

# Betashares Private Capital Cliffwater Private Credit Fund

Quarterly Report Q4 2025

# Market commentary and outlook

- Despite heightened media attention on US private credit defaults, the Underlying Fund\* saw no direct exposure to the most widely publicised events. Importantly, many of these defaults originated in the broadly syndicated loan market rather than private direct lending, reinforcing the value of manager selection and underwriting discipline.
- US monetary policy shifted during the quarter, with lower rates expected to encourage corporate activity, improve borrower free cash flow and interest coverage ratios, creating a favourable environment for credit fundamentals in 2026.
- Lenders expressed optimism in a recent survey with over 70% of respondents expecting deal activity to pick up in Q1 2026, driven by pent-up M&A and Leveraged buyout (LBO) demand and a growing pipeline of large transactions<sup>1</sup>. For context, the current LBO pipeline is estimated at US\$40 billion for H1 2026, while H1 2025 only saw US\$12 billion in LBOs<sup>2</sup>.

\*Cliffwater Corporate Lending Fund (CCLFX)

<sup>1</sup>Pitchbook LCD "Q4 Global Private Credit Survey: Concern shifts to quality as activity picks up."

<sup>2</sup>LSEG, "US loan market poised for strong 2026 with jumbo deals on horizon"

# Key Fund Facts

(as at 31 December 2025, unless otherwise noted):

**BPC Cliffwater Private Credit Fund**  
**Annualised Distribution Rate:**  
 9.78% (annualised based on December 2025 distribution)

**Underlying Fund Portfolio:**  
 US\$31.5B across 4100+ credits<sup>^</sup>

**BPC Cliffwater Private Credit Fund**  
**Net Return:**  
 0.34% for the month of December

**Underlying Fund Average LTV:**  
 41.7%

**Underlying Fund Average Yield-to-Maturity\*:**  
 9.3% p.a.\*\*

**Underlying Fund Average Borrower EBITDA:**  
 US\$105.0M

**Underlying Fund First Lien:**  
 96.2%

Past performance is not indicative of future performance.

\*The weighted average yield-to-maturity of the Underlying Fund's direct loan portfolio as of the specified date. The yield-to-maturity for a loan is the annualised total expected rate of return (based on interest payments and any capital gains or losses) if the loan is held to maturity and the borrower does not default.

\*\*Yield will vary and may be lower at time of investment.

<sup>^</sup>Direct and underlying credit

## Fund Performance Table (%)

	J	F	M	A	M	J	J	A	S	O	N	D	Net annual return
2025	-	-	-	-	-	-	-	-	0.56	0.45	0.76	0.54	-

## Fund Total Net Returns (%)

1 month	0.34%
3 months	1.64%
6 months	-
1 year	-
Inception	2.64%

Past performance is not indicative of future performance. Inception date for the Fund is 27 August 2025. Returns for the Fund are calculated in Australian dollars using net asset value per unit at the start and end of the specified period. Returns are after fund management costs, assume reinvestment of any distributions and do not take into account tax paid as an investor in the Fund. Current performance may be higher or lower than the performance shown.

# Quarterly portfolio update

## Q4 2025

- The Fund's annualised distribution rate is **9.78% p.a.** (based on December 2025 distribution) (note yield may vary at time of investment).
- The Underlying Fund's portfolio construction remains defensive, with 96% of loans being first lien, and a low average LTV of 41% secured first-lien loans.
- The Underlying Fund's AUM and diversification increased meaningfully over the quarter, with **net assets growing to approximately US\$31.5 billion** and **portfolio breadth expanding from 3,800+ credits to over 4,100 direct and underlying credits** from end 2024 to end 2025.
- The Underlying Fund **ended the year with 240 deals** in total in December, the highest of any month in 2025 since its inception, led by a significant number of add-ons, highlighting the power of incumbency.
- December also saw the highest number of declined deals in 2025. The primary reason for declining deals was concerns over credit quality. The Underlying Fund remains dedicated to its focus on quality and being extremely selective.

For more information on the Underlying Fund, please visit <https://www.cliffwaterfunds.com/cclfx>



# Betashares Private Capital

Betashares Private Capital is a dedicated division of Betashares focused on delivering institutional grade private market investment solutions to wholesale investors, Australian financial advisers and their clients.

Betashares Private Capital offers simple access to professionally managed, high-quality private investments, through partnerships with leading global managers.

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Past performance is not indicative of future performance. Any information provided is not a recommendation or offer to make any investment or to adopt any particular investment strategy.

The Fund is available to wholesale investors, and other investors with a financial adviser using an investment platform. It may suit investors who are seeking income and capital preservation from an allocation to private credit, and who have a medium risk and return profile for that portion of their investment portfolio. Investors must be comfortable with the risks associated with private credit, including exposure to an asset class that is inherently illiquid and limited ability for investors to withdraw their investment. A minimum investment timeframe of 5 years is suggested.

There are risks associated with an investment in the Fund, including liquidity risk, interest rate risk, leverage risk and credit risk. Investment value can go up and down. An investment in the Fund should only be considered as a part of a broader portfolio, taking into account your particular circumstances, including your tolerance for risk. For more information on risks and other features of the Fund, please see the PDS and TMD, both available at [www.betashares.com.au](http://www.betashares.com.au).