

PERPETUAL CREDIT INCOME TRUST

ASX: PCI

Investment update

June 2024

Investment objective

To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.

Portfolio snapshot

As at 30 June 2024	Amount
ASX unit price	\$1.140
NTA per unit ¹	\$1.100

¹ Daily Net Tangible Asset (NTA) is available at

www.perpetualincome.com.au

All figures are in Australian dollars (AUD), unless otherwise stated. All figures are unaudited and approximate. Past performance is not indicative of future performance. NTA figures are calculated as at the end of day on the last business day of the month.

Key information

As at 30 June 2024

ASX code:	PCI
Structure:	Listed Investment Trust
Listing date:	14 May 2019
Market capitalisation:	\$457 million
Units on issue:	401,207,776
Distributions:	Monthly
Management costs:	0.88% p.a. ²
Manager	Perpetual Investment Management Limited
Responsible Entity:	Perpetual Trust Services Limited

² Estimate inclusive of net effect of GST.

Investment performance ³

As at 30 June 2024	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since incep. p.a.
PCI Investment Portfolio (net)	0.7%	2.2%	4.8%	10.2%	5.9%	5.2%	5.1%
Target Return ⁴	0.6%	1.9%	3.9%	7.8%	5.9%	5.0%	5.0%
Distribution Return	1.3%	2.6%	4.5%	8.5%	6.3%	5.3%	5.1%
RBA Cash Rate	0.4%	1.1%	2.2%	4.4%	2.5%	1.7%	1.6%

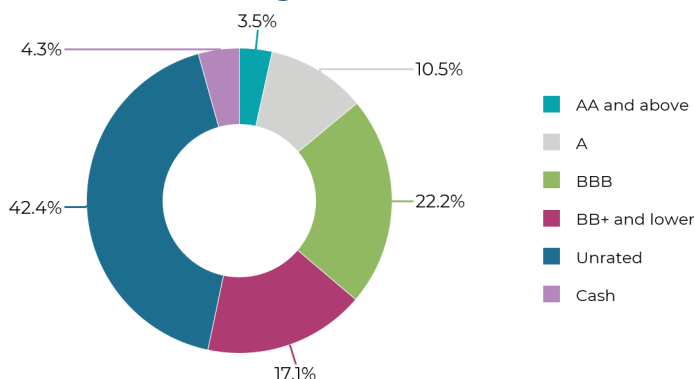
³ Investment returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management costs) and assuming reinvestment of distributions on the ex-date. Distribution return has been calculated based on the PCI investment portfolio return less the growth of NTA. Past performance is not indicative of future performance. Since inception return is from allotment on 8 May 2019. The comparison to the RBA Cash Rate is not intended to compare an investment in PCI to a cash holding. The PCI investment portfolio is of higher risk than an investment in cash.

⁴ Target Return is RBA Cash Rate + 3.25% p.a. (net of fees) through the economic cycle. This is a target only and may not be achieved.

Portfolio summary

As at 30 June 2024	Amount
Number of holdings	122
Number of issuers	84
Running yield	7.9%
Portfolio weighted average life	2.7 years
Interest rate duration	44 days

Ratings breakdown



Source: Standard & Poor's and Perpetual Asset Management Australia. Data is as at 30 June 2024. All figures are unaudited and approximate.

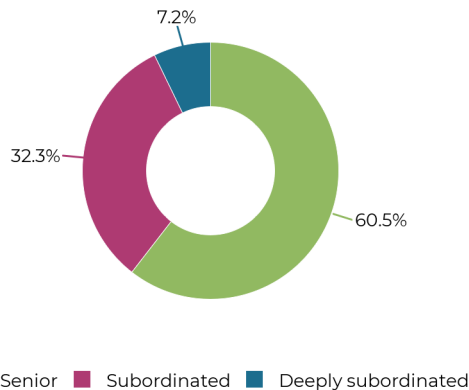
Distributions CPU ⁵

The table below shows the distribution in cents per unit for each distribution period in the respective financial year.

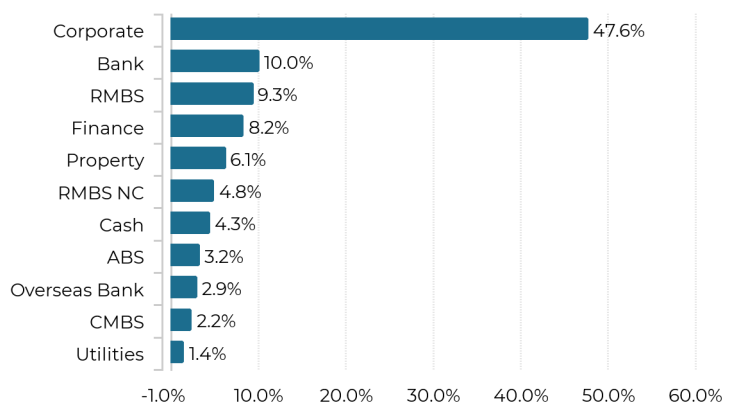
As at 30 June 2024	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
FY2020	0.40	0.40	0.39	0.37	0.36	0.37	0.37	0.35	0.33	0.30	0.31	0.30	4.26
FY2021	0.32	0.32	0.30	0.31	0.28	0.30	0.30	0.27	0.30	0.29	0.33	0.32	3.63
FY2022	0.32	0.32	0.31	0.32	0.31	0.35	0.35	0.36	0.41	0.39	0.46	0.49	4.38
FY2023	0.42	0.47	0.47	0.51	0.52	0.56	0.56	0.53	0.60	0.61	0.70	0.97	6.90
FY2024	0.67	0.68	0.67	0.68	0.68	0.68	0.68	0.64	0.69	0.67	0.73	1.41	8.87

⁵ Distributions are stated as cents per unit and have been rounded to two decimal places. Detailed distribution announcements are available on the [PCI website](#) and are stated in Australian dollars rather than cents per unit. Past performance is not indicative of future performance.

Seniority breakdown [^]



Sector allocation [^]



[^] Source: Bloomberg and Perpetual Asset Management Australia. Data is as at 30 June 2024. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

Portfolio update

Global financial markets strengthened through June with credit, bonds and equities posting gains. Softening economic data eased concerns around ongoing inflation pressure globally, supporting risk assets.

While domestic bond yields moved slightly lower in June, anticipation of further rate hikes increased as monthly inflation data printed above consensus expectations. Second quarter CPI to be released in July will be crucial for understanding the path of monetary policy with futures markets shifting by month end to price a 50% chance of a rate increase at the August meeting. PCI's short duration and focus on floating rate credit continues to mitigate interest rate risks associated with the uncertain path of monetary policy.

Domestic credit spreads continued to grind tighter throughout the month, contributing to return. Financials outperformed corporates with PCI's allocation to domestic regional banks performing notably well. Elsewhere, securitised assets performed well with RMBS spreads tightening despite a robust issuance pipeline.

While primary issuance was relatively light in June reflecting seasonal factors including end of financial year, we are seeing an attractive pipeline of corporate loan and securitised asset deals, as well as refinancing of some existing loans. Yields look attractive amongst Australian corporates and will be assessed alongside our filtering process for quality issuers.

Capital raising

On 9 July 2024, PCI announced a capital raising via a placement to wholesale investors and a Unit Purchase Plan (UPP) to existing investors (together the **Offers**). The proceeds from the Offers are intended to enable the Manager to actively pursue additional investments in accordance with the Trust's investment strategy and approach.

For full details of the capital raising, please refer to our [website](#) which includes the ASX announcement and presentation.

Investment objective

To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.

Target return

To target a total return of RBA Cash Rate plus 3.25% p.a. (net of fees) through the economic cycle. This is a target only and may not be achieved.

Investment strategy

The Perpetual Credit Income Trust invests in a diversified and actively managed portfolio of credit and fixed income assets.

The Trust will typically hold 50 to 100 assets.

30% - 100%	Investment grade assets
0% - 70%	Unrated or sub-investment grade assets
70% - 100%	Assets denominated in AUD
0% - 30%	Assets denominated in foreign currencies (which are typically hedged back to AUD)
0% - 70%	Perpetual Loan Fund
< 5%	Perpetual Securitised Credit Fund

The Trust will diversify exposure and will have maximum exposure limits to issuers.

Typical investments will include corporate bonds, floating rate notes, securitised assets and private debt (for example, corporate loans).

About the manager

The Trust's investment portfolio is managed by Perpetual Investment Management Limited, part of the Perpetual Group, who believes the key to investing in credit and fixed income assets is constructing a well diversified portfolio of quality assets. Its experienced and highly regarded investment team actively manages investments based on fundamental research and analysis of quality, value and risk.

Portfolio managers



Michael Korber
Managing Director, Credit & Fixed Income

Portfolio manager:
Perpetual Credit Income Trust
Perpetual Pure Credit Alpha

Michael has over 41 years' experience, having been involved in credit markets since their development in Australia during the 1990's. Unlike many other fixed income portfolio managers in this market, Michael has a background in lending and banking, understanding credit risk in a fundamental way.



Michael Murphy
Senior High Yield Analyst

Portfolio manager:
Perpetual Loan Fund

Michael is an experienced credit markets specialist, having previously worked in high yield, private debt and leverage finance roles. As portfolio manager of the Perpetual Loan Fund, Michael has a focus on sourcing and assessing higher yielding income opportunities.

For more information

Investor relations



Karen Trau
P: 02 9229 3138
E: karen.trau@perpetual.com.au

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Before making any investment decisions you should consider the Product Disclosure Statement (PDS) for the Trust issued by PTSL 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 or can be obtained by calling 1300 778 468 (within Australia) or +61(2) 9299 9621 (from overseas).

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