Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

July 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

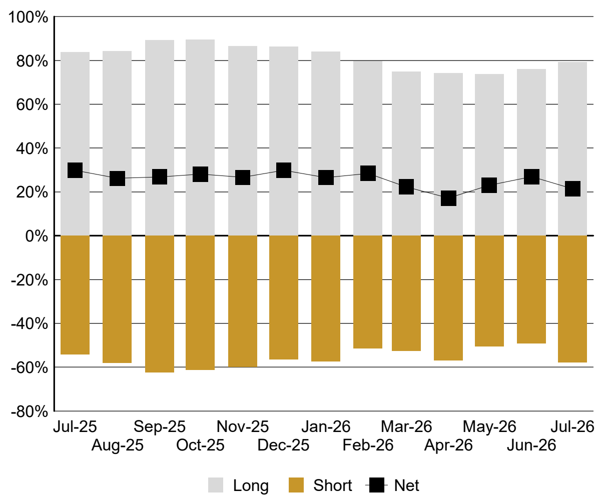
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification 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 & Anthony Aboud
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.	6.7%
Servcorp Limited	4.5%
News Corporation	4.4%
Cobram Estate Olives Ltd.	4.0%
Aspen Group Limited	3.5%

* 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 July 2026

	Fund	RBA Cash Rate Index*
1 month	-2.54	0.37
3 months	-1.75	1.10
1 year	3.48	3.96
2 year p.a	5.15	4.12
3 year p.a.	5.38	4.21
4 year p.a.	5.91	3.96
5 year p.a.	5.94	3.21
7 year p.a.	6.75	2.39
10 year p.a.	6.20	2.12
Since incep. p.a.	6.71	2.26

*RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	8.9	-3.8	5.1
Consumer Discretionary	9.1	-10.1	-1.0
Consumer Staples	5.7	-5.5	0.2
Energy	5.0	-1.0	4.0
Financials ex Property Trusts	14.4	-13.0	1.4
Health Care	5.0	-2.9	2.1
Industrials	10.4	-7.5	2.9
Information Technology	0.0	-3.2	-3.2
Materials	7.0	-6.3	0.7
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	11.5	-2.9	8.6
Utilities	1.6	-1.1	0.5
Total	**78.5**	**-57.1**	**21.4**

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	16.6
Dividend Yield*	2.7%
Price / Book	1.9
Debt / Equity	36.2%
Return on Equity*	12.2%

^ 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 returned 2.13% in July 2026, the fourth consecutive monthly gain, closing within 1.25% of all-time highs after a late-month break higher. Energy led sectors (+12.06%) as bombing resumed in the US-Iran war. Financials (+5.79%) outperformed on bank strength even as housing stayed weak and federal CGT changes created uncertainty. Health care (+2.17%), consumer discretionary (+1.11%) and communication services (+1.07%) also rose. Information technology was weakest (−4.78%) on US AI-trade weakness in data centre names. Industrials (−1.40%) fell as defence names Electro Optic Systems and DroneShield dropped -35.1% and -30.0% respectively. Utilities (−0.95%), materials (−0.92%) and real estate (−0.39%) also declined, with materials mixed as rare earths and lithium lagged while base metals and select gold miners gained. In domestic macro news, the RBA did not meet in July. Employment firmed while Q2 trimmed mean CPI undershot expectations, and Governor Bullock reiterated a cautious, inflation-focused stance.

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 and Communication Services.

News Corporation climbed 9.92% for the month. While there was no major news out for NWS during July, on a group basis, NWS reported a +13% EBITDA beat versus consensus for Q4, with all segments coming in above expectations. The most significant beats by segment on an EBITDA basis were Dow Jones and Digital Real Estate, which was particularly encouraging for us given they are the largest and highest quality divisions within NWS. The ongoing strong growth in Dow Jones was underpinned by strong growth in digital subscriber numbers in Wall Street Journal and revenue growth in the Risk and Compliance data business, both of which are assisting margin expansion. This result gives credibility to the sustainable growth of Dow Jones and supports a re-rating as the market comes to appreciate this business. This strong cash flow will continue to support the buy-back program which we see as a compelling use of capital at current share prices.

Mainfreight returned 15.23% for the month, buoyed by a strong trading update at its AGM on July 30. It is pleasing to see the release showed strength across all segments and locations, where at the May update the strength of the Australian segment offset weakness elsewhere. The July update showed New Zealand, Australia, Americas, Europe and Asia all reporting PBT growth in the first 16 weeks, with the Americas returning to profit and Europe delivering more than a doubling of PBT. We have previously written that MFT is a high-quality cyclical that will benefit from material operating leverage once the cycle turns, and this update provides evidence this is underway. First-16-weeks revenue increased 17.7%, however PBT increased 78.1%. Transport and Warehousing were the key proof points, with PBT up 125.1% and 90.2%, respectively, signalling that recent network investment is indeed translating to better utilisation and operating leverage. Looking forward we still see upside to the stock underpinned by the ongoing growth in the more mature markets, encouraging progress in developing locations and a below mid-cycle environment.

Cobram Estate Olives (CBO) declined 26.4% in July, though the fall was softened by a 14.5% gain over the final four trading sessions of June. The decline was driven in part by CBO's July 7 harvest and business update, with the stock falling 6.25% on the day. The market reacted negatively when CBO announced that California Olive Ranch (COR) earnings will not reach the earn-out hurdle, which requires EBITDA above US$7.125m in 1H26 for a maximum payment of US$15m, and disclosed a dispute with the COR sellers over a purchase price adjustment of US$31.9m. The 2026 Australian harvest also weighed on sentiment, producing 12.1m litres of olive oil, of which 10.6m litres came from Cobram owned groves, below some broker estimates. Importantly, however, 12.1m litres is enough to carry sales of Cobram's branded and private label products through to the 2027 Australian harvest. Despite the recent negative sentiment, we remain confident in Cobram's ability to leverage its strong market position and the tailwinds from grove maturity, synergies and scale.

LGI extended its recent underperformance with a 17.65% monthly decline, driven primarily by a lack of volatility in the energy market and softer commodity prices. NSW and QLD wholesale electricity prices have fallen materially through CY26 and the muted volatility has undermined LGI's ability to dispatch battery-stored power at premium-priced moments. Several brokers downgraded the stock in July in response to the adverse movement in electricity futures, which weighed on the share price. Despite the current energy market backdrop, LGI has demonstrated in the past that there is significant earnings upside when volatility returns. In its first 12 months to January 2025, Bunya power station achieved a weighted average pool price more than 70% above the AEMO average. Beyond dispatch economics, the broader thesis rests on LGI's long-duration exposure to carbon credits and growth opportunities. Decarbonising Australia will be slow, costly and disorderly, and businesses will likely lean on ACCUs and LGCs to meet targets and policy requirements. LGI's development pipeline reflects the company's impressive growth runway, with three projects coming online in FY27 which is set to lift operating capacity from 21MW to 56MW.

OUTLOOK

It remains a difficult environment for long term fundamental investors with macro themes continuing to dominate as the Iran war, Russia-Ukraine fighting, rising political populism, tariffs, the AI capex boom and inflation challenges offering competing narratives and buffeting the market in different directions day after day. This exposes stock pickers to a lot of risk that is both unrewarded and difficult to anticipate. Rather than worry about the headlines we cannot control, we continue to focus on the things we can – including building a portfolio of businesses with strong balance sheets, low leverage, durable earnings and pricing power - purchased at reasonable valuations. That combination – financial robustness plus a valuation margin of safety – is what allows a portfolio to absorb geopolitical shocks without permanent capital impairment, rather than chasing momentum in whichever sector the latest headline favours.

MORE INFORMATION

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