Perpetual

# Breaking down barriers: How smaller parcel sizes are transforming fixed income investing in Australia

**By Emily Boden**

13 April 2026



Direct fixed income investment is gaining momentum across Australia as brokers and investors grow more confident in the asset class. With higher interest rates improving yield opportunities, fixed income is emerging as an attractive option for those seeking stability and predictable returns.

Historically barriers such as high minimum investment sizes (often around AUD 500,000) limited investors to a single bond line and prevented true fixed income diversification.

Perpetual Corporate Trust's (PCT) Fixed Income Intelligence (FII) solution removes these obstacles by making access simple, streamlined, and painless. By lowering entry thresholds and enabling diversified exposure to fixed income. FII has reshaped how Australian investors approach fixed income, opening the door to broader participation and more resilient portfolios. As one of the largest users of Euroclear in Australia, FII provides clients with institutional-grade settlement, custody and registration, and global market access, delivering enhanced security, operational efficiency and deeper liquidity benefits typically reserved for large-scale investors.

**A market shaped by structural constraints**

For many years, access to the Australian fixed income market has been shaped as much by infrastructure as by investor demand. While bonds are widely recognised for their role in portfolio diversification and income generation, structural constraints have historically limited their accessibility, particularly for private wealth clients.

One of the most significant barriers has been the minimum tradable parcel size. In Australia, wholesale fixed income transactions settling via Austraclear have typically required a minimum of around AUD 500,000. This convention emerged as a practical solution to avoid the administrative complexity of classifying every investor as either retail or wholesale, but it has had clear ramifications for the private wealth market.

**The impact on investors and liquidity**

For private wealth investors, building a diversified bond portfolio often required substantial capital outlays. At the same time, liquidity could be difficult to access. Selling down a position frequently meant waiting until holdings could be aggregated into a AUD 500,000 parcel, sometimes taking months.

In response, market participants developed workarounds, such as executing “round trip” trades to right-size positions, but these approaches added inefficiency, cost and operational friction.

**A step change: Smaller parcel sizes via Euroclear**

Today, that dynamic is beginning to shift.

The use of Euroclear as a settlement pathway is enabling smaller parcel sizes aligned with the minimum denominations specified in individual bond term sheets, often around AUD 10,000. This represents a meaningful step change in accessibility. Investors can now hold positions in increments such as AUD 50,000 or AUD 100,000, making it far easier to construct diversified portfolios across issuers, credit ratings, duration and sectors.

Equally important, smaller parcel sizes support more flexible portfolio management. Investors can enter and exit positions with greater ease, improving overall liquidity and responsiveness to market conditions.

**A dual-market approach to settlement**

Within this evolving landscape, PCT has adopted a dual-market approach. Institutional trades continue to settle via Austraclear, which remains well suited to large-scale transactions between banks and other institutional participants.

For private wealth and wholesale clients, however, settlement via FII (which uses Euroclear) provides the flexibility required to support smaller holdings and more tailored portfolio construction. Securities can also be transferred between the two settlement platforms on a free-of-payment basis, enabling efficient custody consolidation where needed.

CEO of Asia Pacific Euroclear Philippe Laurensy explains the benefits of using Euroclear “Efficient market access today extends far beyond just settlement, it is about empowering

investors of all types to operate with confidence across borders. Our role is to deliver seamless connectivity across regions and asset classes, underpinned by a safe, resilient and efficient settlement infrastructure. Our harmonised post-trade framework enables investors to manage transactions more effectively, enhance portfolio mobility, and maximise liquidity, while reducing complexity and operational risk in cross-border activity."

### Changing investor behaviour

This shift in infrastructure comes at a time when investor behaviour is also evolving. Fixed income allocations within private wealth portfolios are increasing, moving from historically low levels of around 5% to closer to 10% to 15%, with expectations of further growth over the coming 5 years.

Several factors are contributing to this trend, including the gradual roll-off of listed hybrids and a growing preference among advisers and clients for direct bond exposure over pooled vehicles such as ETFs or managed funds. In many cases, advisers are seeking like-for-like replacements for hybrids, favouring the transparency and predictability of individual securities.

### Supporting brokers and advisers

To support this demand, operational models are also adapting. PCT has a separately licensed Perpetual CT Markets team which is an OTC Fixed Income market participant that works alongside advisers and brokers rather than providing direct advice. In a typical transaction, the adviser selects suitable bonds with their client and submits the order to the execution desk. The trade is then executed in the market, settled via Euroclear, and held in custody.

Ongoing administration, including coupon payments, corporate actions, maturity proceeds, daily portfolio valuations and optional tax reporting, is managed within the platform, which also supports multi-currency holdings.

### Complementary infrastructure, not competition

Importantly, these developments are not about replacing one system with another. Rather, they reflect a more nuanced use of existing infrastructure, with Austraclear and Euroclear each serving distinct and complementary roles within the market.

### The takeaway

For brokers and advisers, the key takeaway is clear: small parcel-size fixed income investing is already achievable in Australia through Perpetual CT's FII solution. As infrastructure continues to evolve alongside investor demand, access to the direct bond market is becoming more practical, flexible and scalable, opening the door to a broader range of portfolio construction opportunities.

For more information on Perpetual's Fixed Income Intelligence solution please contact Emily Boden at emily.boden@perpetual.com.au

This webpage has been prepared by Perpetual Corporate Trust. Perpetual Corporate Trust services are provided by Perpetual Corporate Trust Limited ABN 99 000 341 533 AFSL 392673, Perpetual Trustee Company Limited ABN 42 000 001 007, AFSL 236643, Perpetual Limited ABN 86 0000 431 827 and its subsidiaries. Perpetual Limited (Perpetual) and certain of its subsidiaries act as Authorised Representatives of Perpetual Trustee Company Limited. Data and analytics services are provided by Perpetual Digital Pty Ltd ABN 62 626 891 978, Perpetual Roundtables Pty Ltd ABN 33 158 636 821 and Laminar Capital Pty Ltd ABN 33 134 784 740, AFSL Number 476686. Laminar Capital is part of the Perpetual Group (Perpetual Limited ABN 86 000 431 827, including its subsidiaries).

This webpage contains general information only and any views expressed in this presentation are opinions only and do not constitute a recommendation to act. The information does not constitute investment, legal, taxation, financial product or other advice and the video does not take into account your investment objectives, financial situation or particular needs. The information may be based on information received/collated from third parties outside the Perpetual Group, or external sources which have not been independently verified. You are responsible for forming your own opinions and conclusions on such matters and should make your own independent assessment of the information and seek independent professional advice in relation to the information and any action taken on the basis of the information. To the extent permitted by law, no liability is accepted by Perpetual or its related bodies corporate or any of their officers, employees, agents or associates, nor any other person, for any of the information in this webpage or for any action taken by you on the basis of the information.