

### SEMI-ANNUAL DISTRIBUTION INCREASED BY 25%

NAV PER UNIT (CUM) <sup>1</sup>	NAV PER UNIT (EX) <sup>1</sup>	1 MONTH PERFORMANCE <sup>2</sup>	SINCE INCEPTION PERFORMANCE (P.A.) <sup>2,3</sup>	TARGET DISTRIBUTION YIELD <sup>4</sup>
<b>\$1.5560</b>	<b>\$1.5248</b>	<b>-0.2%</b>	<b>12.8%</b>	<b>4%</b>

### COMMENTARY

The Trust was flat over December with positive private equity contributions being offset by negative FX returns resulting from a rising AUD: USD exchange rate. To achieve our 4% p.a. target distribution yield, we recently announced a semi-annual distribution of \$0.0312 per unit (up from \$0.025 per unit for the half year ending 30 June 2021), equal to 2% of the 30 November 2021 NAV per unit. The distribution will be paid on 14 January 2022.

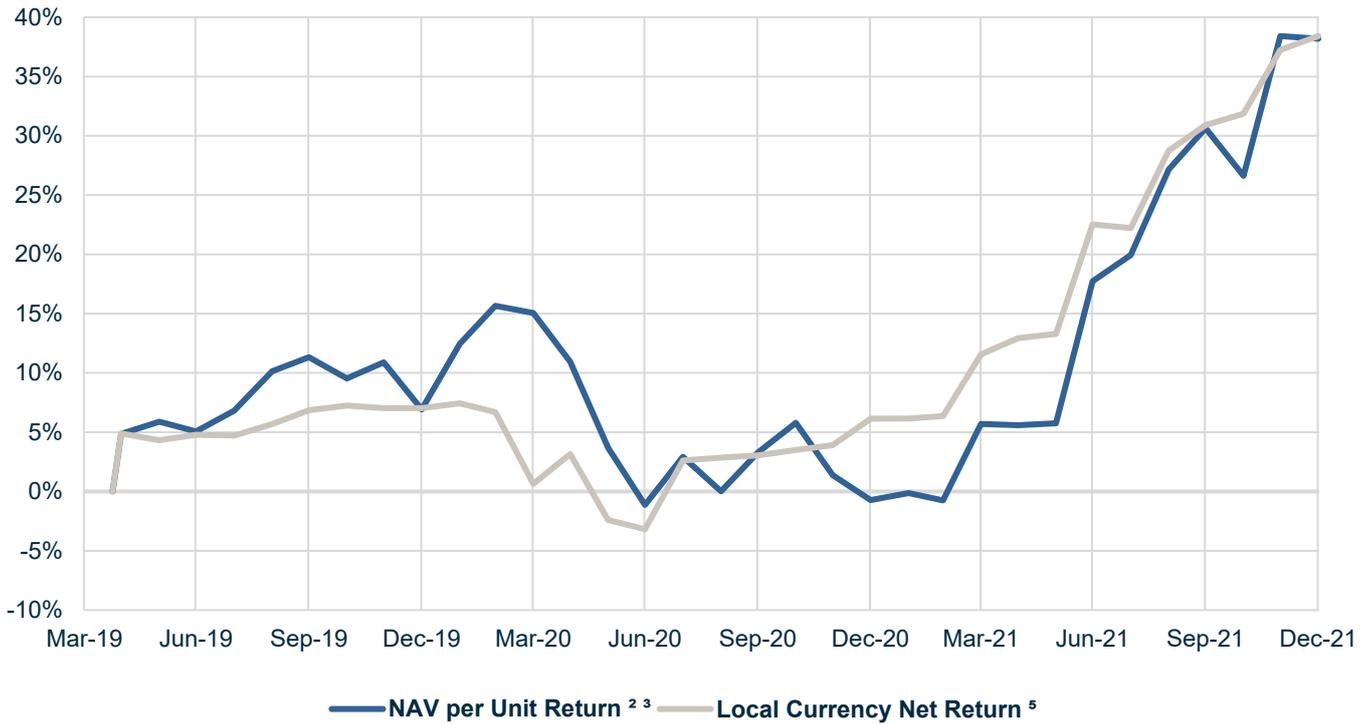
We made several acquisitions over the month including:

- A co-investment in **Kroll Bond Rating Agency**, one of the six full-service global credit ratings agencies. Founded in 2010, KBRA, which employs over 400 employees across five offices in the U.S. and Europe, has published over 51,000 ratings with nearly \$3 trillion in rated issuance.
- A secondary transaction in **Project Mesh**, an off-market transaction (i.e., non-brokered) that centred around the formation of a leading software group comprised of four enterprise resource planning software companies focused on delivering mission-critical technologies.
- A secondary transaction in **Project Patriot**, a continuation vehicle to finance the acquisition of United Site Services. USS is the largest provider of portable sanitation and related site services in the United States, with 127 branch locations, more than 2,150 service technicians, and a loyal customer base of over 125,000 customers across various end markets.

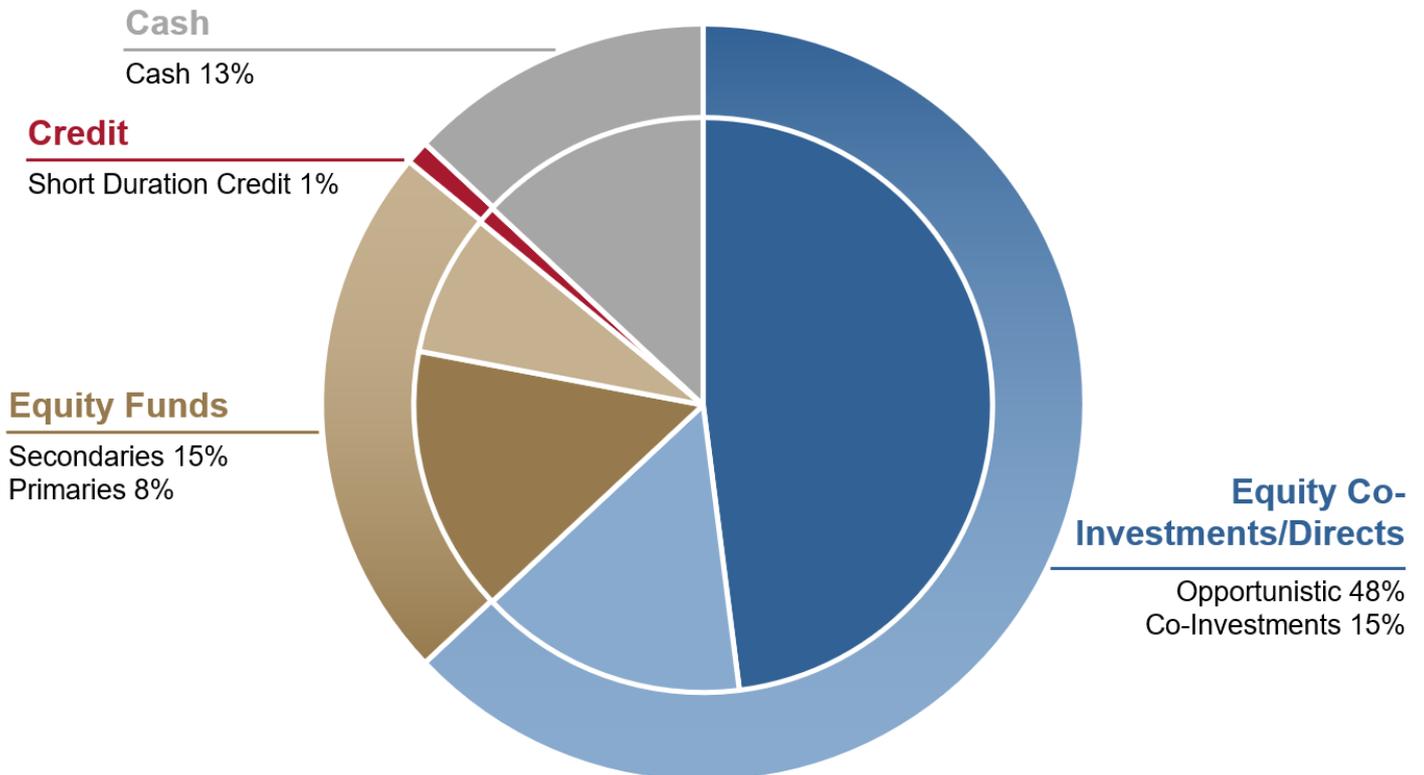
We closed on our 14<sup>th</sup> primary fund investment by committing US\$4.0 million to **TSG9 Parallel L.P.**, which was discussed further in last month's update.

Finally, our March 2021 co-investment **BlueTriton** (formerly Nestlé Waters North America), a leading North American provider of several longstanding bottled water brands, has seen the successful execution of a number of key revenue growth and operational initiatives, including launching several new brands and completing a strategic add-on acquisition. As a result, BlueTriton was able to complete a dividend recapitalisation and distributed approximately 71% of invested capital back in December 2021.

## Cumulative Net Return Since Inception (23 April 2019 to 31 December 2021)



## Portfolio Allocations by Investment Type (31 December 2021)



## INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS<sup>6</sup>

### OPPORTUNISTIC INVESTMENTS



GCM Grosvenor Multi-Asset Class Fund III, L.P. (“MAC III”) co-invested alongside Parthenon Capital Partners in the common equity of **Kroll Bond Rating Agency** (“KBRA”), one of the six full-service global credit ratings agencies in the market. Founded in 2010, KBRA, which employs over 400 employees across five offices in the U.S. and Europe, has published over 51,000 ratings with nearly \$3 trillion in rated issuance.

We believe KBRA operates in an attractive industry that has high structural barriers to entry stemming from the US Securities and Exchange Commission’s recognition of only nine firms as national ratings organisations, whose role is to assess the creditworthiness of companies and evaluate bonds. Despite the strong incumbent positions enjoyed by the largest ratings agencies, KBRA has captured market share and grown revenue at a 5-year compound annual growth rate of ~22%. We believe KBRA will continue to outpace the broader ratings industry due to its focus on the structured products portion of the market, its regional expansion, and new product pipeline. KBRA also generates an increasingly significant portion of its revenue from recurring monitoring services. We believe MAC III acquired KBRA at a discounted valuation relative to peers despite its stronger revenue and EBITDA growth.

### CO-INVESTMENTS



In March of 2021 GCM Grosvenor Co-Investment Opportunities Fund II (“GCF II”) invested US\$30.0 million in **BlueTriton** (formerly Nestlé Waters North America) alongside One Rock Capital Partners. BlueTriton is a leading provider of several longstanding bottled water brands sold in the United States and Canada. Since the acquisition in March, the company has successfully executed a number of key revenue growth and operational initiatives, including launching several new brands and completing a strategic add-on acquisition. Thanks to the resulting increase in sales and liquidity position of the business, as well as the completion of a subsidiary’s sale-leaseback transaction, BlueTriton was able to complete a dividend recapitalisation and distribute approximately 71% of invested capital back to GCF II in December 2021. We are pleased to see the early performance of the business and continue to be optimistic on the many remaining opportunities for BlueTriton.

### SECONDARY TRANSACTIONS

GCM Grosvenor Secondary Opportunities Fund III, L.P. (“GSF III”) closed on a US\$14.6 million investment in **Project Mesh**, a GP-led continuation fund involving Bregal Unternehmerkapital, a Germany, Austria, and Switzerland focused middle-market sponsor. Project Mesh was an off-market transaction (i.e., non-brokered) that centered around the formation of a leading software group comprised of four enterprise resource planning software companies focused on delivering mission-critical technologies. The combination of these companies is expected to deliver tangible cost synergies, a stronger platform for acquisitions, and potential for valuation uplift at exit. The company benefits from sticky revenues and customer relationships, strong operating performance, and an attractive financial profile that includes high free cash flow conversion. The transaction also has strong alignment of interests, as Bregal rolled 100% of the proceeds from this transaction, as well as a significant portion of its latest fund, into this continuation vehicle.



Last month GSF III also closed on a US\$8.0 million investment in **Project Patriot**. Project Patriot is a continuation vehicle organised by Platinum Equity to finance the acquisition of United Site Services (“USS”) from Platinum Equity Capital Partners IV. USS is the largest provider of portable sanitation and related site services in the United States. The company has 127 branch locations with more than 2,150 service technicians and a loyal customer base of over 125,000 customers across various end markets including commercial, industrial, infrastructure, non-residential construction, residential construction, special events and emergency services. Despite being over 10 times the size of its nearest competitor, we believe USS still has a significant opportunity for expansion in the highly fragmented portable sanitation market, which is itself expected to grow at a forecasted rate of ~10% per year through at least 2024. We also believe we are strongly aligned with Platinum Equity and the USS management team, both of whom have rolled a significant portion of their equity into the transaction.

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. The ‘Local Currency Net Return’ represents the performance of the Trust without any impact from foreign exchange fluctuations – a continuously hedged portfolio. In practice, the functional currency of the Trust is the Australian Dollar; the Trust’s investments are denominated in multiple other currencies (including and predominantly the US Dollar); and the Trust does not hedge its foreign currency exposures.

6. 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.

By accepting this information, you agree to treat it as confidential and not to use it for any purpose other than evaluating your investment in a GCM Grosvenor fund or account. Moreover, the information may include material, nonpublic information relating to particular securities and/or the issuers thereof. Furthermore, you acknowledge that you may be receiving material, nonpublic information and that, under certain circumstances, United States securities laws prohibit the purchase and sale of securities by persons or entities who are in possession of material, nonpublic information relating to such securities and/or the issuers thereof, and the securities laws of other jurisdictions may contain similar prohibition. **Therefore, it is possible that trading in securities and/or the issuers thereof which are the subject of information contained in this presentation may be prohibited by law.**

GCM Grosvenor obtains information about investment managers with whom GCM Grosvenor funds or accounts do not invest, either through direct communication with such investment managers or through third-party sources. In attributing particular outlooks, expectations or statements to “managers” or “investment managers,” GCM Grosvenor has relied exclusively on information communicated to it by such “managers” or “investment managers” or by third-party sources whom we reasonably believe to have reliable information concerning these matters. GCM Grosvenor has not independently verified such information and makes no representation or warranty as to its accuracy or completeness.

None of Pengana Private Equity Trust (“PE1”), Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219 462) (“Responsible Entity”), Grosvenor Capital Management, L.P., nor any of their related entities guarantees the repayment of capital or any particular rate of return from PE1. Past performance is not a reliable indicator of future performance, the value of investments can go up and down. This document has been prepared by the Responsible Entity and does not take into account a reader’s investment objectives, particular needs or financial situation. It is general information only and should not be considered investment advice and should not be relied on as an investment recommendation

Pengana Investment Management Limited (**Pengana**) (ABN 69 063 081 612, AFSL 219 462) is the issuer of units in the Pengana Private Equity Trust (ARSN 630 923 643) (**the Trust**). Before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. None of Pengana, Grosvenor Capital Management, L.P. (**Grosvenor**), or their related entities, directors, partners or officers guarantees the performance of, or the repayment of capital, or income invested in the Trust. An investment in the Trust is subject to investment risk including a possible delay in repayment and loss of income and principal invested.

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



**PENGANA INVESTMENT  
MANAGEMENT LIMITED**  
ABN 69 063 081 612 AFSL 219 462

Levels 1, 2, 3  
60 Martin Place  
Sydney NSW 2000  
T: +61 2 8524 9900  
F: +61 2 8524 9901  
E: [clientservice@pengana.com](mailto:clientservice@pengana.com)  
[PENGANA.COM](http://PENGANA.COM)