

## PENGANA GLOBAL PRIVATE CREDIT TRUST

July

2024

**\$2.0014**

NAV  
PER UNIT <sup>1</sup>

**7%**

MINIMUM TARGET  
DISTRIBUTION YIELD



PENGANA  
CREDIT



Mercer

### Fund Information

**Responsible Entity:** Pengana Investment Management Limited

**Investment Manager:** Pengana Credit Pty Ltd

**Investment Consultant:** Mercer Consulting (Australia) Pty Ltd

**Investment Objective:** To generate strong risk adjusted returns with a high degree of capital protection and stable and consistent income over a rolling 3-year period.

### Research House Ratings:

Lonsec

SQM

### PCX Snapshot as at 31 July 2024

ASX Code: PCX

IPO Date: 21 June 2024

Issue Price: \$2.00

ASX Price: \$2.05

NAV / Unit: \$2.0014

Market Cap: \$160.65m

Distributions: Monthly

Unit Pricing: Weekly

### Platform availability:

✓ AMP North

✓ BT Panorama

✓ CFS Edge and Firstwrap

✓ Hub24

✓ Macquarie

✓ Mason Stevens

✓ Netwealth

✓ Praemium

## **PORTFOLIO ACTIVITY**

As at 31 July, the Trust is fully committed in line with its target allocation, with 82.5% of the committed capital already invested. The balance will be invested by the end of August.

The Trust will pay its first monthly distribution on 15 August from the returns received from our cash yielding managers.

## **GLOBAL PRIVATE CREDIT INVESTMENT ENVIRONMENT**

Economic and market sentiment in the US and Europe continues to be cautious. In the US, the question of whether the Fed has maintained rates too high for too long, based on the latest economic data, has caused significant volatility. In Europe, economic growth remains anaemic, however the ECB and other central banks remain cautious about near term easing until there is clarity that underlying inflation has been contained.

M&A, a key driver of activity for direct lenders, is starting to increase. As rates remain on hold, or start to ease, we expect there to be a commensurate rise in transaction volumes. For more opportunistic or growth-oriented managers, the opportunity set remains as favourable as it has been in decades, with a growing set of highly attractive opportunities.

In summary, the outlook remains favourable for our managers, underlying performance is solid and the opportunity set continues to grow. Our managers continue to be vigilant in their deployment of capital and to benefit from the scale and diversity of risk/reward options in global credit markets.

## **PORTFOLIO UPDATE**

Within this context, mid-market companies in our senior secured manager portfolios have proven to be resilient, experiencing revenue and EBITDA growth in the mid to high single digits and no deterioration in credit metrics. Cash yields at the manager level remain attractive, averaging 9.7% in the June quarter. At the same time, the credit opportunities-oriented strategies are performing strongly given the market volatility and favourable deal dynamics.

The benefits of these dynamics will emerge in our NAV over the remainder of the year as we start to receive the underlying portfolio distributions and valuations, which are lagged by 3-4 months in some strategies.

We are in active dialogue with our managers as Q2 reporting becomes available, with key topics being economic conditions and outlook, interest rate expectations and changes in the lending environment. More recently, increasing concerns regarding the fragility of the US economy have increased market volatility and raised concerns about credit quality. For our managers, watchlists and default rates have been stable, indicative of portfolio resilience and diversity.

As always, we thank you for your support of PCX.

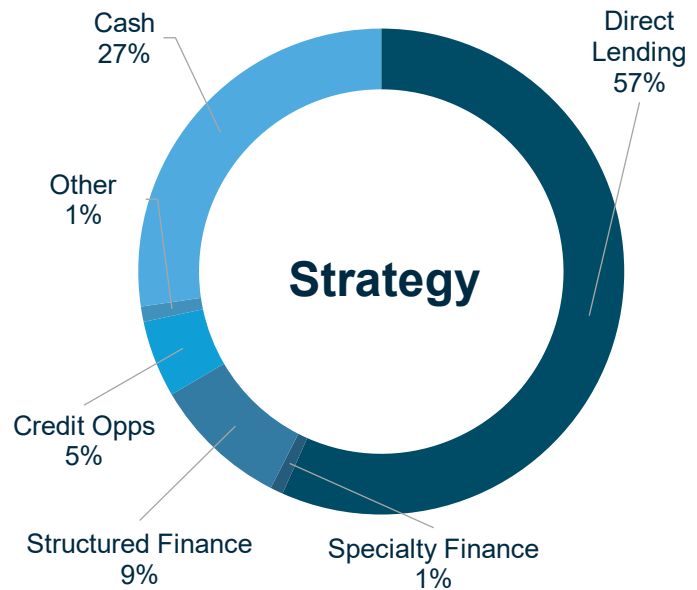
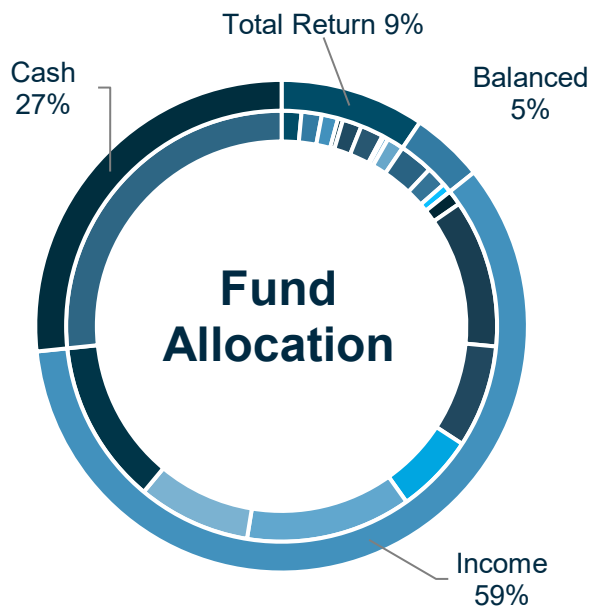


**Nehemiah Richardson**  
CEO Pengana Credit

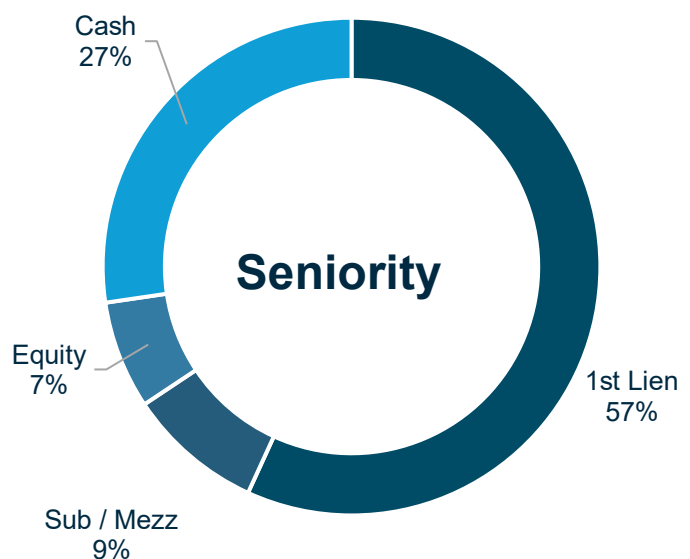
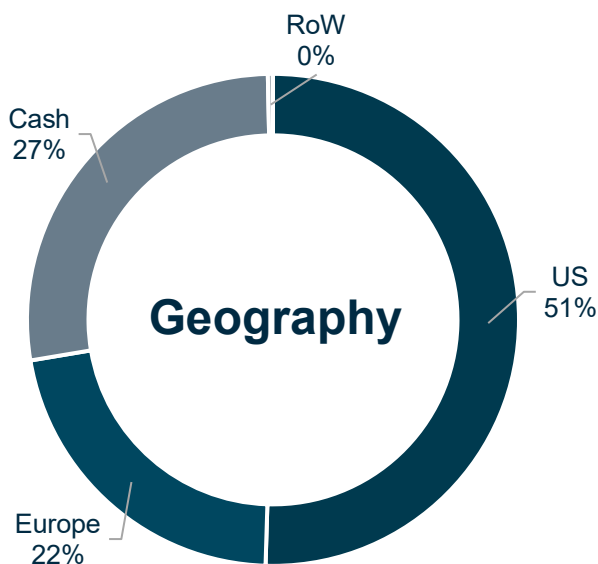


**Adam Rapeport**  
Portfolio Manager

## Portfolio Information<sup>3</sup>



- At 31 July, \$139.7m has been committed and \$115.1m has been deployed into the underlying fund managers, with the following allocations to fund types:
  - Income: \$92.7m (fully deployed across 7 managers)
  - Balanced: \$7.5m (\$32.0m committed across 4 managers)
  - Total Return: \$14.9m (fully deployed across 9 managers)
- By the end of August, the remaining \$24.5m commitment is expected to be deployed into two additional Balanced funds.
- At that time, the Trust will be fully deployed, with the following portfolio allocation percentages:
  - Income: 59%
  - Balanced: 20%
  - Total Return: 9%
  - Cash: 11%
- The Trust is well diversified and within stated seniority, geography and strategy guidelines. At full deployment, the Trust will be invested in 20 underlying funds.



1. The NAV is unaudited.
2. The minimum target distribution yield is an objective target only and may not be achieved. Any shortfall in net income generated may result in a distribution payment made out of capital invested. Future returns are not guaranteed and a loss of principal may occur. Investors should review the Risks summary set out in Section 8 of the PDS. The first distribution is expected to be paid with reference to the period ending on 31 July 2024, with July 2024 being the first full month following the Settlement Date. Past performance is not necessarily a guide to future performance.
3. Portfolio Information charts show the Trust's percentage ownership in the investments based on the latest available data provided by the underlying funds.

Pengana Investment Management Limited (ACN 063 081 612, AFSL 219462) ("Pengana") is the issuer of this document and units in PCX (ARSN 673 024 489). The offer of PCX units is made in the Product Disclosure Statement for PCX ("PDS"). The PDS and the Target Market Determinations for PCX can be obtained from [www.pengana.com](http://www.pengana.com). A person should consider the PDS in deciding whether to acquire, or to continue to hold, units in PCX.

There are no guarantees that an active trading market with sufficient liquidity will develop or that such a secondary market will sustain a price representative of the NAV per unit. In circumstances where units are suspended from the ASX, unitholders may not be able to sell their units via the ASX until trading recommences.

The information provided in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision in respect of PCX, you should consider the PDS and assess whether PCX is appropriate given your objectives, financial situation or needs. None of Pengana, Mercer Consulting (Australia) Pty Ltd, nor any of their related entities, directors, partners or officers guarantees the performance of, or the repayment of capital, or income invested in PCX. An investment in PCX is subject to investment risk including a possible loss of income and principal invested. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

Lonsec ratings issued 05/07/2024 are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.

SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. Information contained in this document attributable to SQM Research must not be used to make an investment decision. The SQM Research rating is valid at the time the report was issued, however it may change at any time. While the information contained in the rating is believed to be reliable, its completeness and accuracy is not guaranteed. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

Mercer Consulting (Australia) Pty Limited ABN 55 153 168 140 AFSL 411770 ('MCAPL'). MCAPL is a wholly owned subsidiary of Mercer (Australia) Pty Ltd ABN 32 005 315 917 ('Mercer Australia'). MCAPL and Mercer Australia collectively referred to here as 'Mercer'. References to Mercer shall be construed to include Mercer LLC and/or its associated companies. 'MERCER' is a registered trademark of Mercer Australia

**Authorised by: Paula Ferraio, Company Secretary**

**PENGANA INVESTMENT MANAGEMENT LIMITED**  
ABN 69 063 081 612  
AFSL 219462

[PENGANA.COM](http://PENGANA.COM)

**FOLLOW US**



**CLIENT SERVICE**

**T: +61 2 8524 9900**

**E: [clientservice@pengana.com](mailto:clientservice@pengana.com)**

**Sender of the Email Is PENGANA**

**© Copyright 2024 PENGANA. All rights reserved.**

**Please remove the 2 below links before forwarding this email to anyone.**

**Pengana Capital Group, Suite 1, Level 27, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW**

**2000**