



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.

JANUARY 2022

GAINS AND GAINWELL

NAV
PER UNIT¹

\$1.5642

1 MONTH
PERFORMANCE²

2.6%

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

13.4%

TARGET DISTRIBUTION
YIELD⁴

4%

COMMENTARY

The Trust rose 2.6% as a result of positive FX returns resulting from a rising AUD:USD exchange rate.

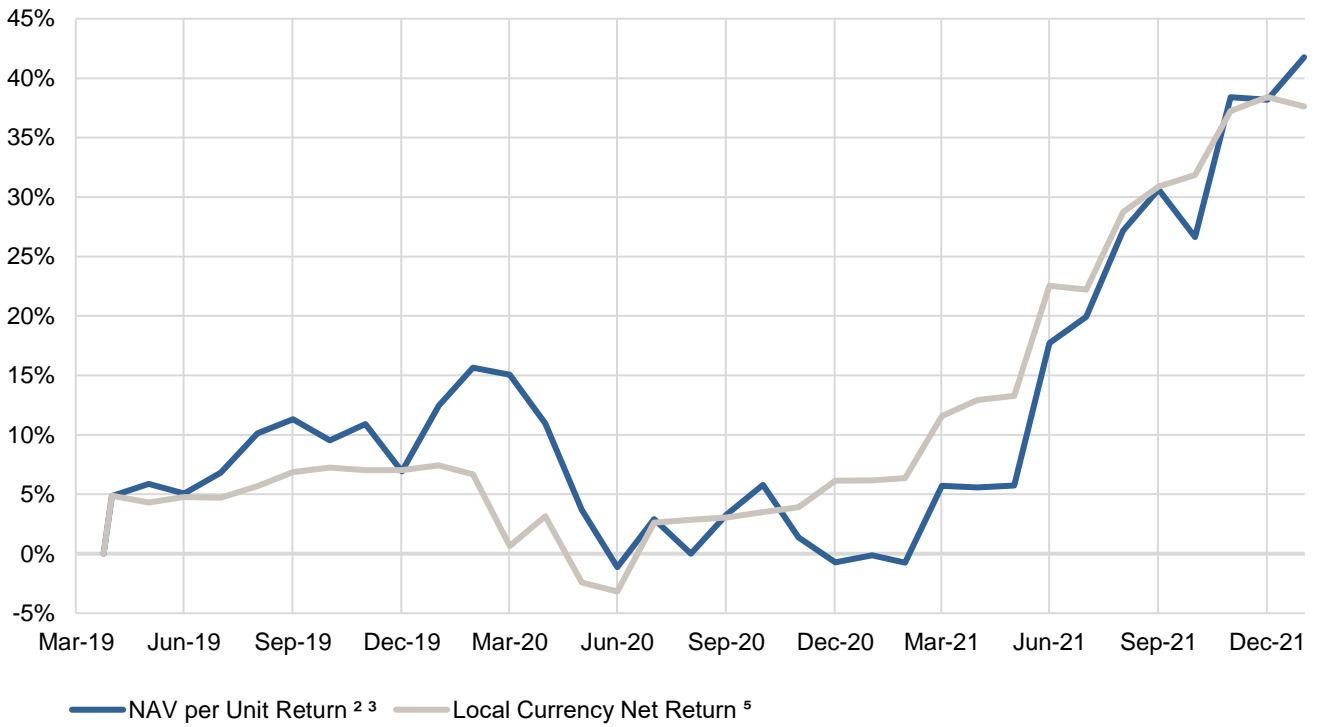
While not receiving quarterly private equity valuations in January, we continue to see strength in our underlying portfolio companies, including:

- **Gainwell Technologies**, a leading provider of technology and analytics solutions that are vital to the administration and operations of health and human services programs throughout the US, generating strong early returns following the establishment of key standalone platforms (e.g., HR), strong operational performance, and the strategic acquisition of the Medicaid and managed-care-market capabilities of HMS Holdings. Gainwell is held through our largest primary fund commitment, The Veritas Capital Fund VII, as well as through our co-investment and multi asset class funds. In total it represents ~4% of our 31 December 2021 private markets exposure, and
- **Bolt**, a leading ridesharing provider in Europe and Africa, reporting strong results from its strategy of offering significantly discounted prices in order to gain and maintain leading market share in each of its core regions. Bolt has subsequently raised capital at €7.4 billion being at a significant premium to both our investment in early 2021, and the prior funding round in August 2021 which valued the company at €4.2 billion.

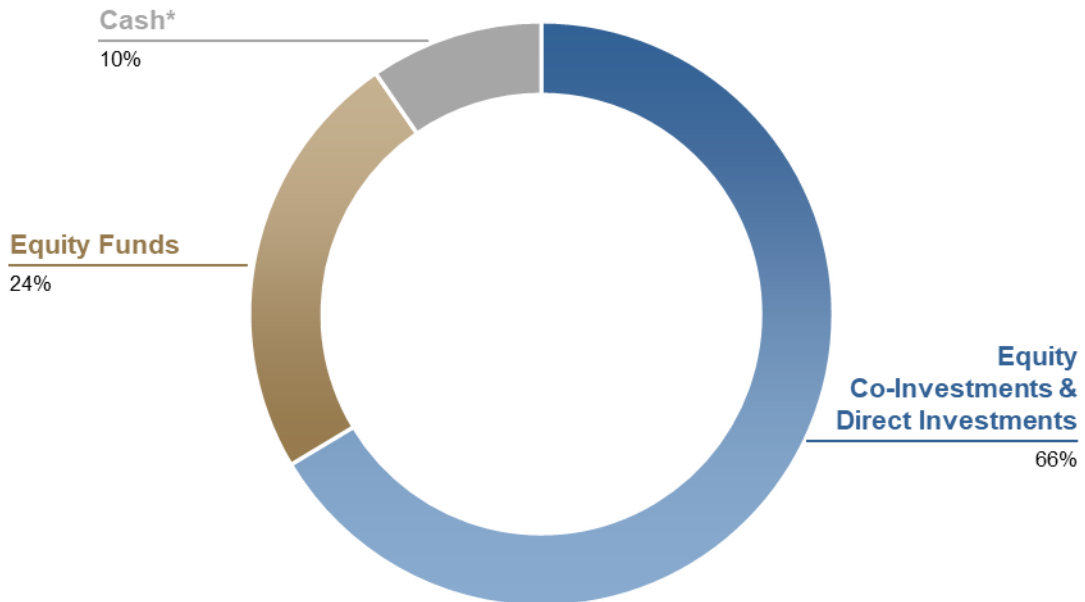
We have maintained our pacing in deploying capital by co-investing in **Hinge Health**, a California-based digital telehealth solution provider. The business is targeted towards musculoskeletal care that improves patient outcomes by reducing pain, opioid use, and surgeries by pairing wearable technology with a comprehensive clinical care team. It operates in a US\$8 - US\$12 billion total addressable market that we expect to continue to benefit from secular tailwinds in digital health.

In addition, we are finalising a US\$12 million commitment to **GCM Grosvenor Strategic Credit Fund II** which will seek to leverage GCM Grosvenor's US\$70 billion global alternatives platform to source difficult-to-access credit transactions from a premier suite of GPs.

Cumulative Net Return Since Inception (23 April 2019 to 31 January 2022)



Portfolio Allocations by Investment Type (31 January 2022)



* Cash includes short duration credit which may be used as a cash management tool.

INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS⁶

OPPORTUNISTIC INVESTMENTS



In January, GCM Grosvenor Multi-Asset Class Fund III, L.P. (“MAC III”) co-invested alongside Coatue and Tiger Global in the common equity of **Hinge Health**, a California-based digital telehealth solution provider. The business is targeted towards musculoskeletal care that improves patient outcomes by reducing pain, opioid use, and surgeries by pairing wearable technology with a comprehensive clinical care team. Hinge Health’s HingeConnect integrates with 750,000+ in-person providers and enables near-real-time interventions for elective musculoskeletal surgeries, driving proven medical claims reduction. Hinge Health operates in a US\$8 - US\$12 billion total addressable market that we expect to continue to benefit from secular tailwinds in digital health. Further, the company’s service offers a strong value proposition as its use results in lower total costs to employers, who pay an annual fee for access to the network.



In early 2021 GCM Grosvenor Multi-Asset Class Fund II (“MAC II”) made 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 across Europe, Africa, Western Asia, and Latin America and has more than 50 million customers globally. At the time of MAC II’s investment, Bolt’s core strategy revolved around offering significantly discounted prices in order to gain and maintain leading market share in each of its core regions. We are pleased to report strong results from this strategy to date, and Bolt has subsequently raised additional capital at €7.4 billion being at a significant premium to both MAC II’s investment approximately one year ago, and the prior funding round in August 2021 which valued the company at €4.2 billion.

PRIVATE CREDIT

PE1 will be committing US\$12 million to **GCM Grosvenor Strategic Credit Fund II** (“SCF II”), which will seek to leverage GCM Grosvenor’s US\$70 billion global alternatives platform to source difficult-to-access credit transactions from a premier suite of GPs. SCF II will pair GCM Grosvenor’s unique sourcing engine with a flexible mandate that is designed to target credit-focused opportunities across sectors, geographies, capital structures and the liquidity spectrum. We believe that SCF II’s strategy should yield a high volume of curated deal flow, enabling SCF II to be highly selective and to thereby minimise credit risk while targeting attractive absolute returns.



In August 2019, PE1 made its single largest primary fund commitment of US\$7 million to The Veritas Capital Fund VII, L.P. ("Veritas VII"). After maintaining a disciplined deployment pace through 2020, Veritas VII is now over 60% invested with three companies in the portfolio and the fund is already showing a healthy mark-up despite being quite early in its value-creation cycle.

The first of these investments, **Gainwell Technologies**, is a leading provider of technology and analytics solutions that are vital to the administration and operations of health and human services programs throughout the US. The investment was fairly complex as it involved the carveout of Gainwell from its NYSE-listed parent. Veritas has significant experience with these types of transactions and has already made excellent progress in establishing key standalone functional platforms for the company (e.g., HR). Moreover, operational performance has been quite strong since our original underwriting, and in Q2 2021 Gainwell closed on the strategic acquisition of the Medicaid and managed-care-market capabilities of HMS Holdings Corp. (Nasdaq: HMSY). As a result of these notable events, the investment is generating strong early returns and continues to show great promise.

It is worth noting that beyond PE1's indirect exposure to Gainwell through its investment in Veritas VII, PE1 also has exposure to Gainwell through MAC II and GCM Grosvenor Co-Investment Opportunities Fund II, and in aggregate the company represents ~4% of PE1's 31 December 2021 private markets exposure.

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 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. The Trust's performance is therefore impacted by foreign currency fluctuations. The 'Local Currency Net Return' represents the performance of the Trust without any impact from foreign exchange fluctuations, effectively assuming that all foreign currency exposure is hedged at no cost.
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

PENGANA.COM

