Perpetual Private

PERPETUAL SELECT FIXED INCOME FUND

June 2026

FUND FACTS

Investment objective: Income through investment in a diversified portfolio of fixed income.

Suggested length of investment: Five years or longer

BENEFITS

Provides investors with the potential for regular income above cash returns, with lower volatility than other income strategies.

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.

INVESTMENT APPROACH

The Fund combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the Fund by avoiding over exposure to a particular specialist investment manager.
Derivatives are currently used by the specialist investment managers to protect against most currency movements, although this can change at any time.

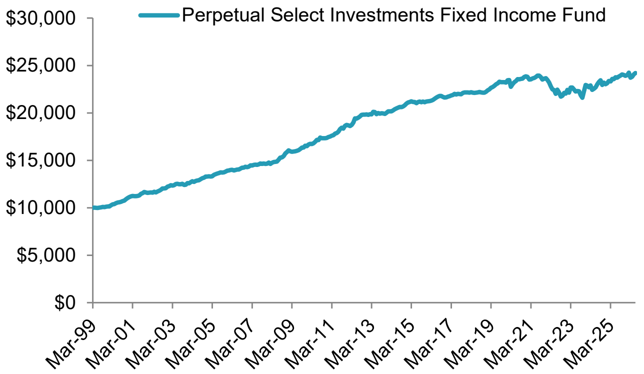
TOTAL RETURNS % (AFTER FEES) AS AT 30 JUNE 2026

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Investments Fixed Income Fund	PER0252AU	0.6	2.2	1.3	1.9	2.9	0.4
Fixed Income Composite Benchmark#		0.6	1.8	1.5	3.2	3.8	1.2

Past performance is not indicative of future performance

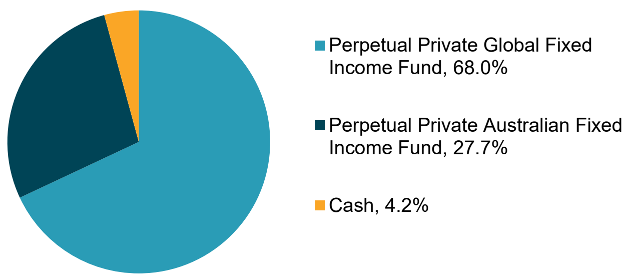
#Effective from 8th December 2025, the Fixed Income Composite benchmark comprises:
• Bloomberg Global Aggregate Bond Index (AUD Hedged) and,
• Bloomberg Ausbond Composite 0+ YR Index.
The composite benchmark reflects the Portfolio's target allocation at any time to the various asset types. Please refer to the Product Disclosure Statement for further details.

GROWTH OF $10,000 SINCE INCEPTION (AUST.)*



*The Growth of $10,000 chart includes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales or redemption charges which would lower these figures.

PORTFOLIO EXPOSURES^



^Portfolio exposures represent the Perpetual Select Investments Fixed Income Fund

MANAGER INVESTMENT APPROACH		
JP Morgan Global Aggregate Mandate	International Fixed Income	Core Fixed Income
Western Asset Global Bond Mandate	International Fixed Income	Sector Rotation, Relative Value.
Alliance Bernstein Global Bond Mandate	International Fixed Income	Sector Rotation, Relative Value.
Macquarie True Index Australian Fixed Interest Fund	Australian Fixed Income	Australian passive core fixed income and True indexing fund.

MARKET COMMENTARY

Fixed income markets delivered positive returns over the June quarter, although volatility remained elevated as investors navigated persistent inflation pressures, geopolitical uncertainty and shifting central bank expectations. Government bond yields rose sharply early in the period as escalating tensions in the Middle East pushed oil prices higher and raised concerns that a renewed energy shock would complicate the path back to central bank inflation targets. However, as ceasefire negotiations progressed and prospects for a US-Iran agreement improved, oil prices retraced and bond yields reversed much of their earlier move, helping both government and corporate bond markets finish the quarter in positive territory.

In Australia, the Reserve Bank of Australia (RBA) continued its tightening cycle in May, lifting the cash rate to 4.35% before pausing in June. While headline inflation eased to 4.0%, largely due to lower fuel prices, underlying inflation remained more persistent as housing and services inflation continued to broaden. The decision to leave rates unchanged in June was well received by markets, reinforcing the view that policy rates may be approaching their peak. Australian government bonds returned +2.7%[1] over the quarter, while Australian investment-grade credit returned +2.5%[2]. By comparison, floating-rate credit delivered a more modest return of +1.4%[3], reflecting its reduced sensitivity to declining bond yields.

Globally, bond markets remained highly sensitive to developments in energy markets and monetary policy. The US Federal Reserve left rates unchanged throughout the quarter, maintaining that policy remained sufficiently restrictive, while Kevin Warsh chaired his first meeting following confirmation as US Federal Reserve Chair. Strong labour market data and resilient economic activity supported expectations that US interest rates would need to remain restrictive for longer than previously anticipated, contributing to a flattening of the US Treasury yield curve as shorter-dated yields moved higher while longer-dated yields eased modestly. Elsewhere, the European Central Bank raised rates by 25 basis points, while the Bank of Japan also tightened monetary policy, reinforcing a broader global theme of central banks becoming less willing to look through renewed inflation pressures. Despite the volatility, global government bonds delivered a positive return of +1.5%[4] (AUD hedged) over the quarter.

Corporate bond markets also performed strongly, with both investment-grade and high-yield credit outperforming equivalent government bond markets. Global investment-grade credit returned +2.0%[5], while global high-yield bonds gained +3.8%[6] in AUD hedged terms. Importantly, periods of market volatility were driven primarily by changing interest-rate expectations and macroeconomic uncertainty rather than any material deterioration in corporate fundamentals. Credit spreads narrowed through much of the quarter as investors continued to find value in attractive all-in yields, while primary issuance remained robust, supported by refinancing activity and ongoing capital expenditure associated with artificial intelligence and digital infrastructure investment.

The Perpetual Select Fixed Income outperformed its benchmark by 0.42% over the June 2026 quarter. The Fund's 30% exposure to the Australian Fixed Income market returned 2.57% for the quarter, outperforming the Fund's 70% exposure to the Global Fixed Income market, which returned 2.14%. The Fund benefited from its overweight positions in Australian bonds and credit.

Macquarie True Index Australian Fixed Index Fund returned 2.65% for the quarter, in line with the Australian Bond Composite All Maturities Benchmark. Australian Bonds outperformed global bonds for the period, inflation fears subsided in May.

JPMorgan Global Bond Mandate returned 2.46% for the quarter ending June 2026, outperforming the Bloomberg Global Aggregate (Hedged) Benchmark return of 1.46%. Overweight UK and Australian duration and underweight US and Japanese duration added most value. An overweight to IG corporates and emerging markets also added to relative value.

Alliance Bernstein Global Plus Mandate returned 2.15% for the quarter ending June 2026, outperforming the Bloomberg Global Aggregate (Hedged) Benchmark return of 1.46%. There was no significant detractor in sector or security selection for the month. Allocations to IG corporates and agency backed mortgage securities added most to relative returns. Underweight Thai baht and overweight Eurozone euros also positive contributors.

Western Asset Management Global Bond Mandate returned 1.64% for the quarter ending June 2026, outperforming the Bloomberg Global Aggregate (Hedged) Benchmark return of 1.46%. Overweight core European duration added to performance while a flatter than expected US yield curve detracted from relative value. Overweight positions to Australian bonds and IG corporates also added value.

[1] As measured by the Bloomberg AusBond Composite (0+Y) index
[2] As measured by the Bloomberg AusBond Credit (0+Y) index
[3] As measured by the Bloomberg AusBond Credit FRN (0+Y) index
[4] As measured by the Bloomberg Global Aggregate (AUD hedged)
[5] As measured by the ICE BofA Global Corporate (AUD hedged) index
[6] As measured by the Bloomberg Global High Yield (AUD Hedged) index

RETURNS BREAKDOWN (INVESTMENTS)

	FY 2026	FY 2025	FY 2024
Growth Return %	-5.2%	4.2%	1.7%
Distribution Return %	7.1%	0.5%	0.3%
Total Return %	1.9%	4.7%	2.0%

DISTRIBUTION BREAKDOWN

	FY 2026	FY 2025	FY 2024
Cents per unit	7.0203	0.5028	0.2500

PRODUCT FEATURES

	INVEST.
Inception date	Mar 99
Management/Investment Fee (p.a.)*	0.71%
Ongoing fee discount	No
Admin fee	0.00%
Buy spread	0.24%
Sell spread	0.00%
Contribution fee	0.00%
Withdrawal fee	$0
Monthly member fee	$0
Min. initial contribution	$2,000
Min. additional contribution	$0
Savings plan	Yes
Withdrawal plan	Yes
Distribution frequency	Quarterly
Contact information	1800 677 648

*Additional fees and costs generally apply. Please refer to the Product Disclosure Statement for further details.

OUTLOOK

Fixed income markets continue to navigate a difficult balance between slowing growth, restrictive monetary policy and persistent inflation risks. Yield curves have spent much of the last two years implying a materially faster easing cycle than ultimately occurred, highlighting the danger of treating market pricing as a forecast rather than an expectation. More recently, higher energy prices and geopolitical uncertainty have contributed to renewed volatility across government bond markets, prompting investors to reassess both the timing and magnitude of future policy easing.

One of the defining features of the current cycle has been the resilience of economic activity despite aggressive monetary tightening. Fiscal support has proven more persistent than expected, consumer spending more resilient than anticipated and AI-related investment has translated into tangible financing activity across the global economy. As a result, economic outcomes, particularly in the US, have continued to diverge from consensus expectations, repeatedly challenging forecasts that tighter monetary policy would lead to a more pronounced slowdown.

Recent enthusiasm surrounding artificial intelligence has inevitably drawn comparisons with previous technology cycles. Regardless of where valuations ultimately settle, the scale of investment supporting data centres, power infrastructure and computing capacity suggests the theme is already having a meaningful impact on economic activity. Beyond the financing activity already being generated across credit markets, AI-enabled tools are increasingly improving productivity and operational efficiency across a broad range of industries, reinforcing the growing influence of the investment theme on the real economy.

The post-COVID inflation experience is often explained through supply-chain disruptions and demand being brought forward. While both factors played an important role, the persistence of demand points to something more structural. Despite households largely exhausting their pandemic-era savings, labour markets have remained resilient and nominal income growth has continued to support spending. In our view, the key question now is whether labour income and credit growth can continue to sustain demand as fiscal support gradually fades and excess savings disappear.

This question is especially relevant in Australia, where large parts of the domestic credit market remain tied to the consumer, residential property and small business sectors. As a result, we continue to monitor consumer, small business and non-bank lender fundamentals closely as leading indicators of future credit conditions.

From a portfolio perspective, this reinforces our preference for globally diversified credit opportunities over increasing exposure to domestic spread assets. Australian credit continues to offer attractive income; however, spreads already reflect broadly benign credit conditions and appear to offer limited compensation should household, property or small business conditions weaken. Global credit continues to provide greater diversification benefits and, in our view, a more attractive balance between risk and return. We are comfortable holding this positioning for now, while retaining the flexibility to add to domestic credit should spreads move to better reflect the risks we are monitoring.

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