



**PERPETUAL**  
CREDIT INCOME  
TRUST

**Condensed Interim Report**

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For the half-year ended 31 December 2023

ARSN 626 053 496

Perpetual 



# Perpetual Credit Income Trust

ARSN 626 053 496

## Appendix 4D For the half-year ended 31 December 2023

### Interim report

This Interim report is for the half-year ended 31 December 2023. The previous corresponding half-year ended was 31 December 2022. This interim report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made in respect of Perpetual Credit Income Trust during the half-year in accordance with the continuous disclosure requirements of the *Corporation Act 2001*.

The Directors of Perpetual Trust Services Limited, the Responsible Entity of Perpetual Credit Income Trust (the Trust) announce the reviewed results of the Trust for the half-year ended 31 December 2023 as follows:

### Results for announcement to the market

|                                        | Half-year ended     |                     | Increase/<br>(decrease) |       |
|----------------------------------------|---------------------|---------------------|-------------------------|-------|
|                                        | 31 December<br>2023 | 31 December<br>2022 |                         |       |
|                                        | \$'000              | \$'000              | \$'000                  | %     |
| Net assets attributable to unitholders | 439,522             | 432,840             | 6,682                   | 1.54  |
| Total investment income/(loss)         | 23,372              | 14,932              | 8,440                   | 56.52 |
| Profit/(loss) for the half-year        | 21,415              | 12,942              | 8,473                   | 65.47 |

### Brief explanation of results

The profit for the half-year of \$21,415,000 represented a large increase from the \$12,942,000 profit in the prior half-year. The increase in investment income and profit were a function of the improvement in the net positive portfolio performance of the Trust compared to the half-year ended 31 December 2022. Net portfolio performance for the half-year of 5.1% was substantially higher to the 3.0% return for the previous half-year.

As of 31 December 2023, the net assets of the Trust were \$439,522,000, a 1.54% increase from the balance as at 31 December 2022.

### Distributions information

The distributions for the half-year were as follows:

| Half-year ended  | Cents per unit | Total amount \$'000 |
|------------------|----------------|---------------------|
| 31 December 2023 | 4.0587         | 16,274              |
| 31 December 2022 | 2.9390         | 11,783              |

Subsequent to the reporting date, on 24 January 2024, the Responsible Entity announced a distribution of 0.6824 cents per ordinary unit which amounted to \$2,736,205 and was paid on 9 February 2024.

### Distribution Reinvestment Plan

The Responsible Entity has established a Distribution Reinvestment Plan (DRP). The Responsible Entity expects to make distributions on a monthly basis. For such distributions, the record date is generally the last ASX trading day of each month and the last day for electing into the DRP will be 5.00pm (Sydney time) on the first business day after the record date.

Units under the DRP are issued at the net asset value of a unit as determined in accordance with the Trust's Constitution on the record date.

On 22 January 2024, the Responsible Entity reinstated the DRP following its suspension on 25 October 2022.

**Net Tangible Assets**

|                              | <b>As at</b>                |                     |
|------------------------------|-----------------------------|---------------------|
|                              | <b>31 December<br/>2023</b> | 31 December<br>2022 |
|                              | <b>\$</b>                   | <b>\$</b>           |
| Net Tangible Assets per unit | <b>1.096</b>                | 1.079               |

**Control gained or lost over entities during the half-year**

There was no gain or loss of control of entities during the half-year.

**Details of associates and joint venture entities**

The Trust did not have any interest in associates and joint venture entities during the half-year.

**Other information**

The Trust is not a foreign entity.

**Independent review report**

This Appendix 4D is based on the condensed interim financial statements which has been reviewed by the Trust's auditor, KPMG.

Additional disclosure requirements can be found in the notes to the Trust's condensed interim financial statements for the half-year ended 31 December 2023.

# Perpetual Credit Income Trust

ARSN 626 053 496

## Condensed Interim Report For the half-year ended 31 December 2023

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This condensed interim report covers Perpetual Credit Income Trust as an individual entity.

The Responsible Entity of Perpetual Credit Income Trust is Perpetual Trust Services Limited (ABN 48 000 142 049) (AFSL 236 648). The Responsible Entity's registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

## Directors' report

Perpetual Trust Services Limited (ABN 48 000 142 049, AFSL 236 648) is the responsible entity (the Responsible Entity) of Perpetual Credit Income Trust (the Trust). The directors of the Responsible Entity (the Directors) present their report together with the condensed interim financial statements of the Trust for the half-year ended 31 December 2023 and the auditor's report thereon.

### Principal activities

The Trust is a registered managed investment trust domiciled in Australia.

The investment objective of the Trust is to provide investors with monthly income by investing in a diversified pool of credit and fixed income assets in accordance with the Product Disclosure Statement and the provisions of the Trust's Constitution.

The Trust was constituted on 9 May 2018 and commenced operations on 8 May 2019. The Trust is currently listed on the Australian Securities Exchange (ASX) under the ASX code PCI.

The Trust did not have any employees during the half-year.

There were no significant changes in the nature of the Trust's activities during the half-year.

### Directors

The Directors of Perpetual Trust Services Limited during the half-year and up to the date of this report are shown below. The Directors were in office for this entire half-year except where stated otherwise.

|                   |                                          |
|-------------------|------------------------------------------|
| Glenn Foster      |                                          |
| Phillip Blackmore |                                          |
| Alexis Dodwell    | Appointed as Director on 1 November 2023 |
| Vicki Riggio      | Alternate Director for Phillip Blackmore |
| Richard McCarthy  | Resigned as Director on 1 November 2023  |

### Units on issue

Units on issue in the Trust at half-year end are set out below:

|                | <b>As at</b>            |                  |
|----------------|-------------------------|------------------|
|                | <b>31 December 2023</b> | 31 December 2022 |
|                | <b>Units</b>            | Units            |
| Units on issue | <b>400,967,882</b>      | 400,967,882      |

### Review and results of operations

During the half-year, the Trust invested in accordance with the investment objective and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

## Directors' report (continued)

### Results

The performance of the Trust, as represented by the results of its operations, was as follows:

|                                         | <b>Half-year ended</b> |               |
|-----------------------------------------|------------------------|---------------|
|                                         | <b>31 December</b>     | 31 December   |
|                                         | <b>2023</b>            | 2022          |
| Profit/(loss) (\$'000)                  | <u>21,415</u>          | <u>12,942</u> |
| Distributions paid and payable (\$'000) | <u>16,274</u>          | <u>11,783</u> |
| Distributions (cents per unit)          | <u>4.0587</u>          | <u>2.9390</u> |

As at 31 December 2023, the Trust's Net Tangible Assets (NTA) were \$1.096 per unit. This represents an increase of 1.29% compared to the NTA of \$1.082 per unit as at 30 June 2023.

The Investment Manager continues to follow a robust, active and risk-aware approach to invest in a diversified and actively managed portfolio of quality credit and fixed income assets. This involves top-down market screening of the credit environment and extensive bottom-up fundamental research to develop a list of approved issuers.

### Significant changes in state of affairs

On 1 November 2023, Alexis Dodwell was appointed as Director and Richard McCarthy resigned as Director.

The Trust transitioned its unit registry from Automic Pty Limited to Link Market Services Limited effective 13 November 2023.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Trust that occurred during the half-year.

### Matters subsequent to the end of the half-year

On 22 January 2024, the Responsible Entity reinstated the Distribution Reinvestment Plan (DRP) following its suspension on 25 October 2022.

On 24 January 2024, the Responsible Entity announced a distribution of 0.6824 cents per ordinary unit which amounted to \$2,736,205 and was paid on 9 February 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Trust in future financial years.

### Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objective and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment market in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

## Directors' report (continued)

### Indemnity and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regard to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Trust. So long as the officers of the Responsible Entity act in accordance with the Trust's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditor of the Trust is in no way indemnified out of the assets of the Trust.

### Units in the Trust

The movement in units on issue in the Trust during the half-year is disclosed in note 4 to the condensed interim financial statements.

The value of the Trust's assets and liabilities is disclosed in the condensed interim statement of financial position and derived using the basis set out in note 2 to the condensed interim financial statements.

### Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

### Rounding of amounts to the nearest thousand dollars

The Trust is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations Instrument*, unless otherwise indicated.

### Lead auditor's independence declaration

A copy of the lead Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Directors of Perpetual Trust Services Limited.



Director

Sydney  
22 February 2024



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Perpetual Trust Services Limited as the Responsible Entity of  
Perpetual Credit Income Trust

I declare that, to the best of my knowledge and belief, in relation to the review of Perpetual Credit Income Trust for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Andrew Reeves

*Partner*

Sydney

22 February 2024



## Condensed interim statement of comprehensive income

|                                                                                  |       | Half-year ended     |                     |
|----------------------------------------------------------------------------------|-------|---------------------|---------------------|
|                                                                                  |       | 31 December<br>2023 | 31 December<br>2022 |
|                                                                                  | Notes | \$'000              | \$'000              |
| <b>Investment income</b>                                                         |       |                     |                     |
| Dividend/distribution income                                                     |       | 7,648               | 2,635               |
| Interest income                                                                  |       | 7,290               | 6,722               |
| Net gains/(losses) on financial instruments at fair value through profit or loss |       | 8,424               | 5,597               |
| Net foreign exchange gains/(losses)                                              |       | 10                  | (22)                |
| <b>Total investment income/(loss)</b>                                            |       | <u>23,372</u>       | <u>14,932</u>       |
| <b>Expenses</b>                                                                  |       |                     |                     |
| Responsible Entity's fees                                                        |       | 66                  | 65                  |
| Investment Manager's fees                                                        |       | 1,586               | 1,571               |
| Other expenses                                                                   |       | 305                 | 354                 |
| <b>Total expenses</b>                                                            |       | <u>1,957</u>        | <u>1,990</u>        |
| <b>Profit/(loss)</b>                                                             |       | <u>21,415</u>       | <u>12,942</u>       |
| Other comprehensive income                                                       |       | -                   | -                   |
| <b>Total comprehensive income</b>                                                |       | <u>21,415</u>       | <u>12,942</u>       |
| <b>Earnings per unit</b>                                                         |       |                     |                     |
| Basic and diluted earnings per unit (cents per unit)                             | 5     | <u>5.34</u>         | <u>3.23</u>         |

The above condensed interim statement of comprehensive income should be read in conjunction with the accompanying notes.

## Condensed interim statement of financial position

|                                                            |       | As at               |                 |
|------------------------------------------------------------|-------|---------------------|-----------------|
|                                                            |       | 31 December<br>2023 | 30 June<br>2023 |
|                                                            | Notes | \$'000              | \$'000          |
| <b>Assets</b>                                              |       |                     |                 |
| Cash and cash equivalents                                  |       | 5,226               | 6,521           |
| Margin accounts                                            |       | 1,025               | 1,120           |
| Receivables                                                |       | 7,081               | 9,808           |
| Financial assets at fair value through profit or loss      | 6     | <u>432,785</u>      | <u>423,054</u>  |
| <b>Total assets</b>                                        |       | <u>446,117</u>      | <u>440,503</u>  |
| <b>Liabilities</b>                                         |       |                     |                 |
| Margin accounts                                            |       | 2,750               | 1,460           |
| Distributions payable                                      |       | 2,729               | 3,875           |
| Payables                                                   |       | 303                 | 342             |
| Financial liabilities at fair value through profit or loss | 6     | <u>813</u>          | <u>445</u>      |
| <b>Total liabilities</b>                                   |       | <u>6,595</u>        | <u>6,122</u>    |
| <b>Net assets attributable to unitholders - equity</b>     |       | <u>439,522</u>      | <u>434,381</u>  |

*The above condensed interim statement of financial position should be read in conjunction with the accompanying notes.*

## Condensed interim statement of changes in equity

|                                                       |       | Half-year ended     |                     |
|-------------------------------------------------------|-------|---------------------|---------------------|
|                                                       |       | 31 December<br>2023 | 31 December<br>2022 |
|                                                       | Notes | \$'000              | \$'000              |
| <b>Total equity at the beginning of the half-year</b> | 4     | <b>434,381</b>      | 431,518             |
| <b>Comprehensive income</b>                           |       |                     |                     |
| Profit/(loss)                                         |       | <b>21,415</b>       | 12,942              |
| Other comprehensive income                            |       | -                   | -                   |
| <b>Total comprehensive income</b>                     |       | <b>21,415</b>       | 12,942              |
| <b>Transactions with unitholders</b>                  |       |                     |                     |
| Units issued upon reinvestment of distributions       | 4     | -                   | 163                 |
| Distributions to unitholders                          | 3, 4  | <b>(16,274)</b>     | (11,783)            |
| <b>Total transactions with unitholders</b>            |       | <b>(16,274)</b>     | (11,620)            |
| <b>Total equity at the end of the half-year</b>       | 4     | <b>439,522</b>      | 432,840             |

*The above condensed interim statement of changes in equity should be read in conjunction with the accompanying notes.*



## Condensed interim statement of cash flows

|                                                                                      | Half-year ended     |                     |
|--------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                      | 31 December<br>2023 | 31 December<br>2022 |
|                                                                                      | \$'000              | \$'000              |
| <b>Cash flows from operating activities</b>                                          |                     |                     |
| Proceeds from sale of financial instruments at fair value through profit or loss*    | 49,801              | 91,261              |
| Payments for purchase of financial instruments at fair value through profit or loss* | (50,727)            | (94,321)            |
| Amount received from/(paid to) brokers for margin*                                   | 1,385               | 1,730               |
| Dividends/distributions received                                                     | 10,381              | 2,513               |
| Interest received                                                                    | 7,282               | 6,416               |
| Other income received                                                                | 138                 | 138                 |
| Responsible Entity's fees paid                                                       | (69)                | (68)                |
| Investment Manager's fees paid                                                       | (1,691)             | (1,679)             |
| Other expenses paid                                                                  | (350)               | (441)               |
| <b>Net cash inflow/(outflow) from operating activities*</b>                          | <b>16,150</b>       | <b>5,549</b>        |
| <b>Cash flows from financing activities</b>                                          |                     |                     |
| Distributions paid                                                                   | (17,442)            | (11,331)            |
| <b>Net cash inflow/(outflow) from financing activities</b>                           | <b>(17,442)</b>     | <b>(11,331)</b>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                          | <b>(1,292)</b>      | <b>(5,782)</b>      |
| Cash and cash equivalents at the beginning of the half-year*                         | 6,521               | 13,636              |
| Effects of foreign currency exchange rate changes on cash and cash equivalents       | (3)                 | (26)                |
| <b>Cash and cash equivalents at the end of the half-year*</b>                        | <b>5,226</b>        | <b>7,828</b>        |

\*The comparatives have been presented to align with the changes adopted for the current period. Refer to note 2.

The above condensed interim statement of cash flows should be read in conjunction with the accompanying notes.

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## 1 General information

These condensed interim financial statements cover Perpetual Credit Income Trust (the Trust) as an individual entity. The Trust is a registered managed investment trust, which was constituted on 9 May 2018, commenced operations on 8 May 2019 and its units commenced trading on the Australian Securities Exchange (ASX: PCI) on 14 May 2019. The Trust will terminate in accordance with the provisions of the Trust's Constitution or by Law. The Trust is domiciled in Australia.

The Responsible Entity of the Trust is Perpetual Trust Services Limited (ABN 48 000 142 049, AFSL 236 648). The Responsible Entity's registered office is Level 18, Angel Place, 123 Pitt Street, Sydney, NSW 2000.

The Investment Manager of the Trust is Perpetual Investment Management Limited (AFSL 234 426).

The investment objective of the Trust is to provide investors with monthly income by investing in a diversified pool of credit and fixed income assets in accordance with the Product Disclosure Statement and the provisions of the Trust's Constitution.

The condensed interim financial statements of the Trust are for the half-year ended 31 December 2023. The condensed interim financial statements are presented in the Australian currency.

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity (the Directors of the Responsible Entity) on 22 February 2024. The Directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

## 2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Trust is a for-profit entity for the purpose of preparing the condensed interim financial statements.

The condensed interim financial statements do not include all notes normally included in a full financial report. Accordingly, these condensed interim financial statements are to be read in conjunction with the Trust's financial statements for the year ended 30 June 2023 and any public announcements made in respect of Perpetual Credit Income Trust during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied in the condensed interim financial statements are the same as those applied in the Trust's financial statements for the year ended 30 June 2023, except for the change in the classification for cash flows relating to the sale and purchase of financial instruments at fair value through profit or loss.

The condensed interim financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The condensed interim statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current.

### *Functional and presentation currency*

The condensed interim financial statements are presented in Australian dollars, which is the Trust's functional currency.

### *Use of estimates*

Management makes estimates and assumptions that affect the reported amounts in the condensed interim financial statements. Estimates and associated assumptions are reviewed regularly and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where applicable to the fair value measurement, the current changing market conditions are assessed and estimated. Actual results may differ from these estimates.

The use of estimates and critical judgements in fair value measurement that can have significant effect on the amounts recognised in the condensed interim financial statements is described in note 6.

## 2 Basis of preparation (continued)

### *Comparatives*

Certain comparative figures in the condensed interim statement of cash flows have been presented to align with the changes adopted for the current period:

- Cash flow presentation for the proceeds from sale and payments for purchase of financial instruments at fair value through profit or loss have been reclassified from investing activities to operating activities due to voluntary changes in the Trust's accounting policy. This resulted in the following changes in the condensed interim statement of cash flows for the comparative period:
  - (a) net cash flows from operating activities decreased by \$3,060,000; and
  - (b) net cash flows from investing activities increased by \$3,060,000.
- Margin accounts, which comprise cash held or owed as collateral for derivative transactions, are disclosed separately and are no longer included as a component of cash and cash equivalents. For the purpose of the presentation of the condensed interim statement of cash flows, cash and cash equivalents for the comparative period have been represented to align with the presentation of margin accounts for the current period. This resulted in the following changes in the condensed interim statement of cash flows for the comparative period:
  - (a) cash and cash equivalents at the beginning of the half-year decreased by \$579,000;
  - (b) net cash flows from operating activities increased by \$1,730,000; and
  - (c) cash and cash equivalents at the end of the half-year increased by \$1,151,000.

There is no impact on the Trust's financial performance, changes in equity, net assets or any other quantitative metric of the Trust.

### *New standards, amendments and interpretations adopted by the Trust*

There are no new accounting standards, amendments and interpretations that are effective for the first time for the financial period beginning 1 July 2023 that have a material impact on the condensed interim financial statements of the Trust.

### *New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted*

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 31 December 2023 reporting period and have not been early adopted in preparing these condensed interim financial statements. None of these are expected to have a material impact on the condensed interim financial statements of the Trust.

### *Rounding of amounts*

The Trust is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the condensed interim financial statements. Amounts in the condensed interim financial statements have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations Instrument*, unless otherwise indicated.



### 3 Distributions to unitholders

The distributions for the half-year were as follows:

|                                  | Half-year ended     |                     |                     |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | 31 December<br>2023 | 31 December<br>2023 | 31 December<br>2022 | 31 December<br>2022 |
|                                  | \$'000              | CPU                 | \$'000              | CPU                 |
| Distributions paid - July        | 2,702               | 0.6738              | 1,686               | 0.4206              |
| Distributions paid - August      | 2,715               | 0.6772              | 1,868               | 0.4661              |
| Distributions paid - September   | 2,683               | 0.6691              | 1,866               | 0.4653              |
| Distributions paid - October     | 2,721               | 0.6788              | 2,054               | 0.5123              |
| Distributions paid - November    | 2,724               | 0.6793              | 2,071               | 0.5165              |
| Distributions payable - December | 2,729               | 0.6805              | 2,238               | 0.5582              |
| <b>Total distributions</b>       | <b>16,274</b>       |                     | <b>11,783</b>       |                     |

### 4 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

|                                                 | As at               |                     |                     |                     |
|-------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                 | 31 December<br>2023 | 31 December<br>2022 | 31 December<br>2023 | 31 December<br>2022 |
|                                                 | Units'000           | Units'000           | \$'000              | \$'000              |
| Opening balance                                 | 400,968             | 400,816             | 434,381             | 431,518             |
| Units issued upon reinvestment of distributions | -                   | 152                 | -                   | 163                 |
| Distributions to unitholders                    | -                   | -                   | (16,274)            | (11,783)            |
| Profit/(loss)                                   | -                   | -                   | 21,415              | 12,942              |
| <b>Closing balance</b>                          | <b>400,968</b>      | <b>400,968</b>      | <b>439,522</b>      | <b>432,840</b>      |

As stipulated within the Trust's Constitution, each unit represents a right to an individual unit in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

#### Capital risk management

The Trust considers its net assets attributable to unitholders as capital. The Trust is not subject to applications and redemptions except as permitted by the distribution reinvestment plan.

### 5 Earnings per unit

|                                                      | Half-year ended     |                     |
|------------------------------------------------------|---------------------|---------------------|
|                                                      | 31 December<br>2023 | 31 December<br>2022 |
| Profit/(loss) attributable to unitholders (\$'000)   | 21,415              | 12,942              |
| Weighted average number of units on issue ('000)     | 400,968             | 400,923             |
| Basic and diluted earnings per unit (cents per unit) | 5.34                | 3.23                |

Basic and diluted earnings per unit is calculated by dividing the profit attributable to unitholders of the Trust by the weighted average number of ordinary units on issue during the half-year. There is no difference between basic and diluted earnings per unit as no units are dilutive in nature.

## 6 Fair value measurement

The Trust classifies fair value measurement of its financial assets and liabilities by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

### (a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Equity securities and exchange traded derivatives are valued at the last traded price. For the majority of these financial instruments, information provided by the independent pricing services is relied upon for valuation.

### (b) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. These include the use of recent arm's length transactions, reference to current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Valuation models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require Investment Manager to make estimates. Changes in the assumptions for these factors could affect the reported fair value of financial instruments. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

Debt securities are generally valued using broker quotes. Where discounted cash flow techniques are used, estimated future cash flows are based on Investment Manager's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Management monitors credit spreads closely and conducts regular review to ensure any estimates and assumptions used in the valuation model remain appropriate.

The fair value of derivatives that are not exchange traded is estimated at the amount that would be received or paid to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

Investments in unlisted unit trusts are recorded at the unit price as reported by the investment managers of such trusts. The Trust may make adjustments to the value based on the considerations such as: liquidity of the unlisted unit trust or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

The Trust's level 3 assets include unlisted unit trusts which are subject to withdrawal offer and valued at the unit price as provided by the Investment Manager without any adjustment.

## 6 Fair value measurement (continued)

### (c) Recognised fair value measurements

The following tables present the Trust's financial assets and liabilities by fair value hierarchy levels:

| As at 31 December 2023                                            | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------------|-------------------|-------------------|-------------------|-----------------|
| <b>Financial assets at fair value through profit or loss</b>      |                   |                   |                   |                 |
| Derivatives                                                       |                   |                   |                   |                 |
| Swaps                                                             | -                 | 3,417             | -                 | 3,417           |
| Equity securities                                                 | 2,005             | -                 | -                 | 2,005           |
| Debt securities                                                   | 9,926             | 196,252           | -                 | 206,178         |
| Unlisted unit trusts                                              | -                 | -                 | 221,185           | 221,185         |
| <b>Total</b>                                                      | <b>11,931</b>     | <b>199,669</b>    | <b>221,185</b>    | <b>432,785</b>  |
| <b>Financial liabilities at fair value through profit or loss</b> |                   |                   |                   |                 |
| Derivatives                                                       |                   |                   |                   |                 |
| Futures                                                           | 546               | -                 | -                 | 546             |
| Swaps                                                             | -                 | 267               | -                 | 267             |
| <b>Total</b>                                                      | <b>546</b>        | <b>267</b>        | <b>-</b>          | <b>813</b>      |
| As at 30 June 2023                                                | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| <b>Financial assets at fair value through profit or loss</b>      |                   |                   |                   |                 |
| Derivatives                                                       |                   |                   |                   |                 |
| Futures                                                           | 360               | -                 | -                 | 360             |
| Swaps                                                             | -                 | 2,073             | -                 | 2,073           |
| Equity securities                                                 | 1,979             | -                 | -                 | 1,979           |
| Debt securities                                                   | 5,613             | 205,462           | -                 | 211,075         |
| Unlisted unit trusts                                              | -                 | -                 | 207,567           | 207,567         |
| <b>Total</b>                                                      | <b>7,952</b>      | <b>207,535</b>    | <b>207,567</b>    | <b>423,054</b>  |
| <b>Financial liabilities at fair value through profit or loss</b> |                   |                   |                   |                 |
| Derivatives                                                       |                   |                   |                   |                 |
| Swaps                                                             | -                 | 445               | -                 | 445             |
| <b>Total</b>                                                      | <b>-</b>          | <b>445</b>        | <b>-</b>          | <b>445</b>      |

### (d) Transfers between levels

The Trust's policy is to recognise transfers into and transfers out of the fair value hierarchy levels at the end of the reporting period.

There were no transfers between levels as at 31 December 2023 and 30 June 2023.

## 6 Fair value measurement (continued)

### (e) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2023 and the year ended 30 June 2023:

|                                                                                                                   | 31 December<br>2023<br>Unlisted<br>unit trusts<br>\$'000 | 30 June<br>2023<br>Unlisted<br>unit trusts<br>\$'000 |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------|
| Opening balance                                                                                                   | 207,567                                                  | 174,550                                              |
| Purchases                                                                                                         | 11,349                                                   | 33,154                                               |
| Sales                                                                                                             | (2,180)                                                  | -                                                    |
| Gains/(losses) recognised in profit or loss                                                                       | 4,449                                                    | (137)                                                |
| <b>Closing balance</b>                                                                                            | <b>221,185</b>                                           | <b>207,567</b>                                       |
| Total unrealised gains/(losses) recognised in profit or loss for financial instruments held at the reporting date | 4,470                                                    | (137)                                                |

## 7 Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time, parties related to the Trust (including Perpetual Trust Services Limited, its related entities and other trusts managed by Perpetual Trust Services Limited) may invest in or withdraw from the Trust. These investments or withdrawals are on the same terms and conditions as those entered into by other unitholders of the Trust.

On 1 November 2023, Alexis Dodwell was appointed as Director and Richard McCarthy resigned as Director.

There have been no other significant changes to the related party transactions disclosed in the previous annual report.

## 8 Segment information

The Trust is organised into one main operating segment with only one key function, being the investment of funds predominantly in Australia together with opportunistic investments globally.

## 9 Significant events during the half-year

On 1 November 2023, Alexis Dodwell was appointed as Director and Richard McCarthy resigned as Director.

The Trust transitioned its unit registry from Automic Pty Limited to Link Market Services Limited effective 13 November 2023.

There were no other significant events during the half-year.

## 10 Events occurring after the reporting period

On 22 January 2024, the Responsible Entity reinstated the Distribution Reinvestment Plan (DRP) following its suspension on 25 October 2022.

On 24 January 2024, the Responsible Entity announced a distribution of 0.6824 cents per ordinary unit which amounted to \$2,736,205 and was paid on 9 February 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Trust in future financial years.

## 11 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 31 December 2023 and 30 June 2023.



## Directors' declaration

In the opinion of the Directors of Perpetual Trust Services Limited, the Responsible Entity of Perpetual Credit Income Trust:

- (a) the condensed interim financial statements and notes, set out on page 6 to 17, are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2023 and of its performance for the half-year ended on that date;
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of Perpetual Trust Services Limited.



Director

Sydney  
22 February 2024



# Independent Auditor's Review Report

To the unitholders of Perpetual Credit Income Trust

## Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of Perpetual Credit Income Trust (the Trust).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of Perpetual Credit Income Trust is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Trust's financial position as at 31 December 2023 and of its performance for the half-year period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed interim balance sheet as at 31 December 2023
- Condensed interim statement of comprehensive income for the half-year ended on that date
- Condensed interim statement of changes in equity and Condensed interim statement of cash flows for the half-year ended on that date
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Half-year** is the six months ended on 31 December 2023.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



### Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of Perpetual Trust Services Limited (the Responsible Entity) are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility for the review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Trust's financial position as at 31 December 2023 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Andrew Reeves

Partner

Sydney

22 February 2024

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## Directory

### Responsible entity

Perpetual Trust Services Limited  
ABN 48 000 142 049  
AFSL 236 648

### Registered office

Level 18, 123 Pitt Street  
Sydney NSW 2000  
Phone 1800 022 033

### Directors

Glenn Foster  
Phillip Blackmore  
Alexis Dodwell  
Vicki Riggio (Alternate)

### Company secretaries

Claudia Rososinski  
Sylvie Dimarco

### Investment manager

Perpetual Investment Management Limited  
Level 18, 123 Pitt Street  
Sydney NSW 2000  
AFSL 234 426

### Auditor

KPMG  
International Towers Sydney 3  
300 Barangaroo Avenue  
Sydney NSW 2000

### Australian Securities Exchange Code

ASX: PCI

### Unit registry

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

### Website

[www.perpetualincome.com.au](http://www.perpetualincome.com.au)

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