

## Quarterly Investor Report: March 2024

### COMMENTARY

- New deal activity has moderated in the 1<sup>st</sup> quarter of 2024. In the current environment, it is proving more challenging for new buyouts to reach completion. We are however aware of a number of processes set to commence in the near term and expect activity to pick up throughout 2024. There is also increasing activity in refinancings / recaps of existing sponsor portfolio assets, creating an opportunity for additional deployment and fees to be earned.
- We have maintained investment discipline and declined to invest in a number of potential opportunities due to cyclical sectors or inability to pass through cost pressures in this inflationary environment.
- Base rates having now increased to ~4.3%, this will continue to flow through to investors in terms of additional yield.
- There are 3 new deals we are committed to that were originally set to fund in March that will now fund in April and May. We also committed to a 2-year extension for an existing childcare portfolio company as the existing facility was approaching maturity.

### FUND INFORMATION

- **Fund:** TCP Private Debt Income Fund
- **Objective:** Provide investors with attractive risk-adjusted returns with a focus on capital preservation
- **Strategy:** Exposure to sub-investment grade, senior secured and subordinated debt by holding units in TCP Asia Pacific Fund II
- **Manager:** Tanarra Credit Partners Pty Ltd
- **Responsible Entity:** Equity Trustees Limited
- **Inception Date:** 30 September 2022
- **Benchmark:** Ausbond Bank Bill Index
- **Currency:** Australian Dollars
- **Distribution Frequency:** Quarterly
- **APIR Code:** ETL4900AU

### NET ASSET VALUE AND UNIT PRICE

Net Asset Value (AUD)	Units Issued	Unit Price <sup>#</sup>	Distributions Per Unit*
8,047,705	7,897,530	1.0190	0.0833

# Cum Price

\* Cumulative distributions paid since inception

### HISTORICAL PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	2 Years*	Inception*
Portfolio Return <sup>#</sup>	0.726%	2.196%	4.476%	9.056%	NA	7.044%
Benchmark Return	0.367%	1.085%	2.154%	4.190%	NA	3.826%
Value Add over Benchmark	0.359%	1.111%	2.322%	4.866%	NA	3.218%

<sup>#</sup> Portfolio Return includes any distributions paid during the period. Past performance is no indication of future performance.

Investments may rise and fall in value and returns cannot be guaranteed.

\* Annualised % returns.

**Important Information:** Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the TCP Private Debt Income Fund ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). The Investment Manager for the Fund is Tanarra Credit Partners Pty Ltd ("TCP") ABN 85 614 584 413 and is an Authorised Representative of Tanarra Capital Australia Pty Ltd AFSL 290098. This report has been prepared by TCP to provide you with general information only. In preparing this report, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither TCP, Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. The Ausbond Bank Bill Index is used as the Benchmark, this index measures the change of the base rate that is used for our investments. This index measures the Australian money market by representing a passively managed short term money market portfolio. TCP Private Debt Income Fund's Target Market Determination is available here – <https://swift.zeidlerlegalservices.com/tmds/ETL4900AU>. A Target Market Determination describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.



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### PORTFOLIO OVERVIEW

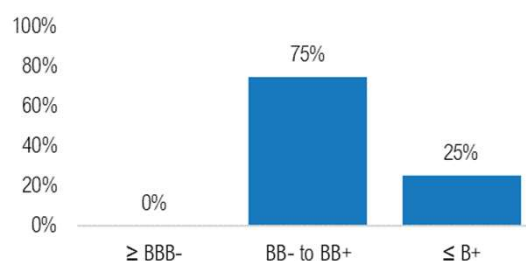
- No new investments were funded during the quarter. Q1 is usually a quieter quarter given the summer holidays, but we also had 3 deals we committed to that were set to fund in March that had settlement delayed and will now fund in April and May. These investments are in the IT Services, commercial services and loyalty program industry sectors.
- We also committed to a 2-year extension of an existing childcare portfolio company that had its existing facilities approaching maturity. This is an example of the increased refinancing / recap activity we are seeing in the market, as sponsors hold on to their high-quality assets for longer and await a more attractive market backdrop to exit.
- The portfolio currently has exposure to the Information Technology, Childcare, Health Care, Retail, Education and Industrials sectors. We expect the diversity of the portfolio to become broader as deployment continues in the coming months.
- From a risk profile perspective, the average rating equivalent across the portfolio sits in the targeted BB range.

### INDUSTRY CONCENTRATION ANALYSIS



A	Childcare	18%
B	Health Care	17%
C	Industrials	14%
D	Commercial & Prof. Services	9%
E	Education	9%
F	Information Technology	8%
G	Financials	3%
H	Retail	3%
I	Cash	18%

### RATINGS DISTRIBUTION ANALYSIS



### PORTFOLIO CHARACTERISTICS

Credit Spread*	5.71%
Gross Yield**	9.99%

\*Credit Spread is the weighted average credit margin and amortised upfront fee (over a 3.5 year avg life) over the bank bill swap bid rate (BBSY), which is the market benchmark rate  
 \*\* Gross Yield is the current total return of the portfolio, being BBSY plus the weighted averaged credit margin (including amortised upfront fee (over a 3.5 year avg life).

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