

ASX: PCI

PERPETUAL
CREDIT INCOME
TRUST

Capital raising: placement and unit purchase plan

July 2024

Perpetual 

Important note

This presentation has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535 AFSL 234426 (**PIML** or the **Manager**) and authorised for release by Perpetual Trust Services Limited ABN 48 000 142 049 AFSL 236648 (**PTSL** or the **Responsible Entity**). PTSL is the responsible entity and issuer of units in the Perpetual Credit Income Trust ARSN 626 053 496 (**Trust** or **PCI**). PTSL has appointed PIML to act as the manager of the Trust.

This presentation has been prepared in connection with a wholesale placement of new units in the Trust and the offer of units under a Unit Purchase Plan (**UPP**) to existing eligible unitholders of the Trust and contains summary information about the Trust and its activities. It is current as at 9 July 2024, unless stated otherwise.

This presentation is general information and is for information purposes only. This presentation is not an offer or invitation to acquire new units or any other financial product. It is not a product disclosure statement, prospectus or any other form of disclosure document under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or any other law. It is in summary form and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Trust or what would be required to include in a Product Disclosure Statement prepared in accordance with the *Corporations Act 2001* (Cth) (**Act**).

The presentation is not intended to provide you with financial, taxation, legal or accounting advice or take into account your investment objectives, taxation situation, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your objectives, financial situation and needs.

This presentation is subject to change without notice. Neither PTSL, PIML, nor any company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) have any obligations to update or correct this presentation.

The placement will be conducted under section 1012DA of the Act and will be made to wholesale clients (as defined in the Act). Determination of eligibility of investors for the purposes of the placement is determined by reference to a number of matters, including legal requirements and the discretion of PTSL as responsible entity of the Trust and the Joint Lead Managers (as identified in this presentation). To the maximum extent permitted by law, PTSL, PIML, the Trust and the Joint Lead Managers each disclaim any liability in respect of the exercise of that discretion or otherwise.

The offer of new units in the Trust under the Unit Purchase Plan will be conducted under the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and will be made to existing unitholders of the Trust with a registered address in Australia and New Zealand as at 7.00pm (Sydney, Australia time) on 8 July 2024. The UPP Units are not being offered or sold to the public within New Zealand other than to existing Unitholders of PCI at the UPP Record Date with registered addresses in New Zealand to whom the offer of UPP Units is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

Important note cont.

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Past performance is not indicative of future performance. Any past performance is given for illustrative purposes only and should not be relied on as an indication of PIML's or PTSL's views on the Trust's future financial performance or condition. References to securities in this presentation are for illustrative purposes only, and are not recommendations and the securities may or may not be currently held by PCI. This information is believed to be accurate at the time of compilation and is provided in good faith.

Before making any investment decision (including a decision to acquire, dispose of, or continue to hold units in the Trust), you should consider the Product Disclosure Statement (PDS) for PCI issued by PTSL and PCI'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). A Target Market Determination in relation to the units in the Trust is also available from [website](#).

Important note cont.

This presentation may contain forward looking statements and comments about future events that are based on PIML's beliefs, assumptions and expectations and on information currently available to PIML as at the date of this presentation. The words, 'expect', 'anticipate', 'estimate', 'intend', 'believe', 'guidance', 'should', 'may', 'will', 'predict', 'plan' and similar expressions are intended to identify forward looking statements. Any indications of, and guidance on, future operating performance and estimates, earnings, financial position and performance and estimates concerning the timing and success of strategies, plans, or intentions are forward looking statements. Forward looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. These forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors. These factors may be beyond the control of PTSL or PIML. Actual events may differ materially from those contemplated in such forward looking statements. Forward looking statements are not representations, warranties or assurances about future performance and should not be relied upon as such. Forward looking statements in this presentation are based on an assessment of economic and operating conditions and assumptions regarding future events and actions that, at the date of this presentation, are anticipated to take place. Actual operations, results, performance, targets, distributions or achievements may vary from any forward looking statements and the assumptions on which those statements are based. Neither PTSL or PIML undertake to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to its regulatory and disclosure requirements.

An investment in the Trust's units is subject to investment and other risks, some of which are beyond the control of PTSL or the Manager, including the loss of income and principal invested. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) or the Joint Lead Managers guarantee the future performance of PCI or the return of an investor's capital. Prospective investors should consider the key risk factors set out in this presentation and in the PDS.

Perpetual Credit Income Trust (ASX: PCI)

Investment objective & target return



- To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.
- To target a total return of RBA Cash Rate + 3.25% per annum (net of fees) through the economic cycle.¹

Investment guidelines



Typically 50 – 100 assets

30% - 100%	Investment grade assets ² Maximum issuer limit 15%
0% - 70%	Unrated or sub-investment grade assets ³ Maximum issuer limit 10%
70% - 100%	Assets denominated in AUD
0% - 30%	Assets denominated in foreign currencies ⁴
0% - 70%	Perpetual Loan Fund
<5%	Perpetual Securitised Credit Fund

Investment process



- 1 Top down market screening
- 2 Risk appetite and matrix of preferences
- 3 Approved list of issuers
- 4 Fundamental research bottom up

All investment carries risk. Two primary risks that can affect the value of your investment in PCI are ASX liquidity risk and credit risk. Although liquidity is generally expected to exist in this secondary market, there are no guarantees that an active secondary trading market will exist at the time of selling Units. Credit risk is the risk that a borrower or counterparty does not meet its principal and/or interest payment obligations as they fall due. If the credit risk increases for a borrower, for example due to a deterioration in its financial position, the value of the debt instruments of the borrower may fall. There may be a number of reasons why a borrower's credit worthiness declines such as business or specific sector issues, or general economic conditions deteriorating. Please refer to section 7 of the PDS for additional information as to the risks of investing in PCI.⁵

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





² An investment grade asset has a higher probability of payment of interest and repayment of principal.

³ Unrated or sub-investment grade assets have a higher risk that the issuer may not be able to meet interest payments or the repayment of principal if difficult conditions arise.

⁴ Foreign currencies are typically hedged back to the Australian dollar.

⁵ For further details on the risks of investing in PCI, please also refer to <https://www.perpetual.com.au/asset-management/listed-investment-vehicles/income/overview/>

Key details of the Placement and Unit Purchase Plan (UPP)

 <h2>Structure of the Offers</h2>	<ul style="list-style-type: none">• Placement to wholesale investors to raise up to approximately \$66.2 million; and• Non-underwritten UPP to existing eligible unitholders in Australia or New Zealand to apply for up to \$30,000 of fully paid ordinary units in the Trust without incurring brokerage or other transaction costs (together the Offers)• The Responsible Entity reserves the right to accept or scale back applications in the Placement and UPP at its discretion. Any scale back in respect of the UPP will be on a pro-rata basis.• The Portfolio Manager of PCI intends to apply for the maximum number of new units under the UPP• Arranger, Joint Lead Manager and legal fees associated with the capital raising will be borne by the Manager (refer to the Appendix)
 <h2>Issue price</h2>	<ul style="list-style-type: none">• Units in the Placement and UPP to be issued at \$1.10 per unit which is the net tangible assets (NTA) per unit of the Trust on Friday, 5 July 2024 and represents a 4.8% discount to the Trust's closing share price on Monday, 8 July 2024¹
 <h2>Ranking and allocation</h2>	<ul style="list-style-type: none">• Units in the Placement and UPP will rank equally with existing units when issued and be entitled to future distributions²
 <h2>Use of proceeds</h2>	<ul style="list-style-type: none">• Proceeds from the Offers will be used to actively pursue additional investments in accordance with the Trust's investment strategy and approach.• Portfolio Manager of PCI is seeing numerous opportunities where additional capital can be deployed including an attractive pipeline of corporate loan and securitised asset deals which will complement the relative value opportunities identified in investment grade and high yield credit and fixed income assets³

¹Based on the NTA per unit of \$1.10 (rounded to 2 decimal places) on Friday 5 July 2024 and a closing share price of \$1.155 on Monday 8 July 2024

²Where the distribution is declared and paid at the discretion of the Responsible Entity. Neither the Responsible Entity or the Manager provides any representation or warranty in relation to the payment of any future distributions.






³An investment grade asset has a higher probability of payment of interest and repayment of principal. High yield assets (unrated or sub-investment grade assets) have a higher risk that the issuer may not be able to meet interest payments or the repayment of principal if difficult conditions arise. Participation in deals and investment in assets by the Manager is subject to external market factors and the Manager's investment process.

Capital raising timetable¹

Event	Date
Record date for UPP	7:00pm Monday 8 July 2024
Trading Halt	Tuesday 9 July 2024
Announcement of Placement and UPP	Tuesday 9 July 2024
Placement Bookbuild	Tuesday 9 July 2024 - Wednesday 10 July 2024
Announcement of results of the Placement	Thursday 11 July 2024
Trading halt lifted	Thursday 11 July 2024
Settlement of Placement	Tuesday 16 July 2024
Issue of new units under the Placement	Wednesday 17 July 2024
UPP opens and issue of UPP Booklet	Wednesday 17 July 2024
Record date for July distribution	Wednesday 31 July 2024
UPP closing date	Tuesday 6 August 2024
Announcement of results of UPP	Friday 9 August 2024
Issue of UPP shares	Friday 9 August 2024
UPP shares expected to commence trading on the ASX	Monday 12 August 2024
Holding statements dispatched for units issued under the UPP	Monday 12 August 2024
Record date for August distribution	Friday 30 August 2024

¹ This timetable is indicative only and subject to change. The Responsible Entity reserves the right, acting reasonably and in accordance with the duties of a responsible entity, to alter the dates and times set out above at its discretion, subject to the ASX Listing Rules and Corporations Act. All references to times in this timetable are to Sydney time. In particular, the Responsible Entity reserves the right, acting reasonably and in accordance with the duties of a responsible entity, to exercise its discretion as to whether to declare and pay monthly distributions for July and August 2024.

Benefits of the Placement and UPP

 Attractive pipeline	We see an attractive pipeline of corporate loan and securitised asset deals which will complement the relative value opportunities identified in investment grade and high yield credit and fixed income assets ¹ .
 Potential for greater liquidity	Additional capital raised from the placement and UPP will increase the Trust's size which is expected to increase liquidity in the Trust's units traded on the ASX. This is expected to benefit existing unitholders and may also generate further interest from new investors, brokers, analysts and financial advisers.
 Scale	Greater scale in the Trust should also benefit new and existing unitholders by reducing the Trust's fixed expense base on a per unit basis.
 No brokerage	Issue price is \$1.10 per unit which is the net tangible asset (NTA) per unit of the Trust on Friday, 5 July 2024 and represents a 4.8% discount to the Trust's closing share price on Monday, 8 July 2024 ² . No brokerage or other transaction costs apply when participating in the placement and UPP.
 Distribution	UPP Units will be eligible to receive the August 2024 distribution (expected record date 30 August 2024) and future monthly distributions ³ . A DRP is also in operation.

*Refer to page 5 for further details on risks that may affect your investment in PCI.

¹ An investment grade asset has a higher probability of payment of interest and repayment of principal. High yield assets (unrated or sub-investment grade assets) have a higher risk that the issuer may not be able to meet interest payments or the repayment of principal if difficult conditions arise. Participation in deals and investment in assets by the Manager is subject to external market factors and the Manager's investment process.

² Based on the NTA per unit of \$1.10 (rounded to 2 decimal places) on Friday 5 July 2024 and a closing share price of \$1.155 on Monday 8 July 2024

³ Where the distribution is declared and paid at the discretion of the Responsible Entity. Neither the Responsible Entity or the Manager provides any representation or warranty in relation to the payment of any future distributions.

Portfolio Manager Update



Michael Korber

Portfolio Manager,
Perpetual Credit Income Trust



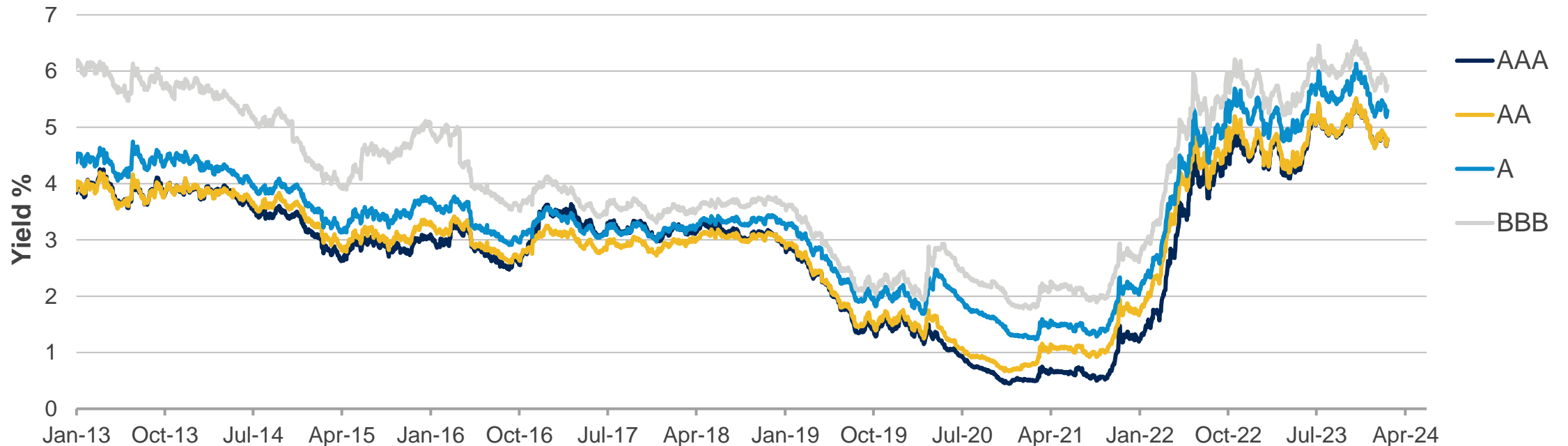
Michael Murphy

Portfolio Manager,
Perpetual Loan Fund

Why we think it's good to be in Australian credit now

- Australian credit offering best yields in over a decade
- Australian credit more defensive than global peers, higher quality with strong regulatory oversight
- We think Australian interest rates are likely to stay higher for longer, allowing credit yields to remain higher and potential for higher income for investors

Australian Corporate Yields



Source: Bloomberg. As at 31 May 2024. Past performance is not indicative of future performance.

Chart is intended to be illustrative only and does not reflect the actual PCI portfolio as at 31 May 2024.

An investment grade asset has a long term rating of BBB-/Baa3 to AAA/Aaa and has a higher probability of payment of interest and repayment of principal.

Perpetual Credit Income Trust

- Flexible investment strategy provides diversification of credit risks and security types. Designed to navigate different market environments:
 - 120 assets across 83 issuers in a range of industries/sectors¹
 - Each issuer exposure typically 1 – 2% of the portfolio
- Not reliant on one sector or solely private credit as a driver of returns. Our focus is to diversify with exposure across corporate Australia
- PCI has delivered on or above its target return of RBA Cash + 3.25% p.a.² across all time periods (see investment performance slide)
- Historical 12 month distribution yield is 7.6%³
- Experienced and skilled investment team with key portfolio managers working together for more than 20 years. We have a deep understanding of Australian credit markets and cycles, including management through volatility and market downturns (see Appendix)

*Refer to page 5 for further details on risks that may affect your investment in PCI.

¹ Data as at 31 May 2024.

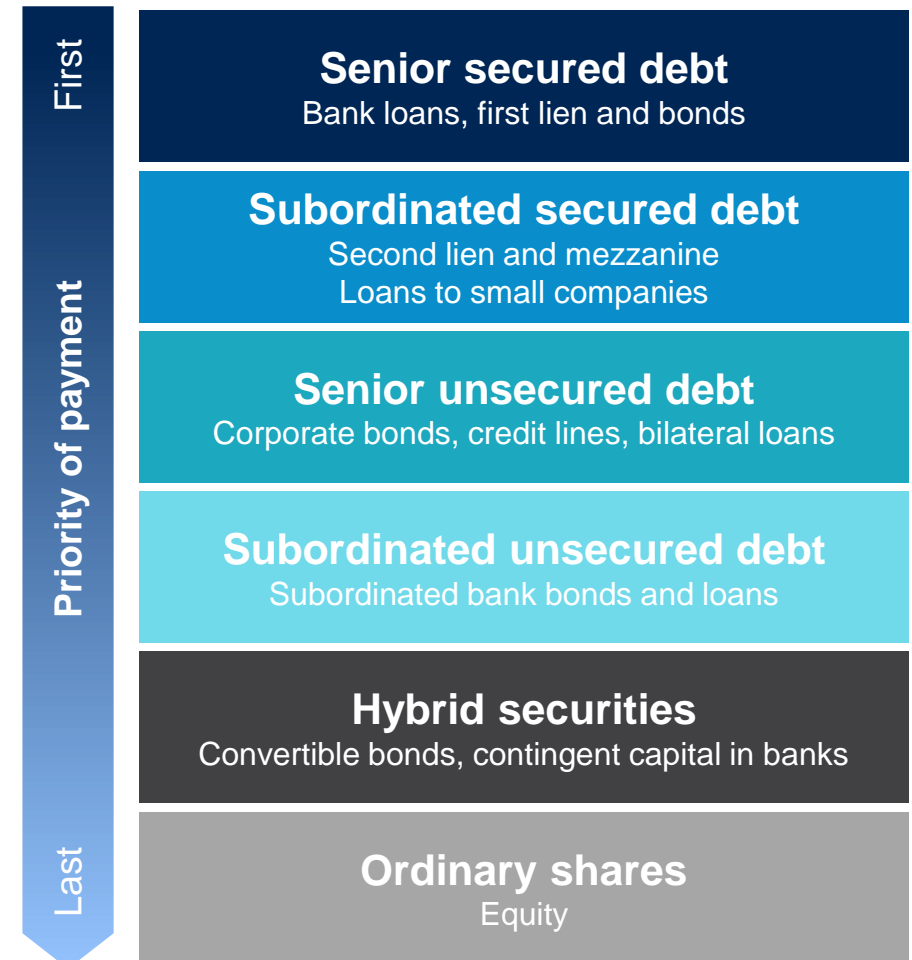
² PCI targets a total return of RBA Cash Rate + 3.25% p.a. (net of fees) through the economic cycle. This is a target and may not be achieved. Past performance is not indicative of future performance

³ Distribution yield calculated based on the total dividends of 8.87 cents per unit in the last 12 months to 30 June 2024 and the closing share price of \$1.14. Past performance is not indicative of future performance.

Our key principles of investing

- **Well diversified** across the full spectrum of credit and fixed income assets
- **Specialists in Australian corporate credit** - while the Trust can invest around the world, it typically focuses on Australian issuers given our local presence, ability to meet borrowers and manage credit risk for the portfolio
- **Short duration** to mitigate interest rate risk
 - Floating rate portfolio - 35 days duration¹
- Investing at the **top of the capital structure** for loans – we seek attractive income, low capital volatility and are prioritised in being repaid in the event a company is wound up
- No loans in the portfolio are assessed as being at risk of impairment or default¹. Loans valued independently at fair value

Typical capital structure of a company



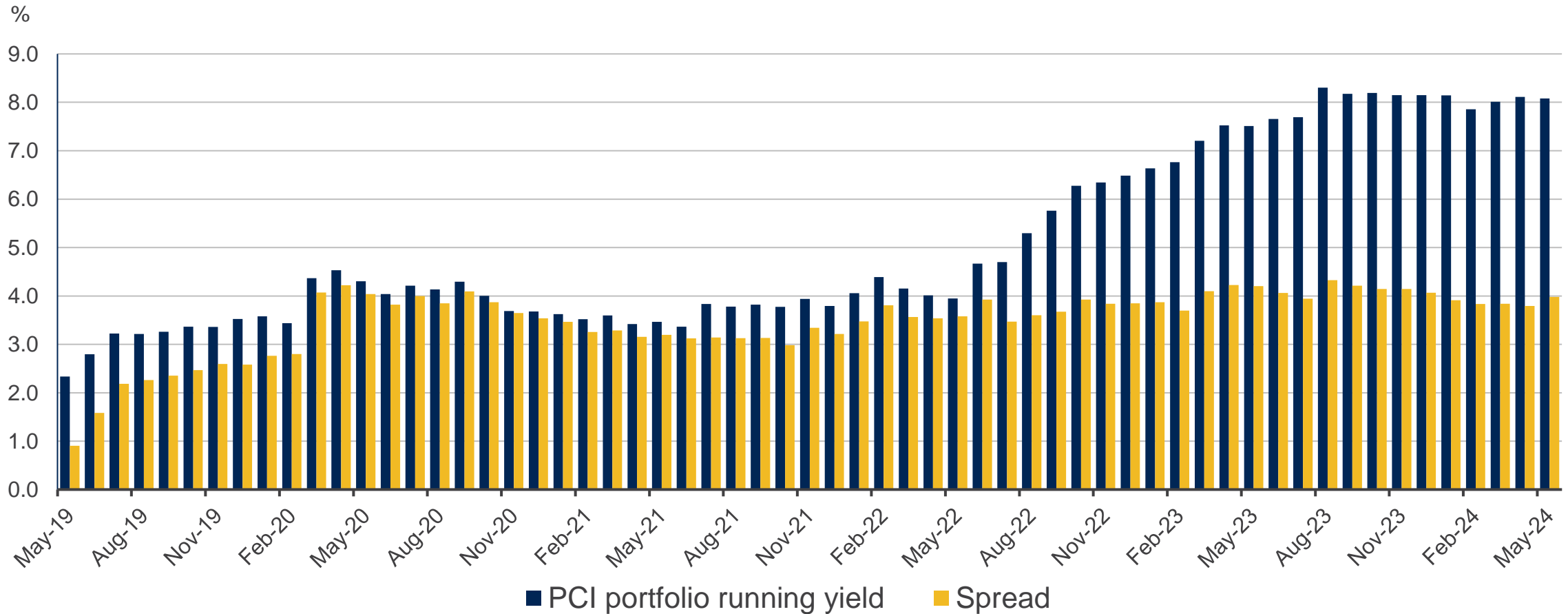
¹Data as at 31 May 2024.

Opportunities we are seeing across credit markets

- 1. Strong deal flow in securitisation markets offering ample selection of opportunities**
- 2. A building pipeline of primary issuance of loans along with refinancing of existing loans:**
 - Yields continue to look attractive
 - All loans valued independently at fair value
 - 100% of upfront fees paid by borrowers as part of loan deals is passed through to investors
- 3. Unconstrained credit means we pick off what we consider to be the best deals in each credit market sector:**
 - We focus on large, quality Australian corporates with significant market share, economic moats, and recurring revenues that are resilient to economic downturns
 - We don't participate in SME or property developer lending
 - We recently avoided the healthcare sector as it faces increasingly competitive markets, rising wages costs, a tightening of payments from the insurers who fund the sector and competition for specialist doctors

Income return of PCI assets has consistently been the most significant contributor to PCI portfolio return

PCI portfolio running yield v spread



Source: Perpetual Investment Management Limited. As at 31 May 2024. Past performance is not indicative of future performance
 The portfolio running yield is the expected return of each security held (assuming held to maturity and ceteris paribus), calculated at a point in time, and rolled up to the portfolio level, as a weighted total based on NTA. The spread is calculated for each security against its relevant risk-free rate at a point in time and rolled up to the portfolio level, as a weighted total based on NTA.

PCI investment portfolio performance

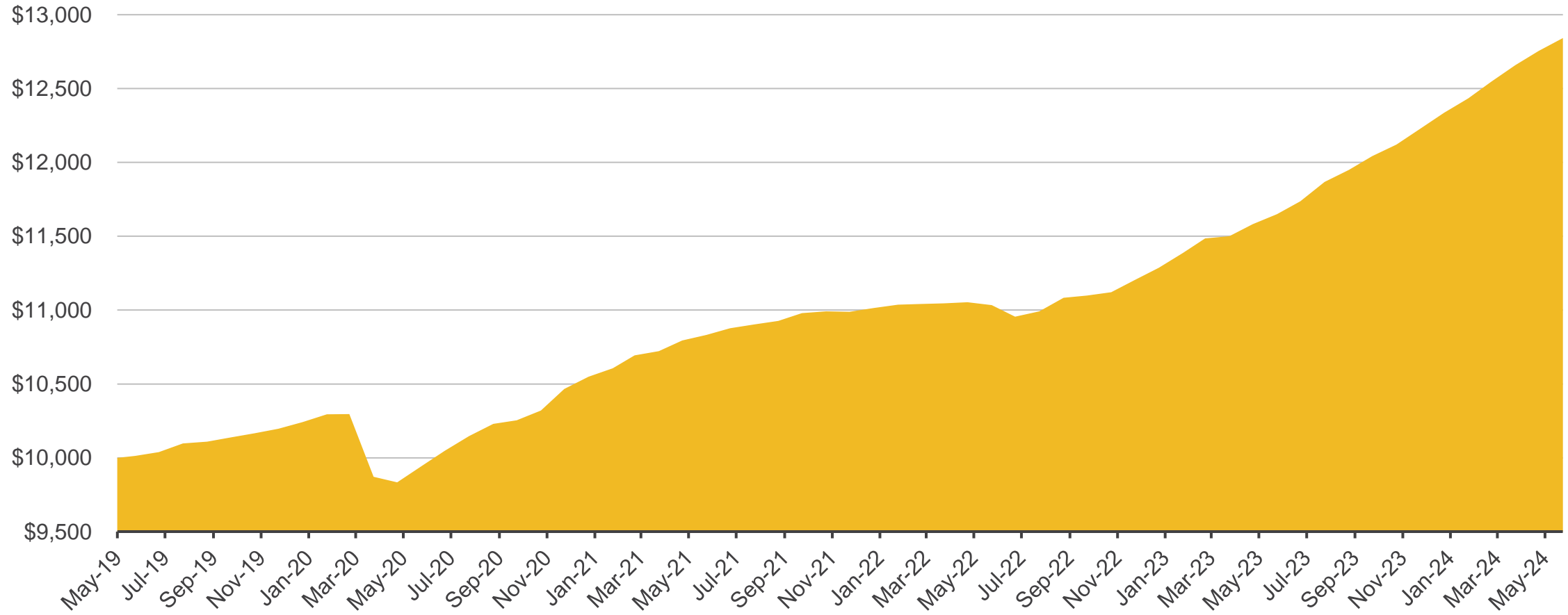
As at 31 May 2024	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since incep p.a.
PCI Investment Portfolio* Returns net of operating expenses	0.7%	2.4%	5.0%	10.2%	5.8%	5.1%	5.1%
Target Return^	0.6%	1.9%	3.9%	7.8%	5.8%	5.0%	5.0%
Distribution Return	0.7%	1.9%	3.8%	8.1%	6.0%	5.0%	4.9%
RBA Cash Rate	0.4%	1.1%	2.2%	4.3%	2.4%	1.6%	1.6%

* 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.

^ 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.**

PCI has delivered 28.4% total return since its IPO in May 2019

Growth of \$10,000 since inception based on PCI NTA*



*Source: Perpetual, StateStreet. As at 31 May 2024. Growth of \$10,000 has 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. Inception of PCI was 8 May 2019. **Past performance is not indicative of future performance.**

Spotlight on current holdings

Issuer	Credit rating	Sector	Asset
Ampol	Investment grade	Oil and gas	Floating rate note
Ausnet	Investment grade	Utilities	Floating rate note
IAG	Investment grade	Insurance	Floating rate note
Santos	Investment grade	Energy	US denominated fixed rate bond (Hedged)
Scentre Group	Investment grade	Consumer services	US denominated fixed rate bond (Hedged)
NAB	Investment grade	Bank	US denominated fixed rate senior bond (Hedged)
Iron Mountain	Sub investment grade	Record Storage	Floating rate corporate loan
Arnotts	Sub investment grade	Food and Beverage	Floating rate corporate loan
Colonial First State	Sub investment grade	Financials	Floating rate corporate loan
Vocus Group	Sub investment grade	Telecommunications	Floating rate corporate loan
Centuria Capital	Unrated	Financial	Floating rate note
Patties Food	Unrated	Food and Beverage	Floating rate corporate loan
SCF Group	Unrated	Building materials	Floating rate corporate loan
Legal Software	Unrated	Software and Services	Floating rate corporate loan

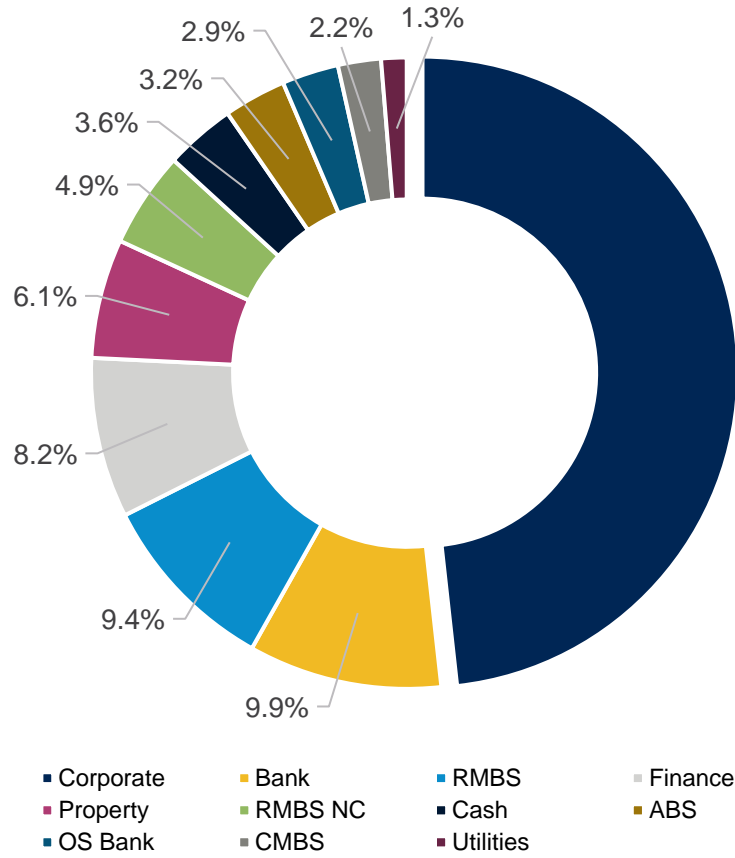
Perpetual Loan Fund

- As at 31 May 2024, Perpetual Loan Fund comprised 47.5% of PCI.
- 21 issuers that have terms of between 1 and 6 years but the issuers typically repay prior to maturity.

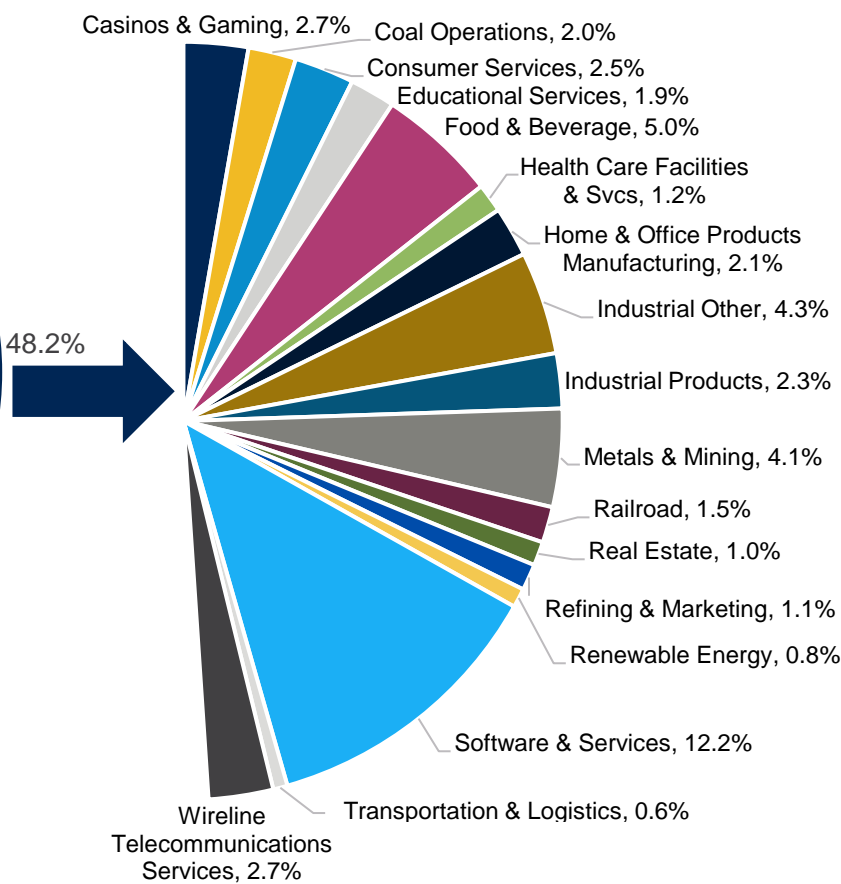
Portfolio composition

As at 31 May 2024

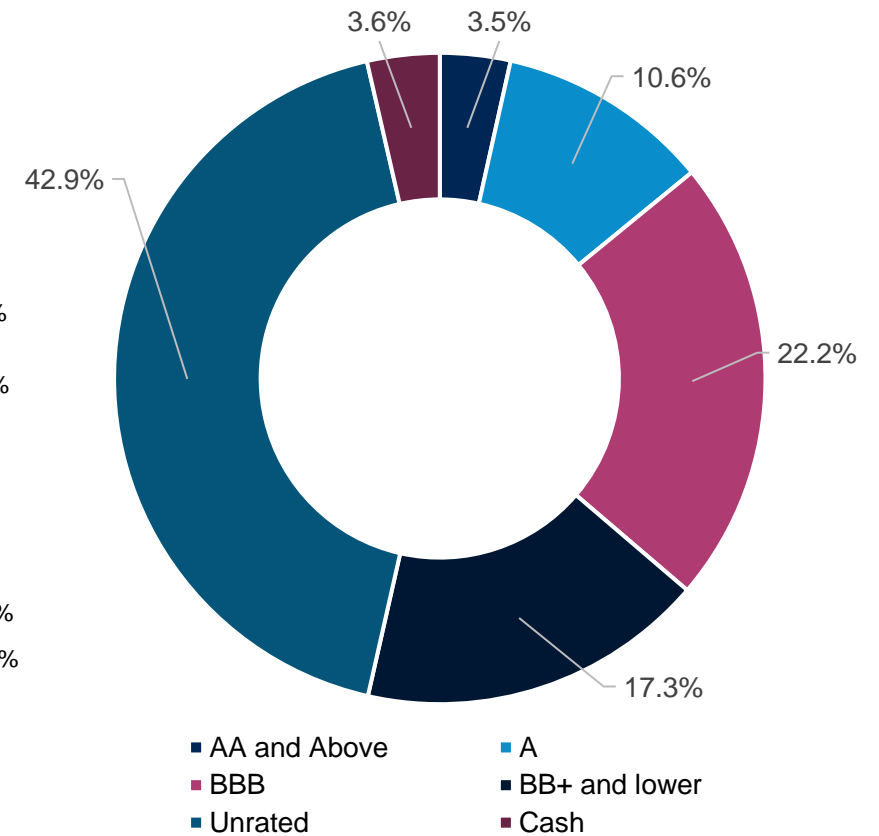
Sector allocation



Corporate sector diversification



Independent credit ratings

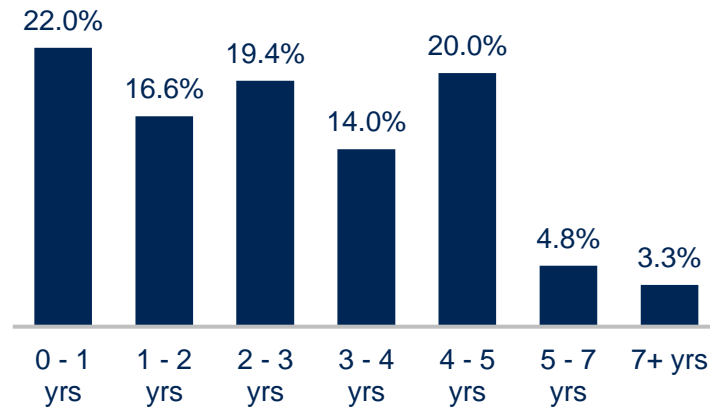


Source: Standard & Poor's, Bloomberg and Perpetual Investment Management Limited. All figures are unaudited and approximate. Figures may not sum due to rounding.

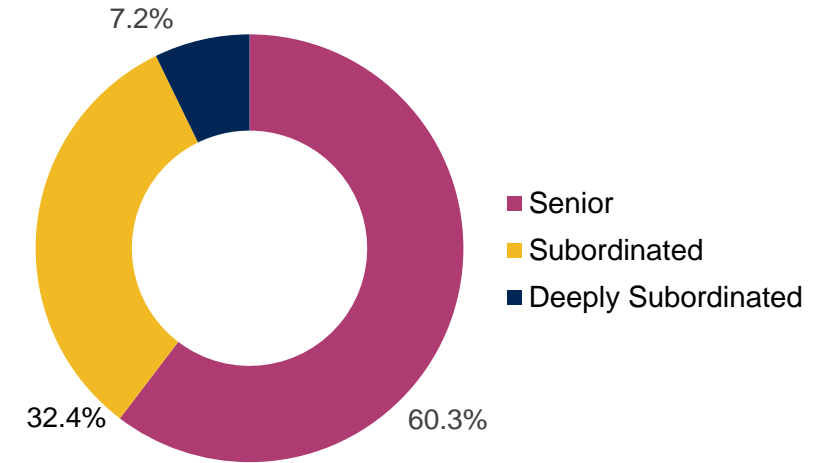
Portfolio composition

As at 31 May 2024

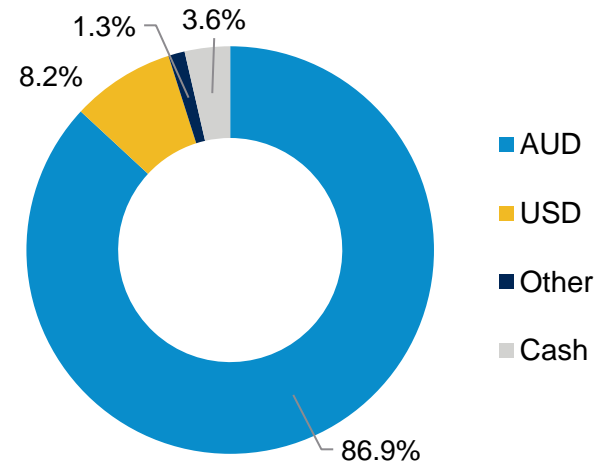
Breakdown by maturity



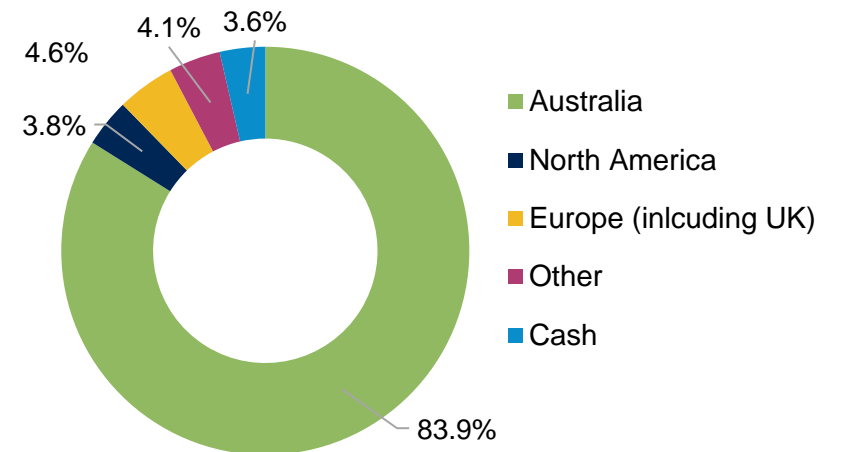
Breakdown by seniority (capital structure)



Breakdown by currency



Breakdown by domicile of issuer



Source: Standard & Poor's, Bloomberg and Perpetual Investment Management Limited.

As at 31 May 2024, foreign currency exposures were hedged to Australian dollar. All figures are unaudited and approximate. Figures may not sum due to rounding.

Thank you

Perpetual 

Perpetual's specialist Credit and Fixed Income team

Our highly regarded senior portfolio management team have been investing together for almost 20 years



MICHAEL KORBER

Managing Director of Credit and Fixed Income

Portfolio Manager - Pure Credit Alpha, Credit Income Trust

42 years experience, 19 years at Perpetual

Portfolio managers



VIVEK PRABHU

Head of Fixed Income

Portfolio Manager -
Diversified Income Fund,
ESG Credit Income Fund,
Credit Income Fund

31 years experience
19 years at Perpetual



GREG STOCK

Head of Credit Research and
Senior Portfolio Manager

Portfolio Manager - Active Fixed
Interest, Dynamic Fixed Income,
Exact Market Return

31 years experience
19 years at Perpetual



MICHAEL MURPHY

Senior High Yield Analyst

Portfolio Manager –
Loan Fund

11 years experience
5 years at Perpetual



THOMAS CHOI

Senior Portfolio Manager

Portfolio Manager - High Grade
Floating Rate, Cash
Management, Securitised Credit
Fund

21 years experience
16 years at Perpetual

DI ZHU

Dealer

7 years experience
<1 year at Perpetual

Analysts

SIMON POIDEVIN

Senior Credit Analyst

12 years of experience
1 year at Perpetual

BENJAMIN CHAN

Credit & Private Debt Analyst

10 years of experience
1 year at Perpetual

LYDIA YIN

Credit Analyst

2 year experience
2 year at Perpetual

Wholesale placement fees

The Responsible Entity and Manager have engaged the following entities to act as joint lead managers (**JLMS**) to the Placement:

- Commonwealth Securities Limited ACN 067 254 399
- Morgans Financial Limited ACN 010 669 726
- Ord Minnett Limited ACN 002 733 048

The JLMS will be paid the following fees by the Manager (exc GST):

- To each of the JLMS, a distribution fee of 1.25% of the amount equal to the number of Placement Securities in respect of which that JLM has procured Valid Applications multiplied by the issue price of the Placement (exc GST)
- To each of the JLMS, a management fee of 0.75% of the amount equal to the number of Placement Securities in respect of which that JLM has procured Valid Applications multiplied by the issue price of the Placement (exc GST); and

Commonwealth Securities Limited, as the Arranger, will receive an arranger fee of 0.10% of the amount equal to the number of Placement Securities multiplied by the Placement Price (exc GST)