

## Pengana Private Equity Trust

ARSN 630 923 643

### Appendix 4D - Half Year Report for the half-year ended 31 December 2021

#### Results announcement to the market

	31 December 2021 \$'000	31 December 2020 \$'000	Change from the corresponding period %
Total investment income/(loss)	55,315	(19,594)	382.3
Total comprehensive income/(loss) for the half-year	41,413	(21,509)	292.5
Basic Earnings per unit (cents per unit)	17.25	(9.20)	287.5
Net Asset Value (NAV) Per Unit (Ex)	1.5247	1.1703	30.3

Distribution Information	Cents per share
2021 Interim distribution paid on 14 January 2022	3.12

#### In-specie distribution

In-specie distribution of 1 Pengana Capital Group share (ASX:PCG) for every 48.9 units held in Pengana Private Equity trust (ASX:PE1), distributed on 30 September 2021.

#### Interim Distribution Dates

Ex-distribution Date	4 January 2022
Record Date	5 January 2022
Last date for DRP	6 January 2022
Payment Date	14 January 2022

#### Distribution Reinvestment Plan

The interim distribution for the half-year ended 31 December 2021 of 3.12 cents per unit was paid on 14 January 2022. The Trust's Distribution Reinvestment Plan was available to eligible unitholders in relation to the interim distribution.

This report is based on the Half Year Financial Report which has been subject to Independent review by Ernst & Young.

All the documents comprise the information required by Listing Rule 4.2A.

The Interim Report of Pengana Private Equity Trust for the half year ended 31 December 2021 is attached.

This information should be read in conjunction with the 30 June 2021 Annual Report.

# INTERIM REPORT

31 DECEMBER 2021



PENGANA PRIVATE EQUITY TRUST (ASX: PE1)

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## TABLE OF CONTENTS

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DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	5
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10
DIRECTORS' DECLARATION	19
INDEPENDENT AUDITOR'S REPORT	20
CORPORATE DIRECTORY	22

This half-year financial report covers Pengana Private Equity Trust (ARSN 630 923 643) as an individual entity and does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the year 30 June 2021 and any public announcements made by Pengana Private Equity Trust during the interim reporting period in accordance with the continuous disclosure requirements of the Corporation Act 2001.

The Responsible Entity of Pengana Private Equity Trust is Pengana Investment Management Limited (ABN 69 063 081 612). The Responsible Entity's registered office is: Level 1, 2 and 3, 60 Martin Place, Sydney, NSW 2000 Australia.

## DIRECTORS' REPORT

The Directors of Pengana Investment Management Limited ('PIML'), the Responsible Entity for the Pengana Private Equity Trust (the 'Trust' or 'PE1'), present their report of the Trust for the half-year ended 31 December 2021.

### Directors

The names of Directors in office at any time during or since the end of the half-year are:

Ellis Varejes	Non-Executive Director and Chairman
Ilan Zimmerman	Non-Executive Director
Russel Pillemer	Chief Executive Officer and Managing Director
Katrina Glendinning	Executive Director

Directors have been in office since the start of the half-year to the date of this report, unless stated otherwise.

### Trust Overview and Principal Activities

Pengana Private Equity Trust is a registered managed investment scheme, structured as a closed-end unit trust, that is listed on the Australian Securities Exchange ('ASX'). The Trust was established on 18 January 2019 to invest in a diversified portfolio of global private equity investments.

The Trust's investment objective is to generate, over an investment horizon of at least 10 years, attractive returns and capital growth through a selective and diversified approach to private markets.

PIML has appointed Pengana Capital Limited ('Manager') as the manager of PE1. The Manager has in turn engaged Grosvenor Capital Management, L.P. ('GCM' or 'Investment Manager') as the investment manager of PE1.

The Trust did not have any employees during the half-year.

The various service providers for the Trust are detailed below:

Service	Provider
Responsible Entity	Pengana Investment Management Limited
Manager	Pengana Capital Limited
Investment Manager	Grosvenor Capital Management, L.P.
Custodian and Administrator	BNP Paribas Securities Services
Statutory Auditor	Ernst & Young

### Background Information of The Trust

The Trust raised \$205 million from an initial public offering ("Offer") by the issue of 164 million units on 4 March 2019 at an issue price of \$1.25 per unit. The Offer comprised a broker firm/general public offer and a priority offer. The priority offer was available to investors in all of PCG's funds as well as shareholders in the listed investment company Pengana International Equities Limited (ASX: PIA), Pengana Capital Group (ASX: PCG) and Washington H. Soul Pattinson (ASX: SOL). The costs of the offer were paid by PCG.

## DIRECTORS' REPORT (continued)

On 24 April 2019, units in the Trust were allotted, and on 30 April 2019, the Trust commenced trading on the ASX.

On 11 June 2020 the Responsible Entity announced a 1-for-3 pro-rata non-renounceable Rights Issue at an offer price of \$1.25 unit per unit available to all Unit holders ('Eligible Unit Holders') who held units as at 16 June 2020 (all together the 'Entitlement Offer').

Eligible Unit Holders were also invited to subscribe for additional new units in PE1 under a shortfall facility, available if the Entitlement Offer was not fully subscribed ('Shortfall Facility'). Any balance of units not taken up through the Entitlement Offer or the Shortfall Facility was placed through an issue of new units to sophisticated investors ('Shortfall Placement').

Due to excess demand, the Responsible Entity utilised the Trust's 15% placement capacity pursuant to ASX Listing Rule 7.1 to raise additional capital from sophisticated investors. ('Additional Placement').

Upon completion of the Entitlement Offer and Shortfall Placement, PE1 raised in total \$93,466,648 through the issue of 74,772,778 Units.

### Significant Changes in the State of Affairs

On 31 August 2021 the Responsible Entity determined to distribute all of the Trust's holding in Pengana Capital Group Limited Convertible Preference shares. On 30 September 2021 eligible Unitholders received an in-specie distribution of one PCG share for every 48.9 PE1 units held by them on record date.

There were no other significant changes in the state of affairs during the half-year.

### Operating Results

#### Review and results of operations

The performance of the Trust, as represented by the results of its operations was as follows:

	31 December 2021 \$'000	31 December 2020 \$'000
<b>Results</b>		
Total investment income	55,315	(19,594)
Total expenses	(13,902)	(1,915)
Net operating profit	41,413	(21,509)
Unit Price/ NAV Per Unit (\$)	1.5247	1.1703
ASX Reported NAV Per Unit (\$)	1.5248	1.1701
<b>Distribution Information</b>		
Interim distribution	7,483	5,982
In-specie distribution*	9,573	-
Total distributions	17,056	5,982
Interim distribution (cents per unit)	3.12	2.50



## DIRECTORS' REPORT (continued)

\*In-specie distribution of 1 Pengana Capital Group share (ASX:PCG) for every 48.9 units held in Pengana Private Equity trust (ASX:PE1), distributed on 30 September 2021.

On 24 December 2021, the Trust announced an interim distribution of 3.12 cents per unit, which was paid on 14 January 2022. This distribution is recognised as a liability as at 31 December 2021.

### Coronavirus impact (COVID-19)

The Novel Coronavirus (COVID-19) continued to impact global economies and equity, debt and commodity markets which resulted in several support actions by governments and regulators.

The processes to determine the impact of COVID-19 for these financial statements are consistent with the processes disclosed and applied in 30 June 2021 financial statements. Such processes have identified that no asset impairments have been required. In addition, expected credit losses have remained unchanged on the Trust's receivables, as they have since been collected or the counterparties have been assessed to have strong credit ratings.

### Strategy and Future Outlook

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Therefore, investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

As markets are subject to fluctuations, it is imprudent to provide a detailed outlook statement of expected results of operations. The Trust provides monthly fund updates and annual investor reports, which can be found on the ASX website. The Trust updates include detailed discussions in relation to some underlying funds from time to time along with general outlook commentary.

### Likely Developments and Expected Results of Operations

The Trust will continue to invest in accordance with the investment strategy as set out in the IPO Product Disclosure Statement. The method of operating the Trust is not expected to change in the foreseeable future, however the results of the Trust's operations may be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and past returns should not be used to predict future returns.

### Events Subsequent to Balance Sheet Date

In the latest release to the ASX on 9 February 2022 the Trust reported a NAV per unit as at 31 January 2022 of \$1.5642.

Other than the above, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this financial report that has significantly or may significantly affect the Trust's operations, the results of those operations or the Trust's state of affairs in future years.

## DIRECTORS' REPORT (continued)

### Rounding of Amounts

The Trust is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is set out on the following page and forms part of this report

Signed in accordance with a resolution of the Board of Directors.



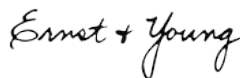
Ellis Varejes

**Chairman, Pengana Investment Management Limited**  
**Sydney**  
**28 February 2022**

## Auditor's independence declaration to the directors of the responsible entity of Pengana Private Equity Trust

As lead auditor for the review of the half-year financial report of Pengana Private Equity Trust for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.



Ernst & Young



Jaddus Manga  
Partner  
28 February 2022



Pengana Private Equity Trust  
Statement of comprehensive income  
For the half-year ended 31 December 2021

		Half-year ended	
		31 December	31 December
		2021	2020
	Notes	\$'000	\$'000
<b>Investment income</b>			
Interest income		-	1
Dividends and distributions received		4,057	318
Net gains/(losses) on financial instruments at fair value through profit or loss		44,569	(3,063)
Net foreign exchange gains/(losses)		6,582	(16,851)
Other operating income		<u>107</u>	<u>1</u>
<b>Total net investment income/(loss)</b>		<u>55,315</u>	<u>(19,594)</u>
<b>Expenses</b>			
Responsible entity fee and management fee	3	(2,261)	(1,780)
Performance fees	3	(10,196)	-
Withholding tax		(20)	-
Secondaries Management Fee and Carried Interest Fee	3	(525)	(60)
Transaction costs		<u>(900)</u>	<u>(75)</u>
<b>Total operating expenses</b>		<u>(13,902)</u>	<u>(1,915)</u>
<b>Profit/(loss) for the half-year</b>		<u>41,413</u>	<u>(21,509)</u>
Other comprehensive income for the half-year		<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the half-year</b>		<u>41,413</u>	<u>(21,509)</u>
Basic and diluted earnings per unit (cents per unit)		17.25	(9.20)

*The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

Pengana Private Equity Trust  
Statement of financial position  
As at 31 December 2021

		As at	
		31 December	30 June
	Notes	2021	2021
		\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents		51,176	103,266
Receivables		859	67
Financial assets at fair value through profit or loss	2	<u>334,474</u>	<u>245,297</u>
<b>Total assets</b>		<u>386,509</u>	<u>348,630</u>
<b>Liabilities</b>			
Distribution payable		6,823	5,498
Payables		<u>12,967</u>	<u>1,430</u>
<b>Total liabilities</b>		<u>19,790</u>	<u>6,928</u>
<b>Total unitholders' equity</b>		<u>366,719</u>	<u>341,702</u>
<b>Unitholders' equity</b>			
Issued units		300,805	300,145
Other equity reserve		-	10,251
Retained earnings		<u>65,914</u>	<u>31,306</u>
<b>Total unitholders' equity</b>		<u>366,719</u>	<u>341,702</u>

*The statement of financial position should be read in conjunction with the accompanying notes.*

Pengana Private Equity Trust  
Statement of changes in equity  
For the half-year ended 31 December 2021

	Half-year ended	
	31 December	31 December
	2021	2020
	\$'000	\$'000
<b>Total unitholders' equity at the beginning of the half-year</b>	<b>341,702</b>	214,028
Transactions with unitholders for the half-year:		
Units issued	-	93,467
Distributions reinvested	660	-
Distributions paid/payable*	<u>(17,056)</u>	<u>(5,982)</u>
Total transactions with unitholders for the half-year	<u>325,306</u>	<u>301,513</u>
Comprehensive income for the half-year:		
Profit for the half-year	41,413	(21,509)
Other comprehensive income for the half-year	<u>-</u>	<u>-</u>
Total comprehensive income for the half-year	<u>41,413</u>	<u>(21,509)</u>
<b>Total unitholders' equity at the end of the half-year</b>	<b><u>366,719</u></b>	<b><u>280,004</u></b>

\* The amount included \$9.6 million of in-specie distribution of 1 Pengana Capital Group share (ASX:PCG) for every 48.9 units held in Pengana Private Equity trust (ASX:PE1), distributed on 30 September 2021.

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

Pengana Private Equity Trust  
Statement of cash flows  
For the half-year ended 31 December 2021

	Half-year ended	
	31 December	31 December
	2021	2020
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Payments for purchase of investments	(54,141)	(25,078)
Transaction costs paid	(900)	(75)
Dividends and distributions received	4,057	318
Interest received	-	1
GST received/(paid)	(46)	(45)
Other income received	107	1
Management fees paid	(2,157)	(1,659)
Secondaries Management Fee and Carried Interest Fee	(74)	(6)
Payment to suppliers	(20)	(1)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(53,174)</b>	<b>(26,544)</b>
<b>Cash flows from financing activities</b>		
Issue of units	-	93,467
Distributions paid	(5,498)	-
<b>Net cash inflow/(outflow)/ from financing activities</b>	<b>(5,498)</b>	<b>93,467</b>
Net increase in cash and cash equivalents	(58,672)	66,923
Cash and cash equivalents at the beginning of the half-year	103,266	108,431
Translation of foreign cash held	6,582	(16,851)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>51,176</b>	<b>158,503</b>
<b>Non-cash financing activities</b>		
In-specie distribution - Alignment shares	(9,573)	-

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 General Information

These financial statements cover Pengana Private Equity Trust ("the Trust") as an individual entity.

Pengana Private Equity Trust is a registered managed investment scheme, structured as a closed-end unit trust, incorporated and domiciled in Australia.

The Responsible Entity of the Trust is Pengana Investment Management Limited (ABN 69 063 081 612) (the "Responsible Entity"). The Responsible Entity's registered office is: Level 1, 2 and 3, 60 Martin Place, Sydney, NSW 2000 Australia.

The financial statements are presented in Australian currency.

This interim financial report is for Pengana Private Equity Trust for the half-year ended 31 December 2021. The Trust is a for profit entity limited by units, incorporated and domiciled in Australia, whose units are publicly traded.

The financial report for the half-year ended 31 December 2021 is a general purpose financial report and has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. It is presented in Australian dollars (\$) and was approved by the Board of Directors on 28 February 2022. The Directors have the power to amend and reissue the financial report.

This half-year financial report does not include all the information and disclosures normally included in the annual financial report. Accordingly, this report should be read in conjunction with the 30 June 2021 Annual report, any public announcements made in respect of the Trust during the half-year ended 31 December 2021 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Where necessary, comparative figures have been reclassified to conform to any changes in presentation made in the half-year financial report.

On 11 June 2020 the Responsible Entity announced a 1-for-3 pro-rata non-renounceable Rights Issue at an offer price of \$1.25 unit per unit available to all Unit holders ('Eligible Unit Holders') who held units as at 16 June 2020 (all together the 'Entitlement Offer').

Eligible Unit Holders were also invited to subscribe for additional new units in PE1 under a shortfall facility, available if the Entitlement Offer was not to be fully subscribed ('Shortfall Facility'). Any balance of units not taken up through the Entitlement Offer or the Shortfall Facility was placed through an issue of new units to sophisticated investors ('Shortfall Placement').

Due to excess demand, the Responsible Entity utilised the Trust's 15% placement capacity pursuant to ASX Listing Rule 7.1 to raise additional capital from sophisticated investors ('Additional Placement').

Upon completion of the Entitlement Offer and Shortfall Placement, PE1 raised in total \$93,466,648 through the issue of 74,772,778 Units on 22 July 2020.

Further information on the nature of the operations and principal activities of the Trust is provided in the Directors' report.

## 2 Fair value measurement

The Trust measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

*Fair value in an active market (level 1)*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

## 2 Fair value measurement (continued)

### *Fair value in an inactive or unquoted market (level 2 and level 3)*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

The Alignment Shares are recognised as a financial asset on the statement of financial position and are included in financial assets at fair value through profit or loss line item of the statement of financial position.

Due to the nature of these Alignment Shares they are valued at parity with the Pengana Capital Group (PCG) ordinary shares on the ASX. The different characteristics of the Alignment Shares compared to ordinary shares have been considered as valuation factors and any impact deemed immaterial.

The Trust invests in private equity funds that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. Private equity investments are valued at fair value. The method that the Investment Manager uses to determine the fair value of private equity investments is based on the latest information available to the Investment Manager as of the corresponding valuation date and at the time the report for such date is issued.

Investments in unlisted managed investment funds are recorded at the net asset value per unit as reported by the investment managers of such funds. The Trust may make adjustments to the value based on considerations such as: liquidity of the Investee fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

The information from which the Investment Manager of unlisted managed funds and private equity funds derive fair value typically includes but is not limited to:

- independent third party valuations;
- audited (annually) and unaudited (quarterly) financial statements, which include net earnings, earnings before interest, taxes, depreciation and amortisation ("EBITDA"), balance sheets and other financial disclosures;
- recent public or private transactions;
- valuations for comparable companies;
- historical data; and/or
- other measures, including discounted cash flows, estimated collectability of escrows, sponsor valuation (for comparison purposes only), and consideration of any other pertinent information including the types of securities held and restrictions on disposition.

Where appropriate, the methods used to estimate fair value may utilise the following:

- market approach (whereby fair value is derived by reference to observable valuation measures for comparable companies or assets including any recent transactions in the subject Co-investment);
- income approach (such as the discounted projected cash flow method); or
- cost approach, as the best initial approximation of fair value upon acquisition of an investment.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Trust holds.

The transfers between levels only happen at the end of the reporting period.

There has been no transfer between levels from the previous reporting period.

## 2 Fair value measurement (continued)

The following table provides an analysis of financial instruments as at reporting date that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable.

31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets	\$'000	\$'000	\$'000	\$'000
Private equity investments	-	-	331,327	331,327
Unlisted managed investment funds	-	3,147	-	3,147
<b>Total</b>	-	3,147	331,327	334,474

30 June 2021

Financial assets

Private equity investments	-	-	234,380	234,380
Unlisted managed investment funds	-	3,062	-	3,062
Unlisted equities	-	7,855	-	7,855
<b>Total</b>	-	10,917	234,380	245,297

As of 31 December 2021, where available, all investments in private equity investments and unlisted managed investment funds were valued using the NAV reported by the underlying investment manager. The fair value measurements are discussed and assessed during the periodic review by the Investment Manager.

The carrying amount of cash, trade and other receivables and other payables approximate their fair values.

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within level 3 between the beginning and the end of the reporting period:

31 December 2021	Opening balance	Purchases	Sales	Net transfers in/ (out)	Net changes in the fair value of financial instruments measured at fair value through profit or loss	Closing balance	Total gain/(loss) for the half-year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at financial half-year end
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Private equity investments	234,380	50,590	-	-	46,357	331,327	46,357
<b>Total</b>	234,380	50,590	-	-	46,357	331,327	46,357

30 June 2021

Private equity investments	97,300	75,645	-	-	61,435	234,380	61,435
<b>Total</b>	97,300	75,645	-	-	61,435	234,380	61,435

For total gains and losses recognised during the period in the statement of profit or loss and other comprehensive income, the amount that is attributable to the change in unrealised gains relating to assets classified within level 3 at the end of the period is \$46.4 million (30 June 2021: \$61.4 million).

At reporting date, if the unobservable inputs had been 10% higher and 15% lower (30 June 2021: 10% higher and 15% lower) profit or loss of the Trust would have increased by \$4.6 million and decreased by \$7.0 million (30 June 2021: increased by \$6.1 million and decreased by \$9.2 million).



### 3 Related party transactions

#### Responsible Entity

The Responsible Entity of Pengana Private Equity Trust is Pengana Investment Management Limited (ABN 69 063 081 612). Accordingly, transactions with entities related to Pengana Investment Management Limited are disclosed below.

#### Key management personnel

##### Directors

Key management personnel include persons who were directors of Pengana Investment Management Limited at any time during the financial period or since the end of the year end and up to the date of this report:

Ellis Varejes	Independent Non-Executive Director and Chairman
Ilan Zimmerman	Independent Non-Executive Director
Russel Pillemer	Chief Executive Officer and Managing Director
Katrina Glendinning	Executive Director

#### Key management personnel unitholdings

At 31 December 2021, Katrina Glendinning held 53,933 units in the Trust (30 June 2021: 53,933 units).

#### Key management personnel compensation

Key management personnel are paid by Pengana Capital Group (ASX: PCG). Payments made from the Trust to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel and are not related to services that directors render to individual funds.

#### Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

#### Other transactions within the Trust

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Trust during the reporting period and there were no material contracts involving key management personnel's interests existing at year end.

#### Responsible Entity's fees and other transactions

Under the terms of the Trust's Constitution and the current Product Disclosure Statement for the Trust, the Responsible Entity is entitled to receive fees monthly.

Pengana Investment Management Limited ('PIML') is the Responsible Entity of the Trust. The Responsible Entity has appointed Pengana Capital Limited ('PCL'), also a member of Pengana Capital Group (PCG), as the Manager of the Trust. The Manager has appointed Grosvenor Capital Management, L.P. ('GCM' or 'Investment Manager') as the investment manager of the Portfolio of the Trust.

The Trust pays PIML a responsible entity fee of 0.05% p.a. and pays PCL a management fee of 1.20% p.a. for the management and operational oversight of the Trust. PCL pays a portion of the Management Fee to GCM pursuant to the Investment Management Agreement.

The total value and investment return of the Alignment Shares is not included when calculating the responsible entity fee and management fee payable by the Trust. The responsible entity fee of 0.05% and the management fee of 1.20% p.a. are calculated monthly in arrears using the gross value of the investment portfolio. The fees are payable directly from the Trust and reflected in the NAV per Unit.

The costs of the offer ('IPO'), the issue of Alignment shares, and the Rights issue were paid by PCG and PCG has no intention of claiming reimbursement of such costs.

The performance fee is payable to Pengana Investment Management Limited ('PIML'). The performance fee potentially payable by the Trust is equal to 20% of the Trust Outperformance, namely of the Trust's Total Return in excess of the Hurdle Return (being 8% p.a.) and subject to the NAV being greater than the Trust's High Water Mark ("HWM"). The HWM is equal to the NAV less the value of the Alignment Shares at the end of the latest Performance Fee Payment Period in which the Trust paid a Performance Fee ("Last Payment Period"). The initial HWM is equal to the initial NAV less the initial value of the Alignment Shares. The HWM will be adjusted for capital flows into and out of the Trust (including from distributions) following the Last Payment Period. The Performance Fee is calculated and accrued monthly and payable to Pengana from the Trust each half-year period ending 30 June or 31 December. The total value and investment return of the Alignment Shares are not included when calculating the Performance Fee payable.

### 3 Related party transactions (continued)

#### Responsible Entity's fees and other transactions (continued)

Transactions with related parties have taken place at arm's length and in the ordinary course of business. The transactions during the half-year and amounts at period end between the Trust and the Responsible Entity were as follows:

	31 December 2021 \$	31 December 2020 \$
Responsible entity fee and management fee	2,261,478	1,780,152
Aggregate amount payable for Responsible entity fee and management fee	438,490	316,292
Performance fee*	10,195,903	-

\*Performance fee of \$10.2 million crystallised as at 31 December 2021 and was paid to PIML on 27 January 2022.

#### Investment Manager fees

Two types of fees are payable from the Trust to the Investment Manager (GCM) in respect of the Investment Manager's investment management of the Secondaries Sub-Portfolio, namely the Secondaries Management Fee and the Secondaries Carried Interest Fee. Refer to sections 12.3.4.1 and 12.3.4.1 in the Product Disclosure Statement dated 22 February 2019 for further details on the Secondaries Management fee and the Carried interest Fee

The transactions during the year and amount at period end between the Trust and the Investment Manager were as follows:

	31 December 2021 \$	31 December 2020 \$
Secondaries management fee and carried interest fee	524,484	60,089
Aggregate amount payable for carried interest fee	693,845	53,869

#### Investments

GCM as the Investment Manager invests the Trust's capital primarily by allocating capital through GCM funds and underlying funds managed by third-party managers who invest in a wide range of different Portfolio Companies.

GCM also makes investments directly on behalf of the Trust.

GCM and other members of the GCM Group also serve as the manager of a number of the underlying funds in which the Trust invests ("GCM funds"). The GCM Group receives management fees and/or incentive compensation from these GCM funds. The Trust will also invest in other underlying funds (other than the GCM funds) and the managers of these other underlying funds will also receive management fees and/or incentive compensation.

The capital commitments the Trust has with GCM funds as at 31 December 2021 are disclosed in Note 6.

### 3 Related party transactions (continued)

#### Investments (continued)

The Trust did not hold any investments in Pengana Investment Management Limited and Pengana Capital Limited during the half-year. The Trust held investments in the following related parties at 31 December 2021.

	Fair value of investment		Interest held		Commitments / In kind contributions		Dividends/ Distributions received during the half-year	
	\$		%		Units / Value		\$	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021
Pengana Capital Group Limited Convertible Preference shares*	-	7,854,765	-	4.75	-	4,909,228	392,738	441,831
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	58,696,794	47,059,248	11.35	11.35	50,890,585	49,284,049	-	-
GCM Grosvenor Multi-Asset Class Fund II, L.P.	146,943,342	132,684,262	7.31	5.80	78,399,010	75,924,076	-	-
GCM Grosvenor SP Mid Market Opportunities Fund, L.P.	21,033,078	15,633,598	23.13	23.24	27,171,746	123,830,482	3,591,923	-
GCM Grosvenor CPP Investment Board Mid Market Opportunities Fund II, L.P.	11,668,604	9,424,274	23.13	23.24	9,109,713	30,957,620	-	-
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	625,463	240,244	23.13	23.24	1,492,416	12,383,048	-	-
Grosvenor Secondary Opportunities Feeder Fund III, L.P.	9,542,472	3,382,769	15.65	7.71	45,388,900	43,956,044	-	-
GCM Grosvenor CPP Investment Board Mid Market Opportunities Fund, L.P.	218,048	347,437	23.13	23.24	2,255,123	2,183,931	944	-
GCM Grosvenor Multi-Asset Class Fund III, L.P.	38,406,079	-	23.55	-	96,279,486	-	-	-

\*The investment made in relation Pengana Capital Group Limited Convertible Preference shares is for the Alignment Shares issued by PCG to the Trust amounting to 5% of the total amount raised from the IPO.

PCG has issued the shares to the Trust at a nominal cost, being an aggregate price of \$1.00 for all Alignment Shares issued. On 31 August 2021 the Responsible Entity determined to distribute all of the Trust's holding in Pengana Capital Group Limited Convertible Preference shares. On 30 September 2021 eligible Unitholders received an in-specie distribution of one PCG share for every 48.9 PE1 units held by them on record date.

For further details on the alignment shares please refer Section 9 of the replacement Product Disclosure statement issue date 22 February 2019.

### 4 Statement of operations by segment

The Trust has identified its operating segments based on the internal reports that are reviewed and used by the Chief Investment Officer of the Investment Manager in assessing and determining the allocation of resources.

The Trust operates in one business segment, being investment in securities.

## 5 Distribution to unitholders

	31 December 2021 \$'000	31 December 2020 \$'000
Interim distribution	7,483	5,982
In-specie distribution*	<u>9,573</u>	<u>-</u>
Total	<u>17,056</u>	<u>5,982</u>
Interim distribution (cents per unit)	3.12	2.50

\*In-specie distribution of 1 Pengana Capital Group share (ASX:PCG) for every 48.9 units held in Pengana Private Equity trust (ASX:PE1), distributed on 30 September 2021.

On 24 December 2021, the Trust announced an interim distribution of 3.12 cents per unit, which was paid on 14 January 2022.

## 6 Contingent liabilities and commitments

There were no contingent liabilities at 31 December 2021 that required disclosure (30 June 2021: nil).

At 31 December 2021, the Trust has the following capital commitments:

31 December 2021	Total capital commitment	Called up capital	Unfunded capital commitment
Investee	\$	\$	\$
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	50,890,585	38,844,169	12,046,416
GCM Grosvenor Multi-Asset Class Fund II, L.P.	78,399,010	78,399,010	-
Carlyle Credit Opportunities Fund Parallel L.P.	6,877,106	4,520,873	2,356,233
Vista Equity Endeavour Fund II A L.P.	5,501,685	1,117,047	4,384,638
HIG Middle Market LBO Fund III L.P.	3,974,967	827,840	3,147,127
WPEF VIII Feeder L.P.	6,655,368	1,017,269	5,638,099
Alpine Investors III L.P.	1,352,497	1,261,459	91,038
Alpine Investors IV L.P.	343,855	283,346	60,509
Alpine Investors VI L.P.	343,855	227,409	116,446
Alpine Investors VII L.P.	687,711	466,220	221,491
H.I.G. Europe Middle Market LBO Feeder Fund L.P.	5,713,200	142,830	5,570,370
Riverside Micro-Cap Fund V L.P.	5,537,446	3,655,672	1,881,774
Cornell Capital Partners Ii Parallel L.P.	5,501,685	-	5,501,685
Wynnchurch Capital Partners V L.P.	6,877,106	2,027,413	4,849,693
Peak Rock Capital Fund III L.P.	5,501,685	1,145,308	4,356,377
Valiant Peregrine Fund 2, L.P.	5,501,685	616,189	4,885,496
Cobalt Strategic Partners I, L.P.	5,501,685	4,821,603	680,082
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund II, L.P.	9,109,713	6,168,082	2,941,631
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund, L.P.	2,255,123	296,061	1,959,062
MC Private Equity Partners I-A, L.P.	1,981,627	1,453,575	528,052
MIC Capital Partners III Parallel (Cayman) L.P.	1,021,689	904,174	117,515
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	1,492,416	183,236	1,309,180
GCM Grosvenor Secondary Opportunities Feeder Fund III, L.P.	45,388,900	8,774,873	36,614,027
The Veritas Capital Fund VII L.P.	9,627,949	6,600,833	3,027,116
Falfurrias Capital Partners V LP	6,877,106	887,147	5,989,959
GCM Grosvenor Multi-Asset Class Fund III LP	96,279,486	38,511,795	57,767,691
Iconiq Strategic Partners VI-B LP	2,888,385	1,690,639	1,197,746
TSG9 Parallel L.P.	5,501,685	-	5,501,685
Alpine Investors Ingenio CV LP	730,102	452,979	277,123
GCM Grosvenor SP Mid Market Opportunities Fund, LP	27,171,746	13,506,713	13,665,033
	<u>405,487,058</u>	<u>218,803,764</u>	<u>186,683,294</u>

## 6 Contingent liabilities and commitments (continued)

30 June 2021	Total capital commitment	Called up capital	Unfunded capital commitment
Investee		\$	\$
	\$		\$
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	49,284,049	32,255,715	17,028,334
GCM Grosvenor Multi-Asset Class Fund II, L.P.	75,924,076	75,924,076	-
Carlyle Credit Opportunities Fund Parallel L.P.	6,660,007	4,210,594	2,449,413
Vista Equity Endeavour Fund II A L.P.	5,328,005	941,650	4,386,355
HIG Middle Market LBO Fund III L.P.	3,849,484	305,832	3,543,652
WPEF VIII Feeder L.P.	6,721,285	-	6,721,285
Alpine Investors III L.P.	1,309,801	1,221,637	88,164
Alpine Investors IV L.P.	333,000	274,401	58,599
Alpine Investors VI L.P.	333,000	220,230	112,770
Alpine Investors VII L.P.	666,001	305,257	360,744
H.I.G. Europe Middle Market LBO Feeder Fund L.P.	5,769,785	144,245	5,625,540
Riverside Micro-Cap Fund V L.P.	5,362,637	2,651,385	2,711,252
Cornell Capital Partners II Parallel L.P.	5,328,005	-	5,328,005
Wynnchurch Capital Partners V L.P.	6,660,007	1,351,553	5,308,454
Peak Rock Capital Fund III L.P.	5,328,005	-	5,328,005
Valiant Peregrine Fund 2, L.P.	5,328,005	-	5,328,005
Evolution Media V, L.P.	5,328,005	4,616,693	711,312
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund II, L.P.	8,822,134	6,199,547	2,622,587
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund, L.P.	2,183,931	291,575	1,892,356
GCM Grosvenor SP Mid Market Opportunities Fund, L.P.	26,313,977	15,633,598	10,680,379
MC Private Equity Partners I-A, L.P.	1,919,070	1,026,217	892,853
MIC Capital Partners III Parallel (Cayman) L.P.	989,436	595,556	393,880
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	1,445,303	189,370	1,255,933
GCM Grosvenor Secondary Opportunities Feeder Fund III, L.P.	43,956,044	3,157,866	40,798,178
The Veritas Capital Fund VII L.P.	9,324,009	5,450,677	3,873,332
	<u>284,467,061</u>	<u>156,967,674</u>	<u>127,499,387</u>

The total value of capital commitments in local currency amounts to USD 286 million and EUR 8 million as at 31 December 2021 (30 June 2021: USD 204 million and EUR 8 million) of which USD 158 million and EUR 1 million have been called to date. An amount of USD 128 million and EUR 7 million remains uncalled by the Investment Managers.

## 7 Subsequent events

In the latest release to the ASX on 9 February 2022 the Trust reported a NAV per unit as at 31 January 2022 of \$1.5642.

Other than the above, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this financial report that has significantly or may significantly affect the Trust's operations, the results of those operations or the Trust's state of affairs in future years.

## DIRECTORS' DECLARATION

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In accordance with a resolution of the Responsible Entity of Pengana Private Equity Trust, I state that:

- a the financial statements of the Trust as set out on pages 6 to 18 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the financial position of the Trust as at 31 December 2021 and of its performance as represented by the results of its operations and cash flows for the period ended on that date; and
  - ii. complying with Australian Accounting Standards AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
- b there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 31 December 2021.

This declaration is made in accordance with a resolution of the Directors of the Responsible Entity.

On behalf of the Board,



Ellis Varejes

**Chairman**  
**Pengana Investment Management Limited**  
**Sydney**  
**28 February 2022**



## Independent auditor's review report to the unitholders of Pengana Private Equity Trust

### Report on the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Pengana Private Equity Trust (the Trust) which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Trust does not comply with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the Trust's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Directors' responsibilities for the half-year financial report

The directors of the responsible entity of the Trust are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Trust's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The logo for Ernst &amp; Young, featuring the company name in a stylized, cursive script.

Ernst & Young

A handwritten signature in black ink, reading 'Jaddus M Manga Noto'.

Jaddus Manga  
Partner  
Sydney  
28 February 2022

## CORPORATE DIRECTORY

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### PRINCIPAL AND REGISTERED OFFICE

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### AUDITOR

**Ernst & Young**

200 George Street  
Sydney NSW 2000 Australia

### DIRECTORS

**Ellis Varejes**

Independent Non-Executive Director and Chairman

**Ilan Zimerman**

Independent Non-Executive Director

**Russel Pillemer**

Chief Executive Officer

**Katrina Glendinning**

Executive Director

### UNIT REGISTRY

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### COMPANY SECRETARY

Paula Ferrao



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