Perpetual Pure Series Funds

PERPETUAL PURE EQUITY ALPHA FUND - CLASS A

February 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

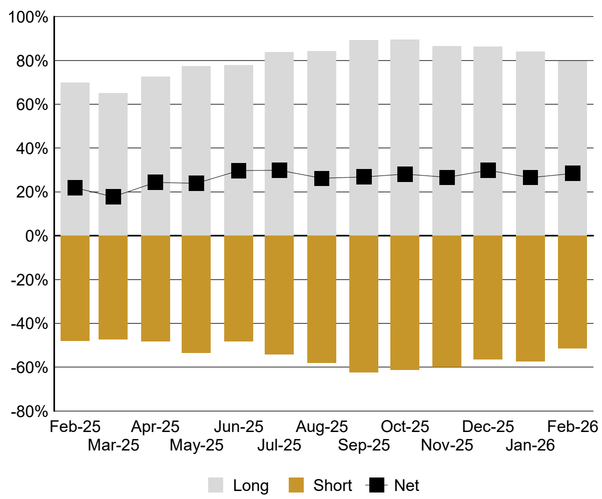
The Fund aims to achieve performance objectives by adopting a bottom-up stock selection process for both long and short positions, combined with a top down approach to managing market exposure. Decisions to buy or sell are based mainly on fundamental stock analysis, complemented by the identification 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:	$318.42 million as at 31 Dec 2025
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	4.4%
Cobram Estate Olives Ltd.	3.9%
Aspen Group Limited	3.6%
News Corporation	3.3%

* 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 28 February 2026

	Fund	RBA Cash Rate Index*
1 month	-0.79	0.29
3 months	0.39	0.91
1 year	6.69	3.86
2 year p.a	6.48	4.15
3 year p.a.	5.93	4.15
4 year p.a.	5.73	3.56
5 year p.a.	6.88	2.86
7 year p.a.	6.61	2.22
10 year p.a.	6.11	2.02
Since incep. p.a.	6.98	2.20

*RBA Cash Rate Index is the Performance Hurdle.

PORTFOLIO SECTORS

	Long	Short	Net
Communication Services	8.5	-2.1	6.4
Consumer Discretionary	8.7	-7.4	1.4
Consumer Staples	6.9	-7.2	-0.2
Energy	4.1	-1.0	3.1
Financials ex Property Trusts	11.7	-14.2	-2.5
Health Care	5.2	-1.3	3.9
Industrials	9.1	-5.1	4.0
Information Technology	0.0	-3.5	-3.5
Materials	11.9	-4.6	7.4
Other Shares	0.0	0.0	0.0
Property Trusts	0.0	0.0	0.0
Real Estate	11.3	-3.4	7.9
Utilities	1.9	-1.2	0.7
Total	**79.3**	**-51.0**	**28.4**

PORTFOLIO FUNDAMENTALS^

	Portfolio
Price / Earnings*	18.9
Dividend Yield*	2.5%
Price / Book	2.4
Debt / Equity	37.3%
Return on Equity*	13.2%

^ 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/ASX300 gained 3.9% in February, reaching new highs for a third consecutive monthly advance, leaving the market 9.7% above November lows. It was a two speed market: large cap Materials and Financials led the charge, with the major banks delivering standout returns (CBA +16.8%, NAB +15.8%), while Technology continued its painful de rating, now down 39.3% over six months as AI disruption fears lingered. Health Care lagged, dragged by CSL's weak earnings and abrupt CEO departure. The divergence between large and small cap was large, with the Top 20 stocks outperforming the Small Ordinaries Index by 10.5%, the largest cap since June 2013. Macro conditions tightened further, with the RBA hiking 25bp to 3.85% and flagging additional moves if inflation remains stubborn.

PORTFOLIO COMMENTARY

The portfolio's largest positions include Washington H. Soul Pattinson, Servcorp and Cobram Estate Olives. Conversely, the portfolio's largest short positions vary across sectors but include selected Financials, Consumer Staples and Infrastructure names.

Aspen Group continued to perform strongly in February's reporting season, climbing +19.2% where the company upgraded its FY26 guidance for the second time. Half year EPS beat consensus, driven by its stable net rental income (NRI) and profitable development contributions. Importantly, NRI margins expanded meaningfully during the period, a sign that portfolio optimisation is translating into sustainable earnings quality rather than one off gains. Aspen's positioning in affordable housing provided some insulation from the broader sector weakness, as demand fundamentals in its core markets remain robust amid ongoing supply constraints. A key driver of Aspen's resilience in a tough macroeconomic environment is its unique affordability where the average sale price of its new Lifestyle houses was $465,000, representing a 56% discount to the Australian national average residential dwelling price. The company's disciplined capital allocation from a very capable management team and focus on scalable developments across key growth corridors positions it well to capitalise on sustained structural tailwinds in the residential accommodation sector.

Tabcorp Holdings performed strongly during February, rallying +21.1% in February on the back of strong 1H26 results that beat consensus expectations. Earnings growth (EBIT) of +19% was largely underpinned by the contribution from the restructured Victorian Wagering licence and disciplined cost management. The result was achieved despite a headwind to revenue from unfavourable racing outcomes during the period. Tabcorp is part way through a turnaround and to date the new management team are executing very well. Whilst the 1H26 financial result reflects progress on right sizing the cost base, there remains significant potential financial upside from strategic initiatives, including the consolidation of the tote pools into a single national pool, and the refreshed retail strategy. As the company starts to better leverage its unique assets, we see the potential the company to stabilise and grow market share. Despite the recent share price appreciation, given the potential for improved financial outcomes and the quality of the management team, the position has been maintained in the portfolio.

Flutter was the fund's largest negative contribution in February, declining 36.8% during the month. A key driver of the de rating has been the emergence of Kalshi, a prediction markets platform that has begun offering event contracts on sports outcomes operating outside the traditional state licensed online sports betting (OSB) framework and therefore not subject to the same tax and regulatory structures, introducing structural uncertainty around its competitive and regulatory moat. However, the fund's central view is that rationality will ultimately prevail: state governments have become materially dependent on the tax revenues generated by licensed OSB operators. We expect regulatory clarity to emerge over coming quarters, which should allow the market to refocus on FanDuel's dominant market share and Flutter's structural growth profile in the US. The position is held with conviction, though we acknowledge near term earnings visibility has become more uncertain pending resolution of the regulatory picture.

Light & Wonder was a detractor to portfolio performance, falling 19.7% in February despite the month delivering a meaningful positive catalyst, the resolution of its long running intellectual property dispute with Aristocrat Leisure. The settlement removed a material legal overhang that had weighed on the stock and clouded the investment case for some time. With that cleared, market attention has shifted to the balance sheet, and specifically the company's ability to reduce leverage through CY26, a pathway well supported by the strength of its gaming systems and content business alongside an improving free cash flow profile. Notwithstanding the positive legal development, the stock was sold heavily in a manner consistent with the broader de rating of similar peers, highlighting that the selling pressure was driven by sector level risk off sentiment. We hold the position on the view that leverage reduction through CY26 represents a credible and underappreciated re rating catalyst, and that the market is yet to fully reflect the earnings durability of the underlying gaming systems and content business.

OUTLOOK

The global economic landscape in 2026 was starting to reflect a transition to broader, steady expansion. This expansion was no longer a "tech only" story; instead, a significant sector rotation is underway. Investors have been pivoting from overextended growth stocks toward cyclical sectors, specifically Industrials, Materials, and Energy which are benefiting from a synchronised global manufacturing uptick. This shift is also anchored by exceptional commodity strength. Copper's climb to record highs reflected this and Gold's sustained levels above US$5,400 signal both industrial demand for the AI driven grid build out and a strategic hedge against persistent "higher for longer" yields and persistent inflation and USD debasement fears. However, the war in Iran introduces a major new uncertainty: if the conflict proves brief these trends may quickly resume, but a prolonged escalation or disruption to energy markets could materially alter the trajectory for global growth, inflation and markets.

The performance fee is equal to 20.50% of daily outperformance over the hurdle rate of return. The current hurdle rate is the Reserve Bank of Australia cash rate. Performance fees are accrued daily and payable six monthly, 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.

MORE INFORMATION

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