

PAYING OUR INAUGURAL 2.5 CENT PER UNIT DISTRIBUTION

DECEMBER
2019

| PRE-DISTRIBUTION NAV PER UNIT ¹ | POST-DISTRIBUTION NAV PER UNIT ¹ | 1 MONTH PERFORMANCE ² | SINCE INCEPTION PERFORMANCE ^{2,3} | TARGET DIVIDEND YIELD ⁴ |
|---|--|-------------------------------------|---|---------------------------------------|
| \$1.3365 | \$1.3115 | -3.6% | 6.9% | 4% |

COMMENTARY

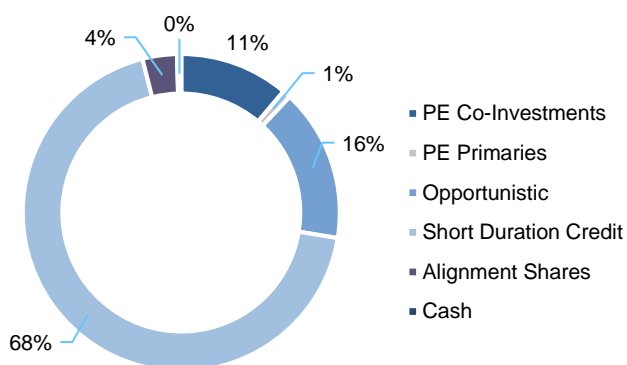
The negative 3.6% return in December was entirely due to currency movements as the AUD/USD exchange rate spiked 3.8% to a 5 month high at month end.

In local currency terms (primarily USD) the overall return of the Trust was flat. We note that since month end, the AUD has partially retraced, however, currency movements are unpredictable and may result in periods of volatility. We remind investors that the Trust is purposefully unhedged as in our view, this should provide investors with significant downside protection in the event of a severe equity market correction. History has shown that the AUD is very likely to fall dramatically when global equity markets decline significantly.

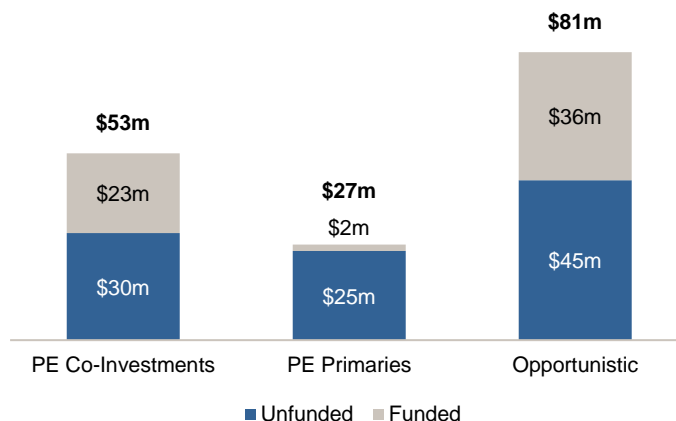
The Trust continues to add high quality investment opportunities and build out its private equity exposure with GCM Grosvenor Multi-Asset Class Fund II executing its 21st investment and GCM Grosvenor Co-Investment Opportunities Fund II funding its 11th co-investment.

Finally, PE1 announced its inaugural distribution of 2.5 cents per unit for the period ending 31 December 2019 with a payment date of 15 January 2020, having traded ex-distribution on 2 January 2020.

PE1 Allocations by Investment Type



Breakdown of PE Commitments (A\$)



Values may not sum to 100% due to rounding.

INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS⁵

PRIMARY FUND INVESTMENTS

We are currently in the later stages of due diligence on several private equity primary fund investment opportunities and have a number of other opportunities that will be coming to market next year in the pipeline.

OPPORTUNISTIC INVESTMENTS

During the month of December, GCM Grosvenor Multi-Asset Class Fund II (MAC II) executed one new investment, bringing the portfolio to 21 investments diversified across asset classes and industry sectors. One of the investments in the MAC II portfolio, **24 Hour Fitness**, is detailed below.



Headquartered in San Ramon, California, 24 Hour Fitness is the leading player in the large and highly fragmented health club industry with over 430 clubs and 4 million members across the United States. MAC II purchased its interest in 24 Hour Fitness on the secondary market in October 2018 from two members of the existing investor group who were selling down a portion of their interests. Prior to MAC II's investment, the existing investor group was focused on closing underperforming clubs, rebuilding the company's real estate development team, and modernising the company's IT systems and marketing approach.

Sourced through GCM's broader investment platform, this secondary purchase was at an attractive entry valuation of 7.8x 2018E EBITDA, representing a 48% discount to publicly listed comparables at the time of GCM's underwriting. We believe the company is well-positioned within a growing, and historically recession-resistant, U.S. fitness industry. Future growth is expected from new club openings, which can be funded through free cash flow, mitigating the need to raise additional capital. Further, we believe our investment is well-positioned to benefit from the significant operational improvements that the existing investor group was focused on at the time of our investment.

CO-INVESTMENTS

In December, GCM Grosvenor Co-Investment Opportunities Fund II funded its 11th co-investment, an investment alongside Latour Capital Management into **Primonial**.



Founded in 1989 and based in Paris, France, Primonial is a leading and fast-growing independent wealth and asset manager that sells real estate, asset management and life insurance products to both retail and institutional customers. The company's retail proposition is directed at affluent and mass-affluent clients, a segment that has increasingly been ignored or mismanaged by traditional commercial banks. Primonial has a unique business model encompassing distribution, financial advice and product factories, which allows it to cover the entire wealth and asset management value chain.

GCM found this co-investment to be compelling for a number of reasons, including:

- (i) Primonial is a leading vertically-integrated business with strong market positioning and high quality recurring revenue streams (e.g., 70% of fees are highly stable recurring fees in the retail segment, which are expected to be less impacted by fee compression in the medium term);
- (ii) the company has experienced exceptional organic growth supported by a number of complementary acquisitions (AUM grew 5x since 2012 and continues to exhibit strong organic growth prospects); and
- (iii) the opportunity to partner with a tier 1 sponsor with intimate knowledge of the asset through its historical ownership (Latour previously owned Primonial, which it sold in 2017, generating a very attractive risk-adjusted return for Latour's investors).

1. The NAV per unit is unaudited. The pre-distribution NAV per unit is before the provision of the distribution of 2.5 cents per unit, which had an ex-date of Thursday 2 January 2020 and a payment date of 15 January 2020. The post-distribution NAV per unit is after the provision of such distribution.
2. Performance is calculated on a NAV per unit basis. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.
3. The NAV per unit at inception is based on the subscription price per unit which is equal to \$1.25.
4. It is Pengana's intention to pay \$0.025 per unit for each six month period from listing through to June 2021 with the first distribution payable for the period ending 31 December 2019. Thereafter, Pengana intends to target a cash distribution yield equal to 4% p.a. of the NAV (excluding the total value of the Alignment Shares). 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 PDS.
5. 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.

References to "managers" or "investment managers" in this presentation are not necessarily to "managers" or "investment managers" of the underlying funds ("Underlying Funds") in which one or more GCM Grosvenor fund or account invests. Where expressly noted, however, references to "managers" or "investment managers" in this presentation are to the subset of investment managers of Underlying Funds in which one or more GCM Grosvenor fund or account invests.

By accepting this information, you agree not to use it for any purpose other than evaluating your investment in a GCM Grosvenor fund or account. Moreover, the information may include material, nonpublic information relating to particular securities and/or the issuers thereof. Furthermore, you acknowledge that you may be receiving material, nonpublic information and that, under certain circumstances, applicable securities laws may prohibit the purchase and sale of securities by persons or entities who are in possession of material, nonpublic information relating to such securities and/or the issuers thereof. **Therefore, it is possible that trading in securities and/or the issuers thereof which are the subject of information contained in this presentation may be prohibited by law.**

GCM Grosvenor obtains information about investment managers with whom GCM Grosvenor funds or accounts do not invest, either through direct communication with such investment managers or through third-party sources. In attributing particular outlooks, expectations or statements to "managers" or "investment managers," GCM Grosvenor has relied exclusively on information communicated to it by such "managers" or "investment managers" or by third-party sources whom we reasonably believe to have reliable information concerning these matters. GCM Grosvenor has not independently verified such information and makes no representation or warranty as to its accuracy or completeness.

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.

Pengana Investment Management Limited (**Pengana**) (ABN 69 063 081 612, AFSL 219 462) is the issuer of units in the Pengana Private Equity Trust (ARSN 630 923 643) (**the Trust**). A Product Disclosure Statement for the Trust (**PDS**) is available and can be obtained from our distribution team or website. A person should obtain a copy of the PDS and should consider the PDS carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Trust. This report was prepared by Pengana and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. None of Pengana, Grosvenor Capital Management, L.P. (**Grosvenor**), or their related entities, directors, partners or officers guarantees the performance of, or the repayment of capital, or income invested in the Trust. An investment in the Trust is subject to investment risk including a possible delay in repayment and loss of income and principal invested.



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

Level 12, 167 Macquarie Street,
Sydney NSW 2000

T: +61 2 8524 9900

F: +61 2 8524 9901

E: clientservice@pengana.com

PENGANA.COM