

PERPETUAL PURE CREDIT ALPHA FUND CLASS W

September 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 30 September 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

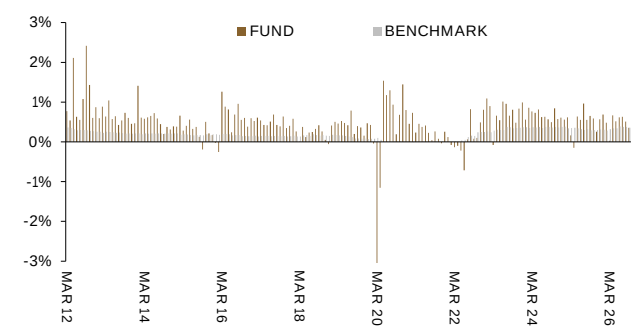
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether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

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

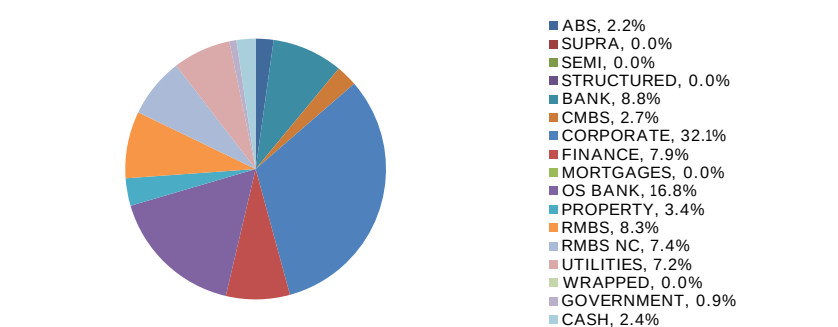
	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS PA	3 YRS PA	5 YRS PA	7 YRS PA	INCEPT PA
Perpetual Pure Credit Alpha Fund W Class	0.35	1.50	3.34	6.07	6.42	7.17	5.93	5.15	5.89
RBA Cash Rate	0.36	1.10	2.18	4.08	4.12	4.22	3.36	2.47	2.30

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	41.68%
Subordinated Debt	39.63%
Hybrid Debt	18.69%
% Geared	0.00%
Running Yield [#]	7.09%
Average Credit Rating	BBB
Portfolio Weighted Average Life	3.81 yrs
No. Securities	224
Long	97.63%
Short	0.00%
Net	97.63%

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

Credit markets softened modestly in September as a sharp rise in global bond yields tested investor appetite for risk. The month began with the US and Iran exchanging strikes for the first time in almost a month, while attacks on shipping and Saudi energy infrastructure drove oil prices sharply higher. Higher energy prices, strong US growth, heavy debt issuance to fund the AI investment build-out and persistent fiscal deficits pushed yields higher across major markets. The US 10-year yield rose 0.54% to 5.29%, touching its highest level since 2007 during the month.

The RBA raised the cash rate by 0.25% to 4.60% at its 29 September meeting. The unanimous decision marked its fourth increase this year, with the RBA citing higher energy prices and inflation risks that had begun to materialise. Governor Bullock struck a more cautious tone at her press conference, while the softer-than-expected August monthly CPI led expectations for further 2026 rate increases to moderate. Domestic data were generally soft, with unemployment rising from 4.5% to 4.6% and NAB business conditions falling below zero for the first time since 2020. Australian bond yields rose materially over the month, although by less than US yields, which sold off sharply. The Federal Reserve raised rates to 3.75–4.00%, its first increase since 2023, signalling at least one more increase by year end. The ECB, Bank of Japan and Reserve Bank of New Zealand also tightened policy.

Credit spreads were modestly wider in September, although they remained resilient given the scale of the move in government bond yields. Spread dynamics were mixed by sector and geography. French bank and corporate paper underperformed, reflecting political uncertainty and rising risk premia. Sentiment towards domestic private credit also deteriorated following the August insolvency of property developer Bathla Group, with several managers restricting redemptions and ASIC warning that the sector should prepare for enforcement action.

Primary issuance was heavy through the first three weeks of September before slowing towards quarter end as global yields spiked and the RBA decision approached. Issuance volumes were led by a record month for securitised sectors. While the domestic major banks were largely absent, ING priced a \$1.5 billion covered bond, while Macquarie issued a \$1.4 billion Tier 2 deal across 10.5-year non-call 5.5-year and 15-year non-call 10-year maturities. Corporate supply was steady following reporting season and included ElectraNet, ARTC, The Lottery Corporation and Aurizon, as well as Kangaroo deals from E.ON and Anglian Water.

PORTFOLIO COMMENTARY

Credit spread dynamics were marginally negative for relative performance over the month. Spread widening detracted from performance across domestic bank, telecommunications and French bank exposures, with the latter underperforming amid political uncertainty and rising risk premia. This was partially offset by the Fund’s allocation to securitised assets, which contributed positively.

The Fund’s yield premium above benchmark remained the key contributing factor to outperformance over the month. The Fund’s floating rate structure minimises the impact of interest rate volatility while rising base rates support the income distributable to unitholders as coupons are reset at higher rates. 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 Fund’s running yield was 7.1% with the average spread measured at 2.3%.

The Manager took advantage of elevated securitisation supply to add new CMBS and RMBS positions. The Fund also participated in new senior issues from The Lottery Corporation and NSW Electricity Networks. The Manager added telecommunications hybrids and property trusts in the secondary market. These additions were funded by trimming domestic major bank Tier 2 exposure and selected corporate positions.

Perpetual’s proprietary credit outlook score was unchanged through September and remains in negative territory, weighed down by negative supply and demand indicators. The Fund maintains a liquid core sleeve of investment-grade securities and cash, which accounted for 69.9% of portfolio NAV at month end. The Fund’s broad mandate allows the portfolio to capture the liquidity premia offered by private credit, while liquid public credit exposures provide portfolio ballast. The liquid core strengthens the portfolio’s liquidity profile and gives the Manager the flexibility to take risk opportunistically where it is best rewarded.

OUTLOOK

The credit outlook was unchanged through September and remains in negative territory.

Valuation indicators improved modestly as spreads widened, with US high yield and Australian swap measures moving from negative to neutral. The basis swap and the relative value of domestic versus offshore spreads continue to contribute positively, while opportunistic issuer activity is neutral.

The macroeconomic outlook is neutral. Higher oil prices and softening growth remain headwinds, while the ratio of upgrades to downgrades is strongly positive, reflecting robust US earnings growth and indicating a broader strengthening in credit quality.

Supply and demand indicators remain negative. Market demand softened to neutral as bond yields rose, while the pipeline of upcoming supply improved. The maturity schedule and elevated recent issuance continue to weigh on the near-term outlook for spreads.

Technical indicators eased to neutral from marginally positive. Domestic and intermediary positioning indicators turned negative, offsetting positive contributions from US credit, equity and equity volatility indicators.

The Team remains risk aware as rising yields increasingly test credit markets, with more leveraged borrowers the most exposed

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

