

Perpetual Pure Series Funds

PERPETUAL PURE VALUE SHARE FUND - CLASS P

December 2025

FUND FACTS

Investment objective: Aims to provide investors with long-term capital growth and income through investment in quality shares. Whilst the Fund has no formal benchmark, for reporting purposes the Fund is measured against the S&P/ASX 300 Accumulation Index.

FUND BENEFITS

Provides investors with higher potential returns, through the active management of a concentrated portfolio of quality, high conviction stocks. Shares are selected on quality and value, without reference to indices or benchmarks.

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: April 2024

APIR: PER7814AU

Management Fee: 0.75%*

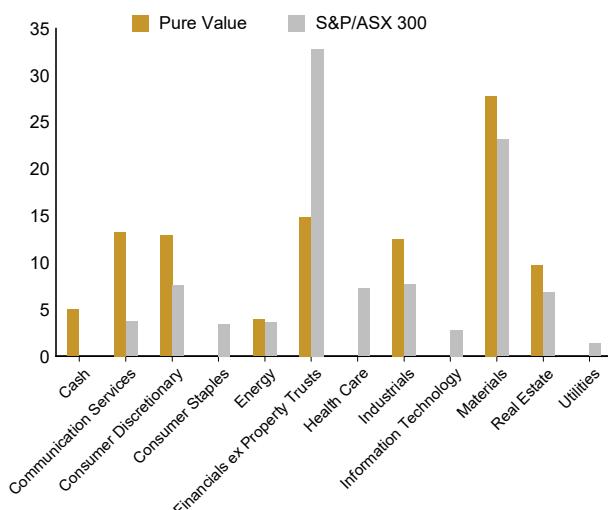
Performance Fee: 15% of outperformance*

Performance Hurdle: S&P/ASX 300 Accumulation Index

Investment Style: Active, fundamental, bottom-up, value

Suggested minimum investment period: Seven years or longer

PORTFOLIO SECTORS



SIZE BREAKDOWN

| | % of Portfolio |
|-------------------------|----------------|
| % of S&P/ASX 20 | 0.0% |
| % of S&P/ASX 50 less 20 | 14.3% |
| % of S&P/ASX Mid 50 | 11.6% |
| % of S&P/ASX Small Ords | 57.7% |
| % of Ex-Index | 11.5% |
| % Cash | 5.0% |

NET PERFORMANCE- periods ending 31 December 2025

| | Fund | S&P/ASX 300 Accumulation Index |
|--------------|-------|--------------------------------|
| 1 month | 3.20 | 1.37 |
| 3 months | 2.31 | -0.89 |
| 1 year | 10.83 | 10.66 |
| 2 year p.a. | - | - |
| 3 year p.a. | - | - |
| 4 year p.a. | - | - |
| 5 year p.a. | - | - |
| 7 year p.a. | - | - |
| 10 year p.a. | - | - |

Past performance is not indicative of future performance.

The Perpetual Pure Value Fund is constructed without reference to any benchmark and doesn't form part of the fund's investment objective. The S&P/ASX 300 Accumulation Index is used for comparison purposes only.

PORTFOLIO FUNDAMENTALS[^]

| | Portfolio |
|-------------------|-----------|
| Price / Earnings* | 15.4 |
| Dividend Yield* | 3.8% |
| Price / Book | 1.9 |
| Debt / Equity | 33.6% |
| 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

TOP 5 STOCK HOLDINGS

| | % of Portfolio |
|-----------------------------|----------------|
| Greatland Resources Limited | 8.1% |
| Flutter Entertainment Plc | 7.9% |
| Suncorp Group Limited | 7.3% |
| Capstone Copper Corp. | 7.3% |
| Bluescope Steel Limited | 7.0% |

MARKET COMMENTARY

The S&P/ASX300 declined -0.9% in the December quarter despite significant sector rotation. Materials surged +13.0%, driven by gold and copper strength amid persistent inflation concerns and demand for real assets, while Energy (+0.9%) and Industrials (+0.6%) offered modest gains. Conversely, Information Technology plummeted -23.7% as global AI valuation pressures intensified, compounded by governance issues at WiseTech and regulatory uncertainties. Health Care (-9.5%), Consumer Discretionary (-11.5%) and Communication Services (-6.6%) underperformed as consumer confidence weakened and macro uncertainty mounted. Financials declined -1.91% with bellwether CBA falling after disappointing earnings and stretched valuations. Throughout the quarter, sticky inflation above the RBA's 2-3% target band, evidenced by October's 3.2% CPI print and November's 3.8% reading, constrained rate-cut expectations and fuelled potential tightening speculation. A resilient labour market and moderating but positive PMI data provided some economic resilience, while corporate-specific headwinds including ANZ's record \$250 million regulatory penalty and the continued de-rating of CSL as concerns mounted over its performance.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Greatland Resources Limited, Flutter Entertainment PLC and Capstone Copper Corp. Conversely, the portfolio's largest underweight positions include Commonwealth Bank of Australia, BHP Group Ltd and Westpac Banking Corporation, all of which are not held in the portfolio.

Light & Wonder (LNW) rose +21.5% in the quarter, despite weakness in October, with investor confidence boosted by 3Q earnings that exceeded market expectations. The US gaming operations division outperformed with strong fee per day and unit growth outcomes. As evidenced by peer Aristocrat's performance over many years, a strong and growing gaming operations business is a powerful driver of margins, free cash flow and shareholder value. LNW's gaming operations outlook remains positive with ongoing strong new game performance underpinning confidence in future growth. The company completed its transition to sole ASX listing during the month. Following index and transition-related selling pressure, we expect LNW to benefit from increased passive flows and local investor attention moving forward. Despite ongoing uncertainty regarding the Aristocrat court case, valuation relative to earnings growth potential continues to screen attractively.

The overweight position of a2 Milk added to portfolio performance in the quarter, rising +6.7% as investors are optimistic on the delivery of results and execution of strategic initiatives. Notably, the company reported better-than-expected performance as revenue growth and EBITDA margins expand. Currency rate movements are favourable in line with the company's almost-half a billion dollars in investments to expand operations in China. While acknowledging China's declining birth rate and expecting infant formula sales to remain relatively flat over the medium term, management is strategically diversifying beyond infant formula into products targeting older age groups. The company's focus on premiumisation and innovation across different life stages positions it well to capture market share in a challenging environment. We remain optimistic about a2 Milk's growth trajectory, supported by its strategic investments, product diversification, and New Zealand's constructive trade relationship with China, which provides a stable foundation for long-term expansion.

Premier Investments underperformed the market over the quarter, declining -25.8% as investors assessed the company's post-divestment trajectory and were worried with higher than expected employee and rental costs which compressed earnings margins. Peter Alexander has emerged as the portfolio's standout performer, with sales more than doubling over the past six years. This resilience suggests Peter Alexander remains in a growth phase, with management planning new stores featuring larger footprints to capture opportunities, alongside international expansion. Smiggle presents a contrasting picture as highlighted by the AGM in November. Sales have declined since COVID, accompanied by UK store closures, and while management plans new product launches to reinvigorate demand, emerging competitors have raised questions about whether some weakness may be structural rather than cyclical. The market remains focused on whether management can successfully navigate this transition while addressing Smiggle's structural headwinds.

News Corporation was a detractor from portfolio performance in the quarter, with the stock down -13.3%. The stock sold off in line with the performance of REA Group, in which it holds a 61% shareholding. REA was pressured by comments from Costar, the new owner of competitor Domain, pointing to improved performance in market from Domain. Further, increasing polarisation and uncertainty around the potential impact of Artificial Intelligence on classifieds more broadly weighed. Ultimately, we see both concerns as overblown and believe REA's very dominant market position in both the eyes of consumers. With the sell-off in the NWS share price, we believe the current valuation is implying a material discount to the current market value of the REA stake, with the value of Dow Jones and Harper Collins justifying most of the current market cap of the company.

OUTLOOK

As we head into 2026, Australian equity valuations remain elevated, with market P/E ratios above their 20-year averages, though still less stretched than in the US. Investors are grappling with three dominant themes. First is the AI-driven technology cycle: a genuine capital-expenditure boom in data centres and advanced semiconductors is colliding with increasingly demanding valuations, raising questions about durability and the risk of eventual bust. Second is the resurgence in commodities. Gold has led headlines as investors seek inflation protection amid currency concerns, while copper and other critical materials are rising on tight supply and accelerating demand from electrification, energy transition and AI infrastructure. Third is monetary policy divergence. The US Federal Reserve is edging toward further rate cuts, while the Bank of Japan's long-anticipated policy normalisation looms large. The RBA sits uncomfortably between these forces, still focused on containing domestic inflation. Overlaying all of this, the abrupt removal of Venezuela's President Maduro is a reminder of how quickly geopolitical risks can re-emerge, even if markets remain outwardly calm - for now.

The Ordinaries benchmark prior to 1/4/2000 was the ASX All Ordinaries Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX 300 Accumulation Index. 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.

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