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.

FEBRUARY 2023

BENEFITTING FROM INFLATION

NAV PER UNIT[1]	1 MONTH PERFORMANCE[2]	SINCE INCEPTION PERFORMANCE (P.A.)[2,3]	TARGET DISTRIBUTION YIELD[4]
$1.6152	**3.8%**	**11.5%**	**4%**

COMMENTARY

The Trust returned +3.8% over February as a result of a depreciation in the AUD:USD exchange rate. Portfolio activity remains elevated, with PE1 benefitting from:

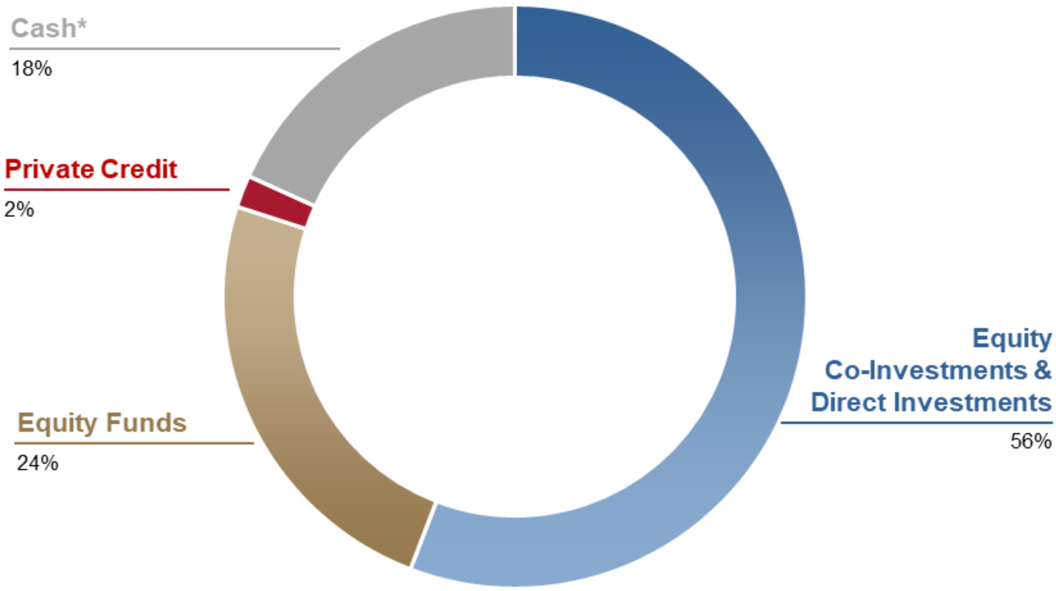
- A recent 6.4x mark up in a defensive private equity position held within GCM Grosvenor Multi-Asset Class Fund III. The mark up, which is expected to be reflected in valuations scheduled to be received around 31 March, was driven by the company's sale of an adjacent business to a strategic buyer and monetisation of real estate held within a JV. The core business is performing well and has benefitted from an inflationary environment.
- A co-investment in HASA, a scaled manufacturer and distributor of water treatment solutions, serving more than 3,000 customer locations across the western and southwestern US. HASA has a leading market share in the residential/commercial pool sodium hypochlorite (liquid disinfectant/bleach) market. The company's vertically integrated and closed loop distribution model has resulted in nearly 100% customer retention that has helped HASA to achieve above-market revenue growth over the past 20+ years. The company operates in a recession resilient end market with strong recurring demand, as regular and consistent use of sodium hypochlorite is critical to disinfecting pools and treating municipal and industrial wastewater.
- The completion of secondary transactions that collectively involved the purchase of interests in three middle market buyout funds managed by three different US-based private equity firms. The three funds, which were purchased at an average aggregate estimated pro forma discount of ~19%, collectively have exposure to 38 different portfolio companies that are well-diversified by remaining value and industry exposure and includes a number of companies that have the potential to be realised in the near-term.

Cumulative NAV Per Unit Return Since Inception (23 April 2019 to 28 February 2023) [2, 3]

NAV Per Unit Return for Trailing Periods Ending 28 February 2023 [2]

1 month	3.8%
1 year	9.5%
3 years p.a.	9.6%
Since inception p.a.[3]	11.5%

Portfolio Allocations by Investment Type (28 February 2023)



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

INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS [5]

EQUITY CO-INVESTMENTS

We recently co-invested in **HASA** alongside Wind Point Partners, a Chicago, Illinois-based private equity firm focused on control buyouts of middle market North American businesses in the consumer staples, industrial/chemical products, and business services sectors. Founded in 1964, HASA is a scaled manufacturer and distributor of water treatment solutions. The company manufactures and distributes chemicals (sodium hypochlorite (liquid disinfectant/bleach)) and ancillary products used for the sanitisation and maintenance of a variety of water systems, including swimming pools, spas, water tanks and containment vessels for recreational, industrial, and municipal end markets. HASA operates an expansive distribution network, serving more than 3,000 customer locations across the western and southwestern US.

HASA has a leading market share in the residential/commercial pool sodium hypochlorite market. The company's vertically integrated and closed-loop distribution model has resulted in sticky customer relationships (nearly 100% retention) that has helped HASA to achieve above-market revenue growth over the past 20+ years. The company operates in a recession-resilient end market with strong recurring demand, as regular and consistent use of sodium hypochlorite is critical to disinfecting pools and treating municipal and industrial wastewater. Moreover, Wind Point Partners has a strong historical track record in the specialty chemicals sector and has already identified multiple value creation levers, including a number of potential near-term acquisition opportunities as well as a variety of operational improvements that it can implement that are expected to result in meaningful cost savings.

Additionally, PE1's investment in GCM Grosvenor Multi-Asset Class Fund III recently benefitted from a 6.4x mark up in a **defensive private equity position** alongside Kingswood Capital Management. The mark up, which is expected to be reflected in valuations scheduled to be received around 31 March, was driven by the company's sale of an adjacent business to a strategic buyer and monetisation of real estate held within a JV. The core business is performing well and has benefitted from an inflationary environment.

EQUITY FUNDS

We recently completed several secondary transactions that collectively involved the purchase of limited partner interests in **three middle market buyout funds** managed by three different US-based private equity firms. The three funds, which were purchased at an average aggregate estimated pro forma discount of ~19%, collectively have exposure to 38 different portfolio companies that are well-diversified by remaining value and industry exposure and includes a number of companies that have the potential to be realised in the near-term. With GCM being an existing investor in all three funds, GCM had significant access to information as part of the transactions and was able to leverage its relationships with those managers during due diligence to help understand the carrying valuations for the businesses and discuss each manager's exit projections and exit timing for their portfolios.

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. 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

PENGANA
CAPITAL GROUP

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

Suite 1, Level 27
Governor Phillip Tower, 1 Farrer Place

T: +61 2 8524 9900
F: +61 2 8524 9901
E: clientservice@pengana.com
pengana.com