

INVESTMENT UPDATE

June 2019

INVESTMENT OBJECTIVE

To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.

PORTFOLIO SNAPSHOT

AS AT 30 JUNE 2019	AMOUNT
ASX unit price	1.120
NTA per unit ¹	1.103

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.

INVESTMENT PERFORMANCE⁴

AS AT 30 JUNE 2019	1 MTH	3 MTHS	6 MTHS	1 YR P.A.	3 YRS P.A.	5 YRS P.A.	SINCE INCEP P.A.
PCI Investment portfolio	0.3%	-	-	-	-	-	0.4%
RBA Cash Rate	0.1%	-	-	-	-	-	0.2%
Excess returns	0.1%	-	-	-	-	-	0.2%
Distribution	0.1%	-	-	-	-	-	0.1%

⁴ Investment returns, net of management costs 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. Past performance is not indicative of future performance. Since inception return is from allotment on 8 May 2019. Investment return and index return may not sum to excess return due to rounding. A full month of performance is not available for May 2019 as the Trust launched mid-month.

PORTFOLIO SUMMARY

AS AT 30 JUNE 2019	AMOUNT
Number of holdings	66
Number of issuers	52
Running yield	2.8%
Portfolio weighted average life	3.2 years
Modified duration	0.1 years

KEY TRUST INFORMATION²

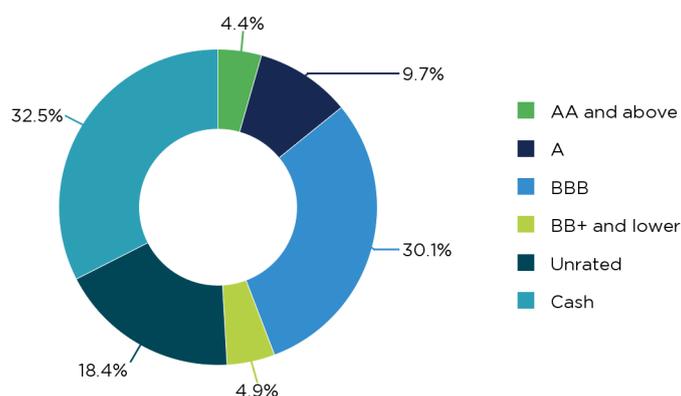
AS AT 30 JUNE 2019

ASX code:	PCI
Structure:	Listed Investment Trust
Listing date:	14 May 2019
Market capitalisation:	\$448 million
Units on issue:	400,000,000
Distributions:	Monthly
Management costs:	0.88% p.a. ³
Manager:	Perpetual Investment Management Limited
Responsible Entity:	Perpetual Trust Services Limited

² Perpetual Credit Income Trust ARSN 626 053 496.

³ Estimate inclusive of net effect of GST.

RATINGS BREAKDOWN



Source: Standard & Poor's and Perpetual Investments. Data is as at 30 June 2019.

DISTRIBUTIONS CPU

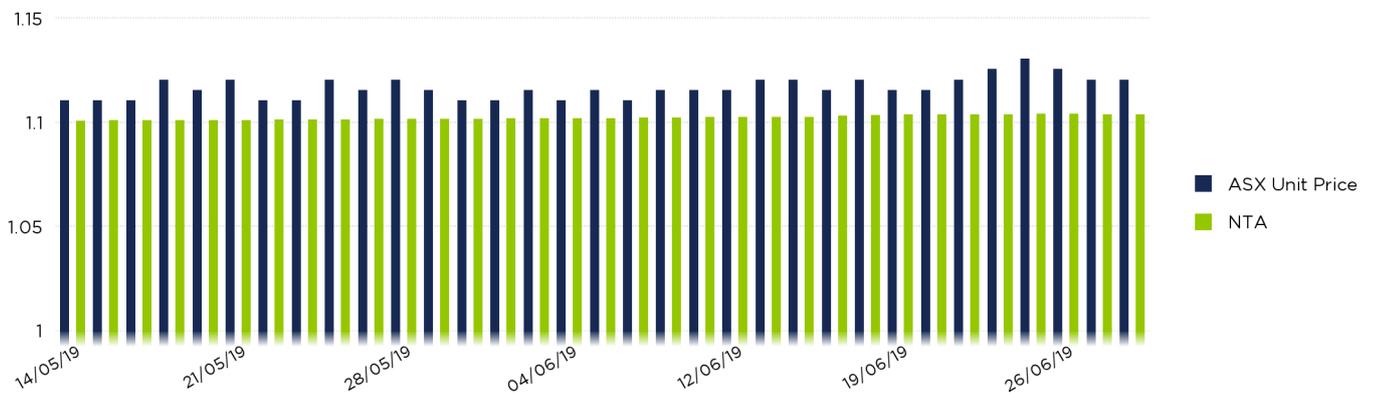
AS AT 30 JUNE 2019	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
FY 2019	-	-	-	-	-	-	-	-	-	-	-	0.09	0.09

TOTAL UNITHOLDER RETURN⁵

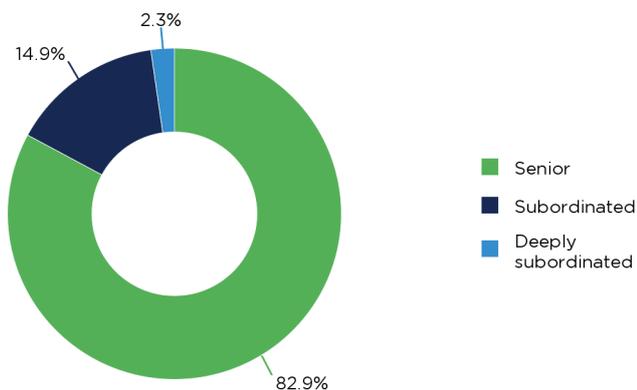
AS AT 30 JUNE 2019	1 MTH	3 MTHS	6 MTHS	1 YR P.A.	3 YRS P.A.	5 YRS P.A.	SINCE INCEP P.A.
Total unitholder return	1.0%	-	-	-	-	-	1.9%
RBA Cash Rate	0.1%	-	-	-	-	-	0.2%
Excess returns	0.9%	-	-	-	-	-	1.7%
Distribution	0.1%	-	-	-	-	-	0.1%

⁵ Total unitholder return - ASX unit price performance with reinvestment of distributions has been calculated on the growth of the ASX unit price and assumes reinvestment of distributions on the ex-date. Distribution return has been calculated based on the total unitholder return less the growth in the ASX unit price over the period. Past performance is not indicative of future performance. Since inception return is from listing on 14 May 2019, initial price used is the subscription price of \$1.10. Unitholder return and index return may not sum to excess return due to rounding.

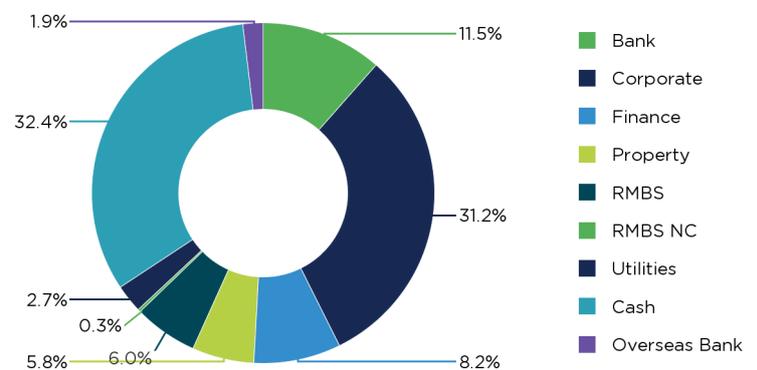
NTA PER UNIT VS ASX UNIT PRICE PERFORMANCE



SENIORITY BREAKDOWN



SECTOR ALLOCATION



Source: Bloomberg and Perpetual Investments. Data is as at 30 June 2019.

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INVESTOR UPDATE

We are pleased to note the Trust's first distribution of 0.854 cents per unit was announced for June 2019. Payment of the distribution occurred on 9 July 2019. The distribution amount was lower due to the recent establishment of the Trust, however distributions in FY2020 are expected to increase materially.

Going forward the Trust will pay distributions on a monthly basis. Further information on the Trust's distributions including details of tax components is available on the Trust's website at <https://www.perpetual.com.au/income/pci-investors/distributions>

The Trust will be preparing an Annual Financial Statement for the FY2019 tax year. These statements are expected to be lodged with the ASX, and made available on the Trust's website, in late August.

MARKET COMMENTARY

June was a positive month across broader investment assets. Global markets benefitted from the apparent de-escalation of US - Sino trade tensions, while the prospects of further accommodative monetary policy settings across major jurisdictions encouraged investors. Offshore credit spreads tightened and outperformed their Australian counterparts, while significant new issuance to the domestic cash bond market was dominated by financial companies. Robust demand absorbed these investment opportunities efficiently, with many deals pricing tighter than initial guidance.

In Australia, the cash rate was reduced by 25bps early in the month to 1.25% in an effort to both support employment growth and also improve the prospects for inflation to meet the RBA's medium-term target. This interest rate decrease has since been followed by a further 25bps reduction in early July.

Despite our credit scoring process being modestly cautious regarding the prospects of credit spread tightening in the short to medium term, we remain of the opinion that attractive investment opportunities exist, which are assessed using our methodical and disciplined asset selection approach.

TRUST COMMENTARY

June saw the inaugural full month of activity in the Trust, and the Portfolio Manager is continuing to selectively deploy cash to opportunities viewed as attractive from a risk and reward perspective. Primary market purchases by the Trust during the month included taking a position in the five year floating rate tranche of NAB's A\$2.25bn deal alongside a position in the five year tranche of Barclays A\$800m Kangaroo deal. Within the securitised space, primary market purchases included an allocation to higher yielding tranches of ANZ's 'Kingfisher 2019-1' RMBS.

The Trust collected strong running income during the month associated with large portfolio exposures to non-financial corporates in addition to banks and financials.

Credit spread dynamics were also positive for performance with credit spreads tightening during the month. This was particularly notable in portfolio exposures to corporates and financial holdings, alongside domestic banks.

Within the loan portfolio portion of the Trust, we continue to analyse opportunities and are deploying cash in a disciplined and selective manner in line with our rigorous asset selection process. Allocations during the month included attractive opportunities in property related investments, alongside deploying funds to a company involved in the production of specialised medical devices.

Cash in the portfolio was 34.7% as of 30 June 2019 and is continuing to be allocated to appropriate investment opportunities across the ratings spectrum and capital structure. As at 30 June 2019, the Trust had exposure to 66 securities from 52 issuers. The highly experienced team have a strong track record in this market and are adopting a methodical and disciplined approach to investing cash holdings. The time frame to achieve target portfolio construction will be up to three months from listing.

When fully invested it is intended PCI's portfolio will typically contain 50-100 domestic and global credit and fixed income assets, diversified by asset type, credit quality, maturity, country and issuer through investment in corporate bonds, floating rate notes, securitised assets and private debt (mainly corporate loans).

INVESTMENT STRATEGY

The Trust will hold a diversified and actively managed portfolio of domestic and global credit and fixed income assets. Typical investments will include corporate bonds, floating rate notes, securitised assets and private debt (for example, corporate loans). Exposure to corporate loans may be gained indirectly through the Perpetual Loan Fund. The Trust will typically be invested in 50 to 100 assets. Derivatives may be used as part of the Trust's Investment Strategy.*

TARGET RETURN

The Trust has a target 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.

ABOUT THE MANAGER

The Trust is managed by Perpetual Investment Management Limited. The Manager has one of the most experienced, proven and stable credit and fixed income teams in the Australian fixed income market. The Manager and the Responsible Entity are wholly owned subsidiaries of Perpetual Limited.

PORTFOLIO MANAGERS

Michael Korber

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.

Anne Moal

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 joined the Credit and Fixed Income Team at Perpetual Investments in 2014. Anne is the portfolio manager of the Perpetual Loan Fund with a focus on higher yielding income opportunities.

PERPETUAL KEY CONTACTS

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*For further details on the Trust's Investment Strategy please see the Trust's PDS dated 8 March 2019 at www.perpetualincome.com.au

This monthly report has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 (PIML or Perpetual Investments) and issued by Perpetual Trust Services Limited ABN 48 000 142 049, AFSL 236648 (PTSL). PTSL is the responsible entity and issuer of the 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.

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).

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