

Perpetual Private

PERPETUAL SELECT FIXED INCOME FUND

September 2026

FUND FACTS

Investment objective: Income through investment in a diversified portfolio of fixed income.

Suggested length of investment: Five years or longer

INVESTMENT APPROACH

The Fund combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the Fund by avoiding over exposure to a particular specialist investment manager.

Derivatives are currently used by the specialist investment managers to protect against most currency movements, although this can change at any time.

BENEFITS

Provides investors with the potential for regular income above cash returns, with lower volatility than other income strategies.

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 SEPTEMBER 2026

	APIR CODE	1 MTH	3 MTHS	6 MTHS	1 YR PA	3 YRS PA	5 YRS PA
Perpetual Select Investments Fixed Income Fund	PER0252AU	-1.7	-2.6	-0.5	-1.5	2.5	-0.2
Fixed Income Composite Benchmark [#]		-1.4	-2.1	-0.4	-0.0	3.8	0.8

Past performance is not indicative of future performance

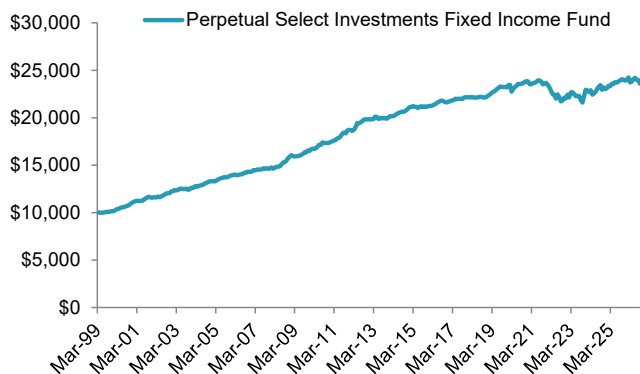
[#]Effective from 8th December 2025, the Fixed Income Composite benchmark comprises:

• Bloomberg Global Aggregate Bond Index (AUD Hedged) and,

• Bloomberg Ausbond Composite 0+ YR Index.

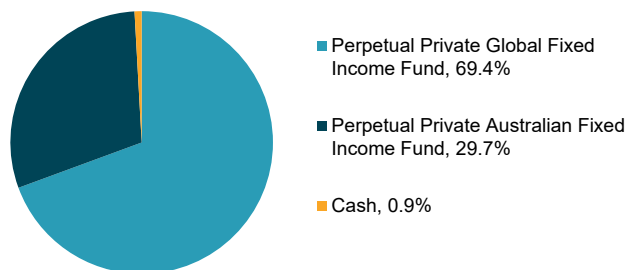
The composite benchmark reflects the Portfolio's target allocation at any time to the various asset types. Please refer to the Product Disclosure Statement for further details.

GROWTH OF \$10,000 SINCE INCEPTION*



*The Growth of \$10,000 chart includes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales or redemption charges which would lower these figures.

PORTFOLIO EXPOSURES[^]



[^]Portfolio exposures represent the Perpetual Select Investments Fixed Income Fund

MANAGER INVESTMENT APPROACH

JP Morgan Global Aggregate Mandate	International Fixed Income	Core Fixed Income
Western Asset Global Bond Mandate	International Fixed Income	Sector Rotation, Relative Value.
Alliance Bernstein Global Bond Mandate	International Fixed Income	Sector Rotation, Relative Value.
Macquarie True Index Australian Fixed Interest Fund	Australian Fixed Income	Australian passive core fixed income and True indexing fund.

MARKET COMMENTARY

Surging global yields eroded fixed income returns through the September quarter, with concerns over higher-for-longer inflation, ballooning fiscal deficits, and ongoing geopolitical conflict placing upward pressure along global yield curves. While energy price pressures eased through the second quarter, the absence of a lasting resolution to conflicts across the Middle East and Eastern Europe saw renewed strength in oil prices, complicating the global inflation outlook and reinforcing a tighter policy agenda for many central banks.

With another rate hike to close out the quarter at its September meeting, the RBA lifted the official cash rate to 4.6%, a full 100 basis points higher than at the beginning of the year. Against this backdrop, Australian government bonds weakened by 1.5% over the period as domestic yields climbed higher. While global forces played a significant role, elevated public spending and persistent supply constraints continue to complicate the inflation outlook, with hopes for improved productive capacity increasingly resting on the successful adoption of AI. Investment Grade credit also declined modestly, down 0.7%, as relatively attractive spreads and outright yields cushioned losses as bond yields rose. Meanwhile, Floating-rate credit gained 1.2%, demonstrating the benefits of reduced duration exposure in a rising yield environment.

Many of the forces shaping domestic markets were echoed abroad, as global bond markets retraced 2.4% through the quarter. In the US, buybacks of long-dated Treasuries did little to alleviate pressure at the long end of the yield curve. A widening fiscal deficit and increased government debt issuance lifted funding requirements, while hyperscaler borrowing and AI infrastructure investment competed for the same pool of investor capital. Compounding these pressures was the gradual withdrawal of traditional sovereign debt buyers, alongside uncertainty surrounding Japanese capital flows amid the ongoing carry-trade unwind. Together these factors pushed term premium higher and contributed to a 3.4% decline across the broader US bond market.

Corporates were also weak, particularly through September as rate expectations shifted. Global Investment Grade credit lost 3.0%, while the shorter-duration High Yield segment fell by 2.0%. The relative outperformance of high yield suggested duration, rather than corporate fundamentals, remained the primary headwind for credit markets during the quarter, though the higher-rate environment continued to expose vulnerabilities across more leveraged and illiquid segments of private credit.

The Perpetual Select Fixed Income Fund underperformed its benchmark over the September 2026 quarter. The Fund's 30% exposure to the Australian Fixed Income market returned -1.54% for the quarter, outperforming the Fund's 70% exposure to the Global Fixed Income market, which returned -2.99%.

Macquarie True Index Australian Fixed Index Fund returned -1.54% for the quarter, in line with the Australian Bond Composite All Maturities Benchmark. Australian Bonds outperformed global bonds for the period.

JP Morgan Global Bond Mandate returned -2.92% for the quarter ending September 2026. Although it was not immune from the broader rates sell-off, its underweight position to Mortgage-backed securities and structured product provided some protection against developed-market duration and the underperformance of credit.

Alliance Bernstein Global Plus Mandate returned -3.05%, lagging the Bloomberg Global Aggregate (Hedged) Benchmark by 63 basis points. Long developed-market duration and an overweight to structured credit dampened returns. Additionally, Agency MBS weakened as higher mortgage rates slowed refinancing and extended expected lives which increased duration at the wrong time.

Western Asset Management Global Bond Mandate returned -3.05% for the quarter ending September 2026, underperforming the Bloomberg Global Aggregate (Hedged) Benchmark by 63 basis points. The relative weakness was attributable to long duration positioning across developed markets, including core Europe, the UK and Australia. An overweight position in AUD and Yen helped offset the losses.

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) index

⁵ As measured by the Bloomberg US Aggregate (AUD hedged) index

⁶ As measured by the ICE BofA Global Corporate (AUD hedged) index

⁷ As measured by the Bloomberg Global High Yield (AUD Hedged) index

RETURNS BREAKDOWN (INVESTMENTS)

	FY 2026	FY 2025	FY 2024
Growth Return %	-5.2%	4.2%	1.7%
Distribution Return %	7.1%	0.5%	0.3%
Total Return %	1.9%	4.7%	2.0%

DISTRIBUTION BREAKDOWN

	FY 2026	FY 2025	FY 2024
Cents per unit	7.0203	0.5028	0.2500

PRODUCT FEATURES

	INVEST.
Inception date	Mar 99
Management/Investment Fee (p.a.)*	0.71%
Ongoing fee discount	No
Admin fee	0.00%
Buy spread	0.24%
Sell spread	0.00%
Contribution fee	0.00%
Withdrawal fee	\$0
Monthly member fee	\$0
Min. initial contribution	\$2,000
Min. additional contribution	\$0
Savings plan	Yes
Withdrawal plan	Yes
Distribution frequency	Quarterly
Contact information	1800 677 648

*Additional fees and costs generally apply. Please refer to the Product Disclosure Statement for further details.

OUTLOOK

The same driving market factors have been recurring for some time now with slight variations. Inflation is high and sticky. Energy prices are a concern. Credit spreads are tight. This consistency saves us effort on identifying these structural components but is not so great for positions which are long duration. It is, however, surprisingly good for credit markets, relatively speaking.

There has been a lot of press about the US 30-year Treasury yield reaching levels not seen for decades, affecting anyone who uses it as a reference rate, including prospective homeowners in the United States. The US 30-year Treasury yield approached 5.4% during the quarter, near the highest levels seen since before the Global Financial Crisis in 2007/08.

Our Fixed Income funds are benchmark focused, meaning we're generally more affected by moves in the 5 and 10-year parts of the curve. By quarter-end, the US 10-year Treasury yield had risen to approximately 5.3%, while the Australian 10-year Commonwealth Government Bond yield had reached approximately 5.25%.

The moves are attributable to the market's view on inflation and growth. You could blame the rising yields on several things, including, but definitely not limited to rising energy prices and rising labour costs. Some of these might be short lived but we're not counting on it. The moral of the story is that inflation is a thing again and with it, more historically 'normal' bond yields.

In 2008, markets had more than a bit of a shake-up. The Federal Reserve, European Central Bank, Bank of England and Reserve Bank of Australia all moved towards what they described as highly accommodative monetary policy settings. In the United States, policy rates ultimately fell to effectively 0%-0.25%, while Australia eventually reached a cash rate of 0.10%. Central banks did not pursue these policies because economic conditions were strong. The RBA later described the subsequent increase in rates as a process of "normalising monetary conditions".

Having super-low interest rates is not a sign of a healthy economy, regardless of what politicians, equity strategists or property spruikers might tell you. The fact that those settings persisted for more than a decade does not make them normal. It may simply mean the emergency lasted longer than widely understood.

If that's true, then today's bond yields may be closer to the long-term baseline than many investors appreciate.

This information has been prepared by Perpetual Trustee Company Limited (PTCo) ABN 42 000 001 007, AFSL 236643. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs.

You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS for the relevant funds, issued by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426 (PIML), should be considered before deciding whether to acquire or hold units in the fund. The PDS and Target Market Determination can be obtained by calling 1800 677 648 or visiting our website www.perpetual.com.au. No company in the Perpetual Group* guarantees the performance of any fund or the return of an investor's capital. Total returns shown for the fund has been calculated using exit prices after taking into account all of Perpetual's ongoing fees, in line with the FSC Standard No.6 and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance. *Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries.

MORE INFORMATION

Adviser Services 1800 677 648
Email Selectqueries@cm.mpms.mufg.com
www.perpetual.com.au

