

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.

March 2024

A BUSY MONTH

NAV
PER UNIT¹

\$1.5953

1 MONTH
PERFORMANCE²

0.1%

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

9.5%

TARGET DISTRIBUTION
YIELD⁴

4%

COMMENTARY

The Trust returned 0.1% over March with a 0.4% contribution from our private equity investments partially offset by a slightly appreciating Australian Dollar. Over the month, we had an existing investment return a significant amount of capital, executed a co-investment, and participated in two first lien term loans:

- **BlueTriton**, a leading provider of several longstanding North American bottled water brands, completed a dividend recapitalisation. BlueTriton has now returned ~108% of invested capital with significant upside potential remaining in the investment as a result of the sponsor's successful initiatives including a new management team and revamped strategy.
- We made a co-investment to support the acquisition of **Vertical Knowledge**, a provider of data insights and intelligence, by **Babel Street**, a leading provider of identity intelligence and risk operations solutions. Babel Street's solutions have use cases for national security, law enforcement, identity/risk management and KYC/AML applications. The combined company is a high quality, scaled asset with significant annual recurring revenue at entry.
- We participated in a first lien term loan issued by **Riddell Sports Group**, the dominant designer, manufacturer, and reconditioner of American football helmets, shoulder pads and other equipment, holding over 75% market share. The company experienced significant growth in 2022-2023 and has established strong barriers to entry.
- A second loan was issued by **Symplr Software**, the leading provider of mission-critical governance, risk, and compliance software solutions to over 2,750 hospitals and healthcare providers worldwide. Symplr is present in 97% of US hospitals, with the software deeply engrained in operations.



Interview with Fred Pollock

Managing Director and Chief Investment Officer Fred Pollock was recently interviewed as part of a 'listed fund series'.

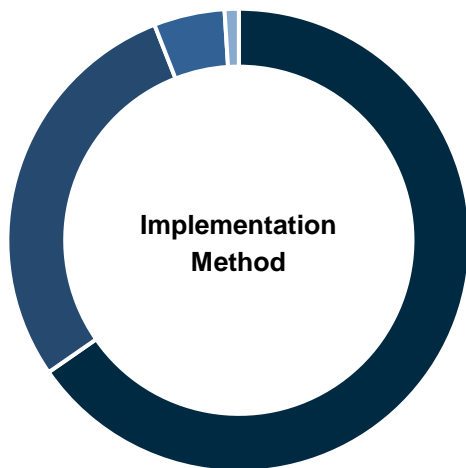
[WATCH FRED'S INTERVIEW >>](#)

NAV PER UNIT PERFORMANCE AS AT 31 MARCH 2024 ^{2, 3}



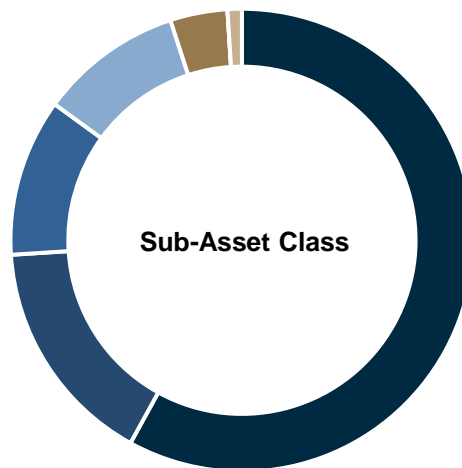
	1 month	1 year	3 years p.a.	Since inception p.a. ³
NAV per Unit	0.1%	3.6%	14.0%	9.5%

PORTFOLIO DIVERSIFICATION



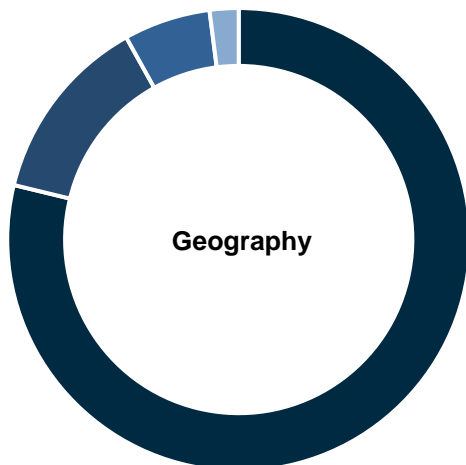
Equity Co-Investments & Direct Investments	66%
Equity Funds	29%
Private Credit	5%
Cash	1%

Cash includes short duration credit which may be used as a cash management tool. The Trust has utilised a line of credit equal to 3% of the NAV.



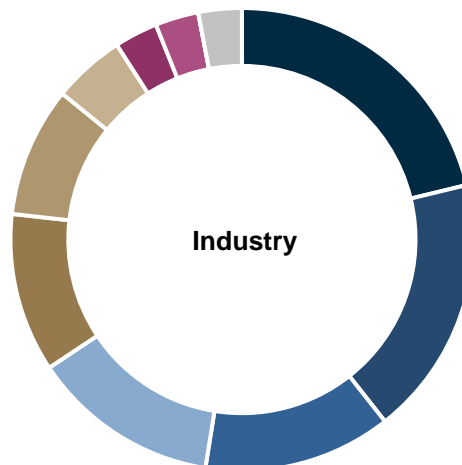
Buyout	58%
Structured Equity ⁶	16%
Growth Equity	11%
Special Situations (Including Credit)	10%
Real Estate	4%
Venture Capital	0%
Other	1%

Allocations exclude short duration credit and cash held directly by the Trust and indirectly through underlying funds; includes only private market investments. Refer to footnote 5 for the calculation methodology.



North America	78%
Europe	13%
Asia/Oceania	6%
Other	2%

Allocations exclude short duration credit and cash held directly by the Trust and indirectly through underlying funds; includes only private market investments. Refer to footnote 5 for the calculation methodology.



Industrials	21%
Information Technology	18%
Financials	13%
Consumer Discretionary	13%
Health Care	11%
Consumer Staples	9%
Real Estate	5%
Materials	3%
Communication Services	3%
Energy	0%
Utilities	0%
Other	3%

Allocations exclude short duration credit and cash held directly by the Trust and indirectly through underlying funds; includes only private market investments. Refer to footnote 5 for the calculation methodology.

INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS ⁷

EQUITY CO-INVESTMENTS



We recently co-invested alongside Veritas Capital Management (“Veritas”) to support the acquisition of **Vertical Knowledge**, a provider of data insights and intelligence, by **Babel Street**, an existing Veritas portfolio company and a leading provider of identity intelligence and risk operations solutions. Founded in 2010 and headquartered in Reston, Virginia, Babel Street’s solutions have use cases for national security, law enforcement, identity/risk management and KYC/AML applications and its end markets include a mix of governmental agencies and commercial customers. The acquisition of Vertical Knowledge expands Babel Street’s data sourcing, enrichment, and analysis capabilities, which should help to transform high-stakes identity and risk operations into a strategic advantage for Babel Street’s customers worldwide.

We found this transaction compelling due in part to the attractive entry valuation that implies a significant discount relative to comparable companies. The combined company is a high quality, scaled asset with significant annual recurring revenue at entry and very limited non-recurring revenue or customer churn. Babel Street operates in a large US\$4 billion total addressable market that is growing at a 10%+ CAGR and operates in historically recession resilient end markets. Moreover, Veritas is a sector specialist in the intersection of government services and technology, with a strong historical track record and low loss ratio in the space. Given that Veritas has owned Babel Street for some time, it already has a multi-dimensional value creation plan in place and has identified material cost synergies that can potentially be realised through the integration of Vertical Knowledge.



BLUETRITON™

In March 2021, we co-invested alongside One Rock Capital Partners to finance the carve-out of **BlueTriton** from Nestlé SA. BlueTriton is a leading provider of several longstanding bottled water brands sold in the United States and Canada. BlueTriton also operates ReadyRefresh, a leading home and office delivery service primarily delivering large format versions of its water brands to both commercial and residential customers. Under One Rock's ownership, BlueTriton has become a standalone company with a new management team and revamped strategy. The company has also invested in its manufacturing facilities to increase capacity and improve operational efficiency. One Rock's successful initiatives to date have helped generate significant EBITDA growth and substantial liquidity for BlueTriton, which led One Rock to complete a dividend recapitalisation last month that returned ~37% of invested capital back to investors. Taken together with a distribution made in December of 2021 following another dividend recapitalisation, Blue Triton has now returned ~108% of invested capital with significant upside potential remaining in the investment.

PRIVATE CREDIT

Riddell®

In March, we participated in two first lien term loan opportunities. The first was issued by **Riddell Sports Group** ("Riddell"), the dominant designer, manufacturer, and reconditioner of American football helmets, shoulder pads and other equipment, holding over 75% market share across all levels of competition (NFL, NCAA, high school, youth). The term loan is priced at the Secured Overnight Financing Rate ("SOFR") + 6% p.a. and 97.5c original issue discount. The company experienced significant growth in 2022-2023 as competitors faltered and it now holds a dominant position in the market relative to its competition. Riddell has established strong barriers to entry including an established direct distribution network into 20k+ customer accounts, an IP and R&D engine, and dominance with respect to the reconditioning market. We believe our loan is well-covered given the regulatory-driven recurring revenue streams from the reconditioning business, the predictable 4–5-year helmet refresh cycles, and the potential growth from expansion of "smart helmets" technology.

symplr

The second first lien term loan opportunity was issued by **Symplr Software**, the leading provider of mission-critical governance, risk, and compliance software solutions to over 2,750 hospitals and healthcare providers worldwide. The loan priced at SOFR + 4.5% p.a. Symplr is now present in 97% of the hospitals in the US and the software is deeply engrained in hospital operations, which, when combined with the company's SaaS revenue model, should drive consistent and predictable cash flow to support our debt investment.

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 (23 April 2019) 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. Portfolio Diversification charts and Top 10 Portfolio Investments tables, where applicable, represents the remaining value of the investments and are based on the Fund's percentage of ownership in the investments. Remaining value is reflected gross of both investments and Fund-related management fees, expenses and carried interest, if applicable, as of the valuation date of the respective investments reflected herein. If applicable, charts that are inclusive of both co-investments and underlying holdings of fund investments may reflect a co-investment valuation date as of the fund investment valuation date (i.e., on a quarter lag). Public underlying investments may include, but may not be limited to, investments in publicly-traded equity instruments, such as common and preferred stock, and publicly traded debt instruments, if applicable. Asset-level remaining value is presented gross of fund-level leverage which may be used in lieu of asset-level leverage. As such, the remaining value presented in this report may be a larger portion or exceed the remaining value of the parent investment.
6. Structured Equity is used to describe investments that have structural elements designed to enhance the risk/return profile of a number of our investments, including growth investments. These elements typically include a component of potential downside protection through the use of a variety of different mechanisms including, but not limited to, liquidation preferences and convertible preferred equity.
7. 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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