

PERPETUAL PURE CREDIT ALPHA FUND CLASS W

April 2026

FUND FACTS

Investment objective: The Fund aims to provide investors with a positive return above the cash rate over rolling three-year periods (before fees and taxes) by primarily investing in and actively trading fixed income securities and related derivatives.

Benchmark: RBA Cash Rate
Inception date: March 2012
Size of fund: \$741.7 million as at 31 March 2026
Mgmt Fee: 0.85% pa*
Benchmark Yield: 4.100% as at 30 April 2026
Suggested minimum investment period: Three years or longer

FUND BENEFITS

Perpetual aims to meet its objective by utilising an active and risk aware investment process that leverages the full use of the Perpetual Credit team's experience. The strategy allows the team discretion to invest in areas of the market or a company's capital structure where they see relative value. The portfolio is diversified, takes into account changes in market-wide and security-specific credit margins while seeking to maximise returns from liquidity premiums.

FUND RISKS

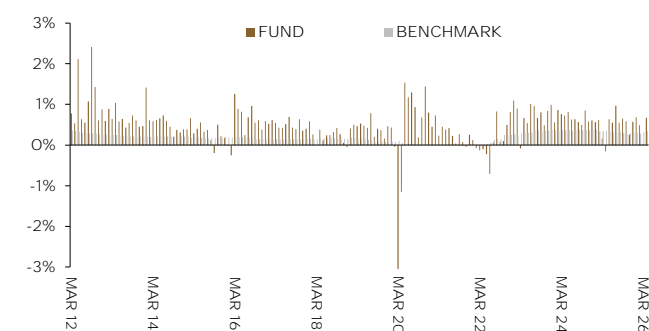
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether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

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

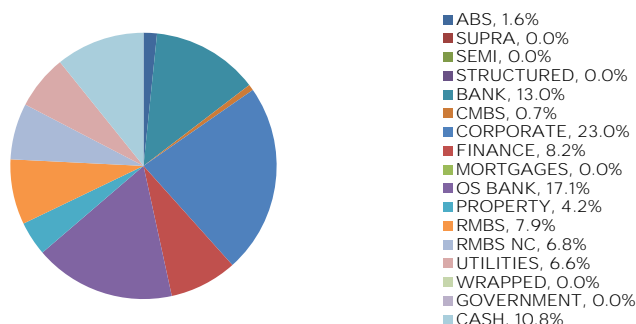
	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS PA	3 YRS PA	5 YRS PA	7 YRS PA	INCEPT PA
Perpetual Pure Credit Alpha Fund W Class	0.67	1.18	2.72	6.83	6.68	7.64	5.66	5.10	5.87
RBA Cash Rate	0.34	0.97	1.89	3.85	4.12	4.18	2.99	2.28	2.24

Please note: Performance for Perpetual's complete list of investment funds is available on www.perpetual.com.au. Past performance is not indicative of future performance.

MONTHLY PERFORMANCE SINCE INCEPTION



PORTFOLIO SECTORS



PORTFOLIO COMPOSITION

	BREAKDOWN
Senior Debt	44.15%
Subordinated Debt	39.72%
Hybrid Debt	16.13%
% Geared	0.00%
Running Yield [#]	6.45%
Portfolio Weighted Average Life	2.91 yrs
No. Securities	189
Long	89.22%
Short	0.00%
Net	89.22%

GEOGRAPHIC LOCATION OF MATERIAL ASSETS

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

* 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

The Fund's yield premium above benchmark remained the key contributing factor to outperformance over the month. The Fund's yield advantage remains predominantly attributable to non-financial corporate bonds and loans, alongside exposure to securitised sectors, domestic and offshore banks. The Fund's floating rate structure minimises the impact of interest rate volatility while rising base rates supports distributable income as coupons are reset. At month end the portfolio's running yield was 6.5%.

Credit spread tightening contributed strongly to the Fund's performance over the month with non-financial corporate and domestic bank exposures performing well as spreads retraced following widening in March.

Credit spread return was led by the revaluation upwards of a private loan from Star Entertainment. Furthermore, in early May it was announced that the outstanding loan would be refinanced with a third party and as a result, the Fund's investment has been repaid at par. The positive performance impact is fully reflected in the unit price. Perpetual values valuation transparency when dealing in illiquid assets and all private loans held within the Fund are externally valued on a regular basis ensuring that the unit price accurately reflects the current value of the Portfolio's assets.

The Manager remained selective in adding new issues to the portfolio during April. The Fund added exposure to a new deal from energy infrastructure group APA Infrastructure which was heavily oversubscribed, attracting strong interest following the company's decade long absence from Australian dollar markets.

Perpetual's proprietary credit outlook score improved over April while remaining in marginally negative territory. The improvement reflected strengthening market demand and normalising technical indicators. The Fund maintains a liquid investment grade core portfolio (including cash) which accounted for 55.6% of the portfolio NAV at month end. The Trust's diverse mandate ensures that the Portfolio can capture the liquidity premia offered by private credit while liquid public credit exposures provide portfolio ballast.

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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** UBS Australian Bond Index changed to Bloomberg AusBond Bank Bill Index effective 26 September 2014

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