PENGANA CAPITAL

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.

MARCH 2021

QUALITY SECONDARIES ACQUIRED AT A SIGNIFICANT DISCOUNT

NAV PER UNIT[1]	1 MONTH PERFORMANCE[2]	SINCE INCEPTION PERFORMANCE (P.A.)[2,3]	TARGET DIVIDEND YIELD[4]
$1.2458	**6.5%**	**2.9%**	**4%**

COMMENTARY

The Trust returned 6.5% for the month of March, being propelled upward by a +5.2% contribution from our opportunistic investments which are held in GCM Grosvenor Multi-Asset Class Fund II (MAC II). The remaining positive return was driven by a depreciation in the AUD/USD as well as a slight revaluation in our other private equity investments.

While we foreshadowed (in our previous monthly update) that two MAC II holdings, **Instacart** and **SpaceX**, were expecting a rising 31 December 2020 valuation, we experienced a broader based move across multiple underlying companies within the MAC II portfolio.

During March, MAC II also executed a private equity co-investment in **Bolt**, a leading rideshare provider operating in over 40 countries across Europe, Africa, Western Asia and Latin America with more than 50 million customers; and **Stripe**, a digital payment processing company that has seen significant growth during the Covid-19 pandemic, announced that it had raised a new US$600 million round of funding that values the company at US$95 billion – nearly triple its last reported valuation – making it **the most valuable private company Silicon Valley has produced** (surpassing even the valuations achieved by Facebook and Uber before they went public).

GCM Grosvenor Co-Investment Opportunities Fund II (GCF II), *which remains priced in PE1 using its 30 September 2020 valuation*, is expecting its 31 December 2020 valuation to form part of PE1's 30 April 2021 NAV. During March, GCF II closed on its co-investment in **Nestlé Waters** North America, one of the leading providers of bottled water in North America, with products sold in nearly all retail outlets across the US.

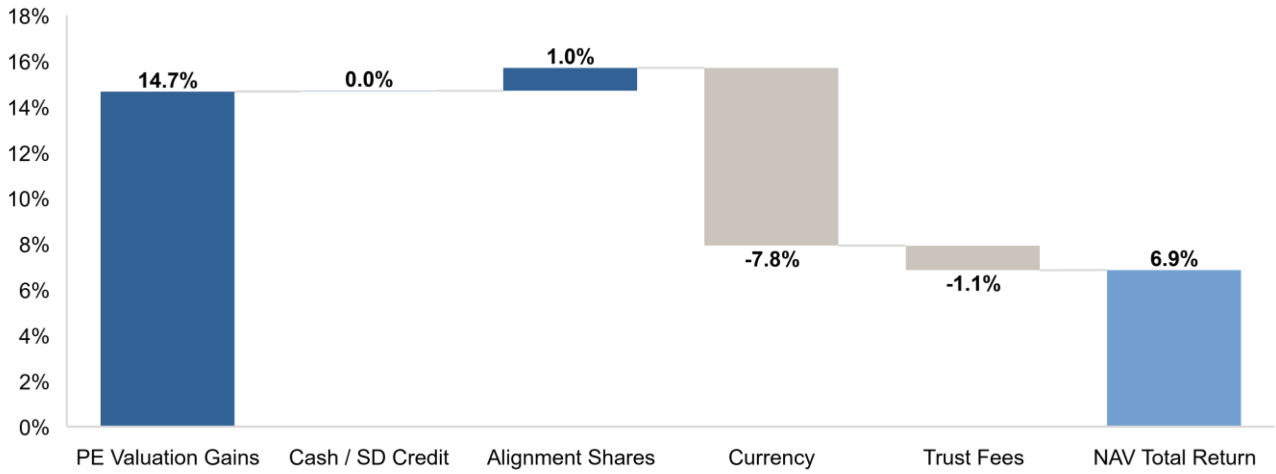
SECONDARY TRANSACTION

At the end of March, PE1 closed on a private equity secondary transaction in which PE1 acquired interests in a portfolio consisting of eleven underlying fund interests with vintages from 2008-2017 and two direct company investments assembled and managed by the Emirati sovereign wealth fund, Mubadala Capital (together the Sale Portfolio). The transaction also included a commitment to MIC Capital Partners III, a seeded portfolio being raised by Mubadala Capital that is currently approximately 60% funded with six existing investments. The combined portfolio is diversified across over 100 underlying companies as well as across sectors and geographies. The Sale Portfolio was priced with a 10% discount to the 30 September 2020 NAV which, based on subsequent movements in underlying company valuations, is estimated to represent a 22% discount to the NAV at close. The transaction also included a purchase price deferral which should help enhance returns on the transaction.

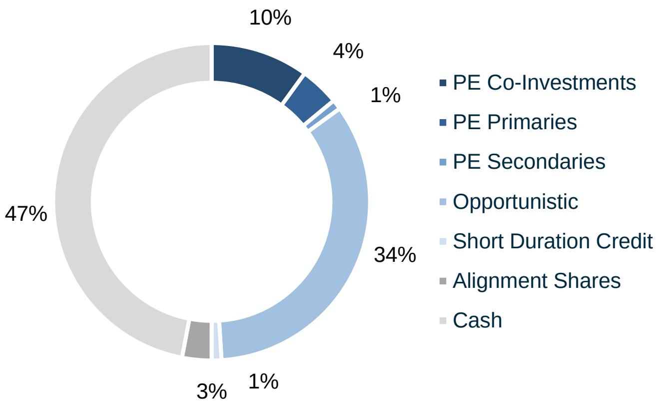
ALIGNMENT SHARES

Pengana intends to distribute the Alignment Shares to PE1 unitholders (in proportion to the size of their unitholding) early in the upcoming financial year, subject to determination by the Responsible Entity to distribute.

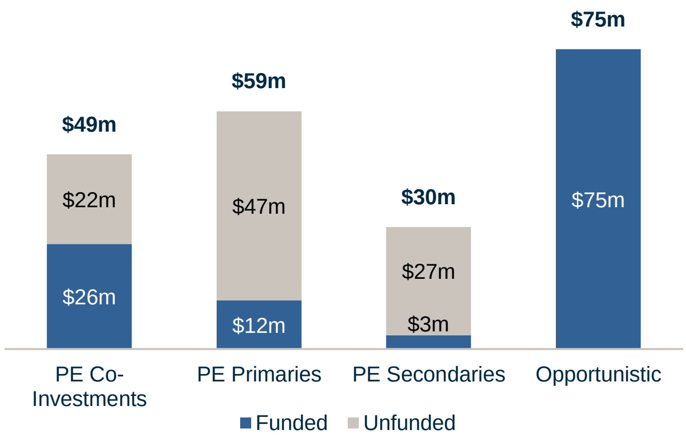
FYTD Contribution to NAV total return (1 July 2020 to 31 March 2021)



PE1 Allocations by Investment Type



Breakdown of PE Commitments (A$)



Values may not sum to 100% and/or subtotals may nor aggregate precisely due to rounding.

INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS[5]

OPPORTUNISTIC INVESTMENTS

MAC II recently executed a private equity co-investment in **Bolt**, a leading ridesharing provider in Europe and Africa.

Founded in 2013 and headquartered in Tallinn Estonia, Bolt offers ride-hailing and micromobility (i.e., scooters and electric bikes) services, as well as food and package delivery. Bolt operates in over 40 countries in Europe, Africa, Western Asia and Latin America and has more than 50 million customers globally.

Bolt's strategy is to price its services at an ~20% discount to its closest competitor in any geography, which has earned the company a #1 or #2 market share position in each of its core markets. The food delivery and on-line travel agency markets indicate that digital marketplaces can sustain at least two scaled and profitable competitors, suggesting that Bolt's current market positions should be reasonably defensible. Unlike many other rideshare or food delivery models, Bolt has demonstrated admirable capital discipline, spending only €200 million life-to-date to achieve its current scale. With large global competitors now focused on profitability, we believe Bolt is well-positioned to continue its rapid growth and maintain its leading market share in its core markets.

In other MAC II related news, **Stripe**, the payment processing company that operates primarily in e-commerce environments, announced in March that it had raised a new US$600 million round of funding that values the company at US$95 billion — nearly triple its last reported valuation of US$36 billion from April 2020. Stripe, whose revenue is largely tied to growth in online shopping, saw significant growth as a result of the Covid-19 pandemic.

CO-INVESTMENTS

In March, GCF II closed on its co-investment in **Nestlé Waters North America** (Nestlé Waters NA) alongside One Rock Capital Partners.

Based in Stamford, Connecticut, Nestlé Waters NA is one of the leading providers of bottled water in North America, with products sold in nearly all retail outlets across the US. The company comprises eight highly recognisable brands sold through retail (approximately 75% of sales) and home and office delivery (approximately 25% of sales) channels, including Poland Spring, Arrowhead and Nestlé Pure Life.

GCM was attracted to this investment opportunity for a number of reasons, including:

- (i) Nestlé Waters NA's leading position in a staple products industry with favourable market trends (e.g., since 2016, consumers have increasingly substituted purchases of bottled water in lieu of carbonated soft drinks),
- (ii) the company's diverse line of products with 97% penetration in mass, supermarket, office, and value sales channels,
- (iii) the significant opportunity to make meaningful operational improvements across warehouse automation, distribution and logistics, and marketing, and
- (iv) the significant barriers to entry stemming from water and property rights as well as the high initial cost of infrastructure to collect and distribute water.

SECONDARY INVESTMENTS

At the end of March, PE1 closed on a private equity secondary transaction, **Project LaPinta** (LaPinta), and is currently expecting to execute at least one additional secondary transaction during the month of April.

As part of LaPinta, PE1 acquired interests in a portfolio consisting of eleven underlying fund interests with vintages from 2008-2017 and two direct company investments assembled and managed by Mubadala Capital (Sale Portfolio). The transaction also included a commitment to MIC Capital Partners III, a seeded portfolio being raised by Mubadala Capital that is currently approximately 60% funded with six existing investments.

The combined portfolio is diversified across over 100 underlying companies, with the largest single-company exposure representing approximately 8% of overall NAV. The portfolio spans multiple sectors, with approximately 75% of NAV in North America and 25% in Europe and Asia. GCM expects further diversification to come as the balance of uninvested capital of MIC Capital Partners III is invested.

The Sale Portfolio was priced with a 10% discount to the 30 September 2020 NAV which, based on subsequent movements in underlying company valuations, is estimated to represent a 22% discount to the NAV at close. The transaction also included a purchase price deferral (50% of the purchase price was funded at close, with the balance to be paid after 15 months) which should help enhance returns on the transaction.

We invite you to join us for an upcoming webinar with CIO and Portfolio Manager Fred Pollock

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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