

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.

May 2024

EDUCATION, PACKAGING, FERRIES AND ANTIFREEZE

NAV
PER UNIT¹

\$1.5785

1 MONTH
PERFORMANCE²

-1.9%

SINCE INCEPTION
PERFORMANCE (P.A.)^{2,3}

9.0%

TARGET DISTRIBUTION
YIELD⁴

4%

COMMENTARY

The Trust returned -1.9% over May, with a +0.3% contribution from underlying PE investments being offset by an appreciation in the AUD:USD exchange rate.

Investments made during the month were across a wide array of industries, showcasing the diversification of GCM's origination platform which adds significant value to the PE1 portfolio:

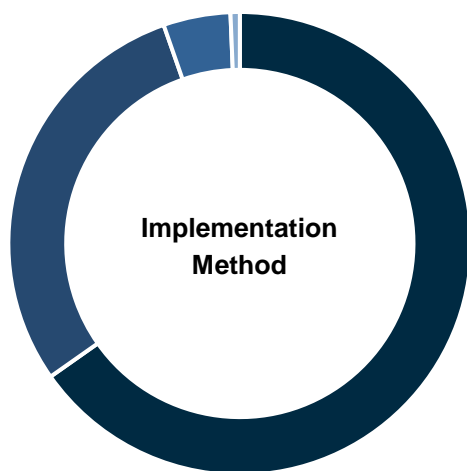
- A private equity co-investment to acquire **TeachTown**, one of the top two special education-specialised players and operates in a large, underserved addressable market with significant whitespace and attractive demand tailwinds.
- A private equity co-investment to finance the acquisition of a publicly listed European supplier of flexible packaging by **Constantia Flexibles** ("Constantia"). We believe this is a transformative and accretive add-on acquisition that will further diversify Constantia's end market, customer and geographic mix, as well as create significant cross-sell opportunities.
- A first lien term loan to finance the acquisition of **Hornblower Group**, the largest and only scaled concession ferry and harbor cruise operator in North America. The term loan is priced at the Secured Overnight Financing Rate ("SOFR") + 5.5% p.a. with a 99c Original Issue Discount ("OID").
- A first lien term loan to fund Recochem's acquisition of **Prestone**, the number one retail antifreeze/coolant in North America. The combined company will be the largest player in this stable and growing market. The term loan is priced at SOFR + 5.75% p.a. with 98c OID.

NAV PER UNIT PERFORMANCE AS AT 31 MAY 2024 ^{2, 3}



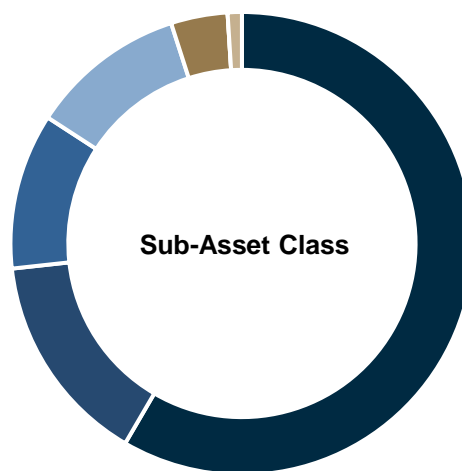
	1 month	1 year	3 years p.a.	Since inception p.a. ³
NAV per Unit	-1.9%	-1.2%	13.6%	9.0%

PORTFOLIO DIVERSIFICATION



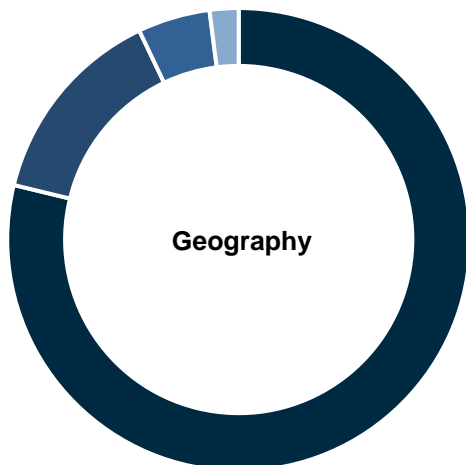
Implementation Method	Percentage
Equity Co-Investments & Direct Investments	65%
Equity Funds	29%
Private Credit	5%
Cash	1%

Cash includes short duration credit which may be used as a cash management tool. The Trust has utilised a line of credit equal to 3% of the NAV.



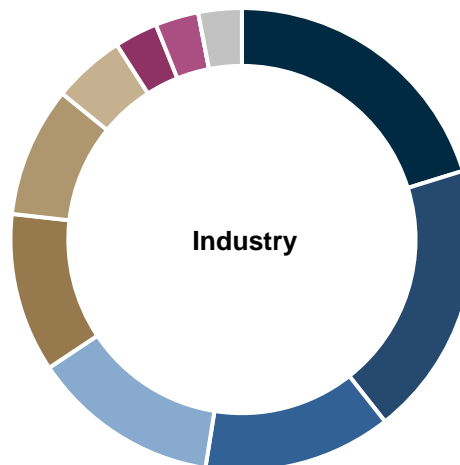
Sub-Asset Class	Percentage
Buyout	59%
Structured Equity ⁶	15%
Growth Equity	11%
Special Situations (Including Credit)	11%
Real Estate	4%
Venture Capital	0%
Other	1%

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	78%
Europe	14%
Asia/Oceania	5%
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.



Industrials	20%
Information Technology	19%
Financials	13%
Consumer Discretionary	13%
Health Care	11%
Consumer Staples	9%
Real Estate	5%
Materials	3%
Communication Services	3%
Energy	0%
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.

INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS ⁷

EQUITY CO-INVESTMENTS



We recently co-invested alongside L Squared Capital Partners to acquire **TeachTown**. Founded in 2003 and headquartered in Woburn, Massachusetts, TeachTown is a provider of comprehensive special education curriculum solutions. TeachTown is a vertically integrated special education software platform that provides customised learning for students and data/insights for teachers and administrators.

TeachTown is one of the top two special education-specialised players and operates in a large, underserved addressable market. Only ~25-30% of the special education curriculum market is vended today and it is expected to grow 10%+ annually over the next few years, driven by stable enrolment growth and increasing penetration. The company has an attractive financial profile with significant subscription-based revenue and a well-diversified, sticky customer base. Moreover, TeachTown is gaining share from all types of competitors with best-in-class comprehensive solutions specifically developed for special education. Finally, there are multiple avenues for organic growth from new customers, cross-selling/upselling and product expansion. We believe this is an attractive opportunity to serve a growing market alongside a high performing sponsor with significant experience and a strong historical track record in education technology.



We recently participated in a co-investment alongside One Rock Capital Partners (“One Rock”) to finance the acquisition of a publicly listed European supplier of flexible packaging by one of One Rock’s existing portfolio companies, **Constantia Flexibles**. Headquartered in Vienna, Austria, Constantia is a global flexible packaging producer, primarily serving consumer (primarily food and beverage) and pharma end markets. The company offers aluminium foil packaging, plastic film and laminates and has a nascent presence in paper packaging. It covers the full value chain of film- and aluminium-based packaging manufacturing except for pre-rolling processes for aluminium-based products. One Rock’s initial investment in Constantia closed in January 2024.

We believe this is a transformative and accretive add-on acquisition that is in line with One Rock’s original investment thesis. This investment will further diversify Constantia’s end market, customer and geographic mix, as well as create significant cross-sell opportunities. Additionally, we found this transaction compelling due in part to the attractive entry valuation that implies a discount relative to comparable companies as well as the potential for significant cost synergies stemming from the combination.

PRIVATE CREDIT



In May, we participated in two first lien term loans. The first was issued by Strategic Value Partners alongside Crestview Partners to finance the acquisition of **Hornblower Group**, a global leader in experiences and transportation. The term loan is priced at SOFR + 5.5% p.a. with a 99c OID. Hornblower is the largest and only scaled concession ferry and harbor cruise operator in North America, handling three of the largest tourism concession routes globally, including the Statue of Liberty and Ellis Island, Alcatraz, and Niagara Falls, as well as commuter ferry systems in New York City and Puerto Rico. Long-term concessions from granting authorities such as the US National Park Service and state and local governments account for a substantial majority of the company’s EBITDA, with the average remaining contract life exceeding 14 years. Hornblower holds an advantageous position in the industry due to its ability to outbid competitors on concessions, which is driven by cost efficiencies with shared services, a demonstrated track record of strong performance, and a large existing fleet in a capital-intensive business with high replacement costs.



The second investment was to fund Recochem’s acquisition of **Prestone** from KIK Consumer Products alongside Capvest. The term loan is priced at SOFR + 5.75% p.a. with 98c OID. Recochem is the largest North American provider of auto aftermarket and household consumable essential fluids, including coolants (i.e., antifreeze and derivatives), power steering and brake fluids, cleaning fluids, and diesel exhaust fluid. As Prestone is the number one retail antifreeze/coolant in North America, the combined company will be the largest player in this stable and growing market, with over 60% market share in North America. The steady low single-digit growth is driven by resilient demand from overall car park growth, kilometres driven, and an aging fleet, with upside from continued market share capture. These factors, combined with the geographic expansion opportunities, and cost and marketed commercial synergies, present what we believe to be a compelling investment 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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