

## Monthly Factsheet

31 October 2022

<b>Fund Managers - Invesco Private Credit</b>
<b>Scott Baskind</b> Head of Senior Secured Bank Loans
<b>Kevin Egan</b> Senior Portfolio Manager
<b>Fund facts at a glance</b>
<b>Asset class</b> Senior secured loans
<b>Objective<sup>1</sup></b> 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.
<b>Management style</b> 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.
<b>Benchmark<sup>2</sup></b> From 14/8/14 = Invesco Wholesale Senior Secured Income Fund was managed against the Bloomberg AusBond Bank Bill Index.
<b>Risk profile</b> Medium
<b>Time horizon</b> 3 years
<b>Distribution frequency</b> Monthly
<b>Inception date<sup>3</sup></b> 31/12/90
<b>Strategy inception date<sup>4</sup></b> 31/08/06
<b>Minimum investment</b> \$20,000
<b>MER/ICR</b> 0.75%
<b>Buy/Sell Spread</b> 0.10%/0.10%
<b>APIR code</b> CNA0805AU

### Fund performance analysis in AUD (periods to 31 October 2022)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	1.12	0.24	0.88
3 months	0.17	0.54	-0.37
6 months	-3.94	0.75	-4.69
1 year	-3.69	0.76	-4.45
2 years p.a.	3.98	0.39	3.59
3 years p.a.	1.95	0.43	1.52
5 years p.a.	2.18	0.97	1.21
7 years p.a.	3.50	1.25	2.25
10 years p.a.	3.21		
Calendar year to date	-4.07	0.75	-4.82
Financial year to date	1.08	0.67	0.41
Since inception p.a.	5.22		

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.

The Invesco Wholesale Senior Secured Income Fund changed its strategy on 14th August 2014. Previously, the Fund was a diversified defensive portfolio with a capital protection strategy. The current Fund strategy aims to provide a regular monthly income by investing in senior secured loan securities.

### Senior Secured Loans Strategy performance analysis in USD (periods to 31 October 2022)

Gross performance			
Periods	Strategy %	Benchmark %	Value added %
1 month	0.72	0.85	-0.13
3 months	0.65	0.18	0.47
6 months	-3.18	-2.56	-0.62
1 year	-2.59	-2.03	-0.56
2 years p.a.	5.02	3.11	1.91
3 years p.a.	3.26	2.57	0.69
5 years p.a.	3.46	3.04	0.42
7 years p.a.	4.32	3.81	0.51
10 years p.a.	4.14	3.75	0.39
Calendar year to date	-3.14	-2.49	-0.65
Financial year to date	2.17	2.05	0.12
Since inception p.a.	4.81	4.01	0.80

Returns can go up and down. 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.

The Senior Secured Loans Strategy returns shown in the table above is for representation purposes only and shows annualised gross performance in USD since Strategy inception (31/8/06) versus its stated benchmark (Credit Suisse Leveraged Loan Index in USD).

**Fund analysis (as at 31 October 2022)**

<b>Assets under management</b>	
	<b>A\$m</b>
Fund AUM:	32.04
Strategy AUM:	6,965.38

<b>Asset breakdown</b>	
<b>Asset</b>	<b>Fund %</b>
Senior Loans	80.71
High yield bonds	8.23
Equities	5.79
Cash and outstanding settlements	4.84
Structured Products (CLOs)	0.43

**Fund income history in AUD**

<b>Year ended</b>	<b>Distribution %</b>	<b>Distribution CPU</b>	<b>Unit price \$</b>
31/12/2014	4.39	5.3330	1.1959
31/12/2015	4.83	5.8717	1.1463
31/12/2016	5.59	6.0301	1.2174
31/12/2017	3.82	4.5549	1.2217
31/12/2018	4.14	5.1710	1.1698
31/12/2019	5.36	6.1457	1.1859
31/12/2020	4.65	5.2140	1.1368
31/12/2021	4.30	4.7443	1.1775
<b>Month ended</b>			
31/01/2022	0.29	0.3415	1.1787
28/02/2022	0.33	0.3901	1.1697
31/03/2022	0.26	0.3061	1.1663
30/04/2022	0.33	0.3847	1.1617
31/05/2022	0.34	0.4054	1.1243
30/06/2022	0.37	0.4280	1.0960
31/07/2022	0.52	0.5559	1.1003
31/08/2022	0.50	0.5414	1.1136
30/09/2022	0.53	0.6024	1.0788
31/10/2022	0.62	0.6643	1.0842

<b>Portfolio statistics</b>	
Current yield	8.35%
Yield to maturity	11.41%
Market price	\$87.05
Effective duration	0.41

<b>Top 10 holdings</b>	
<b>Holdings</b>	<b>Fund %</b>
Crown Finance US, Inc.	2.95
QuarterNorth Energy, Inc (fka Fieldwood Energy)	2.39
MLN US HoldCo LLC (dba Mitel)	1.71
Carnival Corp.	1.28
HotelBeds	1.23
Kirk Beauty One GmbH	1.20
Monitronics International, Inc.	1.14
Numericable-SFR S.A.	1.09
Kantar (Summer BC Bidco)	1.03
Florida Food Products, LLC	1.00

  

<b>Top 10 industries</b>	
<b>Industry</b>	<b>Fund %</b>
Aerospace	4.98
Diversified Media	4.90
Energy	4.65
Gaming/Leisure	10.81
Information Technology	11.60
Manufacturing	5.90
Retail	5.14
Service	11.74
Telecommunications	5.01
Transportation	5.64

  

<b>Regional allocation</b>	
<b>Region</b>	<b>Fund %</b>
USA	77.14
Europe	18.47
Other	4.40

  

<b>Maturity allocation</b>	
<b>Maturity</b>	<b>Fund %</b>
Less Than 1 year	2.43
1 to 3 years	19.75
3 to 5 years	27.71
5 to 10 years	49.84
10 to 20 years	0.27

Quality distribution	
Rating	Fund %
Aaa	0.00
Aa1	0.00
Aa2	0.00
Aa3	0.00
A1	0.00
A2	0.00
A3	0.00
Baa1	0.05
Baa2	0.35
Baa3	0.42
Ba1	1.22
Ba2	4.83
Ba3	7.74
B1	17.82
B2	26.11
B3	13.18
Caa1	5.80
Caa2	3.23
Caa3	0.65
Ca	0.23
C	0.00
Not rated	12.30
Equity	6.08

Notes:

Security selection will change. You should not rely on this statement in making an investment decision about any security, but should make your own independent inquiries.

All Fund analysis tables reflect the effective exposure by the Fund investing in to the underlying fund - the Invesco Zodiac Fund.

The table for Top 10 Industries uses the Standard & Poor's industries.

The table for quality distribution uses Moody's ratings.

The table for maturity allocation uses maturities based on the value of loan/note holdings.

Portfolio statistics definitions:

'Current yield' – the annual income (interest or dividends) divided by the current price of the security and represents the return an investor would expect if he or she purchased the bond and held it for a year.

'Yield to maturity' – the rate of return anticipated on a bond if held until the end of its lifetime; takes into account the bond's current market price, par value, coupon interest rate and time to maturity.

'Effective duration' – takes into account that expected cash flows will fluctuate as interest rates change.

**Market review**

Loans gained 1.03% in October, partially retracing September's decline and improving year-to-date total returns to -2.25%. Risk sentiment improved from September's lows amid a better-than-feared start to earnings season and less acute angst around the trajectory of interest rates.

The increase in returns deriving from monthly coupon is becoming more pronounced as the year-to-date rise in base rates increasingly feed into borrower interest payments; October's coupon income was 7.84% on an annualised basis, up from January's annualised coupon of 4.04%.

During October, loans lagged high yield but outperformed investment grade which returned 2.80% and -1.02%, respectively. Year-to-date, loans continued to materially outperform the -12.18% and -19.56% returns for high yield and investment grade bonds respectively.

The average price in the loan market rose 31 basis points (bps) to 92.51.3 At their current average price, senior secured loans are providing a 11.18% yield inclusive of the forward LIBOR curve.

Please note all figures are on a USD basis.

---

**Contact**

Tel: 1800 813 500  
Email: [clientservices.au@invesco.com](mailto:clientservices.au@invesco.com)  
Website: [www.invesco.com/au](http://www.invesco.com/au)

---

**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.
  - 4 The underlying Strategy commenced on 11/8/06.
  - 5 Distribution return for the previous 12 months and has been calculated as the difference between Total Return and Growth Return.
- 

**Important Information**

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to [clientservices.au@invesco.com](mailto:clientservices.au@invesco.com), or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at [www.invesco.com/au](http://www.invesco.com/au)

This document contains general information only and does not take into account your individual objectives, taxation position, financial situation or needs. You should assess whether the information is appropriate for you and consider obtaining independent taxation, legal, financial or other professional advice before making an investment decision. A Product Disclosure Statement (PDS) and Target Market Determination for any Invesco fund referred to in this document is available from Invesco. You should read the PDS and consider whether a fund is appropriate for you before making a decision to invest.

Invesco is authorised under its licence to provide financial product advice, deal in financial products and operate registered managed investment schemes. If you invest in an Invesco Fund, Invesco may receive fees in relation to that investment. Details are in the PDS. Invesco's employees and directors do not receive commissions but are remunerated on a salary basis. Neither Invesco nor any related corporation has any relationship with other product issuers that could influence us in providing the information contained in this document.

Investments in the Invesco funds are subject to investment risks including possible delays in repayment and loss of income and principal invested. Neither Invesco nor any other member of the Invesco Ltd Group guarantee the return of capital, distribution of income, or the performance of any of the Funds. Any investments in the Funds do not represent deposits in, or other liabilities of, any other member of the Invesco Ltd Group.

Invesco has taken all due care in the preparation of this document. To the maximum extent permitted by law, Invesco, its related bodies corporate, directors or employees are not liable and take no responsibility for the accuracy or completeness of this document and disclaim all liability for any loss or damage of any kind (whether foreseeable or not) that may arise from any person acting on any statements contained in this document.

This document has been prepared only for those persons to whom Invesco has provided it. It should not be relied upon by anyone else.

© Copyright of this document is owned by Invesco. You may only reproduce, circulate and use this document (or any part of it) with the consent of Invesco.