

Breaking bonds: how private credit is reshaping investment portfolios

By Perpetual Wealth Management
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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.

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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.

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And see how we can help protect and build your wealth

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