

PERPETUAL CREDIT INCOME TRUST

ARSN 626 053 496



18 May 2020
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 30 April 2020 (as attached).

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

Karen Davis
Senior Manager, Listed Products and Projects
Perpetual Investment Management Limited
P: 02 9229 9114
E: karen.davis@perpetual.com.au

Yours faithfully

A handwritten signature in black ink, appearing to be "Kristy Bradley", written over a horizontal line.

Kristy Bradley
Client Manager
(Authorising Officer)

INVESTMENT UPDATE

April 2020

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 APRIL 2020	AMOUNT
ASX unit price	\$0.970
NTA per unit ¹	\$1.045

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 TRUST INFORMATION²

AS AT 30 APRIL 2020

ASX code:	PCI
Structure:	Listed Investment Trust
Listing date:	14 May 2019
Market capitalisation:	\$388 million
Units on issue:	400,333,882
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.

INVESTMENT PERFORMANCE⁴

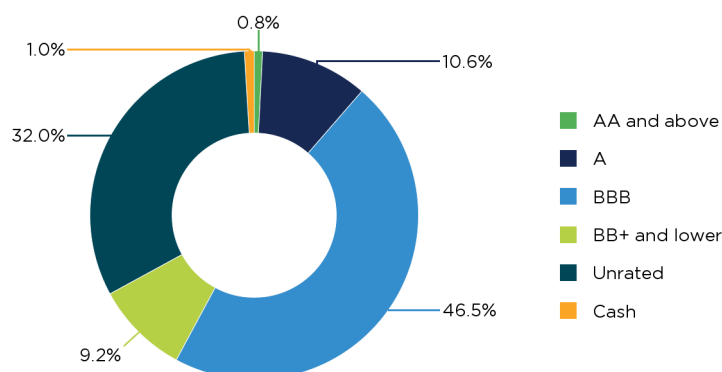
AS AT 30 APRIL 2020	1 MTH	3 MTHS	6 MTHS	1 YR P.A.	3 YRS P.A.	5 YRS P.A.	SINCE INCEP
PCI Investment portfolio	-0.4%	-4.5%	-3.3%	-	-	-	-1.7%
Returns net of operating expenses							
RBA Cash Rate	0.0%	0.1%	0.3%	-	-	-	0.8%
Excess returns	-0.4%	-4.6%	-3.6%	-	-	-	-2.5%
Distribution return	0.3%	0.9%	1.8%	-	-	-	3.3%

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. 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. 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 APRIL 2020	AMOUNT
Number of holdings	93
Number of issuers	68
Running yield	4.5%
Portfolio weighted average life	4.5 years
Interest rate duration	16 days

RATINGS BREAKDOWN



Source: Standard & Poor's and Perpetual Investments. Data is as at 30 April 2020. All figures are unaudited and approximate.

DISTRIBUTIONS CPU⁵

PCI announced a 0.30 cent per unit (CPU) distribution for April paid on 7 May 2020. The annualised financial year to date distribution rate is 3.81%*. This is in line with the Trust's target return objective of the RBA cash rate + 3.25% (net of fees) through the economic cycle.

*Based on NTA per unit as at 30 June 2019. Past performance is not indicative of future performance.

AS AT 30 APRIL 2020	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
FY2019	-	-	-	-	-	-	-	-	-	-	-	0.09	0.09
FY2020	0.40	0.40	0.39	0.37	0.36	0.37	0.37	0.35	0.33	0.30	-	-	3.65

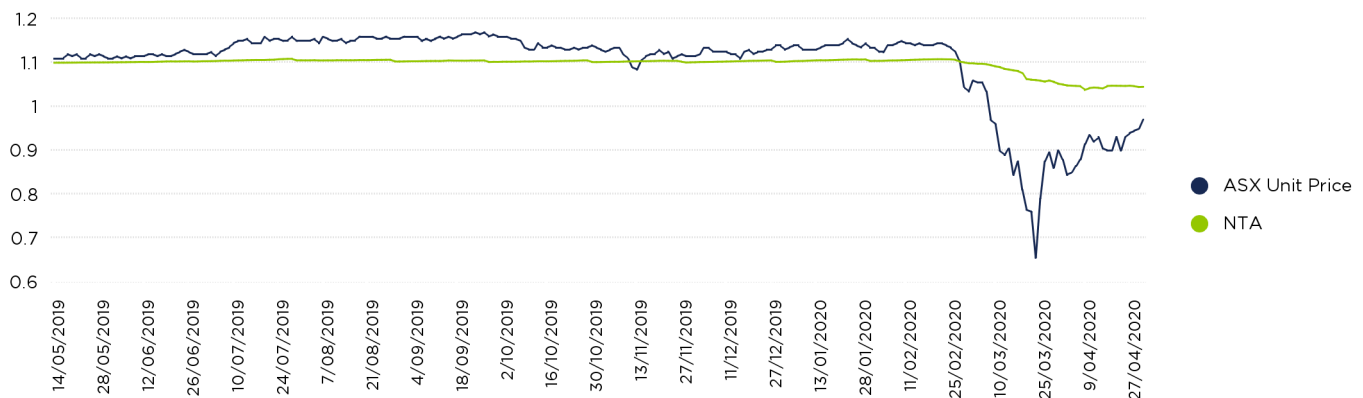
⁵ Distributions are stated as cents per unit and have been rounded to two decimal places. Detailed distribution announcements are available on the PCI website and are stated in Australian dollars rather than cents per unit.

TOTAL UNITHOLDER RETURN⁶

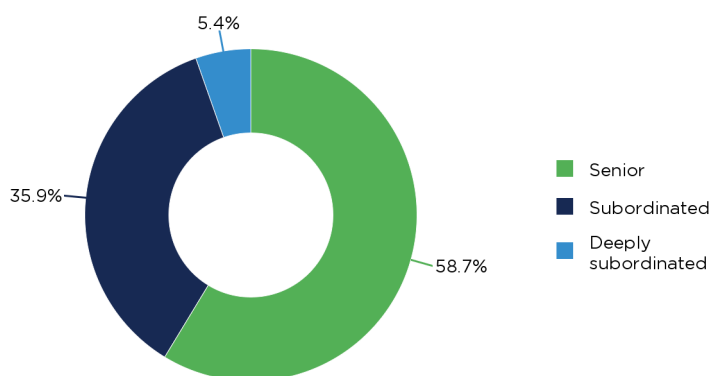
AS AT 30 APRIL 2020	1 MTH	3 MTHS	6 MTHS	1 YR P.A.	3 YRS P.A.	5 YRS P.A.	SINCE INCEP
Total unitholder return	8.1%	-13.7%	-12.8%	-	-	-	-8.7%
RBA Cash Rate	0.0%	0.1%	0.3%	-	-	-	0.8%
Excess returns	8.1%	-13.8%	-13.1%	-	-	-	-9.5%
Distribution return	0.3%	0.9%	1.7%	-	-	-	3.1%

⁶ 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.

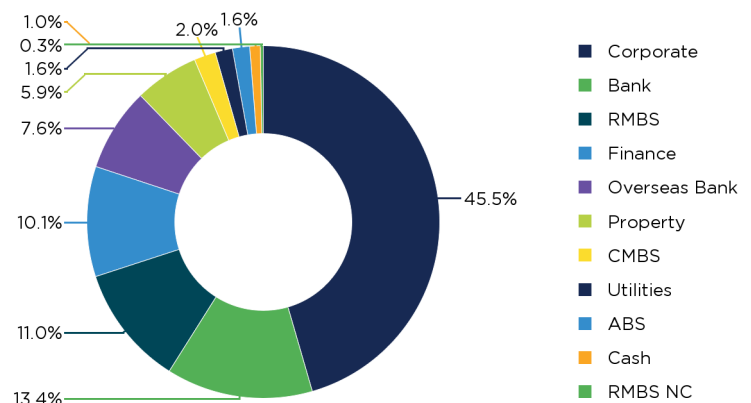
NTA PER UNIT VS ASX UNIT PRICE PERFORMANCE



SENIORITY BREAKDOWN



SECTOR ALLOCATION



Source: Bloomberg and Perpetual Investments. Data is as at 30 April 2020. All figures are unaudited and approximate.

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MARKET COMMENTARY

Global financial markets remained unsettled during April following the unprecedented turmoil caused by the COVID-19 pandemic during late February and March. Global and domestic equities surged to regain a portion of their March losses. The rally in equities was led by the US, on the back of unprecedented government and central bank stimulus. While risk asset valuations were supported by easing monetary policy, economic growth and corporate earnings continue to be adversely impacted by the ongoing COVID-19 pandemic resulting in a negative outlook and continued volatility.

Domestic credit spreads were mixed through April. Sectors supported by central bank activity and resilient to COVID-19 related disruption rebounded strongly. Financials outperformed with major bank spreads being the strongest performers. Non-financial corporate spreads lagged on aggregate in April, failing to retrace the losses seen through late February and March. Many sectors impacted by COVID-19 saw further widening while sectors including telecommunications, utilities and consumer staples performed. Lower liquidity in non-financial corporates, relative to financial credit, has also slowed the recovery in that sector. Globally, credit spreads tightened significantly as the effect of the US Federal Reserve and European Central Bank's escalated monetary easing programs were felt.

Domestic primary market activity remained notable for its absence through April. While a number of covered corporate bond issues and an increase in semi-government issuance was observed, primary market activity has been sparse in the financial and corporate spaces. This is in contrast to the US where abundant issuance over the past two-months has been met with increasing demand. Rather than issuing in the local market, domestic issuers such as Transurban and Telstra pursued offshore markets to raise capital.

The COVID-19 pandemic and the ensuing financial crisis have significantly impacted the credit outlook. Limited liquidity in primary and secondary markets and the prospect of a deep global recession offset the relative value opportunities presented by widening spreads. The Manager maintains a defensive bias which is intended to preserve capital and retain the ability to invest in higher yielding assets as orderly market operations resume.

TRUST COMMENTARY

The portfolio collected a strong running income throughout April. Income return was predominantly associated with portfolio exposure to non-financial corporates, domestic banks, RMBS and non-bank financials, with these securities providing regular, stable sources of income via coupon payments and regular repayment of principal in the case of RMBS. The Manager will continue to invest in what it assesses to be good quality corporate issues offering an attractive running yield.

The strong running income partially offset the credit spread return, which detracted from the portfolio's overall performance. Credit spread movements were mixed through the month. While the Trust's domestic bank exposure performed well, its non-financial corporate allocation and private loan portfolio detracted from performance. The Trust retains a significant exposure to non-financial corporate bonds which have not yet retraced their February and March widening.

During the month, the fair value of certain private loan assets within the portfolio were revised downward as a result of the current economic conditions and recent movements in corporate credit spreads. This has been reflected in the Trust's NTA that is provided to the ASX daily, and in the Trust's performance for the month.

The portfolio remains defensively positioned. Throughout the month, sector allocation was actively managed. In addition to reducing exposures to major banks and increasing the allocation to non-financial corporates, the Manager also increased the portfolio's exposure to investment grade corporate issuers. Given RBA and government support of the financial sectors and associated spread tightening, the Manager believes relative value opportunities and embedded value are available in the non-financial corporate space. The Manager will continue to evaluate relative value opportunities presented by the current market conditions.

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. 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).

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