

Perpetual Private

# PERPETUAL SELECT CASH FUND

September 2024

## FUND FACTS

**Investment objective:** Capital stability through investments in deposits, money market and fixed income securities.

## BENEFITS

Provides investors with a relatively consistent rate of return through regular interest payments, generally in line with short-term interest rates. In addition, the fund is widely considered a low risk investment option.

## 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.

## TOTAL RETURNS % (AFTER FEES) AS AT 30 SEPTEMBER 2024

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Super Cash Fund	WDL0004AU	0.3	1.0	1.9	3.8	2.4	1.4
Perpetual Select Pension Cash Fund	WDL0014AU	0.4	1.1	2.2	4.5	2.8	1.6
Bloomberg AusBond Bank Bill Index		0.4	1.1	2.2	4.4	2.8	1.8

Past performance is not indicative of future performance

## MARKET COMMENTARY

Over the quarter, the Reserve Bank of Australia (RBA) stood apart from the growing easing consensus displayed by developed central banks, abstaining from cutting rates as it continued grappling with above-target inflation. Despite this divergence, Australian bond markets still saw yields decline, with the 3-year government bond yield falling by 55 basis points to 3.54%, and the 10-year yield declining by 34 basis points to 3.97%. While the central bank maintained its view that inflationary pressures persist, it did not explicitly discuss the need for a rate hike at its September meeting, suggesting a potential softening in its hawkish stance.

The August monthly consumer price index (CPI) report showed headline inflation falling to 2.7%<sup>1</sup> year-on-year, primarily due to the impact of government subsidies on energy costs. However, the RBA emphasised that these subsidies are distorting the underlying inflationary trend, which remains stubbornly high.

<sup>1</sup>Australian Bureau of Labour Statistics

## PORTFOLIO COMMENTARY

The Perpetual Select Cash Fund invests in the Perpetual Cash Management Trust. The strategy's performance remains consistent with the RBA Cash Rate benchmark, which stayed unchanged throughout the quarter and is currently yielding 4.35%. While financial markets are pricing in a potential rate cut by year-end, the RBA has indicated that any easing is unlikely before early 2025. This suggests that the central bank is prepared to keep rates higher for longer to ensure that inflation returns sustainably to its target range.

## PRODUCT FEATURES

	SUPER	PENSION
Inception date	Jul 92	Jul 92
Investment Fee (p.a.)*	0.00%	0.00%
Admin fee	0.10%	0.10%
Buy spread	0.00%	0.00%
Sell spread	0.00%	0.00%
Contribution fee	0.00%	0.00%
Withdrawal fee	0.00%	0.00%
Monthly member fee	0.00%	0.00%
Min. initial contribution	\$3,000	\$20,000
Min. additional contribution	\$0.00	\$0.00
Savings plan	Yes	No
Withdrawal plan	No	No
Distribution frequency	N/A	N/A
Contact information	1800 022 033	

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

## OUTLOOK

Looking ahead, the RBA faces a delicate balancing act. It must weigh its mandate to control inflation against the need to support economic growth and maintain a healthy labour market. Governor Bullock has emphasised the importance of remaining vigilant on inflation, signalling that the RBA will be closely monitoring various economic indicators, including wage growth and consumer spending, to assess the need for any future policy adjustments. The RBA will also be keeping a close eye on the labour market, which has shown signs of softening despite remaining relatively tight.

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The RBA's cautious approach reflects the uncertainties surrounding the economic outlook. Global geopolitical tensions, a potential slowdown in China's economy, and the lagged effects of past rate hikes all pose challenges for policymakers. The central bank will need to carefully navigate these complexities in the coming months, adjusting its policy settings as needed to achieve its objectives of price stability and full employment.

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#### **MORE INFORMATION**

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