

ASX: PCX



UNPARALLELED ACCESS TO GLOBAL PRIVATE CREDIT

A listed fund with unlisted characteristics.

PCX is the only global private credit fund on the ASX that provides investors the opportunity to either sell on market, or at NAV, via a quarterly off-market buy-back mechanism³.

PCX aims to deliver a portfolio that generates strong risk-adjusted returns with a high degree of capital protection, as well as stable and consistent income via exposure to a highly diversified portfolio of over 3,400 loans, from a wide range of leading global private credit fund managers.

KEY FEATURES:

-  The most diversified global private credit fund on the ASX
-  Targeting strong risk-adjusted returns, including a 7% p.a. cash distribution yield, paid monthly¹
-  Opportunity to sell quarterly at NAV³
-  An asset class with historically low volatility, and low correlation to other fixed income and equity indices

Key Benefits of PCX

Access to a diversified portfolio of global private credit funds across various geographies, strategies and sectors.



Diversification

PCX is highly diversified across strategy, geography, sector, credit quality, and type of instrument.



Performance

PCX is targeting the strong risk adjusted returns associated with the global private credit sector, with a high degree of capital protection, as well as a stable and consistent income, which will be paid monthly.¹



Liquidity

Buy and sell on the ASX². (global private credit is typically characterised by lengthy capital lock-ups).



Unique Stability

Option for investors to buy and sell at NAV by way of a regular off-market scheme buy-back mechanism³.



Simplicity

PCX is a single access point to over 3,400 individual loans, across 24 Underlying Funds, sourced and rated by Mercer.



Institutional Scale

Unlock access, sourcing, research, due diligence and portfolio construction capabilities - via a unique alliance with Mercer.



Defensive investment

Global private credit has a strong track record of low volatility, attractive returns and low correlation to other asset classes such as public fixed income and equity, which can provide diversification benefits by enhancing portfolios' risk-adjusted returns.⁴



Access

PCX is to provide exposure to difficult-to-access global private credit investments predominantly in middle market companies (being those with USD\$50m-250m of annual EBITDA), typically only available to institutional clients.



Resilience

Loans are typically individually negotiated and structured, allowing the borrower to obtain legally enforceable protections. Historically, this has led to lower default rates and higher recovery rates than other fixed income alternatives.⁵



Bespoke solution

Tailored by Mercer, specifically to the requirements and objectives of PCX.



Currency

PCX is hedged back to AUD mitigating the risk of foreign exchange fluctuations.



Predictability

PCX by nature, and design, aims to have lower volatility than other asset classes.

Revolutionised Delivery

PCX aims to uniquely address many existing barriers to accessing a diversified portfolio of global private credit, with a listed structure approach that, to date, has not been available to Australian investors.

	Typical Challenges	Uniquely Addressed by PCX
GLOBAL ACCESS	Identifying, assessing and securing access to best in class global private credit managers	Mercer's global reach, private credit expertise, and buying power, deliver access to approved global private credit managers
DIVERSIFICATION	Australian vehicles are typically single-manager and concentrated by geography, asset class, and/or strategy	Multi-manager, multi multi-strategy, global portfolio designed to deliver strong risk adjusted returns, a high degree of capital protection, and stable and consistent income Underlying loans > 3,400
DEPLOYMENT	Funds typically have up to 4 year drawdown schedules, this dilutes investor overall returns and creates cash management challenges	Most of the capital raised is expected to be committed, called and deployed into return-generating investments during the first full month, thereby reducing IRR impact
HEDGING	Investing in offshore funds carries currency risk, and hedging of illiquid credit assets is not possible or prohibitively expensive	PCX will be hedged back to AUD mitigating the risk of foreign exchange fluctuations
STAYING INVESTED	Closed-end funds return capital, requiring a repeat of entire investment process	PCX is a fully-invested evergreen vehicle traded on the ASX, allowing investor to manage their allocations to global private credit and stay fully invested for optimal portfolio construction
LIQUIDITY	Unlisted vehicles are illiquid, and listed vehicles typically risk trading at discounts to NAV.	Listed format provides the potential for daily liquidity ² , with the introduction of a regular off-market mechanism to support buy-back at NAV ³

PLATFORM AVAILABILITY

- ✓ AMP MyNorth ✓ Asgard Element ✓ Asgard – E Wrap ✓ Master Trust ✓ Infinity ✓ AET Wholesale Access Fund
- ✓ BT Panorama ✓ BT Wrap ✓ Colonial First Choice ✓ Centric IDPS ✓ First Wrap ✓ FNZ ✓ HUB24 ✓ Macquarie Wrap
- ✓ Mason Stevens ✓ Netwealth ✓ Praemium ✓ Dash

1. The target cash distribution yield is an objective target only and may not be achieved. Any shortfall in net income generated may result in a distribution payment made out of capital invested. Future returns are not guaranteed and a loss of principal may occur. Investors should review the Risks summary set out in Section 8 of the PDS. The first distribution is expected to be paid with reference to the period ending on 31 July 2024, with July 2024 being the first full month following the Settlement Date. Past performance is not necessarily a guide to future performance.

2. There are no guarantees that an active trading market with sufficient liquidity will develop or that such a secondary market will sustain a price representative of the NAV per unit. In circumstances where units are suspended from the ASX, unitholders may not be able to sell their units via the ASX until trading recommenced.

3. The Responsible Entity intends to make an offer to buy-back 5% of the issued capital of PCX at the Buy-Back Price each calendar quarter on an off-market basis, subject to the Responsible Entity determining such is in the best interest of unitholders. The Buy-Back Price is equal to the sum of (i) the NAV per unit as at the Buy-Back Pricing Date; and (ii) the amounts of distributions that the unitholder would have been entitled to if the unit was not cancelled from the Buy-Back Cancellation of Units Date up to the Buy-Back Payment Date. This off-market buy-back mechanism is intended to provide investors with an alternate option to sell their holdings. It is also intended to give investors a better investment outcome over traditional listed investment company ("LIC") and listed investment trust ("LIT") structures by reducing the propensity for trading on-market to occur at large discounts to the NAV per unit. The first round of quarterly buy-back post the completion of the IPO will have a Buy-Back Pricing Date of on or around 31 December 2024. Subject to the acceptance of a buy-back timetable which is acceptable to the ASX, a Buy-Back Booklet with details of specific dates for this first buy-back will be made available to unitholders on or around 15 August 2024, with the date required for a unitholder to elect to participate in the buy-back being on or around 20 September 2024. The Responsible Entity intends that each subsequent round of quarterly buy-back after the first round will also have at least one calendar quarter between the date required for a unitholder to elect to participate in the buy-back and its Buy-Back Pricing Date and Buy-Back Payment Date, with specific dates to be made available in future Buy-Back Booklets (subject to the acceptance of the buy-back timetable by the ASX). Please refer to the PDS for an explanation of capitalised defined terms and in particular to section 6.12 for further information in respect of the buy-back proposals and other capital management initiatives.

4. 10 year period from 1 July 2013 to 30 June 2023. Sources: S&P (S&P 500 Total Return Index), Bloomberg (Bloomberg US Corporate Total Return Value Unhedged USD), Burgiss (Burgiss – Private Debt (North America)), and Thomson Reuters Datastream (ICE BofAML US High Yield Master II, S&P Leveraged Loan). No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

5. USD\$ Cumulative Default Rate 1995 – 2021: S&P LCD & CreditPro (1995 to 2021), as at 31 December 2021. USD\$ Average Annual Recovery Rate 1995-2022: S&P LCD & CreditPro (1995 to 2022). No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

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