Perpetual Pure Series Funds

PERPETUAL PURE VALUE SHARE FUND - CLASS A

June 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: February 2006

Size of Portfolio: $182.14 million as at 31 Mar 2025

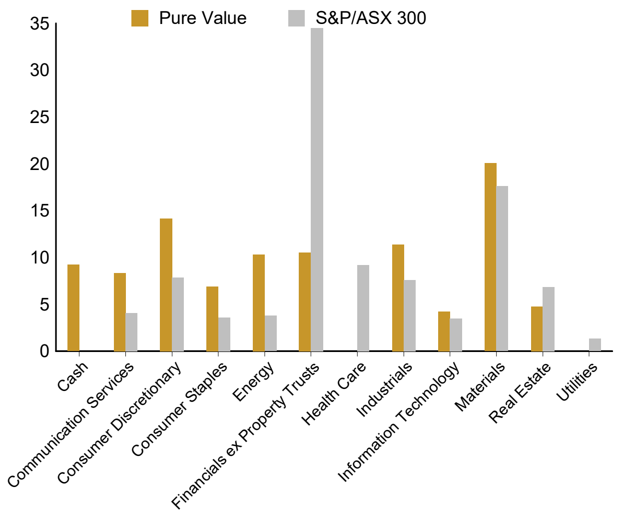
APIR: PER0439AU

Management Fee: 1.20%*

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

Suggested minimum investment period: Seven years or longer

PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Flutter Entertainment Plc	9.6%
EVT Limited	7.8%
Greatland Resources Limited	7.1%
GWA Group Limited	5.9%
Ampol Limited	5.5%

*Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

SIZE BREAKDOWN

	% of Portfolio
% of S&P/ASX 20	0.0%
% of S&P/ASX 50 less 20	10.2%
% of S&P/ASX Mid 50	22.6%
% of S&P/ASX Small Ords	41.2%
% of Ex-Index	16.8%
% Cash	9.2%

NET PERFORMANCE- periods ending 30 June 2025

	Fund	S&P/ASX 300 Accumulation Index
1 month	4.00	1.42
3 months	9.49	9.48
1 year	9.63	13.74
2 year p.a.	7.71	12.83
3 year p.a.	11.47	13.35
4 year p.a.	8.61	7.94
5 year p.a.	14.55	11.77
7 year p.a.	8.65	8.72
10 year p.a.	9.24	8.85

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*	16.9
Dividend Yield*	3.8%
Price / Book	1.9
Debt / Equity	42.3%
Return on Equity*	11.8%

^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 Accumulation Index staged a strong recovery over the June quarter, rising 9.48%. The rally came as fears of extreme tariff scenarios continued to recede, helping restore market confidence after a volatile start to the year. While geopolitical risks and global growth concerns lingered, sentiment improved as it became increasingly clear that the most aggressive US tariff proposals were unlikely to materialise. Markets have coined the term 'TACO trade'-'Trump Always Chickens Out'- to describe the pattern of tariff escalation followed by policy reversals, which has contributed to easing market volatility. Financials (+15.67%) supported gains as investor sentiment improved, while Communication Services (+14.08%) and Real Estate (+12.88%) outperformed amid rotation into resilient sectors. In contrast, defensives lagged with Health Care (+2.37%), Utilities (+2.03%) and Consumer Staples (+3.93%) underperforming as risk appetite returned. Materials (-0.36%) was the weakest sector, weighed down by softer commodity prices and concerns over Chinese steel demand. While investors have enjoyed solid gains, often driven by narrow pockets of the market, the outlook highlights the importance of finding value beyond the obvious leaders.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Flutter Entertainment PLC, EVT Limited and EQT Holdings Ltd. Conversely, the portfolio's largest underweight positions include Commonwealth Bank of Australia, BHP Group Ltd and CSL Limited, all of which are not held in the portfolio.

Flutter Entertainment contributed strongly to portfolio performance over the quarter (+22.6%), driven by ongoing operational momentum in its US business and several company-specific catalysts. The group's dominant position in online sports betting and iGaming - anchored by FanDuel's 36% revenue share in active US states - continues to underpin earnings growth, with operational leverage and scale efficiencies supporting further margin expansion. Over the period, investor sentiment was buoyed by the announcement of a US$225 million share buyback program and the company's inclusion in the Russell MidCap Growth Index, which enhances visibility and broadens passive ownership. Flutter's scale advantage supports more effective customer acquisition, superior risk management, and a highly personalised product offering - critical differentiators in a fast-growing, competitive market. Despite recent share price strength, we continue to view valuations as attractive relative to long-term earnings potential, particularly as Flutter scales into newly regulated US markets. Strong fundamentals, rising profitability, and disciplined capital management reinforce our conviction in Flutter as a high-quality compound growth story.

The portfolio's overweight to EVT Limited contributed positively to relative performance over the June quarter (+25.1%), with the stock continuing to re-rate as the market narrows the disconnect between asset value and share price. The recent announcement of a sale process for the company's prime 525 George Street property marks a significant milestone, unlocking value from its high-quality real estate portfolio. This follows a period of improving operating momentum, with a recovery in cinema earnings underway and spend per visitor continuing to grow. We remain constructive on EVT's outlook, with ongoing earnings recovery, embedded property value, and potential capital management acting as catalysts for further upside.

EQT Holdings detracted modestly from performance over the quarter (-0.44%), despite a positive contribution in June and little stock specific news. The business retains several attractive long-term characteristics, including sticky client relationships, a trusted brand built over 135 years, and pre-tax profit margins exceeding 30%. While short-term share price volatility weighed on quarterly performance, the broader backdrop remains supportive. An ageing population, intergenerational wealth transfer, and the continued expansion of Australia's superannuation and investment markets are all driving increased demand for trustee and wealth services. Additionally, recent easing in bond yields has provided a tailwind for rate-sensitive sectors. With a focused strategy centred on trusteeship, a consolidated industry structure, and favourable demographics, EQT remains well positioned to capture ongoing growth in its core markets.

The overweight position to A2 Milk (A2M) detracted from relative performance over the June quarter (1.01%), with shares under pressure as softer China shipment data weighed on sentiment. May export figures showed a year-on-year decline in direct shipments to China, contributing to near-term uncertainty around the pace of recovery in A2M's core infant nutrition segment. Nonetheless, the company's brand strength, premium market positioning, and diversification strategy remain key positives. With recent weakness now largely reflected in the share price and long-term demand for high-quality nutritional products intact, we remain constructive on A2M's outlook.

OUTLOOK

Looking ahead, we expect financial markets to grapple with a more complex and uneven growth backdrop. While recession fears have eased for now, the underlying risks - from geopolitical tensions to persistent fiscal imbalances - are yet to be resolved. The U.S. remains at the centre of global market attention, with high equity valuations, growing deficit concerns, and trade policy uncertainty likely to be key drivers of volatility in the second half of the year. In Europe, weak business conditions and rising tariff risks point to subdued growth. China's ability to stabilise growth will depend heavily on further policy support, particularly as consumer demand shows signs of fatigue. Closer to home, the near-term picture remains challenging. Growth is expected to remain below trend as the economy works through the lagged impacts of tighter policy, a weaker household sector, and slowing public sector spending. However, with inflation moderating and interest rates likely to ease further, policy settings are shifting toward support. In this environment, we see greater dispersion in market outcomes, reinforcing the importance of selectivity and discipline across portfolios as investors navigate the next phase of the cycle.

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Investor Services 1800 022 033

Email PerpetualUTqueries@cm.mpms.mufg.com

www.perpetual.com.au

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