Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

June 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

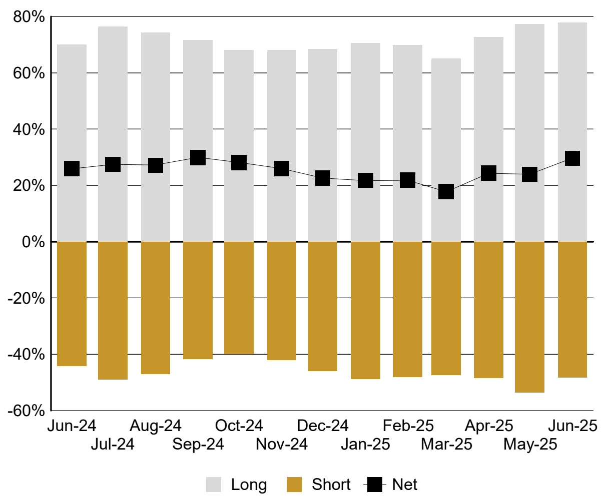
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification 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:	$278.25 million as at 31 Mar 2025
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	7.6%
Servcorp Limited	5.1%
Cobram Estate Olives Ltd.	3.4%
Goodman Group	2.9%
Aspen Group Limited	2.4%

* 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 June 2025

	Fund	RBA Cash Rate Index*
1 month	0.51	0.32
3 months	3.73	1.00
1 year	5.48	4.32
2 year p.a	5.39	4.34
3 year p.a.	6.16	3.88
4 year p.a.	6.16	2.94
5 year p.a.	7.54	2.38
7 year p.a.	6.09	2.01
10 year p.a.	5.94	1.91
Since incep. p.a.	6.95	2.13

RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	3.7	-2.9	0.8
Consumer Discretionary	17.8	-9.8	8.0
Consumer Staples	7.1	-3.5	3.7
Energy	4.2	-1.2	3.0
Financials ex Property Trusts	8.2	-14.1	-5.9
Health Care	4.9	-1.8	3.0
Industrials	13.6	-3.8	9.7
Information Technology	0.0	-1.6	-1.6
Materials	5.3	-3.1	2.2
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	10.1	-4.1	6.0
Utilities	1.8	-1.1	0.7
Total	**76.8**	**-47.1**	**29.7**

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	19.1
Dividend Yield*	2.6%
Price / Book	2.7
Debt / Equity	42.9%
Return on Equity*	13.3%

^ 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

The S&P/ASX 300 Accumulation Index rose 9.48% in the June quarter, rebounding sharply as fears over extreme tariff scenarios eased. Investor confidence returned as it became increasingly clear that the most aggressive U.S. tariff proposals were unlikely to eventuate. Markets coined the term "TACO trade" – Trump Always Chickens Out – to describe the recent pattern of escalation followed by reversal, helping reduce volatility. Financials (+15.67%), Communication Services (+14.08%), and Real Estate (+12.88%) led the rally, while defensives such as Health Care (+2.37%) and Utilities (+2.03%) underperformed. Materials (-0.36%) lagged amid weaker commodity prices and Chinese demand concerns. The quarter highlighted the importance of uncovering value beyond narrow market leaders.

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, Consumer Staples and Infrastructure names.

Flutter Entertainment contributed strongly to portfolio performance over the quarter (+22.8%), 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 scale efficiencies supporting margin expansion. Over the period, sentiment was buoyed by a US$225 million buyback and inclusion in the Russell MidCap Growth Index, enhancing visibility and broadening passive ownership. Flutter's scale supports effective customer acquisition, superior risk management, and a highly personalised product offering - key differentiators in a competitive market. Despite recent share price strength, valuations remain 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.

Aspen Group delivered a strong return over the quarter (+60.4%), as investors responded positively to its clear strategic direction and exposure to Australia's housing affordability theme. Aspen's portfolio of lifestyle and residential communities offers dwellings priced below the national median, with site rents beneath government support thresholds - providing both social relevance and economic resilience. During the period, Aspen completed a $70 million institutional placement and raised an additional $18 million via an oversubscribed Security Purchase Plan. Proceeds will strengthen the balance sheet and fund acquisitions, including a flagged $20 million portfolio in Adelaide. Strong investor demand reflected confidence in Aspen's scalable model and disciplined capital deployment. With ongoing rental inflation, low vacancy rates, and constrained housing supply, Aspen remains well positioned to grow earnings while delivering a defensive income stream supported by long-term demographic and economic tailwinds.

Redox detracted from portfolio performance over the June quarter (-23.7%) as concerns around the economic outlook weighed heavily on the share price. Despite consistent long-term revenue growth and operating in an attractive, fragmented industry, the company has faced selling pressure following its half-year result and a broad re-rating of cyclical exposures. Management attributed recent weakness to expectations of softer demand and margin pressure in a slowing environment. While near-term earnings may face headwinds, Redox's diversified customer base, strong balance sheet, and disciplined M&A strategy position it to continue gaining market share as the global chemical distribution industry consolidates.

Select Harvests detracted from performance over the quarter (-17.3%), with the share price under pressure despite improving market fundamentals. In April, the company lifted its forecast almond price to $10.35/kg, supported by strong demand and tighter global supply, particularly from California. However, this was offset by a downgrade to its 2025 crop size due to frost damage and lower yields in some varieties. While volumes are expected to be lower, management remains confident higher prices will help offset the impact. About two-thirds of the crop remains unsold, with most currency exposure already hedged. The company continues to manage operations and the balance sheet conservatively, with recent refinancing helping reduce funding risks. Although near-term uncertainty around pricing and tariffs has weighed on sentiment, the broader outlook remains positive, supported by strong demand, limited supply, and progress in improving margins and reducing debt.

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.

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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