Perpetual Pure Series Funds

PERPETUAL PURE CREDIT ALPHA FUND CLASS W

August 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 August 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

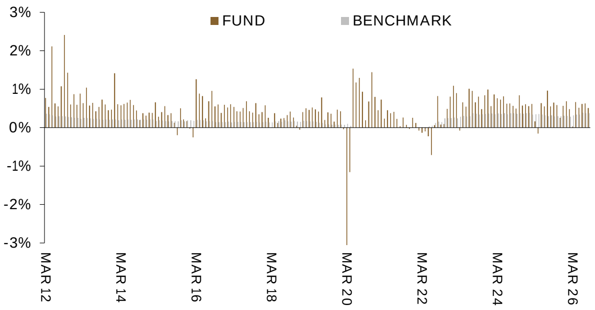
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether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

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

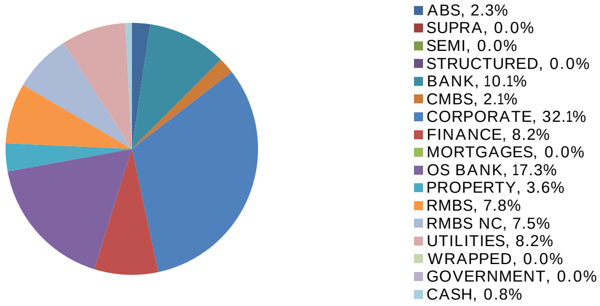
	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS PA	3 YRS PA	5 YRS PA	7 YRS PA	INCEPT PA
Perpetual Pure Credit Alpha Fund W Class	0.51	1.77	3.01	6.38	6.49	7.33	5.91	5.16	5.90
RBA Cash Rate	0.37	1.10	2.16	4.02	4.12	4.22	3.29	2.43	2.29

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	41.30%
Subordinated Debt	39.23%
Hybrid Debt	19.47%
% Geared	0.00%
Running Yield#	7.11%
Average Credit Rating	BBB
Portfolio Weighted Average Life	3.77 yrs
No. Securities	213
Long	99.17%
Short	0.00%
Net	99.17%

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

Fixed income and credit markets navigated a combination of geopolitical tensions and shifting monetary policy expectations during August. While hopes of an improvement in Middle East supply conditions initially weighed on oil prices and supported market sentiment, escalating regional tensions later in the month reversed those moves, driving energy prices higher and placing upward pressure on global bond yields. Markets also reacted to a hawkish Jackson Hole address from Federal Reserve Chair Kevin Warsh, who indicated that inflation risks remained elevated and that further policy restraint may be required. Despite rising yields, risk assets were well supported with equity markets rallying over the month.

Australian bond yields moved higher over August. The RBA left the cash rate unchanged at 4.35% at its 11 August meeting, judging that while the labour market had eased a little more than expected, headline inflation remained too high. Expectations for a hike firmed sharply following the release of the monthly inflation indicator late in the month, which showed trimmed mean inflation rising 0.5% for the month and 3.6% over the year – above consensus.

Australian credit spreads were resilient given elevated issuance volumes, trading in a relatively tight range over the month. Performance was mixed with domestic bank senior and tier 2 paper widening marginally over the month, reflecting heavy post-reporting-season supply. In a busy month of primary market issuance for major bank subordinated paper, spreads were supported by strong ETF flows. Insurance and offshore bank hybrids continue to perform well, meeting demand in the wake of APRA's sunsetting of domestic bank Additional Tier 1 Capital. Securitised sectors tightened slightly on aggregate despite healthy primary market deal flow.

Primary market issuance was well above trend in August. The standout was Alphabet's inaugural A$ transaction – the largest-ever corporate bond deal completed in Australia – which raised $5.5bn across three-, five-, ten- and 20-year tranches after attracting more than $18bn of orders. The deal weighed on secondary market spreads around pricing but was otherwise well absorbed given its diversified investor base. US energy and infrastructure company NextEra returned to the kangaroo market, issuing A$2.575B of hybrid paper. Despite pricing shortly after the Alphabet transaction, the deal was oversubscribed reflecting elevated demand for corporate hybrid paper. Elsewhere, Westpac issued A$1.5B of subordinated paper built a very large (A$5B) orderbook, reflecting the hybrid replacement and passive flows into the sector. ANZ also raised A$1.75M in longer dated tier 2 alongside $2.5B in senior paper while Macquarie Bank (A$1.5B) and Toronto Dominion Bank ($1.1B) priced senior bonds.

PORTFOLIO COMMENTARY

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 portfolio's running yield was 7.1%.

Credit spread dynamics were mixed for performance over the month. Non-financial corporates were constructive including resources and railroad exposures alongside a hybrid USD telco position added in secondary during the month which rallied. This was partially offset by utilities and subordinated bank exposures which softened marginally despite robust passive ETF flows. Domestic bank senior and tier 2 paper widened marginally over the month, reflecting heavy post-reporting-season supply.

Sector and risk exposures were broadly maintained over the month. The Manager did not elect to add the new Alphabet bond to the portfolio instead taking advantage of opportunities among financials taking part in new deals from Credit Agricole (6-year non-call 5 senior bond) and Westpac (10-year non-call 5 Tier 2 bond) which offered attractive spread pickup relative to their respective senior and subordinated curves. The Fund also took part in new securitisation deals in the ABS and CMBS sectors.

Perpetual's proprietary credit outlook score eased to a slight negative reading by month-end. Supply and demand indicators were the primary detractor from the overall score. Elevated recent and upcoming issuance – including the record Alphabet transaction and a heavy wave of post-reporting-season bank Tier 2 supply – outweighed still-healthy underlying market demand. The macroeconomic outlook remained a headwind, with declining global growth expectations weighing on the score.

The Fund maintains a liquid investment-grade core portfolio (including cash), which accounted for 69.4% 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

Valuation indicators turned negative, led by US high yield spread and opportunistic issuance trends. Australian investment grade, US investment grade and Australian swap spreads remained within the range of recent averages, while domestic versus offshore spreads and the basis swap were similarly benign.

The macroeconomic outlook remained a headwind, with declining global growth expectations weighing on the score. This was partly offset by a positive reading on both the ISM survey and the ratio of upgrades to downgrades, the latter reflecting a strong Q2 US earnings season. Oil price volatility remains a watchpoint following the month's escalation in the Middle East, although the indicator ended the month broadly neutral.

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Technical indicators were broadly neutral, with softer domestic real money positioning offset by favourable readings across US credit conditions, US equity markets and equity volatility.

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

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