Perpetual Investment Funds

# PERPETUAL SHARE-PLUS LONG-SHORT FUND

October 2026

## FUND FACTS

**Investment objective:** Aims to provide long-term capital growth and income through investment in quality shares and taking short positions predominantly in selected Australian shares.

## FUND BENEFITS

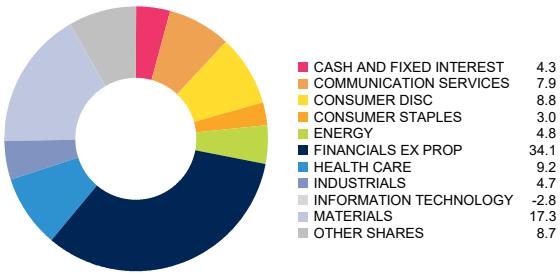
Offers broad market exposure with the potential for higher returns through the use of shorting (taking short positions) within a risk-controlled environment, and actively managed by one of Australia's most experienced investment management teams.

## 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.

**Benchmark:** S&P/ASX 300 Accum. Index
**Inception Date:** March 2003
**Size of Portfolio:** $710.37 million as at 30 Sep 2026
**APIR:** PER0072AU
**Management Fee:** 0.99%*
**Performance Fee:** 13.98% of outperformance*
**Investment style:** Active, fundamental, bottom-up, value
**Suggested minimum investment period:** Five years or longer

## PORTFOLIO SECTORS




## TOP 5 STOCK HOLDINGS

| | % of Portfolio |
|---|---|
| Commonwealth Bank of Australia | 9.0% |
| BHP Group Ltd | 7.9% |
| Washington H. Soul Patt. | 4.9% |
| Goodman Group | 4.7% |
| ANZ Group Holdings Limited | 3.9% |

## MARKET EXPOSURE

| | % of Portfolio |
|---|---|
| Long | 119.7% |
| Short | -24.0% |
| Net | 95.7% |

## NET PERFORMANCE - periods ending 31 October 2026

| | Fund | Benchmark # | Excess |
|---|---|---|---|
| 1 month | 2.71 | 1.11 | +1.60 |
| 3 months | 2.11 | 0.25 | +1.86 |
| 1 year | 3.05 | 3.09 | -0.04 |
| 2 year p.a. | 5.74 | 7.78 | -2.04 |
| 3 year p.a. | 10.48 | 13.20 | -2.72 |
| 4 year p.a. | 7.51 | 10.43 | -2.92 |
| 5 year p.a. | 8.07 | 7.69 | +0.38 |
| 7 year p.a. | 8.76 | 8.01 | +0.75 |
| 10 year p.a. | 8.91 | 9.34 | -0.44 |
| Since incep. p.a. | 10.82 | 9.48 | +1.34 |

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

## GEOGRAPHIC LOCATION

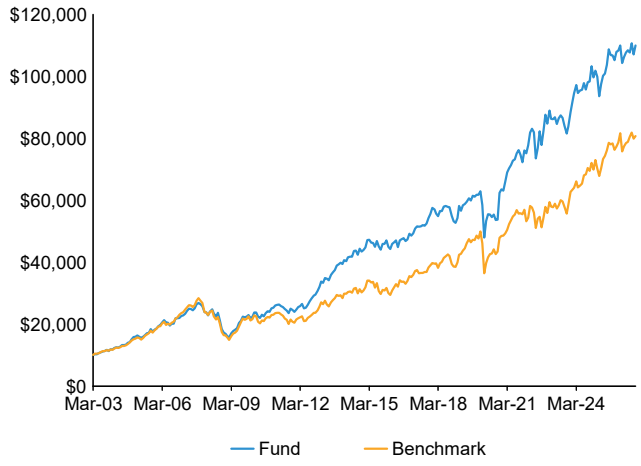
The Fund holds no single international asset representing more than 10% of the Fund's net asset value.

## PORTFOLIO FUNDAMENTALS^

| | Portfolio | Benchmark |
|---|---|---|
| Price / Earnings* | 17.7 | 17.6 |
| Dividend Yield* | 3.0% | 3.6% |
| Price / Book | 2.4 | 2.3 |
| Debt / Equity | 41.0% | 39.3% |
| Return on Equity* | 13.8% | 13.7% |

^ Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating the Fund'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.

## GROWTH OF $10,000 SINCE INCEPTION




*Information on Management Costs and a full description of the Fund's performance fee is set out in the Fund's PDS.

## MARKET COMMENTARY

The Australian equity market made modest progress in October, with the S &P/ASX 300 Accumulation Index returning 1.1% in a choppy month shaped by AGM trading updates, guidance revisions and quarterly production reports from miners against a backdrop of falling metals prices. Takeover activity was also a feature, including proposals for Cleanaway and Challenger, while the scrapping of Firmus's planned IPO weighed on data centre and AI infrastructure-linked names. Utilities (+9.3%) led sector gains, followed by Financials (+6.9%), as the major banks rebounded despite housing market weakness, supported by rotation out of Resources. Health Care (+5. 6%) and Consumer Discretionary (+3.6%) also outperformed. Materials (–8.1%) was the clear laggard, entering bear market territory more than 20% below the August peak. Lithium stocks were among the weakest, with Vulcan Energy, Liontown, Pilbara Minerals, Elevra and IGO each falling more than 20%.

## PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include Washington H. Soul Pattinson, Omni Bridgeway and EVT Ltd. Conversely, the portfolio 's largest short positions are across Industrials and Financials.

Global litigation funder Omni Bridgeway (OBL) rose 15% after the market responded positively to its 1QFY27 update. OBL made a strong start to FY27. Completions generated $135.8m in proceeds at a 3.9x multiple on invested capital (MOIC). Cash performance fees of $9.4m were received in the quarter and a further $8.6m was accrued, putting it ahead of expected run-rate. Recurring income is also building. Management fees rose 24% on the prior corresponding period, lifting cost coverage to 68% from 52% in 1H26. Operating costs of $15.7m for the quarter annualise to $62.8m, below FY27 guidance of $72.5m–$75m. Together, these results show the benefits of OBL's shift to a capital-light funds management model. With fee income growing and a fixed cost base, we see further operating leverage upside as OBL moves towards steady-state unit economics. Furthermore, OBL's relative market position is improving as two key competitors come under stress. We also rate CEO Raymond van Hulst highly. He has nearly 25 years of experience in legal finance and legal asset management and has held leadership roles within the business since 2002.

Last month, we wrote that the correction in Pinnacle Investment Management Group's (PNI) share price following the Metrics issue in September had more than fully priced in Metrics' contribution to PNI's NPAT. Fast forward and PNI returned 16.5% in October as the market reassessed how material any adverse effects from the Metrics issue were likely to be. We also wrote last month that the focus on Metrics was overshadowing strong progress elsewhere in the business. PNI's 1QFY27 update on 30 October was largely in line with expectations and contained no major negative news on Metrics. Group net inflows of $5.9bn for the quarter put PNI close to halfway to consensus expectations of $12.6bn for 1HFY27. Flows were also broad-based, with six affiliates each contributing more than $500m. FUM rose by around $1.3bn in Plato's Global Alpha strategy and $1.6bn at Life Cycle over the quarter, implying solid net flows. This breadth supports our view that PNI's strongest affiliates can more than offset those going through periods of weaker performance, which should underpin healthy EPS growth.

Nick Scali (NCK) declined 10.2% for the month after a weak trading update and downgraded 1H FY27 profit guidance, with the stock falling more than 15% on the day of the announcement. Management indicated that trading conditions in Australia and New Zealand remained challenging in Q 1, with written sales orders (WSO) 15% below the prior corresponding period (pcp) and store traffic down ~10%. As previously disclosed, a cyber security incident left the company's ERP system unavailable for three weeks in August, during which orders were processed manually. Management did not quantify the impact on WSO, so it is unclear how much of the decline reflects the outage rather than underlying demand. By contrast, the UK business continues to perform well, with Q1 WSO up 29% on pcp and like-for-like WSO up 14%. Based on the sales per store being achieved by incumbent retailers, we believe there is significant upside to store productivity in the UK. We continue to view NCK as a high-quality retailer led by a founder-operator with a long track record of navigating periods of economic stress relatively effectively, often emerging in a stronger competitive position and driving meaningful earnings growth in subsequent years. The stock's strong balance sheet, with $29m of net cash, supports this resilience and provides optionality in a tough macro environment. In the first trading week of November, the share price recovered to pre-downgrade levels.

Capricorn Metals (CMM) fell 11.95% in October as the gold price slid lower. The stock has since rebounded sharply. The Democratic sweep of Congress in the US midterm elections sent US 10-year Treasury yields and the US dollar lower, which lifted gold back above US $4,000/oz. CMM rose more than 14% in the first full trading session after the congressional result was known. CMM remains our preferred gold name. It is one of the highest-margin gold producers in WA and has a significant growth runway. Under its "Range 500" ambition, CMM aims to lift annual production from 124koz in FY26 to 500koz within five years. This growth is planned in three steps: expanding its operating Karlawinda mine, building a new mine at Mt Gibson (MGGP Stage 1) and potentially adding a second processing hub at the Golden Range Project (MGGP Stage 2). CMM's 1QFY27 update, released late in October, showed progress across all three. At Karlawinda, commissioning of the expansion was completed in September. At Mt Gibson, state approvals are progressing and the company is advancing pre-development activities and procurement. CMM has also commenced studies into MGGP Stage 2, with preliminary results expected late in 2QFY27.

## OUTLOOK

Investors continue to weigh several local and global pressure points. The RBA lifted the cash rate 25bps to 4.85% on 3 November – its fifth hike this year and an 18-year high – but Governor Bullock removed the explicit tightening bias, signalling a wait-and-see pause that many economists read as the peak. Even so, trimmed mean inflation is now forecast to hold at 3.6% through December 2026, with growth of just 1.6% and unemployment forecast to reach 5.1%, and the AUD has weakened as markets weigh the risk of a policy error. Offshore, the ASX has been caught in the brutal global tech and AI selloff following the US midterms, while falling Chinese corporate earnings pose a risk to resource demand. Domestically, a record A $1.4 trillion project pipeline led by data centres is inflationary but structural, household spending remains stickier than expected and bank earnings hinge on cost discipline, with ANZ's result on 9 November the near-term test.

The performance fee is equal to 13.98% of daily outperformance over the hurdle rate of return. The current hurdle rate is the S&P/ASX 300 Accumulation Index + 2%pa. Performance fees are accrued daily 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.# The Ordinaries benchmark prior to 1/4/2000 was the ASX All Ordinaries Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX 300 Accumulation Index. This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider whether the information is suitable for your circumstances and we recommend that you seek professional advice. The product disclosure statement (PDS) for the Fund, issued by PIML, should be considered before deciding whether to acquire, dispose, or hold units in the Fund. The PDS and Target Market Determination can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au.
Total returns shown for the Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. All investing involves risk including the possible loss of principal.

## MORE INFORMATION

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