

PERPETUAL CREDIT INCOME TRUST

ARSN 626 053 496



4 March 2020

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

Perpetual Credit Income Trust Investor Update: Coronavirus and market conditions

We would like to communicate to our investors about the impact of the coronavirus on the economy and market volatility. The Perpetual Credit Income Trust (PCI) aims to meet its objective of providing monthly income by investing in a pool of diversified credit and fixed income assets. PCI has a flexible investment strategy which means the Portfolio Manager can actively move within the broad range of credit and fixed income assets including corporate bonds, floating rate notes, securitised assets and private debt (for example, corporate loans), to adapt to changing market conditions.

The market volatility has resulted in domestic credit spreads moving wider and we are seeing some investors selling fixed income assets. This has provided the Portfolio Manager with some additional attractively priced fixed income opportunities to generate returns for the portfolio. The Portfolio Manager remains confident with the current holdings of debt securities and has not made any material changes to the portfolio. The Portfolio Manager will continue to exercise caution in managing the portfolio in line with the relative value investment style, including an extensively researched portfolio of debt securities.

As a result of market volatility there was increased speculation that the RBA will reduce the official cash rate and yesterday they announced a reduction in the cash rate to 0.50%. We consider that with the likelihood of further reductions in financial institutions' terms deposit rates, the search for yield is likely to intensify. The Trust is targeting a total return of RBA Cash Rate plus 3.25% per annum (net of fees) through the economic cycle through a diversified actively and prudently managed portfolio of credit and fixed income assets¹.

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

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Yours faithfully

A handwritten signature in black ink, appearing to read "Kristy Bradley".

Kristy Bradley
Client Manager
(Authorising Officer)

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

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