ASX: PE1

PENGANA PRIVATE EQUITY TRUST

A diversified portfolio of global private market investments, managed by one of the largest and most diversified independent asset managers in the world - Grosvenor Capital Management.

NOVEMBER 2024

REVIEWING STRATEGIES TO REDUCE THE DISCOUNT

NAV PER UNIT[1]	1 MONTH PERFORMANCE[2]	SINCE INCEPTION PERFORMANCE (P.A.)[2,3]	TARGET DISTRIBUTION YIELD[4]
$1.5880	**0.7%**	**8.7%**	**4%**

COMMENTARY

PE1 has recently traded at a large discount to the NAV per Unit. We believe that the negative sentiment is misplaced and have today announced an on-market buy-back commencing on 24 December 2024 of up to 10% of the units on issue.[8] In addition, Pengana is currently reviewing a number of other strategies and mechanisms that seek to address this discount on a permanent and ongoing basis.

We firmly believe and reiterate that PE1's well-diversified portfolio is strong and that realisations and revaluations over the coming year will increasingly drive attractive risk-adjusted returns. Over the past few years, even as rising interest rates and cautious sentiment weighed on valuation multiples, most of our portfolio companies have continued to grow their cash flows and revenues. Going forward, we expect that realisations and distributions will be assisted by a more attractive investment environment. PE deal activity for 2024 is on pace to achieve its third highest volume in the last eleven years and we have seen a number of realisations within the portfolio in 2024 with more expected over the course of the next 12 months.

Realisations and distributions will generate cash in the portfolio providing increased optionality for investing and capital management. The investment strategy has been designed to generate substantial cash flows over time, which provides additional levers for capital management initiatives which are being considered in our review of strategies and mechanisms to address the discount to NAV. The ability of the portfolio to generate cash flows is evidenced by the receipt of distributions since inception from our underlying investments totalling $123m. We expect the rate of distributions to increase.

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The Trust returned +0.7% over November.

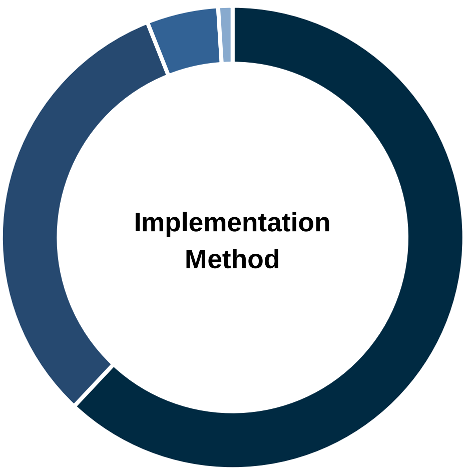
We realised an investment in October and made investments during November including:

- In 2020, we co-invested in Uber Freight an end-to-end enterprise suite powering logistics for the US trucking market backed by its parent company Uber Technologies. The investment had a number of structural protections, including a liquidation preference. As a result, our security was recently redeemed by Uber Technologies, generating a gross investment return of 1.6x multiple on invested capital ("MOIC") and a ~16% gross internal rate of return ("IRR") over the life of the investment.
- In November, we invested in a first-lien term loan opportunity in FloWorks, a specialty distributor of flow control products serving the chemical, downstream refining, renewables, semiconductor, and other end markets. This term loan, being supported by substantial enterprise value coverage coupled with strong levered free cash flow generation, represents a compelling investment opportunity.

NAV PER UNIT PERFORMANCE AS AT 30 NOVEMBER 2024 [2, 3]

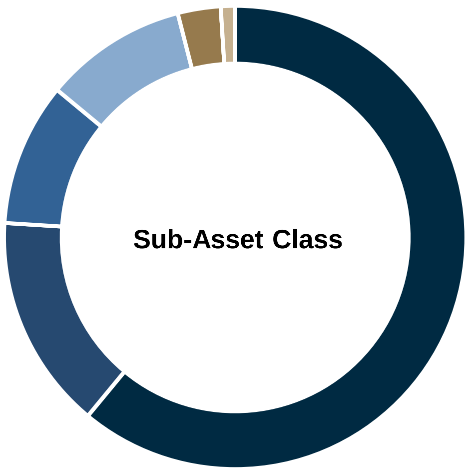
	1 month	1 year	3 years p.a.	Since inception p.a. [3]
NAV per Unit	0.7%	4.0%	4.8%	8.7%

PORTFOLIO DIVERSIFICATION



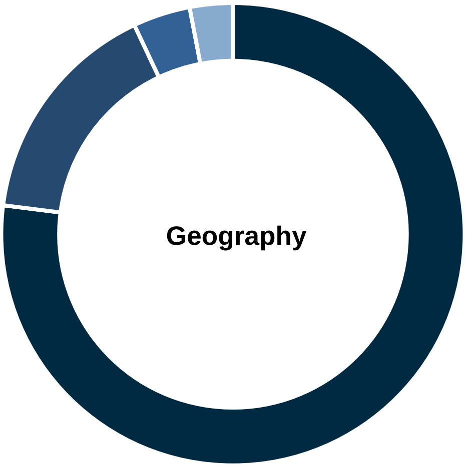
	Equity Co-Investments & Direct Investments	62%
	Equity Funds	32%
	Private Credit	5%
	Cash	1%

Cash includes short duration credit which may be used as a cash management tool. The Trust has utilised a line of credit equal to 5% of the NAV.



	Buyout	61%
	Structured Equity [6]	15%
	Special Situations (Including Credit)	10%
	Growth Equity	10%
	Real Estate	3%
	Venture Capital	0%
	Other	1%

Allocations exclude short duration credit and cash held directly by the Trust and indirectly through underlying funds; includes only private market investments. Refer to footnote 5 for the calculation methodology.



North America	77%
Europe	16%
Asia/Oceania	4%
Other	3%

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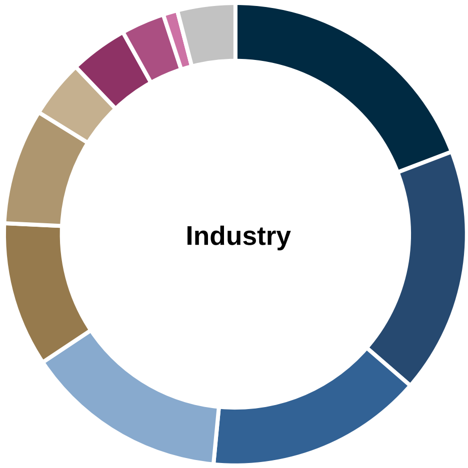

Industrials	19%
Information Technology	17%
Financials	15%
Consumer Discretionary	14%
Health Care	10%
Consumer Staples	8%
Materials	4%
Real Estate	4%
Communication Services	3%
Energy	1%
Utilities	0%
Other	4%

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INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS [7]

EQUITY CO-INVESTMENTS

Uber Freight

In October 2020, we co-invested alongside Greenbriar Equity Group ("Greenbriar") in a Series-A preferred stock financing for Uber Freight. Backed by its parent company, Uber Technologies, Uber Freight is the leading end-to-end enterprise suite that powers intelligent logistics for the United States trucking market. The investment was in a security that included a number of structural protections, including a liquidation preference. As a result, our security was recently redeemed by Uber Technologies, generating a gross investment return of 1.6x MOIC and approximately a 16% gross IRR over the life of the investment.

Greenbriar is a high-quality sector specialist sponsor that has significant relevant investment experience in transportation management and truck brokerage. Under Greenbriar's management, Uber Freight's market share increased significantly and they completed a transformative acquisition that established Uber Freight as one of the world's leading technology-driven logistics platforms. While Uber Freight's gross revenue grew materially following our entry, the company faced significant headwinds beginning in early 2022 due to a highly challenging freight market that saw spot carrier rates decline ~40% from their peak in January 2022. Given the headwinds, we are quite pleased with the outcome of this investment as we believe it highlights the importance of the structured return in the security we invested in.

PRIVATE CREDIT

In November, we invested in a first-lien term loan opportunity in **FloWorks**. FloWorks is a specialty distributor of flow control products serving the chemical, downstream refining, renewables, semiconductor, and other end markets. Since its acquisition by Wynnchurch Capital in 2023, the company has improved cash generation through several operational enhancements, including reducing inventory, centralising procurement to streamline operations and improve working capital efficiency, and refining its pricing model to achieve additional margin gains.

FloWorks benefits from decade-long relationships with original equipment manufacturers, supported by its extensive catalogue. This enables the company to quickly provide replacement parts, minimising downtime for customers – a critical factor since 80% of its revenue is derived from maintenance, repair, and operations ("MRO"). Furthermore, 40% of revenue comes from exclusive MRO agreements, with an average contract length of three years. These contracts are typically fixed-price with escalators and focus on specific plants or regions. They also provide a platform for cross-selling additional products not initially covered under the agreements, further enhancing margins.

This term loan is supported by substantial enterprise value coverage, with a 3.9x net detachment point at close versus a 10.0x implied valuation multiple. Coupled with strong levered free cash flow generation, this transaction represents a compelling investment opportunity.

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1. The NAV is unaudited.
2. Past performance is not a reliable indicator of future performance, the value of investments can go up and down. The net return has been determined with reference to the increase in the Net Asset Value per Unit, as well as of the reinvestment of a Unit's distribution back into the Trust pursuant to the Trust's distribution reinvestment plan ("DRP"). Pengana has established a DRP in respect of distributions made by the Trust. Under the DRP, Unitholders may elect to have all or part of their distribution reinvested in additional Units.
3. The NAV per unit at inception (23 April 2019) is based on the subscription price per unit which is equal to $1.25.
4. Pengana intends to target a cash distribution yield equal to 4% p.a. (prorated on a non-compounded basis) of the NAV (excluding the total value of the Alignment Shares but including the cash distribution amount payable) as at the end of the period that a distribution relates to. The targeted distribution is only a target and may not be achieved. Investors should read the Risks summary set out in Section 11 of the IPO PDS.
5. Portfolio Diversification charts and Top 10 Portfolio Investments tables, where applicable, represents the remaining value of the investments and are based on the Fund's percentage of ownership in the investments. Remaining value is reflected gross of both investments and Fund-related management fees, expenses and carried interest, if applicable, as of the valuation date of the respective investments reflected herein. If applicable, charts that are inclusive of both co-investments and underlying holdings of fund investments may reflect a co-investment valuation date as of the fund investment valuation date (i.e., on a quarter lag). Public underlying investments may include, but may not be limited to, investments in publicly-traded equity instruments, such as common and preferred stock, and publicly traded debt instruments, if applicable. Asset-level remaining value is presented gross of fund-level leverage which may be used in lieu of asset-level leverage. As such, the remaining value presented in this report may be a larger portion or exceed the remaining value of the parent investment.
6. Structured Equity is used to describe investments that have structural elements designed to enhance the risk/return profile of a number of our investments, including growth investments. These elements typically include a component of potential downside protection through the use of a variety of different mechanisms including, but not limited to, liquidation preferences and convertible preferred equity.
7. In reviewing the case studies / trade examples ("Examples") provided in this presentation, you should consider the following:

   This presentation does not purport to make any recommendations regarding, or to serve as a basis or analysis on which persons might make investment decisions regarding, specific securities, investment strategies, industries or sectors. It is prepared for informational purposes only to provide background, data and topical comment on various aspects of the alternative investments industry. References to specific securities, strategies, industries or sectors contained in this presentation, whether successful or unsuccessful, are presented solely for illustrative and educational purposes only and should not be relied on in connection with making any investment decisions. The returns (actual or hypothetical) described in the Examples, if any, should not be taken as any indication of the performance of any investment in any strategy described herein. Further, potential outcome scenarios described in each Example represent only certain possible outcomes for the given trade. Additional outcomes may include severe or total losses.

   References to "managers" or "investment managers" in this presentation are not necessarily to "managers" or "investment managers" of the underlying funds ("Underlying Funds") in which one or more GCM Grosvenor fund or account invests. Where expressly noted, however, references to "managers" or "investment managers" in this presentation are to the subset of investment managers of Underlying Funds in which one or more GCM Grosvenor fund or account invests.

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8. Pengana Investment Management Limited, PE1's Responsible Entity, today announced an on-market buy-back commencing on 24 December 2024 of up to 10% of the smallest number of shares on issue at any time during the last 12 month period. Refer to the relevant ASX announcement for more information.

Authorised by: Paula Ferrao, Company Secretary

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