Perpetual Private

Fund Profile - 30 September 2026

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	$229 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 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

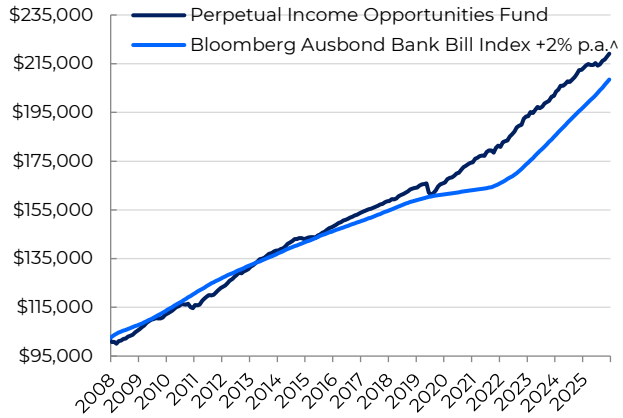
A multi-manager framework is utilised, where a diverse mix of Australian and international income investments are selected, combining different investment styles and philosophies to provide returns with low correlation to traditional fixed income markets. Derivatives and currency hedging strategies may 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)[3]



Source: State Street.

Net performance

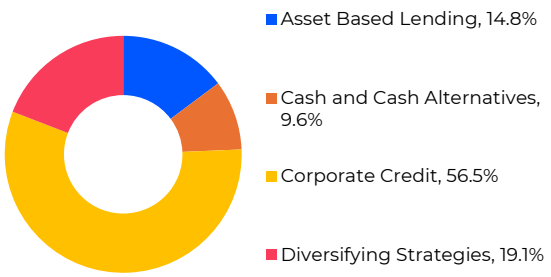
As at September 2026

Returns[3]	1M	3M	1YR	3YR	5YR	S/I*
Total return	0.6%	1.3%	3.1%	4.3%	4.7%	4.4%
Growth return	-0.2%	0.6%	-0.8%	-0.4%	-0.7%	-0.1%
Distribution return	0.8%	0.8%	3.9%	4.7%	5.3%	4.5%
Benchmark	0.5%	1.6%	6.1%	6.3%	5.1%	4.1%
Excess Return	0.1%	-0.3%	-3.0%	-2.0%	-0.4%	0.3%

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

Portfolio exposure by asset allocation

As at September 2026



Source(s): State State, PPIRT.

Holding information

As at September 2026

Top 10 Exposures[4]	Asset Class	Weight
CVC Global Yield	Corporate Credit	20.0%
Clearmatch Insurance Premium Funding	Diversifying Strategies	8.3%
Perpetual Credit Income Fund	Corporate Credit	8.0%
LCP Insurance Linked Securities Fund - AUD Class	Diversifying Strategies	7.2%
Kapstream Private Investment Fund	Asset Based Lending	4.7%
Invesco Credit Partners Fund II	Corporate Credit	3.9%
Golub Business Development Company 4 (GBDC 4)	Corporate Credit	3.9%
Mantis Select Global Specialty Finance Fund	Asset Based Lending	3.4%
Nuveen Asia Pacific Cities Fund	Asset Based Lending	3.1%
Pemberton European Strategic Credit Opportunities Fund II	Corporate Credit	2.9%
Total Top 10 Holdings %		**65.4%**

Source(s): State Street, PPIRT.

Cash Level & Leverage	Weight
Cash(AUD)[5]	8.04%
Leverage ratio[6]	1.01
Maturity profile: As at 30 September 2026 the Fund has no direct gearing liabilities. Liabilities are generally paid within 30 days of the invoice date.	

Investment characteristics

As at September 2026

Sector	Geographic Location		Market Type[7]		
	ONSHORE	OFFSHORE	LISTED	TRADED	PRIVATE
Asset-Backed Strategies	54%	46%	0%	23%	77%
Corporate Strategies	15%	85%	0%	16%	84%
Other Defensive Alternatives	81%	19%	0%	38%	62%
Total	36%	64%	0%	21%	79%
FX Hedge Level	93%				

Source(s): State Street, PPIRT.

Market Commentary

Performance for the Fund has been disappointing over the last 12 month, off the back of some subdued performance from the Broadly Syndicated Loan (BSL) market and Foreign Direct Lending allocations.

Earlier this year it seemed as though the investment world discovered vibe coding and then decided that software-as-a-service was broken. The theme caught on and even ended up with its own nickname: SaaSpocalypse.

Whilst quite a clever nickname, caution should be taken against the overuse of "-pocalypse" in portmanteaus. For example, recently RAMpocalypse was being used to describe a spike in memory prices. At this rate we'll be declaring an ‘apocalypse’ every second Tuesday.

Software is a big part of the US BSL market, representing around 12.5% of the Morningstar LSTA US Leveraged Loan index. SaaSpocalypse was a big contributor to the under-performance of the index, which fell 0.55% in Q1 2026.

The market has recovered, with the same index returning 1.88% in Q2 and 1.64% in Q3. The recovery can be attributed to Private Equity doing less software deals which would be financed by the Leveraged Loan market and a general tightening of spreads.

We are diversified across region and debt types, with a software exposure of less than 5%. However, we were not immune from the pain with our US Leveraged Loan and US Private Debt exposures suffering software related falls in Q1 and then recovering somewhat in Q2 and Q3.

Late last year, the Fund rotated out of Broadly Syndicated Loans and cash to go overweight in Australian Floating-rate credit, Catastrophe Bonds and Australian Insurance Premium Funding.

The year earlier, we expanded into Speciality Finance focussed on providing capital solutions to 2nd tier banks and non-bank lenders. We would later add two global exposures, one a large company generalist asset backed lender and the other, a middle market asset backed lender. 2025 was also the year the Fund ramped up its exposure to private Insurance-linked assets.

These new exposures are not reliant on Private Equity market deal flow, like Broadly Syndicated Loans and Sponsor-backed Direct Lending are. All four have since been the strongest performers in the Fund.

The performance of our older vintage investments in Special Situations, Core Property and Commercial Real Estate Lending continue to lag expectations.

Private markets survived the post COVID tightening cycle but are now facing another tightening cycle in a few short years. The market had anticipated an easing cycle in 2026 and that deal flow would improve because of the lower borrowing costs. That was not the case. In fact, what we witnessed was actually the opposite. Private Equity companies may hold on to their companies longer, which reduces their IRR and reduces the velocity of capital for the Direct Lending market that supports it.

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 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 managers who borrow as part of their investment strategy. 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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