How Perpetual approaches small cap alpha

By Perpetual Asset Management
10 April 2026

Co-portfolio managers ALEX PATTEN and JAMES RUTLEDGE explain why small and microcap investing can offer meaningful alpha, but only with a disciplined, selective approach.

The team's bottom-up, value-oriented process results in portfolios that look very different from peers and helps manage the higher risks inherent in small caps.

Find out where their focus lies and how they navigate volatile, uncertain markets.

Learn more about Perpetual Smaller Companies Fund

About Perpetual's Australian small and micro-cap equities team

Alex Patten and James Rutledge are co-portfolio managers of Perpetual Smaller Companies Fund and Perpetual Pure Microcap Fund.

Perpetual is a pioneer in Australian quality and value investing, with a heritage dating back to 1886.

We are one of Australia's most respected and longstanding active investment managers, with a proven investment process that has been refined through more than 50 years of experience.

We have a track record of contributing value through "active ownership" and deep research.

Want to find out more? [Contact a Perpetual account manager]

Alex Patten

Co-Portfolio Manager Smaller Companies, Pure Microcap.
Analyst, BAcc, CA

James Rutledge

Portfolio Manager, Pure Value Share Fund, Co-Portfolio Manager Smaller Companies, Pure Microcap.
BAppFin, BEcon, CFA

permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS for the Perpetual Smaller Companies Fund (Fund), issued by PIML, should be considered before deciding whether to acquire or hold units in the Fund. The PDS and Target Market Determination for the Fund can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au.

All investing involves risk including the possible loss of principal. No company in the Perpetual Group (Perpetual Group means Perpetual ABN 86 000 430 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor’s capital. Total return shown for the Perpetual's Funds 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.

The information is believed to be accurate at the time of compilation and is provided in good faith. References to specific securities in this presentation are for illustrative purposes only and any views expressed in this presentation are opinions and do not constitute a recommendation to act.