

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.

SEPTEMBER 2024

INSPIRED PET NUTRITION & GARDAWORLD

NAV PER UNIT ¹	1 MONTH PERFORMANCE ²	SINCE INCEPTION PERFORMANCE (P.A.) ^{2,3}	TARGET DISTRIBUTION YIELD ⁴
\$1.4963	-1.8%	7.7%	4%

COMMENTARY

The Trust returned -1.8% over September, with private equity gains of +0.4% being offset by the continued appreciation of the AUD versus the USD. We made a number of investments across multiple sleeves including:

- A co-investment in Inspired Pet Nutrition, the third largest independent pet food manufacturer in the UK, to finance the add-on acquisition of Butcher's Pet Care, the UK's largest independent wet pet food manufacturer. This transaction is considered highly synergistic and accretive as we are investing in the combined business at cost and expect there to be a material valuation mark-up by the end of the year.
- A secondary transaction involving four special situations funds focussed on opportunistic, underperforming or distressed investments. The 2013 to 2021 vintage funds, which were purchased at an average aggregate estimated pro forma discount of 11.5%, collectively have exposure to 22 different portfolio companies that are well-diversified by remaining value, industry exposure and investment date.
- An investment in a holding company loan and senior structured equity issued by GardaWorld to finance the management buyout of 82% of BC Partners' equity stake. GardaWorld holds a leading market position in recession-resistant industries, including security, cash management, and technology, and has been strategically transitioning from traditional manned security services to higher-growth, technology-driven solutions.



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The Bright Outlook
for PE1 and
Global Private Equity
Investments

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PE1

PENGANA PRIVATE EQUITY TRUST

FRED POLLOCK
 PORTFOLIO MANAGER

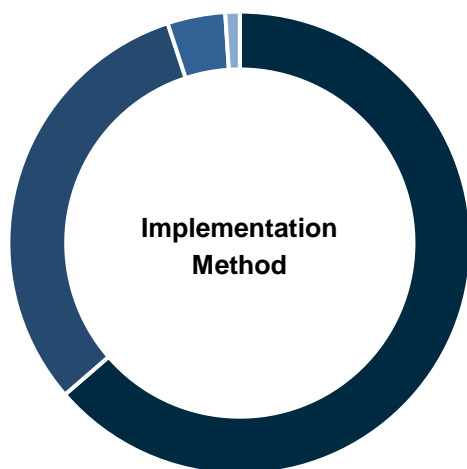
ALYGEN, Uber Freight, ARCONIC, SPACE X, Lineage, PATHWAY, BLUESTRITON, ZEPHYRUS, CRED, PEROTON, GRINWELL, ANAPHAS, BPTI, A7ALPHA GROUP P/L, A7ALPHA GROUP P/L

NAV PER UNIT PERFORMANCE AS AT 30 SEPTEMBER 2024 ^{2, 3}



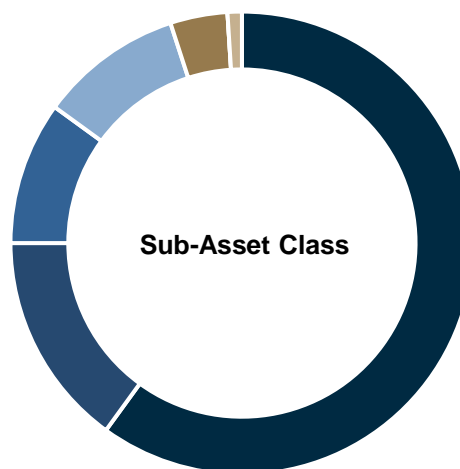
	1 month	1 year	3 years p.a.	Since inception p.a. ³
NAV per Unit	-1.8%	-4.4%	4.7%	7.7%

PORTFOLIO DIVERSIFICATION



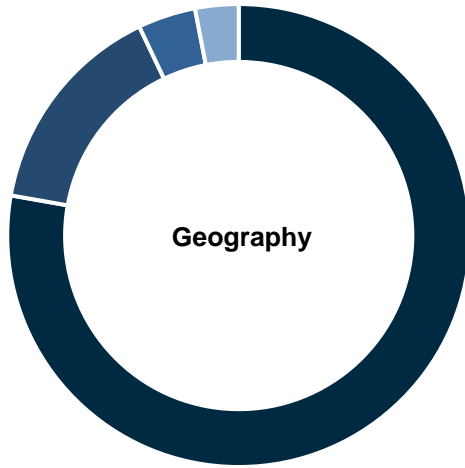
Equity Co-Investments & Direct Investments	63%
Equity Funds	31%
Private Credit	4%
Cash	1%

Cash includes short duration credit which may be used as a cash management tool. The Trust has utilised a line of credit equal to 8% of the NAV.



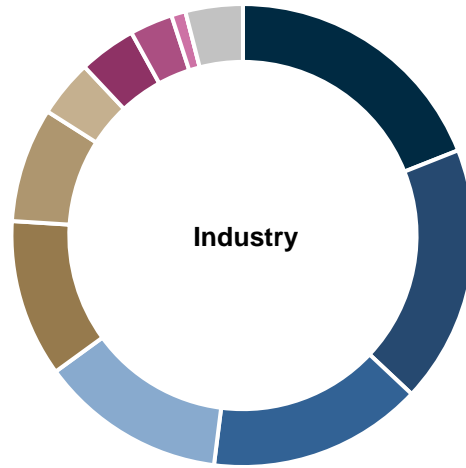
Buyout	60%
Structured Equity ⁶	15%
Special Situations (Including Credit)	10%
Growth Equity	10%
Real Estate	4%
Venture Capital	0%
Other	1%

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	77%
Europe	15%
Asia/Oceania	4%
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.



Industrials	19%
Information Technology	18%
Financials	15%
Consumer Discretionary	13%
Health Care	11%
Consumer Staples	8%
Real Estate	4%
Materials	4%
Communication Services	3%
Energy	1%
Utilities	0%
Other	4%

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 CapVest Partners in one of their portfolio companies, **Inspired Pet Nutrition**, to finance the add-on acquisition of **Butcher's Pet Care**. Inspired Pet Nutrition is the third largest independent pet food manufacturer in the UK, primarily focused on dry dog food and Butcher's Pet Care is the UK's largest independent wet pet food manufacturer. This transaction is considered highly synergistic and accretive as it significantly broadens Inspired Pet Nutrition's UK market position and creates the largest branded dog food business in the UK.

The transaction has an attractive inflexion point, as we are investing in the combined business at cost and expect there to be a material valuation mark-up by the end of the year. As a new investor, we will benefit from the 3.5 years of work that CapVest has put into the company investing in key staff, capital expenditure and overheads to ready the business for additional organic and external growth opportunities. In addition to the early mark-up, we found this acquisition compelling due in part to the attractive entry valuation that implies a discount relative to comparable companies and the large and growing underlying market which is expected to grow in the UK +4% annually over the next few years. Finally, we believe this is an attractive opportunity to invest alongside one of our high performing sponsors who has significant experience in similar transactions and has demonstrated expertise in the Food and Stapled Consumer sector.

EQUITY FUNDS

We recently completed a secondary transaction involving the purchase of limited partner interests in four special situations funds managed by a US-based private equity firm. The manager is focused on opportunistic, underperforming or distressed investments within the lower middle to middle market sector in North America and Western Europe. The transaction consisted of a 58% exposure to a 2021 vintage year fund, 22% overall exposures to two 2017 vintage year funds, and a 20% exposure to a 2013 vintage year fund. The funds were purchased at an average aggregate estimated pro forma discount of 11.5% and collectively have exposure to 22 different portfolio companies that are well-diversified by remaining value, industry exposure and investment date, with the top five companies comprising ~60% of net asset value. The portfolio includes an attractive mix of companies poised to generate potential near-term distributions and those that will be subject to longer-term holds that we believe have the potential to generate significant value creation and uplift through the hold period. We consider the manager to be a high quality sponsor that has consistently generated strong returns and as an existing investor with the manager (including in all four of the funds we purchased as part of this transaction), we had significant access to information as part of the transaction and were able to leverage our relationship with the manager during due diligence to help us understand the recent performance of the underlying assets and discuss exit projections and exit timing for each fund's portfolio.

PRIVATE CREDIT



We recently invested alongside HPS Investment Partners in a holding company loan and senior structured equity issued by **GardaWorld** to finance the management buyout of 82% of BC Partners' equity stake. GardaWorld holds a leading market position in recession-resistant industries, including security, cash management, and technology. The company has demonstrated resilience across economic cycles, achieving consistent organic revenue growth since 2003, with only slight declines in 2009 and 2020, and maintaining a customer retention rate of over 95% over the past five years.

GardaWorld has been strategically transitioning from traditional manned security services to higher-growth, technology-driven solutions. These new custom solutions and technology segments now contribute more than 40% of the company's earnings before interest, tax, depreciation, and amortisation, enhancing GardaWorld's value proposition to customers and providing insulation from potential industry disruptions. This highly structured investment offers an attractive return profile, along with strong downside protection, making it a compelling opportunity.

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:

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.

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Authorised by: Paula Ferrao, Company Secretary



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