Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

August 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

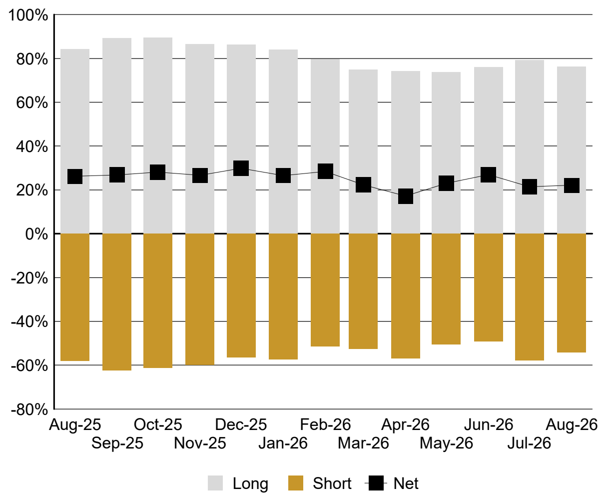
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification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

Inception Date: March 2012
Size of fund: $356.38 million as at 30 Jun 2026
APIR: PER0668AU
Fund Managers: 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
Washington H. Soul Patt.	5.6%
Servcorp Limited	4.4%
News Corporation	4.3%
Cobram Estate Olives Ltd.	3.5%
Aspen Group Limited	3.4%

* 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 31 August 2026

	Fund	RBA Cash Rate Index*
1 month	2.68	0.37
3 months	0.60	1.10
1 year	3.23	4.02
2 year p.a	7.07	4.12
3 year p.a.	6.54	4.22
4 year p.a.	5.40	4.02
5 year p.a.	6.05	3.29
7 year p.a.	7.32	2.43
10 year p.a.	6.32	2.15
Since incep. p.a.	6.86	2.28

*RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	10.7	-4.3	6.4
Consumer Discretionary	8.9	-7.8	1.1
Consumer Staples	5.9	-6.2	-0.3
Energy	4.5	-1.0	3.5
Financials ex Property Trusts	13.9	-11.8	2.1
Health Care	4.3	-1.0	3.4
Industrials	10.0	-9.1	0.9
Information Technology	0.0	-2.1	-2.1
Materials	4.5	-6.8	-2.4
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	11.0	-2.5	8.5
Utilities	1.9	-0.9	1.0
Total	**75.5**	**-53.5**	**22.1**

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	16.0
Dividend Yield*	3.0%
Price / Book	2.1
Debt / Equity	37.6%
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

The S&P/ASX300 returned 1.62% in August 2026, extending its run of monthly gains. The market printed a fresh all-time high on 6 August before easing into month end, as earnings replaced geopolitics and macroeconomic factors as the primary driver of share prices. Health Care was the strongest sector (+18.13%), led by earnings-driven rallies in CSL and Ansell, with Ramsay, ResMed and Cochlear also posting double-digit returns. Materials (+12.33%) followed, as gold and copper miners rallied on rising bullion prices. Utilities (+7.42%) and Information Technology (+5.56%) also outperformed. Consumer Discretionary was the weakest sector (-7.34%) as retailers disappointed on earnings, followed by Real Estate (-6.41%) and Financials (-5.31%), with major banks reporting softer mortgage applications. On the macro front, the RBA held the cash rate at 4.35% while retaining a tightening bias, and July CPI eased to 3.5% but beat consensus, lifting market pricing for a rate hike to 78%. Employment fell 15.8K against expectations for a rise and unemployment ticked up to 4.5%.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Washington H. Soul Pattinson, Cobram Estate Olives and Servcorp Limited. Conversely, the portfolio's largest short positions are across Financials, Communication Services and Industrials.

EVT delivered a solid FY26 result which saw the share price rise 8.8% on the day and close +18.2% for the month. The cinema division was strong with 2H26 ANZ Cinema EBITDA up 76% vs prior corresponding period. Hotels were marginally soft, but we remain positive on the outlook for the division as the company has been increasingly weighting the hotels business toward managed agreements, earning high-margin fees for operating but not owning hotels. Because these arrangements require minimal invested capital, incremental returns on growth are high and the overall mix shift away from the more volatile segments (cinemas and Thredbo) towards hotels should lift earnings quality over time. Two updates at the result reinforced management's focus on improving returns and closing the material gap between share price and intrinsic value. First, ~$800m of non-core property assets (32% of market cap) have been identified for divestment, reducing EVT's exposure to capital-intensive owned real estate and freeing up capital for redeployment. Second, management has engaged Rothschild & Co to assess the group structure, with EVT confirming "everything is genuinely on the table". While the end outcome of the asset sales and review remain uncertain in terms of both timing and substance, overall we believe these announcements provide a positive signal for future shareholder value realisation.

Capicorn Metals (CMM) was a top contributor for the month, returning 29.3%, driven primarily by a resurgence in gold prices during August. We like CMM as it is one of the highest margin WA gold producers and the company is targeting production growth from ~124koz in FY26 to ~500koz over the next 5 years. This growth will come through two avenues that are progressing well: expansion of its Karlawinda mine and the construction of a new mill and mine at Mt Gibson. The Karlawinda Expansion Project is currently being commissioned, with the company ramping production to ~150koz p.a. once complete. The Mt Gibson project has now received federal environmental approval and is progressing through several state approvals, with CMM targeting the start of project development in the December 2026 quarter. Importantly, the company is in a strong financial position to support these growth ventures with ~$505m of cash on the balance sheet.

Cobram Estate Olives (CBO) fell 10.8% in August, primarily due to a soft FY26 result. The 14.9% single-day decline reflected a weak fair value adjustment, driven by elevated temporary water costs, a lower-yielding 2026 crop, and more competitive conditions in Australia. These shorter-term challenges mask aspects of the result that support our long-term thesis, with management commentary pointing to a clear shift away from balance-sheet-funded orchard expansion. This was already the case in Australia, where the growth capital program is now complete; however, the result also indicated that, beyond committed FY27-28 developments, CBO no longer plans to undertake owned grove expansion in the US. Instead, third-party growers are now entering into long-term supply agreements. This matters because it signals a material structural change in how the US business scales. Once this investment cycle concludes, capital intensity should decline materially, leading to improved returns on capital and stronger free cash flow generation. As the market increasingly recognises this transition, near-term earnings volatility driven by commodity input costs should have less influence on the share price.

Charter Hall Group (CHC) finished the month down 17.2%, with broader weakness across the A-REIT sector (−7.1%) a headwind. The stock fell 6.3% on the day of its result, despite delivering an in-line earnings print of 103.2cps in operating earnings per share against consensus of 103.3cps. This sell-off likely reflected softer 2H26 equity inflows, unsurprising given prevailing geopolitical tensions and the broader macro environment, alongside market disappointment that no EPS upgrade materialised. Management guided to 10.5% EPS growth for FY27, below consensus of 12%, which the market was underwhelmed by but historically they have been conservative with their guidance. Sentiment of the overall sector is very poor as interest rate expectations continue to increase. While not immune to this, we believe that the company has a good history of being able to take advantage of weak property cycles. As an active manager with a strong balance sheet and a well-regarded management team, we expect them to accumulate assets at depressed valuations - CEO David Harrison has a good track record of making these countercyclical moves.

OUTLOOK

Looking ahead, risks to the domestic and global outlook are building on several fronts. Inflation remains stickier than policymakers would like, with trimmed mean measures still running above target and central banks – including the RBA – retaining a tightening bias. Geopolitical tension also continues to cloud the outlook, with trade and diplomatic frictions adding volatility to commodity markets and supply chains and prompting periodic risk-off moves across equities. Domestically, house prices are showing signs of softening as budget changes to taxation of investment property and higher-for-longer rates bite, with early signs of stress emerging in rental deferrals and developer distress. A sustained downturn would pressure household balance sheets and consumer spending, with flow-on effects for retail and financials.

MORE INFORMATION

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