

Perpetual Pure Series Funds

PERPETUAL PURE MICROCAP FUND - CLASS A

September 2025

FUND FACTS

Investment objective: Aims to provide investors with long term capital growth via an investment in a portfolio of quality Australian microcap companies. Microcap companies are defined as companies with a market capitalisation or free float of less than \$300m on acquisition.

FUND BENEFITS

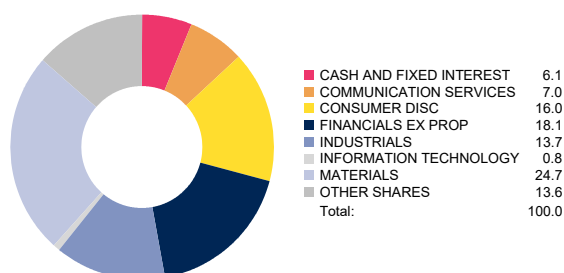
Professionally managed portfolio using Perpetual's bottom up stock selection process. The potential for long-term capital growth via an investment in under-researched microcap stocks, which are typically mispriced and undervalued.

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: September 2013
Size of Portfolio: \$109.95 million as at 30 Jun 2025
APIR: PER0704AU
Management Fee: 1.28%*
Performance Fee: 20.5% of outperformance*
Performance Hurdle: S&P/ASX Small Ordinaries 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
Capral Limited	8.2%
Jupiter Mines Limited	5.0%
Wagners Holding Co. Ltd.	5.0%
Servcorp Limited	4.8%
Duratec Limited	4.1%

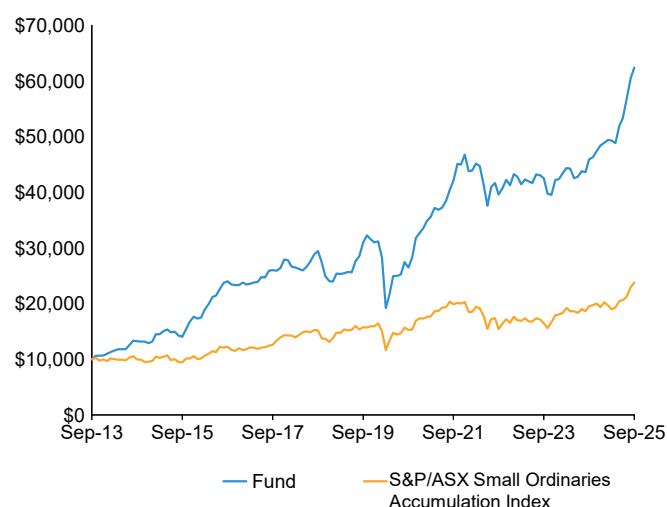
NET PERFORMANCE - periods ending 30 September 2025

	Fund	S&P/ASX Small Ordinaries*
1 month	3.10	3.44
3 months	17.11	15.31
1 year	35.92	21.50
2 year p.a.	21.08	20.14
3 year p.a.	16.38	15.54
4 year p.a.	10.38	4.54
5 year p.a.	18.71	9.27
7 year p.a.	11.31	6.61
10 year p.a.	16.08	9.62
Since incep. p.a.	17.33	7.45

*S&P/ASX Small Ordinaries Accumulation Index is the Performance Hurdle.

Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

GROWTH OF \$10,000 SINCE INCEPTION



*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.

MARKET COMMENTARY

Australian equities navigated a turbulent quarter marked by shifting policy expectations and stark performance divergence with the outperformance of smaller companies relative to larger companies continuing at a large scale, with the Small Ordinaries outperforming the ASX 300 by almost 3x over delivering a 15.3% return for the three month period. The market's resilience was tested through one of the most volatile reporting seasons in recent memory, where sharp swings in heavyweight stocks underscored the risks inherent in a top-heavy market structure. While the ASX briefly touched record highs in early July and sustained momentum through August, September's pullback reflected a fundamental reassessment of the macroeconomic landscape. Sector performance reflected these cross-currents, with Materials rising over 32% while Financials underperformed the index gaining 9.0%, marking a significant rotation in market leadership. Healthcare endured one of its sharpest falls on record following CSL's high-profile disappointment. Consumer sectors delivered resilient performance supported by retail earnings beats, while gold producers posted exceptional gains as safe-haven demand surged amid concerns over fiscal sustainability and central bank independence.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Capral Limited, Jupiter Mines Limited and Wagners Holding Co. Conversely, the portfolio's largest underweight positions include Capricorn Metals Ltd, Zip Co Ltd and Eagers Automotive Limited, all of which are not held in the portfolio.

Qualitas contributed positively to portfolio performance over the quarter, supported by ongoing strength across its funds management platform and positive market dynamics in private credit. The company continues to benefit from strong institutional demand for real estate private credit, with approximately \$9.2 billion in funds under management and a significant growth pipeline. The business has demonstrated disciplined capital deployment, with the vast majority of its Fee Earning FUM exceeding performance fee hurdles, and remains well positioned to capitalise on the growing demand for alternative financing solutions in Australia's real estate sector. While valuation metrics suggest the stock trades at a modest premium, the company's solid balance sheet, attractive market positioning, and proven track record underpin our constructive view on the outlook.

Aspen Group delivered a strong return over the quarter (+43.4%), as investors responded positively to the company's clear strategic direction and its exposure to one of Australia's most pressing structural themes: housing affordability. Aspen's portfolio of lifestyle and residential communities provides dwellings at prices significantly below the national median, with site rents well beneath government support thresholds - offering both social relevance and economic resilience. Over the period, Aspen completed a \$70 million institutional placement and raised an additional \$18 million via an oversubscribed Security Purchase Plan. The strength of investor demand reflected confidence in Aspen's scalable business model and disciplined capital deployment. With ongoing rental inflation, low vacancy rates, and constrained affordable housing supply, Aspen remains well positioned to grow earnings while delivering a defensive income stream supported by long-term demographic and economic tailwinds.

Clover Corporation Limited detracted from performance over the quarter (-1.15%), with the share price weighed down by lingering sector headwinds, including a still-subdued global infant formula market and uncertainty across ingredient supply chains. While market sentiment remained cautious, operational momentum continued to build. First-half FY25 results showed signs of meaningful recovery, with revenue up 38% year-on-year and a return to profitability. Although positive fundamentals began to be recognised post-quarter-end - with the share price rebounding sharply in July - investors remained cautious during the June quarter as they awaited evidence of sustained earnings growth. Enero Group (EGG) detracted from performance over the quarter (-15.8%), with investor sentiment weighed down by macroeconomic uncertainty and trading conditions within the OBMedia business. The business reached an important inflection point shortly after quarter-end with the sale of its AdTech subsidiary, OBMedia. This divestment sharpens the group's strategic focus on its core agency portfolio - Hotwire Global, BMF, and Orchard - which continue to demonstrate differentiated value propositions, strong leadership, and global reputations for creative and client delivery excellence. While recent years have been challenging, we remain constructive on the underlying agency business, with EGG better positioned to deliver sustainable growth as a more streamlined pure-play media agency business.

OUTLOOK

Markets enter the final quarter with gains intact but underlying tensions building. Recent months have revealed sharp sector rotation and elevated post-result volatility, as resilient consumer demand collides with margin pressures and persistent inflation. Australian household spending has proved surprisingly robust, challenging expectations for an extended easing cycle, while globally, leadership remains concentrated in technology names despite growing fragility in sentiment. Political risks have intensified as questions around central bank independence drive gold near record highs and weigh on the US dollar. Valuations now sit near historical extremes, suggesting asymmetric downside risk at a time when policy uncertainty, tariff disruptions, and moderating earnings momentum argue for caution. While this environment creates dispersion, it also demands heightened selectivity as traditional correlations break down. Looking ahead, markets face a more complex growth backdrop. Recession fears have eased, yet underlying risks from geopolitical tensions to fiscal imbalances remain unresolved. The US commands attention given elevated equity valuations and deficit concerns. Europe confronts weak business conditions and tariff headwinds, while China's stabilisation depends on sustained policy support amid cooling consumption. Domestically, growth is expected to remain subdued as the economy absorbs tighter policy settings, though moderating inflation and further rate cuts should provide relief. Navigating this environment requires discipline and patience as investors assess shifting market leadership and an increasingly uneven path forward.

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