

Why manager experience matters in higher-yielding credit

By Perpetual Asset Management

10 November 2025



Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our [Privacy Policy](#) for details

- Look for managers who have invested through multiple credit cycles
- Ask your manager how they size risk
- Find out about [Perpetual Credit Income Trust's \(ASX:PCI\) limited-time capital raising offer](#)

FUND manager experience and a proven track record are becoming increasingly important in private-credit investing as regulatory scrutiny increases.

That's according to Perpetual senior portfolio manager and head of credit research, Greg Stock.

Regulatory focus on private credit valuations and liquidity structures has highlighted risks in concentrated, single-sector strategies.

The scrutiny comes as more investors look beyond investment-grade bonds for higher income.

What separates managers is how they size risk and whether they've operated through multiple credit cycles, with funds chasing the highest yields in single sectors at risk in a downturn, says Stock.

"Every cycle there's one or two funds that specialise in the highest-return, highest-risk segment," says Stock.

"Invariably, the increased risks materialise, the higher returns are unsustainable, and some are no longer in existence a couple of years later.

Stock manages [Perpetual Credit Income Trust \(ASX:PCI\), which has just announced a new capital raising](#).

"The way we approach the segment is to have a blend of investment grade and sub-investment assets – and the ability to rotate where there's relative value.

"We think there needs to be balanced risk management – it's really important."

The case for ASX:PCI

Perpetual Credit Income Trust (ASX:PCI) is designed to provide monthly income from a diversified mix of credit and fixed-income securities.

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details

ASX:PCI

Perpetual Credit Income Trust

Limited-time offer

Capital raising announced

[Learn more](#)

Greg Stock

Head of Credit Research,
Senior Portfolio Manager
Perpetual



Importantly, PCI can draw on both public and private markets, rotating between the two to capture relative value.

“We can blend investment-grade and sub-investment-grade securities – and a diverse range of underlying sectors – and have the ability to rotate where there's relative value.

“We can capture the liquidity premiums and higher yields available in private credit, which adds to the return profile, while being mindful of the risk-return characteristics of the fund and what it's seeking to achieve.”

Where the opportunities lie

Public credit includes tradable bonds – mostly from investment-grade corporates – while private credit covers less-liquid assets like securitised structures and corporate loans.

Securitised structures pool underlying exposures – mortgages, car loans, equipment leases or receivables – and divide them into tranches with different risk and return profiles.

Corporate lending includes loans to businesses, from large infrastructure and blue-chip corporates to smaller firms with higher gearing.

Stock says Perpetual aims to rotate towards areas of relative value and away from sectors where

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details

money for longer.

Much of private credit is either unrated or carries a sub-investment-grade rating – meaning it sits below BBB on the credit scale. But that rating often reflects financial structure, not necessarily business quality.

“You can have a very strong, stable business profile, but if it’s highly geared, it will tend to be sub-investment-grade,” says Stock.

“We focus on large corporates with pricing power, market share and competitive advantages. These loans typically have strong security and covenants to protect investors”

Stock says the key requirement for investment is discipline: deep analysis of business quality and financial structure, sizing positions appropriately, and diversifying across issuers, industries and structures.

Long track record

The Perpetual credit team has a long track record in the sector, joining the firm more than two decades ago just as Australian corporate credit markets were being developed.

At the time, investors had limited options beyond cash, term deposits and bonds.

Stock and the Perpetual team were among the first to develop strategies designed to capture the liquidity premiums and sub-investment-grade opportunities emerging as banks stepped back from lending.

That tenure means the team has invested through multiple credit cycles. “You don’t get any return unless you take risk,” says Stock.

“The questions are the same: what risk, what’s the appropriate return for that risk, and what’s the right position size?

About Greg Stock and Perpetual Credit Income Trust (ASX:PCI)

Greg Stock is a Senior Portfolio Manager and Head of Credit Research with Perpetual’s Credit and Fixed Income team.

Greg has more than 30 years of investing experience, including 20 at Perpetual. He has researched and analysed credit markets on the buy side and sell side for more than a decade,

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details

Find out about [PCI's limited-time capital raising offer](#)

Want to know more? [Contact a Perpetual account manager](#)

This information has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 (PIML). Perpetual Trust Services Limited ABN 48 000 142 049, AFSL 236648 (PTSL) is the responsible entity and issuer of the Perpetual Credit Income Trust ARSN 626 053 496 (Trust). PTSL has appointed PIML to act as the manager of the Trust.

This presentation is general information only and is not intended to provide you with financial advice or take into account your investment objectives, taxation situation, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances.

Prior to making any investment decisions in relation to the Trust, you should consider the product disclosure statement of the Trust issued by PTSL dated 8 March 2019 and the Trust's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.perpetualincome.com.au. The Target Market Determination for this offer is available at www.perpetual.com.au/pci. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of the Trust or the return of an investor's capital. Past performance is not a reliable indicator of future performance. This information does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of the Trust's units.

The information is believed to be accurate at the time of compilation and is provided in good faith. Any views expressed in this article are opinions of the author at the time of writing. Neither PIML nor PTSL gives any representation or warranty as to the currency, reliability, completeness or accuracy of this information. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details