Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

June 2026

FUND FACTS

Investment objective: Aims to generate positive returns over a market cycle irrespective of market conditions by investing in both long and short positions of predominantly Australian shares.

FUND BENEFITS

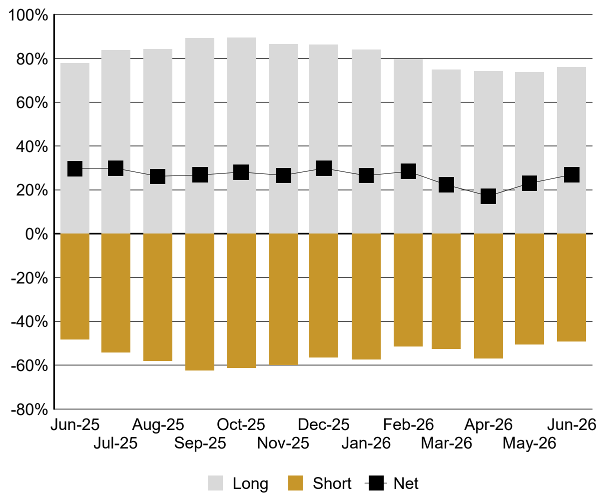
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification of special opportunities.

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.

Inception Date:	March 2012
Size of fund:	$339.93 million as at 31 Mar 2026
APIR:	PER0668AU
Fund Managers:	Sean Roger & Anthony Aboud
Management Fee:	1.28%*
Performance Fee:	20.5% of outperformance*
Performance Hurdle:	RBA Cash Rate Index
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Five years or longer

HISTORICAL MARKET EXPOSURE



TOP 5 STOCK HOLDINGS (LONG)

	% of Portfolio
Washington H. Soul Patt.	6.4%
Cobram Estate Olives Ltd.	4.8%
News Corporation	3.7%
Servcorp Limited	3.3%
Goodman Group	2.8%

* Information on Management Costs (including estimated indirect costs) and a full description of the Fund's performance fee is set out in the Fund's PDS.

GEOGRAPHIC LOCATION OF MATERIAL ASSETS

The Fund holds no single international asset representing more than 10% of the Fund's net asset value.

NET PERFORMANCE- periods ending 30 June 2026

	Fund	RBA Cash Rate Index*
1 month	0.53	0.36
3 months	1.26	1.07
1 year	6.87	3.91
2 year p.a	6.17	4.12
3 year p.a.	5.88	4.20
4 year p.a.	6.33	3.89
5 year p.a.	6.30	3.14
7 year p.a.	7.07	2.35
10 year p.a.	6.52	2.10
Since incep. p.a.	6.94	2.25

*RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	7.7	-3.7	4.0
Consumer Discretionary	9.3	-8.8	0.4
Consumer Staples	7.0	-5.3	1.7
Energy	4.6	-2.3	2.3
Financials ex Property Trusts	11.7	-10.3	1.4
Health Care	6.0	-1.9	4.1
Industrials	10.0	-6.2	3.7
Information Technology	0.0	-1.3	-1.3
Materials	7.5	-5.1	2.4
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	9.8	-2.0	7.8
Utilities	1.4	-1.0	0.4
Total	**74.9**	**-48.0**	**26.9**

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	17.6
Dividend Yield*	3.0%
Price / Book	1.9
Debt / Equity	42.0%
Return on Equity*	11.8%

^ Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating Perpetual'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.

MARKET COMMENTARY

The S&P/ASX 300 returned 4.14% over the June quarter, a period defined by geopolitical whiplash and a domestic policy pivot. The Iran conflict drove oil volatility throughout, before the June ceasefire eased tensions and lifted risk sentiment into quarter-end. The May Federal Budget reshaped capital gains tax and negative gearing settings, unsettling property-linked exposures. The RBA hiked twice (April and May) before pausing in June as growth signals softened and unemployment rose. Consumer Discretionary (+18.02%) and Information Technology (+17.40%) led returns, aided by rate-cut optimism and a Megaport-driven tech surge. Real Estate (+12.72%) benefited from the data centre thematic via Goodman Group. Energy (–16.72%) and Utilities (–6.61%) lagged as oil eased and the dollar strengthened. Health Care (–6.08%) hit fresh multi-year lows on CSL and Cochlear downgrades. Financials were modestly positive despite banking sector caution following early post-Budget housing weakness.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Washington H. Soul Pattinson, Cobram Estate Olives and Servcorp Limited. Conversely, the portfolio's largest short positions are across the Financials, Industrials and Utilities sectors.

Soul Patts (SOL) was a significant contributor for the quarter, returning 15.5% as it continued to re-rate following its 1H26 result in late March, the first reporting period since completion of the Brickworks merger. It was another strong period for SOL: pre-tax NAV rose approximately 15% on the prior corresponding period (pcp), and the portfolio returned 9.7%, outperforming the ASX 200 by 6.6%. Notably, the Brickworks merger has reset SOL's tax position, boosting post-tax NAV per share by approximately 27% in the half. We continue to like SOL for its ability to deliver long-term growth and for its diversified portfolio with a history of uncorrelated returns. On growth, SOL's move into private assets continues to gain momentum: at the interim result, private credit grew ~37% on pcp to A$1.65bn and private equity grew 32% to A$1.6bn. Management report no signs of stress in this space, having avoided riskier parts of the market in favour of downside protection and value preservation. On correlation, SOL proved resilient during recent market volatility, with a maximum share price drawdown of 2.25% since the onset of the US-Iran conflict.

Following the onset of the US-Iran conflict, sentiment turned sharply negative for cyclicals such as James Hardie, with the share price falling over March as the conflict threatened to worsen affordability headwinds. As the share price fell, risk-reward skewed increasingly to the upside and we steadily added to our position in the mid-to-high twenties. Fast forward through May and June, and the stock returned 9.69% and 19.64% respectively to finish the quarter up 46.3%. The driver was de-escalation in the Middle East, which saw energy prices revert and inflationary expectations decline. This provides hope that key mortgage interest rates can compress to levels that stimulate demand. Alongside the ongoing undersupply in the US housing market, this leaves the longer-term outlook for JHX looking increasingly positive. As a manufacturing business with a largely fixed cost base, JHX carries significant operating leverage, meaning earnings can grow disproportionately as volumes improve. Combined with potential multiple re-rating toward mid-cycle levels, this provides mechanisms for further share price upside.

The a2 Milk Company had a mixed quarter but overall finished down 21.8%. In mid-April, A2M cut FY26 revenue and EBITDA margin guidance due to supply shortages stemming from Synlait's capacity constraints, new testing standards lengthening product release times, and additional customs sampling requirements in the wake of the arachidonic acid recall. A further voluntary US infant formula recall on 1 May, citing cereulide contamination, triggered additional declines. We believed the market had become overly pessimistic on A2M, and we added to our position in June, just after the share price bottomed. The stock rebounded strongly in June, returning 39.3%. This was driven by the announcement that it had received final approval from the State Administration for Market Regulation (SAMR) to transition two China label infant milk formula (IMF) product registrations, acquired with the A2 Pokeno facility, to A2 branded products. This cleared the way for a NZ$300 million special dividend, which had been contingent on the regulatory approval, delivering a double positive catalyst for the stock.

Orora was a significant detractor for the quarter after falling 30.5% in April following an earnings downgrade. Management cut FY26 EBIT guidance for its Saverglass premium glass packaging business by mid to high double digits, driven by the shutdown of its Ras Al Khaimah facility in the UAE amid conflict-related security concerns, logistics disruptions, and constrained shipping access. Compounding the negative sentiment, the company suspended its on-market buyback, adding to sell-off pressure. It also linked the downgrade to softer demand, with customers cutting inventories and shifting from premium spirits to lower-margin wine and champagne. The downgrade and reasons provided were disappointing and highlighted the lack of visibility Orora has on its forward order book and thus earnings. Following the announcement, we made the decision to exit the position. With demand recovery difficult to forecast amid ongoing geopolitical uncertainty, global tariff unpredictability and shifting consumer preferences, we no longer viewed the risk/reward as attractive enough to maintain exposure.

OUTLOOK

The federal budget was a clear negative for property markets which have now seen low auction clearance rates for several weeks in a row. Sydney and Melbourne in particular have seen clearance rates often slipping below 45%, consistent with a declining market. The risk for the broader economy is that these declines become more entrenched and have knock-on effects to the broader economy, including consumer confidence and even the banking system. Equity markets have been fairly subdued in recent months. This followed a broader rotation which saw Materials and Energy up strongly for the financial year and Healthcare hit hard, highlighting opportunities. Our portfolios remain overweight companies with real businesses and assets across various sectors of the economy that we think continue to trade at attractive multiples. We are most underweight financial leverage and expensive energy, telcos, infrastructure and other names that we believe will come under more pressure.

The performance fee is equal to 20.50% of daily outperformance over the hurdle rate of return. The current hurdle rate is the Reserve Bank of Australia cash rate. Performance fees are accrued daily and payable six monthly, however will only be paid in the event that the Fund's return over the performance fee calculation period is positive and the performance fee accrual is positive. For further information on the calculation of the performance fee please consult the Fund's PDS.

MORE INFORMATION

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