Perpetual Pure Series Funds

PERPETUAL PURE VALUE SHARE FUND - CLASS A

September 2026

FUND FACTS

Investment objective: Aims to provide investors with long-term capital growth and income through investment in quality shares. Whilst the Fund has no formal benchmark, for reporting purposes the Fund is measured against the S&P/ASX 300 Accumulation Index.

FUND BENEFITS

Provides investors with higher potential returns, through the active management of a concentrated portfolio of quality, high conviction stocks. Shares are selected on quality and value, without reference to indices or benchmarks.

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: February 2006

Size of Portfolio: $181.49 million as at 30 Jun 2026

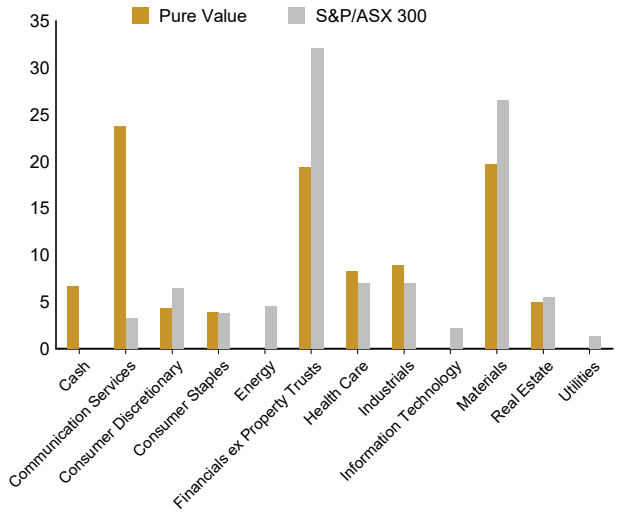
APIR: PER0439AU

Management Fee: 1.20%*

Investment Style: Active, fundamental, bottom-up, value

Suggested minimum investment period: Seven years or longer

PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
EVT Limited	9.0%
Ramsay Health Care Limited	8.3%
Wagners Holding Co. Ltd.	7.2%
GWA Group Limited	5.8%
Suncorp Group Limited	5.7%

SIZE BREAKDOWN

	% of Portfolio
% of S&P/ASX 20	0.0%
% of S&P/ASX 50 less 20	21.0%
% of S&P/ASX Mid 50	13.8%
% of S&P/ASX Small Ords	46.1%
% of Ex-Index	12.4%
% Cash	6.7%

NET PERFORMANCE- periods ending 30 September 2026

	Fund	S&P/ASX 300 Accumulation Index
1 month	-3.92	-2.43
3 months	-0.92	1.26
1 year	-5.68	2.39
2 year p.a.	-0.71	6.49
3 year p.a.	4.64	11.33
4 year p.a.	7.00	11.73
5 year p.a.	5.24	7.47
7 year p.a.	8.71	7.78
10 year p.a.	7.19	8.98

Past performance is not indicative of future performance.
The Perpetual Pure Value Fund is constructed without reference to any benchmark and doesn't form part of the fund's investment objective. The S&P/ASX 300 Accumulation Index is used for comparison purposes only.

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	17.1
Dividend Yield*	3.5%
Price / Book	2.0
Debt / Equity	44.3%
Return on Equity*	12.6%

^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

*Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

MARKET COMMENTARY

The S&P/ASX 300 delivered a subdued +1.26% total return over September 2026 quarter, reflecting persistent headwinds from a hawkish monetary policy backdrop. Sector performance diverged sharply, with Health Care (+25.40%) and Energy (+17.34%) providing crucial support, whilst Materials (+4.77%) benefited from copper demand linked to power infrastructure and AI development. Conversely, Technology (-9.38%), Consumer Discretionary (-9.26%) and Real Estate (-8.65%) faced sustained pressure as elevated rates impacted valuations and consumer spending. The RBA's fourth rate rise of 2026, pushing the cash rate to 4.60%, remained the dominant macro driver despite CPI holding at 3.73% well above target. Strong Q2 GDP growth of 2.1% YoY reinforced tightening momentum, offsetting signs of consumer stress – confidence slumped to 84.4 by September. The AUD rallied to 0.722 mid-quarter before retreating to 0.695, signalling markets anticipated rate cycle maturation.

PORTFOLIO COMMENTARY

The portfolio's largest overweight positions include EVT Limited, Ramsay Health Care and Wagners Holding Co. Conversely, the portfolio's largest relative underweight positions include BHP, CBA and NAB, all of which were not held.

oOh!media (OML) returned 16.2% in the September quarter, driven by competitive tension in the final stage of a sale process that began with Pacific Equity Partners' non-binding A$1.40 per share proposal in late April. On 10 August, OML entered into a binding Scheme Implementation Agreement with I Squared Capital for total cash consideration of A$1.70 per share. The price is double OML's share price before the initial approach, 21.4% above the initial proposal and a 6.9% premium to the last close before the announcement. The transaction remains subject to final approval, however the OML board unanimously recommends shareholders vote in favour. The board may also pay a fully franked special dividend of about 10c per share before implementation. This would be deducted from the scheme consideration, but shareholders able to use franking credits could benefit by up to about 4c per share.

MAAS Group (MGH) has been a position in the fund from May 2025 and we have seen a few twists and turns in the story since then. In February MGH surprised the market by announcing the sale of its core, highly profitable construction materials division and a pivot toward artificial intelligence infrastructure through an investment in Firmus. The share price tumbled almost 27% on the day. While this was a significant strategic shift, we felt the sell-off was an overreaction and maintained a meaningful position as the stock climbed from $4 lows in early April to $5.60 entering the September quarter. MGH rerated further during Q1 FY27, returning 33.5%, driven by the prospect of Firmus listing at a valuation of up to ~A$44bn, in which MGH holds a 3.2% stake, and its A$1.1bn order book supplying power infrastructure to Firmus's data centres through JLE Group. From August we began trimming into the share price strength and accelerated the sell-down as the stock approached and breached $7, believing the risk–reward had become meaningfully skewed to the downside. As uncertainty around the Firmus IPO grew, we fully exited the position ahead of Firmus withdrawing its IPO on 9 October and the share price subsequently trading below $4.

Pinnacle (PNI) had mixed quarter with large swings in the share price, finishing the period down 22.7%. PNI started August strongly climbing more than 20% to $19.25 in the first three trading sessions, driven in part by some key positives from their FY26 result. Closing FUM of $229bn was 3% ahead of consensus with 4Q net flows $6.8bn vs consensus $5.5bn. The stock then fell to $13.28 by the end of September, largely due to delays in the audits of several listed investment trusts (LITs) managed by Metrics Credit Partners, an affiliate in which PNI holds a 35% stake. On 31 August, Metrics published unaudited FY26 accounts for MXT, MOT and MRE, creating uncertainty about their accuracy and contributing to share price declines of 10.1% and 5.8% over the next two trading sessions. Two days before the 30 September reporting deadline, Metrics announced NTA write-downs of 2% for MXT, 10% for MOT and 12% for MRE. Audited financial statements were released on 2 October, ending a month-long standoff with KPMG. While this is clearly negative for Metrics' growth and profitability, Metrics is only one of Pinnacle's many affiliate partners and investments. Before these developments, Metrics was estimated to contribute approximately 10–12% of PNI's NPAT. In our view, Pinnacle's share price correction therefore more than reflects the full value of Metrics. The focus on Metrics has overshadowed strong progress elsewhere in PNI's affiliate base, including continued growth in its international platform and strong flows into Lifecycle, Coolabah and Plato.

Qualitas (-22.7%) also detracted from Fund performance over the quarter as private credit news flow turned nasty following the collapse of Bathla, a heavily indebted property developer. Recent years have seen an influx of capital and new private credit operators established, filling the space left by the major banks in certain pockets of the market. As in any industry, there is the full spectrum of operators - from the established, transparent and institutional grade managers at one end all the way down to the one-man band with opaque disclosures and little experience at the other. Based on our work, QAL is differentiated from most others in the sector for several reasons, including it's long and exemplary underwriting track record, largely institutional capital base and strong competitive positioning. Nonetheless the stock has been sold down indiscriminately with other private credit exposures.

OUTLOOK

Heading into the last quarter of 2026 the focus is shifting to the flow-on effects of tighter monetary policy. Lenders have lifted fixed mortgage rates by nearly double the RBA's move, adding to fears that the pressure on consumers will only continue to build, especially if the RBA tightens again. Capital city property prices continue to decline from their March peak. The collapse of developer Bathla Group and troubles at Metrics credit has raised the question of broader economic risks from contagion as deteriorating conditions in construction collide with concerns about private credit liquidity and defaults. China-exposed stocks have fallen sharply and doubts over AI spending, highlighted by the failed Firmus IPO, are unsettling tech-adjacent names. Meanwhile investors also have an eye on the US Fed as well as additional geopolitical risks, especially the evolving Iranian situation.

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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.
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Investor Services 1800 022 033
Email PerpetualUTqueries@cm.mpms.mufg.com
www.perpetual.com.au

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