

HOW 10 OF OUR LARGEST HOLDINGS ARE PERFORMING THROUGH COVID



NAV
PER UNIT¹

\$1.1659

1 MONTH
PERFORMANCE²

-2.0%

SINCE INCEPTION
PERFORMANCE (P.A.)^{2,3}

-2.5%

TARGET DIVIDEND
YIELD⁴

4%

COMMENTARY

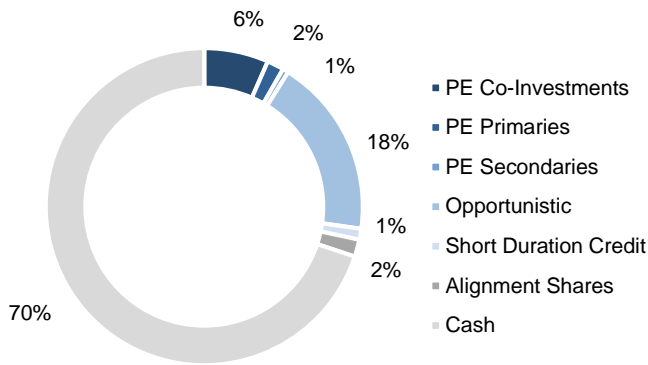
The Trust returned -2.0% for the month of July, with slight gains from its private market investments (+0.2%) and losses generally attributable to the appreciation of the AUD versus the USD. We have discussed this currency impact as well as our rationale for holding unhedged USD extensively in previous updates including in our [Performance Update – June 2020](#).

While 30 June valuations for PE1's underlying private equity and opportunistic investments have yet to be finalised and many of the investments are still very early in their lifecycles, based on the current composition of the portfolio, which includes a number of companies that have been positively impacted by the restrictions related to COVID-19, we expect to see an improvement in 30 June valuations for the underlying companies in the portfolio once they are finalised.

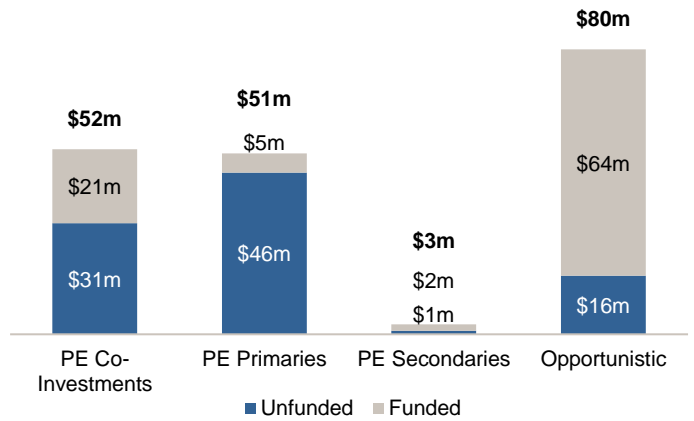
In an effort to provide PE1 investors with more detailed information regarding the portfolio, set forth in the following section are descriptions of 10 of the largest underlying investments in the portfolio and how they have performed thus far this year. We hope this will give you more insight into the portfolio at its current stage of development.

Over July, PE1 raised \$93.5 million having completed a pro-rata non-renounceable rights issue of units in the Trust (with part of the shortfall allocated to sophisticated investors), as well as having placed additional securities with sophisticated investors utilising part of the Trust's 15% placement capacity. The following page provides a breakdown of the portfolio.

PE1 Allocations by Investment Type



Breakdown of PE Commitments (A\$)



Values may not sum to 100% and/or subtotals may not aggregate precisely due to rounding.

10 OF OUR LARGEST HOLDINGS⁵



Instacart, which represents the largest private equity position in the PE1 portfolio, is an online grocery delivery service operating as the asset light solution for existing grocers. As we have noted a number of times in our recent communications with investors, Instacart has significantly benefitted from the work from home orders, adding millions of new customers since the COVID-19 crisis began and has seen order volume go up by as much as 500% in the past 12 months. Due to its recent success, Instacart announced on 11 June that it had raised US\$225 million in a new funding round, catapulting its valuation from US\$7.9 billion to US\$13.7 billion.



Pathway Vet Alliance is a leading consolidator of general practice, specialty and affordable care veterinary clinics, as well as a provider of veterinary management services in the US. While the company saw a decline in sales in March due to the stay at home restrictions, it pivoted quickly and has gone live with telemedicine programs within a number of its divisions that helped offset the in-person sales losses. We believe that these actions, together with the strong growth trends in the vet services market, as well as the potential for current market dynamics to help drive an increase in consolidation of the highly fragmented vet services market, should help to position the company for success even if the current crisis persists.



Wix.com provides cloud-based software that allows small- and mid-sized businesses to build their own websites using simple drag and drop tools, without needing to know how to code. The website design platform enables entrepreneurs and designers to easily share their ideas, setup online shops and launch products. The company has continued to perform well in the current environment and with better than expected earnings and increased demand for website development among small- to mid-sized businesses over the last few months, the convertible note in Wix that PE1 has exposure to through its opportunistic sleeve has traded up 70%+ in 2020.



Lineage Logistics, LLC is a global warehouse and logistics company specialising in cold storage. The company operates temperature-controlled warehouses for both perishable and frozen goods in exchange for ongoing fees from its customers. As an industry, cold storage provides critical infrastructure in the supply chain between food producers and consumers and Lineage has benefitted from the increased volume in the grocery supply chain due to the stay at home restrictions stemming from the pandemic.

ALION

Alion Science and Technology Corporation is a leading provider of advanced engineering, information technology, naval architecture and operational solutions to the US Federal Government, commercial customers and state and foreign governments. The company's engineered solutions support smarter decision-making and enhanced readiness in rapidly-changing environments. The COVID-19 crisis has not impacted Alion's business materially, as much of the company's work is viewed as essential, and double-digit revenue growth is currently anticipated for the company when its fiscal year ends in September.



Innophos is a leading global producer of phosphate and non-phosphate ingredients primarily used across the food, health, nutrition, and industrial end markets. Innophos' products across the phosphate and non-phosphate segments are critical to the taste, texture, performance and/or nutritional contents of foods, beverages, pharmaceuticals, oral care products and other applications. The company has not been impacted to date by the current crisis, with all plants running normally, and financial performance is currently ahead of the sponsor's original plan for 2020.



BDP International is an asset-light, outsourced, global logistics solutions provider managing the end-to-end movement of shipments globally on behalf of chemical, industrial, healthcare, consumer and retail customers. The company specialises in the management of highly complex, regulated freight supply chains, including leading market positions serving the packaged chemicals and hazardous materials sectors. The company saw net revenue decline modestly in the first quarter, which reflected softness in the US, Europe and Asia in part driven by the impact of COVID-19 on global supply chains and underlying demand, and in part due to currency headwinds from a strengthening US dollar. Q2 may also be challenging for the company, as macroeconomic conditions have continued to deteriorate around the world and demand for BDP's services will be correlated to global GDP. That said, the company is fundamentally sound and well-capitalised, and experienced double-digit EBITDA growth in Q1 2020 as compared to Q1 2019.



Spice World is the largest supplier of fresh and processed garlic to grocery, mass, and club stores in the US. As a seller of a recession resistant, staple food product, it has been unsurprising that the company has not seen any business disruptions and sales have actually been stronger than prior year sales and versus budget. Moreover, Spice World has seen its gross margins increase through Q2 and the company may ultimately outperform the sponsor's plan for 2020.

COTIVITI

Cotiviti is a healthcare service provider that leverages data analytics and technology to limit costs and ensure regulatory compliance for various stakeholders in the healthcare industry. Cotiviti's deeply embedded analytic and predictive modelling solutions, complemented by deep subject matter expertise, empower clients to maximize profitability through cost reduction while improving the quality of healthcare, enhancing the patient experience and assuring appropriate and compliant reimbursement. Cotiviti has continued to perform well since the COVID-19 pandemic started and was recently profiled in a [Forbes article](#) about companies that are saving the world from COVID-19. The company has created a COVID-19 Outbreak Tracker that provides weekly predictions about potentially hidden hot spots around the US. The map also highlights areas where coronavirus mitigation efforts may be working, illustrating a decreased probability of a hidden outbreak.



Unifrax is a global leader in manufacturing high performance specialty fibers and inorganic materials, whose products are used to solve countless application problems across many industries, including chemical processing, power generation and storage, ceramic and glass, fire protection, aerospace, appliance, hearth, automotive, and transportation. 2020 has been a bit challenging thus far for Unifrax, with performance below budget from a revenue and adjusted EBITDA perspective due in part to weakness in the automotive industry. Despite the company's challenges to date in 2020, there have also been some positive signs, with demand for a number of products increasing (e.g., filtration). Additionally, the company's new product pipeline is strong with a variety of interesting applications in battery, emissions, and other green technologies.

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 is based on the subscription price per unit which is equal to \$1.25.
4. From 1 July 2020, 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. In reviewing the case studies / trade examples ("Examples") provided in this presentation, you should consider the following:

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Authorised by: Paula Ferrao, Company Secretary



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