

TCP Private Debt Income Fund

January 2025 Report

About the Fund

The TCP Private Debt Income Fund ('Fund') is an institutional-grade private credit offering suitable for investors seeking regular and relatively high income coupled with low capital volatility. The Fund invests in corporate loans, focusing on stable cashflow generating businesses in defensive sectors.

Target Return

The Fund aims to deliver a total return (net of fees) of BBSY + 5-6% .

Capital preservation

Capital protection is the key focus of the Fund, supported by the majority of underlying investments senior secured ranking, with our debt facilities sitting at the top of the capital stack and ranking ahead of equity in any enforcement scenario. With our investments typically having Loan to Enterprise Value Ratios well below 50%, this provides significant buffer and capital protection for our investors. Further protection is achieved through rigorous credit due diligence and analysis, deal structuring/documentation including maintenance financial covenants, and regular name-by-name monitoring of the portfolio.

Inflation hedge

The investments of the fund are currently all floating rate loans, meaning investors are enjoying higher yields as underlying base rates have risen. With the portfolio's base rates re-setting every ~60 days on average, this provides an attractive hedge against further potential rate rises.

Fund Investments

The Fund is currently invested in a diverse portfolio of senior secured loans to corporate borrowers in defensive sectors, including education, childcare, healthcare, IT, and infrastructure services. Currently no exposure to cyclicals such as mining/mining services, and no property exposure.



Fund Details

Distributions	Quarterly
Withdrawals	Quarterly
Pricing	Monthly
APIR	ETL4900AU
Fund Structure	Open-ended, retail unlisted fund
Benchmark	Ausbond Bank Bill Index
MER	1.26%
Platforms	Netwealth, Hub24, Praemium, Powerwrap, Mason Stevens, BT Panorama (Wholesale Only)
Research	Lonsec
Manager	Tanarra Credit Partners Pty Ltd

About Tanarra Credit Partners (TCP)

TCP is an Asia-Pacific private credit specialist headquartered in Sydney and managed by Peter Szekely.

Since inception in 2017, TCP has invested over \$800 million and has an excellent record of originating and structuring leveraged finance transactions across the Asia-Pacific region.

TCP is the performing credit vertical of Tanarra Group, a diversified alternative asset investment firm founded by John Wylie, one of Australia's most influential business leaders. Tanarra Group is headquartered in Australia, with over A\$3 billion in assets under management.

Fund Performance and Attributes

Fund Performance (as at 31 January 2025)

Net Asset Value (AUD)	Units Issued	Unit Price*	Distributions Per Unit**
32,996,853	32,630,848	1.0112	0.1629

*Ex Price

**Cumulative distributions paid since inception

Portfolio Return	1 Month	3 Months	6 Months	1 Year	2 Years*	Inception*
Net Portfolio Return**	0.753%	2.264%	4.289%	8.886%	8.446%	7.686%
Benchmark Return	0.382%	1.123%	2.251%	4.483%	4.239%	4.061%
Value Add	0.371%	1.140%	2.038%	4.403%	4.208%	3.624%

* Annualised % returns

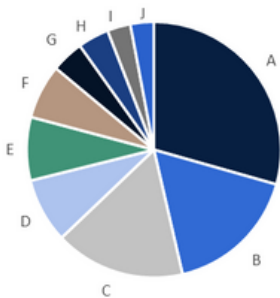
**Net Portfolio Return includes any distributions paid during the period and is net of Management Fees and other costs.

Past performance is not a guide to future performance

Total Net Return for the last 12 months
8.89% p.a.*

*Net Return includes any distributions paid during the period and is net of Management Fees and other costs.

Industry Concentration



A	Information Technology	30%
B	Health Care	17%
C	Childcare	17%
D	Commercial & Prof. Services	8%
E	Education	8%
F	Industrials	7%
G	Retail	4%
H	Loyalty Programs	4%
I	Financials	3%
J	Cash	2%

Portfolio Characteristics

Credit Spread*	5.68%
Gross Yield**	10.12%
Average Credit Rating***	BB-

*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).

***Average Credit Rating is the current weighted average credit rating of the portfolio of loans, with the rating being derived from TCP's internal ratings model.

Commentary

The Fund continues its strong performance. The Fund has delivered a net return of 8.89% p.a. for the 12 months to 31 January 2025, outperforming the Benchmark by 4.40% p.a over the same period.

The senior secured ranking and floating rate return profile of the Fund continues to appeal to investors as a low volatility product against an uncertain political and macroeconomic backdrop.

Under President Trump's new term there has been an increase in trade concerns as the US rolls out (and threatens) various global tariffs which could lead to an increase in inflation. TCP expects the RBA to cut its cash target rate twice during 2025.

Australian private credit early-stage deal activity has increased with several new deal opportunities launched over the year end. TCP is experiencing a pick-up in enquiry levels and a growing pipeline.

We expect this increase in activity to result in a busy 2025. The conditions remain strong for TCP to continue deploying capital at attractive risk-adjusted returns for our investors. The portfolio is well positioned with all investments in the portfolio performing.

With our focus on self-originated deals, we continue to deliver investors consistent returns with greater protections than can be found in portfolios focused solely on large broadly syndicated deals, where greater competitive dynamics are evident.

Information, News & Insights

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News & Insights

Why private credit looks attractive in 2025 | ausbiz, 13 February

Peter Szekely says that private credit remains an attractive investment opportunity in 2025. He sees the asset class as crucial for navigating markets characterized by slower growth, higher inflation, and geopolitical uncertainty.

[Watch Peter Szekely on ausbiz](#)

TCP Insights: TCP Outlook for 2025: It's 2024 2.0 | 4 February

Inflation and economic uncertainty to persist. And what policies will President Trump enact?

[Read the TCP Outlook for 2025](#)

Podcast: Outlook for private credit in 2025 | Financial Standard, 3 February

Peter Szekely sat down with Financial Standard to discuss the outlook for private credit in the year ahead.

[Listen to the Financial Standard podcast](#)

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