

Fund Profile - 31 March 2026

# Perpetual Income Opportunities Fund

## Fund facts

<b>APIR code</b>	PER0436AU
<b>Inception date<sup>1</sup></b>	March 2008
<b>Benchmark</b>	Bloomberg Ausbond Bank Bill Index +2% p.a. <sup>^</sup>
<b>Size of Fund</b>	\$231 million
<b>Distribution frequency</b>	Quarterly
<b>Liquidity</b>	Monthly withdrawals subject to restrictions, refer to PDS
<b>Management fee*</b>	0.50% as June 2025
<b>Buy/Sell spread</b>	0.00% / 0.00% as at September 2025
<b>Risk Level<sup>2</sup></b>	5 – Medium to High

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

## Investment objective

To provide income and moderate capital growth through investment in a diversified portfolio of corporate strategies, asset backed strategies and other investments consistent with the fund's investment approach. To outperform the Bloomberg Ausbond Bank Bill Index over rolling three-year periods by 2% per annum.

## Investment approach

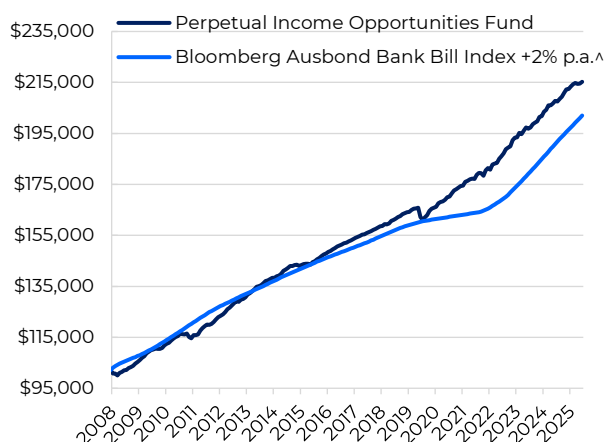
A multi-manager framework is utilised, where a diverse mix of Australian and international income investments are selected, combining different investment styles and philosophies to provide returns with low correlation to traditional fixed income markets. Derivatives and currency hedging strategies may also be used in managing the portfolio.

## Investment strategy

The Income Opportunities Fund is a floating rate non-investment grade multi-strategy credit fund, investing in corporate, asset backed and diversifying strategies. The non-investment grade market is becoming more efficient, and spreads are getting tighter. Having said that, the yield is still attractive. We acknowledge that there are risks to non-investment grade credit. To help mitigate this, we invest with managers that have diversified portfolios and in the worst case, have the ability to lead a workout.

To supplement that yield, the Fund invests in asset backed strategies such as speciality finance. We may have to take a higher risk here to achieve the appropriate return, but we are comforted by the strategy's high velocity of capital.

## Growth of \$100,000 since inception (net of fees)<sup>3</sup>



Source: State Street.

## Net performance

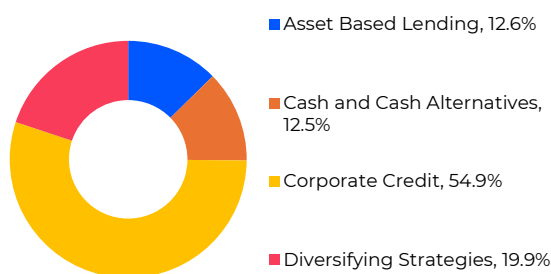
As at March 2026

Returns <sup>3</sup>	1M	3M	1YR	3YR	5YR	S/I*
<b>Total return</b>	0.3%	0.2%	3.6%	5.0%	4.8%	4.4%
<b>Growth return</b>	-0.4%	-0.5%	-1.5%	-0.2%	-0.4%	-0.1%
<b>Distribution return</b>	0.7%	0.7%	5.1%	5.2%	5.3%	4.5%
<b>Benchmark</b>	0.5%	1.4%	5.9%	6.2%	4.5%	4.0%
<b>Excess Return</b>	-0.1%	-1.2%	-2.3%	-1.2%	0.3%	0.4%

Source: State Street. Past performance is not indicative of future performance. \*Since Inception.

## Portfolio exposure by asset allocation

As at March 2026



Source(s): State Street, PPIRT.

## Holding information

As at March 2026

Top 10 Exposures <sup>4</sup>	Asset Class	Weight
CVC Global Yield	Corporate Credit	19.0%
Clearmatch Insurance Premium Funding	Diversifying Strategies	9.4%
LCP Insurance Linked Securities Fund - AUD Class	Diversifying Strategies	7.1%
Perpetual Credit Income Fund	Corporate Credit	7.0%
Kapstream Private Investment Fund	Asset Based Lending	6.0%
Invesco Credit Partners Fund II	Corporate Credit	4.0%
Pemberton European Strategic Credit Opportunities Fund II	Corporate Credit	3.4%
Golub Business Development Company 4 (GBDC 4)	Corporate Credit	3.3%
Nuveen Asia Pacific Cities Fund	Asset Based Lending	3.2%
Pemberton European Strategic Credit Opportunities Fund	Corporate Credit	2.8%
<b>Total Top 10 Holdings %</b>		<b>65.2%</b>

Source(s): State Street, PPIRT.

Cash Level & Leverage	Weight
Cash(AUD) <sup>5</sup>	7.27%
Leverage ratio <sup>6</sup>	1.23
Maturity profile: As at 31 March 2026 the Fund has no direct gearing liabilities. Liabilities are generally paid within 30 days of the invoice date.	

## Investment characteristics

As at March 2026

Sector	Geographic Location		Market Type <sup>7</sup>		
	ONSHORE	OFFSHORE	LISTED	TRADED	PRIVATE
Asset-Backed Strategies	47%	53%	0%	0%	100%
Corporate Strategies	14%	86%	0%	15%	85%
Other Defensive Alternatives	83%	17%	0%	36%	64%
Total	34%	66%	0%	17%	83%
FX Hedge Level	91%				

Source(s): State Street, PPIRT.

## Market Commentary

Private debt has been in the news for all the wrong reasons of late. The negative narrative began last year with the First Brands and Tricolor defaults - idiosyncratic situations involving fraud, opacity and excessive leverage that, while attention-grabbing, were not representative of the broader market. This was followed by growing concerns around loans made to software companies, with markets increasingly questioning whether AI-driven disruption would impair the creditworthiness of borrowers operating in the B2B software space. In 2026, the news flow showed little sign of abating, with the default of MFS UK, a specialist mortgage lender, raising broader questions around governance standards in founder-led specialty lenders.

Adding to the noise, a number of highly rated non-traded business development companies in the US, a type of private debt product predominantly distributed through the wealth management channel, experienced redemption requests in excess of their quarterly 5% gate, prompting inevitable comparisons to the GFC among some market participants. Gates and redemption limits are features of these products, not failures, and the response from major managers to maintain pro-rata redemption discipline and avoiding forced asset sales has been broadly appropriate.

Credit spreads across both private and tradeable markets remain tight, and despite the volume of press coverage, default rates at the asset class level have remained within historical norms. Notably, distressed borrowers have increasingly pursued Liability Management Exercises (LME) ahead of formal default proceedings, a flexibility that allows both borrower and lender to preserve value.

The AI-driven concern around software lending warrants closer attention and ongoing monitoring. The key mitigants are disciplined asset selection and thoughtful portfolio construction, with a focus on lending to businesses exhibiting mission-critical characteristics, deep system integration, proprietary data advantages and high customer switching costs. Manager selection is therefore paramount.

We remain comfortable with the portfolio's current private debt exposure. Approximately 30% of the fund is invested in corporate private debt, encompassing CLO equity, special situations and direct lending, with a further 11% allocated to asset-based lending across real estate debt, infrastructure debt and specialty finance. Software exposure within the portfolio is limited, arising primarily through US corporate direct lending, broadly syndicated loans and CLO equity, and where it does exist, it is predominantly senior secured, at the top of the capital structure. Our corporate direct lending exposure is held through closed-end, locked-up vehicles, which are structurally insulated from the redemption dynamics affecting non-traded BDCs.

Broadly syndicated loans underperformed expectations through the March quarter. The Fund had reduced its exposure to this segment earlier in the year, in favour of catastrophe bonds and insurance premium funding, two strategies that have demonstrated consistently low correlation to broader credit markets. The portfolio has maintained an overweight to liquid assets and remains well positioned to deploy capital opportunistically should credit spreads widen materially from current levels.

## More information

1800 631 381

[pcresearch@perpetual.com.au](mailto:pcresearch@perpetual.com.au)

[perpetual.com.au/managed-accounts](https://perpetual.com.au/managed-accounts)

1) Fund commenced in March 2008 with performance reporting from 30 June 2008 once the fund had made an investment. The fund was opened to external investors in June 2009. 2) Negative annual returns expected in 3 to less than 4 years over any 20 year period. 3) Total returns have been calculated using exit prices after taking into account Perpetual's ongoing fees and assuming reinvestment of distributions (where applicable). No allowance has been made for contribution fees, withdrawal fees or taxation. 4) Top 10 externally managed exposures. 5) The difference between 'Cash (AUD)' and 'Cash and Cash Alternatives' (as per the Portfolio exposure by asset allocation) represents offshore currencies held for transactional purposes. 6) The leverage ratio is provided as required by ASIC Regulatory Guide 240. Please note that this is look-through leverage of the Fund based on the leverage of the underlying absolute return managers. The Fund itself will not borrow or apply gearing in the ordinary course of business. 7) Market type data is estimation only, provided by the Perpetual Private research team.

^ The fund's benchmark from inception to 31/05/2023 was the Bloomberg Australian Bank Bill Index + 1% pa. Effective from 01/06/2023, the benchmark has been changed to the Bloomberg Australian Bank Bill Index + 2% pa. Historical performance captures the prior benchmark until the effective date of the new benchmark being implemented.

Perpetual Private advice and services are provided by Perpetual Trustee Company Limited (PTCo) ABN 42 000 001 007, AFSL 236643. This information has been prepared by PTCo and Perpetual Investment Management Limited (PIML) ABN 1800 866 535, AFSL 234426 and issued by PTCo. 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 whether the information is suitable for your circumstances and we recommend that you seek professional advice. The product disclosure statement (PDS) for the fund, issued by PIML, should be considered before deciding whether to acquire, dispose, or hold units in the fund. The PDS and Target Market Determination are available on our website at [www.perpetual.com.au](http://www.perpetual.com.au). Total returns shown for the fund 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 taxation. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. Past performance is not indicative of future performance.