

PERPETUAL CREDIT INCOME TRUST

ASX: PCI

Investment update

July 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 31 July 2024	Amount
ASX unit price	\$1.120
NTA per unit ¹	\$1.107

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 31 July 2024

ASX code:	PCI
Structure:	Listed Investment Trust
Listing date:	14 May 2019
Market capitalisation:	\$517 million
Units on issue:	461,485,815
Distributions:	Monthly
Management costs:	0.88% p.a. ²
Manager	Perpetual Investment Management Limited
Responsible Entity:	Perpetual Trust Services Limited

Investment performance³

As at 31 July 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)	0.6%	2.0%	4.6%	9.6%	6.1%	5.2%	5.2%
Target Return ⁴	0.6%	1.9%	3.9%	7.8%	6.0%	5.1%	5.0%
Distribution Return	0.0%	2.0%	3.8%	7.9%	6.2%	5.2%	5.0%
RBA Cash Rate	0.4%	1.1%	2.2%	4.4%	2.6%	1.7%	1.7%

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. The Responsible Entity aims to pay distributions to investors monthly. For such distributions, the record date is generally the last ASX trading day of each month and the ex-date is one business day prior to the record date. However, for the distribution with period ending 31 July 2024, the record date was 2 August 2024. Accordingly, the 1 month distribution return for the PCI investment portfolio is 0%. It is expected that the distribution return for August 2024 will take into account the distribution with period ending 31 July 2024 and distribution with period ending 31 August 2024. 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.

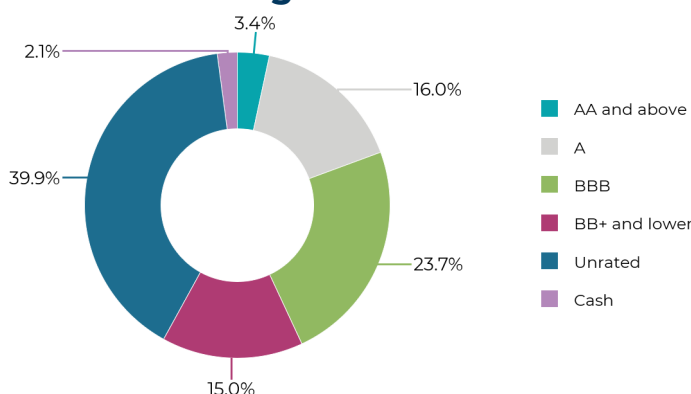
⁴ Target Return is RBA Cash Rate + 3.25% p.a. (net of fees) through the economic cycle. This is a target only and may not be achieved.

² Estimate inclusive of net effect of GST.

Portfolio summary

As at 31 July 2024	Amount
Number of holdings	134
Number of issuers	91
Running yield	7.9%
Portfolio weighted average life	3 years
Interest rate duration	45 days

Ratings breakdown



Source: Standard & Poor's and Perpetual Asset Management Australia. Data is as at 31 July 2024. All figures are unaudited and approximate.

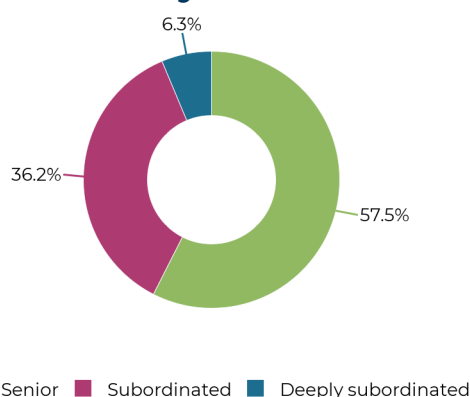
Distributions CPU ⁵

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

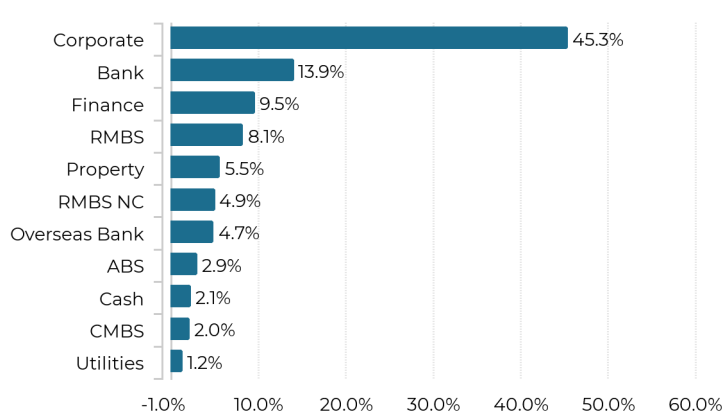
As at 31 July 2024	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
FY2024	0.67	0.68	0.67	0.68	0.68	0.68	0.68	0.64	0.69	0.67	0.73	1.41	8.87
FY2025	0.68	-	-	-	-	-	-	-	-	-	-	-	0.68

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 31 July 2024. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

Capital raising

On 9 July 2024, we announced a placement to wholesale investors and a unit purchase plan to eligible unitholders for Perpetual Credit Income Trust (ASX: PCI; the Trust). In total, the placement and unit purchase plan raised \$93.0 million and increased the Trust's size to approximately \$534 million.

We are delighted with the support we received and would like to thank our existing unitholders for their ongoing support and welcome our new unitholders. Importantly the capital raising provides potential for greater liquidity which we believe will benefit all unitholders.

We have commence deploying the additional capital per our update below.

Portfolio update

The PCI investment portfolio returned 0.6% during July. The portfolio's running yield was 7.9% at month end, drawn from a diversified mix of assets led by non-financial corporates alongside banks, non-bank financials and securitised sectors.

Financial markets consolidated during July with global equities ending the month higher while bond yields fell. Markets were relatively subdued throughout June before below expectations US non-Farm payroll data and the Bank of Japan's 31 July decision to increase interest rates precipitated a spike in volatility in the first days of August.

Domestic bond yields fell aligning with a broader global trend that saw bond yield rally through June. Slowing core inflation in the second quarter CPI print saw expectations of an August RBA rate increase ease. While inflation has been more subdued through the first half of 2024, there remains a long way back to the central bank's target range, which is reflected in the hawkish pricing of potential rate cuts.

Credit spread contraction was positive for performance during the month. While spreads traded in a tight range throughout July, the portfolio benefitted from tightening among domestic and offshore bank exposures alongside property trusts. Spread performance among non-financial corporates was more mixed.

Sector allocations were adjusted during the month. During July, the Manager was active in secondary markets, deploying capital raised during the recent Placement and Unit Purchase Plan. Domestic and offshore bank exposures were increased at month end while allocation to non-financial corporates declined. The Trust also took part in new subordinated floating rate deals from Westpac as well as Spanish multi-national bank (and regular issuer in in the AUD market) Banco Santander. The Trust's credit risk profile was adjusted with high yield and unrated exposures reduced by month end. The Trust also added exposure to the non-bank financial sector via a new loan from consumer and small business debt purchaser.

Our credit outlook is slightly negative at this point. While the growth outlook remained marginally positive at month end, valuation, supply and demand indicators have detracted from the overall outlook. The team is actively monitoring the elevated volatility that has impacted markets since July month end. In the second week of August, the outlook declined further reflecting tightened liquidity conditions. Accordingly, the portfolio remains defensively positioned and retains the capacity to take advantage of relative value opportunities as they arise.

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

This monthly report has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 (PIML). It is authorised for release by Perpetual Trust Services Limited ABN 48 000 142 049, AFSL 236648 (PTSL). PTSL is the responsible entity and issuer of the units in Perpetual Credit Income Trust ARSN 626 053 496 (Trust). PTSL has appointed PIML to act as the manager of the Trust. This monthly report 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. This information is believed to be accurate at the time of compilation and is provided in good faith. This report may contain information contributed by third parties. PIML and PTSL do not warrant the accuracy or completeness of any information contributed by a third party. Any views expressed in this monthly report are opinions of the author at the time of writing and do not constitute a recommendation to act.

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.

This report may contain information, data or material, including ratings (Content) obtained from third parties, including ratings from credit ratings agencies such as Standard & Poor's. Reproduction and distribution of the Content in any form is prohibited except with the prior written permission of the relevant third party. Third party content providers, and their affiliates and suppliers (Content Providers), do not guarantee the accuracy, adequacy, completeness, timeliness or availability of the Content, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content obtained from the Content Providers is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

