Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

November 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

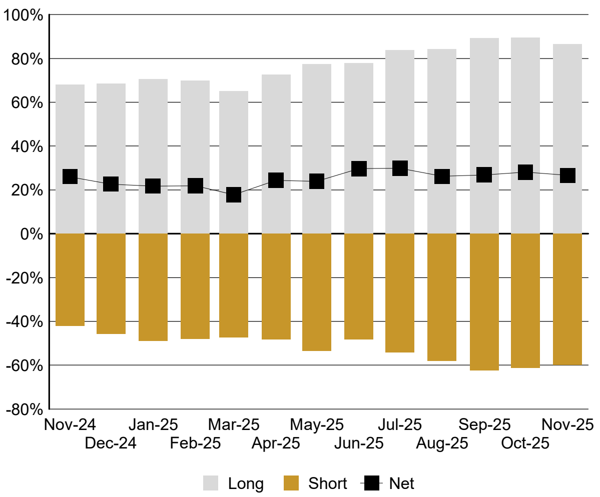
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification 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.	6.8%
Flutter Entertainment Plc	4.7%
Cobram Estate Olives Ltd.	4.1%
Servcorp Limited	4.1%
News Corporation	4.0%

* 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 November 2025

	Fund	RBA Cash Rate Index*
1 month	0.97	0.30
3 months	1.07	0.90
1 year	7.30	4.03
2 year p.a	9.57	4.24
3 year p.a.	6.23	4.11
4 year p.a.	7.17	3.33
5 year p.a.	7.27	2.68
7 year p.a.	6.93	2.14
10 year p.a.	6.20	1.98
Since incep. p.a.	7.08	2.18

RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	8.9	-1.7	7.2
Consumer Discretionary	11.9	-8.7	3.2
Consumer Staples	7.5	-6.0	1.5
Energy	3.9	-1.8	2.1
Financials ex Property Trusts	12.2	-18.0	-5.8
Health Care	3.0	-1.6	1.5
Industrials	11.7	-5.8	5.9
Information Technology	0.0	-4.1	-4.1
Materials	11.6	-6.5	5.1
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	11.1	-3.0	8.1
Utilities	3.3	-1.4	2.0
Total	**85.2**	**-58.6**	**26.6**

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	18.3
Dividend Yield*	2.9%
Price / Book	2.1
Debt / Equity	33.4%
Return on Equity*	12.6%

^ 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/ASX300 experienced its worst month since March, declining 2.64% in November as investors grappled with a disappointing AGM season and weak bank earnings amid rising macro uncertainty. Defensive sectors offered rare relief: Health Care (+1.72%) and Consumer Staples (+1.42%) gained on solid updates from Ramsay, Sonic Healthcare and CSL, while Materials (+1.66%) benefited from lithium's rebound after Ganfeng flagged 30–40% demand growth for 2026. Conversely, Information Technology plunged 10.79% on global AI valuation concerns and earnings weakness across Catapult, Life360, Xero and NextDC. Financials (-6.48%) weighed heavily after major banks delivered underwhelming results, while Real Estate, Communication Services, Consumer Discretionary and Energy all declined. The RBA held rates but upgraded inflation forecasts, with a stronger labour market (unemployment down to 4.3%) and higher-than-expected October CPI data (3.8% YoY) pushing rate-cut expectations into mid-2026. Overall, November reflected rising macro tension, mixed corporate performance and renewed valuation pressure across growth sectors.

PORTFOLIO COMMENTARY

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

The portfolio's overweight position in Light & Wonder contributed strongly to November performance, with the stock rebounding +39.8% after a weak performance in October. During the month the company released its 3Q earnings update which was ahead of market expectations. Of note was the outperformance in the US gaming operations division, with strong fee per day and unit growth outcomes well received. As evidenced in the performance of key peer Aristocrat over many years, a strong and growing gaming operations business is a powerful driver of margins, free cash flow and ultimately shareholder value. With these developments, the company's fundamentals remain strong, supported by disciplined capital management, solid balance sheet strength, and continued growth in its high-margin iGaming division and its integrated Grover Gaming platform. The company also completed its transition to sole ASX listing during the month. Whilst the move was a driver of share price volatility in the lead up, with index and transition related selling now complete, we expect LNW to benefit from increased passive flows and local investor attention moving forward.

Mainfreight Limited contributed to portfolio performance in November, finishing the month up +11.8% following a positive half-year results update. Whilst the reported results reflected challenging market conditions globally, Investor sentiment improved as management highlighted building momentum through October and November. Management confidence in an improved outlook was underpinned by a combination of stabilisation in end market economies benefitting from falling interest rates and ongoing strong market shares gains. As these factors drive increased volume throughput, margins are likely to begin increasing as recently added capacity is absorbed. The company's net cash position and NZ$339 million in undrawn debt facilities provides optionality for continued depot expansion and long-term strategic growth investments. We continue to believe that current margins and earnings levels are materially below sustainable levels due to a combination of cyclical market pressure and the impacts of the company's ongoing growth investment program.

Flutter Entertainment was the main detractor to portfolio performance in November, with the stock falling -10.4% in the lead up to the UK Government budget, where increases to online gaming tax had been flagged. The result was moderately worse than expected by the market with the tax changes expected to create a net earnings headwind of $235 million in 2026 and $339 million in 2027 after mitigation efforts. However, Flutter's scale and leading UK market position provide meaningful advantages in navigating these additional cost pressures and as we have observed many times in other markets, the end impact of tax increases on the scale player fades over time as market share consolidates. News flow and investor focus on prediction markets remains elevated. Industry data and insights alongside recent Court rulings continue to support a view that prediction markets are unlikely to have a material impact on FanDuel in states where online sports betting is legal. Uncertainty remains as to the development and economics of prediction markets in States where OSB is not regulated. Ultimately, we continue to expect material earnings growth to be sustained for years to come and believe the current share price is capturing a very material negative impact from prediction markets.

Cobram Estate Olives detracted from performance in November as the stock declined -7.6% driven by a phase of profit-taking following an exceptional performance run. The pullback largely reflects rising macro tension and broader valuation pressure rather than underlying operational weakness or concerns. The business has demonstrated remarkable resilience despite the natural variability inherent in agricultural production and the biennial cyclical nature of olive crop yields, as evidenced by impressive FY25 EBITDA growth of 74.8% and management's significant upgraded earnings forecast that exceeded market expectations. Reinforcing confidence in its financial strength and operational momentum, Cobram announced its highest ever dividend payout during the month, signalling strong operational cash flow. The company's dual-brand strategy combining the leading Cobram Estate and Red Island labels, combined with substantial immature orchard assets providing multi-year production growth visibility and strategic expansion into the undersupplied US premium market, positions it well to benefit from increasing consumer preference for locally produced, premium olive oil products while generating strong cash flows and economies of scale.

OUTLOOK

Equity markets enter the coming months on increasingly fragile footing as the global economy faces a heady combination of trade uncertainty, slowing growth, rising debt, geopolitical tensions and low consumer confidence. Global equity indices, including the S&P/ASX300, continue to trade at elevated multiples relative to long-term averages, leaving risk premiums compressed and markets sensitive to negative surprises. Several global fault lines are widening. Europe grapples with the Ukraine war and political instability whilst China faces an ongoing property market decline. Whilst US growth appears strong on AI investment headlines, underlying consumer sentiment has weakened amid rising living costs. Against this backdrop, we expect markets to remain range-bound with asymmetric downside risk as investors reassess growth durability, earnings outlook and policy trajectories. Australian equities face additional headwinds from anaemic domestic growth, sticky inflation delaying rate cuts, and acute exposure to weakening Chinese commodity demand.

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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