

PERPETUAL
CREDIT INCOME
TRUST

Condensed Interim Report

For the half-year ended 31 December 2024
ARSN 626 053 496

Perpetual 

For personal use only

Appendix 4D

For the half-year ended 31 December 2024

Interim report

This Interim report is for the half-year ended 31 December 2024. The previous corresponding half-year ended was 31 December 2023. This interim report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made in respect of Perpetual Credit Income Trust during the half-year in accordance with the continuous disclosure requirements of the *Corporation Act 2001*.

The Directors of Perpetual Trust Services Limited, the Responsible Entity of Perpetual Credit Income Trust (the "Trust") announce the reviewed results of the Trust for the half-year ended 31 December 2024 as follows:

Results for announcement to the market

	Half-year ended		Increase/(decrease) over corresponding half-year	
	31 December 2024	31 December 2023		
	\$'000	\$'000	\$'000	%
Net assets attributable to unitholders	534,513	439,522	94,991	21.61
Total investment income/(loss)	21,911	23,372	(1,461)	(6.25)
Profit/(loss) for the half-year	19,493	21,415	(1,922)	(8.98)

Brief explanation of results

The profit for the half-year of \$19,493,000 represented a decrease from the \$21,415,000 profit in the prior half-year. The decrease in investment income and profit were a function of the increase in the net negative portfolio performance of the Trust compared to the half-year ended 31 December 2023. Net portfolio performance for the half-year of 3.7% was lower than the 5.1% return for the previous half-year.

As of 31 December 2024, the net assets of the Trust were \$534,513,000, a 21.61% increase from the balance as at 31 December 2023.

Distributions information

The distributions for the half-year were as follows:

	Half-year ended	
	Cents per unit	Total Amount \$'000
31 December 2024	4.1099	19,810
31 December 2023	4.0587	16,274

Distribution is expressed as cents per unit amount in the Australian Dollar.

Subsequent to the reporting date, on 24 January 2025, the Responsible Entity announced a distribution of 0.6862 cents per ordinary unit which amounted to \$3,336,676 and was paid on 10 February 2025.

Distribution Reinvestment Plan

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

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

Net Tangible Assets

	As at	
	31 December 2024	31 December 2023
	\$	\$
Net Tangible Assets per unit	1.099	1.096

Control gained or lost over entities during the half-year

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

Details of associates and joint venture entities

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

Other information

The Trust is not a foreign entity.

Independent review report

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

Additional disclosure requirements can be found in the notes to the Trust’s condensed interim financial statements for the half-year ended 31 December 2024.

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This condensed interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made in respect of Perpetual Credit Income Trust during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

Directors' report

For the half-year ended 31 December 2024

Perpetual Trust Services Limited (ABN 48 000 142 049, AFSL 236 648) is the responsible entity (the "Responsible Entity") of Perpetual Credit Income Trust (the "Trust"). The directors of the Responsible Entity (the "Directors") present their report together with the condensed interim financial statements of the Trust for the half-year ended 31 December 2024 and the auditor's report thereon.

Principal activities

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

The investment objective of the Trust is to provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.

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

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

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

Directors

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

Alexis Dodwell	
Glenn Foster	
Phillip Blackmore	
Vicki Riggio	Alternate Director for Phillip Blackmore

Units on issue

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

	31 December 2024	31 December 2023
	Units	Units
Units on issue	486,203,968	400,967,882

Review and results of operations

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

Results

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

	Half-year ended	
	31 December 2024	31 December 2023
Profit/(loss) (\$'000)	<u>19,493</u>	<u>21,415</u>
Distributions paid and payable (\$'000)	<u>19,810</u>	<u>16,274</u>
Distributions (cents per unit)	<u>4.1099</u>	<u>4.0587</u>

As at 31 December 2024, the Trust's Net Tangible Assets (NTA) were \$1.099 per unit. This represents a decrease of 0.09% compared to the NTA of \$1.100 per unit as at 30 June 2024.

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

Significant changes in state of affairs

On 8 May 2024, Perpetual Limited announced it had entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") who will acquire 100% of the businesses and entities comprising Wealth Management and Corporate Trust from Perpetual Shareholders via a Scheme of Arrangement, for total cash consideration of A\$2.175 billion ("Scheme"). If the Scheme is implemented, Perpetual Trust Services Limited entity will be acquired by KKR.

The Scheme is subject to satisfaction of a number of conditions precedent set out in the Scheme Implementation Deed as well as approvals including court, regulatory and the requisite shareholder approval. The recipient of this financial report is directed to the ASX announcements made by Perpetual Limited on 10 December 2024 and 17 December 2024, the link to which can be found at <https://www.perpetual.com.au/shareholders/asx-announcements/>.

On 9 July 2024, the Trust announced a capital raising via a placement to wholesale investors (Placement) and a unit purchase plan (UPP) to eligible unitholders (collectively, referred to as the Offers). The proceeds from the Offers intended to enable the Investment Manager to actively pursue additional investments in accordance with the Trust's investment strategy and approach.

Under the Placement, the Trust raised \$66,199,282 and issued 60,181,166 fully paid ordinary units at an issue price of \$1.10 per unit on 17 July 2024.

Under the UPP, the Trust raised \$26,843,407 and issued 24,403,500 fully paid ordinary units at an issue price of \$1.10 per unit on 9 August 2024.

Units issued under the Offers rank equally with the existing ordinary fully paid units on issue in the Trust.

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

Matters subsequent to the end of the half-year

On 24 January 2025, the Responsible Entity announced a distribution 0.6862 cents per ordinary unit which amounted to \$3,336,676 and was paid on 10 February 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Indemnity and insurance of officers and auditors

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

The auditor of the Trust is in no way indemnified out of the assets of the Trust.

Units in the Trust

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

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

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

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

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



Director Phillip Blackmore

Sydney
20 February 2025

Lead auditor's independence declaration



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

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

I declare that, to the best of my knowledge and belief, in relation to the review of Perpetual Credit
Income Trust for the half-year ended 31 December 2024 there have been:

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

A stylized signature of the KPMG firm, written in a dark blue ink.

KPMG

A handwritten signature in dark blue ink, appearing to read 'A. Reeves'.

Andrew Reeves

Partner

Sydney

20 February 2025

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Condensed interim statement of comprehensive income

For the half-year ended 31 December 2024

	Half-year ended	
	31 December 2024	31 December 2023
Notes	\$'000	\$'000
Investment income		
Dividend/distribution income	10,560	7,648
Interest income	9,118	7,290
Net gains/(losses) on financial instruments at fair value through profit or loss	2,212	8,424
Net foreign exchange gains/(losses)	21	10
Total investment income/(loss)	21,911	23,372
Expenses		
Responsible Entity's fees	79	66
Investment Manager's fees	1,901	1,586
Other expenses	438	305
Total expenses	2,418	1,957
Profit/(loss)	19,493	21,415
Other comprehensive income	-	-
Total comprehensive income	19,493	21,415
Earnings per unit		
Basic and diluted earnings per unit (cents per unit)	5 4.09	5.31

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

Condensed interim statement of financial position

As at 31 December 2024

		As at	
		31 December 2024	30 June 2024
	Notes	\$'000	\$'000
Assets			
Cash and cash equivalents		11,055	10,154
Margin accounts		1,739	556
Receivables		10,049	9,171
Financial assets at fair value through profit or loss	6	<u>517,186</u>	<u>428,552</u>
Total assets		<u>540,029</u>	<u>448,433</u>
Liabilities			
Margin accounts		-	910
Distributions payable		3,336	5,650
Payables		366	323
Financial liabilities at fair value through profit or loss	6	<u>1,814</u>	<u>158</u>
Total liabilities		<u>5,516</u>	<u>7,041</u>
Net assets attributable to unitholders - equity		<u>534,513</u>	<u>441,392</u>

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

Condensed interim statement of changes in equity

For the half-year ended 31 December 2024

		Half-year ended	
		31 December 2024	31 December 2023
	Notes	\$'000	\$'000
Total equity at the beginning of the half-year	4	441,392	434,381
Comprehensive income			
Profit/(loss)		19,493	21,415
Other comprehensive income		-	-
Total comprehensive income		<u>19,493</u>	<u>21,415</u>
Transactions with unitholders			
Units issued from placement	4	66,199	-
Units issued from unit purchase plan	4	26,843	-
Transaction costs (net of tax)	4	(57)	-
Units issued upon reinvestment of distributions	4	453	-
Distributions to unitholders	3, 4	<u>(19,810)</u>	<u>(16,274)</u>
Total transactions with unitholders		<u>73,628</u>	<u>(16,274)</u>
Total equity at the end of the half-year	4	<u>534,513</u>	<u>439,522</u>

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

Condensed interim statement of cash flows

For the half-year ended 31 December 2024

	Half-year ended	
	31 December 2024	31 December 2023
Notes	\$'000	\$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	293,394	49,801
Payments for purchase of financial instruments at fair value through profit or loss	(380,011)	(50,727)
Amount received from/(paid to) brokers for margin	(2,093)	1,385
Dividends/distributions received	12,139	10,381
Interest received	8,537	7,282
Other income received	161	138
Responsible Entity's fees paid	(81)	(69)
Investment Manager's fees paid	(1,970)	(1,691)
Other expenses paid	(494)	(350)
Net cash inflow/(outflow) from operating activities	(70,418)	16,150
Cash flows from financing activities		
Proceeds from placement	66,199	-
Proceeds from unit purchase plan	26,843	-
Payments for transaction costs	(57)	-
Distributions paid	(21,671)	(17,442)
Net cash inflow/(outflow) from financing activities	71,314	(17,442)
Net increase/(decrease) in cash and cash equivalents	896	(1,292)
Cash and cash equivalents at the beginning of the half-year	10,154	6,521
Effects of foreign currency exchange rate changes on cash and cash equivalents	5	(3)
Cash and cash equivalents at the end of the half-year	11,055	5,226

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

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For the half-year ended 31 December 2024

1 General information

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

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

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

The investment objective of the Trust is to provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.

The condensed interim financial statements of the Trust are for the half-year ended 31 December 2024.

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity (the "Directors of the Responsible Entity") on 20 February 2025. The Directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

2 Basis of preparation

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

The condensed interim financial statements do not include all notes normally included in annual financial statements. Accordingly, these condensed interim financial statements are to be read in conjunction with the Trust's annual financial statements for the year ended 30 June 2024 and any public announcements made in respect of the Trust during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied in the condensed interim financial statements are the same as those applied in the Trust's financial statements for the year ended 30 June 2024.

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

The condensed interim statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

The Trust manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined at the reporting date.

Functional and presentation currency

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

2 Basis of preparation (continued)

Use of estimates

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

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

New standards, amendments and interpretations adopted by the Trust

There are no new accounting standards, amendments and interpretations that are effective for the first time for the reporting period beginning 1 July 2024 and have a material impact on the condensed interim financial statements of the Trust.

New standards, amendments and interpretations effective after 1 January 2025 and have not been early adopted

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 31 December 2024 reporting period and have not been early adopted in preparing these condensed interim financial statements. Most of these are not expected to have a material impact on the condensed interim financial statements of the Trust. However, management is still in the process of assessing the impact of the new standard AASB 18 *Presentation and Disclosure in Financial Statements* which was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*.

Rounding of amounts

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

3 Distributions to unitholders

The distributions for the half-year were as follows:

	Half-year ended			
	31 December 2024	31 December 2024	31 December 2023	31 December 2023
	\$'000	CPU	\$'000	CPU
Distributions paid - July	3,130	0.6783	2,702	0.6738
Distributions paid - August	3,341	0.6875	2,715	0.6772
Distributions paid - September	3,337	0.6865	2,683	0.6691
Distributions paid - October	3,329	0.6850	2,721	0.6788
Distributions paid - November	3,337	0.6864	2,724	0.6793
Distributions payable - December	3,336	0.6862	2,729	0.6805
Total distributions	19,810		16,274	

4 Net assets attributable to unitholders

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

	Half-year ended			
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Units'000	Units'000	\$'000	\$'000
Opening balance	401,208	400,968	441,392	434,381
Units issued from placement	60,181	-	66,199	-
Units issued from unit purchase plan	24,404	-	26,843	-
Transaction costs (net of tax)	-	-	(57)	-
Units issued upon reinvestment of distributions	411	-	453	-
Distributions to unitholders	-	-	(19,810)	(16,274)
Profit/(loss)	-	-	19,493	21,415
Closing balance	486,204	400,968	534,513	439,522

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

Capital risk management

The Trust considers its net assets attributable to unitholders as capital. Incremental costs (i.e. transaction costs) directly attributable to the issue of new units are recognised as a deduction from equity, net of any tax effects. The Trust is a closed end Trust and is not subject to applications and redemptions. The movements in the number of units during the half-year were as a result of additional units being allotted under the distribution reinvestment plan and capital raising.

5 Earnings per unit

	Half-year ended	
	31 December 2024	31 December 2023
Profit/(loss) attributable to unitholders (\$'000)	19,493	21,415
Weighted average number of units on issue ('000)	476,192	403,473*
Basic and diluted earnings per unit (cents per unit)	4.09	5.31*

Basic earnings per unit is calculated by dividing the profit attributable to unitholders of the Trust by the weighted average number of ordinary units on issue during the half-year.

Diluted earnings per unit is calculated by dividing the profit attributable to unitholders of the Trust by weighted average number of ordinary units on issue and ordinary units that the Trust expects to issue.

*The weighted average number of ordinary units on issue used in the basic and diluted earnings per unit calculations for the half-year ended 31 December 2023 was retrospectively adjusted in accordance with Australian Accounting Standards following the capital raising announced on 9 July 2024. The capital raising conducted at a discount to market price (bonus element), resulting in a theoretical dilution of existing ordinary units on issue and a decrease in basic and diluted earnings per unit. Consequently, the basic and diluted earnings per unit for the half-year ended 31 December 2023 were also retrospectively adjusted in accordance with Australian Standards.

6 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

6 Fair value measurement (continued)

(c) Recognised fair value measurements

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

As at 31 December 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Derivatives				
Futures	145	-	-	145
Swaps	-	55	-	55
Equity securities	2,066	-	-	2,066
Debt securities	-	270,409	-	270,409
Unlisted unit trusts	-	-	244,511	244,511
Total	2,211	270,464	244,511	517,186
Financial liabilities at fair value through profit or loss				
Derivatives				
Swaps	-	1,814	-	1,814
Total	-	1,814	-	1,814
As at 30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Derivatives				
Futures	89	-	-	89
Swaps	-	1,034	-	1,034
Equity securities	2,024	-	-	2,024
Debt securities	-	203,548	-	203,548
Unlisted unit trusts	-	-	221,857	221,857
Total	2,113	204,582	221,857	428,552
Financial liabilities at fair value through profit or loss				
Derivatives				
Swaps	-	158	-	158
Total	-	158	-	158

(d) Transfers between levels

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

There were no transfers between levels as at 31 December 2024. As at 30 June 2024, the transfers of \$5,766,576 from level 1 to level 2 for debt securities were due to the change of the Trust's assessment for the fair value hierarchy levels.

6 Fair value measurement (continued)

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

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2024 and the year ended 30 June 2024:

	31 December 2024 Unlisted unit trusts \$'000	30 June 2024 Unlisted unit trusts \$'000
Opening balance	221,857	207,567
Purchases	37,939	19,357
Sales	(14,939)	(7,180)
Gains/(losses) recognised in profit or loss	(346)	2,113
Closing balance	244,511	221,857
Total unrealised gains/(losses) recognised in profit or loss for financial instruments held at the reporting date	(385)	1,995

The unobservable inputs used in the valuation of the level 3 securities include a subjective assessment of the discount to the unit price of these securities. An increase/(decrease) in the discount by 5% would (decrease)/increase the fair value of the level 3 securities by \$12,225,569.

7 Related party transactions

For the purpose of these condensed interim financial statements, parties are considered to be related to the Trust if they have the ability, directly or indirectly, to control or exercise significant influence over the Trust in making financial and operating disclosures. Related parties may be individuals or other entities.

There have been no significant events or transactions to the related party transactions disclosed in the previous annual financial report for the year ended 30 June 2024.

8 Segment information

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

9 Significant events during the half-year

On 8 May 2024, Perpetual Limited announced it had entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") who will acquire 100% of the businesses and entities comprising Wealth Management and Corporate Trust from Perpetual Shareholders via a Scheme of Arrangement, for total cash consideration of A\$2.175 billion ("Scheme"). If the Scheme is implemented, Perpetual Trust Services Limited entity will be acquired by KKR.

The Scheme is subject to satisfaction of a number of conditions precedent set out in the Scheme Implementation Deed as well as approvals including court, regulatory and the requisite shareholder approval. The recipient of this financial report is directed to the ASX announcements made by Perpetual Limited on 10 December 2024 and 17 December 2024, the link to which can be found at <https://www.perpetual.com.au/shareholders/asx-announcements/>.

9 Significant events during the half-year (continued)

On 9 July 2024, the Trust announced a capital raising via a placement to wholesale investors (Placement) and a unit purchase plan (UPP) to eligible unitholders (collectively, referred to as the Offers). The proceeds from the Offers intended to enable the Investment Manager to actively pursue additional investments in accordance with the Trust's investment strategy and approach.

Under the Placement, the Trust raised \$66,199,282 and issued 60,181,166 fully paid ordinary units at an issue price of \$1.10 per unit on 17 July 2024.

Under the UPP, the Trust raised \$26,843,407 and issued 24,403,500 fully paid ordinary units at an issue price of \$1.10 per unit on 9 August 2024.

Units issued under the Offers rank equally with the existing ordinary fully paid units on issue in the Trust.

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

10 Events occurring after the reporting period

On 24 January 2025, the Responsible Entity announced a distribution of 0.6862 cents per ordinary unit which amounted to \$3,336,676 and was paid on 10 February 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

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

11 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 31 December 2024 and 30 June 2024.

Directors' declaration

For the half-year ended 31 December 2024

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

- (a) the condensed interim financial statements and notes, set out on page 7 to 18, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2024 and of its performance for the half-year ended on that date;
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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



Director Phillip Blackmore

Sydney
20 February 2025

Independent auditor's review report to the unitholders of Perpetual Credit Income Trust



Independent Auditor's Review Report

To the unitholders of Perpetual Credit Income Trust

Conclusion

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

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

- giving a true and fair view of the Trust's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed interim statement of financial position as at 31 December 2024
- Condensed interim statement of comprehensive income for the half-year ended on that date
- Condensed interim statement of changes in equity and Condensed interim statement of cash flows for the half-year ended on that date
- Notes 1 to 11 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

Basis for Conclusion

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

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

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Responsibilities of the Directors for the Condensed Interim Financial Report

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

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

Auditor's Responsibilities for the Review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Trust's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

Andrew Reeves

Partner

Sydney

20 February 2025

Directory

Responsible entity

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

Registered office

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

Directors

Alexis Dodwell
Glenn Foster
Phillip Blackmore
Vicki Riggio (Alternate)

Company secretaries

Claudia Rososinski
Sylvie Dimarco

Investment manager

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

Auditor

KPMG
Tower 3
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

Australian Securities Exchange Code

ASX: PCI

Unit registry

MUFG Corporate Markets
(previously known as Link Market Services Limited)
Level 12, 680 George Street
Sydney NSW 2000
Phone 1300 912 776

Website

www.perpetualincome.com.au

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