Perpetual Credit Income Trust

ARSN 626 053 496

Annual Financial Report

For the year ended 30 June 2022

Perpetual

Perpetual Credit Income Trust
Appendix 4E
For the year ended 30 June 2022

Details of reporting period

This annual financial report is for the year ended 30 June 2022. The previous corresponding year ended was 30 June 2021.

The Directors of Perpetual Trust Services Limited, the Responsible Entity of the Perpetual Credit Income Trust (the Trust) announce the audited results of the Trust for the year ended 30 June 2022 as follows:

Results for announcement to the market

Extracted from 30 June 2022 annual financial report.

	30 June 2022	30 June 2021	Increase/ (decrease)	
	$'000	$'000	$'000	%
Revenue from ordinary activities	**7,064**	38,927	(31,863)	(81.85)
Profit/(loss)	**3,215**	34,659	(31,444)	(90.72)
Total comprehensive income/(loss)	**3,215**	34,659	(31,444)	(90.72)

Details of distributions

The distributions for the year ended 30 June 2022 were $17,533,209 (4.3762 cents per ordinary unit). The Responsible Entity aims to make distributions each month. For such distributions, the record date is generally the last ASX trading day of each month.

Subsequent to the year end, the Responsible Entity has announced the following distributions:

- A distribution of 0.4206 cents per unit was announced on 25 July 2022, with a record date of 29 July 2022 and paid on 8 August 2022; and
- A distribution of 0.4661 cents per unit was announced on 25 August 2022, with an ex-date of 30 August 2022, a record date of 31 August 2022 and a payment date of 7 September 2022.

Details of distribution reinvestment plan

The Responsible Entity has established a Distribution Reinvestment Plan (DRP) under which units are issued at the net asset value of a unit, determined in accordance with the Trust's Constitution, on the record date. The last day for electing into the DRP in respect of a distribution is 5.00pm (Sydney time) on the first business day after the record date.

Net Tangible Assets

	30 June 2022	30 June 2021
Total Net Tangible Assets attributable to unitholders ($'000)	**431,518**	445,475
Units on issue ('000)	**400,816**	400,489
Net Tangible Assets attributable to unitholders per unit ($)	**1.077**	1.112

Control gained or lost over entities during the year

There was no gain or loss of controlled entities during the year.

Details of associates and joint venture entities

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

Independent audit report

This Appendix 4E is based on the annual financial report which has been audited by the Trust's auditor, KPMG.

Additional disclosure requirements can be found in the notes to the Trust's annual financial report for the year ended 30 June 2022.

Contents

Directors' report

Perpetual Trust Services Limited (ACN 000 142 049, AFSL 236 648) is the Responsible Entity of Perpetual Credit Income Trust (the Trust). The Directors of the Responsible Entity (the Directors) present their report together with the annual financial report of the Trust for the year ended 30 June 2022 and the auditor's report thereon.

Principal activities

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

The Trust was constituted on 9 May 2018, registered with the Australian Securities and Investments Commission on 22 May 2018, commenced operations on 8 May 2019 and its units commenced trading on the Australian Securities Exchange (ASX: PCI) on 14 May 2019.

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

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

The Trust did not have any employees during the year.

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

Directors

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

Glenn Foster	
Phillip Blackmore	Resigned as Alternate Director for Vicki Riggio on 1 February 2022
	Appointed as Director on 1 February 2022
Richard McCarthy	
Vicki Riggio	Resigned as Director on 1 February 2022
	Appointed as Alternate Director for Phillip Blackmore on 1 February 2022
Simone Mosse	Resigned as Director on 1 February 2022

Units on issue

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

	30 June 2022 Units'000	30 June 2021 Units'000
Units on issue	**400,816**	400,489

Directors' report (continued)

Review and results of operations

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

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

	30 June 2022	30 June 2021
Profit/(loss) ($'000)	**3,215**	34,659
Distributions paid and payable ($'000)	**17,533**	14,541
Distributions (cents per unit)	**4.3762**	3.6318

As at 30 June 2022, the Trust's Net Tangible Assets (NTA) were $1.077 per unit. This represents a decrease of -3.15% compared to the NTA of $1.112 per unit as at 30 June 2021. The widening of credit spreads as a result of elevated volatility in credit and fixed income markets contributed to the decrease in NTA.

The Trust's income return was a significant contributor of performance over the year to 30 June 2022 and more than offset the losses in credit spread returns. The Trust continued to deliver to its investment objective of providing monthly income to investors and paid distributions totalling 4.38 cents per unit during the year.

The Investment Manager continues to follow a robust, active and risk-aware approach to invest in a diversified and actively managed portfolio of 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.

Further information on the operating and financial performance of the Trust is contained in the Investment manager's report.

Units in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 7 to the financial statements.

The value of the Trust's assets and liabilities is disclosed on the balance sheet and derived using the basis set out in note 2 to the financial statements.

Significant changes in state of affairs

The Responsible Entity transitioned the administration and custody services for the Trust from RBC Investor Services Trust to State Street Australia Limited on and from 27 September 2021.

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

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives 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.

Directors' report (continued)

Matters subsequent to the end of the financial year

Subsequent to the year end, the Responsible Entity has announced the following distributions:

- A distribution of 0.4206 cents per unit was announced on 25 July 2022, with a record date of 29 July 2022 and paid on 8 August 2022; and
- A distribution of 0.4661 cents per unit was announced on 25 August 2022, with an ex-date of 30 August 2022, a record date of 31 August 2022 and a payment date of 7 September 2022.

No other matter or circumstance has arisen since 30 June 2022 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.

Environmental regulation

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

Fees paid to and interests held in the Trust by the Responsible Entity or its related parties

Fees paid to the Responsible Entity and its related parties out of Trust property during the year are disclosed in note 14 to the financial statements.

No fees were paid out of Trust property to the Directors of the Responsible Entity during the year.

The number of units in the Trust held by the Responsible Entity or its related parties as at the end of the financial year are disclosed in note 14 to the financial statements.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of Perpetual Trust Services Limited or the auditor of the Trust. So long as the officers of Perpetual Trust Services Limited act in accordance with the Trust's Constitution and the law, 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.

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 and financial report have been rounded to the nearest thousand dollars in accordance with *that ASIC Corporations Instrument*, unless otherwise indicated.

Directors' report (continued)

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 18.

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

Director - Phillip Blackmore

Perpetual Trust Services Limited

Sydney
26 August 2022

Investment Manager's Report

Michael Korber

Managing Director,
Credit and Fixed Income

Portfolio Manager,
Perpetual Credit Income Trust

Dear Investors

Financial year 2022 (FY22) was dominated by several macroeconomic factors, which made for a challenging market landscape; albeit one with many opportunities for our investment team to deliver returns for our investors.

We are pleased that in FY22 the Perpetual Credit Income Trust (Trust; PCI) has continued to deliver to its investment objective of providing investors with monthly income by investing in a diversified pool of credit and fixed income assets. The Trust has paid monthly distributions since inception, which have been in line with the target return of the Reserve Bank of Australia (RBA) Cash Rate plus 3.25% p.a. (net of fees) through the economic cycle[1]. In FY22, investors were paid 4.38 cents per unit[2], which equates to an annual distribution return of 3.9%[3].

Market overview

FY22 saw the end of the post COVID-19 rally in financial markets with markets buffeted by a combination of persistent high inflation, monetary policy tapering and then tightening, alongside rising geopolitical risks. This potent combination saw market volatility spike and most assets classes fall over the first half of 2022. Within fixed income markets, fixed rate bonds' valuations fell dramatically, while floating rate securities exhibited resilience.

Higher inflation rates were brought on initially by very strong economic growth arising from, stimulative monetary and fiscal policy combined with supply chain disruptions caused by the COVID-19 pandemic. These factors were further exacerbated by the invasion of Ukraine, which put extreme pressure on energy and soft commodities, fuelling the highest inflation rates seen in decades.

Monetary tapering – the rolling back of extraordinary policy measures such as quantitative easing – dominated the discourse over the first half before giving way to aggressive tightening and a flurry of rate increases over the second half of FY22. The RBA commenced an aggressive tightening cycle with a pair of higher-than-expected rate rises during the June quarter. Nonetheless, inflation rates are yet to respond, and the risk of higher interest rates still remains elevated.

This has had profound implications for bond markets with yields selling off dramatically as markets priced in future rate hikes and the Bloomberg AusBond Composite Bond Index experienced its worst ever fiscal year return of -10.5%. The Bloomberg Global Aggregate Bond Index is also on track for one of its worst years in history for calendar year 2022. These two indices comprise government and semi government bonds in Australia and globally respectively and measure the performance of fixed rate assets.

1 This is a target only and may not be achieved.
2 Rounded to two decimal places.
3 Distribution return has been calculated based on the PCI investment portfolio return less the growth of Net Tangible Assets (NTA). Past performance is not indicative of future performance.

While not immune to the elevated volatility, floating rate bonds and strategies substantially mitigated the impact of rising yields and significantly outperformed fixed rate assets over the period.

Credit spreads widened throughout FY22. Credit spreads refer to the compensation or return provided for accepting credit risk, which is the risk that a borrower or counterparty does not meet its principal and/or interest payment obligations as they fall due. When credit spreads tighten, this indicates improving market conditions and/or a more positive view on the risk profile of borrowers. We saw this during the COVID-19 recovery rally in 2021 and it resulted in the value of assets in the portfolio increasing. However, it all ended in FY22 and uncertain economic conditions and the perceived creditworthiness of borrowers deteriorated, leading to the widening of credit spreads and the value of assets in the portfolio decreasing.

Towards the end of the financial year, we saw recession risks come to the fore as markets transitioned from the COVID-19 led recovery to concerns about aggressive monetary tightening potentially leading to a hard landing. Central banks are left with a delicate balancing act needing to curb rampant inflation while minimising the impact on economic growth.

Investment philosophy and process

At Perpetual, we believe the key to investing in credit and fixed income assets is constructing, and actively managing, a well-diversified portfolio of quality assets. Through the Trust's flexible investment strategy diversification can be achieved across asset type, credit quality, maturity, country and issuer. At least 30% of the portfolio must be held in investment grade assets[4] and the Trust has a maximum allocation of 70% to high yield assets (sub-investment grade and unrated assets[5]). We believe this provides the opportunity to generate higher returns for the portfolio while complementing the allocation to investment grade assets.

The team follows a robust, active and risk-aware approach to investing in 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. Our research seeks to identify attractive issuers who we consider have:

- A good balance sheet
- Predictable cash flows
- Hold a competitive market position
- Have a quality, capable management and governance structure; and
- Have low susceptibility to the potential impact of regulatory changes, political risk, litigation risk and other types of event risk.

For unrated or sub-investment grade assets, we undertake a more extensive due diligence process, which includes meetings with arrangers and borrowers. We mainly focus on high yield assets that have senior loan positions in the capital structure. This includes senior or subordinated debt which means the investment capital should typically be repaid before capital is repaid to investors in hybrids or shares in the event of a company being wound up. We will not invest unless we have high conviction.

While the Trust has the flexibility to invest globally, our preference generally is to focus on Australian issuers which can be listed or unlisted and denominated in AUD or foreign currencies. We believe our local presence and ability to meet borrowers and their management team provide an advantage in assessing opportunities and managing credit risk for the portfolio. As at 30 June 2022, the portfolio consisted of 82.6% of issuers domiciled in Australia, 4.7% of issuers across North America, Europe and Asia combined and 12.8% in cash.

Our investment process aims to find the most attractive segments of the market and to ensure that adequate compensation is provided for investments. We actively manage risk via our thorough investment process and by diversifying the portfolio across industry sectors, maturities and credit rating bands.

4 Investment grade assets are those where the issuer is in the rating bands BBB to AAA, as rated by an independent agency.
5 A sub-investment grade asset has a rating below BBB-/Baa3 and includes unrated assets

Portfolio composition

The Trust maintains floating rate exposure and short credit duration. We believe these characteristics are beneficial in the current environment and seek to provide better protection against inflation than fixed rate assets.

Firstly, the Trust is likely to benefit from rising interest rates as the interest payments received from underlying assets are expected to rise in line with rising interest rates.

Secondly, short credit duration (average life) is a way for us to manage risk and be less sensitive to credit spread movements. Interest rate duration or credit duration measures the sensitivity of the Trust's portfolio to changes in government bond yields. The Trust reduces this risk by investing in floating rate bonds or by hedging fixed rate exposure with short term government bond futures. This is why the Trust's interest rate duration is so close to 0 (i.e. 30 days as at 30 June 2022). For context, the duration of the Bloomberg AusBond Composite Bond Index, which measures the performance of fixed rate assets in Australia, is about 6 years by comparison. Constructing the Trust's portfolio with short duration has been beneficial over the second half of FY22 as the value of the Trust's portfolio (as measured by the Trust's NTA) was resilient in comparison to fixed rate bond indices and funds which posted deeply negative performance.

We assessed the credit outlook throughout the year and took steps to reduce the risk in the portfolio in order to navigate conditions. For example, the weighted average life (a measure of the Trust's sensitivity to credit spread movements) of the portfolio was reduced from 3.9 years to 2.4 years over FY22. At the same time, the Trust's cash allocation increased from 3.8% at the end of June 2021 to 13.5% as at 30 June 2022. We believe this active management contributed to the defensive capabilities of the Trust and will also provide dry powder to take advantage of opportunities offered by credit spread widening as we enter the new financial year.

As at 30 June 2022, the Trust's portfolio held 113 assets across 87 issuers[6]. Investments include corporate bonds, floating rate notes, securitised assets and private debt (for example, corporate loans). 48.6% of the portfolio was invested in investment grade assets[7]. During the year, we elected to substantially reduce the allocation to BBB rated securities where we believed the yields on offer were less attractive for the level of risk. The Trust's exposure in these assets was reduced from 40.8% to 26.8% contributing to the overall reduction in credit risk in the portfolio.

As of 30 June 2022, 50.9% of the portfolio was invested in sub-investment grade or unrated assets[8]. We believe that unrated or sub-investment grade assets provide a point of differentiation for the Trust's investment strategy as they typically pay higher coupons when compared to investment grade assets. While inherently riskier, by undertaking in-depth and enhanced due diligence in this asset class, we believe we are able to critically assess the strength of a borrower and their capacity for repayments, seeking to mitigate the potential downside while generating a valuable source of income.

Trust performance

Over the 12 months to 30 June 2022, the Trust's portfolio returned 0.7%[9], which was attributable to income generated from assets held and changes in the value of the Trust's assets.

The Trust continued to provide monthly income throughout FY22. The total distributions for the year were 4.38 cents per unit and the annual distribution return as at 30 June 2022 was 3.9%[3]. The Trust remains near fully invested and we believe the portfolio is well positioned to continue to offer investors regular, monthly distributions.

During a period of persistent credit spread widening and sharply rising rates, we considered the income received from investments to be the most substantial and predictable component of return for the Trust. Income return was the key contributor to performance over the last 12 months and more than offset the impact of widening spreads.

6 Number of holdings and number of issuers reported on a full look through basis (excluding derivatives)
7 Investment grade assets are those where the issuer is in the rating bands BBB to AAA, as rated by an independent agency.
8 A sub-investment grade asset has a rating below BBB-/Baa3 and includes unrated assets
9 Investment returns, net of management costs have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management costs) and assuming reinvestment of distributions on the ex-date. Past performance is not indicative of future performance.

The Trust's income was primarily generated by coupon payments and interest income from investments in loans. The Trust's income return was primarily generated from allocation to non-financial corporates. Residential Mortgage-Backed Securities (RMBS), property and domestic bank exposures also contributed to the Trust's income return. Sharply rising yields and widening credit spreads benefitted the Trust's robust running yield via increasing coupons on floating rate securities. The portfolio's running yield increased from 3.8% in July 2021 to 4.7% in June 2022. The Trust's floating rate structure, robust running income and defensive positioning continued to mitigate the impact of elevated volatility in fixed income markets.

Credit spread widening detracted from investment portfolio performance over FY22 as a result of inflation, monetary policy and economic growth concerns mentioned above. The most significant detractors of the portfolio over the period were assets in the non-financial corporate sector, Real Estate Investment Trusts, and RMBS.

It is worth noting that being a listed investment trust, the share price performance has exhibited some equity-like characteristics. In contrast, the underlying investment portfolio has performed solidly evidenced by the resilience of the Trust's NTA. PCI publishes an estimated NTA to the ASX daily, which provides a calculated mark to market valuation of the assets in the portfolio.

Outlook

The Perpetual Credit and Fixed Income Investment Team has a proprietary credit scoring process that examines valuation, macroeconomic factors, supply and demand alongside technical indicators to quantitatively assess the outlook for credit markets. As of 30 June 2022, our view is that the outlook for credit markets is challenging and negative, indicating sustained pressure on credit spreads.

With this mind, we actively manage and construct the portfolio with anticipation of the market outlook. We are comfortable with the level of risk in the portfolio and have proactively reduced credit risk (e.g. shortened duration). We focus on the diversification in the portfolio by number of assets, as well as allocation across various sectors such as resources, consumer discretionary, utilities, software and software, healthcare and transportation.

We specialise in investing in Australian corporate credit and have also used this opportunity to capitalise on buying opportunities presented by credit spread widening, as our research seeks to identify quality issuers that offer assets at attractive relative valuations.

We believe the Trust is well positioned to not only weather the challenging conditions presented by macroeconomic factors but also to generate higher running yields as interest rates rise.

Thank you for your continued support and we look forward to providing you with further updates on the Trust's investments over the coming year.

Corporate governance statement

Background

Perpetual Trust Services Limited ("**Responsible Entity**") is the responsible entity for Perpetual Credit Income Trust ("**Trust**"), a registered managed investment scheme that is listed on the Australian Securities Exchange ("**ASX**").

The Responsible Entity is a wholly owned subsidiary of Perpetual Limited (ASX: PPT) ("**Perpetual**").

The Responsible Entity is reliant on Perpetual for access to adequate resources including directors, management, staff, functional support (such as company secretarial, responsible managers, legal, compliance, risk and finance) and financial resources. As at the date of this Corporate Governance Statement, Perpetual has at all times made such resources available to the Responsible Entity.

In operating the Trust, the Responsible Entity's overarching principle is to always act in good faith and in the best interests of the Trust's unitholders, in accordance with our fiduciary duty. The Responsible Entity's duties and obligations in relation to the Trust principally arise from: the Constitution of the Trust; the Compliance Plan for the Trust; the Corporations Act 2001 ("**Act**"); the ASX Listing Rules; the Responsible Entity's Australian Financial Services Licence; relevant regulatory guidance; relevant contractual arrangements; and other applicable laws and regulations.

Corporate Governance

At Perpetual, good corporate governance includes a genuine commitment to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations 4th Edition ("**Principles**").

The directors of the Responsible Entity are committed to implementing high standards of corporate governance in operating the Trust and, to the extent applicable to registered managed investment schemes, are guided by the values and principles set out in Perpetual's Corporate Responsibility Statement and the Principles. The Responsible Entity is pleased to advise that, to the extent the Principles are applicable to registered managed investment schemes, its practices are largely consistent with the Principles.

As a leading responsible entity, the Responsible Entity operates a number of registered managed investment schemes ("**Schemes**"). The Schemes include the Trust as well as other schemes that are listed on the ASX. The Responsible Entity's approach in relation to corporate governance in operating the Trust is consistent with its approach in relation to the Schemes generally.

The Responsible Entity addresses each of the Principles that are applicable to externally managed listed entities in relation to the Schemes, including the Trust, as at the date of this Corporate Governance Statement.

Principle 1

Lay solid foundations for management and oversight

The role of the Responsible Entity's Board is generally to set objectives and goals for the operation of the Responsible Entity and the Schemes, to oversee the Responsible Entity's management, to regularly review performance and to monitor the Responsible Entity's affairs and act in the best interests of the unitholders of the Trust. The Responsible Entity's Board is accountable to the unitholders of the Trust, and is responsible for approving the Responsible Entity's overall objectives and overseeing their implementation in discharging their duties and obligations and operating the Trust.

Directors, management and staff are guided by Perpetual's Code of Conduct and Perpetual's Risk Appetite Statement which is designed to assist them in making ethical business decisions.

The role of the Responsible Entity's management is to manage the business of the Responsible Entity in operating the Trust. The Responsible Entity Board delegates to management all matters not reserved to the Responsible Entity's Board, including the day-to-day management of the Responsible Entity and the operation of the Trust.

The Responsible Entity appoints agents (Service Providers) to manage the key operations of the Trust which include investment management, administration, custody and other specialist services and functions as required depending on the nature of the Trust.

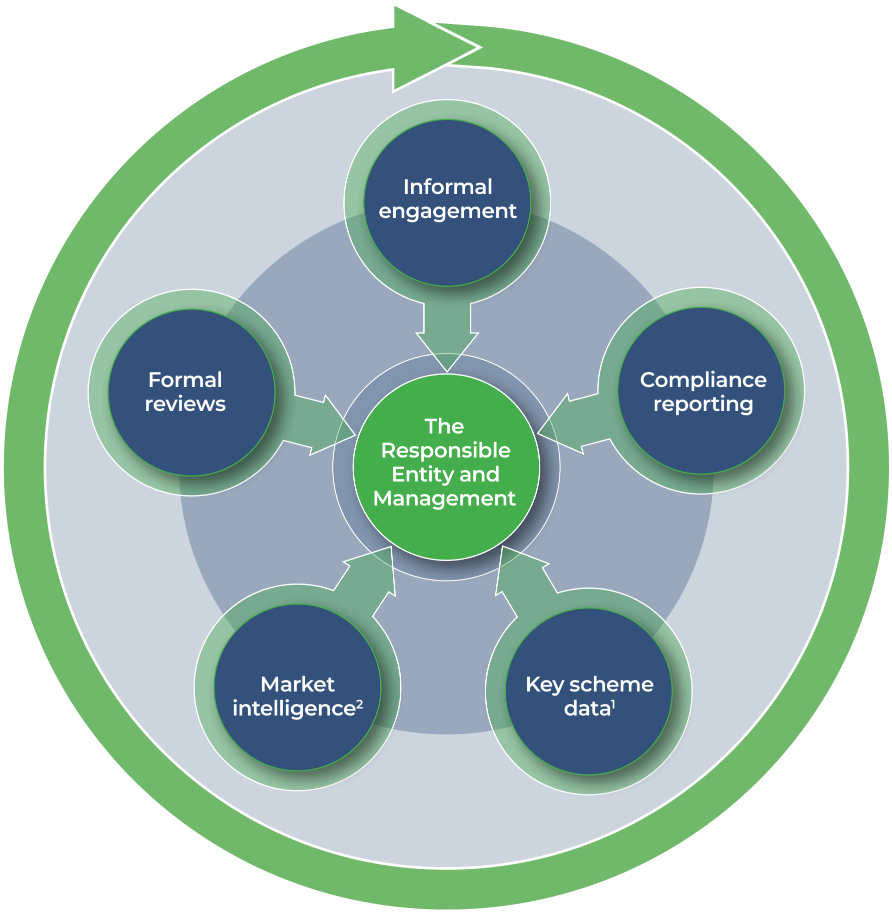
The Responsible Entity obtains relevant services from third party service providers under outsourcing agreements.

Effective processes for monitoring Service Providers are integral to the Responsible Entity's operations, given that substantial operational activities are outsourced to third parties. The Management of the Responsible Entity ensure a systematic and rigorous approach is applied with respect to monitoring the performance of outsourced Service Providers to the Trust.

The Responsible Entity views all interactions with Service Providers as a monitoring opportunity, from the informal discussions that regularly occur with Service Providers, to more formalised monitoring reviews. The outcomes of all interactions with Service Providers inform the Responsible Entity's view as to the extent to which the Service Provider is complying with their operational obligations to the Responsible Entity.

Prior to appointment, all Service Providers are subject to operational due diligence, to verify that the Service Provider can deliver the outsourced services in an efficient, effective and compliant manner. All Service Providers are assigned an initial operational risk rating.

The Responsible Entity's approach to Service Provider monitoring is outlined in the diagram below.



1 Includes information regarding investment performance, actual versus strategic asset allocation, liquidity where applicable and complaints, incidents and issues arising with respect to the operation of the Trust

2 Information from secondary sources, including the media and analysts and rating house reports.

In addition to the continuous monitoring that occurs through day to day interactions with Service Providers in the regular course of business, all Service Providers are required to periodically report to the Responsible Entity as to the extent to which they have met their obligations. Periodically, the Service Provider's risk rating is reviewed by the stakeholders within the business, based on the outcomes of all interactions that have occurred with the Service Provider during the review period.

The Responsible Entity maintains policy, procedure and program documents that determine the nature and frequency of formal service provider monitoring reviews. Service providers are typically subject to reviews every 18 months.

The Service Provider risk rating dictates any additional monitoring measures required to be put in place – for example a Service Provider assessed as 'low to medium risk' will be subject to the standard monitoring measures the Responsible Entity utilises under the Service Provider Monitoring Framework. Service Providers risk rated 'high to very high' may be subject to additional oversight measures to deal with the factors that caused the Service Providers risk rating to be high or very high. In addition, management and stakeholders utilise the risk assessment rating in determining if any action is required when considering information and the outcomes of all interactions that have occurred with the Service Provider during the review period.

Principle 2

Structure the Board to be effective and add value

At present the Responsible Entity Board consists of two executive directors, one non-executive director and one alternate director. The names of the current directors and year of appointment is provided below:

Name of Director	Year of Appointment
Glenn Foster	2021 as a Non-executive Director
Richard McCarthy	2018 as an Executive Director
Phillip Blackmore	Resigned as an Alternate Director for Vicki Riggio on 1 February 2022 Appointed as Executive Director on 1 February 2022
Vicki Riggio (Alternate for Phillip Blackmore)	Resigned as an Executive Director on 1 February 2022 Appointed as an Alternate Director for Phillip Blackmore on 1 February 2022
Simone Mosse	Resigned 1 February 2022

As the Responsible Entity's Board consists of a majority of executive directors, a Compliance Committee is appointed in relation to the Trust (refer to Principle 7). None of the directors of the Responsible Entity are independent and they are not remunerated by the Responsible Entity. The Compliance Committee comprises a majority of external members and is chaired by an external member who is not the chair of the Responsible Entity Board.

Principle 3

Instil a culture of acting lawfully, ethically and responsibly

The Responsible Entity relies on a variety of mechanisms to monitor and maintain a culture of acting lawfully, ethically and responsible:

- policies and procedures: a Code of Conduct which articulates and discloses Perpetual's values, cyclical mandatory training, a Whistleblowing Policy and a Gifts, Political Donations, Bribery and Corrupt Practices Policy (further details noted below);
- Perpetual's Enterprise Behaviours framework, and risk ratings that are intertwined into its annual performance, remuneration and hiring processes; and
- a regular feedback mechanism in place to assess employee sentiment, with actions implemented in response to results.

These apply to all directors and employees of Perpetual, and the Responsible Entity. The Code of Conduct, The Way We Work and core values supports all aspects of the way the Responsible Entity conducts its business and is embedded into Perpetual's performance management process.

The Code of Conduct draws from and expands on Perpetual's Core Values of integrity, partnership and excellence. The Code of Conduct underpins Perpetual's culture. The Responsible Entity Board and the Compliance Committee are informed of material breaches of the Code of Conduct which relate to the Schemes and the Responsible Entity.

Additional policies deal with a range of issues such as the obligation to maintain client confidentiality and to protect confidential information, the need to make full and timely disclosure of any price sensitive information and to provide a safe workplace for employees, which is free from discrimination. Compliance with Perpetual's Code of Conduct is mandatory for all employees. A breach is considered to be a serious matter that may impact an employee's performance and reward outcomes and may result in disciplinary action, including dismissal.

A full copy of the Code of Conduct is available on Perpetual's website; (https://www.perpetual.com.au/about/corporate-governance/code-of-conduct).

Perpetual also has a Whistleblowing Policy to protect directors, executives, employees (including current and former), contractors and suppliers (and relatives and dependants of any of these people) who report misconduct, including:

- conduct that breaches any law, regulation, regulatory licence or code that applies to Perpetual;
- fraud, corrupt practices or unethical behaviour;
- bribery;
- unethical behaviour which breaches Perpetual's Code of Conduct or policies;
- inappropriate accounting, control or audit activity; including the irregular use of Perpetual or client monies;
- any conduct that amounts to modern slavery, such as debt bondage and human trafficking of employees; and
- any other conduct which could cause loss to, or be detrimental to the interests or reputation of, Perpetual or its clients.

As part of Perpetual's Whistleblowing Policy, a third party has been engaged to provide an independent and confidential hotline for whistle-blowers who prefer to raise their concern with an external organisation.

A full copy of the Whistleblowing Policy is available on Perpetual's website (https://www.perpetual.com.au/about/corporate-governance/code-of-conduct).

As part of Perpetual's commitment to promoting good corporate conduct and to conducting business in accordance with the highest ethical and legal standards, bribery and corrupt practices will not be tolerated by Perpetual under any circumstances. Perpetual's Gifts, Political Donations, Bribery and Corrupt Practices Policy supports Perpetual's commitment by:

- prohibiting the payment of political donations;
- instituting proper procedures regarding the exchange of gifts;
- clearly outlining Perpetual's zero tolerance for bribery and corruption; and
- including avenues where concerns may be raised.

Material breaches of the Code of Conduct or the Gifts, Political Donations, Bribery and Corrupt Practice policy are managed in accordance with Perpetual's usual issues management process which would include reporting to the Responsible Entity Board and Compliance Committee where the breach relates to a product or service offered by the Responsible Entity.

A full copy of the Gifts, Political Donations, Bribery and Corrupt Practices Policy is available on Perpetual's website (https://www.perpetual.com.au/about/corporate-governance/code-of-conduct).

Mechanisms are in place to ensure the Responsible Entity Board and the Compliance Committee are informed of material breaches which impact the Trust and the Responsible Entity which would include material breaches of the Code of Conduct and material incidences reported under the Whistleblowing Policy.

Principle 4

Safeguard the integrity of corporate reports

The functions of an audit committee are undertaken by the full Responsible Entity Board with assistance from management. The Responsible Entity has policies and procedures designed to ensure that the Trust's:

- financial reports are true and fair and meet high standards of disclosure and audit integrity; and
- other reports released on ASX are materially accurate and balanced.

This includes policies relating to the preparation, review and sign off process required for the Trust's financial reports, the engagement of the Trust's independent auditors and the review and release of certain reports on the ASX.

The declarations under section 295A of the Corporations Act 2001 provide formal statements to the Responsible Entity Board in relation to the Trust (refer to Principle 7).

The declarations confirm the matters required by the Corporations Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Trust, including the Investment Manager. These confirmations together with the Responsible Entity's Risk and Compliance Framework which includes the service provider oversight framework, assist its staff in making the declarations provided under section 295A of the Corporations Act.

The Responsible Entity manages the engagement and monitoring of independent 'external' auditors for the Trust. The Responsible Entity Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plans for the Trust.

Principle 5

Make timely and balanced disclosure

The Responsible Entity has a continuous disclosure policy to ensure compliance with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules in relation to the Trust. This policy sets out the processes to review and authorise market announcements and is periodically reviewed to ensure that it is operating effectively. The Responsible Entity requires service providers, including the Investment Manager, to comply with its policy in relation to continuous disclosure for the Trust.

The Responsible Entity board has appointed a Continuous Disclosure Committee to assist in meeting its continuous disclosure obligations. The Committee is comprised of the Company Secretary (who is also the Continuous Disclosure Officer), General Manager Managed Fund Services Perpetual Corporate Trust, and General Manager Corporate Affairs & Investor Relations. The Responsible Entity's management is required to notify the Continuous Disclosure Officer or Continuous Disclosure Committee of any information a reasonable person would expect to have a material effect on the unit price or would influence an investment decision in relation to the Trust, to determine if immediate disclosure to ASX is required.

The Responsible Entity board also considers its continuous disclosure obligations as a standing item at each scheduled board meeting.

Principle 6

Respect the rights of unitholders

The Responsible Entity is committed to ensuring timely and accurate information about the Trust is available to security holders via the Trust's website. All ASX announcements are promptly posted on the Trust's website: https://www.perpetual.com.au/income/pci-investors/asx-announcements. The annual and half year results financial statements and other communication materials are also published on the website.

In addition to the continuous disclosure obligations, the Responsible Entity receives and responds to formal and informal communications from unitholders and convenes formal and informal meetings of unitholders as requested or required. The meetings are held in accordance with the requirements of the Corporations Act that apply to a registered managed investment scheme. The Responsible Entity has an active program for effective communication with the unitholders and other stakeholders in relation to Trust.

The Responsible Entity is ultimately responsible for ensuring that any complaints received from unitholders are handled in accordance with its policy settings and regulatory requirements. The Responsible Entity has adopted Perpetual's Complaints Handling Policy, which is available at Making a complaint | Perpetual.

The Responsible Entity is a member of the Australian Financial Complaints Authority ("**AFCA**") external dispute resolution scheme.

If unitholders are dissatisfied with the Responsible Entity's handling of their complaint, AFCA may be able to assist unitholders achieve resolution to their complaint.

The Responsible Entity is also committed to communicating with unitholders electronically in relation to communications from the unit registry. Unitholders may elect to receive information from the Trust's unit registry electronically.

Principle 7

Recognise and manage risk

The Responsible Entity has established a Compliance Committee, comprised of Johanna Turner ("**Chair**"), Penni James and Simone Mosse. A majority of the Responsible Entity Compliance Committee is comprised of external members, including an external independent Chair.

The Compliance Committee meets at least quarterly. The Compliance Committee Terms of Reference sets out its role and responsibilities, which is available upon request. The Compliance Committee is responsible for monitoring compliance by the Responsible Entity of the Compliance Plan for the Trust, Trust Constitution and the Corporations Act. It is also responsible for assessing the adequacy of the Compliance Plan for the Trust and making recommendations to the Responsible Entity board.

The Responsible Entity values the importance of robust risk and compliance management. The Responsible Entity operates under the Perpetual Limited ("**Perpetual**") Risk Management Framework ("**RMF**") which applies to all the activities Perpetual undertakes as Responsible Entity. The RMF aligns to International Standard ISO 31000:2018 'Risk Management Guidelines' and consists of supporting frameworks, programs and policies which have been developed, implemented and are regularly assessed for effectiveness to support the management of the following risk categories considered material to Perpetual: Strategic, People, Financial, Investment, Operational, IT & Cyber Security, Outsourcing, Environmental, Social & Governance, Compliance & Legal and Conduct Risk.

At Perpetual a current risk register is maintained as part of our formal risk management program. The systems supporting the business have been designed to ensure risks are managed within the boundaries of the Perpetual Risk Appetite Statement ("**RAS**") which articulates the expected behaviours, measures and tolerances that management are to take into account when setting and implementing strategy and running their day-day areas of responsibility.

Perpetual's RMF is reviewed annually and was last updated and approved by the Perpetual Board in June 2021, with the 2022 annual review currently underway and due to be completed in September 2022. Additionally, other programs and policies supporting the RMF regularly reviewed to ensure they remain fit-for purpose and effective.

The Perpetual Board sets a clear tone from the top regarding its commitment to effective risk management by promoting an effective risk culture where all Group Executives are accountable for managing risk, embedding risk management into business processes within their area of responsibility and creating an environment of risk awareness and ownership by all Perpetual employees.

The Board's commitment is reflected through the establishment of, and investment in the Perpetual Group Risk, Group Compliance and Internal Audit functions, led by the Chief Risk Officer (CRO).

The RMF is underpinned by the "Three Lines of Defence" model to implement best practice risk management. This model sees the first line, being business unit management, accountable for the day to day identification, ownership and management of risks. The Group Risk, Compliance and Client Advocacy functions represent the second line and consists of risk and compliance management professionals who provide the framework, tools, advice and assistance to enable management to effectively identify, assess, manage and monitor risk and meet their compliance obligations, and is responsible for overseeing and monitoring first line activities. Internal Audit provides independent assurance, representing the third line, and reports to the Audit, Risk and Compliance Committee ("**ARCC**").

Internal Audit is an integral part of Perpetual's governance and risk management culture and aims to protect Perpetual's earnings, reputation and customers. Perpetual's Internal Audit function reports functionality to the Perpetual Limited Audit, Risk & Compliance Committee, and for administrative purposes, through the Perpetual Chief Risk Officer and is independent from the External Auditor and from Perpetual Executive Management.

Internal Audit provides independent and objective assurance, a disciplined approach to the assessment and improvement of risk management and monitoring and reporting on audit findings and recommendations. The Internal Audit Plan (Plan) is approved formally by the ARCC each year and re-assessed quarterly to ensure it is dynamic and continues to address the key risks faced by the Group. Progress against the Plan, changes to the Plan and results of audit activity are reported quarterly to the ARCC.

Perpetual's ARCC is responsible for oversight and monitoring of the Perpetual's RAS, Compliance and Risk Management Frameworks and internal control systems, and risk culture. The ARCC is also responsible for monitoring overall legal and regulatory compliance across Perpetual including the Responsible Entity. The ARCC is comprised of Ian Hammond (Chair), Nancy Fox, Craig Ueland and Gregory Cooper. The ARCC Terms of Reference sets out its role and responsibilities. This can be obtained on the Perpetual website.

In respect of social and ethical considerations, the Investment Manager incorporates ESG matters into its investment analysis and decision-making practices. The Manager's approach is to seek to achieve the best risk-adjusted investment returns over specified time periods. This obligation is satisfied by focusing on both the quality and value of possible investments.

This investment philosophy recognises that while traditional financial measures are an important consideration, extra-financial factors such as ESG matters can also influence investment performance.

Consistent with this philosophy, it is the policy of the Manager that, to the extent that information is available, the Company's Portfolio Manager should incorporate ESG issues into investment analysis and decision-making.

The Manager considers ESG matters primarily from a risk perspective. Analysis may include:

- what material ESG issues (risks) the investment is exposed to;
- what impact material ESG issues are likely to have on the investment's prospects; and
- how well ESG issues are being managed, and therefore how likely the possible impacts are to occur.

Considering ESG factors in investment decision-making can have three possible outcomes:

1. the risks are too high compared to the likely reward and so the investment is not made or is fully or partly sold;
2. the risks are significant, but the likely reward is sufficient compensation for the risk and so an investment is made or is held; or
3. the risks are low (immaterial) and so ESG factors are not a major consideration in making the investment decision.

Principle 8

Remunerate fairly and responsibly

The Responsible Entity does not have a Remuneration Committee. The fees and expenses which the Responsible Entity is permitted to pay out of the assets of the Trust are set out in the Trust Constitution. The Trust financial statements provide details of all fees and expenses paid by the Trust during a financial period.

KPMG

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 audit of Perpetual Credit Income Trust for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

J Davis

Jessica Davis

Partner

Sydney

26 August 2022

Statement of comprehensive income

	Notes	**30 June 2022 $'000**	30 June 2021 $'000
Investment income			
Dividend/distribution income		**8,978**	6,254
Interest income	3	**11,081**	12,421
Net gains/(losses) on financial instruments at fair value through profit or loss	4	**(13,065)**	20,330
Net foreign exchange gains/(losses)		**62**	(102)
Other income		**8**	24
Total net investment income/(loss)		**7,064**	38,927
Expenses			
Responsible Entity's fees	5(a),14	**134**	137
Investment Manager's fees	5(b),14	**3,190**	3,148
Other expenses	5(c)	**525**	983
Total expenses		**3,849**	4,268
Profit/(loss)		**3,215**	34,659
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**3,215**	34,659
Earnings per unit			
Basic and diluted earnings per unit (cents per unit)	8	**0.80**	8.66

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

	Notes	**30 June 2022 $'000**	30 June 2021 $'000
Assets			
Cash and cash equivalents	13(b)	**14,215**	10,116
Financial assets at fair value through profit or loss	9	**421,152**	441,076
Receivables	11	**3,787**	1,945
Total assets		**439,154**	453,137
Liabilities			
Financial liabilities at fair value through profit or loss	10	**605**	287
Distributions payable	6	**1,955**	1,298
Payables for securities purchased		**4,704**	5,700
Payables	12	**372**	377
Total liabilities		**7,636**	7,662
Net assets attributable to unitholders - equity	7	**431,518**	445,475

The above Balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Notes	**30 June 2022 $'000**	30 June 2021 $'000
Total equity at the beginning of the year	7	**445,475**	425,186
Comprehensive income for the year			
Profit/(loss)		**3,215**	34,659
Other comprehensive income		**-**	-
Total comprehensive income for the year		**3,215**	34,659
Transactions with unitholders			
Units issued upon reinvestment of distributions	7	**361**	171
Distributions to unitholders	6, 7	**(17,533)**	(14,541)
Total transactions with unitholders		**(17,172)**	(14,370)
Total equity at the end of the year	7	**431,518**	445,475

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Notes	30 June 2022 $'000	30 June 2021 $'000
Cash flows from operating activities			
Dividends/distributions received		**8,711**	5,639
Interest received		**9,509**	12,406
Other income received		**275**	336
Investment Manager's fees paid		**(3,429)**	(3,364)
Other expenses paid		**(697)**	(1,153)
Net cash inflow/(outflow) from operating activities	13(a)	**14,369**	13,864
Cash flows from investing activities			
Proceeds from sale of investments		**194,032**	338,493
Payments for purchase of investments		**(187,809)**	(339,907)
Net cash inflow/(outflow) from investing activities		**6,223**	(1,414)
Cash flows from financing activities			
Distributions paid		**(16,513)**	(14,283)
Net cash inflow/(outflow) from financing activities		**(16,513)**	(14,283)
Net increase/(decrease) in cash and cash equivalents		**4,079**	(1,833)
Cash and cash equivalents at the beginning of the year		**10,116**	11,942
Effects of foreign currency exchange rate changes on cash and cash equivalents		**20**	7
Cash and cash equivalents at the end of the year	13(b)	**14,215**	10,116

The above Statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1 General information

This annual financial report covers 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, registered with the Australian Securities and Investments Commission on 22 May 2018, commenced operations on 8 May 2019 and its units commenced trading on the Australian Securities Exchange (ASX: PCI) on 14 May 2019. The Trust will terminate in accordance with the provisions of the Trust's Constitution or by Law. The Trust is domiciled in Australia.

The Responsible Entity of the Trust is Perpetual Trust Services Limited (ACN 000 142 049, AFSL 236 648) (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 in accordance with the Product Disclosure Statement and the provisions of the Trust's Constitution.

The annual financial report was authorised for issue by the Directors on 26 August 2022. The Directors of the Responsible Entity have the power to amend and reissue the annual financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of this annual financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The annual financial report is a general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Trust is a for-profit entity for the purpose of preparing the annual financial report.

The annual financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Compliance with International Financial Reporting Standards

The annual financial report also complies with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The annual financial report is presented in Australian dollars, which is the Trust's functional currency.

Use of estimates

Management makes estimates and assumptions that affect the reported amounts in the 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 changing market conditions impacted by the coronavirus (COVID-19) pandemic is 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 financial statements is described in note 16(d).

(b) New accounting standards and interpretations

There are no new accounting standards, amendments and interpretations effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the Trust.

2 Summary of significant accounting policies (continued)

(c) Financial instruments

(i) Classification

The Trust classifies its investments based on its business model for managing those financial instruments and their contractual cash flow characteristics. The Trust's investment portfolio is managed and its performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust evaluates the information about its investments on a fair value basis together with other related financial information.

Derivatives, equity securities and unlisted unit trusts are classified as financial assets at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Trust's business model's objective. Consequently, the debt securities are classified as financial assets at fair value through profit or loss.

Derivative contracts that have negative values are presented as financial liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

The Trust recognises financial assets and liabilities on the date it becomes party to the purchase contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised on the date the Trust becomes party to the sale contractual agreement (trade date).

(iii) Measurement

At initial recognition, a financial asset or liability is measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently all financial assets and liabilities are measured at fair value without any deduction for estimated future selling cost. Gains and losses arising from changes in the fair value measurement are recognised in profit or loss in the period in which they arise.

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. Further details of fair value measurement are disclosed in note 16(d).

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(d) Net assets attributable to unitholders

The Trust is a closed-end vehicle and accordingly there are no redemptions by investors. Instead, while the Trust is listed, unitholders who wish to exit their investment will be able to do so via the ASX.

Units in the Trust are listed on the ASX and traded by unitholders. The units can be traded on the ASX at any time for cash based on the listed price. While the Trust is listed and liquidity is generally expected to exist in the secondary market (ASX), there are no guarantees that an active trading market with sufficient liquidity will be available.

The Trust's units are classified as equity as the Trust satisfies all criteria for the classification of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*.

2 Summary of significant accounting policies (continued)

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank, margin accounts and other short term and highly liquid financial assets with a maturity period of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls.

(f) Receivables

Receivables include accrued income and receivables for securities sold. Amounts are generally received within 30 days of being accrued for.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Trust shall measure the loss allowance on receivables 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 Trust shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty 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.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(g) Payables

Payables include accrued expenses and payables for securities purchased which are unpaid at the end of the reporting date. Amounts are generally paid within 30 days of being accrued for.

(h) Investment income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in profit or loss when the Trust's right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(c).

(i) Expenses

All expenses, including Investment Manager's fees and Responsible Entity's fees are recognised in profit or loss on an accruals basis.

2 Summary of significant accounting policies (continued)

(j) Income tax

The Trust is not subject to income tax provided the taxable income of the Trust is attributed in full to its unitholders each financial year. Unitholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

The benefits of franking credits and foreign tax paid are passed on to unitholders, providing certain conditions are met.

(k) Distributions

Distributions are payable as set out in the Trust's Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Trust.

(l) Goods and Services Tax

The Goods and Services Tax (GST) is incurred on the cost of various services provided to the Trust by third parties. The Trust qualifies for Reduced Input Tax Credit (RITC); hence expenses such as Responsible Entity's fees have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office. Payables are stated with the amount of GST included. The net amount of GST recoverable is included in receivables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

(m) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in profit or loss on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

3 Interest income

	30 June 2022 **$'000**	30 June 2021 $'000
Cash and cash equivalents	**3**	(3)
Debt securities	**11,078**	12,424
Total	**11,081**	12,421

4 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) arising from changes in the fair value measurement comprise:

	30 June 2022 $'000	30 June 2021 $'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	**(14,214)**	17,320
Net realised gains/(losses) on financial instruments at fair value through profit or loss	**1,149**	3,010
Net gains/(losses) on financial instruments at fair value through profit or loss	**(13,065)**	20,330

5 Expenses

All expenses are recognised, net of the amount of Goods and Services Tax (GST) recoverable from the taxation authority, in profit or loss on an accruals basis.

(a) Responsible Entity's fees

The Responsible Entity, Perpetual Trust Services Limited, is entitled to receive between 0.03% - 0.05% per annum (net of RITC) of the Net Asset Value of the Trust and is also entitled to be paid remuneration for Additional Fund Administration Services in the manner and at the time as set out in Investment Management Agreement. The Responsible Entity's fees are calculated and accrued daily and paid monthly in arrears. Further details of the Responsible Entity's fees are disclosed in note 14.

(b) Investment Manager's fees

The Investment Manager, Perpetual Investment Management Limited, receives management fees of 0.72% per annum (net of RITC) of the Net Asset Value of the Trust. In accordance with the Product Disclosure Statement dated 8 March 2019, the Net Asset Value of the Trust is calculated daily by deducting all liabilities, which includes declared but unpaid distributions, calculated in accordance with the Responsible Entity's Unit pricing and Valuation Policy and Australian Accounting Standards (AAS) from the total value of assets of the Trust. The management fees are calculated and accrued daily and paid monthly in arrears.

	30 June 2022 $'000	30 June 2021 $'000
Investment Manager's fees	**3,190**	3,148

The Investment Manager is appointed for an initial term of ten years unless terminated earlier (Initial Term). The Investment Management Agreement will be automatically extended for a further five year term on the expiry of the Initial Term (Extended Term) unless terminated earlier in accordance with its terms.

If the Investment Management Agreement is terminated during the term, then in certain circumstances the Investment Manager will be entitled to a termination payment equal to the Management fee rate multiplied by the number of years in the Initial Term or Extended Term and the value of the total Portfolio as at the termination date, reduced by one one hundred and twentieth (1/120) for Initial Term or one sixtieth (1/60) for Extended Term for each whole calendar month that has elapsed between the commencement date or the commencement of the Extended Term and the termination date.

The Investment Manager paid for all of the costs incurred in raising capital under and in accordance with the Product Disclosure Statement dated 8 March 2019. If the Investment Management Agreement is terminated during the Initial Term, then in certain circumstances the Investment Manager will be entitled to be reimbursed for these costs, reduced by one one hundred and twentieth (1/120) for each whole calendar month that has elapsed between the commencement date and the termination date.

5 Expenses (continued)

(c) Other expenses

	30 June 2022 **$'000**	30 June 2021 $'000
Auditors' remuneration	**57**	55
ASX fees	**103**	95
Registry services	**195**	182
Custody administration fees	**100**	79
Transaction costs	**29**	17
Other expenses	**41**	555
Total	**525**	983

(d) Auditor's remuneration

	30 June 2022 **$**	30 June 2021 $
Amount received or due and receivable by KPMG:		
Audit and review of financial statements	**45,902**	44,133
Tax compliance services	**8,234**	8,567
Amount received or due and receivable by PwC:		
Audit and review of compliance plan	**2,767**	2,422
Total auditor's remuneration	**56,903**	55,122

Audit fees were paid or payable by the Trust.

6 Distributions to unitholders

The distributions for the year were as follows:

	30 June 2022 $'000	**30 June 2022 CPU**	30 June 2021 $'000	30 June 2021 CPU
Distributions paid - July	**1,267**	**0.3165**	1,264	0.3157
Distributions paid - August	**1,267**	**0.3163**	1,273	0.3179
Distributions paid - September	**1,227**	**0.3063**	1,188	0.2968
Distributions paid - October	**1,269**	**0.3167**	1,227	0.3066
Distributions paid - November	**1,226**	**0.3060**	1,139	0.2845
Distributions paid - December	**1,395**	**0.3482**	1,191	0.2974
Distributions paid - January	**1,413**	**0.3526**	1,197	0.2989
Distributions paid - February	**1,461**	**0.3648**	1,084	0.2707
Distributions paid - March	**1,651**	**0.4120**	1,210	0.3022
Distributions paid - April	**1,556**	**0.3884**	1,168	0.2917
Distributions paid - May	**1,846**	**0.4607**	1,302	0.3253
Distributions payable - June	**1,955**	**0.4877**	1,298	0.3241
Total distributions	**17,533**		14,541	

7 Net assets attributable to unitholders

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

	30 June 2022 Units'000	30 June 2021 Units'000	**30 June 2022 $'000**	30 June 2021 $'000
Opening balance	**400,489**	400,334	**445,475**	425,186
Units issued upon reinvestment of distributions	**327**	155	**361**	171
Distributions to unitholders	**-**	-	**(17,533)**	(14,541)
Profit/(loss)	**-**	-	**3,215**	34,659
Closing balance	**400,816**	400,489	**431,518**	445,475

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

Capital risk management

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

8 Earnings per unit

	30 June 2022	30 June 2021
Profit/(loss) attributable to unitholders ($'000)	**3,215**	34,659
Weighted average number of units on issue ('000)	**400,646**	400,383
Basic and diluted earnings per unit (cents per unit)	**0.80**	8.66

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

9 Financial assets at fair value through profit or loss

	30 June 2022 $'000	30 June 2021 $'000
Derivatives		
Futures	**-**	358
Swaps	**608**	1,720
Equity securities*	**2,554**	-
Debt securities	**243,440**	306,653
Unlisted unit trusts	**174,550**	132,345
Total financial assets at fair value through profit or loss	**421,152**	441,076

*Equity securities included hybrid securities that have both equity and debt features.

10 Financial liabilities at fair value through profit or loss

	30 June 2022 $'000	30 June 2021 $'000
Derivatives		
Futures	**113**	-
Swaps	**492**	287
Total financial liabilities at fair value through profit or loss	**605**	287

11 Receivables

	30 June 2022 $'000	30 June 2021 $'000
Dividends/distributions receivable	**2,036**	1,769
Interest receivable	**1,701**	129
Other receivables	**50**	47
Total receivables	**3,787**	1,945

12 Payables

	30 June 2022 $'000	30 June 2021 $'000
Responsible Entity's fees payable	**11**	69
Investment Manager's fees payable	**277**	283
Audit fees payable	**12**	11
Other payable	**72**	14
Total payables	**372**	377

13 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	30 June 2022 $'000	30 June 2021 $'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss)	**3,215**	34,659
(Increase)/decrease in dividends/distributions receivable	**(267)**	(615)
(Increase)/decrease in interest receivable	**(1,572)**	(15)
(Increase)/decrease in other receivables	**(3)**	49
Increase/(decrease) in payables	**(7)**	14
Net (gains)/losses on financial instruments at fair value through profit or loss	**13,065**	(20,330)
Net foreign exchange (gains)/losses	**(62)**	102
Net cash inflow/(outflow) from operating activities	**14,369**	13,864
(b) Components of cash and cash equivalents		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the balance sheet as follows:		
Cash at bank	**13,636**	9,813
Margin accounts	**579**	303
Total cash and cash equivalents	**14,215**	10,116
(c) Non-cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**361**	171

14 Related party transactions

Responsible Entity

The Responsible Entity of Perpetual Credit Income Trust is Perpetual Trust Services Limited (ACN 000 142 049, AFSL 236 648), a wholly owned subsidiary of Perpetual Limited (ACN 000 431 827).

The Trust does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Trust and this is considered the key management personnel.

Key management personnel

(a) Directors

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

Glenn Foster	
Phillip Blackmore	Resigned as Alternate Director for Vicki Riggio on 1 February 2022 Appointed as Director on 1 February 2022
Richard McCarthy	
Vicki Riggio	Resigned as Director on 1 February 2022 Appointed as Alternate Director for Phillip Blackmore on 1 February 2022
Simone Mosse	Resigned as Director on 1 February 2022

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, during or since the end of the financial year.

Key management personnel unitholdings

No key management personnel of the Responsible Entity held units in the Trust as at 30 June 2022.

Key management personnel compensation

Key management personnel do not receive any remuneration directly from the Trust. They receive remuneration from a related party of the Responsible Entity in their capacity as Directors or employees of the Responsible Entity or its related parties. Consequently, the Trust does not pay any compensation to its key management personnel. Payments made from the Trust to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

Other transactions within the Trust

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Trust since the end of the previous financial year and there were no material contracts involving Director's interests existing at year end.

14 Related party transactions (continued)

Investment Manager

The Investment Manager, Perpetual Investment Management Limited, is a related party to the Trust. In accordance with AASB 124 *Related Party Disclosures*, a member of the same group as the Responsible Entity (who provides key management personnel services) is a related party.

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive Investment Manager's fees calculated by reference to the net asset value of the Trust. Further details of the Investment Manager's fees are disclosed in note 5.

Responsible Entity's fees and other transactions

Under the terms of the Trust's Constitution, the Responsible Entity is entitled to receive Responsible Entity's fees calculated by reference to the net asset value of the Trust.

The transactions during the year and amounts payable at the reporting date between the Trust and the Responsible Entity were as follows:

	30 June 2022	30 June 2021
	$	$
Responsible Entity's fees	**134,220**	136,655
Responsible Entity's fees payable	**11,303**	69,462

Related party unitholdings

Parties related to the Trust (including the Responsible Entity, its related parties and other schemes managed by the Responsible Entity) held units in the Trust as follows:

30 June 2022

Unitholders	**Number of units held**	**Interest held**	**Number of units acquired**	**Number of units disposed**	**Distributions paid/payable**
	'000	**%**	**'000**	**'000**	**$'000**
Perpetual Super Wrap	**32**	**0.0**	**-**	**-**	**1**

30 June 2021

Unitholders	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
	'000	%	'000	'000	$'000
Perpetual Super Wrap	32	0.0	-	-	1

14 Related party transactions (continued)

Investments

The Trust held investments in the following scheme which is also managed by Responsible Entity or its related parties:

30 June 2022

Investments	**Number of units held**	**Fair value of investments**	**Interest held**	**Number of units acquired**	**Number of units disposed**	**Distributions received/ receivable**
	'000	**$'000**	**%**	**'000**	**'000**	**$'000**
Perpetual Loan Fund	**170,274**	**174,550**	**80.0**	**42,720**	**-**	**8,890**

30 June 2021

Investments	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable
	'000	$'000	%	'000	'000	$'000
Perpetual Loan Fund	127,554	132,345	67.6	45,467	-	6,254

15 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factors in deciding control and the relevant activities are directed by means of contractual arrangements.

The Trust considers all investments in unlisted unit trusts to be structured entities. The Trust may invest in related and unrelated unlisted unit trusts for the purpose of capital appreciation and earning investment income.

The unlisted unit trusts are invested in accordance with the investment strategy by their respective investment managers. The return of the unlisted unit trusts is exposed to the variability of the performance of their investments. The unlisted unit trusts finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportional stake in the respective trusts' net assets and distributions.

The Trust's exposure to structured entities at 30 June 2022 was $174,550,294 (2021: $132,344,807).

The fair value of these entities is included in financial assets at fair value through profit or loss in the balance sheet.

The Trust's maximum exposure to loss from its interests in the structured entities is equal to the total fair value of its investments in these entities as there are no off balance sheet exposures relating to them. The Trust's exposure to any risk from the structured entities will cease when these investments are disposed of.

The Trust does not have current commitments or intentions and contractual obligations to provide financial or other support to the structured entities. There are no loans or advances currently made to these entities.

Unconsolidated subsidiary

The Trust applies the investment entity exception to consolidation available under AASB 10 *Consolidated Financial Statements* and measures its subsidiaries at fair value through profit or loss.

15 Structured entities (continued)

The following unconsolidated structured entity is considered to be the Trust's subsidiary at the reporting date:

	Fair value		**Ownership interest**	
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021
	$'000	$'000	**%**	%
Perpetual Loan Fund	**174,550**	132,345	**80.0**	67.6

The principal place of business for the above entity is Sydney, Australia.

16 Financial risk management

The Trust's activities expose it to a variety of financial risks. The management of these risks is undertaken by the Trust's Investment Manager who has been appointed by the Responsible Entity under an Investment Management Agreement to manage the Trust's assets in accordance with the Investment Objective and Strategy.

The Responsible Entity has in place a framework which includes:

- The Investment Manager providing the Responsible Entity with regular reports on their compliance with the Investment Management Agreement;
- Completion of regular reviews on the Service Provider which may include a review of the investment managers risk management framework to manage the financial risks of the Trust; and
- Regular reporting on the liquidity of the Trust in accordance with the Trust's Liquidity Risk Management Statement.

The Trust's Investment Manager has in place a framework to identify and manage the financial risks in accordance with the investment objective and strategy. This includes an investment due diligence process and on-going monitoring of the investments in the Trust. Specific controls the Investment Manager applies to manage the financial risks are detailed under each risk specified below.

The Trust uses different methods to measure different types of risks to which it is exposed. These methods include Value at Risk ("VaR") analysis in the case of market risk and credit ratings analysis for credit risk.

(a) Market risk

(i) Currency risk

Currency risk arises as the fair value or future cash flows of monetary securities denominated in foreign currency will fluctuate due to changes in exchange rates. The currency risk relating to non-monetary assets and liabilities is a component of price risk not currency risk. However, Investment Manager monitors the exposures on all foreign currency denominated assets and liabilities.

The Trust held cross currency swaps to protect the valuation of financial assets and liabilities against variations in the exchange rates. The Trust does not designate any derivatives as hedges, and hence these derivative financial instruments are classified at fair value through profit or loss.

The Trust did not have any significant exposure to currency risk (net of foreign currency exposure arising from derivatives) at the reporting date.

Currency risk is managed as part of price risk and measured using VaR analysis.

16 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is exposed to cash flow interest rate risk on financial instruments with floating interest rates. Financial instruments with fixed interest rates expose the Trust to fair value interest rate risk.

The following table summarises the Trust's exposure to interest rate risk:

30 June 2022	**Floating interest rate $'000**	**Fixed interest rate $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets				
Cash and cash equivalents	**14,215**	**-**	**-**	**14,215**
Debt securities	**154,878**	**88,562**	**-**	**243,440**
Derivatives	**-**	**-**	**608**	**608**
Financial liabilities				
Derivatives	**-**	**113**	**492**	**605**

30 June 2021	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	10,116	-	-	10,116
Debt securities	153,432	153,221	-	306,653
Derivatives	-	2,078	-	2,078
Financial liabilities				
Derivatives	-	287	-	287

Interest rate risk is managed as part of price risk and measured using VaR analysis.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual instruments or factors affecting all instruments in the market.

The asset manager uses a number of quantitative techniques to assess the impact of market risk including credit events, changes in interest rates, credit spreads and recovery values on the Trust's investment portfolio.

The asset manager calculates VaR as an indicator of the sensitivity of the Trust's investment portfolio valuation to changes in market prices and rates. VaR is a statistical framework that supports the quantification of market risk within a portfolio at a specified confidence interval over a defined holding period. VaR seeks to quantify the expected dollar losses that may result from the interactive behaviour of all material market prices, spreads, volatilities, and rates based on the historically observed relationships between these markets. The VaR measure is limited by its assumptions.

The VaR measure for the Trust is estimated using a confidence level of 95%, of the potential portfolio losses, if the current market risk positions were to be held unchanged for 21 days.

16 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

In estimating VaR, the asset manager makes certain assumptions in relation to expected returns, correlations volatilities, future prices, yields and other micro and macroeconomic variables. These assumptions are often based on historically observed relationships or subjective assessments. The actual outcome may differ materially from the estimate.

	30 June 2022		30 June 2021*	
	VaR $'000	**% of Net Assets**	VaR $'000	% of Net Assets
Perpetual Credit Income Trust	**3,927**	**0.91**	4,722	1.06

*The Trust used sensitivity analysis to measure the sensitivity of the Trust's investment portfolio to market risk in prior year. The comparative figures have been updated with VaR analysis to align with current year analysis.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due. The main concentration of counterparty credit risk, to which the Trust is exposed to, arises predominantly from the Trust's investments in debt securities. The Trust is also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents and receivables for securities sold. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

The Trust determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Investment Manager considers relevant, historical analysis and forward looking information in determining any expected credit loss. At the reporting date, all receivables and cash and cash equivalents are held with approved counterparties and are either callable on demand or due within 30 days. Investment Manager considers the probability of default to be low, as a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Trust.

(i) Debt securities

Investment management processes include the consideration of counterparty risk. The Investment Manager may refer to the credit ratings issued by rating agencies to assess the creditworthiness of counterparties. The Investment Manager consider (among other things) branding, stability and security marketability of counterparties and consistently monitor exposure through electronic systems.

The Investment Manager monitors the credit ratings of debt securities on a regular basis.

The table below sets out the analysis of debt securities by credit ratings as issued by Standard & Poor's or other rating agencies:

30 June 2022	**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**NON-RATED**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Debt securities	**15,989**	**15,463**	**125,238**	**21,136**	**65,614**	**243,440**
	15,989	**15,463**	**125,238**	**21,136**	**65,614**	**243,440**

30 June 2021	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	NON-RATED	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Debt securities	891	19,120	136,248	19,023	131,371	306,653
	891	19,120	136,248	19,023	131,371	306,653

16 Financial risk management (continued)

(b) Credit risk (continued)

(ii) Derivative financial instruments

The risk of counterparty default in a derivative transaction is minimised by predominantly using exchange traded derivatives (except for currency hedging, contracts for differences and occasionally other approved over the counter instruments). The exchange traded derivatives are only executed and cleared through approved members of the exchanges. For over the counter derivatives, minimum credit ratings apply for counterparties at the time of entering into a contract and ISDA agreements are put in place with counterparties.

(iii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high grade credit rating.

(iv) Receivables for securities sold

All transactions in equity and debt securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment from the counterparty. Payments on securities acquired are only made after the broker has received the securities. The trade will fail if either party fails to meet its obligations.

All transactions in unlisted unit trusts are settled/unitised when unit prices are issued. The risk of default is considered low except when trading in a suspended unlisted unit trust.

(c) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due.

The Trust is a closed end vehicle and not exposed to any cash redemptions.

The Trust's investment in Perpetual Loan Fund is considered illiquid as the redemption is subject to the withdrawal offer made by its responsible entity.

The following tables summarise the contractual maturities of financial liabilities, including interest payments where applicable:

30 June 2022	Carrying amount	Contractual cash flows At call	less than 6 months	6-12 months	more than 12 months
	$'000	$'000	$'000	$'000	$'000
Non-derivative financial liabilities					
Distributions payable	1,955	-	1,955	-	-
Payables for securities purchased	4,704	-	4,704	-	-
Payables	372	-	372	-	-
Total	7,031	-	7,031	-	-
Derivative financial liabilities					
Futures	113	-	113	-	-
Swaps	492				
Outflow	-	-	425	10,605	4,598
Inflow	-	-	(201)	(10,261)	(3,292)
Total	605	-	337	344	1,306

16 Financial risk management (continued)

(c) Liquidity risk (continued)

30 June 2021	Carrying amount	At call	Contractual cash flows less than 6 months	6-12 months	more than 12 months
	$'000	$'000	$'000	$'000	$'000
Non-derivative financial liabilities					
Distributions payable	1,298	-	1,298	-	-
Payables for securities purchased	5,700	-	5,700	-	-
Payables	377	-	377	-	-
Total	7,375	-	7,375	-	-
Derivative financial liabilities					
Swaps	287				
Outflow	-	-	48	48	2,803
Inflow	-	-	(22)	(22)	(2,392)
Total	287	-	26	26	411

(d) Fair value measurement

The Trust classifies fair value measurement of its financial assets and liabilities using a fair value hierarchy model that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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).

(i) 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.

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

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

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

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

Debt securities are generally valued using broker quotes. Where discounted cash flow techniques are used, estimated future cash flows are based on Investment Manager's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Management monitored credit spreads closely and conducted regular review to ensure any estimates and assumptions used in the valuation model remained 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 units held in Perpetual Loan Fund which are subject to withdrawal offer and valued at the unit price as provided by the Investment Manager without any adjustment.

The following tables present the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy levels:

30 June 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Derivatives				
Swaps	-	608	-	608
Equity securities*	54	2,500	-	2,554
Debt securities	10,637	232,803	-	243,440
Unlisted unit trusts	-	-	174,550	174,550
Total	10,691	235,911	174,550	421,152
Financial liabilities at fair value through profit or loss				
Derivatives				
Futures	113	-	-	113
Swaps	-	492	-	492
Total	113	492	-	605

*Equity securities included hybrid securities that have both equity and debt features. Hybrid securities were previously disclosed as level 1 debt securities.

16 Financial risk management (continued)

(d) Fair value measurement (continued)

30 June 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Derivatives				
Futures	358	-	-	358
Swaps	-	1,720	-	1,720
Debt securities	16,644	290,009	-	306,653
Unlisted unit trusts	-	-	132,345	132,345
Total	17,002	291,729	132,345	441,076
Financial liabilities at fair value through profit or loss				
Derivatives				
Swaps	-	287	-	287
Total	-	287	-	287

(iii) Transfers between levels

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

There were no transfers between levels for the years ended 30 June 2022 and 30 June 2021.

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

The following table presents the movement in level 3 instruments, by class of financial instruments, for the years ended 30 June 2022 and 30 June 2021.

	30 June 2022 Unlisted unit trusts $'000	**30 June 2022 Total $'000**	30 June 2021 Unlisted unit trusts $'000	30 June 2021 Total $'000
Opening balance	**132,345**	**132,345**	82,599	82,599
Purchases	**44,519**	**44,519**	46,486	46,486
Gains/(losses) recognised in profit or loss	**(2,314)**	**(2,314)**	3,260	3,260
Closing balance	**174,550**	**174,550**	132,345	132,345
Total unrealised gains/(losses) recognised in profit or loss for financial instruments held at the reporting date	**(2,314)**	**(2,314)**	3,260	3,260

17 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed in the first three columns of the table below:

	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts $'000	Gross amounts set off in the balance sheet $'000	Net amounts presented in the balance sheet $'000	Amounts subject to master netting arrangements $'000	Net amounts $'000
30 June 2022					
Financial assets					
Margin accounts	**579**	**-**	**579**	**(113)**	**466**
Derivative financial instruments	**608**	**-**	**608**	**(254)**	**354**
Total	**1,187**	**-**	**1,187**	**(367)**	**820**
Financial liabilities					
Derivative financial instruments	**(605)**	**-**	**(605)**	**367**	**(238)**
Total	**(605)**	**-**	**(605)**	**367**	**(238)**

	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts $'000	Gross amounts set off in the balance sheet $'000	Net amounts presented in the balance sheet $'000	Amounts subject to master netting arrangements $'000	Net amounts $'000
30 June 2021					
Financial assets					
Derivative financial instruments	2,078	-	2,078	(663)	1,415
Total	2,078	-	2,078	(663)	1,415
Financial liabilities					
Margin accounts	(510)	-	(510)	376	(134)
Derivative financial instruments	(287)	-	(287)	287	-
Total	(797)	-	(797)	663	(134)

Master netting arrangement - not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Trust does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in this note.

18 Derivative financial instruments

A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign currency exchange rates, index of prices or rates, credit rating or credit index or other variables.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as foreign currency forward contracts, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Trust's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trust against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trust.

The Trust held the following derivative instruments during the year:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

(b) Swaps

Swaps are derivative instruments in which two counterparties agree to exchange one stream of cash flow against another stream.

Cross currency swaps are valued at fair value which is based on the estimated amount the Trust would pay or receive to terminate the currency derivatives at the balance sheet date, taking into account current interest rates, foreign exchange rates, volatility and the current creditworthiness of the currency derivatives counterparties. Cross currency swaps are used to hedge the Trust's interest rate and foreign currency exposure. However, hedge accounting has not been applied.

Risk exposures and fair value measurements

Information about the Trust's exposure to financial risks and the methods and assumptions used in determining fair values is provided in note 16. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

19 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.

20 Events occurring after the reporting period

Subsequent to the year end, the Responsible Entity has announced the following distributions:

- A distribution of 0.4206 cents per unit was announced on 25 July 2022, with a record date of 29 July 2022 and paid on 8 August 2022; and
- A distribution of 0.4661 cents per unit was announced on 25 August 2022, with an ex-date of 30 August 2022, a record date of 31 August 2022 and a payment date of 7 September 2022.

No other significant events have occurred since the reporting date which would have an impact on the financial position of the Trust disclosed in the balance sheet as at 30 June 2022 or on the results and cash flows of the Trust for the year ended on that date.

21 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2022 and 30 June 2021.

Directors' declaration

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

(a) the financial statements and notes, set out on page 18 to 43, are in accordance with the *Corporations Act 2001, including:*

  (i) complying with Australian Accounting Standards, 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 30 June 2022 and of its performance for the financial 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; and

(c) note 2(a) confirms that the financial statements also complies with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board.

(d) the Directors have been given the declarations required by Section 295A of the *Corporation Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Director - Phillip Blackmore

Perpetual Trust Services Limited

Sydney
26 August 2022

Independent Auditor's Report

To the unitholders of Perpetual Credit Income Trust

Opinion

We have audited the ***Financial Report*** of Perpetual Credit Income Trust (the Trust).

In our opinion, the accompanying Financial Report of the Trust is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Balance sheet as at 30 June 2022
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Trust in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation and existence of financial assets ($421.2m) and financial liabilities ($0.6m) at fair value through profit or loss

Refer to Note 9 and 10 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Financial assets and liabilities at fair value through profit or loss (FVTPL) are comprised of investments in: • unlisted unit trusts (Perpetual Loan Fund); • debt securities, including corporate bonds, international bonds, mortgage backed securities, loans and floating rate notes; • derivative assets (futures and swaps); • derivative liabilities (swaps). Valuation and existence of financial assets and financial liabilities at FVTPL is a key audit matter due to the: • size of the Trust's investments which are significant to its financial position. The investment in Perpetual Loan Fund and the investments in debt securities comprise 42% and 58%, respectively, of the Trust's total assets at year end; • Trust outsources certain financial reporting processes and controls in relation to the valuation and existence of these assets and liabilities to external service organisations. These service organisations include the custodian, the fund administrator, which provide administrative support to the Trust, and the investment manager. This requires us to understand processes, assess controls and the flow of information between these service organisations, relevant to the Trust's financial reporting; and • Importance of the performance of Perpetual	Our procedures included: • We assessed the appropriateness of the accounting policies applied by the Trust, including those relevant to the fair value hierarchy of investments against the requirements of the accounting standards. • We obtained and read the Trust's custodians' and fund administrators' GS007 (*Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services*) and SOC 1 (System and Organisation Controls 1) assurance reports to assess the custodians' and fund administrators' processes and controls to record and value the Trust's investments. • We obtained and read the Trust's investment manager's GS007 assurance report to understand the investment manager's processes and controls to maintain and provide transactional information to the Trust's custodians. • We assessed the reputation, professional competence and independence of the auditors of the GS007 and SOC1 assurance reports. • We checked the valuation of the unit holdings in Perpetual Loan Fund, as recorded in the Trust's Financial Report, to the audited financial report of Perpetual Loan Fund. • With the involvement of our valuation

Loan Fund and debt securities in driving the Trust's investment income and capital performance, as reported in the Financial Report. As a result, this was the area with greatest effect on our overall audit strategy and allocation of senior resources in planning and performing our audit. In assessing this Key Audit Matter, we involved our valuation specialists, who understand the Trust's investment profile and business and the economic environment it operates in.	specialists, we performed the valuation of the underlying assets of Perpetual Loan Fund using independently sourced market data for observable inputs, such as, published credit spreads and margins. We compared these valuations to the fair value of the underlying assets. • We assessed the valuation of the unit price of Perpetual Loan Fund against the net assets per unit held of the Perpetual Loan Fund. • With the involvement of our valuation specialists, we assessed the fair value of debt securities by re-performing the valuation by comparing observable inputs, including broker-quoted prices to independently sourced market data providers. • With the involvement of our valuation specialists, we independently recalculated the valuation of derivative liabilities using independently sourced market data for observable inputs, such as interest rates and foreign exchange rates. We compared this valuation to the fair value of derivative liabilities recognised by the Trust. • We checked the ownership and quantity of investments to external custody reports as at 30 June 2022. • We assessed quantitative and qualitative disclosures, including those relevant to the fair value hierarchy of investments, against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Perpetual Credit Income Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Perpetual Trust Services Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

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

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

JDavis

Jessica Davis

Partner

Sydney

26 August 2022

ASX additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is as follows. The information is current as at 31 July 2022 unless otherwise indicated.

A. Corporate governance statement

Refer to the annual financial report.

B. Substantial unitholders

There are no substantial unitholders.

C. Classes of units

Refer to the annual financial report, note 7.

D. Voting rights

Voting rights which may attach to or be imposed on any unit or class of units is as follows:

(a) on a show of hands each unitholder has one vote; and
(b) on a poll, each unitholder has one vote for each dollar of the value of the total units they have in Trust.

E. Distribution of units

Analysis of numbers of unitholders by size of holding:

Size of holding	Number of holders	Total units	Percentage
1 - 1000	167	54,785	0.01%
1,001 - 5,000	514	1,705,198	0.43%
5,001 - 10,000	808	6,835,350	1.71%
10,001 - 100,000	5,660	210,587,453	52.53%
100,001 and over	602	181,672,832	45.32%
	7,751	**400,855,618**	**100.00%**

The number of unitholders holding less than a marketable parcel is 116 and they hold 11,526 units.

F. Twenty largest unitholders

The names of the twenty largest unitholders are listed below:

Unitholder	Numbers of units	Percentage
HSBC Custody Nominees (Australia) Limited	16,893,193	4.21%
BNP Paribas Nominees Pty Ltd	8,375,468	2.09%
Navigator Australia Ltd	7,769,822	1.94%
National Nominees Limited	5,243,454	1.31%
J P Morgan Nominees Australia Pty Limited	3,263,203	0.81%
Netwealth Investments Limited (Wrap Services A/C)	3,224,168	0.80%
Netwealth Investments Limited (Super Services A/C)	3,050,724	0.76%
First Samuel Ltd	2,909,181	0.73%
Mutual Trust Pty Ltd	2,042,000	0.51%
Mr Glen Robert Mcivor	1,967,000	0.49%
The Art Gallery Board	1,874,289	0.47%
Beluga Blue Pty Ltd	1,363,636	0.34%

ASX additional information (continued)

F. Twenty largest unitholders (continued)

Unitholder	Numbers of units	Percentage
The Corporation Of The Trustees Of The Order Of The Sisters Of Mercy In QLD	1,363,636	0.34%
Geat Incorporated (Geat-Preservation Fund A/C)	1,359,372	0.34%
Mrs Gillian Mary Smith	1,011,000	0.25%
AK Clough Holdings Pty Ltd	974,906	0.24%
Carama Pty Ltd	960,000	0.24%
Milpera Pty Ltd	909,091	0.23%
Sisters Of The Perpetual Adoration Of The Blessed Sacrament Ltd	909,090	0.23%
The Law Society Of SA Legal Practitioners Fidelity Fund	909,090	0.23%

G. Stock exchange listing

The Trust's units are listed on the Australian Securities Exchange (ASX) and are traded under the code PCI.

H. Voluntary escrow

There are no restricted units in the Trust or units subject to voluntary escrow.

I. Unquoted units

There are no unquoted units on issue.

J. Review of operations and activities for the reporting period

Refer to the Directors' report contained within the annual financial report.

K. On-market buy back

There is no current on-market buy back.

L. Cash and Assets used

During the year ended 30 June 2022, the Trust invested in accordance with the investment objective and guidelines as set out in the latest Product Disclosure Statement of the Trust dated 8 March 2019 and in accordance with the Trust's Constitution.

M. List of investments held by the Trust at 30 June 2022

	Fair Value $'000
Unlisted unit trust	
Perpetual Loan Fund	174,550
Total Unlisted unit trust	**174,550**
Equity security	
Macquarie Bank Limited Capital Note	54
Westpac Banking Corporation Capital Note	2,500
Total Equity security	**2,554**

ASX additional information (continued)

M. List of investments held by the Trust at 30 June 2022 (continued)

	Fair Value $'000
Debt Securities	
Ampol Limited	**8,721**
APA Infrastructure Limited	**1,588**
Apollo Trust SR 2017-2	**2,081**
AusNet Services Holdings	**3,996**
Australia and New Zealand Banking Group Limited	**1,985**
Australia Pacific Airports (Melbourne) Pty Ltd	**824**
Bank Of Queensland Limited	**5,003**
Bendigo and Adelaide Bank	**2,690**
Bluescope Finance	**10,231**
BNP Paribas	**7,558**
Byrns Smith Unit Trust	**8,643**
Centuria Capital 2 Fund	**9,767**
Charter Hall LWR Pty Limited	**1,598**
Commonwealth Bank	**4,005**
Conquest Trust Srs2018-1	**294**
Downer Grp Finance Pty Limited	**1,889**
Emeco Pty Limited	**6,379**
Flexi Trust Srs2019-2	**922**
Flexi Trust Srs2020-1	**1,358**
FP Turbo Srs2019-1	**213**
GPT Wholesale Office Fund	**4,431**
Heritage Bank Limited	**3,303**
HSBC	**2,000**
Humm ABS Trust Srs2021-1	**341**
IMB Limited	**3,770**
Incitec Pivot Limited	**4,774**
Insurance Australia Group Limited	**10,871**
Kingfisher Trust Series 2019-1	**8,285**
Lendlease Finance Limited	**2,413**
Liberty Funding Pty Limited Srs 2019-1SME	**4,881**
Liberty Funding Pty Limited Srs 2020-1A	**530**
Liberty Funding Pty Limited Srs 2020-1SME	**1,215**
Light Trust Srs 2019-1	**3,222**
Lion Trust Srs 2020-1	**2,032**
Longwall Relocation Syndicated Loan	**1,013**
Macquarie Bank Limited	**10,696**
Mineral Resources Limited	**4,911**
National Australia Bank	**2,766**

ASX additional information (continued)

M. List of investments held by the Trust at 30 June 2022 (continued)

	Fair Value $'000
Debt Securities (continued)	
Omni Bridgeway Limited	11,105
Pacific National Finance	991
Peet Limited	4,241
Pepper SPARKZ Trust No.2	1,353
Perenti Finance Pty Limited	6,940
Qantas Airways Limited	3,976
QBE Insurance Group Limited	3,992
Salute Trust Srs 2021-1	703
Santos Finance Limited	4,789
Scentre Group Trust	5,960
SMHL Srs2020-1	1,785
Suncorp Group Ltd	2,942
The Superannuation Members Srs 2016-1	539
The Superannuation Members Srs 2019-1	4,244
The Superannuation Members Srs 2019-2	14,500
Think Tank Trust Srs 2019-1	2,306
Torrens Trust Srs 2019-1	4,984
Torrens Trust Srs 2021-1	2,288
Vicinity Centres	3,885
Westconnex Finance Company Pty Limited	4,759
Woodside Finance Limited	2,243
Woolworths Group Limited	1,234
Zenith Pacific Pty Limited	2,482
Total Debt Securities	**243,440**
Derivatives	
Futures	(113)
Swaps	116
Total Derivatives	**3**
Total	**420,547**

N. Investment transactions

The total number of transactions entered during the year ended 30 June 2022 was 574. The total brokerage paid during the year was $26,825.

O. Total Management Fees paid or accrued during the year

Refer to the annual financial report, note 5.

Directory

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

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

Directors
Glenn Foster
Phillip Blackmore
Richard McCarthy
Vicki Riggio (Alternate)

Company secretaries
Gananatha Minithantri
Sylvie Dimarco

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

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

Australian Securities Exchange Code
ASX: PCI

Unit registry
Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Website
www.perpetualincome.com.au

Perpetual

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