

### FILLING UP THE SECONDARIES' BUCKET

NAV  
PER UNIT<sup>1</sup>

**\$1.2463**

1 MONTH  
PERFORMANCE<sup>2</sup>

**0.1%**

SINCE INCEPTION  
PERFORMANCE (P.A.)<sup>2,3</sup>

**2.7%**

TARGET DIVIDEND  
YIELD<sup>4</sup>

**4%**

### COMMENTARY

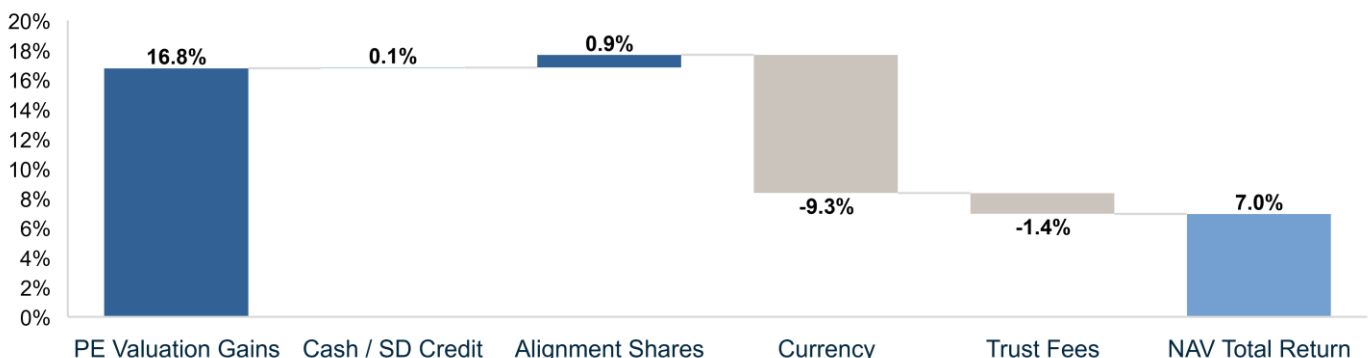
The Trust returned +0.1% for the month after generating a +0.6% contribution across our private equity investments (mainly secondaries), which was offset by both a fall in the value of the Alignment Shares and marginal increase in the AUD/USD exchange rate.

GCM Grosvenor Multi-Asset Class Fund II (MAC II) recently executed a private equity co-investment in the Indian financial services super-app, **CRED**, which provides high-income and credit-worthy users with a single interface to manage their finances, including credit and debit card spending, rent payments, and investment portfolios.

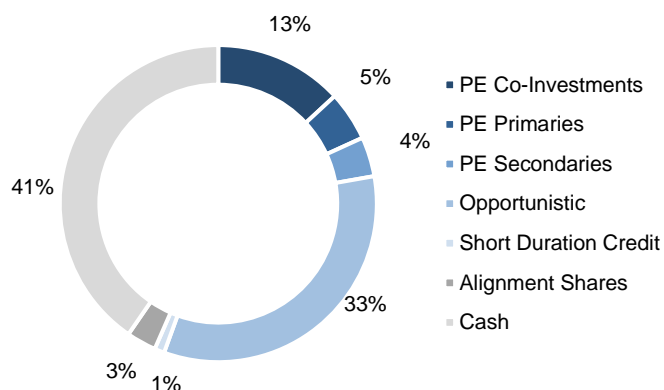
We are currently finalising two secondary transactions that will represent US\$21.4 million of aggregate exposure for PE1: **Project Rambler** which has underlying exposure to 36 unique funds and approximately 100 underlying portfolio companies, and **Project Galileo** consisting of a single asset that has a leading market position in the research and scientific publishing space.<sup>6</sup> Both represent high-quality transactions, with more than two-thirds of Rambler's underlying funds being either 1<sup>st</sup> or 2<sup>nd</sup> quartile on an IRR basis, and Galileo having a forecast 10% leveraged free cash flow in year 1 of the hold period alone. The estimated discounts at close are expected to be ~30% and ≥10% for Rambler and Galileo respectively.

In other Trust-related news, Pengana continues to intend to distribute the **Alignment Shares** to unitholders (in proportion to the size of their unitholding). Our intention was to complete this distribution in July. However, we have received legal advice that the distribution should be completed in mid-September after Pengana Capital Group Limited (ASX: PCG) announces its results for FY2021 at the end of August. Additionally, PE1 intends to distribute **2.5 cents per unit** for the six-month period ending 30 June 2021. *Both distributions remain subject to final determination by the Responsible Entity to distribute.*

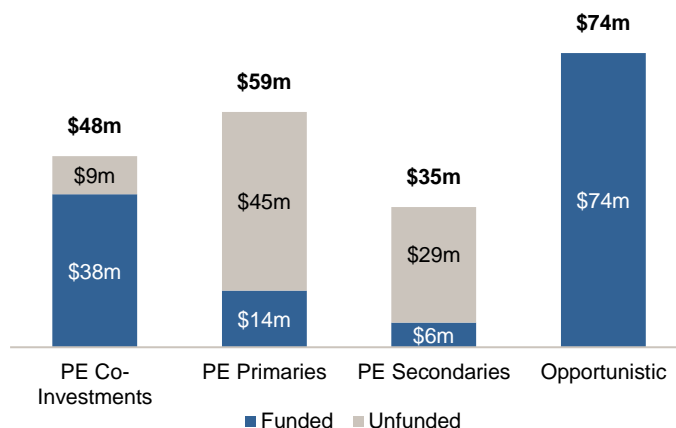
### FYTD Contribution to NAV total return (1 July 2020 to 31 May 2021)



## 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.

## INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS<sup>5</sup>

### OPPORTUNISTIC INVESTMENTS

MAC II recently executed a private equity co-investment in the Indian financial services super-app, **CRED**.



Founded in 2018 in Bangalore, India, CRED provides high-income and credit-worthy users with a single interface to manage their finances, including credit and debit card spending, rent payments, and investment portfolios. CRED helps customers develop and maintain healthy financial habits by incentivising consumers to pay their bills on time in exchange for rewards at retailers and exclusive restaurants. In addition to helping users manage their finances, CRED is building a comprehensive database of financial and purchase behaviour of affluent Indian consumers, a valuable customer acquisition tool for financial institutions and merchants.

We believe CRED provides a differentiated offering in a large and growing market segment. There are approximately 70 million affluent households in India, which are expected to grow 15% per annum by 2026. While these households represent only 24% of total Indian households, they also represent 80% of the nation's total wealth and 95% of the country's credit card spend. CRED's user base is therefore highly attractive to merchants and financial institutions looking to grow their business, with India's banks (\$450 billion total market cap) reliant on consumer lending and wealth management as key profit pools. The investment opportunity also has several key early monetisation levers, including a short-term lending product ("Cred Cash", ~5% take rate), a buy-now/pay-later offering ("Cred Checkout", ~5% take rate), and a rent payment offering effected through virtual cards ("Cred Max", ~2% take rate). CRED's early monetisation efforts show promise, with US\$22 million of run rate revenue in January 2021, and we believe there is the potential for significant additional penetration of monetised services in the future.

## SECONDARY INVESTMENTS

We are currently finalising two secondary transactions that will represent US\$21.4 million of aggregate exposure for the PE1 portfolio – **Project Rambler** and **Project Galileo**.<sup>6</sup>

Project Rambler involves the acquisition of a highly diversified portfolio of LP interests consisting of underlying exposure to 36 unique funds and approximately 100 underlying portfolio companies. The transaction is expected to be short in duration, with an average holding period of just over a year. GCM Grosvenor was well positioned as the acquirer of these funds given our overlap and insight into the underlying portfolio of high-quality funds, more than two-thirds of which are either 1<sup>st</sup> or 2<sup>nd</sup> quartile on an IRR basis. The estimated discount at close for this transaction is expected to be approximately 30%.

Project Galileo is the participation in a GP-led continuation fund with one of our high-quality managers in Europe. The transaction consists of a single asset that has a leading market position in the research and scientific publishing space. The company benefits from a very stable end-market, sticky revenues, and high barriers to entry. We forecast strong free cash flow generation, with approximately 10% leveraged free cash flow in year 1 of the hold period alone. The estimated discount at close for this transaction is expected to be in excess of 10%.

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.
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6. There can be no guarantee that the transaction will close on this timeframe or at all.

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**Authorised by: Paula Ferrao, Company Secretary**



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