

## Perpetual Pure Series Funds

# PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

April 2026

### 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

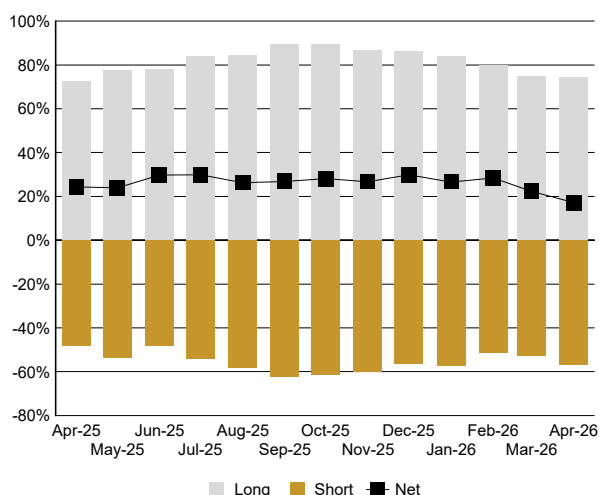
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification 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.

<b>Inception Date:</b>	March 2012
<b>Size of fund:</b>	\$339.93 million as at 31 Mar 2026
<b>APIR:</b>	PERo668AU
<b>Fund Managers:</b>	Sean Roger & Anthony About
<b>Management Fee:</b>	1.28%*
<b>Performance Fee:</b>	20.5% of outperformance*
<b>Performance Hurdle:</b>	RBA Cash Rate Index
<b>Investment style:</b>	Active, fundamental, bottom-up, value
<b>Suggested minimum investment period:</b>	Five years or longer

### HISTORICAL MARKET EXPOSURE



### TOP 5 STOCK HOLDINGS (LONG)

	% of Portfolio
Washington H. Soul Patt.	6.6%
Cobram Estate Olives Ltd.	4.5%
News Corporation	4.0%
Servcorp Limited	3.4%
Goodman Group	2.8%

\* 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 April 2026

	Fund	RBA Cash Rate Index*
1 month	0.44	0.34
3 months	0.05	0.97
1 year	8.37	3.85
2 year p.a.	6.29	4.12
3 year p.a.	5.89	4.18
4 year p.a.	5.47	3.73
5 year p.a.	6.19	2.99
7 year p.a.	6.79	2.28
10 year p.a.	6.11	2.05
Since incep. p.a.	6.96	2.23

\*RBA Cash Rate Index is the Performance Hurdle.

### PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	10.0	-3.3	6.7
Consumer Discretionary	8.2	-9.4	-1.3
Consumer Staples	5.8	-6.8	-1.0
Energy	4.4	-1.0	3.3
Financials ex Property Trusts	11.0	-13.6	-2.6
Health Care	6.4	-2.2	4.2
Industrials	8.6	-7.6	1.0
Information Technology	0.0	-2.9	-2.9
Materials	7.8	-4.9	3.0
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	9.6	-3.4	6.2
Utilities	1.8	-1.1	0.7
<b>Total</b>	<b>73.5</b>	<b>-56.3</b>	<b>17.2</b>

### PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	16.1
Dividend Yield*	2.8%
Price / Book	2.1
Debt / Equity	39.6%
Return on Equity*	12.8%

^ 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 ASX 300 closed April up 2.2%, though well off its highs after eight consecutive falls into month end. Markets were volatile throughout, caught between an early recovery from March's correction and mounting pressure from intensifying geopolitical risk. The dominant macro theme was the US Iran conflict and Iran's closure of the Strait of Hormuz, which the IEA described as the largest oil supply disruption in market history. Fuel prices surged 32.8% year on year, lifting goods inflation and stoking stagflation concerns globally. Domestically, the RBA stayed on hold in April, but hawkish momentum continued to build, with markets pricing a roughly 75% probability of a further hike at the May meeting. The labour market remained tight, with 52,500 full time jobs added in March. Sector performance was mixed. Information Technology and Materials advanced, while Health Care fell to eight year lows and Consumer Staples weakened late on a cautious outlook from Woolworths.

## PORTFOLIO COMMENTARY

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

BlueScope Steel (BSL) was a strong contributor to portfolio performance, finishing the month 15.8% higher. Performance was driven by US steel spreads remaining at recent peaks, supported by trade policy tailwinds, while Australian spreads also rallied despite Chinese production and exports remaining at historically elevated levels. Furthermore, we believe BSL has a compelling standalone earnings growth runway. The North Star debottlenecking program is expected to add 300kt of incremental capacity by FY28, while at the last update management reiterated a targeted A\$500m EBIT improvement from growth initiatives by FY30, complemented by a A\$350m cost out program by FY27. The combination of volume growth, premium product mix and cost discipline underpins meaningful medium term earnings uplift. This earnings trajectory is supported by several value unlock initiatives: accelerated realisation from BSL's 1,200 hectare surplus land portfolio, a shareholder distribution target of 75% of free cash flow, and a commitment to return approximately A\$3.00 per share during the current calendar year.

Cobram Estate Olives was a solid contributor in April as the stock finished up 14.3% for the month. Cobram has been the top contributor for the fund over the last twelve months, supported by operational excellence and strategic acquisition in the California Olive Ranch late 2025, which nearly doubles the company's California grove footprint from 1,400 hectares to 3,300 hectares. Our conviction in Cobram Estate is underpinned by the significant long term growth opportunity in the US extra virgin olive oil (EVOO) market and Cobram's advantaged positioning within it. US EVOO consumption continues to grow steadily, yet domestically produced olive oil accounts for only a small proportion of total volumes, creating meaningful scope for locally grown, premium product to displace imports. We believe Cobram has a high quality management team capable of replicating the company's Australian success in the larger and more profitable US market. In particular, management has clear opportunities to drive value through operational simplification at the COR processing facility, alongside the application of Cobram's proven agronomic expertise to improve grove yields and enhance grower economics through better commercial terms.

a2 Milk was a significant detractor in April, declining nearly 25% after management cut full year FY26 guidance. The company now projects thinner EBITDA margins with NPAT expected to be flat or below FY25 levels. The downgrade reflected a confluence of operational headwinds: production backlogs stemming from Synlait's capacity constraints following the sale of its North Island factory, new testing standards lengthening product release times, additional customs sampling requirements in the wake of the ARA recall, and higher freight costs partly attributable to US Iran conflict. Despite the near term challenges, the investment case remains intact. Underlying demand is robust across both domestic and Chinese markets and across all product stages. The challenges noted above are supply related, which we expect to be corrected over time. The full commissioning of the Pokeno facility in FY27 should materially ease supply constraints and drive increased contingency in the supply chain, while the pace of product innovation continues to impress. This is evidenced by the launches of Gentle Gold, Genesis, and an expanding nutritionals range spanning kids, adults, seniors, vitamins and supplements. Ongoing investment in supply chain infrastructure and further China Label licences provide a credible longer term growth runway, supporting confidence in the company's earnings recovery trajectory.

Cochlear shares experienced a dramatic sell off in April, finishing the month down 44.4% and dropping ~40% in a single day following a major FY26 guidance downgrade. Underlying NPAT guidance was revised approximately 25% lower. The downgrade reflected a confluence of headwinds: deteriorating cochlear implant demand in developed markets; record low US consumer sentiment weighing on discretionary healthcare decisions; a sizeable receivables provision due to the Middle East conflict and a gross margin compression. We believe the market has overreacted to near term uncertainty in a fundamentally high quality business with significant growth runway. The company holds over 60% global implant market share with high switching costs and less than 5% of clinically eligible patients currently have an implant, representing a multi decade penetration opportunity. Trading below 20x PE — beneath traditional defensives like WOW and TLS — we believe the current valuation does not adequately reflect the long term earnings power of this franchise.

## OUTLOOK

Markets are at an impasse. Equity markets have recovered from late March lows, yet emerging risks continue to "hide in plain sight". Beyond the direct disruption to oil and gas, second order commodity shocks – ammonia, helium, aluminium and fertilisers – threaten global growth in ways equity markets have yet to fully price. US equities remain the most resilient, supported by strong AI driven earnings growth, though this masks underlying fragility. Bond markets and commodity prices are the more honest signal, with yields rising and strategic reserve releases providing only temporary relief against an unresolved US Iran standoff. The confluence of inflation, stagnation risk and AI driven disruption reinforces the case for real assets and businesses with genuine pricing power and low financial complexity. With mortgage stress rising and further rate hikes likely, we remain focused on companies with balance sheets strong enough to withstand longer than expected earnings pressure.

---

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.

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](http://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.

---

**MORE INFORMATION**

Investor Services 1800 022 033

Email [PerpetualUTqueries@cm.mpms.mufg.com](mailto:PerpetualUTqueries@cm.mpms.mufg.com)

[www.perpetual.com.au](http://www.perpetual.com.au)

