

## PENGANA GLOBAL PRIVATE CREDIT TRUST



**\$2.00**

NAV PER UNIT<sup>1</sup>

**7%**

MINIMUM TARGET DISTRIBUTION YIELD (P.A.)<sup>2</sup>

**4.64c**

TOTAL DISTRIBUTIONS PAID PER UNIT<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 29 November 2024

ASX Code: PCX

IPO Date: 21 June 2024

Issue Price: \$2.00

ASX Price: \$2.02

NAV / Unit: \$2.00

Market Cap: \$170.18m

Distributions: Monthly

NAV Pricing: Monthly

# PORTFOLIO UPDATE

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

## **The performance of the Trust at an underlying fund level remains at or above target.**

1. The US and European Direct Lending markets are attractive for investors. The differentiated origination capabilities and scale of our managers enables them to originate high quality loans in the core mid-market at attractive margins with strong risk protections. Overall financing enquiries have increased over the last quarter as the Fed has lowered rates and with the completion of the US election. Managers are expecting this to continue into 2025, increasing the opportunity set and supporting attractive pricing and terms;
2. Asset quality is strong. Leading indicators of credit stress are benign, and borrower revenue and EBITDA across the portfolio is improving;
3. Our structured credit managers are originating attractive opportunities as regulatory capital requirements constrain bank activities; and
4. The opportunity for our Credit Opportunities managers is attractive as companies that borrowed money prior to the interest rate rises of 2022 struggle to service their debt, and so require capital and liquidity solutions.

## NAV PERFORMANCE

As discussed above, the Trust's underlying funds are performing at or above their return targets which more than covers the distribution yield of 0.58% which was paid this month.

### **The Trust's NAV increase reflects the strong underlying performance of the portfolio.**

Through the month of November, the Trust received fund valuations that reflect strong, above target performances from many of our Balanced and Total Return managers. 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. As the Trust's investments since listing continue to mature, the timing mismatches will normalise.

## FUND IN FOCUS AND PORTFOLIO CASE STUDY

This month we showcase our investment in Audax Private Debt. Audax, based in New York, is a leading debt capital partner for North American middle market companies. Since its inception in 2000, the firm has invested more than \$38 billion in support of over 280 private equity sponsors. Audax works collaboratively to build tailored financing solutions for its clients through a comprehensive range of offerings that includes financing solutions across the capital structure.

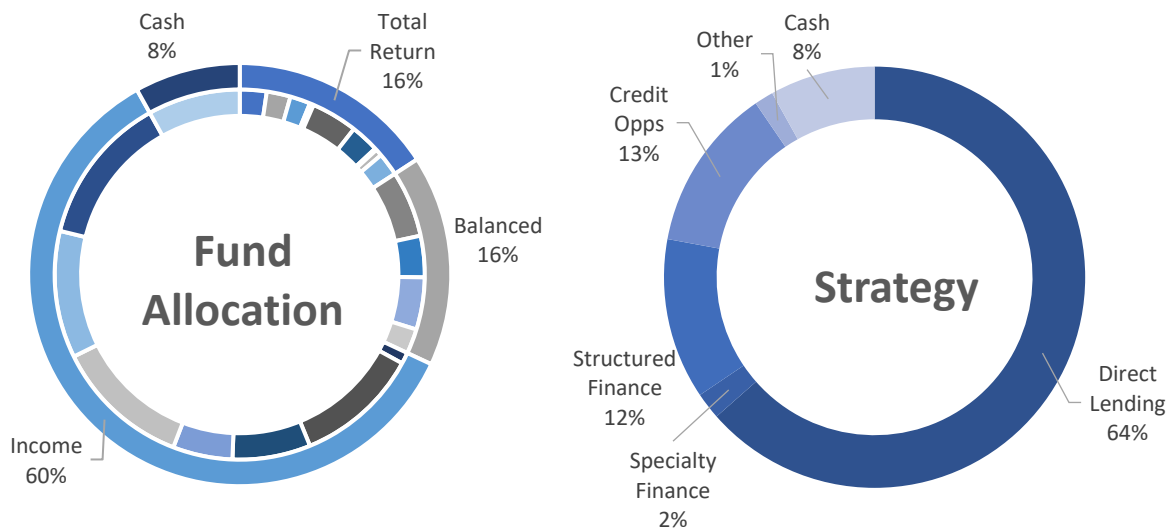
The Audax Senior Debt fund is focused on senior secured investments in market leading mid-market companies in defensive industries. A recent transaction example is as follows:

## Audax Senior Debt Case Study - Business Services Company<sup>4</sup>

### Transaction Overview

- Transaction was originated by Audax through multiple bidders in a contested M&A process with the winning bidder appointing Audax as financing provider given its strong historical relationship and reliability.
- The term loan was provided at an attractive floating rate spread and fees with an all-in yield of ~10.6%. The seven-year loan is conservatively structured with a loan-to-value ratio of 32% and covenant protections.
- The Company has attractive growth options and credit characteristics
  - Founded in 1952, the company is a provider of tax, assurance/audit, advisory, and wealth management services across more than 20 offices in the US
  - The Company's revenue streams are highly diversified by client (top client <1% of revenue) and partner (top partner <3% of revenue) with focus on recurring services such as tax (59% of revenue) and audit/assurance (24% of revenue). Combined with 90%+ gross retention rates, wallet share growth, and new account wins, the stickiness of the Company's revenue base has helped drive a sales CAGR of 42% since 2019;
  - The Company benefits from cost efficiencies, with gross margins of over 50% supported by a highly variable cost structure and minimal capex requirements.

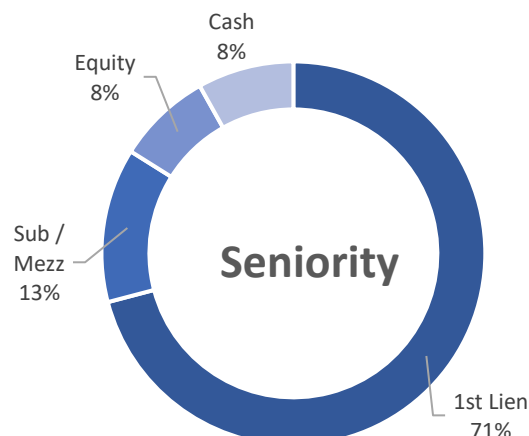
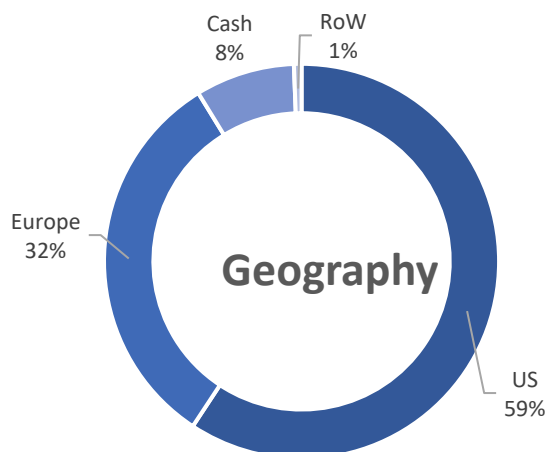
## PORTFOLIO INFORMATION<sup>5</sup>



**At 29 November, the Trust has maintained its target allocation mix, with the following allocations to fund types:**

- Income: \$101.2m invested across 7 managers
- Balanced: \$27.2m invested across 4 managers
- Total Return: \$26.7m invested across 9 managers

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



We wish you all the best for a safe and happy festive season.

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



**Nehemiah Richardson**  
CEO Pengana Credit



**Adam Rapeport**  
Portfolio Manager

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 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.
3. The NAV is net of distributions of 4.64 cents per unit paid since inception on 21 June 2024 to the date of this announcement.
4. As of 20 June 2024. Confidential and proprietary; subject to terms of the relevant vehicle's confidentiality provisions, correspondence that accompanies this request and documentation previously provided. Data provided at the request of Pengana. For illustration purposes only; unaudited.
5. Portfolio Information charts show the Trust's percentage ownership in the investments based on the latest available data provided by the underlying funds.

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

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