

# PERPETUAL DIVERSIFIED INCOME FUND

April 2026

## FUND FACTS

**Investment objective:** Aims to provide regular income and consistent returns above the Bloomberg AusBond Bank Bill Index (before fees and taxes) over rolling three-year periods by investing in a diverse range of income generating assets.

**Benchmark:** Bloomberg AusBond Bank Bill Index\*\*  
**Mgmt Fee:** 0.70% pa\*  
**Buy / Sell spread:** 0.15% / 0.15%  
**Benchmark Yield:** 4.208% as at 30 April 2026  
**Suggested minimum investment period** Three years or longer

## FUND BENEFITS

Provides investors with the potential for regular income, above cash returns and lower volatility than other income strategies through an actively managed, highly diversified and liquid investment.

## FUND RISKS

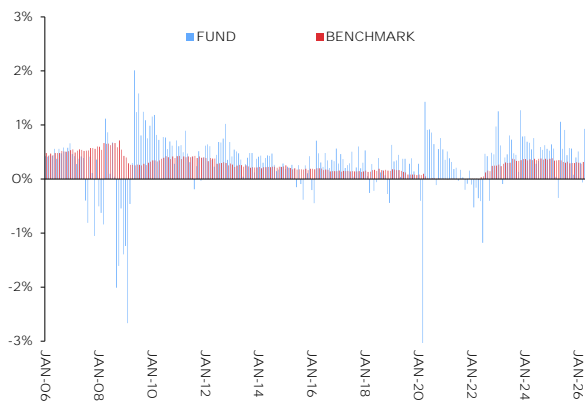
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether a fund is suited to your financial needs.

## TOTAL RETURNS % (AFTER FEES) AS AT 30 April 2026

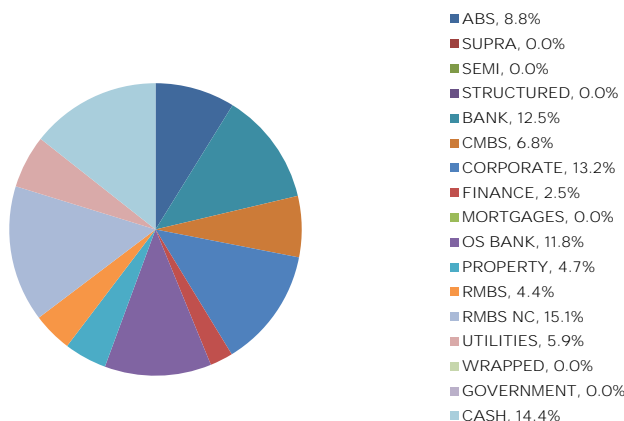
	APIR	1 MTH	3 MTHS	6 MTHS	1 YR	3 YRS PA	5 YRS PA	7 YRS PA	10 YRS PA
Perp. WealthFocus Investments	PER0284AU	0.93	1.17	2.17	6.44	6.58	4.37	3.83	3.56
Perp. WealthFocus Investment Advantage	PER0490AU	0.93	1.17	2.18	6.41	6.59	4.38	3.84	3.57
Perp. WealthFocus Super	PER0286AU	0.79	1.01	1.86	5.54	5.66	3.74	3.29	3.06
Perp. WealthFocus Pensions	PER0285AU	0.93	1.16	2.16	6.39	6.55	4.34	3.81	3.54
Perp. WealthFocus Term Allocated Pension	PER0339AU	0.93	1.16	2.16	6.39	6.55	4.34	3.81	3.54
Bloomberg AusBond Bank Bill Index**		0.34	0.95	1.87	3.79	4.16	2.96	2.28	2.16

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

## MONTHLY PERFORMANCE SINCE INCEPTION\*



## PORTFOLIO SECTORS



## PORTFOLIO COMPOSITION

	BREAKDOWN
Senior Debt	44.83%
Subordinated Debt	38.58%
Hybrid Debt	16.59%
Core Component	96.65%
Plus Component	3.35%
% Geared	0.00%
Running Yield <sup>#</sup>	5.56%
Portfolio Weighted Average Life	3.33 yrs
No. Securities	167

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

## MARKET COMMENTARY

The Middle East conflict continued to dominate global markets through April, driving sharp swings in oil prices, bond yields and equities as ceasefire talks repeatedly stalled and resumed. Despite the volatility, risk assets finished strongly, supported by a strong US earnings season. Bond yields rose across the board, and major central banks held rates, though the Fed saw three dissenters favouring removal of the easing bias and the Bank of Japan recorded three votes for a hike.

There was no RBA Board meeting in April, following back-to-back 25 basis point hikes in February and March. At Month end, the May rate increase was near fully priced in reflecting the hot inflation report released in late April. Monthly headline inflation rose 1.1% in March - driven by a 32.8% surge in fuel - pushing annual CPI to 4.6%, the highest since monthly reporting began. Australian bond yields rose along the curve with 10-year yields, breaching 5% for the first time in over a decade. Business confidence collapsed to -29 in the NAB survey - the second largest monthly fall on record - while Westpac Consumer Confidence dropped 12.5%.

Australian credit markets recovered through April, retracing some of March's weakness as reduced Middle East tail risks and a strong US earnings season underpinned confidence in credit fundamentals. The iTraxx Australia CDS index traded in a wide 19 basis point range before finishing 15bps tighter at 77bps. Physical credit spreads tightened by an average of 4bps over the month. Domestic banks outperformed, on the back of solid earnings, while real estate lagged, edging 1bp wider as higher rates weighed on sector sentiment. Tier 2 subordinated bank spreads were supported by reduced primary issuance.

The primary market was active in April following a subdued month prior. UBS came to market issuing \$2.75B of senior notes across 2 and 5-year tranches. APA infrastructure issued \$1.5B (\$1B 30-year non-call 7.5-year hybrid paper and \$0.5B 10-year senior). Domestic bank activity was relatively subdued ahead of mid-year reporting for BAB, Westpac and ANZ.

## PORTFOLIO COMMENTARY

Credit spread dynamics were the key determinant of outperformance over the month with the portfolio performing very strongly as spreads retraced following weakness in March. A key contributor over the month was very strong performance among USD and EUR denominated offshore bank hybrids, many of which were added during the elevated market volatility in March, when valuations became more attractive. USD denominated subordinated domestic bank and non-financial corporate exposures also contributed to outperformance. **The Fund's ability to invest in foreign denominated credit broadens the universe and offers additional relative value opportunities to exploit.** All foreign currency exposures are hedged back to AUD.

**The Fund's yield premium above benchmark remains a key contributing factor to relative performance. Income return remained attributable primarily to RMBS and offshore bank allocations. The impact of rising base rates on the Fund's floating rate exposures will continue to contribute to the yield as coupons reset. The Portfolio's running yield was 5.6% at month end, with the spread (credit yield premium) measured at 1.3%.**

Duration positioning was marginally positive for outperformance over the month. The Manager continued to actively trade 3-year government bond futures to manage interest rate sensitivity (Between 0.3 years and -0.1 years) around key geopolitical developments. Towards the end of April, the Manager elected to again neutralise the Fund's duration positioning.

Sector allocations were actively managed over the month. The Manager elected to trim allocation to offshore banks and reduce USD and EUR denominated hybrid exposures, taking profit following strong performance in April. Allocation to non-financial corporates was increased in secondary with the Manager adding exposure to Verizon hybrids. The Fund also took part in new corporate deals from APA infrastructure and downer group finance.

The outlook for credit improved over April while remaining in marginally negative territory. The improvement reflected strengthening market demand and normalising technical indicators. The Fund has been defensively positioned for some time and retains the optionality to take advantage of relative value opportunities presented by uncertain conditions.

## OUTLOOK

The credit outlook improved while remaining negative in April, reflecting stabilisation in technicals and a partial recovery in primary market conditions, partially offset by persistent macroeconomic headwinds.

Valuation indicators are finely balanced with a neutral to slightly negative reading. AU investment grade, US investment grade and US high yield spreads have retraced meaningfully from March wides but remain in range of long term averages while swap-to-bond spreads remain in negative territory. Increased opportunistic activity – led by SSA kangaroo issuers – weighed slightly on the valuation outlook.

The macroeconomic outlook remains the most significant headwind to the credit view. The IMF revised down global growth expectations for 2026 with notable downgrades across the US, UK and Australia. Consumer confidence indicators fell sharply in Australia – the Westpac Consumer Confidence Index declined 12.5% – while US consumer sentiment moved into contractionary territory. The oil price environment remains volatile following geopolitical developments around the Strait of Hormuz and the announcement of the UAE's exit from OPEC, with cartel fragmentation posing a medium-term tail risk. The ratio of credit upgrades to downgrades remains in positive territory for investment grade, providing a floor to the macro score, though early quarter deterioration – particularly in high yield – is being monitored.

Supply and demand indicators remain negative. Upcoming issuance supply is a key headwind with bank results season expected to bring a wave of senior and Tier 2 supply from major domestic banks, alongside insurance and offshore bank issuance.

Technical indicators edged positive, providing the main offsetting factor to the negative overall score. Real money cash balances remain elevated, reflecting conservative positioning maintained since the geopolitical shock, creating capacity for deployment into primary and secondary markets. US equity and equity volatility indicators improved to positive while the US credit indicator remained in negative territory.

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Total returns shown in this publication 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. <sup>1</sup> Fund information in this document is relevant to the Wholesale option unless stated.

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<sup>^</sup> The chart represents the Wealthfocus Investment option.

<sup>\*\*</sup> UBS Australian Bond Index changed to Bloomberg AusBond Bank Bill Index effective 26 September 2014

## MORE INFORMATION

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