Perpetual Pure Series Funds

PERPETUAL PURE VALUE SHARE FUND - CLASS P

March 2026

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%*

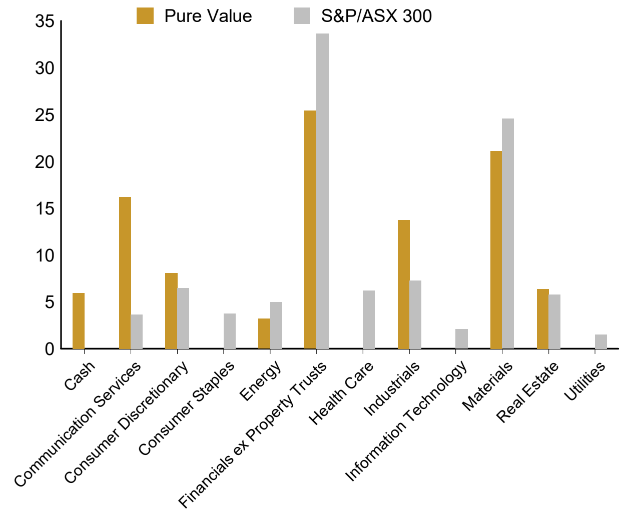
Performance Fee: 15% of outperformance*

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



TOP 5 STOCK HOLDINGS

	% of Portfolio
Suncorp Group Limited	9.6%
EVT Limited	8.3%
Centuria Capital Group	6.4%
News Corporation	6.0%
GWA Group Limited	6.0%

*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.

SIZE BREAKDOWN

	% of Portfolio
% of S&P/ASX 20	2.1%
% of S&P/ASX 50 less 20	23.3%
% of S&P/ASX Mid 50	3.2%
% of S&P/ASX Small Ords	53.7%
% of Ex-Index	11.8%
% Cash	6.0%

NET PERFORMANCE- periods ending 31 March 2026

	Fund	S&P/ASX 300 Accumulation Index
1 month	-7.10	-7.30
3 months	-12.44	-2.04
1 year	0.27	11.59
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*	13.9
Dividend Yield*	4.4%
Price / Book	1.5
Debt / Equity	32.4%
Return on Equity*	10.8%

^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/ASX 300 declined 2.0% over the March quarter, masking considerable intra quarter volatility as early momentum gave way to a sharp reversal. The market rallied strongly through January and February, reaching new highs on the back of broad commodity strength and outsized gains in the big four banks and large cap Materials, before surrendering those gains and more in March as geopolitical escalation and renewed inflationary pressures drove the worst monthly drawdown in nearly three years. Energy was a standout performer across the quarter, buoyed by rising oil prices linked to Middle East supply disruptions, while Materials delivered a mixed outcome, benefiting from commodity tailwinds early before reversing sharply. Technology continued its prolonged de rating, extending losses amid ongoing concerns around AI disruption and valuation. The RBA tightened policy twice during the quarter, lifting the cash rate to 4.10%, as persistently elevated inflation and a resilient labour market left the board with little room to pause. This tightening backdrop weighed on rate sensitive sectors including Real Estate and contributed to a notable divergence between large and small caps, with large caps offering relative shelter as risk appetite deteriorated. By quarter end, sentiment had shifted materially, with volatility measures surging and the market pricing a more cautious macro outlook.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Suncorp Group, EVT Ltd and Centuria Capital Group. Conversely, the portfolio's largest relative underweight positions include Commonwealth Bank of Australia, and Westpac Banking Corporation (both not held), and BHP Group.

BlueScope Steel was a top contributor to portfolio performance over the quarter, rising 20.8% in early January on the announcement that it had received an all cash acquisition proposal from a consortium comprising Steel Dynamics and SGH Limited at $30.00 per share. The announcement also disclosed that BlueScope had received three earlier proposals from Steel Dynamics led consortiums, ranging in value from $24 to $33 per share. The BlueScope Board subsequently rejected the SGH/Steel Dynamics proposal on the grounds that it "very significantly undervalued BlueScope". Since the January peak, the share price has declined 18.7% from through to the end of March. Over this period, the share price traded materially below the most recent bid levels. We have taken this opportunity to meaningfully add to the position, as we believe this dislocation represents a discount to the implied valuation floor. In addition, expanding US steel spreads and relative stability in regional margins should continue to provide support to earnings. At the interim result, management also highlighted a series of proactive measures aimed at recognising full value for shareholders, including accelerating the realisation of value from its 1,200 hectare surplus land portfolio, increasing the shareholder distribution target to 75% of free cash flow, and planning to deliver approximately $3.00 per share in returns in the current calendar year.

EVT contributed positively to fund performance in the quarter, finishing the quarter up 6.6%. Recent share price recovery was supported by the announcement EVT successfully refinanced its debt facilities, increasing total available funding to $750 million. The facilities are secured against a portion of the company's property portfolio, with management noting strong support from major lenders including CBA, NAB and Westpac. We continue to hold EVT given the asymmetric upside at current valuation levels. Historically, the stock has traded largely on cinema box office performance, despite this now being a relatively minor contributor to earnings. The hotels division has grown to approximately 60% of group EBITDA, with management executing well on its strategy to prioritise this segment. The outlook for further growth is underpinned by a structural lack of new supply and the completion of hotel upgrades in Queenstown and the Gold Coast, which should translate into improved earnings momentum from FY27 onwards.

Flutter Entertainment detracted from portfolio performance over the March quarter, with the share price materially underperforming following a sharp selloff in January and February. The weakness was driven by industry data pointing to a slowdown in US online sports betting handle, and December data for New York showing FanDuel handle tracking down 13%. Concerns around sustained handle softness were compounded by heightened market focus on the potential competitive threat from emerging prediction markets. Flutter has launched its own prediction market offering, with a broader product rollout and improved functionality expected through the remainder of CY26. Importantly, management reiterated confidence in the long term structural growth of US online sports betting and iGaming, underpinned by market share leadership, operating leverage, and disciplined capital allocation. We believe the current share price reflects overly pessimistic assumptions regarding both cannibalisation risk and the durability of earnings growth.

The Qualitas (QAL) share price declined 33.5% over the period, making it a significant detractor for the quarter. The sell off was driven by intensifying concerns around the broader private credit sector in the early part of the year. Several large credit providers, including Blue Owl, imposed redemption limits, which unsettled investors and attracted increased regulatory scrutiny. At the same time, market attention focused on potential stress in lower quality software related loans, as fears around AI disruption dominated investor discourse during January and February. QAL experienced further weakness in March following the escalation of the US–Iran conflict, which lifted inflation expectations and raised concerns around higher interest rates. This created a more challenging outlook for real estate exposed assets, with the broader real estate sector falling 11.3% over the month, further weighing on sentiment toward QAL. The Fund increased its position in QAL as the share price weakened and valuations became more attractive. We believe the stock has been unfairly caught up in negative sentiment toward private credit more broadly. QAL is differentiated by its aligned and experienced management team, rigorous credit underwriting, stable institutional capital base and dedicated focus on real estate lending. In a more challenging credit environment, the company is well positioned to gain market share, supported by the significant runway for private credit penetration in Australia relative to more mature markets such as the US and Europe.

OUTLOOK

With tensions escalating rapidly in the Middle East, comparisons to past crises – particularly the 1970s oil shocks – are inevitable. Like then, equity markets entered this period on elevated valuations. While the selloff has been meaningful, it still reflects a base case that avoids worst case outcomes – and valuations remain stretched. The US market, at 19.3x forward P/E, sits at a 17.3% premium to its 20 year average (around the 78th percentile). Australia, at 17.2x, appears more modest, but for a resources and financials heavy market, this still represents a 15.8% premium – near the 84th percentile. We continue to favour real business with quality balance sheets and hard assets over financial leverage and growthier names.

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.

MORE INFORMATION

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