

Breaking bonds: how private credit is reshaping investment portfolios

By Perpetual Wealth Management

20 December 2023



Perpetual Private's investment research team has prepared a comprehensive paper to explain the role private credit strategies can play in your portfolio. You can download the paper – or read our concise view below.

[Download the paper](#)

Private credit strategies are gaining traction as compelling additions to investors' portfolios, offering the potential for enhanced returns, albeit accompanied by higher risk levels, in contrast to traditional publicly traded fixed income products. Moreover, they provide a means to diversify multi-asset portfolios away from these more traditional asset classes.

The prominence of these strategies has grown swiftly, becoming a sought-after asset class among a diverse array of investors. This expansion is not just in terms of volume but also in the diversity of strategies now available in the market. From direct lending to distressed debt, mezzanine financing to special situations, the spectrum of private credit strategies available to Australian investors has broadened.

As this asset class gains a foothold, it prompts critical questions: How should investors strategically allocate to private credit? Is private credit truly the new hero of the investment world, poised to deliver superior returns and diversification, or is it a trend riding the wave of current market dynamics? This paper delves into these pertinent questions, exploring the role and impact of private credit in shaping the future of investment portfolios.

Contact our team today

And see how we can help protect and build your wealth

[Contact us](#)

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. 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, issued by PIML should be considered before deciding whether to acquire or hold units in the Perpetual Income Opportunities Fund (IOF). The PDS and Target Market Determination are available on our website at www.perpetual.com.au. 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. This document is dated December 2023.

