Perpetual Private

Perpetual

Fund Profile - 30 June 2026

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.

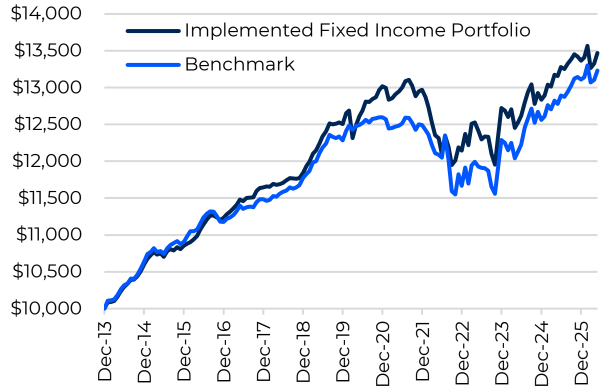
Investment objective

To provide investors with income through investment in a diversified portfolio of fixed income instruments , aiming 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



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

Net performance

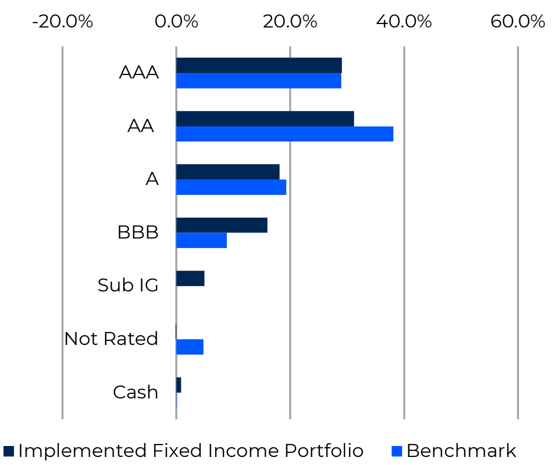
As at June 2026

Returns	1M	3M	1YR	3YR	5YR	S/I*
Total return	0.7%	2.2%	2.1%	3.3%	0.8%	2.5%
Growth return	0.7%	2.2%	-1.0%	1.7%	-0.3%	0.0%
Distribution return	0.0%	0.0%	3.2%	1.6%	1.1%	2.5%
Benchmark	0.6%	1.8%	3.2%	3.8%	1.2%	2.4%
Excess Return	0.1%	0.4%	-1.1%	-0.5%	-0.4%	0.2%

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 June 2026^



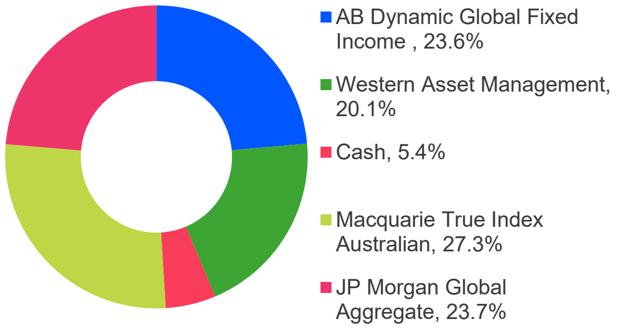
Source(s): State Street, External Manager Reports.

Exposures 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.

Portfolio exposure by manager

As at June 2026



Source(s): 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

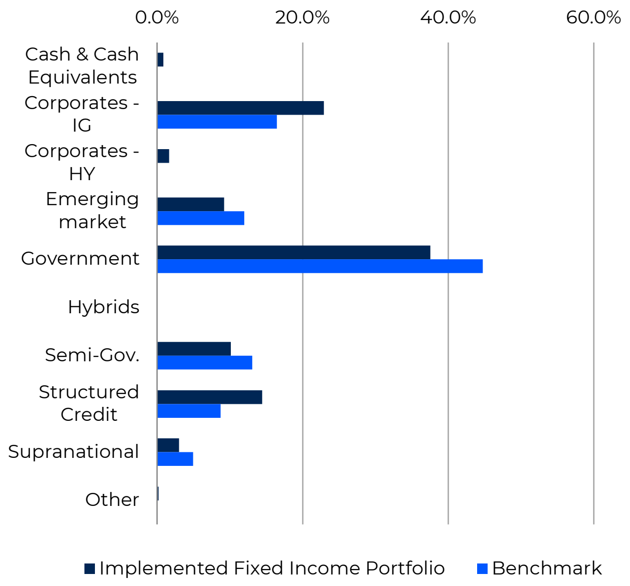
The Implemented Fixed Income Portfolio invests in both Australian and International fixed income markets, as well as diversified credit markets.

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 to mitigate a large negative portfolio impact from any single position.

Sector Exposures

As at June 2026^



Source(s): State Street, External Manager Reports.

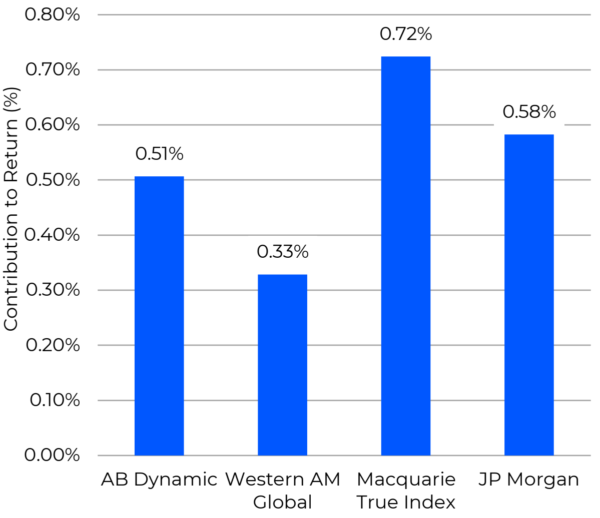
Exposures may appear as negative due to the use of Interest Rate Derivatives and Derivative Offsets.

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

Sector exposures (including cash) are shown at a point in time and reflect a look-through to the underlying holdings of the underlying managers. Exposures may vary over time and can be influenced by manager positioning, including cash holdings.

Contribution by manager

For the Quarter to June 2026



Source(s): State Street, FactSet.

Manager line-up and approach

As at June 2026

Manager	Approach
AB Dynamic Global Fixed Income Mandate	Sector rotation, relative value.
JP Morgan Global Fixed Income Mandate	Core fixed income.
Western Asset Management Global Bond Mandate	Sector rotation, relative value.
Macquarie True Index Australian Fixed Interest	Australian passive core fixed income and True indexing fund.

Market Commentary

Fixed income markets delivered positive returns over the June quarter, although volatility remained elevated as investors navigated persistent inflation pressures, geopolitical uncertainty and shifting central bank expectations. Government bond yields rose sharply early in the period as escalating tensions in the Middle East pushed oil prices higher and raised concerns that a renewed energy shock would complicate the path back to central bank inflation targets. However, as ceasefire negotiations progressed and prospects for a US-Iran agreement improved, oil prices retraced and bond yields reversed much of their earlier move, helping both government and corporate bond markets finish the quarter in positive territory.

In Australia, the Reserve Bank of Australia (RBA) continued its tightening cycle in May, lifting the cash rate to 4.35% before pausing in June. While headline inflation eased to 4.0%, largely due to lower fuel prices, underlying inflation remained more persistent as housing and services inflation continued to broaden. The decision to leave rates unchanged in June was well received by markets, reinforcing the view that policy rates may be approaching their peak. Australian government bonds returned +2.7%[1] over the quarter, while Australian investment-grade credit returned +2.5%[2]. By comparison, floating-rate credit delivered a more modest return of +1.4%[3], reflecting its reduced sensitivity to declining bond yields.

Globally, bond markets remained highly sensitive to developments in energy markets and monetary policy. The US Federal Reserve left rates unchanged throughout the quarter, maintaining that policy remained sufficiently restrictive, while Kevin Warsh chaired his first meeting following confirmation as US Federal Reserve Chair. Strong labour market data and resilient economic activity supported expectations that US interest rates would need to remain restrictive for longer than previously anticipated, contributing to a flattening of the US Treasury yield curve as shorter-dated yields moved higher while longer-dated yields eased modestly. Elsewhere, the European Central Bank raised rates by 25 basis points, while the Bank of Japan also tightened monetary policy, reinforcing a broader global theme of central banks becoming less willing to look through renewed inflation pressures. Despite the volatility, global government bonds delivered a positive return of +1.5%[4] (AUD hedged) over the quarter.

Corporate bond markets also performed strongly, with both investment-grade and high-yield credit outperforming equivalent government bond markets. Global investment-grade credit returned +2.0%[5], while global high-yield bonds gained +3.8%[6] in AUD hedged terms. Importantly, periods of market volatility were driven primarily by changing interest-rate expectations and macroeconomic uncertainty rather than any material deterioration in corporate fundamentals. Credit spreads narrowed through much of the quarter as investors continued to find value in attractive all-in yields, while primary issuance remained robust, supported by refinancing activity and ongoing capital expenditure associated with artificial intelligence and digital infrastructure investment.

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[1] As measured by the Bloomberg AusBond Composite (0+Y) index
[2] As measured by the Bloomberg AusBond Credit (0+Y) index
[3] As measured by the Bloomberg AusBond Credit FRN (0+Y) index
[4] As measured by the Bloomberg Global Aggregate (AUD hedged)
[5] As measured by the ICE BofA Global Corporate (AUD hedged) index
[6] As measured by the Bloomberg Global High Yield (AUD Hedged) index

Portfolio Commentary

The Implemented Fixed Income Portfolio outperformed its benchmark by 0.42% over the June 2026 quarter. The Fund's 30% exposure to the Australian Fixed Income market returned 2.57% for the quarter, outperforming the Fund's 70% exposure to the Global Fixed Income market, which returned 2.14%. The Fund benefited from its overweight positions in Australian bonds and credit.

Macquarie True Index Australian Fixed Index Fund returned 2.65% for the quarter, in line with the Australian Bond Composite All Maturities Benchmark. Australian Bonds outperformed global bonds for the period, inflation fears subsided in May.

JPMorgan Global Bond Mandate returned 2.46% for the quarter ending June 2026, outperforming the Bloomberg Global Aggregate (Hedged) Benchmark return of 1.46%. Overweight UK and Australian duration and underweight US and Japanese duration added most value. An overweight to IG corporates and emerging markets also added to relative value.

Alliance Bernstein Global Plus Mandate returned 2.15% for the quarter ending June 2026, outperforming the Bloomberg Global Aggregate (Hedged) Benchmark return of 1.46%. There was no significant detractor in sector or security selection for the month. Allocations to IG corporates and agency backed mortgage securities added most to relative returns. Underweight Thai baht and overweight Eurozone euros also positive contributors.

Western Asset Management Global Bond Mandate returned 1.64% for the quarter ending June 2026, outperforming the Bloomberg Global Aggregate (Hedged) Benchmark return of 1.46%. Overweight core European duration added to performance while a flatter than expected US yield curve detracted from relative value. Overweight positions to Australian bonds and IG corporates also added value.

Manager Insights and Outlook

Fixed income markets continue to navigate a difficult balance between slowing growth, restrictive monetary policy and persistent inflation risks. Yield curves have spent much of the last two years implying a materially faster easing cycle than ultimately occurred, highlighting the danger of treating market pricing as a forecast rather than an expectation. More recently, higher energy prices and geopolitical uncertainty have contributed to renewed volatility across government bond markets, prompting investors to reassess both the timing and magnitude of future policy easing.

One of the defining features of the current cycle has been the resilience of economic activity despite aggressive monetary tightening. Fiscal support has proven more persistent than expected, consumer spending more resilient than anticipated and AI-related investment has translated into tangible financing activity across the global economy. As a result, economic outcomes, particularly in the US, have continued to diverge from consensus expectations, repeatedly challenging forecasts that tighter monetary policy would lead to a more pronounced slowdown.

Recent enthusiasm surrounding artificial intelligence has inevitably drawn comparisons with previous technology cycles. Regardless of where valuations ultimately settle, the scale of investment supporting data centres, power infrastructure and computing capacity suggests the theme is already having a meaningful impact on economic activity. Beyond the financing activity already being generated across credit markets, AI-enabled tools are increasingly improving productivity and operational efficiency across a broad range of industries, reinforcing the growing influence of the investment theme on the real economy.

The post-COVID inflation experience is often explained through supply-chain disruptions and demand being brought forward. While both factors played an important role, the persistence of demand points to something more structural. Despite households largely exhausting their pandemic-era savings, labour markets have remained resilient and nominal income growth has continued to support spending. In our view, the key question now is whether labour income and credit growth can continue to sustain demand as fiscal support gradually fades and excess savings disappear.

This question is especially relevant in Australia, where large parts of the domestic credit market remain tied to the consumer, residential property and small business sectors. As a result, we continue to monitor consumer, small business and non-bank lender fundamentals closely as leading indicators of future credit conditions.

From a portfolio perspective, this reinforces our preference for globally diversified credit opportunities over increasing exposure to domestic spread assets. Australian credit continues to offer attractive income; however, spreads already reflect broadly benign credit conditions and appear to offer limited compensation should household, property or small business conditions weaken. Global credit continues to provide greater diversification benefits and, in our view, a more attractive balance between risk and return. We are comfortable holding this positioning for now, while retaining the flexibility to add to domestic credit should spreads move to better reflect the risks we are monitoring.

More information

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#Effective from 8th December 2025, the Fixed Income Composite benchmark comprises:

- Bloomberg Global Aggregate Bond Index (AUD Hedged) and,
- Bloomberg Ausbond Composite 0+ YR Index.

The composite benchmark reflects the Portfolio's target allocation at any time to the various asset types. Please refer to the Product Disclosure Statement for further details.

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