

PERPETUAL HIGH GRADE FLOATING RATE FUND

For Institutional Investors

November 2025

FUND FACTS

Investment objective: Aims to provide investors with regular income by investing in deposits, money market and fixed income securities, and outperform the Bloomberg AusBond Bank Bill Index on an ongoing basis before fees and taxes.

Benchmark:	Bloomberg AusBond Bank Bill Index
Inception date:	October 2001
Size of class:	\$30.7 million as at 30 September 2025
Size of fund:	\$197.4 million as at 30 September 2025**
APIR:	PER0265AU
Mgmt Fee:	0.226% pa*
Benchmark Yield:	3.601% as at 30 November 2025
Suggested minimum investment period:	One year 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 30 November 2025

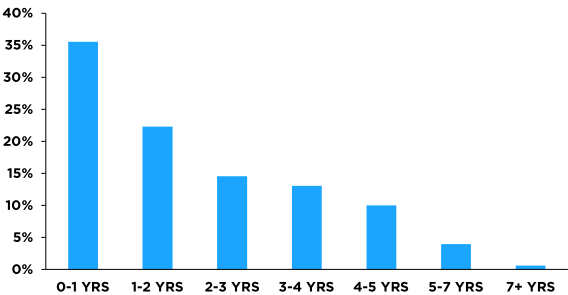
	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS PA	3 YRS PA	5 YRS PA	7 YRS PA	INCEPT PA
Perpetual High Grade Floating Rate Fund	0.31	1.23	2.75	5.38	5.89	5.92	3.82	3.46	4.42
Bloomberg AusBond Bank Bill Index	0.30	0.89	1.84	4.04	4.25	4.09	2.64	2.17	3.64

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

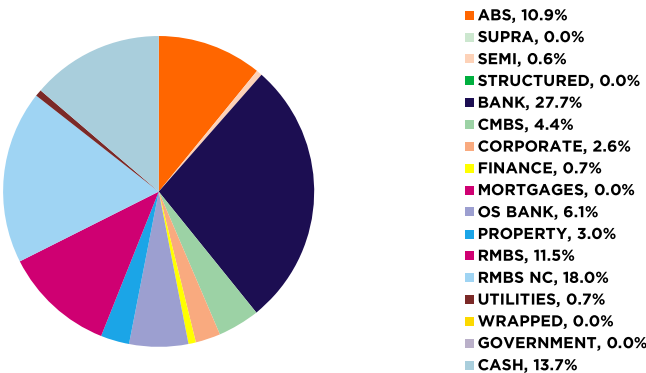
POINTS OF INTEREST

- Higher than expected CPI and employment data impact bond yields;
- RBA on hold; cite productivity concerns;
- Domestic credit spreads rangebound;
- Primary issuance volumes remain orderly;
- The credit outlook has declined to negative.

MATURITY PROFILE



PORTFOLIO SECTORS



PORTFOLIO COMPOSITION

	BREAKDOWN
Senior Debt	75.44%
Subordinated Debt	24.56%
Hybrid Debt	0.00%
Running Yield [#]	4.67%
Portfolio Weighted Average Life	2.04 yrs
Modified Duration	0.13
No. Securities	114

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

**The total size of the Fund includes all unit classes of the Fund. This includes a retail class.

MARKET COMMENTARY

The extended rally in risk assets slowed during November as markets parsed higher than expected inflation and jobs data. While domestic credit spreads were resilient, bond yields moved higher and equity markets stumbled before recovering by month end.

November was marked by a significant shift in bond market sentiment, both in Australia and globally as stubbornly high inflation forced investors to abandon expectations of near-term rate cuts. In Australia, the release of the first full monthly CPI report showed higher than expected inflation (3.8% y/y). This, combined with robust October employment data (42,000 new full-time jobs and a drop in unemployment to 4.3%), led markets to push back the timeline for any rate cuts and even consider the possibility of a rate hike in late 2026. As a result, Australian government bonds sold off: three-year yields rose above 3.85%, and ten-year yields climbed to 4.5%.

Credit markets demonstrated resilience despite volatility in equities and shifting rate expectations. While there was some risk aversion early in the month – triggered by concerns over AI capital expenditure returns and mixed signals from the US Federal Reserve – credit spreads remained relatively stable, trading a tight range. During November, APRA announced a new measure, effective from February 2026, limiting new mortgage lending with a debt-to-income ratio of six times or more to 20% of ADI's new lending. This pre-emptive action was taken in response to early signs of increasing riskier lending amid falling interest rates and rising housing prices and credit growth.

Credit issuance in November was strong, especially early in the month, with major banks returning to the market after blackout periods. Notable deals included Westpac's \$1B 20-year bullet tier-two tranche and Transgrid's A\$800 million hybrid issue. Securitisation remained robust, highlighted by Firstmac's record A\$2.5 billion nonbank RMBS deal which attempted to capitalise on recent interest from Asian investors, including a Yen denominated tranche. Activity slowed at month-end, particularly in securitisation, as the Australian Securitisation Forum's conference took place, with a hybrid issue from BNP Paribas alongside Norfina (\$1.5B) and RBC (\$950M).

PORTFOLIO COMMENTARY

The Fund's yield premium above benchmark remained the key determinant of outperformance over the month, led by allocations to RMBS, ABS and domestic banks. The portfolio running yield at month end was 4.7%, with the average credit spread measured at 0.9%.

Spread dynamics were mixed for performance over the month as credit spreads traded in a relatively tight range throughout November. Allocation to domestic and offshore banks detracted slightly, led by subordinated bank paper which was impacted as subordinated spreads widened marginally. Securitised spreads narrowed slightly in November, contributing to relative performance.

Sector and risk allocations were maintained during November and the Manager remains selective in adding new issues to the portfolio. The Manager took the opportunity to add a longer dated issues from one of the domestic major banks.

The outlook for credit has declined, ending the month with a negative reading. The Manager continues to carefully manage credit and liquidity risks. The Fund maintains its defensive positioning supported by a relatively short credit duration and limited exposure to subordinated paper. The Portfolio's cash allocation was increased over the month and the Fund retains the capacity to take advantage of relative value opportunities as the outlook improves.

OUTLOOK

The credit outlook declined in early November, ending the month with a solidly negative reading despite improving conditions during the final week of the month.

Valuation indicators remain balanced throughout November with all indicators – US investment grade and high yield, Australia investment grade, swap to bond spreads, basis swaps, domestic vs offshore spreads and opportunistic issuer activity – in neutral territory.

The macroeconomic outlook remains very marginally negative. While recent indicators – including US PMIs – show a slight improvement, the broader macro environment remains challenging.

Supply and demand indicators continued to weigh on the outlook. Upcoming primary market supply volumes and maturity schedule have declined as the year end approaches. Market demand has cooled with increasing caution and easing secondary market performance. Demand for securitisations has been slightly softer in recent weeks.

Technical indicators declined to neutral early in November with cash level among real money accounts relatively low as recent elevated primary market issuance has absorbed liquidity.

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