

**PERPETUAL  
CREDIT  
INCOME  
TRUST**

ARSN 626 053 496



19 June 2023  
ASX Limited  
ASX Market Announcements Office  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**Perpetual Credit Income Trust  
Monthly Investment Update announcement**

Perpetual Credit Income Trust (the Trust) (ASX: PCI) advises that it has released the Monthly Investment Update (the Report) for the period ending 31 May 2023 (as attached).

If shareholders or other interested parties have any queries regarding the Report, they can contact:

Karen Trau  
Investor Relations, PCI  
P: 02 9229 3138  
E: [karen.trau@perpetual.com.au](mailto:karen.trau@perpetual.com.au)

Yours faithfully

Teresa Lee-Antonas  
Senior Client Manger  
Perpetual Trust Services Limited

# PERPETUAL CREDIT INCOME TRUST

ASX: PCI

## Investment update

May 2023

### 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 May 2023	Amount
ASX unit price	\$0.965
NTA per unit <sup>1</sup>	\$1.084

<sup>1</sup> Daily Net Tangible Asset (NTA) is available at [www.perpetualincome.com.au](http://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 May 2023

ASX code:	PCI
Structure:	Listed Investment Trust
Listing date:	14 May 2019
Market capitalisation:	\$387 million
Units on issue:	400,967,882
Distributions:	Monthly
Management costs:	0.88% p.a. <sup>2</sup>
Manager:	Perpetual Investment Management Limited
Responsible Entity:	Perpetual Trust Services Limited

<sup>2</sup> Estimate inclusive of net effect of GST.

### Investment performance<sup>3</sup>

As at 31 May 2023	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%	1.4%	4.0%	5.6%	5.4%	-	3.8%
Target Return <sup>4</sup>	0.6%	1.8%	3.4%	6.1%	4.3%	-	4.3%
Distribution Return	0.6%	1.8%	3.3%	6.1%	4.5%	-	4.2%
RBA Cash Rate	0.3%	0.9%	1.7%	2.6%	0.9%	-	0.9%

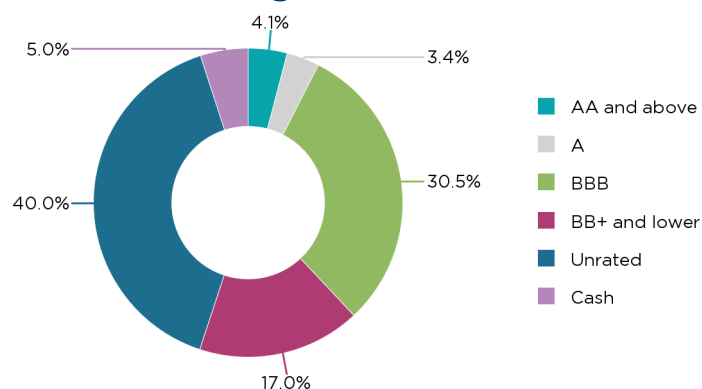
<sup>3</sup> Investment returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management costs) and assuming reinvestment of distributions on the ex-date. Distribution return has been calculated based on the PCI investment 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.

<sup>4</sup> 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.

### Portfolio summary

As at 31 May 2023	Amount
Number of holdings	127
Number of issuers	89
Running yield	7.5%
Portfolio weighted average life	3 years
Interest rate duration	25 days

### Ratings breakdown



Source: Standard & Poor's and Perpetual Asset Management Australia. Data is as at 31 May 2023. All figures are unaudited and approximate.

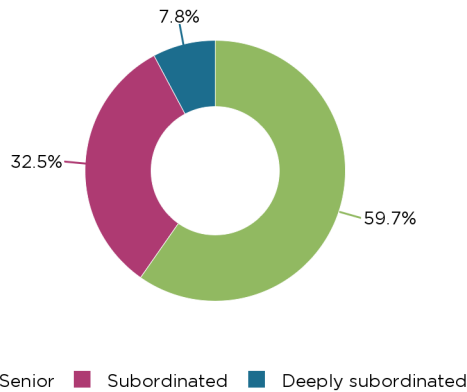
## Distributions CPU<sup>5</sup>

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

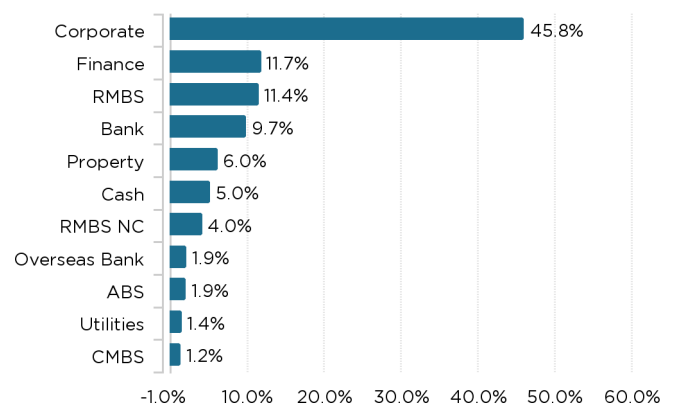
As at 31 May 2023	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
FY2020	0.40	0.40	0.39	0.37	0.36	0.37	0.37	0.35	0.33	0.30	0.31	0.30	4.26
FY2021	0.32	0.32	0.30	0.31	0.28	0.30	0.30	0.27	0.30	0.29	0.33	0.32	3.63
FY2022	0.32	0.32	0.31	0.32	0.31	0.35	0.35	0.36	0.41	0.39	0.46	0.49	4.38
FY2023	0.42	0.47	0.47	0.51	0.52	0.56	0.56	0.53	0.60	0.61	0.70	-	5.94

<sup>5</sup> 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 <sup>^</sup>



### Sector allocation <sup>^</sup>



<sup>^</sup> Source: Bloomberg and Perpetual Asset Management Australia. Data is as at 31 May 2023. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

## Portfolio update

Financial markets saw mixed fortunes during May as equity and bond markets continue to price in starkly different outlooks for global growth. The fight over the US debt ceiling and the looming threat of a US default had an impact with US short end yields spiking during the month. Elsewhere, markets tried to anticipate the path of monetary policy tightening as central banks continue to grapple with stubbornly high core inflation and resilient labour data.

During a month of relatively benign credit spread movements, the Trust's robust running income was the key contributing factor to return. Income was predominantly generated by coupon payments and interest income from the Trust's exposure to non-financial corporate bonds and Residential Mortgage-Backed Securities (RMBS) alongside banks and diversified financials. The Trust continues to reap the benefits of rising interest rates – which increase the value of coupons paid by the Trust's floating rate investments. The benefit of recent rate rises will continue to flow through over upcoming months as the Trust's floating rate coupons typically readjust on their next quarterly payment date. The Trust's running yield has substantially increased over the past 12 months to 7.5% at the end of May 2023.

Credit spreads detracted marginally from returns during the month. While spreads remained in range of recent levels, performance was mixed across sectors and longer dated credits saw some widening. It is worth noting that the negative contribution of wider credit spreads was more than offset by the positive contribution of the Trust's running yield.

The Trust was active in primary markets during May. Sector allocations were adjusted with the Trust adding to ABS, RMBS, and domestic bank exposures via new deals. Meanwhile non-financial corporate exposures were selectively reduced with the Manager taking profit on a small number of fixed rate corporate bonds including allocations to Qantas and Telstra. Elsewhere, the Trust was able to monetise the new issuance concessions on new deals from UBS and NAB, investing in the primary market deals before exiting the position at a higher value after credit spreads tightened.

The outlook for credit has improved over the month but remains challenging. The Trust is positioned to navigate these conditions via careful issuer selection with a focus on market leading positions and strong balance sheets. The Trust maintains its defensive positioning, investing in a diverse set of quality issuers while retaining the capacity to take advantage of relative value opportunities as the outlook for credit continues to improve.

## 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**

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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](http://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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