Perpetual Private

PERPETUAL INCOME OPPORTUNITIES FUND

Fund Update – 31 July 2022

FUND FACTS

Benchmark:	Bloomberg Ausbond Bank Bill Index +1% p.a.
Inception Date[1]:	March 2008
Size of Fund:	$194 million
APIR:	PER0436AU
Management Fee*:	0.5% as at December 2021
Buy/Sell spread:	0.00% / 0.00% as at February 2022
Liquidity:	Quarterly withdrawals subject to restrictions, refer to PDS
Distribution Frequency:	Quarterly
Risk Profile[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 consistent income through investment in a diversified portfolio of absolute return funds, specialist credit funds and other investments consistent with the fund's investment approach.

To outperform the Bloomberg Ausbond Bank Bill Index over rolling three-year periods by 1% 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

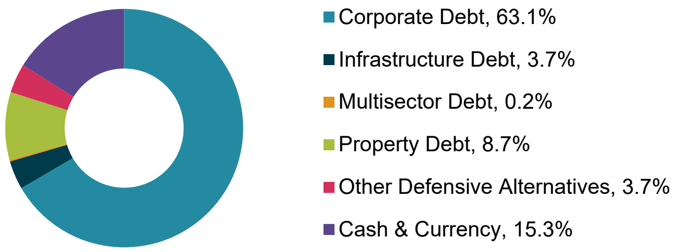
As at July 2022

NET RETURNS[3]	1M%	3M%	1Y%	3Y% (p.a.)	5Y% (p.a.)	INCEPTION % (p.a.)
Total return	-0.6%	-0.2%	3.1%	3.0%	3.2%	4.2%
Growth return	-0.6%	-3.9%	-3.1%	-0.3%	0.0%	-0.1%
Distribution return	0.0%	3.7%	6.2%	3.3%	3.2%	4.3%
Benchmark	0.2%	0.5%	1.2%	1.3%	2.0%	3.6%
Excess Returns	-0.8%	-0.7%	1.9%	1.7%	1.2%	0.6%

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

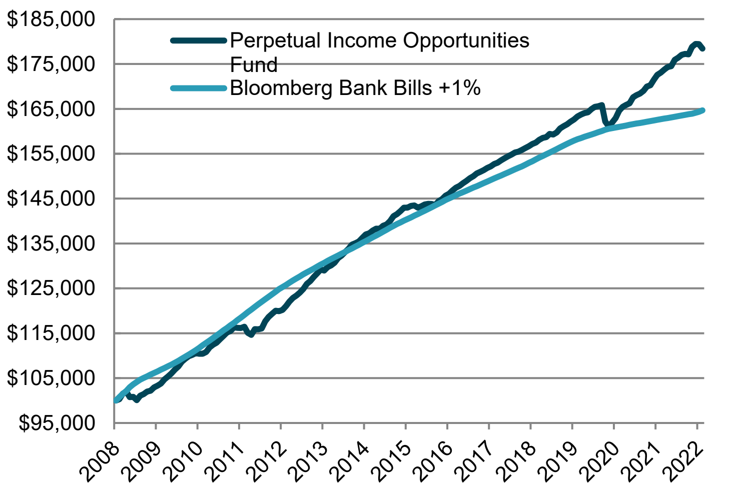
SECTOR ASSET ALLOCATION

As at July 2022



Source: State Street, PPIRT.

GROWTH OF $100,000 SINCE INCEPTION (NET OF FEES)[5]



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

HOLDING INFORMATION

As at July 2022

TOP 10 EXPOSURES[4]	ASSET CLASS	SUB-ASSET CLASS	WEIGHT
CVC Global Yield	Specialist Credit	Corporate Debt	12.7%
Blackstone Corporate Funding EUR Fund	Specialist Credit	Corporate Debt	5.3%
Pemberton European Strategic Credit Opportunities Fund	Specialist Credit	Corporate Debt	4.9%
Monroe Capital Private Credit Fund III	Specialist Credit	Corporate Debt	4.8%
ICG Senior Debt Partners Fund II	Specialist Credit	Corporate Debt	3.7%
AB Commercial Real Estate Debt Secondary Market Fund III	Specialist Credit	Property Debt	3.7%
Pemberton European Strategic Credit Opportunities Fund II	Specialist Credit	Corporate Debt	3.7%
DCF Australian Private Debt Fund	Specialist Credit	Corporate Debt	3.7%
Westbourne Infrastructure Debt Fund No. 2	Specialist Credit	Infrastructure Debt	3.7%
New Mountain Guardian Partners III	Specialist Credit	Corporate Debt	3.4%
Total Top 10 Holdings			**49.6%**

CASH LEVEL & LEVERAGE	WEIGHT
Cash (AUD)[5]	15.2%
Leverage Ratio[6]	1.23
Maturity Profile: As at 31 July 2022 the Fund has no direct gearing liabilities. Liabilities are generally paid within 30 days of the invoice date.	

Source: State Street, PPIRT

INVESTMENT CHARACTERISTICS

As at July 2022

SECTOR	GEOGRAPHIC LOCATION		MARKET TYPE[7]		
	ONSHORE	OFFSHORE	LISTED	TRADED	PRIVATE
Specialist Credit[8]	9%	91%	0%	7%	93%
Other Defensive Alternatives	0%	100%	0%	0%	100%
Total	8%	92%	0%	7%	93%
FX Hedge Level	94%				

Source: State Street, PPIRT

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 4 to less than 6 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 managers. The Fund itself will not borrow or apply gearing in the ordinary course of business. Last updated May 2022. 7) Market type data is estimation only, provided by the Perpetual Private research team. 8) Specialist Credit in this instance signifies the exclusion of Absolute Return and Cash investments.

MORE INFORMATION
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