0.00% as at September 2025
Issuer	Perpetual Investment Management Limited

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

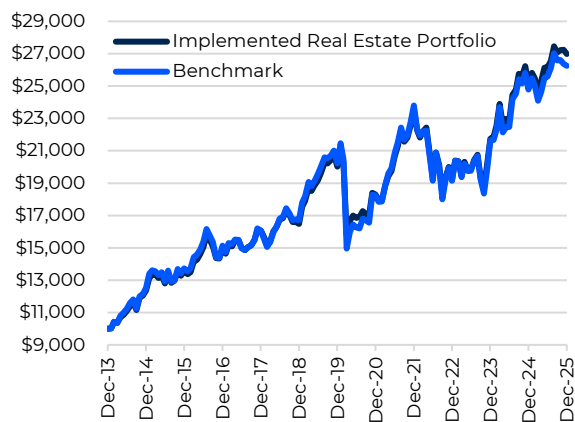
Investment objective

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

Benefits

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

Growth of \$10,000 since inception



Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance.

Net performance

As at December 2025

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	-1.0%	-0.4%	7.2%	12.0%	8.1%	8.7%
Growth return	-1.2%	-0.6%	-1.3%	7.2%	3.5%	5.3%
Distribution return	0.2%	0.2%	8.5%	4.8%	4.6%	3.5%
Benchmark	-0.4%	-1.2%	6.0%	11.1%	7.6%	8.5%
Excess Return	-0.6%	0.8%	1.2%	0.9%	0.5%	0.3%

Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance. *Since Inception.

Top 10 stock holdings

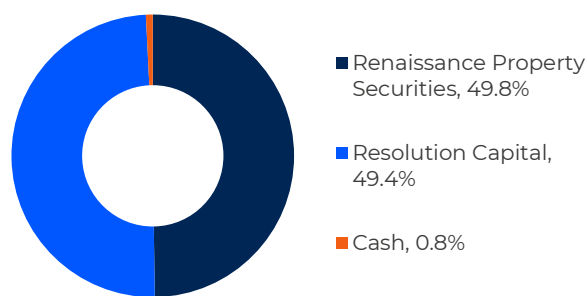
As at December 2025

Stock	Weight	Country
Goodman Group	15.3%	Australia
Scentre Group	7.0%	Australia
Welltower Inc.	4.3%	United States
Unibail-Rodamco-Westfield	4.2%	France
Stockland	4.1%	Australia
Charter Hall Group	3.5%	Australia
Mirvac Group	2.8%	Australia
Equinix	2.8%	United States
Dexus Group	2.6%	Australia
Ventas, Inc.	2.6%	United States
Total Top 10 Holdings %	49.2%	

Source(s): State Street, FactSet.

Portfolio exposure by manager

As at December 2025



Source(s): State Street, FactSet.

Investment approach

A multi-manager framework is utilised, where 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

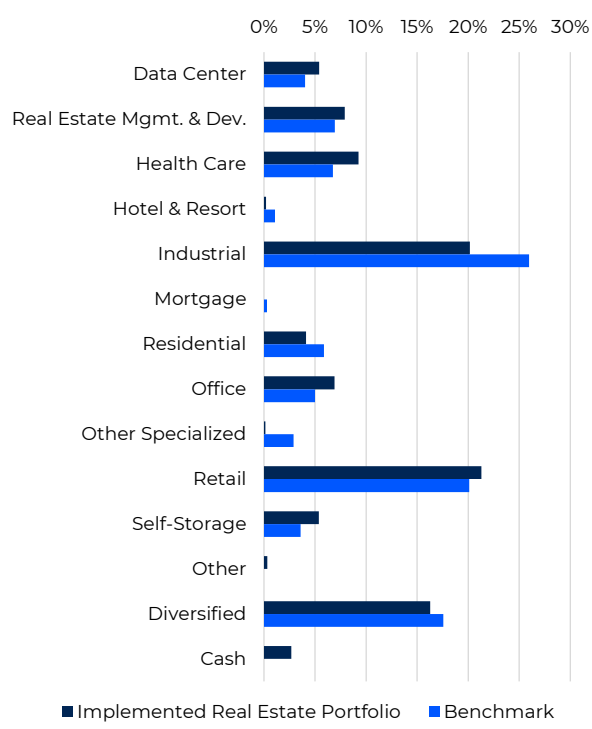
The strategy is biased towards utilising managers who are fundamental bottom-up stock pickers, have a repeatable investment process, operate within an appropriate risk management framework, and operate in an aligned and stable organisational structure. We believe these factors best deliver a stable outcome of returns within a multi-manager framework.

The Implemented Real Estate Portfolio uses two broad market managers that respectively invest across the entire market capitalisation spectrum of the domestic and global Real Estate Investment Trust (REIT) markets. That includes large, mid and small REITs by market capitalisation.

The portfolio managed by the domestic REIT manager will tend to be diversified in nature as it relates to the domestic benchmark and typically hold anywhere between 15-25 Australian REITs. The portfolio managed by the global REIT manager will typically be concentrated in nature as it relates to the global benchmark, holding anywhere between 30-50 global REITs. This allows for the Implemented Real Estate Portfolio to access the managers' high conviction stock picking decisions across what is a broader global REIT universe when compared to the domestic REIT universe. The portfolio blends the above-mentioned 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. Consistency of return profiles are of paramount importance such that we can comfortably blend managers who we believe will continue to complement each other well. The end result is the creation of a portfolio that aims to have an overall volatility below that of the composite benchmark.

Sector exposures

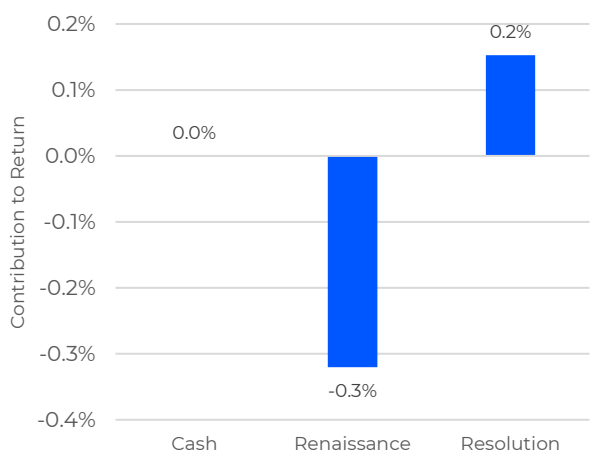
As at December 2025



Source(s): State Street, FactSet.

Contribution by manager

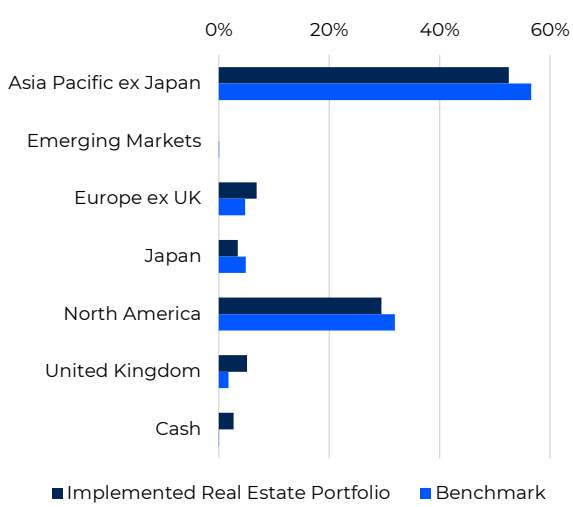
Quarter to December 2025



Source(s): State Street, FactSet.

Region Exposures

As at December 2025



Source(s): State Street, FactSet.

Manager line-up and approach

As at December 2025

Manager	Approach
Renaissance Property Securities	Diversified A-REIT portfolio, fundamental bottom-up stock selection.
Resolution Capital	Concentrated G-REIT portfolio, fundamental bottom-up stock selection.

Market Commentary

Australian Real Estate Investment Trusts (also known as A-REITs) experienced a relatively soft final quarter of 2026, slipping some 1.2%¹ over the 3-month period, albeit firming by a healthy 2.0% in December. On a 12-month basis however, the segment returned a healthy 9.7% with the Australian property sector continuing to normalise from impacts brought about by the COVID pandemic. The Office sector, however, continues to lag but with many indicators suggesting an improving demand/supply balance (such as reduced incentives and discounting), expectations are growing that the worst is now behind it, particularly with many companies pushing employees to reduce the number of days they work from home.

Globally, G-REITs (Global Real Estate Investment Trusts) did not fare as well as their Australian peers. With the relevant index receding by 1.4%² in AUD terms, or 0.8%³ in USD over the quarter. Germany continues to be the laggard of the pack, losing 9.4%⁴ in the quarter. Indeed, the German property market has now lost 10.1% on an annualised basis for the past 5 years (to 31st December 2025). As a highly export focused country, the German economy has been suffering from a multitude of complications, not the least of which include tariff/trade disruption and the loss of Russian gas supply. Whilst the US and Eurozone performed similarly over the quarter (-2.5%⁵ and -3.0%⁶ respectively), their experience over the year was widely different with the US receding 5.8% (impacted strongly by USD weakness), whilst the Eurozone gained a healthy 11.9% for the year. The best performing regions for the quarter are also amongst the best performing regions for the year, Singapore and Japan. Singapore gained 3.2%⁷ for the quarter and 19.1% for the year, whilst Japan had a quieter quarter (2.0%⁸) its year delivered an impressive 29.0%.

Portfolio Commentary

The Perpetual Implemented Real Estate Portfolio outperformed its benchmark over the December quarter by 0.8%.

Renaissance Asset Management, the portfolio's sole exposure to Australian REITs, outperformed its benchmark over the quarter, net of fees. An underweight to Goodman Group was the largest contributor while retail exposures, Carindale and Unibail-Rodamco also added relative value. There were no significant individual stock moves.

Resolution Capital, the portfolio's sole exposure to Global REITs, outperformed its benchmark over the quarter, net of fees. Scentre, Sumitomo Realty, Land Securities, National Storage and Derwent were the major contributors to relative performance. Welltower, Big Yellow Group, Ventas, Vornado and Sun Hung Kai properties detracted.

There were no manager additions or terminations to the Implemented Real Estate Portfolio during the quarter. We remain comfortable with our manager selection.

¹ As measured by the S&P/ASX 300 A-REIT index

² As measured by the FTSE EPRA Nareit Global index in AUD terms

³ As measured by the FTSE EPRA Nareit Global index in USD terms

⁴ As measured by the FTSE EPRA Nareit Germany index in AUD terms

⁵ As measured by the FTSE EPRA Nareit USA index in AUD terms

⁶ As measured by the FTSE EPRA Nareit Eurozone in AUD terms

⁷ As measured by the FTSE EPRA Nareit Singapore index in AUD terms

⁸ As measured by the FTSE EPRA Nareit Japan index in AUD terms

Manager Insights and Outlook

REITs have underperformed broader equity markets, posting negative returns over the quarter. Despite volatility over the quarter the underlying asset class fundamentals remains constructive. We believe REITs are now trading around fair value, with limited exposure to the mega-cap technology companies that have been driving global equity markets higher.

We have seen a stabilisation in Office, while softening in Industrial property is moderating. Transaction volumes across the Office sector have picked up over the quarter. Retail property continues to be supported by a resilient consumer while vacancy remains low. We have seen a nascent recovery in residential property over the quarter. Higher interest rates and region-specific dynamics play a role, but given the housing shortages across Australia, the US, Canada, the UK, and Europe, fundamentals are supportive of the sector over time. In the US, CBRE continue to report rising absorption rates and falling construction pipelines. Materials and service inflation remains a challenge across all property sectors, contributing to higher development costs. Increasing replacement costs is a positive tailwind for existing property supply but may represent a longer-term issue for the market in general.

Economic conditions remain broadly positive. Employment conditions and the return to office continue to support rental appreciation and take out of leasable space. Resilient labour markets and consumer confidence continue to provide a tailwind for retail. Specific to industrial property, the impact of US tariffs remains limited to date. In Australia, Goodman Group continues to dominate index level performance with one stock representing circa 40% of the index exposure.

More information

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perpetual.com.au/managed-accounts

#The Real Estate Composite benchmark consists of 50% S&P/ASX 300 A-REIT Accumulation Index & 50% FTSE EPRA/NAREIT Developed Index – Net Return (Unhedged in AUD), reflecting the portfolio's investment strategy.

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