MONTHLY REPORT
MAY 2025

PENGANA GLOBAL PRIVATE CREDIT TRUST

DESCRIPTION

PCX offers access to typically institutional-only global private credit markets, diversified across strategies, sectors and geographies. It targets strong risk-adjusted returns with capital protection and consistent monthly income. Listed on the ASX, it provides the opportunity for daily liquidity and quarterly off-market redemptions at NAV. With exposure to over 2,000 loans through over 20 underlying funds, PCX is delivered in association with Mercer's institutional expertise in fund sourcing and manager due diligence. It aims to offer resilience through structured loans with strong protections, enhancing predictability and low volatility, and is fully hedged to the Australian dollar.

UNIT PRICE (ASX)	NAV PER UNIT[1]	NAV[1]	MINIMUM TARGET CASH[2] DISTRIBUTION YIELD
$2.00 31/05/2025	$2.00 31/05/2025	$164.65M 31/05/2025	7% p.a. 31/05/2025

Investment Manager

Investment Consultant

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.

Investment Strategy: globally diversified exposure to 20+ specialist private credit funds

RESEARCH HOUSE RATINGS

Lonsec	Investment Grade*
SQM Research	Favourable**

PLATFORM AVAILABILITY

√ AMP North √ BT Panorama √ CFS Edge and Firstwrap
√ Hub24 √ Macquarie √ Mason Stevens √ Netwealth
√ Praemium

STRATEGY

Direct Lending	66%
Structured Credit	13%
Specialty Finance	3%
Credit Opportunities	15%
Other	1%
Cash	2%

SENIORITY

1st Lien	74%
Subordinated	15%
Equity	9%
Cash	2%

GEOGRAPHY

US	59%
Europe	38%
Rest of the World	1%
Cash	2%

FUND ALLOCATION[3]

Income Class	62%
Balanced Class	17%
Total Return Class	19%
Cash	2%

MAY REPORT

COMMENTARY

- Global private credit remains an attractive, defensive investment alternative in today's uncertain economic and geopolitical environment
- Dislocated markets are creating attractive opportunities across all strategies
- Direct lenders are reporting stable asset quality
- The Total Return portfolio is well seasoned, giving high visibility into ongoing return potential

Diversifying Defensiveness: Global Private Credit Amid Policy Whiplash

The second quarter of 2025 has been defined by sharp shifts in global macro conditions. While the markets have now partially recovered from volatility sparked by the Trump administration's "Liberation Day" tariff regime, policy uncertainty persists. A 90-day pause on the most aggressive tariff measures has provided brief relief, and for now, the US appears to have avoided a worst case scenario of stagflation. However, the broader implications for global trade, inflation, and corporate confidence will unfold over the rest of the year.

Meanwhile, the US fiscal outlook has worsened. Moody's downgraded the US sovereign rating, and the Congressional Budget Office now projects a significant deficit increase from new tax proposals. Treasury yields have climbed to multi-year highs, tightening financial conditions and raising capital costs globally.

In Europe, macro conditions are similarly clouded. The US's minimum 10% tariffs on a broad range of European goods are expected to remain, weighing on exports and investments. While inflation is declining and German fiscal stimulus from 2026 may support domestic demand, corporate sentiment remains cautious.

Across both regions, the common threads are clear: elevated policy risk, tighter financial conditions, and selective corporate investment. Geopolitical instability in the Middle East adds further risk.

These dynamics underscore the appeal of global private credit (GPC) – a source of stable, contractual income in a world of shifting capital flows and rising uncertainty.

Why Global Private Credit Matters Now

In a world of policy whiplash and macro uncertainty, GPC continues to stand out as a compelling anchor for diversified portfolios. PCX is designed to harness the structural strengths of GPC: attractive floating rate income, senior secured positions, strong collateral protections, and the flexibility to provide bespoke capital solutions. These are delivered through a carefully curated portfolio of institutional-grade managers.

Our goal isn't to time markets or chase yield, but to build a resilient, income-generating portfolio diversified across geographies, strategies, and sectors. This diversification is not just a feature – it is a core risk mitigation tool. By allocating across over 20 underlying funds and more than 2,000 loans in the US and Europe, PCX reduces concentration risk and enhances predictability, even in volatile conditions.

Key attributes of the PCX portfolio include:

1. **Structural Defensiveness:** High allocation to senior secured, floating rate loans made to defensive, non-

cyclical companies offering protection against both rising rates and credit deterioration;

2. **Diversification by Design:** Exposure spans Direct Lending, Structured Finance, and Credit Opportunities across the US and Europe. Managers pivot dynamically to resilient sectors while avoiding cyclical/tariff-sensitive areas; and

3. **Income with Capital Protection:** Monthly income with a high degree of capital preservation, supported by selective underwriting in sectors like business services, infrastructure, and mission-critical software, and asset-backed finance.

Manager selection and flexible portfolio construction enable us to deliver income and capital preservation outcomes to PCX investors.

Within this context, we are pleased with the underlying performance of our portfolio as follows:

Income – Consistent Income, Stable Asset Quality

Our Income managers continue to perform well:

- They are selectively originating attractive opportunities despite a subdued M&A environment. A testament to their scale and differentiated sourcing;
- Portfolio yields remain attractive, and
- Asset quality is stable. Indicators show no deterioration, and underlying borrower health is improving with revenue and EBITDA growth.

The following recent case study is indicative of the type of loan our Income managers seek to originate in this environment: defensive companies with strong market positions at attractive economics with structural protections.

Income Case Study

- **Company:** Market-leading provider of care and education for children with complex needs, funded by protected government budgets
- **Structure:** Senior secured loan, 40% loan to value ratio, 5-year term, 11.5% yield
- **Why Attractive:** stable government-backed income, strong margins, non-cyclical sector, leading market position

Balanced – Steady Yield with Selective Opportunistic Deployment

Our Balanced managers remain cautious but are uncovering strong risk-adjusted opportunities. All managers are now paying minimum monthly or quarterly yields to the Trust, marking the end of ramp-up periods, a driver of sustainable distributions. Performance remains in line with our expectations:

- Dislocated markets are creating opportunities across all strategies, and
- Conservative underwriting continues; asset quality is meeting expectations

The following recent investment is indicative of the types of opportunities our managers are seeking to originate in this environment:

Balanced Case Study

- **Company:** Market leading capital equipment provider to the communications sector, selling to large telecommunications providers. Faced refinancing pressure post-COVID demand spike
- **Structure:** Senior secured loan at 65% loan to value ratio. 15% target IRR

- **Why Attractive:** Deep manager knowledge enabled a low-risk entry, full repayment post-recap, and reinvestment at favourable terms.

Total Return – Seasoned Portfolio Generating Strong IRRs

Volatility continues to unlock Credit Opportunities, especially for companies needing liquidity or recapitalisation. Three trends are driving this:

1. Dislocation enabling distressed managers to secure senior positions pre-restructuring;
2. Banks offloading risk to create capacity and shore up capital ratios; and
3. Healthy businesses needing flexible capital to continue to grow.

Our Total Return portfolio, launched in June 2022, is now well-seasoned, providing high visibility into portfolio return potential. Performance remains strong.

The following recent investment is indicative of the types of opportunities our managers are seeking to originate in this environment:

Total Return Case Study

- **Company:** Large bank seeking to create additional balance sheet capacity to grow its lending franchise in digital infrastructure and maintain its market-leading position. Rapid growth to date meant it would soon reach its regulatory portfolio concentration limit, so the bank needed to find a way to create additional capacity
- **Structure:** Our manager purchased a subset of the total portfolio, selecting only the highest quality names, with the bank retaining an interest in all counterparties for alignment purposes. The manager purchased the assets at a discount to par and had a secured claim on the underlying loan assets. The discounted value and claim on assets provide very attractive capital protection
- **Why Attractive:** Defensive exposure to mission-critical digital infrastructure assets, strong alignment, ~17% IRR over three years. The manager's business scale and deep knowledge of the vertical enabled it to unlock the opportunity

Outlook

Our managers continue to originate attractive risk-adjusted opportunities across all strategies. We expect to continue to see a bifurcated opportunity set:

- On one hand, policy-driven uncertainty is pressuring growth and confidence. This calls for caution, selectivity, and a focus on downside protection.
- On the other hand, dislocation and volatility will unlock compelling opportunities for flexible capital providers.

Our portfolio remains stable and dynamic. The manager pipeline is robust, and our focus on disciplined manager selection, diversification, and flexibility positions us well for the road ahead.

In a world where headlines and policy by press release shift faster than fundamentals, GPC offers relative stability. Our strategy is not about chasing yield or timing markets; it is about building a resilient, income-generating portfolio that can weather uncertainty and capitalise on dislocation. GPC is not just a good place to be; it is the right place to be to diversify defensiveness.

Portfolio Update

The Trust's underlying funds continue to perform well with no signs of credit stress or deterioration in credit quality.

During May, we received the majority of the Q1'25 fund valuations from our underlying managers. Although returns for the March quarter were modestly impacted by recent market volatility, the impact has been limited and appears to be temporary. While the vast majority of underlying assets are private and unlisted, our managers will reference public market comparables as part of their valuation process, which may result in marginal adjustments where relevant. Additionally, some Total Return managers may purchase discounted, senior secured traded credit as a precursor to executing a restructuring process. As a result, volatility in listed markets can have a muted and temporary impact on the value of these strategies until those positions are fully realised.

The Trust continues to pay its target monthly distributions, and the NAV of the Trust has remained stable through turbulent markets, with the net return in May being 0.74%. As markets stabilise and our underlying funds continue to mature, we expect the Trust's NAV to trend upwards over the coming months.

The growing maturity of our portfolio has significantly improved visibility on return generation. Over the past year, we have developed a robust track record of the return profile and reporting timelines of our underlying funds. This enhanced transparency allows us to better align pricing with actual portfolio performance and implement structural improvements that benefit all investors.

From June 2025, the underlying assets of the fund will publish a redemption price that includes an adjustment for current period earnings not yet incorporated in underlying manager valuations. This change will reduce the lag inherent in capital deployment and valuation cycles and better align the recognition of realised performance with the timing of NAV reporting. The Responsible Entity has updated the Valuation Policy for PCX to accommodate this change. The updated policy can be found by following this link.

At 31 May, the Trust has maintained its target allocation mix, with the following allocations to fund types:

- Income: $107.6m invested across 7 managers
- Balanced: $28.6m invested across 4 managers
- Total Return: $33.4m invested across 10 managers

The Trust is well diversified and within stated seniority, geography, and strategy guidelines.

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

PCX Snapshot (as at 31/05/2025)	
ASX CODE	PCX
IPO ISSUE DATE	21 June 2024
IPO ISSUE PRICE	A$2.00
UNIT PRICE (ASX)	A$2.00
NAV PER UNIT[1]	A$2.00
NAV[1]	A$164.65M
MARKET CAP	A$163.94M
DISTRIBUTIONS	Monthly
NAV PRICING	Monthly

FUND MANAGERS

Nehemiah Richardson
Managing Director and CEO - Pengana Credit

Adam Rapeport
Portfolio Manager - Pengana Credit

Nick Griffiths
Chief Investment Officer - Pengana Capital Group

Scott Wilkinson
Head of Private Markets APAC - Mercer

1. The NAV is unaudited.

2. The target cash 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 set out in Section 8 of the latest PDS.

3. The 'Cash' reference is to the Trust's direct and indirect investment exposure to cash and other liquid assets and the other labels are references are to the Trust's investment exposure to Master Classes as explained in the latest PDS available on this website (excluding the investment exposure of the Trust to 'Cash' that is held via these Master Classes).

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.

***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 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.

None of Pengana Global Private Credit Trust ("PCX"), Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219 462) ("Responsible Entity"), Pengana Credit Pty Ltd, nor any of their related entities guarantees the repayment of capital or any particular rate of return from PCX. Past performance is not a reliable indicator of future performance, the value of investments can go up and down. This document has been prepared by the Responsible Entity and does not take into account a reader's investment objectives, particular needs or financial situation. It is general information only and should not be considered investment advice and should not be relied on as an investment recommendation.

Pengana Investment Management Limited (Pengana) (ABN 69 063 081 612, AFSL 219 462) is the issuer of units in the Pengana Global Private Credit Trust (ARSN 673 024 489) (the "Trust"). Before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. None of Pengana, Pengana Credit Pty Ltd, or their related entities, directors, partners or officers guarantees the performance of, or the repayment of capital, or income invested in the Trust. An investment in the Trust is subject to investment risk including a possible delay in repayment and loss of income and principal invested.

PENGANA GLOBAL PRIVATE CREDIT TRUST

Pengana Investment Management Limited

ABN 69 063 081 612

AFSL 219462

CLIENT SERVICE

T: +61 2 8524 9900

F: +61 2 8524 9901

E: clientservice@pengana.com

PENGANA.COM

PENGANA
CAPITAL GROUP