

12 March 2020

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Perpetual Credit Income Trust Investor Update

Perpetual Credit Income Trust performance against objectives

Perpetual Credit Income Trust's (PCI's) investment objective is to provide investors with monthly income and has a target total return¹ of the RBA Cash Rate plus 3.25% p.a. (net of fees) through the economic cycle. Since listing in May 2019, PCI has provided investors with monthly income and distributions of approximately 3.1 cents per unit, in line with its target return¹.

The composition of the portfolio

PCI's portfolio is well diversified with 86 holdings across over 60 issuers as at the end of February 2020. In terms of credit quality, the allocation across investment grade and sub-investment grade or unrated assets was 58.8% and 41.2% respectively. This largely remains unchanged compared to January when investment grade debt comprised 55.7% and sub-invested grade or unrated assets comprised 44.3% of the portfolio.

The portfolio is diversified across different types of fixed income and credit assets with composition as at end February 2020 including:

- Issuance by:
 - Corporations (approximately 29% of the portfolio) – this includes bonds and floating rate notes issued by investment grade issuers such as Aurizon, Bluescope, Coles, Downer, and Incitec Pivot or non-investment grade issuers such as Barmenco, Next DC, Omni Bridgeway and Zenith Pacific.
 - Australian banks (approximately 14% of the portfolio) – PCI's portfolio includes debt securities issued by Australian banks such as National Australia Bank, Westpac, Bendigo and Adelaide Bank, and Bank of Queensland. The portfolio has no exposure to ASX listed bank hybrid securities.
 - Financial issuers (approximately 17% of the portfolio) - such as Insurance Australia Group (IAG), Suncorp, and global bank issuers such as Barclays, Goldman Sachs, BNP Paribas and Credit Agricole.
 - Property trusts (approximately 5% of the portfolio) - such as Vicinity Centres and GPT.
 - Investment grade infrastructure groups and utilities (approximately 2% of the portfolio) - such as Port of Melbourne and DBNGP.
- Private debt assets (approximately 17% of the portfolio) – Typically these are senior secured loans given to well established businesses such as MYOB, Leap/Infotrack and Arnotts to fund acquisitions and capital expenditure. These loans typically rank higher on the capital structure than shares and hybrid securities, in the event a company is wound up.
- Asset backed securities (ABS), commercial mortgage backed securities (CMBS) and residential mortgage backed securities (RMBS) (approximately 13% of the portfolio) – these securities are

¹ This is a target return and may not be achieved.

collateralized with real assets such as motor vehicles and equipment, commercial real estate and residential property.

The Manager's key focus in asset selection is on credit quality and capital stability of issuers, low susceptibility to credit risk and relative value of assets. Accordingly, the Manager is confident with the credit risk held in the portfolio. The Manager has deep experience in the Australian fixed income market and a proven and stable team. The team is well resourced and are highly skilled and experienced in actively managing credit, with an average of 22 years' experience. This has been evidenced by the team's proven ability to generate income for investors through multiple market cycles and events by remaining true to their conservative and disciplined investment process.

Unit Price, Net Tangible Assets and Market Conditions

Over recent weeks, the uncertainty around the impact of the coronavirus has elevated market volatility and the unit price for the Perpetual Credit Income Trust (PCI) has fallen below the Trust's net tangible assets (NTA). This contrasts with the premium to NTA that PCI had been trading at for the majority of time since listing in May 2019.

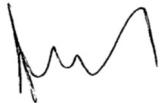
While the PCI unit price has fallen recently, the NTA, which represents the value of underlying investments, has remained quite stable, falling by less than 1.5%².

PCI releases its estimated NTA to the ASX daily, providing investors with transparency as to the value of the underlying assets.

If shareholders or other interested parties have any queries regarding this update, they can contact:

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Yours faithfully



Kristy Bradley
Client Manager
(Authorising Officer)

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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). No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of the Trust or the return of an investor's capital. This information does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of the Trust's units.

² Since 24 February 2020.