

## FIFTEENTH PRIMARY FUND COMMITMENT

NAV  
PER UNIT<sup>1</sup>

**\$1.7124**

1 MONTH  
PERFORMANCE<sup>2</sup>

**0.5%**

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

**13.9%**

TARGET DISTRIBUTION  
YIELD<sup>4</sup>

**4%**

### COMMENTARY

The Trust returned +0.5% over October, resulting from the depreciation of the AUD:USD exchange rate.

PE1 remained active in making commitments and investments over the month:

- We committed to a continuation fund organised by Deutsche Private Equity to finance the acquisition of **AWK** and **valantic** from DPE Deutschland III. AWK is a management and technology consulting firm, and valantic is a leading digital consulting firm. The companies, which primarily operate in Western Europe, have a very attractive financial profile, with material organic growth under DPE's ownership, strong EBITDA margins and cash conversion and highly diversified revenue bases of blue-chip clients that help drive a high degree of re-occurring revenue.
- PE1 committed €4 million to its fifteenth private equity primary fund investment, **Waterland Private Equity Fund IX** ("Waterland IX"). Waterland IX will continue the firm's investment strategy of implementing a buy-and-build strategy across Western Europe. The fund will seek to build an investment portfolio of c. 40-50 platform companies by focussing on four sector themes: Aging Population, Outsourcing & Digitalisation, Leisure & Luxury and Sustainability.
- We made a private credit investment in a loan issued by **Guidehouse** to fund the company's acquisition of Grant Thornton's public sector consulting business. The term loan represents a 50% net LTV at closing and presents what we believe to be a compelling investment opportunity. Guidehouse offers consulting services globally and has historically been a high-performing, scaled business, with organic performance surpassing industry medians.

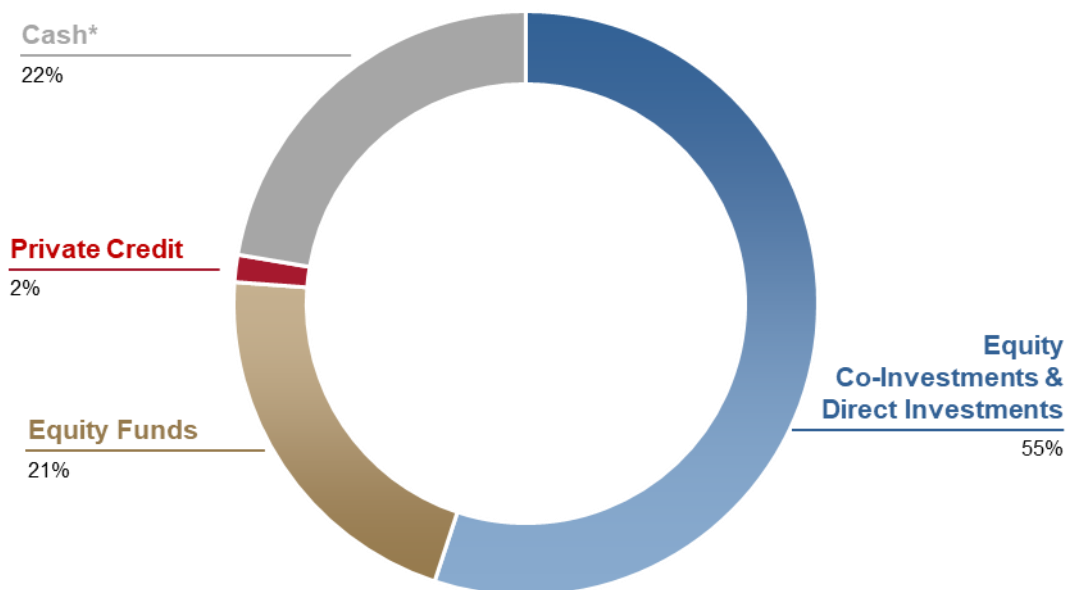
## Cumulative NAV Per Unit Return Since Inception (23 April 2019 to 31 October 2022) <sup>2, 3</sup>



## NAV Per Unit Return for Trailing Periods Ending 31 October 2022 <sup>2</sup>

1 month	0.5%
1 year	25.0%
3 years p.a.	13.0%
Since inception p.a. <sup>3</sup>	13.9%

## Portfolio Allocations by Investment Type (31 October 2022)



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

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

### EQUITY FUNDS



# valantic

We recently committed to a continuation fund organised by Deutsche Private Equity (“DPE”) to finance the acquisition of **AWK** and **valantic** (the “Companies”) from DPE Deutschland III.

AWK is a management and technology consulting firm with deep business and tech know-how to consult on the digital transformation of its clients’ business models. AWK operates across 11 industry verticals in both the public and private sector and employs more than 850 experts in four core markets (Switzerland, Germany, the Netherlands and Spain).

valantic is a leading digital consulting firm that can be segmented into four IT services divisions that operate as “high-end” digital consulting businesses and a sticky software business for the financial services sector. valantic employs over 2,000 experts in various markets, with a focus on Germany, Austria, Switzerland, the Netherlands, Portugal and various near- and off-shore locations.

The Companies have a very attractive financial profile, with material organic growth under DPE’s ownership, strong EBITDA margins and cash conversion and highly diversified revenue bases of blue-chip clients that help drive a high degree of re-occurring revenue. Additionally, DPE has a strong track record of accretive M&A with the Companies, having executed a multitude of add-ons to date, and we believe DPE should be able to continue to execute on this strategy given that the European services market is still highly fragmented with significant consolidation opportunities available in all relevant national markets. We also believe that both DPE and the Companies’ management teams are extremely well-aligned with investors in this transaction, with DPE making a significant commitment to the transaction out of its latest fund and the management teams rolling a substantial amount of their proceeds into the transaction.



## WATERLAND

PRIVATE EQUITY INVESTMENTS

PE1 also committed €4 million to its fifteenth private equity primary fund investment during October, **Waterland Private Equity Fund IX**.

Founded in 1999 and headquartered in Bussum, Netherlands, Waterland Private Equity Investments B.V. is a pan-European private equity firm that makes control investments in companies in fragmented markets to finance organic and acquisitive growth. Waterland’s investment approach is characterised by a thorough “top-down” research of markets that it identifies as having long-term growth potential and other economic fundamentals that are favourable to a consolidation strategy, such as size, sustainable profitability, fragmentation, and a consolidation rationale. Waterland currently has nine offices located in Europe and has 109 investment professionals who have a balanced mix of operational skills, M&A experience, strategic consulting, finance experience and entrepreneurial skills.

Waterland IX will continue the firm’s investment strategy from previous funds, implementing a buy-and-build strategy across Western Europe and seeking to achieve superior returns by applying its experience and core value drivers to achieve operational and financial value creation. The fund will focus on four sector themes: Aging Population, Outsourcing & Digitalisation, Leisure & Luxury and Sustainability, as they believe these

sectors benefit particularly from the successful application of the firm's strategy. The growing number of elderly in the population, a preference for luxury and convenience, the emphasis on efficiency improvement and outsourcing non-core businesses, and the awareness of the environment and sustainability of human eco-support systems, all form the foundation behind their investment thesis. Waterland's "top-down" targeted approach and focus on a consolidation strategy has facilitated the identification of numerous proprietary opportunities. Moreover, the firm has a differentiated deal sourcing model based on interactions with first generation entrepreneurs who are approaching retirement age and are keen to sell family-owned businesses that need capital to expand. Waterland also leverages its network of local industry experts, accountants, lawyers, investment bankers, intermediaries and other relationships to identify investment opportunities that are not evident or generally available and which may be pursued in less or non-competitive situations.

Waterland IX will seek to build an investment portfolio of c. 40-50 platform companies with sales in the range of €10-200 million and with a typical equity investment of €10-50 million per platform investment initially, and an additional €15-50 million for add-ons.

## PRIVATE CREDIT



We recently made a private credit investment in a unitranche term loan issued by **Guidehouse** to fund the company's acquisition of Grant Thornton's public sector consulting business. The term loan represents a 50% net LTV at closing and presents what we believe to be a compelling investment opportunity.

Guidehouse offers consulting services across >50 global locations for customers in the public sector (67% of revenue), as well as health, life science, energy and financial services sectors. The company has historically been a high-performing, scaled business that serves a large addressable market, with organic performance surpassing industry medians. In addition, the equity sponsor, Veritas, has developed a core competency in government services roll-ups and is therefore an ideal owner of Guidehouse.

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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