

Perpetual Investment Funds

PERPETUAL

CREDIT INCOME FUND

October 2025



FUND FACTS

Investment objective: Aims to provide investors with regular income by investing in a diversified range of income generating assets, and outperform the Bloomberg AusBond Bank Bill Index** over rolling three-year periods before fees and taxes.

Benchmark: Bloomberg AusBond Bank Bill Index**

Inception date: November 2004

Size of fund: \$175.9 million as at 30 September 2025

APIR: PER0263AU

Mgmt Fee: Please contact us for a copy of the disclosure document.

Benchmark Yield: 3.584% as at 31 October 2025

Suggested minimum investment period: Three years or longer

FUND BENEFITS

Provides investors with the potential for regular income, above cash returns and lower volatility than other income strategies through an actively managed and liquid investment.

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 October 2025

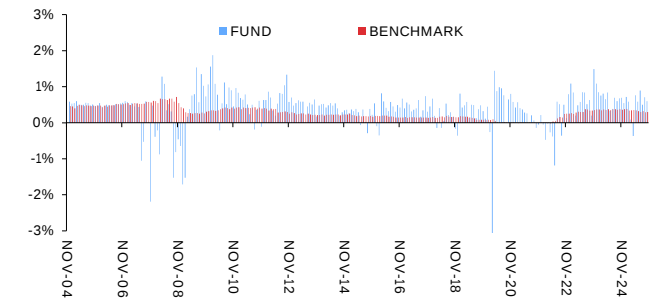
	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS PA	3 YRS PA	5 YRS PA	7 YRS PA	INCEPT PA
Perpetual Credit Income Fund	0.60	1.82	4.12	6.48	8.00	7.78	5.19	4.54	4.78
Bloomberg AusBond Bank Bill Index**	0.30	0.91	1.89	4.11	4.28	4.07	2.58	2.15	3.43

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.

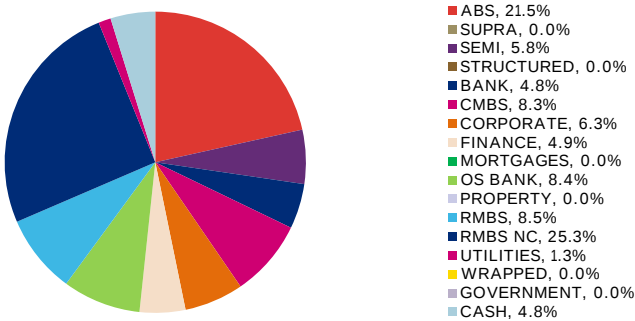
POINTS OF INTEREST

- Unemployment data elevated; AU inflation surprises to the upside;
- Further rate cut expectations soften;
- Domestic credit spreads rangebound;
- Primary issuance volumes remain strong, demand healthy;
- The credit outlook is neutral.

MONTHLY PERFORMANCE SINCE INCEPTION



PORTFOLIO SECTORS



PORTFOLIO COMPOSITION

	BREAKDOWN
Senior Debt	28.51%
Subordinated Debt	62.61%
Hybrid Debt	8.87%
Modified Duration	0.78
Running Yield [#]	4.99%
Portfolio Weighted Average Life	3.75 yrs
No. Securities	121

* Information on Management Costs (including estimated indirect costs) is set out in the Fund’s PDS.

MARKET COMMENTARY

During October, risk assets including equities and credit strengthened while bond markets saw elevated volatility as markets responded to central bank commentary, the US government shutdown, increasing inflation pressure and softening domestic employment data. Geopolitical tensions were heightened in early October before US-China trade negotiations eased concerns towards the end of the month. Moderating US inflation data also suggested that the impact of tariffs was more modest than initially feared.

Domestic bond yields saw elevated volatility during October as markets parsed higher than expected unemployment and underlying inflation for the September quarter. The September quarter employment data defied consensus with unemployment rising to 4.5% from 4.3% reflecting increasing participation rates. Bond yields and equities rallied initially, anticipating a higher likelihood of further near-term rate cuts before a soft third quarter CPI data dampened the outlook. Released later in the month, trimmed mean annual inflation rose 1% in the September quarter, and was 3.0% annually, up from 2.7% in the prior quarter. By month end, futures markets had priced in one final rate cut in mid-2026.

Domestic credit spreads traded in a tight range throughout October with credit spreads very marginally tighter by month end. Swap to bond spreads normalised somewhat during October, while remaining marginally in negative territory. Offshore spreads saw modest expansion with USD investment grade and high yield spreads widening following a pair of US corporate bankruptcies early in the month.

Primary market issuance volumes remained elevated throughout October. Demand remained healthy, although increasingly name and structure specific. National Australia Bank raised \$3B across fixed and floating tranches including a 10-year fixed rate tranche that was met with strong demand. Ampol returned to market to price a \$500M hybrid issue and Lendlease issued a \$450M hybrid, both deals were substantially oversubscribed and performed well in secondary. Elsewhere, Patrick Terminals Finance raised \$600M across 7 and 10-year tranches while Weir group priced \$400M of fixed rate senior bonds in their inaugural issue. Securitised sectors saw elevated issuance volumes across RMBS, corporate and auto ABS.

PORTFOLIO COMMENTARY

Credit spread dynamics were the key contributing factor to outperformance over the month. While spreads traded in a tight range, the Fund's selective allocation to subordinated and hybrid securities performed well as subordinated spreads converged on the senior curve. Allocation to domestic regional and offshore banks performed well, alongside USD denominated subordinated bonds from Macquarie and National Australia Bank (the Fund's only major bank exposure). Non-financial corporate exposures also contributed, led by a pair of opportunistic relative value secondary market trades – a USD denominated Santos Finance senior bond and Ampol hybrid which performed well in the wake of strong demand for Ampol's new hybrid deal. Spread widening among securitised sectors detracted marginally as markets digested elevated issuance volumes.

Duration and curve positioning was material contributor to performance over the month. The Fund started the month with approximately half a year of interest rate duration which contributed to performance as underwhelming employment data firmed expectations for further near-term rate cuts. The Manager elected to shorten the portfolio's duration to -0.6 years in anticipation of the September CPI release. The positioning performed very well as yields rose following the higher-than-expected print. By month end, the Manager had exited the short position, with the Fund ending October with 0.8 years of duration.

Income return was strong contributor to relative performance over the period despite the Fund's conservative positioning. The Fund yield advantage above benchmark is attributable primarily to RMBS and offshore bank allocations. The Portfolio's running yield was 4.9% at month end, with the spread (credit yield premium) measured at 1.3%

The Manager elected to deploy a portion of the Fund's cash position during October taking advantage of a busy month of securitisation activity to add to RMBS, CMBS and ABS exposures. The Manager also elected to take profits on a number of regional and offshore bank subordinated bonds.

The outlook for credit is finely balanced and the Manager continues to carefully manage credit and liquidity risks. The Fund retains a material cash allocation providing ample dry powder to take advantage of relative value opportunities and attractively priced issues as the outlook improves.

OUTLOOK

The credit outlook remained neutral throughout October.

Valuation indicators improved over the month, as swap to bond spreads moderated and domestic and offshore spreads converged. Domestic Investment grade, US investment grade and high yields spreads are finely balanced.

The macroeconomic outlook is very marginally negative, reflecting the soft expectations for global growth.

Supply and demand indicators declined over the month ending the month with a negative reading. A lower volume of upcoming maturities alongside elevated recent and anticipated issuance volumes weigh on near term expectations for credit spreads. Market demand has thus far remained healthy supported by elevated interest from offshore investors.

Technical indicators declined marginally while remaining positive. While US credit and equity indicators remain supportive, the equity volatility indicator neutralised. Intermediary positioning shows capacity, supporting the outlook.

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No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of any investor's capital.

Total return shown for the fund(s) have been calculated using exit prices after taking into account of Perpetual's ongoing fees and assuming reinvestment of distributions.

No allowance has been made for entry or exit fees or taxation (except in the case of superannuation funds, as applicable). Past performance is not indicative of future performance.

* Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries.

** 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

