WealthFocus Super

WEALTHFOCUS PERPETUAL SMALLER COMPANIES

September 2026

FUND FACTS

Investment objective: Aims to provide long-term capital growth and income through investment in quality Australian industrial and resource shares which, when first acquired, do not rank in the S&P/ASX 50 Index.

FUND BENEFITS

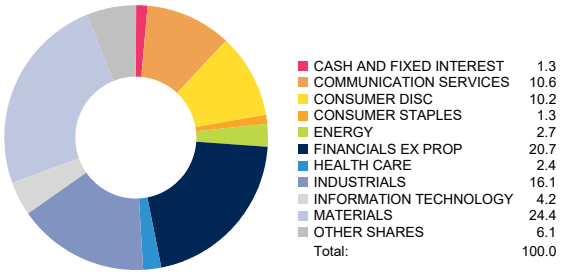
Provides investors with the potential to benefit from the growth of quality smaller or emerging companies, through active management by one of Australia's most experienced investment management teams.

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.

Benchmark: S&P/ASX Small Ordinaries Accum. Index
Inception Date: June 1995
Size of Portfolio: $156.04 million as at 30 Jun 2026
APIR: PER0025AU
Management Fee: 1.03%*
Investment style: Active, fundamental, bottom-up, value
Suggested minimum investment period: Five years or longer

PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Vault Minerals Limited	3.5%
FleetPartners Group Limited	3.3%
News Corporation	3.1%
Capricorn Metals Ltd	3.0%
EVT Limited	3.0%

NET PERFORMANCE - periods ending 30 September 2026

	Fund	Benchmark #	Excess
1 month	-3.40	-2.34	-1.07
3 months	0.88	-0.53	+1.41
1 year	0.47	-6.74	+7.22
2 year p.a.	8.81	6.45	+2.36
3 year p.a.	8.76	10.41	-1.66
4 year p.a.	7.82	9.51	-1.69
5 year p.a.	6.33	2.18	+4.15
7 year p.a.	8.97	4.97	+4.00
10 year p.a.	8.27	6.10	+2.17

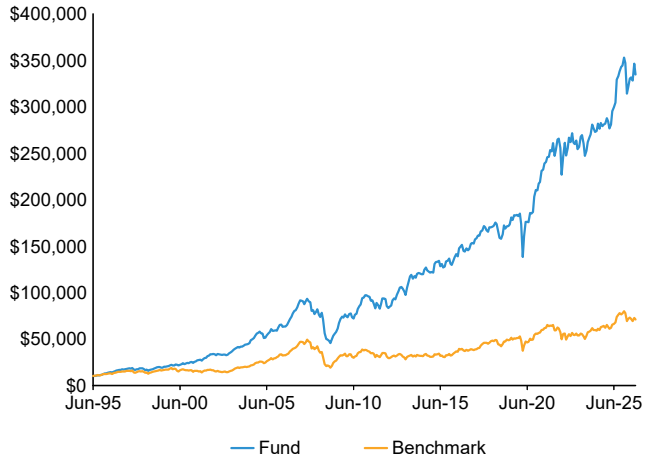
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	13.3	16.1
Dividend Yield*	3.9%	4.1%
Price / Book	2.0	1.6
Debt / Equity	25.3%	34.7%
Return on Equity*	14.5%	12.1%

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

GROWTH OF $10,000 SINCE INCEPTION



*Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

MARKET COMMENTARY

The S&P/ASX 300 delivered a subdued +1.26% total return over September 2026 quarter, reflecting persistent headwinds from a hawkish monetary policy backdrop. Sector performance diverged sharply, with Health Care (+25.40%) and Energy (+17.34%) providing crucial support, whilst Materials (+4.77%) benefited from copper demand linked to power infrastructure and AI development. Conversely, Technology (- 9.38%), Consumer Discretionary (-9.26%) and Real Estate (-8.65%) faced sustained pressure as elevated rates impacted valuations and consumer spending. The RBA's fourth rate rise of 2026, pushing the cash rate to 4.60%, remained the dominant macro driver despite CPI holding at 3.73% well above target. Strong Q2 GDP growth of 2.1% YoY reinforced tightening momentum, offsetting signs of consumer stress – confidence slumped to 84.4 by September. The AUD rallied to 0.722 mid-quarter before retreating to 0.695, signalling markets anticipated rate cycle maturation.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Capricorn Metals, FleetPartners Group and EVT. Conversely, the portfolio 's largest relative underweight positions include Ventia Services Group, Megaport and Reece, all of which were not held

FleetPartners Group (FPR) returned 61.3% over the quarter and was the portfolio's top contributor. The primary catalyst was a bidding war for the company. On 3 August, FPR disclosed a non-binding indicative offer (NBIO) of $3.60 cash per share from SG Fleet (SGF), a 27% premium to the last close. On 10 August, the board rejected the SGF proposal as undervaluing the company and disclosed a second NBIO from Element Fleet Management at $3.80, rising to $4.00 if FPR granted three weeks of exclusive due diligence. Two days later, the board declined Element's exclusivity request, SGF raised its offer to $4.00 and ORIX entered with a $3.80 proposal. A fourth bidder, Sumitomo entity, lodged an offer of $3.85 on 26 August. The board engaged with all bidders and provided limited due diligence. After the first phase concluded on 14 September, FPR received revised NBIOs from SGF at $4.55, ORIX at $4.65 and Sumitomo at $4.65, with all three progressing to the next phase. The corporate interest was not a surprise to us, given takeover speculation over the past one to two years and the synergies available to several potential acquirers. After the recent rally we have taken meaningful profit off the table.

GR Engineering Services (GNG) contributed strongly in Q1 FY27, rising in each month of the quarter and returning 49. 3% overall. GNG reported a solid FY26 result in August, with improved margins driving an earnings beat against consensus. Alongside the result, the company provided FY27 revenue guidance more than 30% ahead of consensus, underpinned by an order book of more than A $1b. GNG also announced a A$100m institutional placement to fund the working capital needs of its larger project pipeline and position the company for its next phase of growth. Additionally, the stock was added to the S&P/ASX 300 Index in the September rebalance, which has attracted passive flows. We first became interested in GNG as a highly profitable, cash-generative business with a track record of strong ROA, ROE and ROIC dating back to FY 11. We saw it as well placed to benefit from increased mining capex amid elevated commodity prices, and the FY26 result and order book suggest this thesis is playing out.

After a strong June quarter, where Qualitas rose 27. 8% July off the back of preserved negative gearing benefits for investors in new housing stock, the stock declined 18.4% in September and 22.7% overall in Q1 FY27. The fall was primarily driven by deteriorating market sentiment towards private credit following the administration of housing developer Bathla (despite having no exposure to the company) and more recent concerns around private credit asset manager Metrics. Furthermore, rising interest rates and falling house prices are creating a more challenging environment for lenders to real estate developers. Notwithstanding a more difficult environment, Qualitas' weighting of FUM towards sticky institutional capital and well-tenured, experienced management means it should be better placed than peers.

Cobram Estate Olives (CBO) was a significant detractor for the period after falling 35. 9% in the September quarter, though the fall was softened by a 14.5% gain over the final four trading sessions of June. The CBO decline in July was driven in part by the company's harvest and business update, with the stock falling 6.25% on the day. CBO announced that California Olive Ranch (COR) earnings will not reach the earn-out hurdle, which requires EBITDA above US$7.125m in 1H26 for a maximum payment of US$15m, and disclosed a dispute with the COR sellers over a purchase price adjustment of US $31.9m. CBO fell a further 10.8% in August, primarily due to a soft FY26 result. The 14. 9% single-day decline reflected a weak fair value adjustment, driven by elevated temporary water costs, a lower-yielding 2026 crop, and more competitive conditions in Australia. These shorter-term challenges mask aspects of the result that support our long-term thesis, with management commentary pointing to a clear shift away from balance-sheet-funded orchard expansion. This matters because it signals a material structural change in how the US business scales. Once this investment cycle concludes, capital intensity should decline materially, leading to improved returns on capital and stronger free cash flow generation.

OUTLOOK

Heading into the last quarter of 2026 the focus is shifting to the flow-on effects of tighter monetary policy. Lenders have lifted fixed mortgage rates by nearly double the RBA's move, adding to fears that the pressure on consumers will only continue to build, especially if the RBA tightens again. Capital city property prices continue to decline from their March peak. The collapse of developer Bathla Group and troubles at Metrics credit has raised the question of broader economic risks from contagion as deteriorating conditions in construction collide with concerns about private credit liquidity and defaults. China-exposed stocks have fallen sharply and doubts over AI spending, highlighted by the failed Firmus IPO, are unsettling tech-adjacent names. Meanwhile investors also have an eye on the US Fed as well as additional geopolitical risks, especially the evolving Iranian situation.

Benchmark prior to 1/4/2000 was the ASX Small Ordinaries Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX Small Ordinaries Accumulation Index.

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426, as promoter of the Perpetual WealthFocus Superannuation Fund (Fund) ABN 41 772 007 500 RSE R1057010. It 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 whether the information is suitable for your circumstances and we recommend that you seek professional advice.
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