Perpetual Pure Series Funds

PERPETUAL PURE CREDIT ALPHA FUND CLASS W

November 2024

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: $568.5 million as at 30 September 2024
Mgmt Fee: 0.85% pa*
Benchmark Yield: 4.350% as at 30 November 2024
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

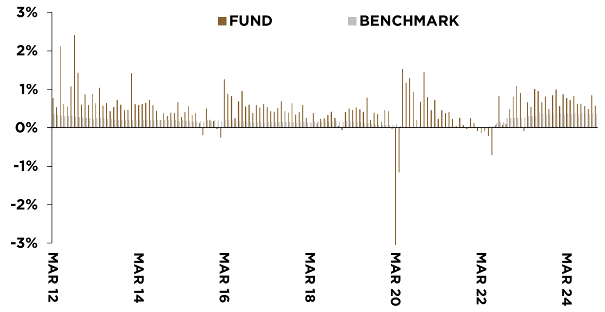
All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether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

TOTAL RETURNS % (AFTER FEES) AS AT 30 November 2024

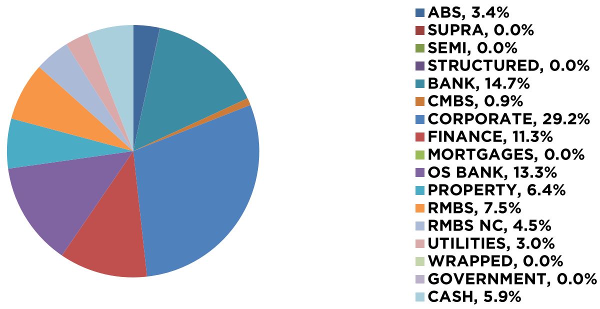
	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS PA	3 YRS PA	5 YRS PA	7 YRS PA	INCEPT PA
Perpetual Pure Credit Alpha Fund W Class	0.58	1.93	3.80	8.78	8.91	6.10	4.84	4.61	5.84
RBA Cash Rate	0.36	1.09	2.20	4.46	4.15	3.10	1.95	1.78	2.05

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	49.79%
Subordinated Debt	42.48%
Hybrid Debt	7.73%
% Geared	0.00%
Running Yield#	6.81%
Portfolio Weighted Average Life	3.07 yrs
No. Securities	228
Long	94.11
Short	0.00
Net	94.11

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

Financial markets responded positively to the results of the US presidential election with equities rallying globally, led by the US. Bond markets retraced slightly after selling off in September and October on concerns around the inflationary effect of proposed US trade policies.

Domestic bond yields fell through November with the Australian 10-year government bond yield rallying 16 bps over the month down to 4.34%. The short end 2-5 years fell back below 4% by month end. Offshore yields were more volatile with US yield spiking following the election before retracing and French bond yields selling off sharply reflecting political uncertainty.

AUD spreads traded in a tight range during November. While spread contraction was broadly muted, the utilities sector was the notable outperformer. EUR and USD spreads rallied following the US election consolidating their strong recent performance. US High yield and investment grade spreads are at levels last seen prior to the GFC. Swap spreads were in negative territory throughout November, contracting during the first two weeks before returning to near 0 by month end.

No indications of end of year fatigue were present in the primary market with a busy pipeline of deals across financials, corporate and securitised sectors. Demand was robust throughout the month leading to oversubscribed book builds, most notably Woolworths 10-year $800M which priced much tighter than guidance reflecting the market's appetite for long dated blue chip corporate paper. In the Financial space, NAB (7-year) and ANZ (5-year) each raised $2.5B of senior debt across fixed and floating tranches. Kangaroo issuance was also healthy with a number of offshore borrowers coming to the Australian market to meet the persistent robust demand.

PORTFOLIO COMMENTARY

The Fund's yield premium above the RBA cash rate remains the key contributing factor to outperformance. Non-financial corporates, RMBS alongside domestic and offshore banks are the most substantial contributor to income return. At month end, the Fund's running yield was 6.8% with the average spread measured at 2.5%.

Credit spread dynamics were benign during November as spreads traded in a relatively tight range. While spread contraction was broadly muted, contribution among non-bank financial and securitised sectors was constructive.

Sector allocations were broadly maintained during the month. In November, the Fund selectively moved down the capital structure, increasing its allocation to subordinated debt. The Fund took part in the new subordinated deal from Barclays PLC. The deal was heavily oversubscribed (the largest ever Australian dollar tier 2 bookbuild) and the Manager elected to top up the position in the secondary market. The Fund also took part in the $1.5B subordinated fixed rate deal from Commonwealth Bank. The duration of all fixed rates bonds are hedged via short government bond futures.

The portfolio is defensively positioned and retains the capacity to take advantage of relative value opportunities as they arise.

OUTLOOK

The credit outlook remained in marginally negative territory throughout November.

Valuation indicators are marginally negative. US high yield spreads are trading below the fair value range and AU swap spreads are very tight and were negative throughout the middle of the month. Elsewhere, a spike in opportunistic issuance is weighing on the outlook with borrowers exploiting strong demand, resulting in elevated issuance levels.

The growth outlook remains neutral. The ratio of upgrades to downgrades remains supportive however the macroeconomic growth indicators remain challenged.

Supply and demand indicators continue to weigh on the outlook. The high volume of recent issuance paired with a healthy pipeline and light maturity schedule conspire to negatively impact the outlook. In spite of these factors however, demand has remained very resilient thus far.

Technical indicators continued to improve, remaining in positive territory. Intermediary positioning remains positive with elevated cash levels expected to contribute to demand. US credit spreads, equity markets and equity market volatility indicators are all constructive.

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

MORE INFORMATION

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