

# PERPETUAL CREDIT INCOME TRUST

ASX: PCI

## Investment update

### February 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 28 February 2025    | Amount  |
|---------------------------|---------|
| ASX unit price            | \$1.170 |
| NTA per unit <sup>1</sup> | \$1.100 |

<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 28 February 2025

|                        |   |
|------------------------|---|
| ASX code:              | PCI                                     |
| Structure:             | Listed Investment Trust                 |
| Listing date:          | 14 May 2019                             |
| Market capitalisation: | \$569 million                           |
| Units on issue:        | 486,341,107                             |
| Distributions:         | Monthly                                 |
| Management costs:      | 0.88% p.a. <sup>2</sup>                 |
| Manager                | Perpetual Investment Management Limited |
| Responsible Entity:    | Perpetual Trust Services Limited        |

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

| As at 28 February 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) | 0.6%  | 1.9%   | 3.8%   | 8.2% | 7.1%       | 5.7%       | 5.4%              |
| Target Return <sup>4</sup>     | 0.6%  | 1.9%   | 3.8%   | 7.9% | 6.9%       | 5.5%       | 5.3%              |
| Distribution Return            | 0.6%  | 1.9%   | 3.8%   | 8.4% | 7.2%       | 5.7%       | 5.4%              |
| RBA Cash Rate                  | 0.3%  | 1.1%   | 2.2%   | 4.4% | 3.5%       | 2.1%       | 2.0%              |

<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.

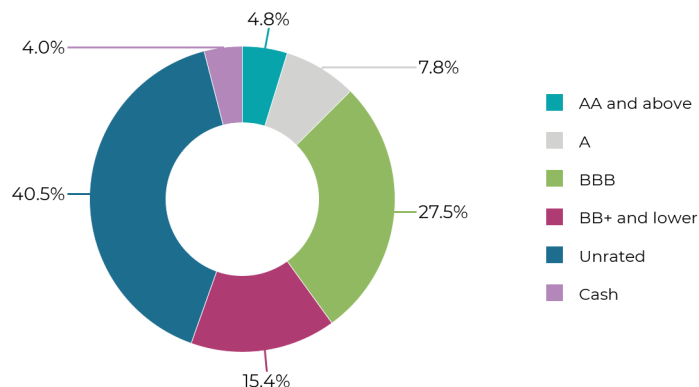
<sup>4</sup> Target Return is RBA Cash Rate + 3.25% p.a. (net of fees) through the economic cycle. This is a target only and may not be achieved.

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

#### Portfolio summary

| As at 28 February 2025          | Amount    |
|---------------------------------|-----------|
| Number of holdings              | 151       |
| Number of issuers               | 95        |
| Running yield                   | 7.5%      |
| Portfolio weighted average life | 2.6 years |
| Interest rate duration          | 21 days   |

#### Ratings breakdown



Source: Standard & Poor's and Perpetual Asset Management Australia. Data is as at 28 February 2025. All figures are unaudited and approximate.

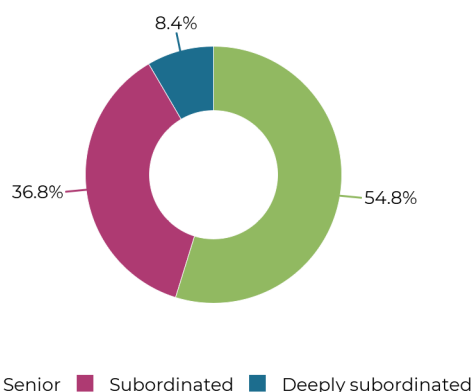
## Distributions CPU <sup>5</sup>

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

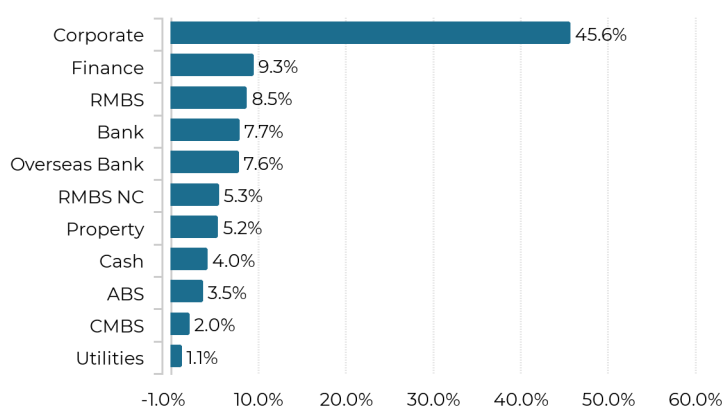
| As at<br>28 February 2025 | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | Jan  | Feb  | Mar  | Apr  | May  | Jun  | FYTD |
|---------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| FY2024                    | 0.67 | 0.68 | 0.67 | 0.68 | 0.68 | 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 | -    | -    | -    | -    | 5.46 |

<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 28 February 2025. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

## Portfolio Update

In February, global markets softened, driven by concerns over US stagflation, characterized by a mix of weakening economic data and stubborn inflation. Uncertainties surrounding US tariffs, tax, and immigration policies further fuelled market volatility. While US and Australian markets fell, European and Chinese equities rallied, benefitting from better-than-expected earnings and technology advancement respectively.

Global bond yields fell, led by US long term bonds. Domestic bond yields also rallied reflecting both falling US yields, softening global economic data and the commencement of the RBA's monetary easing. In Australia, the RBA lowered the cash rate by 25 basis points to 4.10% in February. The RBA's next move will be data dependent with the Governor noting that the market is too confident in pricing further rate cuts.

Even as interest rates declined, the Trust 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. At month end, the Trust's running yield was 7.5%.

Domestic spreads tightened marginally in February, benefitting from strong demand for primary issuance. The Trust's non-financial corporate exposures were mixed with spreads widening marginally on a small number of Australian corporates and USD denominated high yield positions.

A notable contributor to spread return during the month was a new hybrid deal from Ausnet Services Holdings. The \$950M deal was Australia's largest non-financial corporate hybrid listing and met very strong demand build a book that was 5 times oversubscribed. The Trust was able to secure allocation which performed well upon issue as the spread contracted. The Manager elected to trim the position, locking in profits. The corporate hybrid space will continue to draw attention as bank hybrids are phased out following confirmation from APRA in late 2024.

Elsewhere, the Trust took part in a new offshore bank deal from Spanish multi-national bank, Banco Santander and a new subordinated bond from IAG. Allocation to Domestic banks was reduced with the Manger electing to reduce exposure to major bank subordinated paper.

Our proprietary credit outlook score reached positive territory before softening to a slight negative in the first week of March. With the outlook for credit finely balanced, the Trust remains defensively positioned while retaining the capacity to take advantage of relative value opportunities as they arise.

## 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



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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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