

25 March 2019

ASX Announcement

Perpetual announces new Credit Income Trust

- Offer period open for new Perpetual Credit Income Trust (proposed ASX Code: PCI)
- Exposure to a portfolio of typically 50–100 credit and fixed income assets diversified by asset type, credit quality, loan maturity, country and issuer
- Targeting¹ a total return of the RBA Cash Rate plus 3.25% per annum², with the intention to provide monthly cash distributions to Unitholders
- The responsible entity seeks to raise \$150-\$400 million with the right to accept oversubscriptions up to a further \$40 million

Perpetual Limited (Perpetual) today announced the opening of the initial public offering (the Offer) for the Perpetual Credit Income Trust³ (proposed ASX Code: PCI) (PCI). It is intended PCI will hold a diversified and actively managed portfolio of credit and fixed income assets.

The Offer has received strong initial support, with indicative bids already surpassing its minimum raise of \$150 million, and there is expected to be solid ongoing demand.

PCI is intended to provide individual investors with access to credit and fixed income assets they can't typically source themselves. It has an accessible minimum application amount of \$2,200.

It is intended PCI's portfolio will typically contain between 50-100 domestic and global credit and fixed income assets, diversified by asset type, credit quality, loan maturity, country and issuer. Typical investments will include corporate bonds, floating rate notes, securitised assets and private debt (mainly corporate loans). The management cost is expected to be 0.88% per annum of the Net Tangible Assets (NTA) of PCI.

PCI is a registered managed investment scheme. The responsible entity of PCI will be Perpetual Trust Services Limited (Responsible Entity), and the investment manager of PCI will be Perpetual Investment Management Limited (Perpetual Investments).

PCI's portfolio will be managed by Michael Korber, Perpetual Investments' Head of Credit and Fixed Income. Michael has over 37 years' experience, having been involved in credit markets since their development in Australia during the 1990s. He will be supported by Anne Moal, who brings 22 years of experience in credit and fixed income markets, along with a specialist credit and fixed income team that manages more than \$7.1 billion in funds under management in credit and fixed income (as at 31 December 2018).

Portfolio Manager Michael Korber said: "The new Perpetual Credit Income Trust is coming at a time when Australia's retirement age population is growing and looking to meet their income needs in ways diversified beyond their traditional sources of investment income like property and term deposits.

"On a global scale, Australians have one of the lowest allocations to fixed income assets in the OECD.⁴ Generally, individual investors may find it difficult to create a diversified portfolio of fixed income assets because some of them are typically issued into wholesale or institutional markets," Mr Korber added.

Perpetual's Chief Executive Officer and Managing Director, Rob Adams, said: "As a defensive asset class, credit and fixed income should form the bedrock of an investor's portfolio."

¹ This is a target only and may not be achieved.

² Net of fees.

³ ARSN 626 053 496

⁴ Source: Organisation for Economic Co-operation and Development Pension Markets in Focus No 15, 2018

“Perpetual Investments is a trusted investment manager whose specialist credit and fixed income team has been navigating the credit and fixed income markets with great expertise for decades. Perpetual as a group has been helping clients for more than 130 years,” Mr Adams added.

Features of PCI include:

- **Australian and New Zealand investors will be able to access credit and fixed income assets** which they can't typically source themselves, due to high minimum investment requirements and other investor limitations.
- **Accessible minimum subscription amount** of \$2,200 under the Offer, making PCI accessible for individual investors.
- **Investment in a defensive asset class** which typically has a track record of low capital volatility.
- **Access to Perpetual Investments' proven active and risk aware investment process** which enables truly active portfolio management with a strong focus on preserving capital.
- **Perpetual Investments will fund all establishment costs** for PCI and the Offer, meaning the full amount raised will be available for investment.

To participate in the Offer

Investors should review the Product Disclosure Statement (PDS) dated 8 March 2019 in its entirety before making any investment decision about PCI, including section 7 which contains a summary of some of the potential risks relevant to an investment in PCI. The PDS including full offer and application details is available on www.perpetualincome.com.au.

The Offer is open to investors with a registered address in Australia or New Zealand.

Details of the Offer

The Responsible Entity is offering Units at a subscription price of \$1.10 per Unit, to raise up to \$400 million and has the right to accept oversubscriptions under the Offer to raise up to a further \$40 million. The minimum subscription under the Offer is 2,000 Units, or a minimum application amount of \$2,200.

PCI is aiming to deliver a total target return of the RBA Cash Rate plus 3.25% per annum,⁵ net of fees, and intends to pay monthly cash distributions to Unitholders.

The Responsible Entity has applied for PCI to be listed on the ASX. It is expected units in PCI will commence trading on the ASX on 14 May 2019.

PCI has a target first distribution date of 30 June 2019.

Key Dates of the Offer

Offer opens (Open Date)	25 March 2019
Offer closes (Closing Date)	18 April 2019
Settlement	7 May 2019
Expected date of the allotment of Units (Allotment Date)	8 May 2019
Expected date for the dispatch of holding statements	8 May 2019
Trading of Units commences on the ASX	14 May 2019
Target first distribution date	30 June 2019

Commonwealth Securities Limited, Morgans Financial Limited and National Australia Bank are Lead Arrangers and Joint Lead Managers to the Offer.

- Ends -

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⁵ This is a target only and may not be achieved.

About Perpetual

Perpetual is an independent financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, please visit www.perpetual.com.au

Important Information

Units in the Perpetual Credit Income Trust ARSN 626 053 496 (PCI) are to be issued by Perpetual Trust Services Limited ABN 48 000 142 049, AFSL 236648 (PTSL). No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund, trust or the return of an investor's capital. This announcement is general information only, is not intended to provide you with financial advice, and does not take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances, having regard to your own objectives, financial situation and needs. 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. The Product Disclosure Statement (PDS) for PCI, issued by PTSL, should be read and considered before deciding whether to acquire or hold units in PCI. The PDS is available and can be obtained by calling 1300 778 468 (within Australia) or +61(2) 9299 9621 (from overseas) or visiting www.perpetualincome.com.au. This announcement does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of PCI's units.