

Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

The Manager
Company Announcement Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

28 February 2023

Securities in an unlisted entity

Pursuant to Rule 4.8 of the ASX Listing Rules, please find attached the Audited Accounts of PG Global Income Investments Loan Strategy Designated Activity Company ("the Company") for the period 01 January 2022 to 31 December 2022.

Partners Group Global Income Fund ("the Trust") invests solely into the Company and is exposed to the underlying investments of the Company via an investment in a profit participating note ("PPN") issued by the Company pursuant to the Profit Participating Note Issuing and Purchase Agreement.

If you have any queries, please contact Partners Group Global Income Fund on 02 8216 1900

Yours sincerely

Russell Beasley
Director

Equity Trustees Limited (ACN 004 031 298, AFSL 240975) as the Responsible Entity for
Partners Group Global Income Fund



Mr. Russell Beasley, Director, has authorised that this document be given to the ASX.

PG GLOBAL INCOME INVESTMENTS LOAN STRATEGY DESIGNATED ACTIVITY COMPANY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

COMPANY NUMBER: 650023

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COMPANY INFORMATION

DIRECTORS	Raja Gul Stephen Healy
SECRETARY	TMF Administration Services Limited 3 rd Floor Kilmore House Park Lane Spencer Dock Dublin 1 Ireland
REGISTERED OFFICE	3 rd Floor Kilmore House Park Lane Spencer Dock Dublin 1 Ireland
SOLICITORS	Arthur Cox Ten Earlsfort Terrace Dublin 2 Ireland
PORTFOLIO MANAGER	Partners Group AG Zugerstrasse 57 6341 Baar Switzerland
PORTFOLIO ADMINISTRATOR	The Bank of New York Mellon SA/NV, Dublin Branch Riverside II Sir John Rogerson's Quay Grand Canal Dock Dublin 2 Ireland
ACCOUNT BANK, CUSTODIAN & PAYING AGENT	The Bank of New York Mellon, London Branch One Canada Square London E14 5 AL England
REGISTRAR	The Bank of New York Mellon SA/NV, Luxembourg Branch 2-4 Rue Eugene Ruppert L-2453 Luxembourg
INDEPENDENT AUDITOR	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1 Ireland

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITY

PG Global Income Investments Loan Strategy Designated Activity Company an Irish registered Company was incorporated on 14 May 2019. The registered number of the Company is 650023. The Company, a special purpose securitisation vehicle, was established as a "Qualifying Company" under Section 110 of the Taxes Consolidation Act, 1997 (as amended) to issue Notes and to use the proceeds thereof to invest in a portfolio of assets.

The Company has issued Profit Participating notes (PPNs) to fund its investment activities. Using the proceeds of PPN issuances the Company acquires a portfolio of loans and high-yield securities to generate a return for the noteholders. The Profit Participating notes do not have a fixed maturity date. All outstanding PPNs will be redeemed by the Issuer and cancelled as soon as reasonably practicable after the last eligible investment has been repaid or sold and the final distribution has been made. The maximum amount which may be issued under the original Profit Participating note agreement is AUD 2 billion. In March 2022 the Company issued Series B Profit Participating note, the maximum amount which can be issued under the Series B Profit Participating Note Issuing and Purchase Agreement is AUD 10 billion.

Under the terms of the Profit Participating notes the noteholders are entitled to receive all income and gains received by the Company as a result of its investment activities less certain expenses and less an amount of € 1,000 per annum retained by the Company. Due to the limited recourse nature of the Profit Participating notes any losses incurred by the Company arising from its investment activities are ultimately borne by the noteholders.

The original Profit Participating notes are listed on the MTF facility of the Vienna Stock Exchange.

REVIEW OF THE BUSINESS

On the back of a year that challenged nearly all risk assets with numerous headwinds such as high inflation, rising interest rates, a looming recession, supply chain challenges, labour shortages, and geo-political uncertainty centered around Ukraine, the global loan market ended the year with relative stability. In the last few months of 2022, market activity in terms of new private debt financing remained muted amidst lower levels of merger and acquisition and leveraged buyout activity. Elsewhere, major western economies continued to introduce another set of interest rates hikes towards the end of the year. Whilst further rate increases and peak levels are hard to predict, it is likely that interest rates will remain at these elevated levels for some time, at least until there are clear indications that inflation is under control.

FUTURE DEVELOPMENTS

Notwithstanding the numerous challenges that remain, the Portfolio Manager believes that the Company will continue to benefit from significantly higher income levels for the foreseeable future stemming from the current interest rate environment. Additionally, Partners Group observed a more constructive start to 2023 with signs of investment activity picking up and a gradual increase in prices in the syndicated loan markets supported by renewed interest from institutional buyers and a lack of new issue supply. In line with the past year's focus on creating a diversified portfolio, the Portfolio Manager will continue to allocate to established businesses in sectors that have proven resilient through the challenging market environment. It is anticipated that strong fundamental underwriting and active credit selection will be key to deliver attractive returns in 2023, which is core to Partners Group's investment philosophy.

RESULTS AND DIVIDENDS

The results for the year are shown on page 13. Dividends declared and paid for the year were AUD Nil (2021: Nil).

CHANGES IN DIRECTORS, SECRETARY AND REGISTERED OFFICE

The Directors of the Company during the year and subsequently to the date of signing these financial statements are outlined below:

Stephen Healy
Raja Gul

DIRECTORS' REPORT (continued)

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES AND DEBENTURES OF THE COMPANY

The Directors, their connected parties or the Company Secretary had no direct or beneficial interest in the share capital and debentures of the Company at the date of appointment, or at the beginning of the year or at the end of the year requiring disclosure in accordance with Section 329 of the Companies Act 2014.

ADEQUATE ACCOUNTING RECORDS

The measures taken by the directors to secure compliance with the Company's obligation to keep adequate accounting records, in line with sections 281 to 285 of the Companies Act 2014, include the use of appropriate systems and procedures and the employment of competent persons. The accounting records are kept at BNY Mellon, Riverside II, Sir John Rogerson's Quay, Dublin 2, Ireland.

PRINCIPAL RISK AND UNCERTAINTIES

The Company faces both financial and non-financial principal financial risks and uncertainties. The principal financial risks facing the Company relate to the financial instruments held by it. See Note 3 for details of the risk management techniques adopted. For the non-financial risks and uncertainties, please see below.

Economic risks

IBOR

The discontinuation of non-USD interbank offered rates ("IBORs") and transition to alternative reference rates in the previous reporting period did not impact or disrupt the processes. The overall risk was assessed as low, with limited potential impact. Systems changes were finalised with some small residual testing and changes identified for 2022. USD LIBOR is expected to transition at the latest in 2023 and does not require any specific changes to the system, process, and/or risk management that were not already identified as part of the transition. Financial assets where the interest on principal drawn is calculated using USD Libor will be replaced with SOFR or an alternative benchmark rate at the latest by the end of 2023.

Outlook and geopolitical risks

2022 has thrown a new set of challenges at the global economy. Economic growth is decelerating across the globe, albeit for different reasons and inflation in the advanced economies is hovering at multi-decade highs. The Portfolio Manager expects a material near-term economic slowdown, modest mid-term growth and structurally higher inflation. It is expected that peak globalisation, geopolitical tensions and nearshoring will persistently raise operating costs. This will be exacerbated by rising wages as work forces decline, and increased spending on the green energy transition, energy independence and ESG adoption.

Private markets will not be fully immune to these challenges. Higher inflation and the possibility of stagflation has taken key priority since these trends were identified in early 2021. The Portfolio Manager is heavily scrutinising the impact this would have on new investment opportunities as well as existing portfolio companies and assets. In an environment of higher rates, higher inflation and headwinds to valuations, return expectations and profit margins are expected to come under increased pressure. Nevertheless, the outperformance of private markets over public equities is expected to hold.

Geopolitical tensions are expected to persistently raise operating costs. In response to Russia's invasion of Ukraine, numerous countries across the world imposed severe sanctions and restrictive measures against Russia's financial system. This impacted the capital markets and had effects on global energy supply, price volatility and inflation. As of 31 December 2022, the Company has no exposure to Russia.

SUBSEQUENT EVENTS

Subsequent to the year end the Company received interest distributions of AUD 6,167,418 from PG Global Income First Lien Loan Designated Activity Company.

The Company has paid interest distributions in the amount of AUD 7,414,324 to the noteholder Equity Trustees Limited, in its capacity as responsible entity of the Partners Group Global Income Fund. Interest distributions of AUD 448,170 were paid to the Series B PPN noteholder.

Partners Group Global Income Investments Loan Strategy DAC has also invested additional amounts in the PPN of PG Global Income First Lien Loan Designated Activity Company. Amounts invested were AUD 6,380,676 and PPN amounts repaid were AUD 2,197,895.

DIRECTORS' REPORT (continued)

POLITICAL DONATIONS

The Electoral Act, 1997, (as amended in 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the year.

SHAREHOLDERS' MEETINGS

The shareholder's rights and the operations of shareholder meetings are defined in the Company's Constitution and comply with the Companies Act 2014.

AUDIT COMMITTEE

The Company, although meeting the requirements to do so, has not established an audit committee under Section 167 of the Companies Act 2014. The reason for not establishing an audit committee is;

- An external service provider has been engaged for the preparation and maintenance of the books of account. The directors exercise appropriate supervision and review of their work.
- The directors monitor the financial reporting process of the Company, in addition to monitoring the effectiveness of the Company's system of internal control.

DIRECTORS' COMPLIANCE POLICY STATEMENT

As required by section 225(2) of the Companies Act 2014, The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations and hereby confirm that they have completed the following:

- a) drafted and reviewed a Compliance Policy Statement, setting out the Company's policies, (as defined in section 225(3)(a), which, in the Directors' opinion, are appropriate to ensure compliance with the Company's relevant obligations;
- b) put in place appropriate arrangements and structures that are, in the Directors' opinion, appropriate to the Company and designed to secure material compliance with the Company's relevant obligations; and
- c) have conducted a review of the aforementioned arrangements and structures during the financial period to which this report relates.

STATEMENT OF RELEVANT AUDIT INFORMATION

Each of the persons who are Directors at the time the report is approved confirms that:

- a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- b) The Director has taken all steps that ought to have been taken by the Director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

INDEPENDENT AUDITOR

PricewaterhouseCoopers, Chartered Accountants and Statutory Audit firm, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.



Raja Gul

Director



Stephen Healy

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors' are responsible for preparing the Directors' report and the Financial Statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish Company law requires the directors to prepare Financial Statements for each financial year. Under the law, the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under Company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.


In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies for the Company's Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the Companies Act 2014 and enable the Financial Statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.



Raja Gul
Director



Stephen Healy
Director



Independent auditors' report to the members of PG Global Income Investments Loan Strategy Designated Activity Company

Report on the audit of the financial statements

Opinion

In our opinion, PG Global Income Investments Loan Strategy Designated Activity Company's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2022;
 - the Statement of Total Comprehensive Income for the year then ended;
 - the Cash Flow Statement for the year then ended;
 - the Statement of Changes in Equity for the year then ended; and
 - the notes to the financial statements, which include a description of the significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



Overall materiality

- AUD 5,362,492 (2021: AUD 5,709,940)
- Based on 1% of total assets.

Performance materiality

- AUD 4,021,869 (2021: AUD 4,282,455)

Audit scope

- The Company is a special purpose securitisation vehicle established as a “Qualifying Company” under Section 110 of the Taxes Consolidation Act, 1997 (as amended). The Company’s investment activities are managed by Partners Group AG (the “Portfolio Manager”). The Company’s portfolio consists of quoted and unquoted debt investments, including indirect investments through PG Global Income First Lien Loan DAC. We tailored the scope of our audit taking into account the types of investments held by the Company, the accounting processes and controls, the involvement of third parties and the industry in which the Company operates.

Key audit matters

- Valuation of Investments at fair value through profit or loss.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors’ professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of Investments at fair value through profit or loss</i></p> <p>Refer to Note 2(d) financial instruments and Note 4 Investments – at fair value through profit or loss and levelling analysis.</p> <p>The investments at fair value through profit or loss included in the Statement of Financial Position of the Company at 31 December 2022 are valued at fair value, in line with IFRS.</p> <p>The Company’s investments at fair value through profit or loss consists of quoted and unquoted direct debt and equity investments. It also holds an indirect investment through PG Global Income First Lien Loan DAC.</p>	<p>We tested the valuation of the quoted debt investments by independently obtaining prices from the pricing vendors and evaluated the reasonableness of the prices obtained.</p> <p>For the unquoted debt and equity, with the assistance of valuation specialists, we considered the appropriateness of the discounted cash flow approach and multiples of EBITDA by comparing the models used to industry standard considering the circumstances of each investment.</p> <p>Significant inputs and assumptions in the individual valuation model have been tested by the engagement team without material differences.</p> <p>For the indirect investment, we agreed the fair value of the investment in the PG Global Income First Lien Loan DAC</p>



Key audit matter	How our audit addressed the key audit matter
We focused on this area because it represents a significant element of the Statement of Financial Position.	to the fair value of the underlying Profit Participating Note. We also obtained the audited financial statements for this entity.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates. Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	AUD 5,362,492 (2021: AUD 5,709,940).
How we determined it	1% of total assets.
Rationale for benchmark applied	We have applied this benchmark because the main objective of the company is to provide holders of the profit participation notes with a total return taking account of the capital and income returns.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to AUD 4,021,869.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above AUD 536,249 (2021: AUD 570,994) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

The Company is a special purpose securitisation vehicle that was established to issue Notes and to use the proceeds thereof to invest in a portfolio of assets. The Notes do not have a fixed maturity date. The Notes issued are of limited recourse meaning the amounts ultimately repayable to the noteholders are restricted to the excess of the assets, excluding share capital and accumulated retained profits, over the other liabilities of the Company.

The Directors assessment of going concern considered 1) Management's intent with regard to the structure, 2) the obligations and purpose of the structure, 3) the liquidity and default rates of the investment portfolio, and 4) the profile and concentration of investors. See Note 3 - Financial Risk Management.

We considered the appropriateness of the going concern assessment of the Company and the measures to mitigate and manage these risks over the going concern period by:

- Obtaining an understanding of the obligations of the Company over the going concern period and purpose of the structure;
- Reviewing the cash flow analysis and evaluating the relevance and reliability of the underlying data.



Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Irish legal and taxation principles, such as those outlined in Companies Act 2014 and Taxes Consolidation Act 1997 (as amended) and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to accounting estimates with significant judgement and estimation uncertainty, and the risk of management override of controls. Audit procedures performed by the engagement team included:

- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Identifying and testing journal entries, where any such journal entries, that met our specific risk based criteria, were identified;
- Testing accounting estimates to supporting documentation;
- Reviewing relevant minutes of the meetings of the board of directors; and
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.



Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads 'Olwyn Alexander'.

Olwyn Alexander
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin, Ireland
27 February 2023

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Notes	As at 31/12/2022 AUD	As at 31/12/2021 AUD
Non-Current Assets			
Investments – at fair value through profit or loss	4	503,079,839	548,830,413
		503,079,839	548,830,413
Current Assets			
Cash and cash equivalents		14,827,900	17,833,348
Forward contracts	7	12,645,719	2,398,568
Amounts receivable for securities sold		3,424	1,569,994
Interest receivable on investments at FVTPL		5,639,369	2,453,480
Other assets		52,947	306,787
		33,169,359	24,562,177
Total assets		536,249,198	573,392,590
Non-Current Liabilities			
Notes issued – designated at fair value through profit or loss	8	496,523,359	531,683,782
		496,523,359	531,683,782
Current Liabilities			
Interest payable on notes issued designated at FVTPL	10	11,934,155	4,202,164
Forward contracts	7	21,627,527	12,581,157
Amounts payable for securities purchased		5,780,532	24,428,572
Expense accruals		378,893	493,364
		39,721,107	41,705,257
Total liabilities		536,244,466	573,389,039
Capital and reserves			
Share capital	9	2	2
Retained earnings		4,730	3,549
		4,732	3,551
Total liabilities and equity		536,249,198	573,392,590

The accompanying notes form an integral part of the financial statements.

On behalf of the board



Director

27 February 2023



Director

STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the financial year ended 31 December 2022

	Notes	Year ended 31/12/2022 AUD	Year ended 31/12/2021 AUD
Interest income	5	44,542,172	33,835,426
Net changes in financial assets at fair value through profit or loss	6	(47,079,998)	25,751,467
Interest expense on notes issued designated at FVTPL	10	(44,430,734)	(34,503,138)
Net changes in notes issued designated at FVTPL	8	65,023,923	(6,642,387)
Other foreign exchange movements		(17,943,925)	(19,109,080)
Total net investment profit/(loss)		111,438	(667,712)
Other income		526,197	1,055,448
Other expenses	11	(636,061)	(386,172)
Net profit for the year before taxation		1,574	1,564
Tax on profit on ordinary activities	12	(393)	(391)
Net profit for the year		1,181	1,173
Total comprehensive income		1,181	1,173

The accompanying notes form an integral part of the financial statements.

Gains and losses arise solely from continuing operations. There were no gains or losses other than those dealt with in the Statement of Total Comprehensive Income.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2022

	Share capital AUD	Share premium AUD	Retained (deficit)/earnings AUD	Total equity AUD
Total comprehensive income	-	-	1,181	1,181
Movements in shareholders' funds	-	-	1,181	1,181
Balance at 01 January 2022	2	-	3,549	3,551
Balance at 31 December 2022	2	-	4,730	4,732

	Share capital AUD	Share premium AUD	Retained earnings AUD	Total equity AUD
Total comprehensive income	-	-	1,173	1,173
Movements in shareholders' funds	-	-	1,173	1,173
Balance at 01 January 2021	2	-	2,376	2,378
Balance at 31 December 2021	2	-	3,549	3,551

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENT

For the financial year ended 31 December 2022

	Year ended 31/12/2022 AUD	Year ended 31/12/2021 AUD
Cash flows from operating activities		
Interest received	41,356,283	32,543,836
Other income received	785,709	855,855
Other expenses paid	(750,533)	(164,782)
Cash generated from operating activities	41,391,459	33,234,909
Taxes paid	(6,064)	(608)
Net cash generated from operating activities	41,385,395	33,234,301
Cash flows from investing activities		
Purchase of investments – at fair value through profit or loss*	(180,328,484)	(181,723,427)
Proceeds from sale of investments – at fair value through profit or loss*	161,591,224	169,381,575
Net cash used in investing activities	(18,737,260)	(12,341,852)
Cash flows from financing activities		
Interest paid on notes issued	(36,698,743)	(30,505,737)
Note issuances	29,863,500	-
Net cash used in financing activities	(6,835,243)	(30,505,737)
Effects of exchange rate changes on cash and cash equivalents	(18,818,340)	8,568,932
Net decrease in cash and cash equivalents	(3,005,448)	(1,044,356)
Cash and cash equivalents at beginning of the year	17,833,348	18,877,704
Cash and cash equivalents at end of the year	14,827,900	17,833,348

* Non cash amounts of AUD 3,658,512 have been excluded from above as they relate to restructure of assets for which there is no associated cashflow.

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

PG Global Income Investments Loan Strategy Designated Activity Company, an Irish registered Company, was incorporated on 14 May 2019. The registered number of the Company is 650023. The address of its registered office is 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1.

The Company, a special purpose securitisation vehicle, was established as a “Qualifying Company” under Section 110 of the Taxes Consolidation Act, 1997 (as amended) to issue Notes and to use the proceeds thereof to invest in a portfolio of assets.

The Company has issued Profit Participating notes (PPNs) to fund its investment activities. Using the proceeds of PPN issuances the Company acquires a portfolio of loans and high-yield securities to generate a return for the noteholders. The Profit Participating notes do not have a fixed maturity date. All outstanding PPNs will be redeemed by the Issuer and cancelled as soon as reasonably practicable after the last eligible investment has been repaid or sold and the final distribution has been made. The maximum amount which may be issued under the original Profit Participating note agreement is AUD 2 billion. In March 2022 the Company issued Series B Profit Participating note, the maximum amount which can be issued under the Series B Profit Participating Note Issuing and Purchase Agreement is AUD 10 billion.

Under the terms of the Profit Participating notes the noteholders are entitled to receive all income and gains received by the Company as a result of its investment activities less certain expenses and less an amount of € 1,000 per annum retained by the Company. Due to the limited recourse nature of the Profit Participating notes any losses incurred by the Company arising from its investment activities are ultimately borne by the noteholders. The holder of the Company’s Profit Participating notes is Equity Trustees Limited, in its capacity as responsible entity of the Partners Group Global Income Fund.

The Profit Participating notes is listed on the MTF facility of the Vienna Stock Exchange.

The Company’s investment activities are managed by Partners Group AG (the “Portfolio Manager”), with the administration delegated to BNY Mellon.

These financial statements were authorised for issue by the Board of Directors on 27 February 2023.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

The entity’s financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company financial statements are disclosed in Note 2(c).

(b) Foreign currency translation

These financial statements are presented in Australian Dollars (“AUD”) which is the Company’s functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Company’s sole investor is an Australian Listed Fund whom invested AUD in the Company. The Directors of the Company believe that AUD most faithfully represents the economic effects of the underlying transactions, events and conditions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Summary of significant accounting policies

(c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The fair value of financial assets and financial liabilities at FVTPL and derivative financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices at the close of business on the Statement of Financial Position date. For financial assets at FVTPL and derivative financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. The fair value of financial liabilities at fair value through profit or loss are linked to the fair value movement of the financial assets and the fair value of the derivative financial instruments and any other assets and liabilities in accordance with the terms and conditions of the Notes as documented in the Profit Participating Note Issuing and Purchase Agreements.

(d) Financial instruments

Classification

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal & Interest (SPPI).

Cash and cash equivalents are held at amortised cost.

Equity holdings and investments in Funds are held as investments at fair value through profit or loss.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including: the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

The Company has determined that it has the two business models.

- Held for trading: this includes debt securities and senior secured floating rate loans. These financial assets are managed and their performance is evaluated, on a FVTPL basis, with frequent sales taking place.
- Other business model: this includes amounts receivable for investment disposals, these financial assets are held at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

Liabilities

The presentation and valuation of the Profit Participating notes issued is directly linked to the underlying portfolio of security assets and consequently the note issued is designated at fair value through profit or loss.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities designated at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or have expired.

Recognition, derecognition and measurement

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses arising from changes in the fair value of the ‘financial assets or financial liabilities designated at fair value through profit or loss’ category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities designated at fair value through profit or loss in the period in which they arise.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The policy of the Company is to value its securities which are listed or admitted to trading, at the closing bid quotation.

Broker quotes are applied for debt investments for which there is an inactive market.

The fair value of certain investments has been determined and approved by the Portfolio Manager. Fair value is determined by the Portfolio Manager taking into consideration various factors considered relevant, including the cost of securities, prices of recent third-party transactions, subsequent developments concerning the companies to which the securities relate, any financial data (including reported net asset value) and projection of such companies provided to the Portfolio Manager and such other factors as the Portfolio Manager may deem relevant.

The fair value of the investment in PG Global Income First Lien Loan DAC is based on the fair value of the note issued. The fair value of the note issued is determined by reference to the value of the Company’s assets other than amounts of share capital less the value of all other liabilities of the Company.

A fair value may be assigned by the Portfolio Manager in the event they deem any of the foregoing valuation methods to be inadequately representative of an investment’s value. As of 31 December 2022, the Portfolio Manager determined the fair value to be AUD 92,934,977 (2021: AUD 70,717,853). Refer to note 4 for additional information. Fair values determined by the Portfolio Manager are denoted with an * in the unobservable inputs table.

Due to the nature of the Company’s investments, fair values assigned at year end may differ significantly from fair values that would have been used had a ready market for the investments existed and such differences could be material to the Company’s financial statements.

The fair value of the note issued is determined by reference to the value of the Company’s assets other than amounts of share capital less the value of all other liabilities of the Company. The only assets held by the Company are its share capital and assets acquired by it with the note issuance proceeds and assets arising from amounts earned on those assets acquired with the note issuance proceeds.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

Since the notes issued are of limited recourse the amounts ultimately repayable to the noteholders is restricted to the excess of the assets, excluding share capital and accumulated retained profits, over the other liabilities of the Company. As such the fair value of the notes issued is equal to the excess of the value of the assets of the Company, excluding share capital and accumulated retained profits, over the value of its liabilities.

Amortised cost measurement

The ‘amortised cost’ of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

(e) Amounts payable for/due from unsettled trades

Amounts payable for/due from unsettled trades represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled on the statement of financial position date. The balances are held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Company shall measure the loss allowance on amounts payable for / due from unsettled trades at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

(f) Offsetting financial instruments

Financial assets and liabilities are not offset in the statement of financial position as the counterparties have generally elected to settle on a gross basis, however, each party has the option to settle all open contracts on a net basis in an early termination event as defined in the relevant master netting agreement.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less.

(h) Interest income and expense

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

Interest expense on note issued designated at fair value through profit or loss is recorded on the accrual’s basis of accounting.

The interest expenses is based on the distribution amounts. As per the terms and conditions of the notes issued, the Issuer shall, to the extent permitted by law and in consultation with the Portfolio Manager, determine if there are available funds on a payment date. To the extent that there are available funds on a payment date, the Issuer (in consultation with the Portfolio Manager) distribute the available funds (as defined below) to the Noteholders in accordance with the conditions (the “Distribution Policy”). Available funds means any amount received by the Issuer from time to time in connection with the portfolio, less: (a) any taxes (including tax accruals), costs, fees, expenses (including, without limitation, any hedging expenses and Issuer Expenses; (b) payments due or that may become due by the Issuer in respect of debt obligations; (c) cash that has been applied towards, or designated for the purposes of, reinvestment; (d) amounts necessary to satisfy any liquidity requirements and (e) the amount of the Issuer Profit Amount, in each case as determined by the Issuer, following consultation with the Portfolio Manager.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Summary of significant accounting policies (continued)

(i) Taxation

Corporation tax is provided on taxable profits at current rates applicable to the Company's activities. Deferred taxation is accounted for, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Statement of Financial Position date except as otherwise required by IAS 12 'Income Tax'. Provision is made at the tax rates which are expected to apply in the years in which the timing differences reverse.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Transactions in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

(k) Operating expenses

Operating expenses are recognised on the accrual's basis.

(l) New and revised accounting standards and interpretations

In preparing the financial statements the Company has adopted all applicable standards, amendments and interpretations.

A number of new standards, amendments to standards and interpretations in issue are not yet effective for the year ended 31 December 2022 and have not been applied in preparing these financial statements. See below for standards and applicable dates.

New requirements not yet effective and not yet applied	Effective date: for financial years beginning on or after
Classification of Liabilities as Current or Non-Current – Amendments to IAS 1	1 January 2023 (deferred from 1 January 2022)
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS practice statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023

None of the above new standards, amendments or interpretations are expected to have, when adopted, a significant impact on the Company's reported financial position. To the extent applicable standards will require new or additional disclosures to be made.

The Company has not adopted any other new standards or interpretations that are not mandatory.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk (fair value interest and cash flow interest rate risk) and price risk).

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance. The Company's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on debt securities is limited to the fair value of those positions. The maximum loss of capital on forward currency contracts is limited to the notional contract values of those positions.

The management of these risks is carried out by the Portfolio Manager under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Credit risk

Investments are subject to credit risk. Credit risk mainly refers to the Company being exposed to the ability of the issuers to make principal and interest payments when due in accordance with the terms and conditions of the debt instruments. Defaults of issuers negatively impact the performance of the Company. The Portfolio Manager is mitigating the credit risk through monitoring and ensuring that sufficient diversification across single positions and industry sectors is provided for the portfolio.

The analysis below summarises the credit quality of the Company's portfolio at 31 December.

	2022	2021
B	3.63%	2.93%
B-	4.55%	6.68%
B+	0.13%	-
CCC	6.41%	6.38%
CCC-	0.96%	0.15%
CCC+	3.99%	6.76%
D	0.01%	-
Unrated*	80.32%	77.10%
	100.00%	100.00%

*Unrated investments include the Company's investments in PG Global Income First Lien DAC which represents 61.46% of the portfolio value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk factors (continued)

(a) Credit risk (continued)

The Company also restricts its exposure to credit losses on the trading derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Master netting arrangements do not result in an offset of statement of financial position assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Company's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangement

The maximum exposure to credit risk at 31 December is the carrying amount of the financial assets as set out below:

	As at 31/12/2022 AUD	As at 31/12/2021 AUD
Debt instruments	193,906,491	206,207,263
Fund investments	309,173,348	342,623,150
Forward contracts	12,645,719	2,398,568
Cash and cash equivalents	14,827,900	17,833,348
Amounts receivable for securities sold	3,424	1,569,994
Interest receivable on investments at FVTPL	5,639,369	2,453,480
Other assets	52,947	306,787
	<u>536,249,198</u>	<u>573,392,590</u>

The Company measures credit risk using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2022 and 31 December 2021, amounts due from unsettled trades, cash and cash equivalents are held with highly rated counterparties and are due to be settled within one to three months after the period end. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised as any such impairment would be wholly insignificant to the Company.

The Company's exposure to credit risk is minimal as the note issued by it is of limited recourse. Consequently, any loss suffered on the investments held will reduce the amount which the Company is required to pay to the noteholders under the Profit Participation note agreements.

The Company's bank accounts held with The Bank of New York Mellon are held on an unsegregated basis. The credit rating of The Bank of New York Mellon as at 31 December 2022 and 31 December 2021 according to Moody's was P-1.

Bankruptcy or insolvency of The Bank of New York Mellon may cause the Company's rights with respect to cash held to be delayed or limited and the Company would be treated as a general creditor of that entity in respect of its cash balances.

The shareholders are entitled to retain a profit as recognised under the Statement of Total Comprehensive Income before the accrual of interest for the period to enable it to break even in the event of net losses. As such, the value of the shareholders' funds fluctuates in line with the performance of the investment portfolio.

Offsetting and amounts subject to master netting arrangements and similar agreements

The Company is subject to master netting arrangements (typically one per counterparty) with one or more derivative counterparties for all derivative assets and liabilities held with these counterparties. The Company may maintain variation margin balances for the purpose of providing or receiving collateral on derivative positions.

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk factors (continued)

(a) Credit risk (continued)

Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements:

	2022	2021
	AUD	AUD
<u>FX forward contracts</u>		
Bank of America, N.A.		
AUD/CAD	275,529	-
AUD/CHF	(10,402)	-
AUD/EUR	(3,159,072)	-
AUD/GBP	(1,117,534)	-
AUD/SEK	(1,098)	-
AUD/USD	6,988,344	-
CAD/AUD	(257,703)	
CHF/AUD	11,989	
EUR/AUD	3,973,034	
GBP/AUD	766,582	
USD/AUD	(3,587,460)	
Merrill Lynch International		
AUD/CAD	-	(8,103)
AUD/EUR	-	2,441,918
AUD/USD	-	(62,751)
USD/AUD	-	27,504
Standard Chartered Bank London		
AUD/EUR	(4,614,495)	-
AUD/GBP	(107,180)	(730)
AUD/USD	(7,683,444)	-
EUR/AUD	265,325	(13,633)
GBP/AUD	120,685	-
USD/AUD	(149,953)	-
Goldman Sachs International		
AUD/CHF	(136,816)	(85,228)
AUD/CAD	(2,626)	1,554
AUD/EUR	(60,492)	716,157
AUD/GBP	(152,041)	(427,271)
AUD/SEK	-	129,136
AUD/USD	(95,267)	(11,879,694)
CHF/AUD	-	(6,544)
EUR/AUD	-	(368,472)
GBP/AUD	-	27,386
SEK/AUD	-	(34,501)
USD/AUD	(247,713)	(639,317)
	<u>(8,981,808)</u>	<u>(10,182,589)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk factors (continued)

(a) Credit risk (continued)

The Company and its counterparties have elected to generally settle all transactions on a gross basis, however, each party has the option to settle all open contracts on a net basis in an early termination event as defined in the relevant master netting agreement. Under the terms of the master netting agreements, an early termination event includes the following:

- Failure by a party to make payment when due;
- Failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within 20 business days after such failure; or
- Bankruptcy of a party

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

This is achieved by issuing notes with limited recourse so the noteholders are only paid when funds become available.

The table below analyses the Company's derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table represent the unrealised exchange gain/loss on the open contracts at year end:

At 31 December 2022

	Less than 1 month AUD	1 – 3 months AUD	3 – 12 months AUD	Due in more than one year AUD
Forward contracts	46,838	(11,454,301)	512,677	1,912,978
Total assets	46,838	(11,454,301)	512,677	1,912,978

At 31 December 2021

	Less than 1 month AUD	1 – 3 months AUD	3 – 12 months AUD	Due in more than one year AUD
Forward contracts	40,826	(3,803,069)	(6,420,346)	-
Total assets	40,826	(3,803,069)	(6,420,346)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk factors (continued)

(b) Liquidity risk (continued)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows

At 31 December 2022

	Carrying amount	Gross Contractual cash flows	Due within one year	Due in more than one year
	AUD	AUD	AUD	AUD
Notes issued designated at FVTPL	496,523,359	496,523,359	-	496,523,359
Amounts payable for securities purchased	5,780,532	5,780,532	5,780,532	-
Interest payable on note issued designated at FVTPL	11,934,155	11,934,155	11,934,155	-
Expense accruals	378,893	378,893	378,893	-
Contractual cash out flows (excluding derivatives)	514,616,939	514,616,939	18,093,580	496,523,359

At 31 December 2021

	Carrying amount	Gross Contractual cash flows	Due within one year	Due in more than one year
	AUD	AUD	AUD	AUD
Note issued designated at FVTPL	531,683,782	531,683,782	-	531,683,782
Amounts payable for securities purchased	24,428,572	24,428,572	24,428,572	-
Interest payable on note issued designated at FVTPL	4,202,164	4,202,164	4,202,164	-
Expense accruals	493,364	493,364	493,364	-
Contractual cash out flows (excluding derivatives)	560,807,882	560,807,882	29,124,100	531,683,782

The Profit Participating notes does not have a fixed maturity date. All outstanding PPNs will be redeemed by the Issuer and cancelled as soon as reasonably practicable after the last eligible investment has been repaid or sold and the final distribution has been made.

The following table illustrates the expected liquidity of assets held.

At 31 December 2022

	Less than 1 month	1 – 3 months	3 – 12 months	Due in more than one year
	AUD	AUD	AUD	AUD
Investments at FVTPL	-	-	-	503,079,839
Cash and cash equivalents	14,827,900	-	-	-
Forward contracts	46,838	5,114,219	2,316,265	5,168,397
Amounts receivable for securities sold	-	-	3,424	-
Interest receivable on investments at FVTPL	3,849,316	1,323,321	466,732	-
Other assets	-	-	52,945	2
Total assets	18,724,054	6,437,540	2,839,366	508,248,238

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk factors (continued)

(b) Liquidity risk (continued)

At 31 December 2021

	Less than 1 month AUD	1 – 3 months AUD	3 – 12 months AUD	Due in more than one year AUD
Investments at FVTPL	-	-	2,363,937	546,466,476
Cash and cash equivalents	17,833,348	-	-	-
Forward contracts	-	27,504	2,371,064	-
Amounts receivable for securities sold	1,569,994	-	-	-
Interest receivable on investments at FVTPL	1,816,033	355,699	281,748	-
Other assets	-	306,335	450	2
Total assets	21,219,375	689,538	5,017,199	546,466,478

(c) Market risk

Market risk is the risk that changes in market prices, such as currency risk and interest rates will affect the company's income or the value of its holdings of investments and derivatives.

Market risk presents the potential for both gains and losses and includes currency risk, interest rate risk, and price risk.

(i) Currency risk

The Company is exposed to exchange rates between AUD, its functional currency and certain foreign currencies namely GBP, USD, CHF, CAD, SEK and EUR each time an investment denominated in a foreign currency is acquired. Due to the Profit Participation nature of the note issued any gains or losses arising from such currency movements are borne by the noteholders.

Total commitments to the Company are denominated in AUD, though payments may be made in GBP, USD, CHF, CAD, SEK and EUR or other currency as determined by the Company or by the portfolio manager on behalf of the Company.

The tables below show the AUD equivalent of foreign denominated assets and liabilities of the Company at 31 December.

At 31 December 2022

	Assets AUD	Liabilities AUD	Net assets AUD	Exposure look through AUD	Hedging AUD	Net Exposure AUD
Currency:						
CAD	7,475,605	-	7,475,605	-	(7,333,384)	142,221
CHF	2,985,829	-	2,985,829	-	(2,634,110)	351,719
EUR	64,100,038	(2,896,333)	61,203,705	71,203,248	(129,944,553)	2,462,400
GBP	31,147,918	(1,922,324)	29,225,594	9,280,935	(37,525,020)	981,509
SEK	2,591,735	-	2,591,735	-	(2,396,900)	194,835
USD	92,750,620	(1,077,553)	91,673,067	243,475,510	(326,626,585)	8,521,992
	201,051,745	(5,896,210)	195,155,535	323,959,693	(506,460,552)	12,654,676

*The exposure look through represents the currency exposure of the underlying assets and liabilities of PG Global Income First Lien Loan DAC for which the Company is exposed as it is the holder of the Profit Participating note in PG Global Income First Lien Loan DAC.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

	Assets	Liabilities	Net assets	Exposure look through	Hedging	Net Exposure
	AUD	AUD	AUD	AUD	AUD	AUD
Currency:						
CAD	5,019,739	(106,711)	4,913,028	-	(4,870,951)	42,077
CHF	2,564,153	-	2,564,153	-	97,151	2,661,304
EUR	63,976,729	(15,606,213)	48,370,516	113,805,632	(165,335,604)	(3,159,453)
GBP	38,096,806	(1,564,952)	36,531,854	(9,413,354)	(26,784,187)	334,313
SEK	2,637,712	-	2,637,712	-	(2,670,244)	(32,532)
USD	98,553,523	(7,906,456)	9,0647,067	251,427,073	(330,527,254)	11,546,886
	210,848,662	(25,184,332)	185,664,330	355,819,351	(530,091,089)	11,392,595

*The exposure look through represents the currency exposure of the underlying assets and liabilities of PG Global Income First Lien Loan DAC for which the Company is exposed as it is the holder of the Profit Participating note in PG Global Income First Lien Loan DAC.

The closing and average exchange rates used at 31 December 2022 and 31 December 2021 are as follows:

	2022 Closing	2022 Average	2021 Closing	2021 Average
AUD:CAD	0.9189	0.9030	0.9184	0.9412
AUD: CHF	0.6274	0.6621	0.6625	0.6863
AUD: EUR	0.6354	0.6592	0.6393	0.6350
AUD: GBP	0.5638	0.5620	0.5368	0.5459
AUD:SEK	7.0660	7.0053	6.5826	6.4422
AUD: USD	0.6782	0.6934	0.7271	0.7507

Sensitivity analysis

The table below summarises the sensitivity of the Company's assets and liabilities to changes in foreign exchange movements at 31 December. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table below, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	Reasonable possible shift in rate 2022	Movement in Value AUD	Reasonable possible shift in rate 2021	Movement in Value AUD
CAD	+/- 0.05%	71	+/- 7.05%	2,966
CHF	+/- 5.58%	19,626	+/- 2.97%	79,041
EUR	+/- 0.62%	15,267	+/- 1.36%	42,968
GBP	+/- 4.79%	47,014	+/- 5.16%	17,251
SEK	+/- 6.84%	13,327	+/- 3.73%	1,213
USD	+/- 7.21%	614,436	+/- 6.13%	707,824

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk

The Company is exposed to interest rate risk on interest-bearing investments held. Any gains or losses arising due to this interest rate exposure are borne by the noteholders.

The table below summarises the Company's exposure to interest rate risk. It includes the company's financial instruments at carrying amounts categorised by the earlier of contractual repricing or maturity dates.

31 December 2022	Less than one month AUD	1 to 3 months AUD	3 to 12 months AUD	Due in more than one year AUD	Non-interest bearing AUD	Total AUD
Assets						
Investments at FVTPL	-	-	-	493,091,514	9,988,325	503,079,839
Cash and cash equivalents	14,827,900	-	-	-	-	14,827,900
Forward contracts	46,838	5,114,219	2,316,265	5,168,397	-	12,645,719
Amounts receivable for securities sold	-	-	-	-	3,424	3,424
Interest receivable on investments at FVTPL	3,849,316	1,323,321	466,732	-	-	5,639,369
Other assets	-	-	-	-	52,947	52,947
	18,724,054	6,437,540	2,782,997	498,259,911	10,044,696	536,249,198
Liabilities						
Notes issued designated at FVTPL	-	-	-	(496,523,359)	-	(496,523,359)
Forward contracts	-	(16,568,521)	(1,803,588)	(3,255,418)	-	(21,627,527)
Amounts payable for securities purchased	-	-	-	-	(5,780,532)	(5,780,532)
Interest payable on note issued designated at FVTPL	-	-	-	-	(11,934,155)	(11,934,155)
Expense accruals	-	-	-	-	(378,893)	(378,893)
	-	(16,568,521)	(1,803,588)	(499,778,777)	(18,093,580)	(536,244,466)
Net assets	18,724,054	(10,130,981)	979,409	(1,518,866)	(8,048,884)	4,732

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

31 December 2021

	Less than one month AUD	1 to 3 months AUD	3 to 12 months AUD	Due in more than one year AUD	Non-interest bearing AUD	Total AUD
Assets						
Investments at FVTPL	-	-	2,363,937	539,251,271	7,215,205	548,830,413
Cash and cash equivalents	17,833,348	-	-	-	-	17,833,348
Forward contracts	-	27,504	2,371,064	-	-	2,398,568
Amounts receivable for securities sold	-	-	-	-	1,569,994	1,569,994
Interest receivable on investments at FVPTL	1,816,033	355,699	281,748	-	-	2,453,480
Other assets	-	-	-	-	306,787	306,787
	19,649,381	383,203	5,016,749	539,251,271	9,091,986	573,392,590
Liabilities						
Note issued designated at FVTPL	-	-	-	(531,683,782)	-	(531,683,782)
Forward contracts	40,826	(3,830,573)	(8,791,410)	-	-	(12,581,157)
Amounts payable for securities purchased	-	-	-	-	(24,428,572)	(24,428,572)
Interest payable on note issued designated at FVTPL	(2,402,742)	(1,799,422)	-	-	-	(4,202,164)
Expense accruals	-	-	-	-	(493,364)	(493,364)
	(2,361,916)	(5,629,995)	(8,791,410)	(531,683,782)	(24,921,936)	(573,389,039)
Net assets	17,287,465	(5,246,792)	(3,774,661)	7,567,489	(15,829,950)	3,551

The table below shows the interest rate spread profile of the Company's portfolio of financial assets at FVTPL as at 31 December.

2022	0-200 bps	200-300 bps	300-400 bps	400-500 bps	500-600 bps	Greater than 600 bps	Total
	AUD	AUD	AUD	AUD	AUD	AUD	AUD
GBP Libor	-	-	-	-	172,945	1,203,788	1,376,733
SONIA	-	-	-	10,867,939	8,692,766	6,106,415	25,667,120
BBSY	-	-	-	-	6,395,715	-	6,395,715
AUD Libor	-	-	-	-	-	2,616,585	2,616,585
Euribor	-	-	3,651,460	3,916,814	9,339,551	41,241,512	58,149,337
CDOR	-	-	-	3,227,555	-	2,120,671	5,348,226
SEK Libor	-	-	-	-	-	2,362,657	2,362,657
SOFR	-	-	-	2,617,351	4,719,452	13,927,814	21,264,617
US Libor	-	3,602	2,686,205	4,137,812	12,543,294	41,366,263	60,737,176
	-	3,602	6,337,665	24,767,471	41,863,723	110,945,705	183,918,166

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) *Market risk (continued)*

(ii) *Interest rate risk (continued)*

2021	0-200 bps	200-300 bps	300-400 bps	400-500 bps	500-600 bps	Greater than 600 bps	Total
	AUD	AUD	AUD	AUD	AUD	AUD	AUD
GBP Libor	-	-	9,564,045	3,915,693	5,228,964	5,827,231	24,535,933
SONIA	-	-	-	3,134,935	5,209,560	1,891,461	10,235,956
BBSY	-	-	-	-	-	1,694,160	1,694,160
AUD Libor	-	-	-	5,717,120	2,363,937	2,000,000	10,081,057
Euribor	6,369,756	-	2,039,091	5,593,320	14,633,399	30,104,956	58,740,522
CDOR	109,841	-	-	3,477,347	-	842,620	4,429,808
SEK Libor	-	-	-	-	-	2,601,858	2,601,858
US Libor	-	3,419	4,031,437	4,676,431	20,574,337	57,387,139	86,672,763
	6,479,597	3,419	15,634,573	26,514,846	48,010,197	102,349,425	198,992,057

The Company invests in PG Global Income Investments First Lien Loan DAC via a profit participating note. The exposure to interest rate risk is directly linked to the underlying portfolio of investments held by PG Global Income Investments First Lien Loan DAC.

The tables below show the interest rate spread profile of PG Global Income First Lien Loan DAC's portfolio of financial assets at FVTPL as at 31 December.

2022	0-200 bps	200-300 bps	300-400 bps	400-500 bps	500-600 bps	Greater than 600 bps	Total
	AUD	AUD	AUD	AUD	AUD	AUD	AUD
GBP Libor	-	-	-	20,691,233	6,863,982	-	27,555,215
SONIA	-	-	-	4,866,988	-	-	4,866,988
BBSY	-	-	-	-	-	-	-
Euribor	-	34,284,575	108,888,448	62,842,274	9,575,085	2,013,108	217,603,490
SOFR	-	4,183,619	29,712,555	35,780,596	9,126,672	6,289,010	85,092,452
US Libor	-	53,962,929	217,693,231	65,146,074	8,942,811	-	345,745,045
	-	92,431,123	356,294,234	189,327,165	34,508,550	8,302,118	680,863,190

2021	0-200 bps	200-300 bps	300-400 bps	400-500 bps	500-600 bps	Greater than 600 bps	Total
	AUD	AUD	AUD	AUD	AUD	AUD	AUD
GBP Libor	-	-	-	-	2,769,958	-	2,769,958
SONIA	-	-	-	16,154,076	12,103,740	-	28,257,816
BBSY	-	-	-	376,471	-	-	376,471
AUD Libor	-	-	1,500,000	-	-	-	1,500,000
Euribor	-	25,989,641	132,464,673	61,860,895	11,126,986	-	231,442,195
SOFR	-	-	2,321,654	-	-	-	2,321,654
Prime	-	-	3,566,158	-	-	-	3,566,158
US Libor	2,706,498	60,559,949	271,932,973	118,409,840	15,340,099	5,239,564	474,188,923
	2,706,498	86,549,590	411,785,458	196,801,282	41,340,783	5,239,564	744,423,175

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The discontinuation of non-USD interbank offered rates ("IBORs") and transition to alternative reference rates in the previous reporting period did not impact or disrupt the processes. The overall risk was assessed as low, with limited potential impact. Systems changes were finalised with some small residual testing and changes identified for 2022. USD LIBOR is expected to transition at the latest in 2023 and does not require any specific changes to the system, process, and/or risk management that were not already identified as part of the transition. Financial assets where the interest on principal drawn is calculated using USD Libor will be replaced with SOFR or an alternative benchmark rate at the latest by the end of 2023.

Sensitivity analysis

At 31 December 2022, if base interest rates had been higher/lower by 200 Bps (2021: 200 Bps) with all other variables held constant, the increase/decrease in Total Comprehensive Income would have been AUD 32,052 (2021: AUD 11,353). This arises from the increase/decrease in the income earned on the debt positions held by the Company. Any increase/decrease would have been offset in an equal and opposite amount in interest expense on notes issued. Due to the short-term nature of cash and cash equivalents and the current interest rate environment the expected impact of any changes in interest rates on cash holdings is considered to be minimal. In determining the sensitivity flex numerator above, management reviewed the movements in Euribor, USD Libor and SOFR rates during the period and looked at the highest, lowest and average changes that occurred.

The Company has direct exposure to interest rate changes on the valuation and cash flows of its interest-bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Company invests. Therefore, the above sensitivity analysis may not fully indicate the total effect on the Company's interest-bearing investments and cash of future movements in interest rates.

(iii) Other price risk

Price risk is the risk that the value of the investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits. A summary analysis of investments by nature and geography is presented in the section below.

The Company is exposed to changes in the market values of the portfolio assets which it holds as investments.

Due to the limited recourse nature of the note issued any market value losses on the investments is offset by movements in the fair value of the note issued with no significant loss to the Company.

Sensitivity analysis

If the closing market prices of debt securities had been 5.00% higher or lower this would have resulted in an increase/decrease in market value of AUD 25,153,992 (2021: 2.00%, AUD 10,976,608).

(iv) Concentration risk

Concentration risk can arise from the type of investments held in the portfolio, the maturity of assets, the concentration of sources of funding, concentration of counterparties or geographical locations. Prudent risk management implies maintaining the exposure to various risks at a reasonable level.

The Company's investment criteria stipulate maximum allocation to investment categories in order to limit concentration risk. The Portfolio Manager appointed by the Company monitors the exposures arising in the portfolios held by the Company to various risks including country/geographical, single obligor/counterparty, industry categories/segments and asset type.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) Market risk (continued)

(iv) Concentration risk (continued)

The table below shows the geographical diversification and sectoral analysis of the Company's portfolio of financial assets at FVTPL and cash and cash equivalents as at 31 December.

Country	Sector	2022 Market Value AUD	2022 %
Australia	Health Care Providers & Services	977,400	0.19%
Australia	IT Services	1,639,185	0.32%
Australia	Pharmaceuticals	3,358,275	0.65%
Australia	Specialty Retail	2,882,931	0.56%
Belgium	Construction & Engineering	1,475,586	0.28%
Belgium	Financials	14,827,900	2.86%
Canada	Insurance	3,227,555	0.62%
France	Chemicals	3,381,957	0.65%
France	Diversified Consumer Services	4,223,925	0.82%
France	Hotels, Restaurants & Leisure	1,518,684	0.29%
France	Internet & Direct Marketing Retail	1,735,154	0.34%
France	IT Services	2,675,126	0.52%
Germany	Building Products	4,822,019	0.93%
Germany	Chemicals	1,512,099	0.29%
Germany	Diversified Financial Services	2,748,039	0.53%
Ireland	Financials*	309,173,348	59.69%
Italy	Paper & Forest Products	1,585,903	0.31%
Netherlands	Household Durables	1,264,096	0.24%
New Zealand	Diversified Consumer Services	596,889	0.12%
Norway	Hotels, Restaurants & Leisure	3,258,347	0.63%
Spain	Hotels, Restaurants & Leisure	1,373,111	0.27%
Spain	Marine	1,238,869	0.24%
Sweden	Commercial Services & Supplies	2,362,657	0.46%
Switzerland	Personal Products	9,545,653	1.84%
Switzerland	Software	1,792,825	0.35%
United Kingdom	Automobiles	2,469,533	0.48%
United Kingdom	Chemicals	650,800	0.13%
United Kingdom	Diversified Consumer Services	6,409,163	1.24%
United Kingdom	Food Products	11,709,360	2.25%
United Kingdom	Health Care Providers & Services	2,120,671	0.41%
United Kingdom	Health Care Technology	2,270,814	0.44%
United Kingdom	Hotels, Restaurants & Leisure	2,341,935	0.45%
United Kingdom	Insurance	1,484,907	0.29%
United Kingdom	IT Services	4,939,685	0.95%
United Kingdom	Life Sciences Tools & Services	836,004	0.16%
United Kingdom	Professional Services	1,388,088	0.27%
United Kingdom	Software	4,118,280	0.80%
United Kingdom	Trading Companies & Distributors	3,260,288	0.63%

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) *Market risk (continued)*

(iv) *Concentration risk (continued)*

Country	Sector	2022 Market Value AUD	2022 %
United States	Air Freight & Logistics	4,010,097	0.77%
United States	Auto Components	2,672,300	0.52%
United States	Capital Markets	2,370,426	0.46%
United States	Containers & Packaging	2,306,304	0.45%
United States	Diversified Consumer Services	1,808,797	0.35%
United States	Financials	233,658	0.05%
United States	Food & Staples Retailing	1,151,450	0.22%
United States	Food Products	2,192,365	0.42%
United States	Health Care Providers & Services	9,043,460	1.75%
United States	Health Care Technology	13,085,423	2.52%
United States	Hotels, Restaurants & Leisure	3,602	0.00%
United States	Insurance	8,859,752	1.71%
United States	Internet Software & Services	144,511	0.03%
United States	IT Services	14,346,247	2.76%
United States	Machinery	1,203,788	0.23%
United States	Professional Services	6,466,058	1.25%
United States	Software	19,558,589	3.77%
United States	Trading Companies & Distributors	1,253,851	0.24%
		517,907,739	100.00%

*Included in the table above are amounts of AUD 309,173,348 representing the Company's investments in PG Global Income First Lien Loan Designated Activity Company. The underlying investments in this entity contain similar geographical and sector exposure to that of PG Global Income Investments Loan Strategy DAC.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) Market risk (continued)

(iv) Concentration risk (continued)

Country	Sector	2021 Market Value AUD	2021 %
Australia	Diversified Telecommunication Services	2,363,937	0.42%
Australia	Health Care Providers & Services	7,717,120	1.36%
Australia	Internet & Direct Marketing Retail	1,694,160	0.30%
Belgium	Software	2,574,100	0.45%
Belgium	Financials	17,833,348	3.15%
Canada	Diversified Financial Services	4,429,808	0.78%
France	Chemicals	2,444,145	0.43%
France	Diversified Consumer Services	2,502,605	0.44%
France	Hotels, Restaurants & Leisure	1,549,660	0.27%
France	Personal Products	1,846,673	0.33%
Germany	Building Products	4,446,035	0.78%
Germany	Chemicals	3,090,714	0.55%
Germany	Diversified Financial Services	3,575,222	0.63%
Germany	Internet & Direct Marketing Retail	2,361,009	0.42%
Ireland	Financials*	342,623,150	60.46%
Luxembourg	Food Products	6,369,756	1.12%
Netherlands	Professional Services	2,759,318	0.49%
Norway	Hotels, Restaurants & Leisure	3,599,006	0.64%
Spain	Hotels, Restaurants & Leisure	1,419,454	0.25%
Spain	Marine	1,441,985	0.25%
Sweden	Commercial Services & Supplies	2,601,858	0.46%
Switzerland	Containers & Packaging	2,039,091	0.36%
Switzerland	Diversified Consumer Services	6,448,988	1.14%
Switzerland	Personal Products	6,160,369	1.09%
United Kingdom	Automobiles	1,891,461	0.33%
United Kingdom	Commercial Services & Supplies	3,532,557	0.62%
United Kingdom	Consumer Finance	629,038	0.11%
United Kingdom	Diversified Consumer Services	7,062,051	1.25%
United Kingdom	Health Care Providers & Services	2,943,550	0.52%
United Kingdom	Hotels, Restaurants & Leisure	5,308,671	0.94%
United Kingdom	Internet Software & Services	1,277,976	0.23%
United Kingdom	IT Services	1,856,959	0.33%
United Kingdom	Machinery	1,569,995	0.28%
United Kingdom	Personal Products	4,228,203	0.75%
United Kingdom	Software	4,190,898	0.74%
United Kingdom	Specialty Retail	5,209,560	0.92%
United States	Air Freight & Logistics	4,293,088	0.76%
United States	Auto Components	2,619,833	0.46%
United States	Commercial Services & Supplies	545,087	0.10%
United States	Containers & Packaging	2,474,210	0.44%
United States	Diversified Consumer Services	5,182,955	0.91%
United States	Diversified Financial Services	3,826,622	0.68%
United States	Electronic Equipment, Instruments & Components	1,930,403	0.34%
United States	Food Products	3,344,278	0.59%
United States	Health Care Providers & Services	6,858,298	1.21%
United States	Health Care Technology	3,923,120	0.69%
United States	Hotels, Restaurants & Leisure	1,384,569	0.24%

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risk management (continued)

(c) Market risk (continued)

(iv) Concentration risk (continued)

Country	Sector	2021 Market Value AUD	2021 %
United States	Insurance	9,812,977	1.73%
United States	Internet Software & Services	3,531,393	0.62%
United States	IT Services	24,667,715	4.35%
United States	Machinery	1,384,017	0.24%
United States	Professional Services	2,047,399	0.36%
United States	Software	6,928,512	1.22%
United States	Technology Hardware, Storage & Peripherals	3,561,576	0.63%
United States	Telecommunications	4,167,526	0.74%
United States	Transportation Infrastructure	587,753	0.10%
		<u>566,663,761</u>	<u>100.00%</u>

*Included in the table above are amounts of AUD 342,623,150 representing the Company's investments in PG Global Income First Lien Loan Designated Activity Company. The underlying investments in this entity contain similar geographical and sector exposure to that of PG Global Income Investments Loan Strategy DAC.

4. Investments – at fair value through profit or loss and levelling analysis

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The Company utilises the last traded market price for financial assets. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments include the use of indicative broker quotes, comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The fair value of the investment in PG Global Income First Lien Loan DAC is based on the fair value of the note issued. The fair value of the note issued is determined by reference to the value of the Company's assets other than amounts of share capital less the value of all other liabilities of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Investments – at fair value through profit or loss and levelling analysis (continued)

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 the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

Valuation of financial instruments

The Company measures fair values using the following hierarchy of methods:

- Level 1 – Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived by prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Investments whose values are based on quoted market prices in active markets are classified within Level 1. The Company does not adjust the quoted price for such instruments. The determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by multiple, independent sources that are actively involved in the relevant market.

Investments that trade in markets that are not considered to be active, but are valued based on alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all and/or are subject to transfer restrictions. Level 3 investments may consist of direct and indirect equity and debt investments. Level 3 indirect investments are generally valued at the indirect investments' net asset values. When the reporting date of such net asset values does not coincide with the Company's reporting date, the net asset values are adjusted as a result of cash flows to/from an indirect investment between the most recently available net asset value reported, and the end of the relevant reporting period. The valuation may also be adjusted for further information gathered through an ongoing investment monitoring process. This monitoring process includes, but is not limited to, binding bid offers, non-public information on developments of portfolio companies held by indirect investments, syndicated transactions which involve such companies and the application of reporting standards by indirect investments which do not apply the principle of fair valuation.

The main inputs into the Company's valuation models for direct equity and debt investments include: EBITDA multiples (based on budgeted/forward looking EBITDA or historical EBITDA of the issuer and EBITDA multiples of comparable listed companies for the equivalent period), discount rates, capitalization rates, price to book as well as price to earnings ratios and enterprise value to sales multiples. The Company also considers the original transaction prices, recent transactions in the same or similar instruments and completed third-party transactions in comparable instruments and adjusts the model as deemed necessary. Further inputs consist of external valuation appraisals and broker quotes.

In order to assess level 3 valuations, the performance of the direct and indirect investments held are reviewed on a regular basis. The appropriateness of the valuation model inputs, as well as the valuation result, are considered using various valuation methods and techniques generally recognized within the industry. From time to time, the Company may consider it appropriate to change the valuation model or technique used in the fair valuation depending on the individual investment circumstances, such as its maturity, stage of operations or recent transaction.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Investments – at fair value through profit or loss and levelling analysis (continued)

The Company utilises comparable trading multiples in arriving at the valuation for the direct investments. Such techniques assume that the valuation of unquoted direct investments can be assessed by comparing performance measure multiples of similar quoted assets for which observable market prices are readily available. Factors considered in the determination of appropriate comparable public companies include industry, size, development stage, and strategy. Consequently, the most appropriate performance measure for determining the valuation of the relevant direct investment is selected (these include but are not limited to EBITDA, price to earnings ratio for earnings or price to book ratio for book values). Trading multiples for each comparable company identified are calculated by dividing the market capitalization of the comparable company by the defined performance measure. The relevant trading multiples might be subject to adjustment for general qualitative differences such as liquidity, growth rate or quality of customer base between the valued direct investment and the comparable company set. The indicated fair value of the direct investment is determined by applying the relevant adjusted trading multiple to the identified performance measure of the valued company.

The valuation of a direct investment may alternatively be derived using the discounted cash flow method by discounting its expected future cash flows to a present value at a rate of expected return that represents the time value of money and reflects its relative risks. Direct investments can be valued by using the 'cash flow to investor' method (a debt instrument valuation), or indirectly, by deriving the enterprise value using the 'free cash flow to company' method and subsequently subtracting the direct investment's net debt in order to determine the equity value of the relevant direct investment. The expected future cash flows are determined based on agreed investment terms or expected growth rates. In addition, based on the current market environment an expected return of the respective direct investment is projected. The future cash flows are discounted to the date of the relevant reporting period end in order to determine the fair value.

Direct debt investment valuations are derived by applying widely acceptable valuation methods suitable for debt investments which include, but are not limited to, using indicative broker quotes and the comparable debt approach.

Indicative broker quotes for direct debt investments, which may or may not be traded in an active market, are provided by an independent third party. These quotes are applied on the nominal value of such investments to derive the fair value. The comparable debt approach arrives at the valuation of a direct debt investment by discounting its expected future cash flows to a present value with a benchmark rate derived from observable pricing levels of comparable debt instruments. Factors considered in the determination of such comparable instruments include, but are not limited to, industry, coupon, duration and maturity date.

No interrelationship between unobservable inputs used in the Company's valuation of its level 3 investments has been identified.

At the reporting date, the carrying amounts of investment securities held by the Company for which fair values were determined directly, in full or in part, by reference to published price quotations (including broker NAV quotes) and determined using valuation techniques (if NAV not actively traded) are as follows:

31 December 2022

Investments	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
Investments at FVTPL				
Direct equity investments	-	-	5,393,072	5,393,072
Direct debt investments	-	-	188,279,761	188,279,761
Indirect investments	-	-	309,407,006	309,407,006
	-	-	503,079,839	503,079,839

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Investments – at fair value through profit or loss and levelling analysis (continued)

31 December 2021

Investments	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
Investments at FVTPL				
Direct equity investments	-	-	4,713,547	4,713,547
Direct debt investments	-	-	201,493,716	201,493,716
Indirect investments	-	-	342,623,150	342,623,150
	-	-	548,830,413	548,830,413

There were no transfers of investments between levels.

	As at 31/12/2022 AUD	As at 31/12/2021 AUD
<i>Movements on investments in portfolio assets</i>		
Opening balance	548,830,413	490,251,446
Purchases	165,024,110	191,693,318
Paydowns and disposals	(163,694,686)	(158,865,818)
Realised losses	(8,960,623)	(2,663,046)
Unrealised (losses)/gains	(42,770,524)	23,675,129
FX movement	4,651,149	4,739,384
Closing balance	503,079,839	548,830,413

The following table summarises the valuation technique and significant unobservable inputs used for the Company's investments that are categorised within level 3 of the fair value hierarchy as of 31 December. The below table provides information on the significant, unobservable, and quantitative inputs.

Investment Category	Fair Value at 31 Dec 2022 (AUD)	Valuation Technique	Unobservable Inputs	Weighted average input	Change in Valuation (+)	Change in Valuation (-)
Direct equity	42,663*	Recent financing transaction	Recent Transaction price	n/a	n/a	n/a
Direct equity	5,350,409*	Market comparable companies	Enterprise value to EBITDA multiple	19.55x	432,140	(432,140)
Direct debt	100,737,856	Broker quotes	Indicative quotes for an inactive market	n/a	n/a	n/a
Direct debt	87,541,905*	Discounted cashflow	Discount factor	12.63%	1,961,420	(1,961,420)
Indirect investments	309,407,006	Reported net asset value	Reported net asset value	n/a	15,470,350	(15,470,350)
Total	503,079,839					

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Investments – at fair value through profit or loss and levelling analysis (continued)

Investment Category	Fair Value at 31 Dec 2021(AUD)	Valuation Technique	Unobservable Inputs	Weighted average input	Change in Valuation (+)	Change in Valuation (-)
Direct equity	358,457*	Recent financing transaction	Recent Transaction price	n/a	n/a	n/a
Direct equity	4,355,090*	Market comparable companies	Enterprise value to EBITDA multiple	20.23x	346,097	(346,097)
Direct debt	135,489,410	Broker quotes	Indicative quotes for an inactive market	n/a	n/a	n/a
Direct debt	65,281,514*	Discounted cashflow	Discount factor	7.06%	750,108	(750,108)
Direct debt	722,792*	Recent financing transaction	Recent transaction price	n/a	n/a	n/a
Indirect investments	342,623,150	Reported net asset value	Reported net asset value	n/a	17,131,157	(17,131,157)
Total	<u>548,830,413</u>					

The table below shows the fair value classification of the financial assets and liabilities not measured at fair value on the Statement of financial position.

31 December 2022

	Carrying Value AUD	Fair Value AUD	Level 1 AUD	Level 2 AUD	Total AUD
Cash and cash equivalents	14,827,900	14,827,900	14,827,900	-	14,827,900
Receivable for securities sold	3,424	3,424	-	3,424	3,424
Interest receivable on investments at FVTPL	5,639,369	5,639,369	-	5,639,369	5,639,369
Other assets	52,947	52,947	-	52,947	52,947
			14,827,900	5,695,740	20,523,640
Interest payable on notes issued designated at FVTPL	(11,934,155)	(11,934,155)	-	(11,934,155)	(11,934,155)
Payable for securities purchased	(5,780,532)	(5,780,532)	-	(5,780,532)	(5,780,532)
Expense accruals	(378,893)	(378,893)	-	(378,893)	(378,893)
			-	(18,193,580)	(18,093,580)
			14,827,900	(12,397,840)	2,430,060

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Investments – at fair value through profit or loss and levelling analysis (continued)

31 December 2021

	Carrying Value AUD	Fair Value AUD	Level 1 AUD	Level 2 AUD	Total AUD
Cash and cash equivalents	17,833,348	17,833,348	17,833,348	-	17,833,348
Receivable for securities sold	1,569,994	1,569,994	-	1,569,994	1,569,994
Interest receivable on investments at FVTPL	2,453,480	2,453,480	-	2,453,480	2,453,480
Other assets	306,787	306,787	-	306,787	306,787
			17,833,348	4,330,261	22,163,609
Interest payable on note issued designated at FVTPL	(4,202,164)	(4,202,164)	-	(4,202,164)	(4,202,164)
Payable for securities purchased	(24,428,572)	(24,428,572)	-	(24,428,572)	(24,428,572)
Expense accruals	(493,364)	(493,364)	-	(493,364)	(493,364)
			-	(29,124,100)	(29,124,100)
			17,833,348	(24,793,839)	(6,960,491)

Other receivables, interest and other payables represent the contractual amounts and obligations due for/by the Company for settlement of interest and expenses. As such level 2 is deemed to be the most appropriate categorisation for the Company's other receivables, interest and other payables. Due to the short-term nature of these financial assets and liabilities, the fair values approximate the carrying values.

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value with a maturity of three months or less. As such, level 1 has been deemed the most appropriate categorization for the Company's cash and cash equivalents.

5. Interest income and interest from financial assets at fair value through profit or loss

	Year ended 31 December 2022 AUD	Year ended 31 December 2021 AUD
Interest from investments at fair value through profit or loss	44,518,594	33,835,426
Interest income on cash deposits	23,578	-
	44,542,172	33,835,426

6. Net changes in financial assets at fair value through profit or loss

	Year ended 31 December 2022 AUD	Year ended 31 December 2021 AUD
Realised market losses	(8,960,623)	(2,663,046)
Unrealised market (losses) gains	(42,770,524)	23,675,129
FX movement	4,651,149	4,739,384
	(47,079,998)	25,751,467

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Forward contracts

	2022 AUD	2021 AUD
<u>FX forward contracts</u>		
Bank of America, N.A.		
AUD/CAD	275,529	-
AUD/CHF	(10,402)	-
AUD/EUR	(3,159,072)	-
AUD/GBP	(1,117,534)	-
AUD/SEK	(1,098)	-
AUD/USD	6,988,344	-
CAD/AUD	(257,703)	
CHF/AUD	11,989	
EUR/AUD	3,973,034	
GBP/AUD	766,582	
USD/AUD	(3,587,460)	
Merrill Lynch International		
AUD/CAD	-	(8,103)
AUD/EUR	-	2,441,918
AUD/USD	-	(62,751)
USD/AUD	-	27,504
Standard Chartered Bank London		
AUD/EUR	(4,614,495)	-
AUD/GBP	(107,180)	(730)
AUD/USD	(7,683,444)	-
EUR/AUD	265,325	(13,633)
GBP/AUD	120,685	-
USD/AUD	(149,953)	-
Goldman Sachs International		
AUD/CHF	(136,816)	(85,228)
AUD/CAD	(2,626)	1,554
AUD/EUR	(60,492)	716,157
AUD/GBP	(152,041)	(427,271)
AUD/SEK	-	129,136
AUD/USD	(95,267)	(11,879,694)
CHF/AUD	-	(6,544)
EUR/AUD	-	(368,472)
GBP/AUD	-	27,386
SEK/AUD	-	(34,501)
USD/AUD	(247,713)	(639,317)
	<u>(8,981,808)</u>	<u>(10,182,589)</u>

Gross contractual cashflows of open forward contracts on which there was an unrealised FX loss at the year end are as follows:

	2022 AUD	2021 AUD
Bank of America, N.A	(7,029,933)	-
Goldman Sachs International	(870,169)	(14,815,657)
Standard Chartered Bank London	(10,637,561)	(19,278)
Merrill Lynch International	-	(196,050)
	<u>(18,537,663)</u>	<u>(15,030,985)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Notes issued designated at fair value through profit or loss

		As at 31/12/2022 AUD	As at 31/12/2021 AUD
<u>Debt securities issued</u>	<u>Interest Basis</u>		
Nominal	Profit Participation	548,500,000	548,500,000
Notes issued		-	-
Fair value adjustment - cumulative		(80,135,427)	(16,816,218)
Total financial liabilities designated at fair value through profit or loss		468,364,573	531,683,782
		468,364,573	531,683,782

Series B PPN

		As at 31/12/2022 AUD	As at 31/12/2021 AUD
<u>Debt securities issued</u>	<u>Interest Basis</u>		
Nominal	Profit Participation	-	-
Notes issued		29,863,500	-
Fair value adjustment - cumulative		(1,704,714)	-
Total financial liabilities designated at fair value through profit or loss		28,158,786	-
		28,158,786	-

The Profit Participating notes do not have a fixed maturity date. All outstanding PPNs will be redeemed by the Issuer and cancelled as soon as reasonably practicable after the last eligible investment has been repaid or sold and the final distribution has been made. The PPN's rank par passu and rateably without any preference among themselves for all purposes.

In March 2022 the Company issued Series B Profit Participating note, the maximum amount which can be issued under the Series B Profit Participating Note Issuing and Purchase Agreement is AUD 10 billion.

9. Share capital

	Number of shares	Number of shares
<i>Authorised share capital</i>		
100 Ordinary shares at €1 each	100	100
	100	100
	As at 31/12/2022 AUD	As at 31/12/2021 AUD
<i>Issued share capital</i>		
1 Ordinary shares at €1	2	2
	2	2

The Company has issued 1 share, which is held by TMF Management (Ireland) Limited on behalf of a charitable trust.

Capital management

The capital managed by the Company comprises of ordinary shares outstanding and the Note issued and outstanding as at the financial year-end. The Company is not subject to externally imposed capital requirements.

The Company manages its capital to ensure that it is able to continue as a going concern and for the purposes of achieving its investment objectives as outlined in note 1.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Interest expense on notes issued designated at FVTPL	Year ended 31/12/2022 AUD	Year ended 31/12/2021 AUD
Interest payable at the beginning of the year	4,202,164	204,763
Interest expense on notes issued designated at FVTPL	44,430,734	34,503,138
Interest paid	(36,698,743)	(30,505,737)
Interest payable at the end of the year	11,934,155	4,202,164

As per the terms and conditions of the notes issued, the Issuer shall, to the extent permitted by law and in consultation with the Portfolio Manager, determine if there are available funds on a payment date. To the extent that there are available funds on a payment date, the Issuer (in consultation with the Portfolio Manager) distribute the available funds (as defined below) to the Noteholders in accordance with the conditions (the “Distribution Policy”). Available funds means any amount received by the Issuer from time to time in connection with the portfolio, less: (a) any taxes (including tax accruals), costs, fees, expenses (including, without limitation, any hedging expenses and Issuer Expenses; (b) payments due or that may become due by the Issuer in respect of debt obligations; (c) cash that has been applied towards, or designated for the purposes of, reinvestment; (d) amounts necessary to satisfy any liquidity requirements and (e) the amount of the Issuer Profit Amount, in each case as determined by the Issuer, following consultation with the Portfolio Manager.

11. Other expenses	Year ended 31/12/2022 AUD	Year ended 31/12/2021 AUD
Corporate administrator	19,668	38,414
Portfolio manager recharges	145,722	110,000
Portfolio administrator, cash manager, custodian and Paying agent	109,572	105,948
Audit Fees	90,768	63,569
Legal and Professional fees	9,663	-
Other Expenses	260,668	68,241
	636,061	386,172

S.I.220 requires disclosure in the financial statements of Auditor’s remuneration. Auditor’s remuneration paid/payable to the Independent Auditor’s, PricewaterhouseCoopers Ireland, comprised the following;

	Year ended 31/12/2022 EUR	Year ended 31/12/2021 EUR
Statutory audit	49,180	39,500
Tax advisory services	5,000	5,000
	54,180	44,500

The above amounts are exclusive of VAT.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Taxation

The Company is subject to Irish Corporation tax at the rate of 25%, which is the Irish Corporation tax rate applying to income other than trading income. The effective tax rate is 25%.

	Year ended 31/12/2022 AUD	Year ended 31/12/2021 AUD
Corporation tax	393	391
	<u>393</u>	<u>391</u>

	Year ended 31/12/2022 AUD	Year ended 31/12/2021 AUD
<i>Factors affecting tax charge for the year</i>		
Corporation taxation has been calculated based on the results for the period and the resulting taxation charge is as follows		
Profit on ordinary activities before tax	<u>1,574</u>	<u>1,564</u>
Profit on ordinary activities multiplied by standard rate of Irish corporation tax (12.5%)	197	196
Effect of 25% rate applicable to Section 110 companies	<u>196</u>	<u>195</u>
Taxation charge	<u>393</u>	<u>391</u>

The company is a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such, the profits are chargeable to corporation tax under Case III of Schedule D of the Taxes Consolidation Act at the rate of 25%, but are computed in accordance with the provisions applicable to Case I of Schedule D.

13. Related party transactions

The Portfolio Manager of the Company is Partners Group AG. Portfolio Manager fees for the year ended 31 December 2022 amounted to AUD Nil (2021: AUD Nil). Portfolio Manager expenses recharged for the year amounted to AUD 145,722 (2021: AUD Nil) of which AUD 134,996 was unpaid at the year end (2021: Unpaid AUD 110,000).

The holder of the Company's Profit Participating notes is Equity Trustees Limited, in its capacity as responsible entity of the Partners Group Global Income Fund (Listed and Unlisted). Please refer to note 8 for details of movements on debt securities issued by the Company.

The Company holds an investment in the Profit Participating note of PG Global Income First Lien Loan DAC. Details of movements in the investment are outlined below:

	As at 31/12/2022 AUD	As at 31/12/2021 AUD
<i><u>Movements on investments in portfolio assets</u></i>		
Opening balance	342,623,150	345,588,759
Purchases	89,971,679	53,021,888
Paydowns and disposals	(88,774,356)	(75,557,474)
Realised losses	(9,730,162)	(3,939,932)
Unrealised (losses)/gains	<u>(24,916,963)</u>	<u>23,509,910</u>
Closing balance	<u>309,173,348</u>	<u>342,623,150</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Related party transactions (continued)

The Company also holds an investment in PG Revolver Pooling, LLC which is considered a related party. Details of movements in the investment are outlined below:

	As at 31/12/2022 AUD	As at 31/12/2021 AUD
<i><u>Movements on investments in portfolio assets</u></i>		
Opening balance	-	-
Purchases	243,524	-
Paydowns and disposals	-	-
Realised losses	-	-
Unrealised losses	(9,651)	-
FX movements	(215)	-
Closing balance	233,658	-

Total commitment is USD 1,100,000 of which USD 165,000 has been funded during the year.

The shareholder of the Company at 31 December 2022 and 31 December 2021 is as follows:

<i><u>Name</u></i>	<i><u>Number of shares</u></i>
TMF Management (Ireland) Limited Ordinary shares	1
	<u>1</u>

All shares held by TMF Management (Ireland) Limited are held on trust for a charity.

Corporate secretarial services have been outsourced to the Corporate Administrator. The scope of the corporate services agreement with the Corporate Administrator includes directorship service and hence administration fees paid to the Corporate Administrator includes fees paid for directorship service. This is in accordance with the provision of Sections 305A of the Companies Act 2014 (as amended), that the consideration paid, is paid to the Corporate Administrator for making available the services of directors of the Company. Pursuant to Section 305A(1)(a) of the Companies Act 2014 (as amended) TMF Administration Services Limited received an estimate of €3,500 as consideration for the making available of individuals to act as directors of the Company. The terms of the of the corporate service agreement provide for a single fee for the provision of corporate services (including the making available of individuals to act as directors of the Company). As a result, the allocation of fees for directorship is a subjective calculation. The individuals acting as directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as directors of the Company. For the avoidance of doubt, the directors of the Company do not receive any remuneration for acting as directors of the Company.

14. Subsequent Events

Subsequent to the year end the Company received interest distributions of AUD 6,167,418 from PG Global Income First Lien Loan Designated Activity Company.

The Company has paid interest distributions in the amount of AUD 7,414,324 to the noteholder Equity Trustees Limited, in its capacity as responsible entity of the Partners Group Global Income Fund. Interest distributions of AUD 448,170 were paid to the Series B PPN noteholder.

Partners Group Global Income Investments Loan Strategy DAC has also invested additional amounts in the PPN of PG Global Income First Lien Loan Designated Activity Company. Amounts invested were AUD 6,380,676 and PPN amounts repaid were AUD 2,197,895.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Approval of financial statements

The financial statements were approved by the Board of Directors on 27 February 2023.