Perpetual Private

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Fund Profile - 30 September 2025

Perpetual Income Opportunities Fund

Fund facts

APIR code	PER0436AU
Inception date[1]	March 2008
Benchmark	Bloomberg Ausbond Bank Bill Index +2% p.a.^
Size of Fund	$235 million
Distribution frequency	Quarterly
Liquidity	Monthly withdrawals subject to restrictions, refer to PDS
Management fee*(%)	0.50% as June 2025
Buy/Sell spread	0.00% / 0.00% as at September 2025
Risk Level[2]	5 – Medium to High

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

Investment objective

To provide long-term 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.

Strategy

Build a diversified portfolio that includes specialist credit and absolute return investments. Subject our investment opportunities to detailed research, screening them for expected return, risk, downside protection properties and portfolio fit. Select the highest ranked investment managers that have passed our Quality Filters.

Market opportunity

Both Australian and global banks are currently under pressure to reduce their loan books. This is driving the opportunity for the Perpetual Income Opportunities Fund to invest in strategies that conduct institutional grade direct lending to high quality companies and real estate assets that require capital.

A common trait of the lending opportunity is that lending is senior in the capital structure and secured against assets. We have identified and built material investments in three key credit sectors, specifically infrastructure debt, senior bank loans and commercial mortgages.

Net performance

As at September 2025

Returns[3]	1M	3M	1YR	3YR	5YR	S/I*
Total return	0.1%	1.4%	5.3%	5.4%	5.1%	4.5%
Growth return	-1.2%	0.2%	0.6%	-0.2%	0.1%	-0.1%
Distribution return	1.3%	1.3%	4.7%	5.6%	5.0%	4.5%
Benchmark	0.5%	1.4%	6.3%	5.9%	4.0%	4.0%
Excess Return	-0.4%	0.0%	-1.0%	-0.5%	1.0%	0.5%

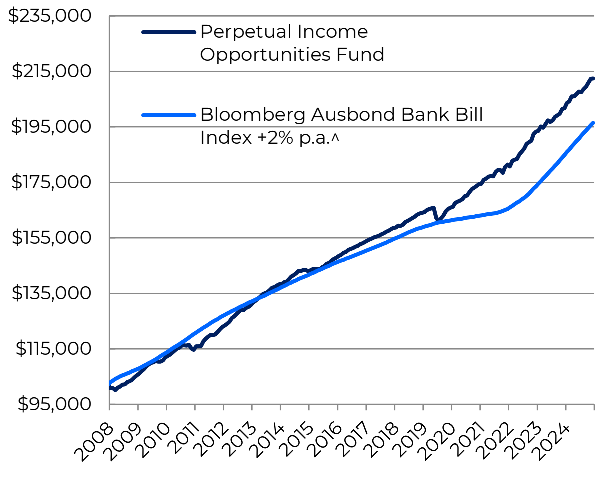
Source: State Street. Past performance is not indicative of future performance. *Since Inception

Portfolio exposure by manager

As at September 2025

Source: State Street, PPIRT

Growth of $100,000 since inception (net of fees)[3]



Source: State Street.

Holding information

As at September 2025

Top 10 Exposures[4]	Asset Class	Weight
CVC Global Yield	Corporate Debt	21.0%
Clearmatch Insurance Premium Funding	Other Defensive Alternatives	8.3%
Perpetual Credit Income Fund	Multisector Debt	7.0%
Kapstream Private Investment Fund	Diversified Credit	5.9%
Invesco Credit Partners Fund II	Corporate Debt	4.0%
Pemberton European Strategic Credit Opportunities Fund II	Corporate Debt	3.8%
Nuveen Asia Pacific Cities Fund	Real Estate	3.3%
Pemberton European Strategic Credit Opportunities Fund	Corporate Debt	2.9%
Pemberton Strategic Credit III	Corporate Debt	2.4%
Golub Business Development Company 4 (GBDC 4)	Corporate Debt	2.2%
Total Top 10 Holdings %		**60.8%**

Source: State Street, PPIRT.

Cash Level & Leverage	Weight
Cash(AUD)[5]	13.10%
Leverage ratio[6]	1.23
Maturity profile: As at 30 September 2025 the Fund has no direct gearing liabilities. Liabilities are generally paid within 30 days of the invoice date.	

Investment characteristics

As at September 2025

Sector	Geographic Location		Market Type[7]		
	ONSHORE	OFFSHORE	LISTED	TRADED	PRIVATE
Asset-Backed Strategies	43%	57%	0%	0%	100%
Corporate Strategies	24%	76%	0%	14%	86%
Other Defensive Alternatives	0%	100%	0%	0%	100%
Total	26%	74%	0%	11%	89%
FX Hedge Level	91%				

Source: State Street, PPIRT.

Market Commentary

Demand for private credit assets remained robust through the September quarter, contributing to continued spread compression across multiple segments of private markets. Fixed-rate investments benefited from the decline in policy rates, while high-yield returns were positive but volatile. Broadly Syndicated Loans (BSLs) exhibited similar dynamics, currently delivering margins of approximately 1–2% above cash. The record issuance of Collateralised Loan Obligations (CLOs) in 2024 continues to underpin strong demand for BSL paper across the broader market.

Deal flow in private corporate credit remained subdued in Q3 2025, mirroring the slowdown in private equity where merger and acquisition (M&A) activity has been limited. Nevertheless, steady allocations to private credit strategies have ensured that new capital remains available for corporate refinancing and recapitalisation activity. While formal default rates remain low, we have observed a modest rise in out-of-court restructurings. When included, overall credit stress appears to have ticked higher. Encouragingly, the quick pace and orderly resolution of these restructurings suggest an efficient market response to emerging pressures.

Activity in the insurance-linked space has started to recover, though transaction volumes remain modest. Block trades continue to attract strong competition, keeping pricing for block liabilities elevated. As competition intensifies, we are seeing a gradual shift towards organic growth strategies. Within catastrophe risk, we anticipate a modest allocation to catastrophe bonds. While spreads have tightened slightly over the year, they remain attractive relative to other income-generating opportunities.

We continue to assess opportunities in specialty finance and regulatory capital markets. Specialty finance exposures remain among the strongest contributors to performance, and we are reviewing additional opportunities across both the US and Europe. Given the tightness in traditional corporate credit spreads, we expect to reallocate capital incrementally toward these sectors. Our ongoing review of the regulatory capital segment highlights wide dispersion in underlying asset quality and structural complexity. However, current market pricing across asset types does not yet appear to fully capture these differences in risk.

Income returns across the portfolio remain appealing, though further spread compression could moderate return potential over time. We remain constructive on the outlook for income alternatives but increasingly selective, focusing on credit-adjacent sectors that continue to offer healthy spreads and attractive risk-adjusted returns. With competition for yield elevated, opportunities are most compelling in niche or structurally complex areas such as specialty finance and regulatory capital. The portfolio maintains a defensive bias, balancing income generation with prudent liquidity management to remain flexible and responsive to potential credit dislocations.

More information

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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 & Currency' (as per the sector asset allocation pie chart) 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.

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