

Perpetual Investment Funds

PERPETUAL ACTIVE FIXED INTEREST FUND - CLASS A

April 2026

FUND FACTS

Investment objective: The Perpetual Active Fixed Interest Fund aims to outperform the Bloomberg AusBond Composite Index (before fees and taxes) by actively investing in fixed interest securities, primarily corporate bonds.

Benchmark: Bloomberg Ausbond Composite Index
Inception date: February 2017
Size of fund: \$613.1 million as at 31 March 2026
APIR: PER8045AU
Mgmt Fee: 0.40% pa*
Suggested minimum investment period: Three years or longer

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 Active Fixed Interest Fund Class A ^{1,3}	0.10	-0.65	-1.84	0.56	4.16	3.14	0.62	1.33	2.34
Perpetual Active Fixed Interest Fund Class W ^{2,3}	-	-	-	-	-	-	-	-	4.59
Bloomberg Ausbond Composite Index	0.05	-0.50	-1.79	-0.14	3.41	2.01	0.05	0.75	-

¹ Class A of the Perpetual Active Fixed Interest Fund (Fund) has been operating since February 2017. This row represents the actual past performance of Class A of the Fund.

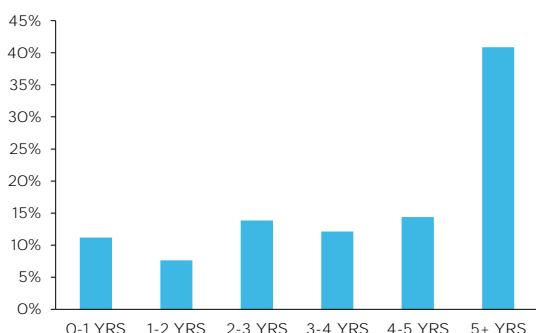
² To give a longer term view of the performance of the Fund, the returns for Class W, which has been operating since July 2004, are shown. Class W has identical investments to Class A. We have adjusted the return of Class W to reflect the fee applicable to Class A (a 0.45% Management Fee). This has been calculated by subtracting the fees for Class A from the actual gross past performance for Class W.

³ Past performance is not indicative of future performance.

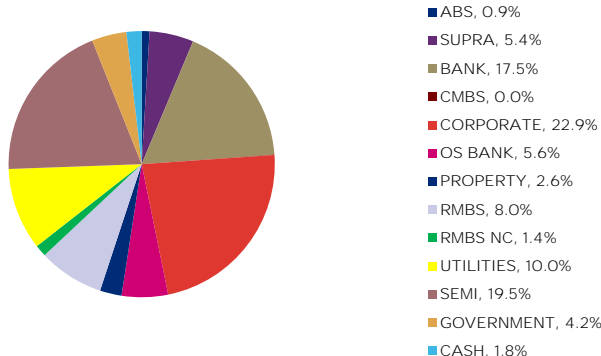
POINTS OF INTEREST

- Middle East conflict persists; oil prices remain volatile;
- Domestic credit spreads rally from March selloff;
- Bond yields rise; domestic yield curve steepens as short end underperforms;
- RBA on hold; inflation data hot; May rate hike near-fully priced;
- The credit outlook improved while remaining in negative territory.

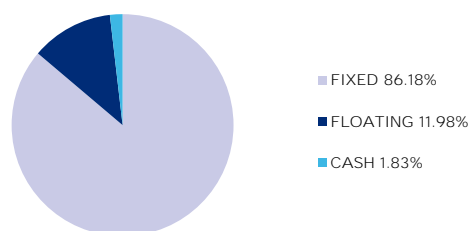
MATURITY PROFILE



PORTFOLIO SECTORS



FIXED AND FLOATING RATE BREAKDOWN



PORTFOLIO COMPOSITION

	BREAKDOWN
Senior Debt	91.76%
Subordinated Debt	6.70%
Hybrid Debt	1.53%
Running Yield [#]	4.60%
Portfolio Weighted Average Life (yrs)	5.01 yrs
No. Securities	180
Modified Duration	4.85

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

[#]The methodology used to calculate Running Yield is derived from FactSet, and calculated as follows: The coupon rate of the security / the capital price of the security. Note that the exception is discounted securities, where a Yield to Maturity calculation is used.

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 contributing factor to outperformance over the month. The Fund's overweight allocation to credit contributing as spreads retraced following weakness in March. The Fund's issuer and security selection – especially among domestic bank and non-financial corporate sectors – performed well. Security selection among securitised and supranational sectors also contributed.

The Fund's income premium above benchmark was constructive for return over the month. The Fund's running income attributable to overweight allocations to non-financial corporates, banks and off benchmark exposure to securitised sectors. The portfolio running yield at month end was 4.9% with the spread measured at 0.9%.

Duration positioning was marginally positive for relative performance over the month. Bond yields rose along the curve impacting absolute performance. The Manager is cognisant of inflation risks and continues to monitor the situation in Iran and the reduced shipping volume in the strait of Hormuz. The Fund remains very close to benchmark duration with a slight underweight to the long end of the curve.

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. The Fund also took part in a new deal from Downer Group Finance and invested in a 3-year Macquarie Bank senior bond.

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 remains defensively positioned while retaining the capacity to add risk where it is best rewarded and will continue to look for active duration opportunities along the curve.

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.

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

The product disclosure statement (PDS) for the relevant fund, issued by PIML, should be considered before deciding whether to acquire 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. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. Total return shown for the fund(s) 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 contribution or withdrawal fees or taxation (except in the case of superannuation funds, as applicable). Past performance is not indicative of future performance.

MORE INFORMATION

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

