Perpetual Diversified Private Debt Fund
Annual Report
for the period from 31 October 2024 to 30 June 2025

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Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Trustee of Perpetual Diversified Private Debt Fund (the Scheme), present their report together with the financial statements of the Scheme for the period from 31 October 2024 to 30 June 2025 and the auditor's report thereon.

Trustee

The Trustee of Perpetual Diversified Private Debt Fund is Perpetual Investment Management Limited (ABN 18 000 866 535). The Trustee's registered office and principal place of business is Level 14, 123 Pitt Street, Sydney, NSW 2000.

Directors

The following persons held office as directors of Perpetual Investment Management Limited during the period or since the end of the period and up to the date of this report:

A Apted (appointed 9 April 2020)
J MacNevin (appointed 1 January 2025)
A Serhan (appointed 1 July 2024)
S Mosse (appointed 30 November 2023, resigned 31 December 2024)

Principal activities

The principal activity of the Scheme is to provide unitholders with higher regular income and positive returns above the cash rate over rolling 3-year periods (before fees and taxes) by primarily investing in a diversified portfolio of private loans and securitised assets.

The Scheme was constituted on 18 September 2024 and commenced operations on 31 October 2024.

The Scheme did not have any employees during the period.

There were no significant changes in the nature of the Scheme's activities during the period.

Review and results of operations

During the period, the Scheme's assets were invested in accordance with the investment objective and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Trust Deed.

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

	For the period from 31 October 2024 to 30 June 2025
Profit/(loss) ($)	37,144
Distributions paid and payable ($)	43,957
Distributions (cents per unit)	6.41

Interests in the Scheme

The movement in units on issue in the Scheme during the period is disclosed in note 4 to the financial statements.

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

Directors' report (continued)

Significant changes in state of affairs

In May 2025, the Trustee completed the transition of the Scheme's external registry service providers from Tech Mahindra Limited to MUFG Corporate Markets. The registry service provider manages a range of administrative functions for the Scheme, including (but not limited to) processing unitholder transactions and maintaining unitholder details.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Scheme during the reporting period.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected or may significantly affect:

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

Likely developments and expected results of operations

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

The results of the Scheme's operations will be affected by a number of factors, including the performance of investment market in which the Scheme 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.

Environmental regulation

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

Fees paid to the Trustee or its related parties

Fees paid to the Trustee or its related parties out of the Scheme's property during the period are disclosed in note 9 to the financial statements.

No fees were paid out of the Scheme's property to the directors of the Trustee during the period.

Indemnity and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regard to insurance cover provided to either the officers of Perpetual Investment Management Limited or the auditor of the Scheme. So long as the officers of Perpetual Investment Management Limited act in accordance with the Scheme's Trust Deed and the law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditor of the Scheme is in no way indemnified out of the assets of the Scheme.

Comparatives

This is the first period of operations of the Scheme and hence there are no prior period comparatives.

Directors' report (continued)

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration is set out on page 5.

This report is made in accordance with a resolution of the directors.

Director

Sydney
17 September 2025

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

To the Directors of Perpetual Investment Management Limited as the Responsible Entity of Perpetual Diversified Private Debt Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Perpetual Diversified Private Debt Fund for the financial year ended 30 June 2025 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

Andrew Reeves

Partner

Sydney

17 September 2025

Statement of comprehensive income

	Notes	For the period from 31 October 2024 to 30 June 2025 $
Investment income		
Distribution income		**47,067**
Interest income		**204**
Net gains/(losses) on financial instruments at fair value through profit or loss		**(6,610)**
Total investment income/(loss)		**40,661**
Expenses		
Trustee's fees	9	**3,517**
Total expenses		**3,517**
Profit/(loss)		**37,144**
Other comprehensive income		**-**
Total comprehensive income		**37,144**

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

Statement of financial position

	Notes	30 June 2025 $
Assets		
Cash and cash equivalents	7(b)	**460**
Receivables	6	**18,455**
Financial assets at fair value through profit or loss	5	**992,990**
Total assets		**1,011,905**
Liabilities		
Distributions payable	3	**17,863**
Payables		**755**
Total liabilities		**18,618**
Net assets attributable to unitholders - equity	4	**993,287**

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

Statement of changes in equity

	Notes	For the period from 31 October 2024 to 30 June 2025 $
Total equity at the beginning of the period	4	**-**
Comprehensive income		
Profit/(loss)		**37,144**
Other comprehensive income		**-**
Total comprehensive income		**37,144**
Transactions with unitholders		
Applications	4	**1,000,100**
Distributions to unitholders	3, 4	**(43,957)**
Total transactions with unitholders		**956,143**
Total equity at the end of the period	4	**993,287**

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

Statement of cash flows

	Notes	For the period from 31 October 2024 to 30 June 2025 $
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss		**500**
Payments for purchase of financial instruments at fair value through profit or loss		**(1,000,100)**
Distributions received		**28,720**
Interest received		**203**
Other income received		**150**
Trustee's fees paid		**(3,019)**
Net cash inflow/(outflow) from operating activities	7(a)	**(973,546)**
Cash flows from financing activities		
Proceeds from applications by unitholders		**1,000,100**
Distributions paid		**(26,094)**
Net cash inflow/(outflow) from financing activities		**974,006**
Net increase/(decrease) in cash and cash equivalents		**460**
Cash and cash equivalents at the beginning of the period		**-**
Cash and cash equivalents at the end of the period	7(b)	**460**

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

1 General information

These financial statements cover Perpetual Diversified Private Debt Fund (the Scheme) as an individual entity. The Scheme is an unregistered managed investment scheme. The Scheme was constituted on 18 September 2024 and commenced operations on 31 October 2024. The Scheme will terminate on 29 October 2104 unless terminated earlier in accordance with the provisions of the Scheme's Trust Deed. The Scheme is domiciled in Australia.

The Trustee of the Scheme is Perpetual Investment Management Limited. The Trustee's registered office is Level 14, 123 Pitt Street, Sydney, NSW 2000.

The financial statements were authorised for issue by the directors of the Trustee on 17 September 2025. The directors of the Trustee have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied during the reporting period presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Scheme's governing documents. The Scheme is a for-profit entity for the purpose of preparing the financial statements.

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

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

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

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Scheme'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 current changing market conditions are assessed and estimated. Actual results may differ from these estimates.

The use of estimates and critical judgements in fair value measurement that can have significant effect on the amounts recognised in the financial statements is described in note 11(d).

New standards, amendments and interpretations adopted by the Scheme

There are no new accounting standards, amendments and interpretations that are effective for the first time for the reporting period beginning 31 October 2024 and have a material impact on the financial statements of the Scheme.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

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

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2025 reporting period and have not been early adopted in preparing these financial statements. Most of these are not expected to have a material impact on the financial statements of the Scheme. However, management is still in the process of assessing the impact of these new standards and amendments.

- AASB 2024-2 *Amendments to Australian Standards - Classification and Measurement of Financial Statement Instruments* [AASB 7 & AASB 9] (effective for reporting periods beginning on or after 1 January 2026). These amendments include clarifying the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- AASB 18 *Presentation and Disclosure in Financial Statements* (effective for reporting periods beginning on or after 1 January 2027) which was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. AASB 18 introduces new requirements for the presentation of the statement of comprehensive income, including specified totals and subtotals. Furthermore, all income and expenses within statement of comprehensive income are required to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations. It also requires disclosure of management-defined performance measures, subtotal of income and expenses, and includes the new requirements for aggregation and disaggregation of financial information based on identified roles of the primary statement and the notes.

(b) Financial instruments

(i) Classification

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

Unlisted unit trusts are classified as financial assets at fair value through profit or loss.

(ii) Recognition/derecognition

The Scheme recognises its investments on the date it becomes party to the purchase contractual agreement (trade date) and recognises changes in fair value of the financial instruments from this date.

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

(iii) Measurement

At initial recognition, investments are measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently, all investments are measured at fair value without any deduction for estimated future selling costs. 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 11(d).

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position 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.

2 Summary of material accounting policies (continued)

(c) Net assets attributable to unitholders

Units are redeemable at unitholders' option. However, applications and redemptions may be suspended by the Trustee if it is in the best interests of the unitholders.

The units can be put back to the Scheme at any time for cash based on the redemption price, which is a reasonable approximation of the proportionate share of the Scheme's net asset value. The carrying amount of these units at the redemption price represents the expected cash flows on redemption of these units at the reporting date if the unitholders exercise their right to put the units back to the Scheme.

Under AASB 132 *Financial instruments: Presentation,* puttable financial instruments are classified as equity where certain strict criteria are met. The Scheme classifies the net assets attributable to unitholders as equity as it satisfies the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net assets in the event of the Scheme's liquidation;
- the puttable financial instruments are in the class of instruments that is subordinate to all other classes of instruments and the class features are identical;
- no contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Scheme, and it is not a contract settled in the Scheme's own equity instrument; and
- the total expected cash flows attributable to the puttable financial instruments over the life are based substantially on the profit or loss.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank 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.

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(e) Receivables

Receivables include accrued income.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Scheme measures 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 Scheme measures 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.

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

2 Summary of material accounting policies (continued)

(f) Payables

Payables include accrued expenses.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature.

(g) 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.

Distribution income from financial assets at fair value through profit or loss is recognised in profit or loss when the Scheme's right to receive payment is established.

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

(h) Expenses

All expenses, including Trustee's fees, are recognised in profit or loss on an accruals basis.

(i) Income tax

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

(j) Distributions

In accordance with the Scheme's Trust Deed, the Scheme distributes its distributable income and any other amounts as determined by the Trustee.

(k) Goods and Services Tax

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

(l) Comparatives

This is the first period of operations of the Scheme and hence there are no prior period comparatives.

3 Distributions to unitholders

The distributions for the period were as follows:

	For the period from 31 October 2024 to 30 June 2025	For the period from 31 October 2024 to 30 June 2025
	$	CPU
Distributions paid - November	2,153	0.43
Distributions paid - December	7,735	1.55
Distributions paid - January	1,652	0.33
Distributions paid - February	1,623	0.32
Distributions paid - March	7,036	1.41
Distributions paid - April	1,949	0.19
Distributions paid - May	3,946	0.39
Distributions payable - June	17,863	1.79
Total distributions	43,957	

4 Net assets attributable to unitholders

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

	For the period from 31 October 2024 to 30 June 2025	For the period from 31 October 2024 to 30 June 2025
	Units	$
Opening balance	-	-
Applications	999,604	1,000,100
Distributions to unitholders	-	(43,957)
Profit/(loss)	-	37,144
Closing balance	999,604	993,287

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

Capital risk management

The Scheme considers its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a monthly basis as the Scheme is subject to monthly applications at the discretion of unitholders. The Scheme is currently closed for redemptions. This restriction is expected to expire 12 months from 31 October 2024, being the Scheme's inception date. After this lock-up period, redemptions will be processed on a quarterly basis.

Applications and redemptions are reviewed relative to the liquidity of the Scheme's underlying assets on a regular basis by the Trustee. Under the terms of the Scheme's Trust Deed, the Trustee has the discretion to reject an application and to defer or adjust a redemption if the exercise of such discretion is in the best interests of unitholders.

5 Financial assets at fair value through profit or loss

	30 June 2025 $
Unlisted unit trusts	992,990
Total financial assets at fair value through profit or loss	**992,990**

6 Receivables

	30 June 2025 $
Distributions receivable	18,347
Interest receivable	1
Other receivables	107
Total receivables	**18,455**

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

	For the period from 31 October 2024 to 30 June 2025 $
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	
Profit/(loss)	37,144
Proceeds from sale of financial instruments at fair value through profit or loss	500
Payments for purchase of financial instruments at fair value through profit or loss	(1,000,100)
(Increase)/decrease in distributions receivable	(18,347)
(Increase)/decrease in interest receivable	(1)
(Increase)/decrease in other receivables	(107)
Increase/(decrease) in payables	755
Net (gains)/losses on financial instruments at fair value through profit or loss	6,610
Net cash inflow/(outflow) from operating activities	**(973,546)**

(b) Components of cash and cash equivalents

Cash at the end of the period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

Cash at bank	460
Total cash and cash equivalents	**460**

8 Remuneration of auditors

	For the period from 31 October 2024 to 30 June 2025 $
Amount received or due and receivable by KPMG:	
Audit of financial statements	**7,697**
Other regulatory assurance services	**260**
Total	**7,957**

Audit fees were paid or payable by the Trustee.

9 Related party transactions

Trustee

The Trustee of Perpetual Diversified Private Debt Fund is Perpetual Investment Management Limited (ABN 18 000 866 535), a wholly owned subsidiary of Perpetual Limited (ACN 000 431 827).

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

Key management personnel

(a) Directors

The directors of Perpetual Investment Management Limited during the period or since the end of the period and up to the date of this report were as follows:

A Apted (appointed 9 April 2020)
J MacNevin (appointed 1 January 2025)
A Serhan (appointed 1 July 2024)
S Mosse (appointed 30 November 2023, resigned 31 December 2024)

(b) Other key management personnel

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

Transactions with key management personnel

Key management personnel services are provided by Perpetual Investment Management Limited and included in the Trustee's fees. There is no separate charge for these services. There was no compensation paid directly by the Scheme to any of the key management personnel during the period.

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

9 Related party transactions (continued)

Trustee's fees and other transactions

Under the terms of the Scheme's Trust Deed, the Trustee is entitled to receive management fees. The Scheme incurred management fees (inclusive of GST and net of RITC) of 0.85% per annum for the period ended 30 June 2025. The management fees are calculated by reference to the net asset value of the Scheme. Where the Scheme invests into other schemes, the Trustee's fees are calculated after rebating management fees charged in the underlying schemes.

The transactions during the period and amounts payable at the reporting date between the Scheme and the Trustee were as follows:

	For the period from 31 October 2024 to 30 June 2025 $
Trustee's fees	**3,517**
Trustee's fees payable	**755**

10 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 Scheme considers all investments in unlisted unit trusts to be structured entities. The Scheme invests in 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 Scheme's exposure to structured entities at fair value is disclosed in the following table:

	Fair value 30 June 2025 $
Perpetual Loan Fund	**395,660**
Perpetual Securitised Credit Fund	**597,330**
Total	**992,990**

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

The Scheme'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 Scheme's exposure to any risk from the structured entities will cease when these investments are disposed of.

The Scheme 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.

11 Financial risk management

The Scheme's operating activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

A risk management framework has been established by the Trustee of the Scheme to monitor the Scheme's compliance with its governing documents and to minimise risks in its investment activities. This framework incorporates a regular assessment process to ensure procedures and controls adequately manage the investment activities. The Scheme is permitted to use derivative products. However, the use of derivatives must be consistent with the investment strategy and restrictions specified in the Scheme's governing documents.

All investment securities present a risk of loss of capital. The maximum loss of capital on investment securities is generally limited to the fair values of those positions.

The Scheme's asset managers aim to manage these risks through the use of consistent and carefully considered investment strategy and guidelines specifically tailored for the Scheme's investment objective. Risk management techniques are used in the selection of investments. Asset managers will only purchase securities (including derivatives) which meet the prescribed investment criteria. Risk may also be reduced by diversifying investments across several asset managers, markets, regions or different asset classes and counterparties.

The Scheme uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of currency risk, interest rate risk and price 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 assets and liabilities 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 and not currency risk. However, management monitors the exposures on all foreign currency denominated assets and liabilities.

The Scheme did not have any exposure to currency risk at the reporting date.

(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 Scheme is exposed to cash flow interest rate risk on financial instruments with floating interest rates. Financial instruments with fixed interest rates expose the Scheme to fair value interest rate risk.

The Scheme's exposure to interest rate risk arises from cash and cash equivalents, which earn/charge a floating rate of interest.

(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 (other than those arising from interest rate risk or currency risk).

The Scheme is exposed to price risk predominantly through its investments for which prices in the future are uncertain.

11 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

The fair value of the Scheme's investments exposed to price risk was as follows:

	30 June 2025 $
Unlisted unit trusts	992,990
	992,990

The table presented in note 11(a)(iv) summarises sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

(iv) Sensitivity analysis

The following table summarises the sensitivity of the profit and net assets attributable to unitholders to price risk. The reasonably possible movements in the risk variables have been determined based on management's estimates, having regard to a number of factors, including historical correlation of the Scheme's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusual large market movements resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

		Impact on profit/net assets attributable to unitholders
	Sensitivity rates	**30 June 2025 $**
Price risk	+5%	**49,650**
	-5%	**(49,650)**

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due. The Scheme is exposed to counterparty credit risk on cash and cash equivalents. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of these assets are impaired or past due but not impaired.

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.

(c) Liquidity risk

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

The Scheme is currently closed for redemptions. This restriction is expected to expire 12 months from 31 October 2024, being the Scheme's inception date. After this lock-up period, redemptions will be processed on a quarterly basis.

The Scheme's investment in the unlisted unit trusts are considered illiquid as the redemption is subject to the withdrawal offer made by their responsible entity.

11 Financial risk management (continued)

(c) Liquidity risk (continued)

In order to manage the Scheme's overall liquidity, asset managers will only purchase securities (including derivatives) which meet the Scheme's investment criteria, including the assessment of saleability in different market conditions. The Scheme's investment strategy generally defines a minimum liquidity level for the Scheme which is monitored regularly.

The following table summarises the contractual maturities of financial liabilities, including interest payments where applicable:

		Contractual cash flows		
30 June 2025	**Carrying amount**	**less than 6 months**	**6-12 months**	**more than 12 months**
	$	**$**	**$**	**$**
Non-derivative financial liabilities				
Distributions payable	**17,863**	**17,863**	**-**	**-**
Payables	**755**	**755**	**-**	**-**
Total	**18,618**	**18,618**	**-**	**-**

(d) Fair value measurement

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

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

(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.

(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 management 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.

Investments in unlisted unit trusts are recorded at the unit price as reported by the investment managers of such trusts. The Scheme 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.

11 Financial risk management (continued)

(d) Fair value measurement (continued)

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

The Scheme's level 3 assets include unlisted unit trusts which are subject to withdrawal offer and valued at the unit price as provided by the investment manager. These unit prices are not considered observable as they are not traded frequently enough to be considered observable.

Recognised fair value measurements

The following table presents the Scheme's financial assets and liabilities by fair value hierarchy levels:

30 June 2025	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit or loss				
Unlisted unit trusts	-	-	992,990	992,990
Total	**-**	**-**	**992,990**	**992,990**

Transfers between levels

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

There were no transfers between levels as at 30 June 2025.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the period ended 30 June 2025:

	30 June 2025 Unlisted unit trusts $
Opening balance	-
Purchases	1,000,100
Sales	(500)
Gains/(losses) recognised in profit or loss	(6,610)
Closing balance	**992,990**
Total unrealised gains/(losses) recognised in profit or loss for financial instruments held at the reporting date	(6,612)

The unobservable inputs used in the valuation of the level 3 securities include a subjective assessment of the discount to the unit price of these securities. An increase/(decrease) in the discount by 5% would (decrease)/increase the fair value of the level 3 securities by $49,650.

12 Events occurring after the reporting period

No significant events have occurred since the reporting date which would have an impact on the financial position of the Scheme as at 30 June 2025 or on the results and cash flows of the Scheme for the period ended on that date.

13 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2025.

Directors' declaration

In the opinion of the directors of Perpetual Investment Management Limited, the Trustee of Perpetual Diversified Private Debt Fund:

(a) the financial statements and notes, set out on page 6 to 22, are:

  (i) complying with Australian Accounting Standards; and

  (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2025 and of its performance for the financial period ended on that date;

(b) there are reasonable grounds to believe that the Scheme 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 comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board.

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

Director

Sydney
17 September 2025

Independent Auditor's Report

To the unitholders of Perpetual Diversified Private Debt Fund

Opinion

We have audited the ***Financial Report*** of Perpetual Diversified Private Debt Fund (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme gives a true and fair view, including of the Scheme's financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises***:***

- Statement of financial position as at 30 June 2025;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- 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 Scheme 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 these requirements.

Other Information

Other Information is financial and non-financial information in Perpetual Diversified Private Debt Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Perpetual Investment Management 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 Investment Management Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and that is free from material misstatement, whether due to fraud or error;
- assessing the Scheme'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 Scheme 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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor's Report.

KPMG

Andrew Reeves

Partner

Sydney

17 September 2025