

# PERPETUAL CREDIT INCOME TRUST

ARSN 626 053 496

Perpetual

## THE PERPETUAL CREDIT INCOME TRUST AIMS TO GENERATE SUSTAINABLE, REGULAR INCOME BY INVESTING IN A DIVERSIFIED PORTFOLIO OF CREDIT AND FIXED INCOME ASSETS.

Since Perpetual Limited was established in 1886, our goal has been to help investors protect and grow their wealth. In line with this enduring philosophy, we believe today many investors need additional, diversified sources of income. The Perpetual Credit Income Trust (the Trust) is a new way to meet those needs.

### SOURCES OF INCOME

People approaching or in retirement may have the dual needs of:

1. income to cover life's expenses
2. capital preservation with low volatility.

Typical traditional sources of income include dividends, rent from investment properties, and interest on cash and term deposits. Achieving income goals can be challenging as Australia has been in a period of historically low interest rates and low growth, creating uncertainty for investors who rely on these sources of income.

### OPTIMISE THE DEFENSIVE PART OF YOUR PORTFOLIO

An alternative source of income includes credit and fixed income assets such as corporate bonds, floating rate notes, securitised assets and private debt. We believe credit and fixed income investments should be the bedrock of an investor's defensive portfolio, as they provide a combination of capital stability, liquidity and regular income.

### A NEW WAY TO GENERATE INCOME

The Trust will offer investors a new way to access what is expected to be an attractive and reliable monthly income stream through a diversified exposure to domestic and global credit and fixed income assets. The Trust is also a unique opportunity to invest with one of Australia's leading active credit fund managers.

### HIGHLIGHTS

- Target total return – RBA Cash Rate plus 3.25% p.a. (net of fees)<sup>^</sup>
- Aims to provide monthly income payments
- Access to a defensive asset class that typically has low capital volatility
- A Trust that will apply to be listed on the Australian Securities Exchange
- Access to credit and fixed income assets not typically available to individuals
- Managed by the experienced, proven and stable Perpetual Credit and Fixed Income team

<sup>^</sup> This is a target only and may not be achieved.

### IMPORTANT DATES\*

Offer opens	25 March 2019
Offer closes	18 April 2019
Allotment of units	8 May 2019
Trading commences on ASX	14 May 2019

\* The above timetable is indicative only. The Responsible Entity reserves the right to vary the dates set out above subject to the Corporations Act and other applicable law.

### WHAT IS A LISTED INVESTMENT TRUST?

Listed Investment Trusts (LITs) are a way of gaining exposure to a professionally managed portfolio of assets in a single transaction.

They have a closed-end structure, meaning the number of units on issue is fixed (unless a further capital raising is conducted). Investors buy and sell units on the Australian Securities Exchange (ASX).

## KEY FACTS

<b>Trust Name</b>	Perpetual Credit Income Trust
<b>Proposed ASX code</b>	PCI
<b>Investment Manager</b>	Perpetual Investment Management Limited (Perpetual Investments)
<b>Responsible Entity</b>	Perpetual Trust Services Limited
<b>Offer Details</b>	Subscription price per unit is \$1.10 The Offer seeks to raise a minimum of \$150 million and up to \$400 million (with the right to accept oversubscriptions up to a further \$40 million) Minimum application amount is \$2,200 / 2,000 units Proforma NTA is expected to be \$1.10
<b>Investment Objective</b>	To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets
<b>Portfolio Manager</b>	Michael Korber
<b>Number of Holdings</b>	Typically, 50-100
<b>Target Return*</b>	To target a total return of RBA Cash Rate plus 3.25% p.a. (net of fees) through the economic cycle
<b>Distributions</b>	Aims to provide monthly distributions
<b>Estimated Management Cost</b>	0.88%
<b>Performance Fee</b>	None
<b>Establishment Costs</b>	Paid in full by Perpetual Investment Management Limited

\* This is a target only and may not be achieved.

## INVESTMENT STRATEGY

The Trust will hold an actively managed portfolio of typically 50 to 100 credit and fixed income assets diversified by country, asset type, credit quality, loan maturity and issuer. The Manager aims to find relative value in investments, buying the most attractive assets on a risk adjusted basis at any point in time while diversifying across issuers.

Due to Perpetual's size and market position the Trust can offer investors access to credit and fixed income assets not typically available to individual investors.

## PERPETUAL'S EXPERIENCED INVESTMENT PROFESSIONALS

The Trust will be managed by one of Australia's leading investment managers, Perpetual Investments (the Manager), with more than \$27.7 billion in funds under management as at 31 December 2018.

The Manager's investment philosophy seeks to deliver predictable and repeatable returns while preserving capital through an active and risk aware investment process.

Michael Korber, Head of Credit and Fixed Income will manage the portfolio with the support of Anne Moal and a specialist team, who currently have over \$7.1 billion in funds under management in credit and fixed income (at 31 December 2018).

The senior portfolio managers of the Perpetual Credit and Fixed Income team have been investing together at Perpetual for over a decade.

## KEY PERSONNEL



### MICHAEL KORBER

Head of Credit and  
Fixed Income  
Perpetual Investments

Michael has over 37 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.

Prior to this he was a Divisional Director, working seven years in Corporate Banking and four years as deputy to the Head of Macquarie Bank Credit and earlier, he had spent four years as a Credit Analyst with Westpac Banking Corporation.

### ANNE MOAL

Senior High Yield Analyst and  
Portfolio Manager  
Perpetual Investments

Anne is an experienced credit markets specialist, having worked for 22 years in credit and fixed income markets in research, origination and trading roles. Anne is the portfolio manager of the Perpetual Loan Fund with a focus on higher yielding income opportunities. Before joining Perpetual in 2014, Anne worked for 10 years at Deutsche Bank, Global Markets division in Sydney where she held various roles, including origination and underwriting of sub-investment grade debt, Head of the Distressed Product Group, Australia and Head of Credit Research. She has also held roles with major institutions in London, including Deutsche Bank, Bankers Trust International, Banque Nationale De Paris and Credit Lyonnais.

## WHY CHOOSE THE PERPETUAL CREDIT INCOME TRUST?



### MONTHLY INCOME

The Trust targets a total return equal to the RBA Cash Rate **plus** 3.25% p.a. (net of fees). It intends to pay income monthly.



### DIVERSIFICATION

Access to a broad range of credit and fixed income assets diversified by country, asset type, credit quality, loan maturity and issuer. Many of these assets are not typically available to individual investors.



### STABILITY

Perpetual Investments' Credit and Fixed Income Team has extensive experience, a consistent track record of performance. The senior portfolio managers have been investing together for over a decade.



### ACCESS TO DEFENSIVE ASSETS

By investing in the Trust, you gain access to credit and fixed income assets – a defensive asset class which typically has a track record of low capital volatility.



### DYNAMIC INVESTMENT STRATEGY

Perpetual Investments' investment process seeks to preserve capital and deliver repeatable returns. Its active investment strategy allows it to position the portfolio to address changing market and economic conditions.



### ASX LISTED FOR LIQUIDITY

Perpetual Trust Services Limited will apply for the Trust to be listed on the ASX to provide investors with liquidity.

# PERPETUAL CREDIT INCOME TRUST

## KEY RISKS

This document does not constitute an offer to invest in the Trust. All investments are subject to risk which means the value of investments may

rise or fall, which means that you may receive back less than your original investment or you may not receive income over a given time frame. The key risks associated with investing in the Trust include ASX liquidity risk,

investment risk, credit and default risk, credit margin risk, investment strategy risk, related party risk, legal and regulatory risk. Refer to section 7 of the PDS for a comprehensive summary of potential risks.

## HOW TO INVEST

Before deciding to invest in the Trust, investors should read the Product Disclosure Statement (PDS) in its entirety. It contains detailed information about the Trust and risks associated with this investment. If you have any questions, you should seek professional advice to determine if this investment is appropriate for you.



Ask your stockbroker, financial adviser, accountant or other professional adviser



Download a copy of the Product Disclosure Statement at [www.perpetualincome.com.au](http://www.perpetualincome.com.au)



Call 1300 778 468 (within Australia) or +61(2) 9299 9621 (from overseas) between 8.30am and 7.00pm (AEST) Monday to Friday

## JOINT LEAD MANAGERS

**CommSec**   
Commonwealth Securities Limited  
AFSL 238814

  
National Australia Bank  
AFSL 238814

  
Morgans Financial Limited  
AFSL 235410

## CO-MANAGERS

  
Bell Potter Securities Limited  
AFSL 243480

**ORD MINNETT**  
Ord Minnett Limited  
AFSL 237121

**Shaw and Partners**  
Shaw and Partners Limited  
AFSL 236048

This information has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 and issued by Perpetual Trust Services Limited ABN 48 000 142 049, AFSL 236648, the issuer of the Perpetual Credit Income Trust (Trust). It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not indicative of future performance. Perpetual Trust Services Limited has issued a Product Disclosure Statement (PDS) for the Trust, which should be considered before deciding whether to acquire or hold units in the Trust. The PDS is available and can be obtained by calling 1300 778 468 (within Australia) or +61(2) 9299 9621 (from overseas) or visiting [www.perpetualincome.com.au](http://www.perpetualincome.com.au). 2691\_0319

Download the PDS at  
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