Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

October 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

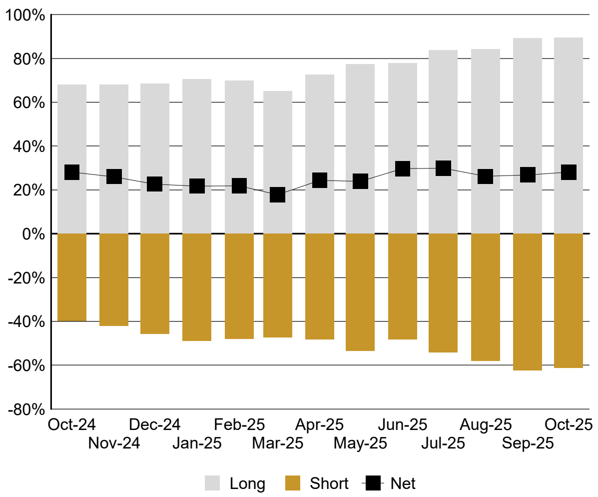
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification 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:	$300.78 million as at 30 Sep 2025
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.	6.9%
Flutter Entertainment Plc	5.3%
Cobram Estate Olives Ltd.	4.6%
Servcorp Limited	4.3%
News Corporation	4.3%

* 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 October 2025

	Fund	RBA Cash Rate Index*
1 month	0.04	0.31
3 months	3.02	0.92
1 year	8.81	4.09
2 year p.a	8.79	4.27
3 year p.a.	6.07	4.08
4 year p.a.	6.33	3.26
5 year p.a.	8.42	2.62
7 year p.a.	6.60	2.11
10 year p.a.	6.15	1.96
Since incep. p.a.	7.05	2.17

RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	8.4	-3.1	5.3
Consumer Discretionary	13.1	-11.3	1.9
Consumer Staples	7.9	-6.6	1.3
Energy	4.6	-1.6	3.0
Financials ex Property Trusts	12.9	-18.2	-5.2
Health Care	3.6	-1.1	2.5
Industrials	12.0	-5.1	7.0
Information Technology	0.0	-2.4	-2.4
Materials	9.6	-4.3	5.3
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	11.2	-4.3	7.0
Utilities	3.8	-1.2	2.6
Total	**87.3**	**-59.2**	**28.1**

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	18.8
Dividend Yield*	2.9%
Price / Book	2.1
Debt / Equity	40.3%
Return on Equity*	13.0%

^ 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 rose +0.4% in October but retreated from mid-month record highs as hotter-than-expected inflation erased hopes of near-term RBA rate cuts. Volatility picked up after renewed US–China trade tensions, though this eased following a one-year truce. Materials outperformed, supported by strong gains in lithium, rare earths and critical minerals after the US and Australia signed a funding framework; Pilbara, Liontown and Mineral Resources all rallied. Gold miners gave back earlier gains as bullion prices eased. Tech was the weakest sector amid governance issues at WiseTech and leadership changes at Nuix, while Consumer Discretionary lagged on softer trading updates and fading policy support. Banks were broadly flat, with ANZ outperforming. Macro data highlighted sticky inflation, with monthly CPI rising to 3.2% y/y and trimmed mean lifting to 3.0%, pushing rate-cut expectations out to 2026. Corporate news was mixed: Domino's surged on takeover speculation, while CSL and Bapcor fell on weaker outlooks.

PORTFOLIO COMMENTARY

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

Aspen Group's strong performance continued in the month of October (+12.82%) as market sentiment remains positive following its acquisition of a greenfield master plan community site in Wallaroo, South Australia. The asset which was secured out of administration at an attractive entry price, represents a strategic expansion into a coastal location with significant council infrastructure investment already in place. The development plan encompasses land lease sites, build-to-rent dwellings, and traditional land lots, with early-stage engagement from local council suggesting a constructive approval pathway. While income generation remains several years out, the transaction demonstrates Aspen's ability to source accretive off-market opportunities in supply-constrained regional markets. With gearing remaining conservative post-acquisition and a healthy pipeline of similar deals emerging, Aspen continues to execute on its strategy of delivering affordable housing solutions in areas of acute undersupply. The company's disciplined capital allocation and focus on scalable developments across key growth corridors positions it well to capitalise on sustained structural tailwinds in the residential accommodation sector.

EVT Limited contributed to portfolio performance in October, finishing the month up 10.9%. The company's Q1 trading performance and results delivery, released during the period, showed the Group's EBIDTA was 61.8 million, up $10.6 million, representing a 20.7% increase. All operating divisions achieving growth on prior year, Entertainment Group's earnings increased by 53.1% for the quarter, where Germany was the standout market due to strong performance of local film Das Kanu des Manitu, resulting in the best September month market admissions since 2015. Thredbo enjoyed improved winter conditions relative to prior year as earnings jumped 28.6% for the quarter. The Hotels division delivered a record Q1 result as earnings lifted 10.0% for the quarter. Overall, EVT's property and hotel portfolio remains a source of embedded value, and its strong balance sheet provides flexibility through periods of softer cinema trading. EVT is well positioned to achieve another full year record result as we continue to see scope for earnings growth across all divisions.

News Corporation detracted from performance in October, declining -10.9% over the month. Investor sentiment was weighed down by the company's 61% stake in REA Group, which fell nearly 8% during the period. Mixed market appetite ahead of the first quarter FY2026 earnings report prompted cautious profit-taking in the lead-up to results. However, at the time of writing the company has reported results to which the market has responded positively. News Corporation delivered a solid start to the financial year with revenue rising 2% to US$2.1 billion and EBITDA climbing 5% to US$340 million. News Corp's digital expansion continues to drive its core profit engines, most notably within the Dow Jones segment, where the WSJ and Barron's now generate 84% of sales through digital channels. We believe REA Group, the company's digital real estate services platform, is well-positioned for expansion and presents significant growth opportunities that will further diversify News Corp's revenue base. This ongoing shift toward digital services and the strength of its high-quality assets make News Corp a compelling fit for long-term growth as the company continues to capitalise on structural trends in a rapidly changing consumer market.

Flutter Entertainment, the world's largest online gaming operator by revenue, declined in October by -7.34% as investors were spooked by rising regulatory compliance costs during a broader global crackdown on online gambling, where overwhelming majority of bets are placed online. Shares softened despite a favourable Q2 results where adjusted EPS rose 45% and revenue extended 16%, investor reactions cooled after a strong run earlier in the year. Adding to pressure, the company announced its withdrawal from real-money gaming operations in India due to regulatory changes, which is expected to remove approximately $200 million in revenue and $50 million in adjusted EBITDA for 2025. Competition has also intensified, with new entrants such as Robinhood broadening their presence in online wagering. Despite these near-term headwinds, Flutter's FanDuel remains the clear market leader in online sports betting and iGaming, supporting continued earnings growth through scale efficiencies and operational leverage. With a strong balance sheet and solid fundamentals, Flutter is well-positioned to overcome the current regulatory environment and retain long-term growth opportunities.

OUTLOOK

Markets enter the second quarter of the financial year with gains intact but underlying tensions building. Recent months have revealed sharp sector rotation and elevated post-result volatility, as resilient consumer demand collides with margin pressures and persistent inflation. Australian household spending has proved surprisingly robust, challenging expectations for an extended easing cycle, while globally, leadership remains concentrated in technology names despite growing fragility in sentiment. Political risks have intensified as questions around central bank independence drive gold near record highs and weigh on the US dollar. Valuations now sit near historical extremes, suggesting asymmetric downside risk at a time when policy uncertainty, tariff disruptions, and moderating earnings momentum argue for caution. Looking ahead, markets face a more complex growth backdrop. The US commands attention given elevated equity valuations and deficit concerns. Europe confronts weak business conditions and tariff headwinds, while China's stabilisation depends on sustained policy support amid cooling consumption. Domestically, growth is expected to remain subdued as the economy absorbs tighter policy settings. Navigating this environment requires discipline and patience as investors assess shifting market leadership and an increasingly uneven path forward.

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

Investor Services 1800 022 033

Email PerpetualUTqueries@cm.mpms.mufg.com

www.perpetual.com.au

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