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 2020

MAC II INVESTMENTS START BEARING FRUIT

NAV PER UNIT[1]	1 MONTH PERFORMANCE[2]	SINCE INCEPTION PERFORMANCE (P.A.)[2,3]	TARGET DIVIDEND YIELD[4]
$1.2433	**3.3%**	**2.3%**	**4%**

COMMENTARY

The Trust returned 3.3% for the month of September. This gain was mostly as a result of the AUDUSD exchange rate retreating from recent highs, with additional contributions from the Alignment Shares, opportunistic investments, and co-investments.

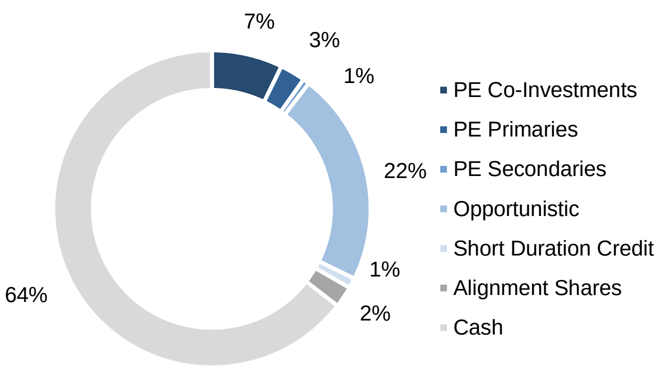
Over September, GCM Grosvenor Multi-Asset Class Fund II ("MAC II") executed a private equity co-investment in Groq, Inc., a new fabless semiconductor firm with a novel architecture for machine learning processors.

Lineage Logistics, a global warehouse and logistics company specialising in cold storage and one of the largest underlying company positions in PE1, recently finalised a financing round at a significant premium to MAC II's original investment valuation.

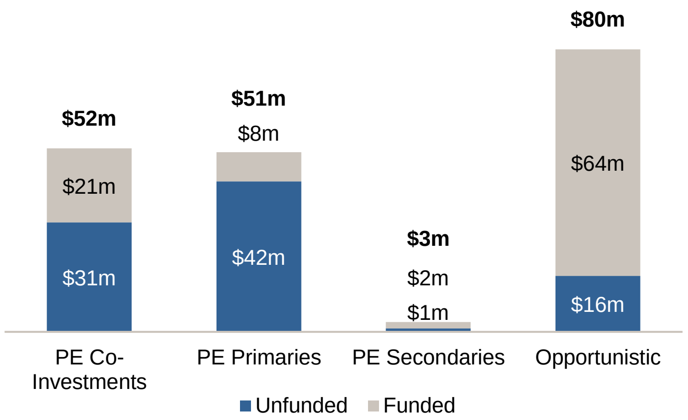
Additionally, Unity Software, (another MAC II holding) which is a developer of software used to design video games, announced in early September that it would be going public later in the month, issuing stock at US$52 per share. At month end, the company was trading at US$87.28 per share.

Separately, GCM Grosvenor Co-Investment Opportunities Fund II ("GCF II") committed to co-invest alongside Deutsche Private Equity GmbH in Mehler Vario System GmbH, the European market leader in personal ballistic protection equipment, related tactical equipment and other ballistic protection solutions.

PE1 Allocations by Investment Type



Breakdown of PE Commitments (A$)



Values may not sum to 100% and/or subtotals may nor aggregate precisely due to rounding.

INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS[5]

OPPORTUNISTIC INVESTMENTS

MAC II recently executed a private equity co-investment in **Groq, Inc.**, a new fabless semiconductor firm with a novel architecture for machine learning ("ML") processors.

Headquartered in Mountain View, CA, Groq delivers industry leading performance, accuracy and sub-millisecond latency with efficient, software-driven solutions for compute-intensive applications. Groq's CEO, Jonathan Ross, helped design Google's in-house AI/ML accelerator chip, before leaving in 2016 to start Groq. Nvidia currently leads the market for AI/ML accelerators with US$1.1 billion in datacentre revenues in its most recent quarter, with this lead established by repurposing designs used in its legacy PC graphics chips ("GPUs"). Conversely, Groq was able to design a chip for AI/ML workloads from scratch, resulting in a chip with higher throughput, lower latency and lower power consumption than GPUs.

MAC II invested in Groq via a convertible note alongside D1 Capital. We believe the total addressable market for Groq's AI/ML silicon is large and rapidly growing, and its novel architecture allows its chips to be easily scaled for different use cases. Despite similar technology and market progress, Groq's current valuation is below that achieved by other AI/ML semiconductor peers. While the company is in its early stages, early demonstration customer feedback is strong and the company's lean headcount minimizes operating cash burn, thereby providing the firm with more time to win key customer accounts.

In other MAC II related news, Lineage Logistics, a global warehouse and logistics company specialising in cold storage and one of the largest underlying company positions in PE1, recently finalised a financing round at a significant premium to MAC II's original investment valuation. Additionally, Unity Software, which is a developer of software used to design video games, announced in early September that it would be going public, issuing stock at US$52 per share. The company debuted on the NYSE on 19 September 2020 at US$75 per share and was trading at US$87.28 per share at the end of normal trading hours on 30 September 2020.

CO-INVESTMENTS

GCF II recently committed to co-invest alongside Deutsche Private Equity GmbH in **Mehler Vario System GmbH** ("Mehler"), the European market leader in personal ballistic protection equipment, related tactical equipment and other ballistic protection solutions.

Headquartered in Fulda, Germany, Mehler provides its customers with a full range of high-quality protective equipment, including protective vests and ballistic helmets, tactical clothing and packs, anti-riot armour and shields and protection systems for vehicles. The company has ~40 years of deep and differentiated material competence across all categories, as well as ~30 years of soft ballistic vest testing recorded in its database. Mehler offers its product portfolio to police, military and special forces predominantly in Germany (~70%), as well as to customers based in the rest of Europe (~25%) and elsewhere in the world (~5%).

This transaction presented a unique opportunity to acquire a German-headquartered European leader in a defensive, non-cyclical market backed by national and local governments that has significant barriers to entry and multiple organic growth drivers. In addition to these favourable transaction dynamics, GCF II was attracted to this investment due to:

(i) Mehler's long term customer relationships with government entities (average 15+ years for top 10 customers) underpinned by wide recognition of its high-quality vest (200+ customers served globally and 40+ countries served),
(ii) sustainable defence spending (driven by a number of factors including a rise in security threat levels, an increase in military budgets and product advancements) with positive macro trends that suggest continued growth,
(iii) the company's strong financial profile with high revenue visibility for the next several years, and
(iv) the opportunity to partner with a proven sponsor that has experience working with public sector clients and a strong operational focus.

Please note that this transaction is expected to close in Q4 2020, subject to regulatory approval. *There can be no guarantee that the transaction will close on this timeframe or at all.*

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. From 1 July 2020, 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

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