

# PERPETUAL CREDIT INCOME TRUST

ARSN 626 053 496

---

## CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED  
31 DECEMBER 2020

Perpetual 



**Perpetual Credit Income Trust**  
**Appendix 4D**  
**For the half-year ended 31 December 2020**

**Details of reporting period**

The condensed interim financial report is for the half-year ended 31 December 2020. The previous corresponding half-year ended was 31 December 2019.

The Directors of Perpetual Trust Services Limited, the Responsible Entity of the Perpetual Credit Income Trust (the Trust) announce the reviewed results of the Trust for the half-year ended 31 December 2020 as follows:

**Results for announcement to the market**

Extract from condensed interim financial report for the half-year ended 31 December 2020.

	<b>31 December 2020 \$'000</b>	31 December 2019 \$'000	Movement	
			\$'000	%
Revenue from ordinary activities	<b>23,099</b>	11,009	12,090	109.82
Profit/(loss)	<b>21,026</b>	8,878	12,148	136.83
Total comprehensive income/(loss)	<b>21,026</b>	8,878	12,148	136.83

**Details of distributions**

The distributions for the half-year ended 31 December 2020 were \$7,282,048 (1.8189 cents per ordinary unit). The Responsible Entity aims to make distributions each month. For such distributions, the record date is the last ASX trading day of each month.

Subsequent to the reporting date, on 25 January 2021, the Directors declared a distribution of 0.2989 cents per ordinary unit which amounted to \$1,196,744 and was paid on 5 February 2021.

**Details of distribution reinvestment plan**

The Responsible Entity has established a Distribution Reinvestment Plan (DRP) on 24 June 2019 in relation to distributions. Units under the DRP are issued at the net asset value of a unit, as determined in accordance with the Trust's Constitution, on 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. On 24 November 2020, the Responsible Entity reinstated the DRP following its temporary suspension on 25 March 2020.

**Net Tangible Assets**

	<b>31 December 2020</b>	31 December 2019
Total Net Tangible Assets attributable to unitholders (\$'000)	<b>438,955</b>	441,161
Units on issue ('000)	<b>400,357</b>	400,220
Net Tangible Assets attributable to unitholders per unit (\$)	<b>1.096</b>	1.103

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

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

**Details of associates and joint venture entities**

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

**Independent review report**

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

Additional Appendix 4D disclosure requirements can be found in the financial report for the half-year ended 31 December 2020 which contains the Directors' report, the condensed financial statements and accompanying notes.

# Perpetual Credit Income Trust

ARSN 626 053 496

## Condensed Interim Financial Report - for the half-year ended 31 December 2020

<b>Contents</b>	<b>Page</b>
Directors' report	2
Lead auditor's independence declaration	5
Condensed interim statement of comprehensive income	6
Condensed interim balance sheet	7
Condensed interim statement of changes in equity	8
Condensed interim statement of cash flows	9
Notes to the condensed interim financial statements	10
Directors' declaration	17
Independent auditor's review report to the unitholders	18

## **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 condensed interim financial report of the Trust for the half-year ended 31 December 2020 and the auditor's report thereon.

### **Principal activities**

The Trust is a registered managed investment trust 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 Responsible Entity has appointed Perpetual Investment Management Limited (AFSL 234 426) as the Investment Manager of the Trust.

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

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

### **Directors**

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

<b>Name</b>	<b>Date of appointment/resignation</b>
Vicki Riggio	
Richard McCarthy	
Simone Mosse	
Phillip Blackmore	Alternate Director for Vicki Riggio
Glenn Foster	Resigned as Director on 23 October 2020
	Appointed as Non-executive Director on 1 February 2021

## Directors' report (continued)

### Review and results of operations

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

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

	<b>31 December 2020</b>	31 December 2019
Profit/(loss) (\$'000)	<u>21,026</u>	<u>8,878</u>
Distributions paid and payable (\$'000)	<u>7,282</u>	<u>9,186</u>
Distributions (cents per unit)	<u>1.82</u>	<u>2.30</u>

As at 31 December 2020, the Trust's Net Tangible Assets (NTA) were \$1.096 per unit. This represents an increase of 3.20% compared to NTA of \$1.062 per unit as at 30 June 2020. The increase in the NTA during the half-year was predominantly attributable to the tightening of credit spreads following news of a coronavirus (COVID-19) vaccine. The Trust paid distributions of 1.82 cents per unit during the half-year.

The Manager continues to follow a robust, active and risk-aware approach to investing in credit and fixed income assets. This involves market screening of the credit environment and research which aims to screen out issuers with poor credit quality or susceptibility to downside shock.

The volatility in global and local capital markets resulting from the COVID-19 pandemic has been reflected in the valuation of the Trust's investment portfolio and its financial results for the half-year ended 31 December 2020. The uncertainty around COVID-19 continues to present social and economic challenges and the resulting impact on the capital markets remains uncertain.

### Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Trust that occurred during the financial period under review.

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

On 25 January 2021, the Directors declared a distribution of 0.2989 cents per ordinary unit which amounted to \$1,196,744 and was paid on 5 February 2021.

On 1 February 2021, Glenn Foster was appointed as a Non-executive Director.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect:

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

### Likely developments and expected results of operations

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

## Directors' report (continued)

### Likely developments and expected results of operations (continued)

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.

### 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.

### Units in the Trust

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

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

### Environmental regulation

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

### Rounding of amounts to the nearest thousand dollars

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

### Auditor's independence declaration

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

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



Director  
Perpetual Trust Services Limited  
Sydney  
19 February 2021



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

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

I declare that, to the best of my knowledge and belief, in relation to the review of Perpetual Credit  
Income Trust for the half-year ended 31 December 2020 there have been:

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

KPMG

Jessica Davis

*Partner*

Sydney

19 February 2021

**Perpetual Credit Income Trust**  
**Condensed interim statement of comprehensive income**  
**For the half-year ended 31 December 2020**

**Condensed interim statement of comprehensive income**

	Notes	31 December 2020 \$'000	31 December 2019 \$'000
<b>Investment income</b>			
Distribution income		2,942	1,391
Interest income		6,429	7,369
Net gains/(losses) on financial instruments at fair value through profit or loss		13,799	2,236
Net foreign exchange gains/(losses)		(89)	13
Other income		18	-
<b>Total net investment income/(loss)</b>		<u>23,099</u>	<u>11,009</u>
<b>Expenses</b>			
Responsible Entity's fees		70	66
Investment Manager's fees		1,564	1,604
Other operating expenses		439	461
<b>Total expenses</b>		<u>2,073</u>	<u>2,131</u>
<b>Profit/(loss)</b>	4	<u>21,026</u>	<u>8,878</u>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>21,026</u>	<u>8,878</u>
<b>Earnings per unit</b>			
Basic and diluted earnings per unit (cents per unit)	5	5.25	2.22

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



**Perpetual Credit Income Trust**  
**Condensed interim balance sheet**  
**As at 31 December 2020**

**Condensed interim balance sheet**

		31 December 2020	30 June 2020
	Notes	\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents		3,455	11,942
Financial assets at fair value through profit or loss	6	435,490	415,073
Receivables for securities sold		21	5,824
Receivables		<u>1,652</u>	<u>1,364</u>
<b>Total assets</b>		<u><b>440,618</b></u>	<u><b>434,203</b></u>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	6	118	2,968
Distributions payable	3	1,191	1,210
Payables for securities purchased		-	4,475
Payables		<u>354</u>	<u>364</u>
<b>Total liabilities</b>		<u><b>1,663</b></u>	<u><b>9,017</b></u>
<b>Net assets attributable to unitholders - equity</b>	4	<u><b>438,955</b></u>	<u><b>425,186</b></u>

*The above condensed interim balance sheet should be read in conjunction with the accompanying notes.*

**Perpetual Credit Income Trust**  
**Condensed interim statement of changes in equity**  
**For the half-year ended 31 December 2020**

---

**Condensed interim statement of changes in equity**

		31 December 2020	31 December 2019
	Notes	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>	4	<u>425,186</u>	<u>441,226</u>
<b>Comprehensive income for the half-year</b>			
Profit/(loss)		21,026	8,878
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year</b>		<u>21,026</u>	<u>8,878</u>
<b>Transactions with unitholders</b>			
Units issued upon reinvestment of distributions	4	25	243
Distributions to unitholders	3, 4	<u>(7,282)</u>	<u>(9,186)</u>
<b>Total transactions with unitholders</b>		<u>(7,257)</u>	<u>(8,943)</u>
<b>Total equity at the end of the half-year</b>	4	<u>438,955</u>	<u>441,161</u>

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

Perpetual Credit Income Trust  
Condensed interim statement of cash flows  
For the half-year ended 31 December 2020

**Condensed interim statement of cash flows**

	<b>31 December 2020 \$'000</b>	31 December 2019 \$'000
<b>Cash flows from operating activities</b>		
Distributions received	2,645	1,251
Interest received	6,412	7,356
Other income received	174	87
Investment Manager's fees paid	(1,660)	(1,712)
Other operating expenses paid	(552)	(516)
<b>Net cash inflows/(outflows) from operating activities</b>	<u>7,019</u>	<u>6,466</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	220,997	319,434
Payments for purchase of investments	(229,228)	(455,442)
<b>Net cash inflows/(outflows) from investing activities</b>	<u>(8,231)</u>	<u>(136,008)</u>
<b>Cash flows from financing activities</b>		
Distributions paid	(7,277)	(7,759)
<b>Net cash inflows/(outflows) from financing activities</b>	<u>(7,277)</u>	<u>(7,759)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(8,489)</b>	<b>(137,301)</b>
Cash and cash equivalents at the beginning of the half-year	11,942	149,358
Effects of exchange rate changes on cash and cash equivalents	<u>2</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the half-year</b>	<u>3,455</u>	<u>12,057</u>

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

## **1 General information**

The condensed interim financial report covers Perpetual Credit Income Trust (the Trust) as an individual entity. The Trust is a registered managed investment trust, which was constituted on 9 May 2018, 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 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 condensed interim financial report was authorised for issue by the Directors on 19 February 2021. The Directors of the Responsible Entity have the power to amend and reissue the condensed interim financial report.

## **2 Basis of preparation**

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

The condensed interim financial report does not include all notes normally included in a full financial report. Accordingly, this report is to be read in conjunction with the Trust's financial report for the year ended 30 June 2020 and any public announcements made in respect of Perpetual Credit Income Trust during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied in the condensed interim financial report are the same as those applied in the Trust's financial report for the year ended 30 June 2020.

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

### *Functional and presentation currency*

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

### *Use of estimates*

Management has taken into consideration the impacts of coronavirus (COVID-19) pandemic to make 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. 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 6.

## 2 Basis of preparation (continued)

### *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 2020 that would be expected to have a material impact on the Trust.

## 3 Distributions to unitholders

The distributions for the half-year were as follows:

	<b>31 December 2020 \$'000</b>	<b>31 December 2020 CPU</b>	31 December 2019 \$'000	31 December 2019 CPU
Distributions paid - July	1,264	0.3157	1,599	0.3997
Distributions paid - August	1,273	0.3179	1,597	0.3993
Distributions paid - September	1,188	0.2968	1,545	0.3860
Distributions paid - October	1,227	0.3066	1,499	0.3745
Distributions paid - November	1,139	0.2845	1,449	0.3622
Distributions payable - December	1,191	0.2974	1,497	0.3741
<b>Total distributions</b>	<b>7,282</b>		<b>9,186</b>	

## 4 Net assets attributable to unitholders

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

	<b>31 December 2020 Units '000</b>	31 December 2019 Units '000	<b>31 December 2020 \$'000</b>	31 December 2019 \$'000
<b>Net assets attributable to unitholders</b>				
Opening balance	400,334	400,000	425,186	441,226
Units issued upon reinvestment of distributions	23	220	25	243
Distributions to unitholders	-	-	(7,282)	(9,186)
Profit/(loss)	-	-	21,026	8,878
<b>Closing balance</b>	<b>400,357</b>	<b>400,220</b>	<b>438,955</b>	<b>441,161</b>

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

### *Capital risk management*

The Trust considers its net assets attributable to unitholders as capital.

## 5 Earnings per unit

	31 December 2020	31 December 2019
Profit/(loss) attributable to unitholders (\$'000)	<u>21,026</u>	<u>8,878</u>
Weighted average number of units on issue ('000)	<u>400,337</u>	<u>400,220</u>
Basic and diluted earnings per unit (cents per unit)	<u>5.25</u>	<u>2.22</u>

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

## 6 Fair value measurement

The Trust classifies fair value measurement of its financial assets and liabilities 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 (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (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.

Listed 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.

## 6 Fair value measurement (continued)

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

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 about these factors could affect the reported fair value of financial instruments. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

Debt securities are generally valued using broker quotes. Where discounted cash flow techniques are used, estimated future cash flows are based on Investment Manager's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Management monitored credit spreads closely and conducted regular review to ensure any estimates and assumptions used in the valuation model remained appropriate. No impairment related to COVID-19 was included in the valuation of the Trust's assets.

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 redemption value per unit as reported by the Investment Managers of such trusts.

The Trust's level 3 assets include Perpetual Loan Fund which is valued using the redemption value per unit as reported by the Investment Manager without any adjustment.

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

31 December 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>				
Derivatives				
Swaps	-	2,650	-	2,650
Debt securities	8,466	305,627	-	314,093
Unlisted unit trusts	-	-	118,747	118,747
<b>Total</b>	<b>8,466</b>	<b>308,277</b>	<b>118,747</b>	<b>435,490</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives				
Futures	118	-	-	118
<b>Total</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>118</b>

## 6 Fair value measurement (continued)

30 June 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Derivatives				
Futures	24	-	-	24
Swaps	-	458	-	458
Debt securities	5,204	326,788	-	331,992
Unlisted unit trusts	-	-	82,599	82,599
<b>Total</b>	<u>5,228</u>	<u>327,246</u>	<u>82,599</u>	<u>415,073</u>
Financial liabilities at fair value through profit or loss				
Derivatives				
Futures	447	-	-	447
Swaps	-	2,521	-	2,521
<b>Total</b>	<u>447</u>	<u>2,521</u>	<u>-</u>	<u>2,968</u>

### 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 half-year ended 31 December 2020 and the year ended 30 June 2020.

### 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 half-years ended 31 December 2020 and 31 December 2019.

31 December 2020	Unlisted unit trusts \$'000	Total \$'000
Opening balance	82,599	82,599
Purchases	33,957	33,957
Gains/(losses) recognised in profit or loss	2,191	2,191
<b>Closing balance</b>	<u>118,747</u>	<u>118,747</u>
Total unrealised gains/(losses) for the half-year included in the condensed interim statement of comprehensive income for financial instruments held at the end of the half-year	<u>2,191</u>	<u>2,191</u>



## 6 Fair value measurement (continued)

*Fair value measurements using significant unobservable inputs (level 3) (continued)*

31 December 2019	Unlisted unit trusts \$'000	Total \$'000
Opening balance	49,712	49,712
Purchases	8,751	8,751
Gains/(losses) recognised in profit or loss	<u>173</u>	<u>173</u>
Closing balance	<u>58,636</u>	<u>58,636</u>
Total unrealised gains/(losses) for the half-year included in the condensed interim statement of comprehensive income for financial instruments held at the end of the half-year	<u>173</u>	<u>173</u>

## 7 Related party transactions

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

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

## 8 Segment Information

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

## 9 Events occurring after the reporting period

On 25 January 2021, the Directors declared a distribution of 0.2989 cents per ordinary unit which amounted to \$1,196,744 and was paid on 5 February 2021.

On 1 February 2021, Glenn Foster was appointed as a Non-executive Director.

The uncertainty around COVID-19 continues to present social and economic challenges and the resulting impact on the capital markets remains uncertain. Since the reporting date, there have been no significant changes in the valuation of the Trust's investment portfolio arising from the changes in the estimates and assumptions in relation to COVID-19.

No other significant events have occurred since the reporting date which would have impact on the financial position of the Trust disclosed in the condensed interim balance sheet as at 31 December 2020 or on the results and cash flows of the Trust for the half-year ended on that date.

## **10 Contingent assets, liabilities and commitments**

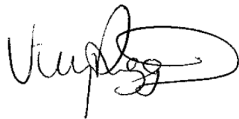
There were no outstanding contingent assets, liabilities or commitments as at 31 December 2020 and 30 June 2020.

## **Directors' declaration**

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

- (a) the condensed interim financial report and notes set out on pages 6 to 16, are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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



Director  
Perpetual Trust Services Limited  
Sydney  
19 February 2021



# Independent Auditor's Review Report

To the unitholders of Perpetual Credit Income Trust

## Conclusion

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

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

- giving a true and fair view of the Trust's financial position as at 31 December 2020 and of its performance for the half-year period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed interim balance sheet as at 31 December 2020
- Condensed interim statement of comprehensive income for the half-year ended on that date
- Condensed interim statement of changes in equity and Condensed interim statement of cash flows for the half-year ended on that date
- Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Half-year** is the six months ended on 31 December 2020.

## Basis for Conclusion

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

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



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

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

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

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

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Trust's financial position as at 31 December 2020 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

Jessica Davis  
Partner  
Sydney  
19 February 2021

## **DIRECTORY**

### **RESPONSIBLE ENTITY**

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

### **REGISTERED OFFICE**

Level 18, Angel Place  
123 Pitt Street  
Sydney NSW 2000

### **DIRECTORS**

Vicki Riggio  
Richard McCarthy  
Simone Mosse  
Phillip Blackmore (Alternate)  
Glenn Foster

### **COMPANY SECRETARIES**

Gananatha Nayanajith 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 CODES**

ASX: PCI

### **UNIT REGISTRY**

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

### **WEBSITE**

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

Perpetual 