

## PENGANA GLOBAL PRIVATE CREDIT TRUST



**\$2.00**

NAV PER  
UNIT<sup>2</sup>

**7%**

MINIMUM TARGET  
DISTRIBUTION YIELD (P.A.)<sup>3</sup>

### 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

### Platform availability:

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

### PCX Snapshot

as at 31 December 2024

ASX Code: PCX

IPO Date: 21 June 2024

Issue Price: \$2.00

ASX Price: \$2.04

NAV / Unit: \$2.00

Market Cap: \$170.89m

Distributions: Monthly

NAV Pricing: Monthly

We hope you are enjoying a relaxing summer holiday period and are well positioned for a great 2025!

## PORTFOLIO UPDATE

Attractive yields with structural protections | Asset quality remains strong | Compelling opportunities

### **The Trust's performance at an underlying fund level remains at or above our return expectations, and the outlook attractive.**

The macro environment for US and European private credit remains compelling across all strategies. Investor capital continues to flow into credit strategies, particularly Direct Lending, given the attractive all-in yields, low volatility, and capital preservation characteristics.

In Direct Lending, while the market overall remains attractive, the competitive dynamics vary by segment. As larger Direct Lending managers continue to grow their funds under management, they are increasingly needing to search for larger scale lending opportunities to deploy their capital efficiently, and so have been shifting their focus to the upper middle market where the lending opportunities are larger in size. Companies in the upper middle market have more financing options, including access to the broadly syndicated loan (BSL) market which has seen a significant increase in investor demand as central banks have shifted to an easing bias. This increased investor demand has led to a contraction of spreads in the BSL market, and a similar contraction in Direct Lending spreads in the upper middle market segment. In the core middle market, spreads remain attractive as do risk protections as borrowers do not have the BSL market options available to them. Our Direct Lending portfolio is well positioned within this market context given our focus on investing in managers who have differentiated origination and portfolio management capabilities and a primary focus on the core middle market.

The opportunity set for our Structured Credit managers, i.e., those focused on asset backed funding opportunities, continues to grow as banks continue to change the structure of their balance sheets to accommodate increasing regulatory capital requirements and non-bank borrowers seek to improve their capital efficiency by accessing the structured financing capabilities of our managers.

The opportunity for our Credit Opportunities managers remains attractive, particularly in a higher for longer interest rate environment.

Asset quality across the Trust's portfolio is strong. Leading indicators of credit stress continue to be benign, and borrower revenue and EBITDA across the portfolio is improving. However, as always, our managers remain disciplined in their underwriting approach given the potential for interest rates to remain at elevated levels going forward.

Overall, we believe the global private credit asset class remains a very attractive investment proposition that can add resilience and diversification to any investment portfolio. Our conviction is underpinned by the robust risk adjusted returns and strong asset quality we continue to experience from our investments in underlying managers.

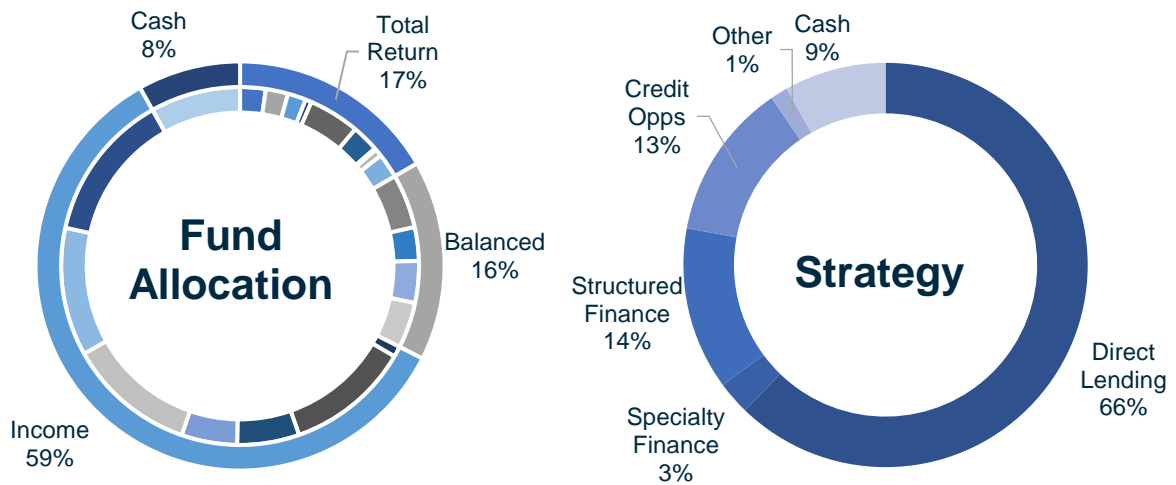
## NAV PERFORMANCE

The Trust's underlying funds continue to perform at or above their return targets which more than covers the distribution yield of 0.58% which was paid this month.

During December, the Trust received several fund valuations from our Total Return managers. These valuations continue to demonstrate strong returns that, over time, should grow the NAV of the Trust.

As we have noted previously, timing mismatches exist whereby distributions are paid monthly while underlying fund valuations are received less regularly. These timing mismatches may result in a limited amount of NAV volatility each month. These mismatches will not impact total Trust returns as all underlying fund returns will ultimately be recognised.

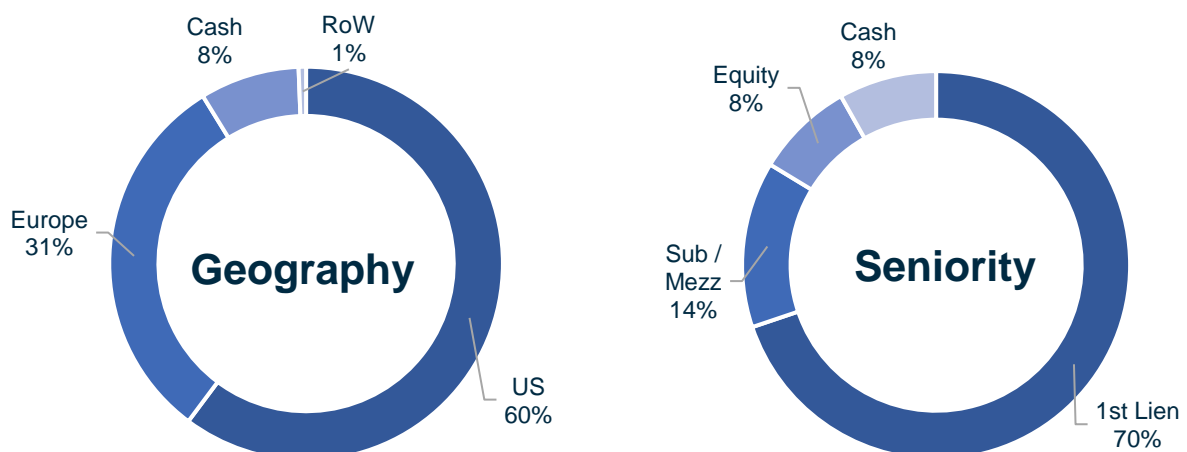
## PORTFOLIO INFORMATION<sup>4</sup>



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

- Income: \$106.4m invested across 7 managers
- Balanced: \$28.4m invested across 4 managers
- Total Return: \$29.8m invested across 9 managers

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



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



**Nehemiah Richardson**  
CEO Pengana Credit



**Adam Rapeport**  
Portfolio Manager

1. The Responsible Entity will make an off-market buy-back offer each calendar quarter to buy-back up to 5% of the PCX issued capital each calendar quarter. The Responsible Entity will only be able to continue to buy-back 5% of the capital each calendar quarter where it would exceed the 10/12 Limit (10% of the smallest number of units that are on issue at any time during the previous 12 months) if the Responsible Entity has obtained approval by ordinary resolution of unitholders prior to effecting the buy-back. It is the Responsible Entity's intention to seek unitholder approval when required so that it can continue to buy-back 5% of the issued capital each quarter. If the Responsible Entity receives acceptances for more units than 5% of the issued capital of PCX for any quarterly buy-back offer, the number of each acceptor's units will be subject to a proportional scale-back.
2. The NAV is unaudited. The NAV is net of distributions paid since inception on 21 June 2024 to the date of this announcement.
3. 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 from 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. Past performance is not necessarily a guide to future performance.
4. 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). 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 access whether PCX is appropriate give your objective, 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.

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Authorised by: Paula Ferrao, Company Secretary

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