Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

March 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

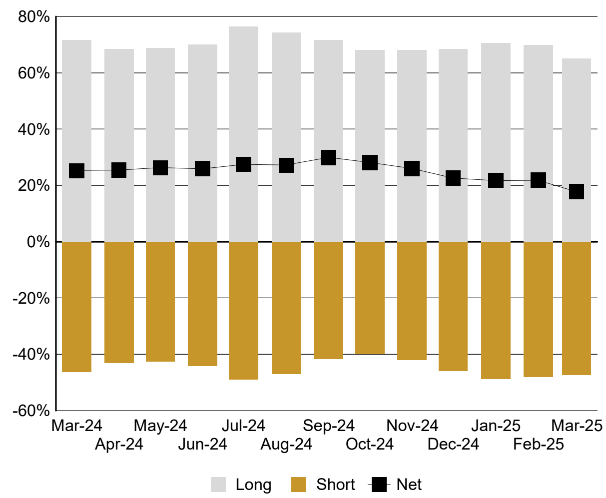
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification 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:	$274.20 million as at 31 Dec 2024
APIR:	PER0668AU
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	6.4%
Servcorp Limited	5.2%
Cobram Estate Olives Ltd.	3.0%
Select Harvests Limited	2.5%
Sigma Healthcare Ltd	2.5%

* 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 March 2025

	Fund	RBA Cash Rate Index*
1 month	-2.15	0.35
3 months	-1.02	1.05
1 year	2.86	4.42
2 year p.a	4.05	4.32
3 year p.a.	4.67	3.57
4 year p.a.	5.43	2.69
5 year p.a.	7.63	2.19
7 year p.a.	5.94	1.92
10 year p.a.	5.73	1.86
Since incep. p.a.	6.78	2.09

RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	5.1	-0.9	4.1
Consumer Discretionary	15.2	-9.3	5.9
Consumer Staples	8.6	-4.1	4.5
Energy	3.3	-1.1	2.2
Financials ex Property Trusts	8.0	-14.9	-7.0
Health Care	2.5	-1.1	1.3
Industrials	8.4	-6.6	1.8
Information Technology	0.0	-3.0	-3.0
Materials	5.0	-2.1	2.9
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	6.9	-3.7	3.2
Utilities	1.7	-0.1	1.7
Total	**64.7**	**-46.9**	**17.8**

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	16.5
Dividend Yield*	3.4%
Price / Book	2.0
Debt / Equity	40.1%
Return on Equity*	12.3%

^ 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 ended the March quarter lower -2.85% despite a strong rally in January driven by Financials and improved economic data. Optimism faded in February as earnings season brought volatility, with cautious outlooks triggering sharp declines in several large-cap names. Defensive sectors like Utilities held up, while growth sectors such as Technology and Healthcare lagged. March saw further weakness as concerns over US tariffs, political uncertainty, and a widening federal deficit weighed on sentiment. While the RBA's February rate cut lifted consumer and business confidence modestly, these gains were overshadowed by broader macroeconomic risks. Overall, the quarter reflected a sharp shift in sentiment—from early enthusiasm to growing caution—highlighting increased investor sensitivity to both domestic and global developments. Information Technology was the worst performing sector down -18.2% over the period while Industrials was the best performing up 2.5%.

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 and Infrastructure names.

A2 Milk strongly contributed to portfolio performance over the quarter (+38.5%) after reporting a healthy result in February. The management team has proven it's ability to execute strategically through supply constraints and other external and market headwinds. The company reported a stronger than expected first half 25 result and Financial Year 2025 guidance was upgraded and implies that A2 Milk sales and margins will accelerate and expand further in the second half of the year. We remain optimistic about A2 Milk, given its strong balance sheet, ongoing expansion into tier 2 and 3 cities in China, as well as it's entry into the U.S., all of which present substantial growth opportunities.

Servcorp continues to be a strong performer for the portfolio delivering an 11.2% return for investors while the broader market fell. The company continues to perform well operationally despite challenging business conditions globally. Despite management backing away from the Middle East spin off, the strong cash generation profile of the business allows it to continue to engage in returning cash to shareholders through dividends. Its strong balance sheet with significant cash backing represents further appeal to investors.

The overweight to Myer detracted from portfolio performance over the quarter (-7.80%) as the company was weighed on by a trading update in January which highlighted operating cost pressure and issues at the new distribution centre. Despite the noise we believe cost synergies are highly likely from the announced combination which could come from debt refinancing, COGS sourcing, rent reductions, and CODB efficiencies, with additional optionality from internal margin initiatives. Revenue synergies, while harder to realise, could stem from integrating Apparel Brands online, expanding MyerOne, and store consolidation. Despite the noise, we view the combination with Premier's Apparel Brands Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E as favourable. The combination has created a leading omni-channel retail platform that brings enhanced scale and significant operating leverage benefits. Myer will also benefit from the expected addition of Retail Stalwart Solomon Lew's potential addition to the board.

Premier Investments detracted from portfolio performance over the past quarter (-20.0%). While group performance remained within guidance, top-line growth was modest weighed by international softness in the Smiggle brand. That said, momentum is improving into the second half particularly in ANZ during the key back-to-school season. Peter Alexander continues to deliver strong performance, underpinned by store expansions and early success in the UK. We continue to like Premier for its world class retail management team, high quality brand-led strategy with global growth optionality and a strong balance sheet. The business is now more streamlined post divestment of non-core assets and remains well positioned to unlock value across its two key brands.

OUTLOOK

Initial market optimism was buoyed by the new administration's promises of tax and spending cuts, deregulation, and increased energy production—policies broadly viewed as supportive of growth. Early fears surrounding tariffs were largely dismissed as strategic posturing aimed at renegotiating global trade terms, particularly in response to perceived unfair practices. However, sentiment has shifted as it becomes increasingly clear that President Trump's commitment to protectionist measures may be more deeply rooted than previously believed. The risk now lies not only in the imposition of tariffs themselves, but in the potential for their execution to be disorderly and more economically disruptive than anticipated. Until markets gain greater clarity on the long-term direction of policy, volatility is likely to remain elevated.

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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