Perpetual Private

Fund Profile - 30 September 2025

Implemented Fixed Income Portfolio

Fund facts

APIR code	PER0710AU
Inception date	9 December 2013
Asset class	Diversified Fixed Income
Investment style	Multi manager blend
Benchmark	Fixed Income Composite Benchmark#
Suggested length of investment	Three years or more
Unit pricing frequency	Daily
Distribution frequency	Quarterly
Legal type	Unit trust
Product type	Wholesale Managed Investment Scheme
Status	Open
Management fee*(%)	0.47%
Buy/Sell spread	0.24% / 0.00% as at September 2025
Issuer	Perpetual Investment Management Limited

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

#The Fixed Income Composite benchmark, prior to 30th June 2022, consisted of 60% Bloomberg AusBond Bank Bill Index, 20% Bloomberg AusBond Composite Index & 20% Bloomberg Barclays Global Aggregate (AUD Hedged); effective from 30th June 22, it changed to 100% Bloomberg Global Aggregate Index (AUD Hedged)

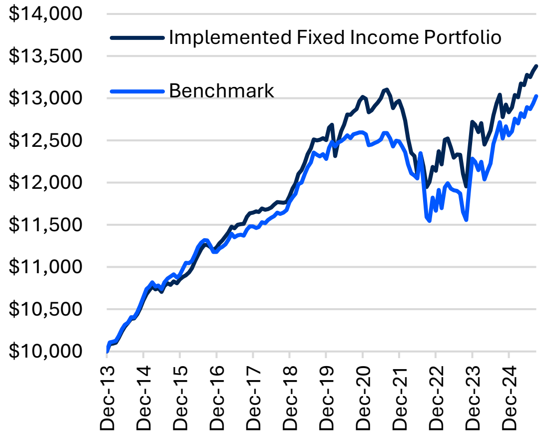
Investment objective

To provide investors with income through investment in a diversified portfolio of fixed income and floating rate investments (including mortgages). To outperform the stated benchmark over rolling three-year periods.

Benefits

Provides investors with the potential for maximising income and capital stability, with broad market exposure.

Growth of $10,000 since inception (net of fees)



Source: State Street.

Net performance

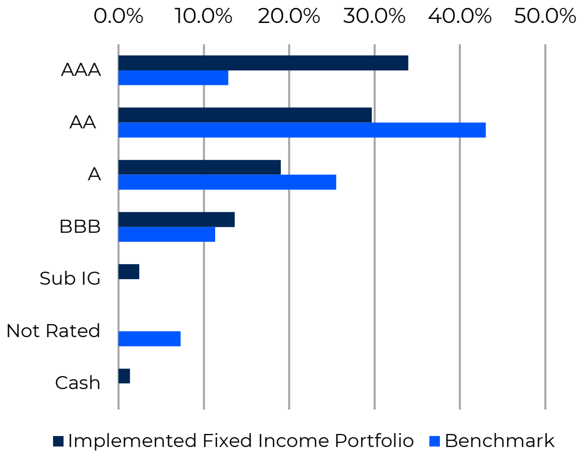
As at September 2025

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	0.4%	0.8%	2.6%	3.8%	0.8%	2.6%
Growth return	-0.1%	0.2%	1.2%	3.1%	-0.9%	0.1%
Distribution return	0.6%	0.6%	1.4%	0.8%	1.7%	2.5%
Benchmark	0.7%	1.0%	2.4%	4.0%	0.7%	2.3%
Excess Return	-0.2%	-0.2%	0.1%	-0.1%	0.1%	0.3%

Source: State Street. Performance shown is net of all fees and transaction costs. Past performance is not indicative of future performance. *Since Inception

Ratings breakdown

As at September 2025^

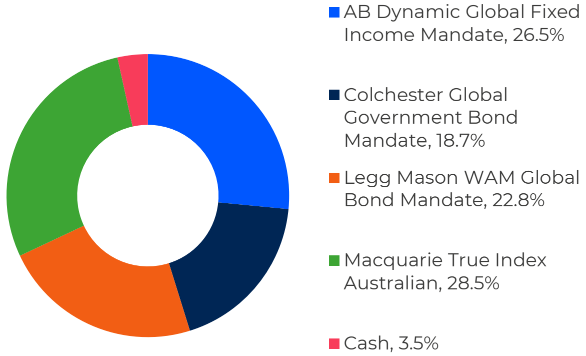


Source: State Street, External Manager Reports

^Portfolio exposures can be lagged by up to 3 months.

Portfolio exposure by manager

As at September 2025



Source: State Street, FactSet

Investment approach

A multi-manager framework is utilised, where specialist investment managers are selected to form a diverse and complementary mix of investment strategies and styles. This can help reduce volatility by avoiding over exposure to a particular specialist investment manager. Derivatives may be used in managing the portfolio.

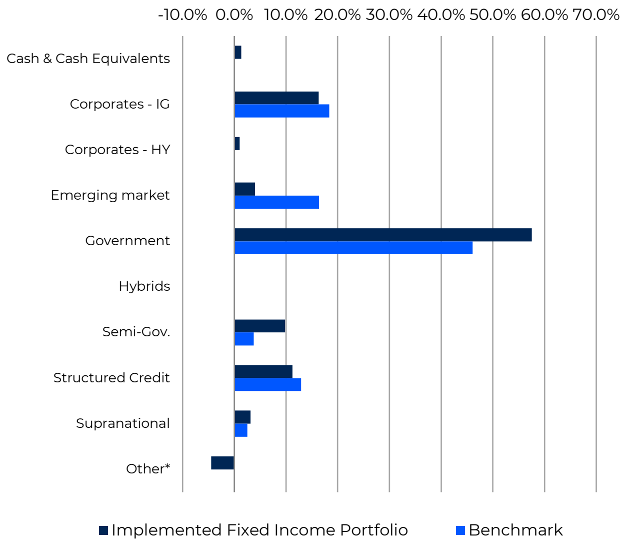
Investment strategy

The Implemented Fixed Income Portfolio invests in both Australian and International fixed interest markets, as well as diversified credit markets.

The managers within the Implemented Fixed Income Portfolio will invest across the broad spectrum of available debt instruments diversified by industry, maturity and credit rating (the majority of which will be investment grade as assigned by a recognised global ratings agency). Their portfolios tend to be diversified across hundreds of positions both in physical securities and through the use of derivatives. The diversified nature of their portfolios aims for the delivery of consistent returns above their designated benchmarks and acts to mitigate a large negative portfolio impact from any single position that may underperform from time to time.

The Implemented Fixed Income Portfolio blends a small group of managers that construct well diversified portfolios, who have a long-term and consistent track record, are expected to continue to deliver on this track record, and whose investment styles complement each other well. Consistency and complimentary of return profiles are of critical importance such that we can comfortably blend managers to deliver consistent and stable outperformance above the benchmark.

Sector Exposures
As at September 2025^

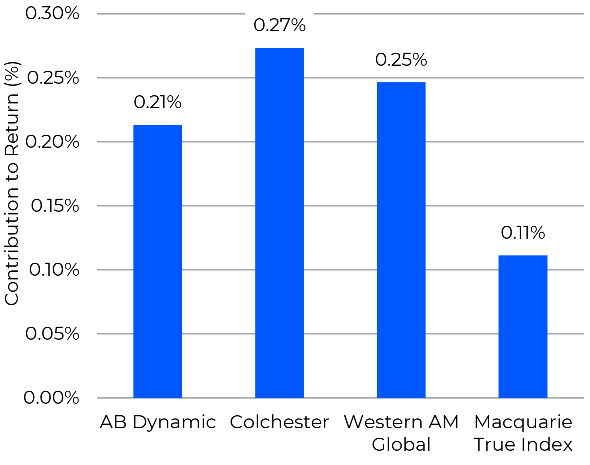


Source(s): State Street, External Manager Reports.
*Other may appear as negative due to the use of Interest Rate Derivatives and Derivative Offsets.
^Portfolio exposures can be lagged by up to 3 months.

Manager line-up and approach
As at September 2025

Manager	Approach
AB Dynamic Global Fixed Income Mandate	Global Rates and Sector Rotation, Relative Value.
Colchester Global Government Bond Mandate	Global Rates, Real Return.
Western Asset Management Global Bond Mandate	Global Rates and Sector Rotation, Macro.
Macquarie True Index Australian Fixed Interest	Australian passive core fixed income and True indexing fund.

Contribution by manager
Quarter to September 2025



Source: State Street, FactSet

Market Commentary

Fixed income markets delivered modest returns in the September quarter, as central banks continued to cut rates against a backdrop of higher inflation and still resilient growth. Global fixed income rose 1.0%[1], while Australian fixed income gained 0.4%[2]. Sovereign bond gains were constrained by sticky inflation, while credit outperformed with the support of tighter spreads, low defaults rates and healthy corporate fundamentals.

In Australia, the RBA cut the cash rate by 25 bps in August to 3.60%, its third reduction this year after earlier moves in February and May. Yields initially fell on the decision but reversed as August headline CPI surprised higher at 3.0%[3] year-on-year and GDP growth in Q2 beat expectations. Over the quarter, three-year bond yields climbed 29 bps to 3.55%, while the 10-year yield rose 14 bps to 4.30%. This left the Australian curve flatter, narrowing the difference between long- and short-term interest rates, underscoring how inflation continues to limit Australian sovereign bond gains despite easier policy.

In the US, the Federal Reserve cut rates twice in response to softer labour market data. US fixed income performance was supported by a decline in Treasury yields, with the most pronounced moves at the front end of the curve. Three-month cash rates fell nearly 40 bps, while two-year Treasury yields still edged higher by 10 bps to 3.61%. By contrast, the 10-year yield eased just 8 bps to 4.15%, leaving the 2s–10s curve flatter. The long end of the curve remained relatively anchored, held up by fiscal risks, inflation expectations, and concerns about threats to Fed independence. Across Europe, moves were more modest, with German 10-year bund yields up 12 bps and French 10-year yields up 26 bps, reflecting renewed investor concerns over long-term debt sustainability.

Credit markets continued to perform strongly as spreads compressed further. Australian credit returned 0.9%[4], while global investment grade spreads tightened to multi-decade lows, supported by solid corporate fundamentals and low default expectations. Investment grade credit returned 2.0%[5] over the period. Global high yield also performed well (+2.5%[6]), buoyed by resilient corporate earnings and strong demand for carry. With prevailing spread levels now trading at historical tights, valuations leave little room for disappointment if growth slows or defaults begin to rise.

Portfolio Commentary

The Perpetual Implemented Fixed Income Portfolio underperformed its benchmark by 0.2% over the September 2025 quarter; primarily driven by the allocation overweight to Australian FI.

Macquarie True Index Australian Fixed Index Fund returned 0.4% during the quarter, broadly in line with the Bloomberg AusBond Composite 0+ Year Index. Australian government bond yields were volatile as market expectations of further rate cuts was tempered by mixed economic conditions and a cautious tone by the RBA.

Western Asset Global Bond Mandate outperformed its benchmark for the period, with the portfolio returning 1.1% versus the Bloomberg Global Aggregate Bond Index (hedged AUD) return of 1.0%. Over the quarter, the managers largest contributor was positive credit selection while maintaining a generally neutral duration position.

Colchester Global Government Bond Mandate returned 1.5% for the period, outperforming the Bloomberg Global Treasury Index Hedged to AUD which returned 0.5%. Overweight positions in New Zealand, Mexico, Indonesia and Norway were all strong contributors to performance.

[1] As measured by the Bloomberg Global Aggregate (AUD hedged) index
[2] As measured by the AusBond Composite (0+Y) index
[3] Australian Bureau of Statistics (ABS), National Accounts, and Consumer Price index
[4] As measured by Bloomberg AusBond Credit (0+Y) index
[5] As measured by the ICE BofA Global Corporate (AUD Hedged) index
[6] As measured by the Bloomberg Global High Yield (AUD Hedged) index

Alliance Bernstein Global Plus Mandate underperformed its benchmark for the period, with the portfolio returning 0.8% versus the Bloomberg Global Aggregate Bond Index (hedged AUD) return of 1.0%. Country duration positioning was the primary detractor of performance over the quarter.

Manager Insights and Outlook

Following the August rate cut, the RBA has shifted to a more cautious, data-dependent stance. While inflation has edged higher, it remains within the Bank's 2–3% target band. Volatility in government bond markets has persisted, driven largely by offshore developments. To date, there has been no sustained increase in Australian inflation attributable to US trade policy. However, our base case is for US inflation to rise over time. Discussions around tariff pass-through suggest that corporates have not yet fully passed on all tariff-related costs, though many anticipate doing so over the coming year.

The long-term implications of US trade policy remain uncertain. In the near term, we expect upward pressure on US inflation and a weaker medium-term growth outlook, though resilient consumer spending continues to provide support. This policy uncertainty and its inflationary consequences have been a key driver of ongoing volatility in global sovereign bond markets. An environment we expect to persist.

Despite falling policy rates, absolute yield levels remain elevated relative to historical norms, particularly when compared to the pre-2022 zero-rate environment. Credit demand has remained strong, with spread compression supported by subdued M&A activity and a weak issuance pipeline. While spreads are tight, we believe there is scope for further tightening, particularly in a declining policy rate environment. Lower base rates are also supportive of credit quality, improving overall debt serviceability.

Within portfolios, we have been constructive on select parts of the government bond curve and have taken advantage of opportunities in Emerging Market (EM) debt, which has been a key contributor to returns in recent periods. This has been complemented by credit selection focused on the one- to three-year segment of the curve. However, at this stage of the cycle, we believe much of the alpha in EM and government bonds has already been realised, and we expect to gradually reduce our overweight positions in both areas over the coming months. We continue to maintain a selective approach within credit, emphasising shorter-dated exposures where valuations remain more attractive.

More information

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