

PERPETUAL PURE CREDIT ALPHA FUND CLASS W

October 2025

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: \$684.8 million as at 30 September 2025
Mgmt Fee: 0.85% pa*
Benchmark Yield: 4.100% as at 31 October 2025
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

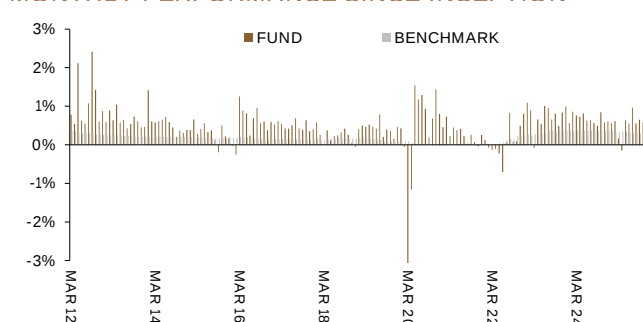
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether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

TOTAL RETURNS % (AFTER FEES) AS AT 31 October 2025

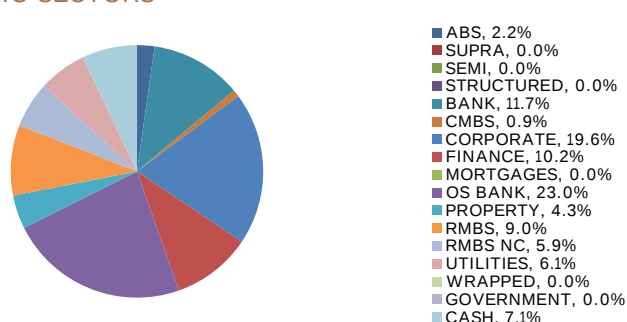
	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS PA	3 YRS PA	5 YRS PA	7 YRS PA	INCEPT PA
Perpetual Pure Credit Alpha Fund W Class	0.59	1.80	4.01	6.50	7.77	8.07	5.95	4.98	5.88
RBA Cash Rate	0.31	0.92	1.92	4.09	4.27	4.08	2.62	2.11	2.18

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	35.20%
Subordinated Debt	48.55%
Hybrid Debt	16.24%
% Geared	0.00%
Running Yield [#]	6.08%
Portfolio Weighted Average Life	3.38 yrs
No. Securities	171
Long	92.92%
Short	0.00%
Net	92.92%

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

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 contributed to performance despite domestic credit spreads trading in a relatively tight range over the month. The Fund's allocation to offshore banks was the key contributing sector, supported by insurers and utilities. Spread widening among securitised sectors detracted marginally as markets digested elevated issuance volumes.

The Fund's yield premium above RBA cash was the key determinant of outperformance throughout October. The Fund's yield advantage remains predominantly attributable to non-financial corporates – including private loans – and securitised sectors. At month end, the Fund's running yield was 6.1% with the average spread measured at 2.3%.

While sector and risk allocations were broadly maintained, the manager was active in primary and secondary markets during a busy month for new issuance. The Fund secured allocation to the heavily oversubscribed inaugural \$600M senior bond from Patrick Terminals Finance, a port logistics operator. The deal offered attractive value relative to established names in the transport infrastructure sector performed well in secondary with the spread contracting over the remainder of the month. The Fund also invested in a new hybrid deal from Lendlease Finance, which saw significant retail interest – due to the unique structure which included franking credits – and performed well in secondary. Elsewhere, the Manager took the opportunity to increase the Fund's RMBS allocation during another month of elevated issuance volumes.

Our proprietary credit score remained neutral throughout October. The Fund remains defensively positioned while retaining the capacity to add risk where it is best rewarded and take advantage of relative opportunities in primary and secondary markets.

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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Total return shown for the fund(s) have been calculated using exit prices after taking into account all 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.

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

MORE INFORMATION

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