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.

June 2024

FINANCIAL YEAR IN REVIEW AND OUTLOOK

NAV PER UNIT (CUM)[1]	NAV PER UNIT (EX)[1]	1 MONTH PERFORMANCE[2]	SINCE INCEPTION PERFORMANCE (P.A.)[2,3]	TARGET DISTRIBUTION YIELD[4]
$1.5781	**$1.5465**	**0.0%**	**8.8%**	**4%**

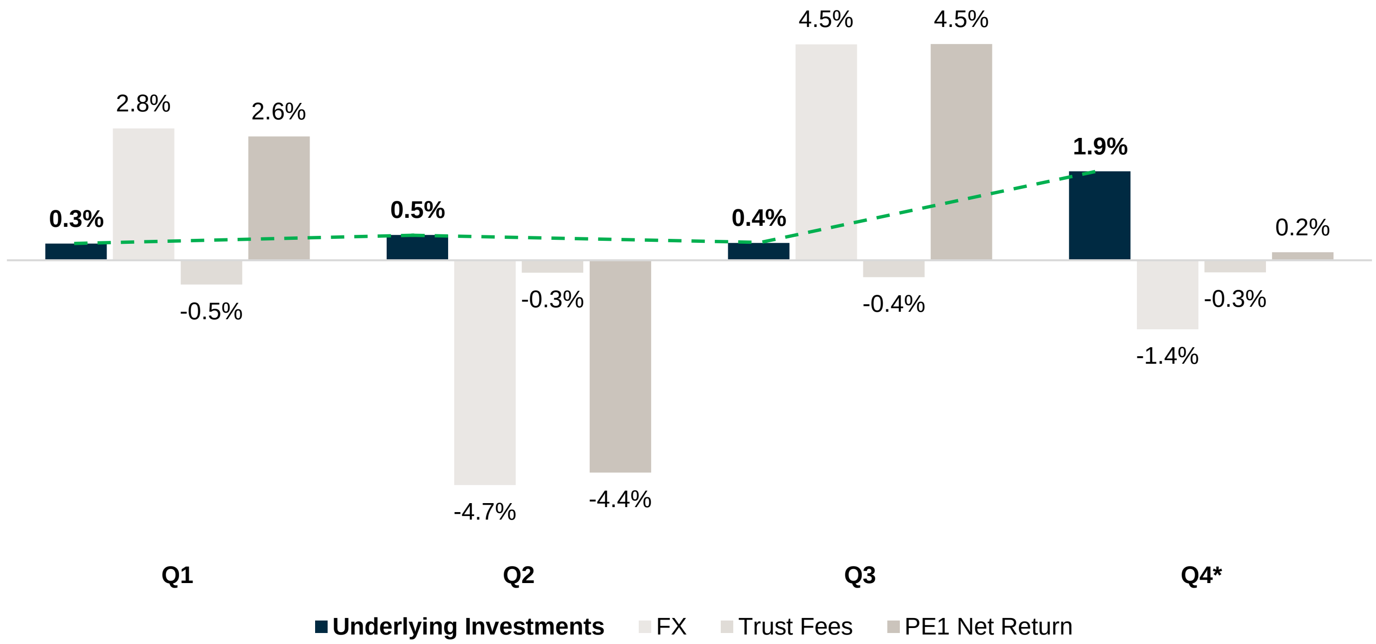
MONTHLY COMMENTARY

The Trust's private markets investments contributed +0.4% to PE1's NAV following the receipt of quarterly valuations for 31 March covering 52% of PE1's portfolio. However, an appreciation in the AUD:USD offset this gain leading to an overall flat return for June.

Following month end, we received 31 March valuations for an additional 44% of the portfolio, encompassing a number of direct investments and co-investments. We estimate that these updated valuations will together contribute approximately +1.2% to PE1's July NAV – this NAV will be released in August.

The diagram below shows the quarterly contributions of the various components of the portfolio over the financial year. Pleasingly, after several quarters of minor underlying investment performance we have begun to see more meaningful valuation uplifts (as highlighted by the green dotted line).

Quarterly Contributions to PE1 Net Return for FY 2024[7]



* Estimated impact of additional 31 March 2024 valuations incorporated in the Q4 columns

PE1 declared a final distribution of 3.16 cents with an ex-date of 1 July, record date of 2 July, and payment date of 23 July which resulted in a 4% distribution yield for FY24.

FINANCIAL YEAR IN REVIEW AND OUTLOOK[8]

The last financial year for PE1 is a "tale of two halves". During the six months to 31 December 2023, continued macroeconomic uncertainty coupled with higher financing costs led to muted deal flow across the private equity industry. In fact, 2023 had the lowest M&A activity since 2020 when the world was in the early days of the COVID pandemic.[9] With limited transaction volume and many private company valuations still being impacted by the broad repricing of public market comparables during 2022 and the first half of 2023, many private equity portfolios saw returns stagnate and even decline over the period. PE1 was not immune from these market forces. Despite this, we believe that due to careful construction of a highly-diversified portfolio designed to be successful in any market environment,[8] PE1's private markets investments helped to contribute +0.9% to the NAV during the six months ending 31 December 2023. These modest investment gains were offset by FX (i.e., an appreciation in the AUD:USD) leading to an overall 2.0% decline in PE1's NAV.

The six months ending 30 June 2024 were significantly better with strong operating performance by the leveraged buyout co-investments in our middle market buyout co-investment portfolios (LTM Revenue and EBITDA have increased on average over 60% since entry for the unrealised buyout investments in the portfolio[10]). We also observed improved aggregate performance in the rest of our PE co-investments and direct investments. Finally, we experienced progress from a number of our primary fund managers in their investment and value creation initiatives. As a result, overall performance in the first six months of 2024 was solid, with PE1's NAV estimated to increase an additional +1.2% to nearly 5% for the calendar year once all of the 31 March valuations are incorporated in PE1's NAV.[7]

With private markets investments typically being valued quarterly and quarterly in arrears, we expect that events including realisations, distributions and share price changes occurring during Q2 2024 or later (and discussed further below) will only be incorporated into PE1's NAV on or around the end of the quarter following the occurrence of such event.

Deal flow began to pick up at the end of 2023 and into the first half of 2024, with the gap between seller and buyer expectations narrowing and a push for liquidity coming from private equity investors incentivising sponsors to transact. We have already seen an uptick in realisation activity within the portfolio – for example, healthcare services provider **Cotiviti** was sold to KKR in May for more than 2x our cost – and we believe that a number of additional realisations of some of the largest positions within the PE1 portfolio are possible over the next 6-12 months, including:

- **Lineage**, the world's leading owner-operator of cold storage facilities and the second largest position in the PE1 portfolio, filed for an IPO in late June that is reportedly targeting a US$30 billion valuation;
- **BlueTriton** (5th largest position in the PE1 portfolio), which is a leading provider of several longstanding bottled water brands sold in the United States and Canada, has had strong fundamental performance and just announced a transaction to merge with publicly-traded Primo Water at a premium to our current valuation; and
- The 6th largest position in the portfolio, a co-investment we made in a family-owned and operated grocery and pharmacy business based in the United States, was significantly improved during our ownership due to a variety of operational improvements implemented by our sponsor partner. This investment is a home run investment, generating more than an 11x net return on our investment with final proceeds expected to be distributed by the end of 2024 (~70% has already been distributed).

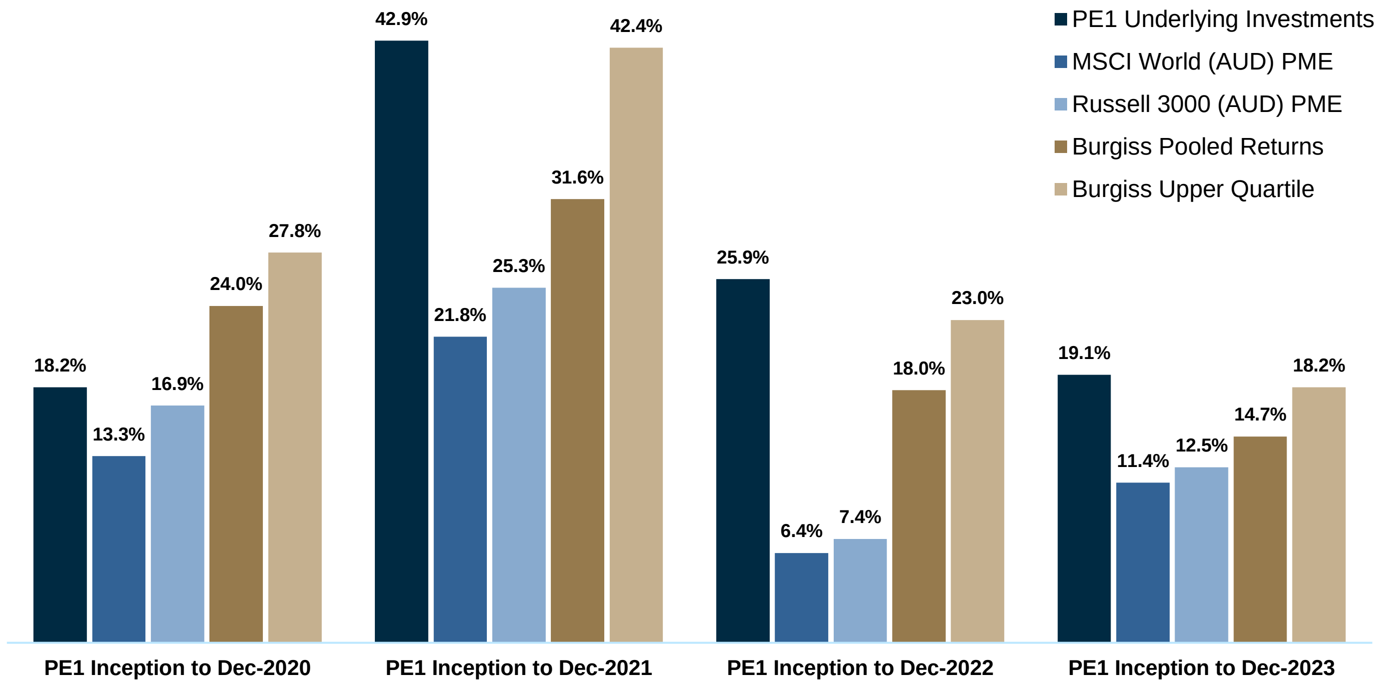
We also believe there is material embedded value in a number of other positions in the portfolio, including:

- **SpaceX**, which is the largest position in the PE1 portfolio, recently completed another financing round at a valuation that was 17% above our current valuation;
- Online grocery delivery platform, **Instacart** (11th largest position in the PE1 portfolio). While Instacart's stock struggled for several months following its IPO in September of last year, its stock is up nearly 50% from its low on 5 January and we believe there is significant untapped value in the company, though Instacart will need to continue executing throughout the year to prove it can drive profitable growth; and

- **Osaic** (15th largest position in the PE1 portfolio), which is one of the largest networks of independent wealth management firms in the United States, has made a number of accretive acquisitions and realised significant synergies since our entry, which have helped pro forma EBITDA significantly increase during our ownership. We believe that the investment could sell for significantly more than its current valuation given the company's progress to date.

We are pleased with the portfolio build-out to date and with the opportunities ahead of us as we redeploy realised capital into new investments. Moreover, we believe that inception to date performance of our private markets investments supports our value proposition, as other than in the early stages of PE1's portfolio build-up, the PE1 portfolio has consistently outperformed relevant public markets and industry benchmarks:

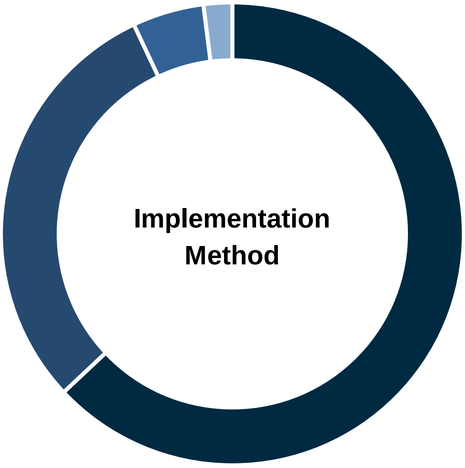
PE1 Benchmarking (as of 31 December 2023)[11]
Investment IRR[12] Comparison



NAV PER UNIT PERFORMANCE AS AT 30 JUNE 2024 [2, 3]

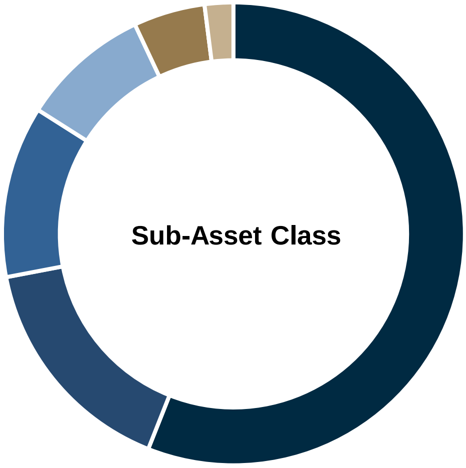
	1 month	1 year	3 years p.a.	Since inception p.a. [3]
NAV per Unit	0.0%	1.4%	9.6%	8.8%

PORTFOLIO DIVERSIFICATION[5]



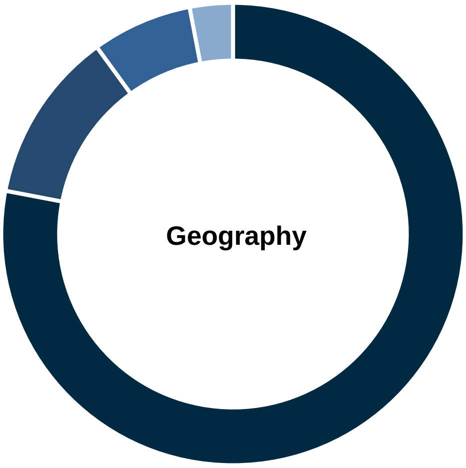
	Equity Co-Investments & Direct Investments	63%
	Equity Funds	30%
	Private Credit	5%
	Cash	2%

Cash includes short duration credit which may be used as a cash management tool. The Trust has utilised a line of credit equal to 5% of the NAV.



	Buyout	56%
	Structured Equity [6]	16%
	Growth Equity	12%
	Special Situations (Including Credit)	9%
	Real Estate	5%
	Venture Capital	0%
	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.



	North America	78%
	Europe	12%
	Asia/Oceania	7%
	Other	3%

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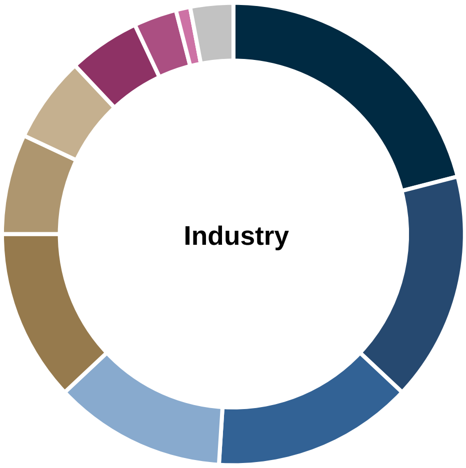

	Information Technology	21%
	Industrials	16%
	Consumer Discretionary	14%
	Financials	12%
	Health Care	12%
	Consumer Staples	7%
	Real Estate	6%
	Materials	5%
	Communication Services	3%
	Energy	1%
	Utilities	0%
	Other	3%

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.

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. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily indicative of future returns.** Additional 31 March 2024 valuations are expected to form part of PE1's July 2024 NAV which will be released in August. The impact of these valuations on PE1's net return has been estimated by Pengana.
8. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily indicative of future returns.** Unless apparent from context, all statements herein represent GCM Grosvenor's opinion.
9. Source: PitchBook, 2023 Annual Global M&A Report. Data as of 31 December 2023.
10. As of 31 December 2023. Excludes Core Specialty Insurance figures as revenue is calculated based on Gross Written Premium and EBITDA is based on Tangible Book Value.
11. Please see the following paragraphs of this endnote for information on "Public Market Equivalents" and our methodology. S&P and its third-party information providers do not accept liability for the information and the context from which it is drawn. **Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its objectives or avoid losses.** Benchmarks are used solely for purposes of comparison and the comparison does not mean that there will necessarily be a correlation between the returns described herein and the benchmarks.

    Public Market Equivalent ("PME") returns have been calculated using the Long Nickels PME methodology. The total return prices of the index have been applied; all prices include the impact of dividends and interest and are gross of any tax withholding. The public market cash flows are generated by simulating buy and sell decisions in the public index using actual investment transactions made by GCM Grosvenor-managed programs. Investments made by a GCM Grosvenor-managed program translates into buying shares in the public index on the same date and at the closing index price on such date. Distributions represent the selling of shares in the public index at the closing index price and on such date. The residual value of the equity in the public markets is calculated by multiplying the remaining shares still invested in the public index on the terminal value date or on the liquidation date of the GCM Grosvenor-managed program by the index price on such date. The number of remaining public shares depends on the GCM Grosvenor-managed program's investment cash flows as well as the index performance and in some situations the share balance can become negative. This is a result of a well-known shortcoming associated with the Long Nickels PME methodology which is that it incorrectly uses the private equity fund's distributions. By using these distributions, the calculation: (1) overstates the amount sold by the hypothetical public market portfolio and (2) incorporates the private equity fund's gains, which are included in the distributions, into the public market's performance calculation. (see for example: https://bisonplatform.wordpress.com/2014/09/22/problem-with-long-nickels-pme/)

    Negative share balance outcomes are a known shortcoming of the Long Nickels PME methodology and depending on their severity can lead to questionable results. In these cases, it is a reasonable conclusion that the high level of distributions are a strong indication that the GCM Grosvenor-managed program has outperformed the index. The returns in the table shown includes instances where the ending index share balance became negative; however, the Long Nickels methodology produced a calculable result so the results are included here. Returns marked as "N/M" (Not Meaningful), represent instances where the ending index share balance became highly negative; in these cases, the Long Nickels PME methodology did not produce a calculable result due to the resulting highly negative net asset value and, therefore, the results are listed as not meaningful.

    To address this Long Nickels methodology shortcoming and to provide an alternative point of reference, GCM Grosvenor has also calculated the above PMEs using a GCM Grosvenor proprietary methodology which can be provided separately upon request.
12. Also known as the "Internal Rate of Return", the IRR is used as a measure of the performance of private markets investments. The IRR takes account of the time value of cash flows which include drawdowns and distributions.

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

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Authorised by: Paula Ferrao, Company Secretary

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