

PERPETUAL CREDIT INCOME TRUST

ASX: PCI

Investment update

March 2025

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 March 2025	Amount
ASX unit price	\$1.160
NTA per unit ¹	\$1.095

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 March 2025

ASX code:	PCI
Structure:	Listed Investment Trust
Listing date:	14 May 2019
Market capitalisation:	\$564 million
Units on issue:	486,411,891
Distributions:	Monthly
Management costs:	0.88% p.a. ²
Manager	Perpetual Investment Management Limited
Responsible Entity:	Perpetual Trust Services Limited

Investment performance ³

² Estimate inclusive of net effect of GST.

As at 31 March 2025	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since incep. p.a.
PCI Investment Portfolio (net)	0.2%	1.5%	3.5%	7.5%	7.2%	6.6%	5.4%
Target Return ⁴	0.6%	1.9%	3.8%	7.9%	7.0%	5.6%	5.4%
Distribution Return	0.6%	1.9%	3.8%	8.4%	7.3%	5.8%	5.4%
RBA Cash Rate	0.3%	1.0%	2.2%	4.4%	3.6%	2.2%	2.0%

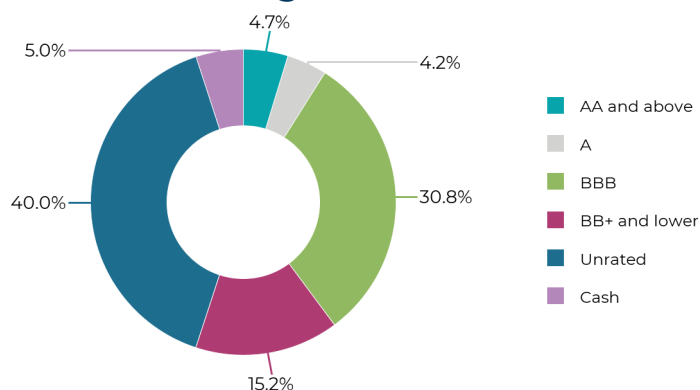
³ Investment returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management costs) and assuming reinvestment of distributions on the ex-date. Distribution return has been calculated based on the PCI investment portfolio return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

Portfolio summary

As at 31 March 2025	Amount
Number of holdings	151
Number of issuers	92
Running yield	7.6%
Portfolio weighted average life	2.6 years
Interest rate duration	27 days

Ratings breakdown



Source: Standard & Poor's and Perpetual Asset Management Australia. Data is as at 31 March 2025. All figures are unaudited and approximate.

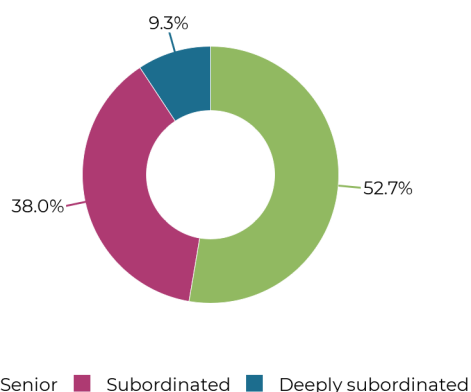
Distributions CPU ⁵

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

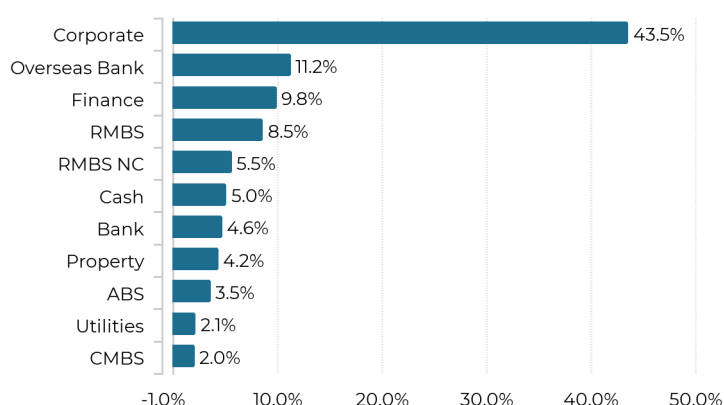
As at 31 March 2025	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
FY2024	0.67	0.68	0.67	0.68	0.68	0.68	0.68	0.64	0.69	0.67	0.73	1.41	8.87
FY2025	0.68	0.69	0.69	0.68	0.69	0.69	0.69	0.66	0.69	-	-	-	6.14

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 March 2025. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

Portfolio Update

Financial markets weakened broadly during March. Equities – led by US stocks – sold off on the softening outlook for US growth alongside concerns surrounding US trade policy and the anticipation of further tariffs. Domestic bond yields were mixed and the yield curve steepened with long term yields rising while the short end rallied marginally. The RBA maintained the target cash rate at 4.10% at their April 1st meeting, retaining a cautious outlook despite the continued decline in underlying inflation. Futures markets continued to price in an expected May rate cut. In the US, the Federal Reserve maintained rates at the current level with minimal changes to their future rate expectations, US bond yields edged higher.

Looking at the PCI portfolio, credit spread dynamics detracted from performance during March as successive tariff and foreign policy announcements led to elevated volatility. Spreads widened on aggregate with higher yielding and lower quality sectors including subordinated debt and hybrids widening more sharply. Subordinated offshore bank exposures were the key detractors from credit spread return. Infrastructure and utilities saw the most substantial spread widening among non-financial corporates. PCI's low starting allocation to hybrids and relatively short weighted average life mitigated the impact of widening spreads.

The value of the Star Entertainment loan in the PCI portfolio was revised downward in March and was reflected in PCI's NTA and detracted from portfolio performance. The loan is backed by collateral in the form of Star's casino buildings, and as of early April Star has announced that Bally's (large US casino operator) have committed up to A\$300m in the form of convertible note and subordinated debt, providing a significant improvement in their liquidity position.

Negative credit spread return was substantially offset by PCI's running yield, which was 7.6% at month end. Income return remains the most substantial contributing factor to performance. PCI continues to collect a healthy yield premium above the RBA cash rate, led by allocation to non-financial corporate loans alongside contributions from securitised assets and domestic banks.

Sector allocation was actively adjusted during March. PCI rotated into offshore banks, taking advantage of attractive relative value among subordinated offshore bank debt while trimming exposure from subordinated major domestic banks and Macquarie. The Manager remains selective in allocating to new deals in the current conditions, targeting deals pricing at or below fair value. PCI took part in a new subordinated deal from HSBC Holdings and added utilities exposure, taking part in the new deal from NSW Electricity Networks Finance (Transgrid).

The outlook for credit worsened throughout March and ended the month with a strong negative signal. The increasing risk-off sentiment has impacted market demand and technical indicators including US Credit, Equity and Equity volatility have all turned negative.

Spread volatility observed in March has persisted into early April following the US announcement levying tariffs against a broad array of trading partners. In the current conditions, risk management is paramount, however elevated volatility also provides relative value opportunities as spreads widen. PCI remains defensively positioned while retaining the liquidity and capacity to take advantage of opportunities presented by the recent market dynamics.

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.

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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 or can be obtained by calling 1300 778 468 (within Australia) or +61(2) 9299 9621 (from overseas).

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