Perpetual Private

Fund Profile - 30 June 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:	$244 million
Distribution frequency	Quarterly
Liquidity	Quarterly withdrawals subject to restrictions, refer to PDS
Management fee*(%)	0.50% as at 30 June 2024
Buy/Sell spread	0.00% / 0.00% as at 12 May 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 to 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

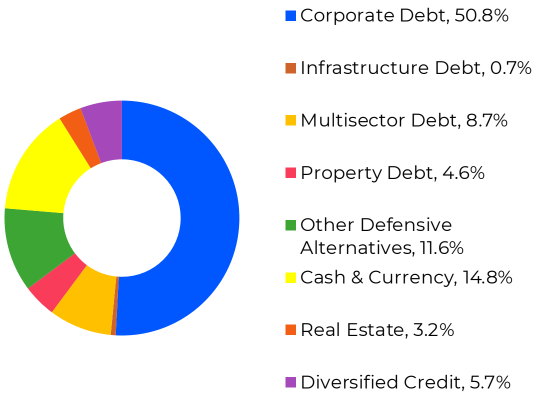
As at June 2025

Returns[3]	1M	3M	1YR	3YR	5YR	S/I*
Total return	0.4%	0.8%	5.1%	5.3%	5.1%	4.4%
Growth return	-1.5%	-1.1%	0.2%	-0.1%	0.4%	-0.1%
Distribution return	1.9%	1.9%	5.0%	5.4%	4.8%	4.5%
Benchmark	0.5%	1.5%	6.5%	5.6%	3.8%	4.0%
Excess Return	-0.1%	-0.7%	-1.3%	-0.3%	1.4%	0.5%

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

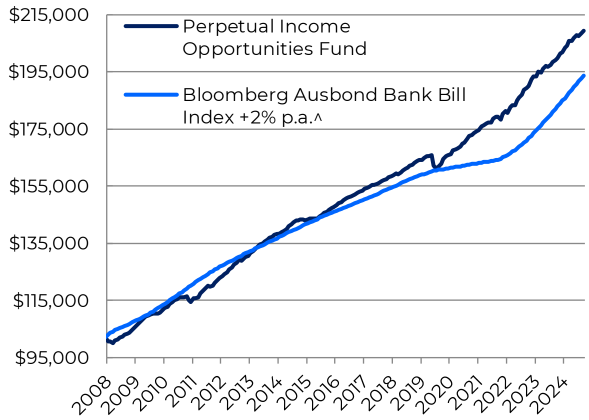
Portfolio exposure by manager

As at June 2025



Source: State Street, PPIRT

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



Source: State Street.

Holding information

As at June 2025

Top 10 Exposures[4]	Asset Class	Weight
CVC Global Yield	Corporate Debt	20.9%
Clearmatch Insurance Premium Funding	Other Defensive Alternatives	8.7%
Perpetual Credit Income Fund	Multisector Debt	8.7%
Kapstream Private Investment Fund	Diversified Credit	5.7%
Pemberton European Strategic Credit Opportunities Fund II	Corporate Debt	4.2%
Invesco Credit Partners Fund II	Corporate Debt	3.8%
Nuveen Asia Pacific Cities Fund	Real Estate	3.2%
Pemberton European Strategic Credit Opportunities Fund	Corporate Debt	2.8%
Pemberton Strategic Credit III	Corporate Debt	2.5%
Blackstone Corporate Funding EUR Fund	Corporate Debt	2.3%
Total Top 10 Holdings %		**62.8%**

Source: State Street, PPIRT.

Cash level & leverage	Weight
Cash(AUD)[5]	12.18%
Leverage ratio[6]	1.23
Maturity profile: As at 31 January 2025 the Fund has no direct gearing liabilities. Liabilities are generally paid within 30 days of the invoice date.	

Investment characteristics

As at June 2025

SECTOR	GEOGRAPHIC LOCATION		MARKET TYPE[7]		
	ONSHORE	OFFSHORE	LISTED	TRADED	PRIVATE
Asset-Backed Strategies	41%	59%	0%	0%	100%
Corporate Strategies	26%	74%	0%	16%	84%
Other Defensive Alternatives	0%	100%	0%	0%	100%
Total	28%	72%	0%	13%	87%
FX Hedge Level	94%				

Source: State Street, PPIRT.

Market Commentary

Over the last 5 years, floating rate investments have outperformed fixed rate investments with similar risks. However, over the last 12 months, fixed rate investments, like High Yield have done incredibly well as the market focus shifted from inflation to economic growth, or more correctly, the lack of it. Whilst our preference has been predominantly focused on floating rate investments we do maintain a small exposure to High Yield.

Outside of High Yield, liquid investments underperformed our expectations by around 1-2% for the 12 months to the end of May. Broadly syndicated loans (BSL) delivered a margin of 2-3% above cash for the year. With Investment Grade floating rate credit and premium funding delivering margins of around 1-2% above cash.

Deal flow for private debt and insurance linked strategies remains subdued, especially when compared to 2022 and 2023. M&A was reported as being high in the US during the first half of 2025, unfortunately this has not translated to Private Equity deal flow which has a direct correlation to Private Debt deal flow. Block trades in the insurance space are becoming more competitive and our managers have focused on growing their books organically through annuity sales, leading to a slower deployment than we had originally anticipated.

Slower deal flow in the private markets and a large inflow in late 2024 has seen us accumulate a 10%-15% overweight to liquid assets for the H1 of 2025. Most of our private debt, specialty and insurance linked private assets have outperformed our liquid asset by 1-2% depending on the vintage. On the bright side, the liquidity proved valuable during our end-of-June rebalancing, giving us the flexibility to make additional commitments to private assets.

Our current research efforts are leaning toward higher deal flow sub sectors such as Specialty Finance and Regulatory Capital. Our current investment in Speciality Finance has been one of our strongest contributors to performance for the year. We plan on expanding our exposures to include US and European specialty finance, to help diversify our current Australian focused exposure. Regulatory capital has been a functioning market in Europe for a few decades now and in the last few years, large US banks have been significant participants. We now feel more comfortable about engaging this more diversified market.

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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