

Monthly Factsheet

31 March 2025

Fund Managers - Invesco Private Credit

Scott Baskind

Head of Global Private Credit,
Chief Investment Officer

Kevin Egan

Senior Portfolio Manager,
Co-Head of Credit Research

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 March 2025)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	-0.56	0.35	-0.91
3 months	0.03	1.07	-1.04
6 months	1.52	2.20	-0.68
1 year	4.58	4.46	0.12
2 years p.a.	7.41	4.32	3.09
3 years p.a.	4.44	3.56	0.88
5 years p.a.	7.98	2.15	5.83
7 years p.a.	3.79	2.00	1.79
10 years p.a.	4.15	1.99	2.16
Calendar year to date	0.03	1.07	-1.04
Financial year to date	3.53	3.34	0.19
Since inception p.a.	5.37		

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	1.88	-1.85	0.03
6 months	4.07	-2.55	1.52
1 year	8.34	-3.76	4.58
2 years p.a.	9.18	-1.77	7.41
3 years p.a.	8.23	-3.79	4.44
5 years p.a.	6.92	1.06	7.98
7 years p.a.	6.14	-2.35	3.79
10 years p.a.	5.70	-1.55	4.15

Portfolio statistics (US\$ unhedged, gross of fees)⁴

Current yield	8.34%
Yield to maturity	9.99%
Market price	\$93.70
Effective duration	0.28

Assets under management

	A\$m
Fund AUM:	231.31
Strategy AUM:	10,028.07

Fund analysis (as at 31 March 2025)
Asset breakdown

Asset	Fund %
Senior Loans	89.11
High yield bonds	6.43
Equities	4.51
Structured Products (CLOs)	0.28
Cash and outstanding settlements	-0.34

Regional allocation

Region	Fund %
USA	81.84
Europe	15.14
Other	3.02

Top 10 industries

Industry	Fund %
Service	13.58
Information Technology	10.78
Chemicals	8.58
Financial	7.96
Healthcare	6.20
Transportation	5.84
Gaming/Leisure	5.76
Manufacturing	5.69
Telecommunications	5.01
Utility	3.57

Top 10 holdings

Holdings	Fund %
Crown Finance US, Inc.	1.14
Ineos Quattro (STYRO)	1.12
Monitronics International, Inc.	0.99
Ineos US Finance LLC	0.96
Level 3 Financing, Inc.	0.96
Virgin Media O2 - LG	0.88
KAMC Holdings, Inc. (Franklin Energy Group)	0.87
Alliant Holdings Intermediate, LLC	0.85
Trinseo Materials Operating S.C.A.	0.84
Spin Holdco Inc.	0.79

Market review

When Trump was voted in as President (November 2024), we actively reduced exposure to consumer products manufacturers, industrials, and other issuers that relied heavily on imports, particularly from China. At the same time, we selectively reduced exposure to defence contractors and satellite communication service providers that we thought would be adversely impacted by DOGE related policies. With the broad-based tariffs announced by the Trump administration on April 2, we continue to focus on managing our exposure to those issuers that are overexposed to manufacturing in regions targeted with high tariffs as well as lower quality issuers in recession sensitive sectors (e.g., Consumer Discretionary). Conversely, we feel that the Utility sector should fare well and continue to favour certain subsectors within the Healthcare sector. More generally, as the prospects for an economic slowdown increase, we are actively managing our exposure to single-B rated issuers in order to avoid crystallising losses by selling issuers that we believe have been unduly penalised in recent market volatility.

Asset selection was the primary detractor from performance during the month. This was driven primarily by the Fund's position in the reorg equity of lumber mill operator NewLife Forest Restoration. During the month, new management of the mill provided an updated business plan which showed reduced near-term free cash flow generation which in turn resulted in the equity price being marked lower. This was offset in part by upward movement in the prices of the reorg equity in engineering and construction firm McDermott International which posted a 2025 budget and Q4 2024 results which were positive.

Risk positioning was a slight detractor from performance during the month. Weak market conditions in February carried over to March amidst macroeconomic concerns around tariffs, weaker consumer confidence, and overall equity and debt market volatility. With the equity market selloff, loan investor demand also waned, with credit spreads widening and repricing activity diminishing.

Sector positioning also subtracted marginally from performance during the month. This was driven by the Fund's overweight to the index's worst performing Chemicals sector, which was partially offset by the Fund's overweight position to the best performing Telecommunications sector.

Finally, credit selection subtracted modestly from performance during the month. This was driven primarily by chemical company Ascend Performance which has been negatively impacted by end market softness, which has led to an acute and previously unforeseen liquidity need. Lenders are working through options to provide incremental liquidity and right size the balance sheet.

Contact

Tel: 1800 813 500
Email: clientservices.au@invesco.com
Website: 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. The Underlying Strategy commenced on 11/8/06.
- ⁴ \$A hedged yields may differ due to interest rate differentials between Australia and the US.

Important Information

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