Perpetual Pure Series Funds

PERPETUAL PURE CREDIT ALPHA FUND CLASS W

July 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: $716.0 million as at 30 June 2026
Mgmt Fee: 0.85% pa*
Benchmark Yield: 0.000% as at 31 July 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

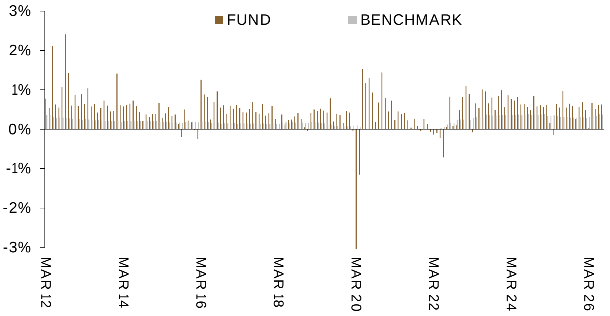
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether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

TOTAL RETURNS % (AFTER FEES) AS AT 31 July 2026

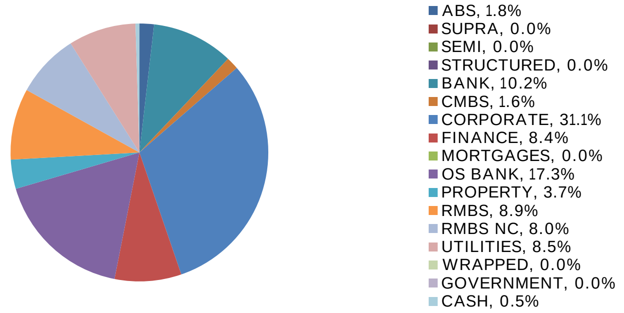
	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS PA	3 YRS PA	5 YRS PA	7 YRS PA	INCEPT PA
Perpetual Pure Credit Alpha Fund W Class	0.63	1.77	2.98	6.42	6.52	7.38	5.81	5.11	5.89
RBA Cash Rate	0.37	1.10	2.08	3.96	4.12	4.21	3.21	2.39	2.28

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	38.82%
Subordinated Debt	41.11%
Hybrid Debt	20.08%
% Geared	0.00%
Running Yield#	7.14%
Average Credit Rating	BBB
Portfolio Weighted Average Life	3.59 yrs
No. Securities	206
Long	99.51%
Short	0.00%
Net	99.51%

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

July proved to be another volatile month for global fixed income and credit markets, again shaped by the trajectory of the Middle East conflict, its impact on oil prices and the path of central bank policy. Renewed strikes and the announced closure of the Strait of Hormuz sent Brent crude from the low US$70s to above US$100 a barrel at its peak — a rise of more than 30% for the month — before a pause in hostilities and softer inflation data in the final week saw prices ease. The upward pressure on oil prices saw markets increasingly price further US rate hikes, precipitating a selloff in global bond yields.

Australian bond yields moved higher over July, in line with global curves which sold off while steepening. Mid-month, a much stronger than expected June employment report (+76,300 jobs) saw expectations of further rate rises firm before improving inflation data and neutral commentary from Governor Bullock moderated expectations. Bond yields rallied into month-end, although the move only recovered a portion of July's earlier selloff.

Domestic credit spreads traded in a relatively tight range over the month despite the rates volatility. Credit spreads ended the month marginally tighter on aggregate. Tier 2 markets were particularly quiet, with major bank five-year non-call spreads trading in a 3bp range (119–122bp) — the tightest monthly range since 2022 — supported by very light primary supply and continued ETF inflows into the subordinated debt space. Hybrid paper performed well, supported by supply-side dynamics, while higher-beta credit continued to draw interest even as APRA phases out the domestic bank AT1 market.

Primary market issuance volumes were below trend in July. NAB ($2.5B senior) and Royal Bank of Canada ($500M covered) priced short-dated three-year deals. CDC Data Centres priced $700M in senior bonds – the first-ever AUD senior deal from a data centre operator – across six- and 10-year tranches.

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 banks and offshore banks. At month-end, the portfolio's running yield was 7.1%.

Credit spread dynamics were positive for relative performance over the month. Despite the relatively benign spread conditions, the Fund benefitted from spread contraction across non-financial corporate, offshore bank and securitised exposures. Hybrid exposures within the utilities sector performed well and the Manager took the opportunity to further add to the position during the month. Another material contributor over the month was an Additional Tier 1 capital hybrid from Barclays, which has rallied since its issue in May. Higher-beta credit from offshore banks and corporates continued to draw interest even as APRA phases out the domestic bank AT1 market.

Sector and risk exposures were broadly maintained over the month, with the Manager trimming the Fund's exposure to domestic and offshore banks marginally, locking in a portion of recent gains. The Manager took advantage of attractive relative value in secondary markets during the month, opportunistically adding exposure to recent issues from Engie SA and Verizon Communications. Both positions rallied over the remainder of the month, contributing to spread performance. Elsewhere, the Manager also elected to take part in a pair of new securitisations in the RMBS sector.

Perpetual's proprietary credit outlook score improved over the month to reach a marginally positive score, led by technical indicators with favourable readings across domestic and intermediary positioning, US credit conditions, US equity and equity volatility. The Fund maintains a liquid investment-grade core portfolio (including cash), which accounted for 69.6% of the portfolio at month-end. The Fund's broad mandate ensures that the portfolio can capture the liquidity premia offered by private credit while liquid public credit exposures provide portfolio ballast. The liquid core component strengthens the Fund's liquidity profile and gives the Manager optionality to take advantage of relative value opportunities as they arise.

OUTLOOK

The credit outlook improved over July, reaching a slight positive reading by month-end.

Valuation indicators are neutral, with US investment grade, US high yield, Australian investment grade and Australian swap spreads trading within the range of recent averages. Relative value measures (the basis swap, domestic versus offshore spreads and opportunistic issuance) were similarly benign.

The macroeconomic outlook is the primary headwind to the credit outlook. Declining global growth expectations – including downgraded IMF estimates released during the month – weigh on the outlook.

This was partly offset by a positive reading on the ratio of upgrades to downgrades, reflecting a strong Q2 US earnings season. Oil price volatility remains a watchpoint, although the indicator ended the month broadly flat, having spiked and then retraced with the conflict.

Supply and demand indicators are finely balanced. Market demand remains relatively healthy especially in higher beta sectors. A softer month of primary market issuance saw the recent supply indicator neutralise.

Technical indicators were the standout positive contributor, with favourable readings across domestic real money and intermediary positioning, US credit conditions, US equity and equity volatility all supporting the improved overall reading.

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

MORE INFORMATION
Investor Services 1800 022 033
Email PerpetualUTqueries@cm.mpms.mufg.com
www.perpetual.com.au

Perpetual