

## Monthly Factsheet

30 June 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

**Objective<sup>1</sup>**  
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.

**Benchmark<sup>2</sup>**  
Bloomberg AusBond Bank Bill Index

**Risk profile**  
Medium

**Time horizon**  
3 years

**Distribution frequency**  
Monthly

**Inception date<sup>3</sup>**  
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 30 June 2023)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	1.62	0.30	1.32
3 months	3.01	0.90	2.11
6 months	5.09	1.70	3.39
1 year	7.10	2.89	4.21
2 years p.a.	1.86	1.48	0.38
3 years p.a.	5.98	1.01	4.97
5 years p.a.	2.86	1.17	1.69
7 years p.a.	3.82	1.35	2.47
10 years p.a.	3.60		
Calendar year to date	5.09	1.70	3.39
Financial year to date	7.10	2.89	4.21
Since inception p.a.	5.30		

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	2.35	0.66	3.01
6 months	4.63	0.46	5.09
1 year	8.24	-1.14	7.10
2 years p.a.	5.80	-3.94	1.86
3 years p.a.	5.59	0.39	5.98
5 years p.a.	5.21	-2.35	2.86
7 years p.a.	4.96	-1.14	3.82
10 years p.a.	5.02	-1.42	3.60

Portfolio statistics	
Current yield	10.09%
Yield to maturity	12.32%
Market price	\$87.74
Effective duration	0.42

Assets under management	
	A\$m
Fund AUM:	63.78
Strategy AUM:	5,723.12

**Fund analysis (as at 30 June 2023)**
**Asset breakdown**

<b>Asset</b>	<b>Fund %</b>
Senior Loans	82.11
High yield bonds	10.12
Equities	5.41
Cash and outstanding settlements	1.83
Structured Products (CLOs)	0.53

**Regional allocation**

<b>Region</b>	<b>Fund %</b>
USA	78.36
Europe	17.67
Other	3.97

**Top 10 industries**

<b>Industry</b>	<b>Fund %</b>
Service	11.73
Gaming/Leisure	9.79
Information Technology	9.23
Manufacturing	6.62
Chemicals	5.95
Transportation	5.89
Financial	5.25
Retail	5.16
Aerospace	5.12
Telecommunications	4.61

**Top 10 holdings**

<b>Holdings</b>	<b>Fund %</b>
QuarterNorth Energy, Inc (fka Fieldwood Energy)	2.06
Crown Finance US, Inc.	1.73
Virgin Media O2 - LG	1.31
MLN US HoldCo LLC (dba Mitel)	1.26
Carnival Corp.	1.26
Robertshaw US Holding Corp.	1.20
Sigma Bidco	1.18
V Global Holdings LLC (aka Vertellus)	1.10
Douglas (Kirk Beauty GmbH)	1.05
NewLife Forest Restoration, LLC	1.00

**Market review**

Loans gained 2.26% in June as improved economic sentiment overshadowed hawkish central bank rhetoric to create a positive backdrop for risk assets. Prices advanced 1.49% during the month, reaching levels that nearly eclipsed the year-to-date highs last reached in February. Buoyant price action was broad-based in June, but the outperformance of single-B issuers versus CCC issuers embodied the selective risk-on spirit of the month. Meanwhile, coupon income contributed another 0.77% to June's total return. Interest rate expectations repriced higher on the back of hawkish Federal Reserve (Fed) policy guidance, signaling a longer runway for today's high carry environment to continue. At the midpoint of 2023, year-to-date total returns are 6.48%, putting loans on pace to deliver their strongest annual total return since 2009.

During June, loans outperformed high yield and investment grade, which returned 1.63% and 0.28%, respectively. Year-to-date, loans are outpacing the 5.42% and 3.23% returns for high yield and investment grade bonds respectively. The average price in the loan market rose 140 basis points (bps) to 94.97. At their current average price, senior secured loans are providing a 10.19% yield inclusive of the forward curve.

All data in USD. Source: Morningstar LSTA US Leveraged Loan Index, Bloomberg and JP Morgan.

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**Notes**

- <sup>1</sup> Invesco does not guarantee that the Fund will achieve its objective.
  - <sup>2</sup> The Fund is managed on a benchmark-unaware basis.
  - <sup>3</sup> 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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