

Monthly Factsheet

31 August 2023

Fund Managers - Invesco Private Credit

Scott Baskind
Head of Senior Secured Bank Loans

Kevin Egan
Senior Portfolio Manager

Fund facts at a glance

Asset class
Senior secured loans

Objective¹
The Fund aims to provide a high level of stable monthly income, preserve capital and achieve a gross return of cash plus 4% p.a. over rolling three year periods.

Management style
Core, active management combining bottom-up credit selection with top-down macro risk positioning, tied to broader economic trends.

The Fund provides floating rate protection in a rising rate environment.

Benchmark²
Bloomberg AusBond Bank Bill Index

Risk profile
Medium

Time horizon
3 years

Distribution frequency
Monthly

Inception date³
31/12/90

Minimum investment
\$20,000

MER/ICR
0.75%

Buy/Sell Spread
0.10%/0.10%

APIR code
CNA0805AU

Fund performance analysis in AUD (periods to 31 August 2023)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	1.07	0.37	0.70
3 months	3.69	1.04	2.65
6 months	4.40	1.94	2.46
1 year	6.48	3.37	3.11
2 years p.a.	2.51	1.86	0.65
3 years p.a.	5.53	1.25	4.28
5 years p.a.	3.04	1.24	1.80
7 years p.a.	3.71	1.40	2.31
10 years p.a.	3.77		
Calendar year to date	7.23	2.45	4.78
Financial year to date	2.03	0.74	1.29
Since inception p.a.	5.34		

The Fund returns are shown after ongoing fees and assumes reinvestment of income. Past returns are not a reliable indicator of future returns. Future returns may be affected by a range of factors including economic and market influences.

Net distribution growth splits			
Periods	Distribution %	Growth %	Total %
3 months	2.90	0.79	3.69
6 months	5.14	-0.74	4.40
1 year	9.20	-2.72	6.48
2 years p.a.	6.53	-4.02	2.51
3 years p.a.	5.99	-0.46	5.53
5 years p.a.	5.49	-2.45	3.04
7 years p.a.	5.12	-1.41	3.71
10 years p.a.	4.90	-1.13	3.77

Portfolio statistics	
Current yield	10.20%
Yield to maturity	12.50%
Market price	\$89.99
Effective duration	0.40

Assets under management	
	A\$m
Fund AUM:	73.74
Strategy AUM:	5,990.15

Fund analysis (as at 31 August 2023)
Asset breakdown

Asset	Fund %
Senior Loans	80.76
High yield bonds	9.94
Equities	6.85
Cash and outstanding settlements	2.07
Structured Products (CLOs)	0.39

Regional allocation

Region	Fund %
USA	78.82
Europe	17.40
Other	3.78

Top 10 industries

Industry	Fund %
Service	12.66
Information Technology	8.98
Gaming/Leisure	8.93
Chemicals	6.54
Manufacturing	6.53
Transportation	6.23
Aerospace	5.21
Financial	5.10
Retail	4.92
Energy	4.34

Top 10 holdings

Holdings	Fund %
QuarterNorth Energy, Inc (fka Fieldwood Energy)	2.15
Sigma Bidco	1.55
Virgin Media O2 - LG	1.27
Crown Finance US, Inc.	1.26
Carnival Corp.	1.24
Monitronics International, Inc.	1.21
Robertshaw US Holding Corp.	1.16
Douglas (Kirk Beauty GmbH)	1.09
V Global Holdings LLC (aka Vertellus)	1.09
NewLife Forest Restoration, LLC	0.97

Market review

Loans continued moving higher in August, gaining 1.15% during the month and bringing year-to-date total returns to 8.95%. Loan prices rose to their highest levels since May 2022 amid constructive macro data and earnings reporting. Prices advanced 0.34% during the month, again led by the lower end of the credit ratings spectrum. Coupon income added another 0.81% to August's total return. With the Federal Reserve's (Fed) policy guidance signalling elevated base rates at least through 2024, today's high carry environment is poised to remain intact.

During August, loans outperformed high yield and investment grade, which returned 0.28% and -0.77%, respectively, and year-to-date are also outpacing the 7.22% and 2.87% returns for high yield and investment grade bonds respectively. The average price in the loan market rose 40 basis points (bps) to 94.54.3. At their current average price, senior secured loans are providing a 9.93% yield inclusive of the forward curve.

All data in USD. Source: Credit Suisse Leveraged Loan Index, Bloomberg and JP Morgan.

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Notes

- ¹ Invesco does not guarantee that the Fund will achieve its objective.
 - ² The Fund is managed on a benchmark-unaware basis.
 - ³ The Fund originally commenced on 31/12/90. The Fund benchmark and strategy changed on 14/8/14. The Underlying Strategy commenced on 11/8/06.
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Important Information

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