

Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

July 2025

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

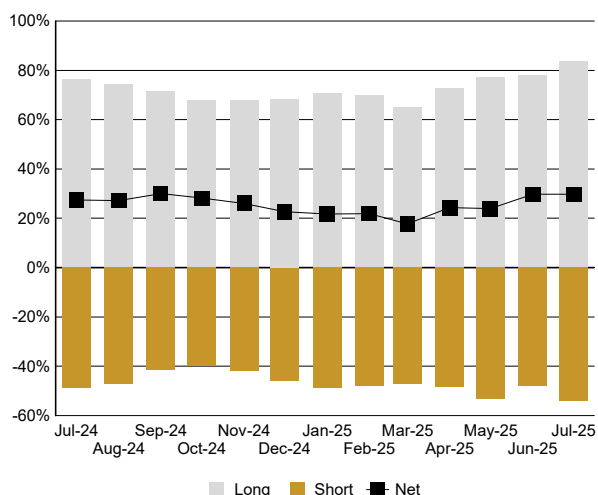
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification 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: \$296.43 million as at 30 June 2025
APIR: PERo668AU
Fund Managers: Anthony Aboud & Sean Roger
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
Flutter Entertainment Plc	7.4%
Servcorp Limited	5.4%
Goodman Group	4.1%
Cobram Estate Olives Ltd.	4.1%
Mainfreight Limited	2.6%

* 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 31 July 2025

	Fund	RBA Cash Rate Index*
1 month	0.65	0.33
3 months	2.89	0.99
1 year	6.86	4.28
2 year p.a.	6.35	4.33
3 year p.a.	6.74	3.96
4 year p.a.	6.57	3.03
5 year p.a.	8.04	2.44
7 year p.a.	6.29	2.04
10 year p.a.	5.94	1.92
Since incep. p.a.	6.95	2.14

RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	4.9	-5.2	-0.3
Consumer Discretionary	17.8	-9.5	8.2
Consumer Staples	7.4	-3.4	4.0
Energy	4.5	-1.3	3.1
Financials ex Property Trusts	8.1	-17.4	-9.3
Health Care	4.8	-1.2	3.6
Industrials	14.0	-3.9	10.0
Information Technology	0.0	-2.9	-2.9
Materials	6.8	-3.1	3.7
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	12.7	-3.9	8.8
Utilities	1.8	-1.1	0.7
Total	82.7	-52.9	29.8

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	19.8
Dividend Yield*	2.6%
Price / Book	2.4
Debt / Equity	40.4%
Return on Equity*	12.1%

^ 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

Australian equities extended their winning streak in July, with the ASX 200 gaining 2.35% to 8,742.80, its fourth straight monthly advance. The index set a fresh all-time high on 7 July before momentum stalled, trading sideways for the remainder of the month. Markets balanced optimism over prospective RBA rate cuts with caution around looming U.S. tariff deadlines. While President Trump's tariff agenda dominated headlines, the impact was muted as front-loaded shipments softened the near-term blow, and late-month trade agreements with Japan and the EU lifted sentiment. Sector rotation was evident with an unwind in crowded bank positions, ongoing since late June, weighed on Financials (-1.0%), while Materials (+4.1%) benefited from stronger iron ore prices. Gold miners lagged as safe-haven demand faded, marking a second month of underperformance. Healthcare was the standout (+8.8%), driven by a 74.8% surge in Clarity Pharmaceuticals, robust gains in CSL, and a 43.8% rally in Mesoblast. Consumer Discretionary (+3.1%) outperformed on positioning ahead of potential rate cuts. The RBA held the cash rate at 3.85%, deferring a widely expected 25 bp cut. Governor Bullock emphasised timing over direction, with the 6-3 vote split highlighting internal debate. Q2 CPI, released late in the month, showed inflation easing to 2.1% y/y, below forecasts, firming expectations for an August cut. Corporate news was active with Johns Lyng Group jumping 23% on a \$1.1B takeover offer, while Origin Energy gained 8.2% on value-unlocking news from Octopus Energy. Lifestyle Communities plunged 36.6% on an adverse VCAT ruling, and Botanix fell 53.1% on softer sales momentum. Earnings revisions skewed slightly negative, with 82 upgrades versus 104 downgrades, suggesting selective positioning remains key in the months ahead.

PORTFOLIO COMMENTARY

The portfolio's largest positions include Flutter Entertainment Plc, Servcorp Limited and Cobram Estate Olives Ltd. Conversely, the portfolio's largest short positions vary across sectors but include selected Financials, Consumer Staples and Infrastructure names.

Cobram Estate showed encouraging momentum in July, announcing a successful 2025 Australian harvest of 15.3m litres. Management lifted FY25 EBITDA guidance to ~A\$115m, reflecting firm pricing despite international competition and retail discounting. The dual-brand strategy (Cobram Estate and Red Island), substantial immature orchards supporting multi-year growth, and expansion into the undersupplied U.S. premium market position the business to capture growing demand for locally produced, premium olive oil while generating strong cash flows and scale benefits.

A top contributor in July (+14.7%). As a leading provider of salary packaging and fleet management (with novated leasing at its core), MMS remains highly cash generative and has a strong record of dividends and buybacks. Shares rose as resilient earnings eased concerns about the lost South Australian Government contract and softer new-vehicle sales. Solid 1H FY25 cash generation and a more constructive outlook support only modest, short-lived earnings impact. Favourable regulation - particularly the EV FBT exemption - continues to drive novated lease demand.

Select Harvests fell as global almond volatility followed a larger-than-expected California crop forecast, pushing spot prices lower. Management reaffirmed volume guidance and noted ~three-quarters of the current crop is contracted at favourable prices, providing downside protection. While spot conditions are challenging, analysts remain constructive medium term as demand growth rebalances supply. Forward contracting underscores prudent risk controls. As Australia's largest vertically integrated almond producer, the company benefits from scale, premium orchards, a strong balance sheet, and supportive long-term health trends.

HMC declined -29.6% in July amid renewed scrutiny and weaker market confidence, with concerns around underperformance in listed ventures - particularly DigiCo - and ongoing healthcare real-estate challenges. The firm has scaled back its A\$50bn growth target and is managing tenancy transfers for 11 Healthscope hospitals. Nonetheless, HMC retains a solid balance sheet and AUM approaching A\$18-19bn, and is refocusing growth on unlisted opportunities - private credit, logistics real estate, and core retail funds - where performance has been more consistent.

OUTLOOK

Markets stand at a critical crossroads. Concerns over U.S. debt and deficit continue to mount following passage of the "big, beautiful bill," yet risk appetite has proven resilient. Global equities, led by growth and technology names, have extended the rebound that began in mid-April, erasing much of the tariff-driven sell-off. Investor enthusiasm has been underpinned by strong corporate earnings - particularly in tech, where Nvidia again delivered revenue growth well ahead of expectations - and by signs central banks remain ready to ease policy if growth slows. Beneath the surface, however, a deeper rotation may be underway. U.S. equities still trade near peak valuations, with profit margins stretched. Although the U.S. dollar continues to roll over, it remains near generational highs. Historical precedents in 1985 and 2000 suggest such peaks often coincide with turning points in global capital flows, with investors rotating to regions offering more compelling valuations, including select emerging markets. Policy currents are also shifting with Trump pressing for broader market access while challenging currency and regulatory tools; the U.S. and U.K. are pursuing banking deregulation; Germany is advancing reflation via reforms and a €500b investment plan. With Australian and U.S. equities in the 96th-97th valuation percentile, asymmetric risks skew downside. Together, these forces suggest an imminent inflection in market levels and leadership.

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.

The publication has been prepared and issued by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426, as promoter for the Perpetual WealthFocus Superannuation Fund. The information contained in this document 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 information contained in this document is in addition to and does not form part of the product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund. The PDS for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL 229757, RSE L0001458, should be considered before deciding whether to acquire or hold units. The PDS and Target Market Determination can be obtained by calling 1800 011 022 or visiting www.perpetual.com.au. Neither PIML, ETSL nor any of their related parties guarantee the performance of any fund or the return of an investor's capital. Total returns shown for the Perpetual WealthFocus Superannuation Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.

MORE INFORMATION

Investor Services 1800 022 033

Email PerpetualUTqueries@cm.mpms.mufig.com

www.perpetual.com.au

