

## Monthly Factsheet

31 July 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 31 July 2023)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	0.95	0.37	0.58
3 months	3.17	0.97	2.20
6 months	3.99	1.81	2.18
1 year	7.14	3.15	3.99
2 years p.a.	2.34	1.67	0.67
3 years p.a.	5.66	1.13	4.53
5 years p.a.	2.90	1.20	1.70
7 years p.a.	3.69	1.38	2.31
10 years p.a.	3.66		
Calendar year to date	6.09	2.08	4.01
Financial year to date	0.95	0.37	0.58
Since inception p.a.	5.32		

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	2.81	0.36	3.17
6 months	5.01	-1.02	3.99
1 year	8.88	-1.74	7.14
2 years p.a.	6.25	-3.91	2.34
3 years p.a.	5.84	-0.18	5.66
5 years p.a.	5.37	-2.47	2.90
7 years p.a.	5.05	-1.36	3.69
10 years p.a.	4.80	-1.14	3.66

Portfolio statistics	
Current yield	10.20%
Yield to maturity	12.29%
Market price	\$87.81
Effective duration	0.42

Assets under management	
	A\$m
Fund AUM:	67.18
Strategy AUM:	5,712.92

**Fund analysis (as at 31 July 2023)**
**Asset breakdown**

<b>Asset</b>	<b>Fund %</b>
Senior Loans	82.33
High yield bonds	10.05
Equities	5.79
Cash and outstanding settlements	1.39
Structured Products (CLOs)	0.44

**Regional allocation**

<b>Region</b>	<b>Fund %</b>
USA	79.24
Europe	16.98
Other	3.79

**Top 10 industries**

<b>Industry</b>	<b>Fund %</b>
Service	12.39
Gaming/Leisure	10.20
Information Technology	8.97
Manufacturing	6.67
Transportation	6.21
Chemicals	5.94
Aerospace	5.20
Financial	5.10
Retail	4.91
Telecommunications	4.36

**Top 10 holdings**

<b>Holdings</b>	<b>Fund %</b>
Crown Finance US, Inc.	2.26
QuarterNorth Energy, Inc (fka Fieldwood Energy)	2.03
Virgin Media O2 - LG	1.28
Sigma Bidco	1.27
Carnival Corp.	1.25
Robertshaw US Holding Corp.	1.19
Monitronics International, Inc.	1.15
V Global Holdings LLC (aka Vertellus)	1.09
Douglas (Kirk Beauty GmbH)	1.06
Florida Food Products, LLC	0.97

**Market review**

Loans gained 1.29% in July, bringing year-to date total returns to 7.85%. Loan prices rose to their highest levels in over a year amid solid earnings and diminishing economic growth concerns. Prices advanced 0.49% during the month, led by the low end of the credit ratings spectrum. Coupon income added another 0.79% to July's total return.

On the back of the latest Federal Reserve policy guidance, market expectations continue to signal elevated base rates at least through 2024, creating runway for today's high carry environment to continue. During July, loans underperformed high yield but outperformed investment grade, which returned 1.46% and 0.35%, respectively. Year-to-date, loans are outpacing the 6.93% and 3.66% returns for high yield and investment grade bonds respectively. The average price in the loan market rose 45 basis points to 95.42. At their current average price, senior secured loans are providing a 9.91% 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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