

Media Release

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ASIC private credit oversight welcome: Tanarra Credit Partners

The increased regulatory oversight by the Australian Securities and Investments Commission (ASIC) should not scare investors away from private credit but give them more confidence in the product – it remains an attractive asset class with valuable diversification benefits, says Tanarra Credit Partners managing partner, Peter Szekely.

He says there is good opportunity for investors in the middle market segment of private credit from a risk return perspective.

“Private credit continues to be an attractive option for investors, particularly given the volatility we have been seeing in equity markets of late. It provides an excellent hedge against portfolio risk when building a diversified portfolio.”

Mr Szekely says ASIC’s scrutiny of the market is a positive step that will bring greater confidence to an asset class that is growing rapidly.

“ASIC has been focused on a few key areas of concern in the local private credit market, including what sectors funds are invested in, how managers value portfolios, the potential conflicts that exist, and the importance of transparent reporting for investors.”

He says there are four factors that investors should consider when assessing whether to invest in a private credit fund.

“Investors should be aware of the sector and its prospects. Whether it be residential property, corporate debt, technology, healthcare or some other sector – it is important to ensure that your private credit exposure is well diversified.

“Valuations are key. There is a wide array of evergreen and open-ended funds that investors can allocate their private credit exposure to, and valuation methods vary. It is important to understand, and be comfortable with, the valuation method your chosen manager uses to confirm you receive a fair value upon investment or redemption,” says Mr Szekely.

Indeed, valuations have been of particular interest to ASIC during its investigation, and there is a large discrepancy in how managers value their funds, and whether or not they employ an independent valuer, according to Mr Szekely.

“For example, if everything is going fine in a portfolio, a fund manager can value the loan at par. But if there’s underperformance in the portfolio, there is an increased likelihood that the investment won’t return the principal or interest accrued in the future.



"In this case, we would expect a fund manager to change the valuation to account for the potential future default risk. However, in practice, fund managers often leave valuations at par, which is not best practice.

"This means investors may be paying an elevated price for a new investment.

"ASIC's aim is to ensure the disclosure is transparent and the valuation is clear for investors.

"This means funds should use two independent external agencies - one to sign off on all valuations, and another to sign off on the annual audit.

"Unfortunately, not all fund managers adopt this best practice approach, and they use the same deal team when investing and valuing.

"What is needed is independent valuations to ensure investors are treated fairly and are buying and selling at an appropriate price," says Mr Szekely.

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About GSFM

GSFM was established in 2007 as a subsidiary of the Grant Samuel Group. In 2016 Canadian wealth manager CI Financial Corp, which oversees more than C\$550.9 bn in funds under management (at 30 June 2025), acquired a majority stake in the business, previously held by Grant Samuel.

GSFM delivers comprehensive responsible entity services, operational support, commercialisation assistance, and expert distribution and marketing for funds managed by leading local and international investment managers, serving both Australian and New Zealand institutional investors as well as Australian retail investors. It has partnerships with ten specialist investment managers, who collectively manage more than A\$1.5 trillion.

GSFM currently has approx. \$12.60 billion funds under management (at 31 October 2025). For more information about GSFM, please visit the website gsfm.com.au or follow GSFM on LinkedIn

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Tanarra Credit Partners is a private credit specialist with a demonstrated ability to originate a diverse pool of unique, high quality investments across its broad professional network. The TCP Private Debt Income Fund is distributed by GSFM in the Australian market. It aims to provide investors with attractive risk-adjusted returns with a focus on capital preservation. TCP seeks to deliver a differentiated asset class exposure compared to other offerings in the private credit market. For more information: <https://www.tanarra.com/credit-partners>