

# FY24 Modern Slavery Statement

For Financial Year ending 30 June 2024

## Reporting entity

This statement ("**Statement**") is submitted under section 13 of the Modern Slavery Act 2018 (Cth) ("**the Act**") for the PineBridge Senior Floating Rate Income Fund (ARSN 616 715 854) ("**Fund**").

The Fund is a registered managed investment scheme which is operated by a Responsible Entity, as required by the *Corporations Act 2001* (Cth). This Statement has been prepared by the Responsible Entity for the Fund, Perpetual Trust Services Limited, ABN 48 000 142 049 ("**Responsible Entity**" or "**RE**") and approved by the Board of Directors of the Responsible Entity (the 'principal governing body' under the Act) on 6 December 2024.

This statement was approved by a resolution of the Board of Perpetual Trust Services Limited and signed Phillip Blackmore as the Director for Perpetual Trust Services Limited.



Phillip Blackmore  
Director  
Perpetual Trust Services Limited

## Consultation

There are no subsidiaries or entities that are owned or controlled by PineBridge Senior Floating Rate Income Fund which the RE is required to consult with to prepare this Statement.

This statement was developed in consultation with the investment manager for the Fund, PineBridge Investments LLC ARBN 139 907 510 ("**Investment Manager**") which is a private, global asset manager focused on active, high-conviction investing.

## Structure, operations and supply chain

### Structure

The Fund is domiciled in Australia and was constituted on 17 January 2017. The Fund has been operational since 2017. The investment objective of the Fund is to generate a consistent level of income and to maintain a stable level of capital by investing substantially all of the Fund's assets in a diversified portfolio of senior secured leveraged loans and other senior secured floating rate debt obligations.

The Fund owns no real property and has no employees.

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## Operations

The primary operation of the Fund is the investment in fixed income assets.

The Perpetual Trust Services Limited is the Responsible Entity for the Fund (the "Responsible Entity" or "RE") and is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827 and a part of the Perpetual Group (comprising Perpetual Limited and its subsidiaries, including the RE). Perpetual Limited is an ASX-listed company headquartered in Sydney, Australia.

The Investment Manager is PineBridge Investments LLC, is a subsidiary of PineBridge Investments which is a private, global asset manager focused on active, high-conviction investing. PineBridge was formed in March 2010, when it was purchased by Pacific Century Group ("PCG") a private investment group with interests in Technology, Media & Telecommunications ("TMT"), Financial Services and Property. Prior to the organization's purchase, PineBridge was part of the investment advisory and asset management businesses of American International Group, Inc. ("AIG"). The firm's legacy in investment management dates back to the early 1960s managing assets for AIG insurance companies around the world. The firm came together in January 1996 with the consolidation of various investment entities into a single platform, sharing common investment, trading and compliance systems and reporting to a common functional management team. Today, asset management remains the firm's sole focus, with strategies spanning developed and emerging markets, as well as traditional and alternative asset classes.

The Investment Manager is regulated by the Securities and Exchange Commission of the United States of America ("US") under US laws, which differ from Australian laws.

### *Perpetual Corporate Trust (PCT)*

The RE sits within PCT, which is a division of Perpetual Limited and forms part of the Perpetual Group. PCT provides a broad range of fiduciary, agency and digital products to the debt capital markets and managed funds industries both domestically and internationally. Debt Market Services includes trustee, document custodian, agency, trust management, accounting, standby servicing, and reporting solutions. Perpetual Digital provides data services, industry roundtables, and our new Perpetual Intelligence platform-as-a-service products supporting the banking and financial services industry. Managed Funds Services provides services including independent responsible entity, wholesale trustee, custodian, investment management and accounting (such as those provided by the RE).

### *Investments*

The Fund's assets under management as at 30 June 2024 was \$2.1B. These assets were in fixed income securities. All of the Fund's assets are invested in a diversified portfolio of senior secured leveraged loans and other senior secured floating rate debt obligations. In addition to Senior Loans, the Fund also invests in bonds (including non-investment grade), collateralised debt loan obligations, credit default swap indices (CDX IG and CDX HY), total return swaps, exchange traded funds (ETFs), cash and cash equivalents. The Fund is domiciled in Australia account domicile was concentrated in United States of America. See below Portfolio Country Concentrations, Portfolio Currency, and Asset Class Concentrations as at June 2024.

## Portfolio Country Concentrations

| Country        | Portfolio Weight %<br>June 2024 |
|----------------|---------------------------------|
| Australia      | 0.07                            |
| United Kingdom | 0.71                            |
| France         | 0.94                            |
| Luxembourg     | 1.01                            |
| Ireland        | 1.19                            |
| Netherlands    | 1.24                            |
| Canada         | 2.10                            |
| United States  | 92.74                           |
| <b>Total</b>   | <b>100.00</b>                   |

| Asset Class    | Portfolio Weight %<br>June 2024 |
|----------------|---------------------------------|
| Leveraged Loan | 95.89                           |
| Cash           | 0.57                            |
| CLO Debt       | 0.00                            |
| HY Bonds       | 2.15                            |
| IG Bonds       | 0.00                            |
| T- Bill        | 1.39                            |
| <b>Total</b>   | <b>100.00</b>                   |

### Supply chain

The Fund's supply chain consists of 3 direct service providers/suppliers. These service providers/suppliers are all located in Australia.

*Procurement categories for direct suppliers are:*

- Professional services, including an accountant/auditor and tax agent
- Administrator, Custodian, Registry provider
- Legal compliance

## Modern slavery risks

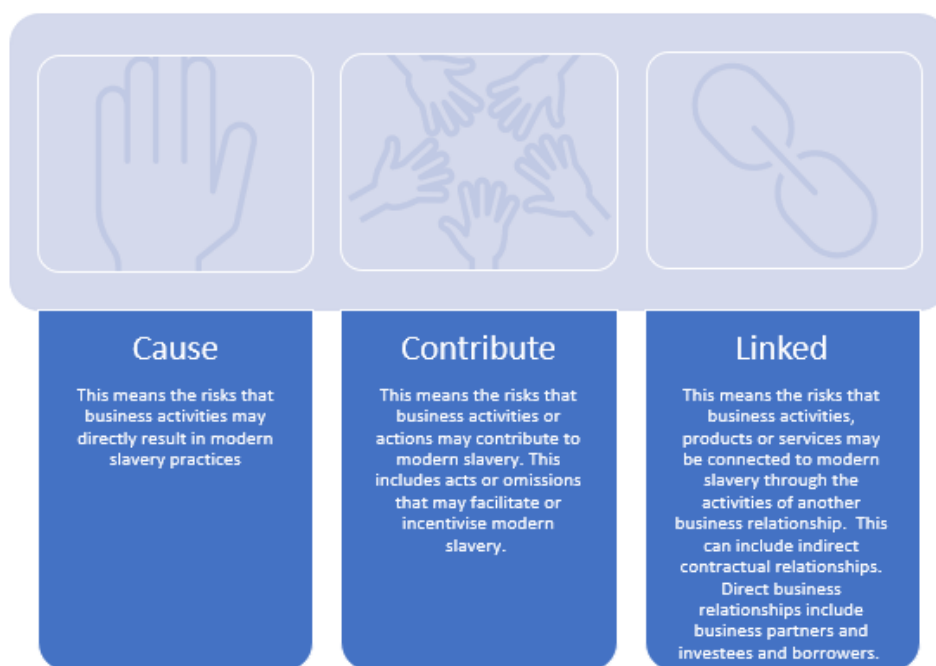
The RE understands that modern slavery risk can occur in operations and supply chains. As RE, we conduct an annual risk assessment on the direct supply chain of all Funds that meet the Act's reporting threshold. The risk assessment is done separately to Perpetual Group's corporate modern slavery supply chain risk assessment. It is also in addition to the Investment Manager's due diligence for portfolio investments, where they consider financial conditions and risk profiles in the evaluation of a company's ability to meet its obligation to creditors. ESG factors, including Human Rights, are included in this evaluation where relevant.

### Defining modern slavery risks

Modern slavery is serious exploitation that undermines a person's freedom. In a situation where modern slavery occurs, a person cannot refuse or leave due to threats, violence, coercion, abuse of power, or deception<sup>1</sup>.

Modern slavery occurs in a variety of forms: there are eight types including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour<sup>2</sup>.

Modern slavery risk means the potential for the Fund to cause, contribute to, or be directly linked to modern slavery through their operations or supply chain. This means looking at risks to people rather than risk to the company (such as reputational or financial damage), although often these risks are connected. The Fund recognises that armed conflicts, widespread environmental degradation, assaults on democracy in many countries and a global rollback of women's rights, has exacerbated modern slavery risks for people in vulnerable situations<sup>3</sup>.



<sup>1</sup> International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), 2022. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, 13.

<sup>2</sup> As defined in the Australian Modern Slavery Act 2018 (Cth)

<sup>3</sup> International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), 2022. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage

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## Risk assessment methodology

In FY24, the RE collected information on the Fund's supply chain to include in a modern slavery risk assessment. Specifically, the RE investigated the Investment Manager and service providers that the Fund has a direct relationship with. The Investment Manager and service providers were then assessed for inherent modern slavery risks and an inherent risk profile was determined for each entity. Inherent risk is the level of risk before any actions are taken to manage the risk's impact or likelihood.

The Investment Manager conducts due diligence for portfolio investments where they consider financial conditions and risk profiles in the evaluation of a company's ability to meet its obligation to creditors. ESG factors, including Human Rights, are included in this evaluation wherever relevant.

As part of the due diligence process, the Investment Manager incorporates the Sustainability Accounting Standards Board's ("SASB") assessment of industry-level key ESG risk issues into our investment process. SASB's disclosure guidance identifies 26 sustainability-related business issues (each a "General Issue Category" or "GIC"), that encompass a range of disclosure topics at an industry level that it considers reasonably likely to have a material effect on the financial condition or operating performance of public companies within the industry, including Human Rights. In addition, analysts make appropriate adjustments, if any, for meaningful differences between an issuer and its industry peer group with regard to the GICs.

## Risk assessment results

### Investments

The Risk assessment for the underlying investment holdings for the fund is undertaken by the Investment Manager in accordance with their ESG Screening Guidelines. See the Risk Assessment Methodology section above for further details of their approach. The Fund's underlying investments are in fixed income. The Fund's assets are primarily invested in a diversified portfolio of senior secured leveraged loans and other senior secured floating rate debt obligations. In addition to Senior Loans, the Fund can invest in bonds (including non-investment grade), collateralized debt loan obligations, credit default swap indices (CDX IG and CDX HY), total return swaps, exchange traded funds (ETFs), cash and cash equivalents.

The investments are considered to have a low inherent risk, in part because the primary geographic exposure of the assets held in the Fund from a business risk perspective is the United States, followed by Western Europe.

## Supply chain

The RE's FY24 risk assessment did not identify any high-risk suppliers. The RE's FY24 risk assessment identified that all of the suppliers in the Fund's direct supply chain are low and medium risk. This is because all suppliers are *professional service providers and/or diversified financial services organisations* who operate in Australia which is identified as a low-risk country location by the Perpetual Group's environmental, social and governance (ESG) data provider.

| Sector/Product  | Inherent Risk Profile   |
|---|---|
| Professional Services and<br>Diversified Financial Services | There is generally a low risk of modern slavery in the professional services and diversified financial services industries in Australia, due to the general absence of factors concerning workers that might be vulnerable to exploitation, and the nature of the work itself. There may be risks in the operations and supply chains of these businesses such as through their procurement of cleaning services and merchandising and other equipment for offices which may be linked to higher risks of modern slavery. |

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## Actions to address modern slavery risks

As a fund, addressing Modern Slavery risks is different to the approach that can be undertaken by a company which has direct oversight and control of its own operations. That is because the Fund itself owns no real property and has no employees and can have influence, but not direct control, over its investments.

As a fund within the Investment Manager's portfolio, the Fund is subject to the following modern slavery, and broader ESG, policies and controls:

PineBridge Investments LLC (ABN 83 262 385 409) ( "PBI LLC" ) makes this statement in respect of the financial year ended 30 June 2024 in accordance with section 13 of the Modern Slavery Act 2018 (Commonwealth of Australia) (the "Act" ). PBI LLC is the reporting entity under the Act. In this statement, "PBI LLC," "PineBridge," "we" and "our" refer to PBI LLC and the entities it owns and controls.

Please refer to the following link: <https://www.pinebridge.com/en-au/financial-adviser/modern-slavery-statement> for a copy of the statement.

### Due diligence

#### *Risk assessment*

The RE's annual risk assessment was conducted by the RE to assess the Fund's inherent modern slavery risks in its direct supply chain. It is also in addition to the Investment Manager's due diligence for portfolio investments, where they consider financial conditions and risk profiles in the evaluation of a company's ability to meet its obligations to creditors. ESG factors, including Human Rights, are included in this evaluation wherever relevant.

#### *Investments*

During the reporting period, the Investment Manager incorporated Human Rights considerations into its investment policies and processes. For example, the Investment Manager utilizes its proprietary ESG scoring methodology in multiple areas of the investment process. First, ESG risk analysis is an important aspect for the comprehensive analysis of an issuer's potential credit risks. Further, ESG scoring allows the Investment Manager to examine portfolio, business, and potential reputational risks of investing in issuers with high scores in any of the ESG dimensions or overall.

The Investment Manager ensures accountability for ESG factors, including Human Rights issues, within the investment process by requiring a risk assessment for potential investments before they can be approved and added to the portfolio, which includes the ESG risk analysis detailed in the Risk Assessment Methodology section above. During the approval process, ESG factors, including Human Rights, are discussed along with all elements of financial condition and risk profile in the evaluation of a company's ability to meet its obligations to creditors.

The Investment Manager also employs a framework for engagement with investee entities to 1) improve ESG disclosure, 2) drive positive change, mitigate risk, and encourage transparency, and 3) participate in long-term sustainable value creation. In addition, the engagement activities are centred on three common themes: Climate Change, Diversity & Inclusion, and Human Rights. However, the engagement process is undertaken on a holistic basis across the Investment Manager's AUM, and is not portfolio specific. At present, the main inhibitor to greater incorporation of ESG factors is the lack of data available within the investable universe permitted by the Fund's guidelines..

#### *Supply chain*

As the Responsible Entity for the Fund, Perpetual Trust Services Limited owns the relationships with the direct suppliers which are used by the Fund. As part of the Perpetual Group, the RE is subject to the same policies, due diligence, and remediation process to address modern slavery as the Perpetual Group. This includes adherence to Perpetual Group's Modern Slavery Framework, which sets out the programs, processes, and tools in place to ensure compliance with the Modern Slavery Act.

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Procurement processes including provisions focused on modern slavery within contractual terms with new suppliers to ensure our suppliers understand we require them to assess and manage modern slavery risk in their business.

New RE employees take part in the online modern slavery training module and employees have access to Perpetual Group's grievance mechanism.

### **Remediation**

As an RE, Perpetual Trust Services Limited may be linked to modern slavery through our business relationships with other entities via their own investments and supply chains, however, it is unlikely that the RE will directly cause or contribute to modern slavery.

Perpetual Group's remediation approach is outlined in the Group's Modern Slavery Framework, which the RE is subject to. Should an incident of modern slavery occur in a RE which we have 'caused or contributed' to, we would engage with the Investment Manager and act in accordance with our remediation principles.

The purpose of remediation is to ensure Perpetual Group takes reasonable steps to:

- Address the underlying root causes driving the modern slavery if possible;
- Prevent the modern slavery impact from re-occurring by collaborating, supporting remediation, and monitoring the implementation of remedial measures taken by another party; and
- Ensure compliance with national and international labour and human rights standards.

Perpetual Group's remediation process has been approved by the Executive Committee and has been captured in our Modern Slavery Framework. The process details specific steps that we will take if Perpetual Group has 'caused or contributed' to modern slavery.

Our approach to remediation is led by a set of guiding principles. These include ensuring that our actions are in the best interest of the suspected victim or victims and responding in a way that is appropriate to the circumstances of the situation.

The principles also articulate that we will take steps to prevent further harm to achieve the best possible outcome for the victim or victims and consider whether there is any action that Perpetual Group can take that may address the underlying structural factors that have contributed to the exploitation.

Our Modern Slavery Framework, including the remediation process, is available to our employees on our intranet.

### **Grievance mechanism**

Modern slavery is a form of reportable misconduct under Perpetual Group's Whistleblower Policy. Through this mechanism, employees in the Perpetual Group, including the RE, can report any concerns to a Whistleblower Protection Officer within Perpetual Group or anonymously through our third-party whistle-blower hotline. Training on how to access and report through this grievance mechanism are provided in our employee-wide modern slavery training program.

## Measuring the effectiveness of actions

Outlined below is the key progress made by the REon behalf of PineBridge Senior Floating Rate Income Fund in FY24 and the actions for FY25.

### FY24 progress:

- Mapped PineBridge Senior Floating Rate Income Fund supply chain to identify the different sectors our service providers are from.
- Conducted annual risk assessment to determine inherent modern slavery risks.
- Reviewed and updated our process for assessing and reporting on modern slavery in Funds.
- Conducted internal training on modern slavery with trust managers to support modern slavery risk management and reporting for Funds.
- Monitored emerging global trends in modern slavery and legislative developments in Australia following the review of the Modern Slavery Act (2018).

### Actions for FY25

- Monitor emerging global trends in modern slavery and include anything relevant for the FY25 risk assessment.

## Appendix

### Appendix 1: Australian Modern Slavery Act – Mandatory Reporting Criteria

The following table describes the location of each mandatory reporting criteria within the FY24 Modern Slavery Statement.

| Mandatory Reporting Criteria  | Location in Statement                             |
|---|---|
| Identify the reporting entity   | Reporting Entity, Page 1                          |
| Describe the reporting entity's structure, operations, and supply chains  | Structure, Operations and Supply Chain, Page 1-3  |
| Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls                                 | Modern Slavery Risks, Page 4-5                    |
| Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes | Actions to Address Modern Slavery Risks, Page 6-7 |
| Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks  | Measuring the Effectiveness of Actions, Page 8    |
| Describe the process of consultation and any entities the reporting entity owns or controls   | Consultation, Page 1                              |