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.

OCTOBER 2024

DUNLOP & DISTINGUISHED

NAV PER UNIT[1]	1 MONTH PERFORMANCE[2]	SINCE INCEPTION PERFORMANCE (P.A.)[2,3]	TARGET DISTRIBUTION YIELD[4]
$1.5766	**5.4%**	**8.6%**	**4%**

COMMENTARY

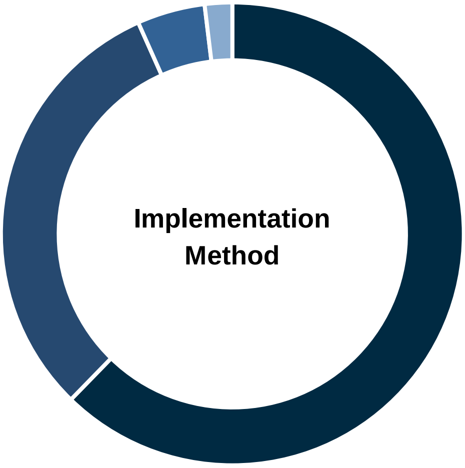
The Trust returned +5.4% over October, due to the depreciation of the AUD versus the USD. We initiated a number of investments during the month including:

- Making a co-investment to finance the acquisition of Dunlop Protective Footwear. We found this opportunity compelling due to: (i) an attractive entry valuation at a significant discount to comparable public / precedent transactions, (ii) a unique B2B sales model consisting of over 1000 distributors, and (iii) operating in a resilient global market benefitting from the non-discretionary nature of safety footwear and structural industry tailwinds.
- Participating in a first lien term loan opportunity issued by Distinguished, a leading managing general agent ("MGA") that operates across ten insurance verticals. The company has consistently outpaced the broader MGA industry over the past decade driven by its strength in complex excess umbrella policies.

NAV PER UNIT PERFORMANCE AS AT 31 OCTOBER 2024 [2, 3]

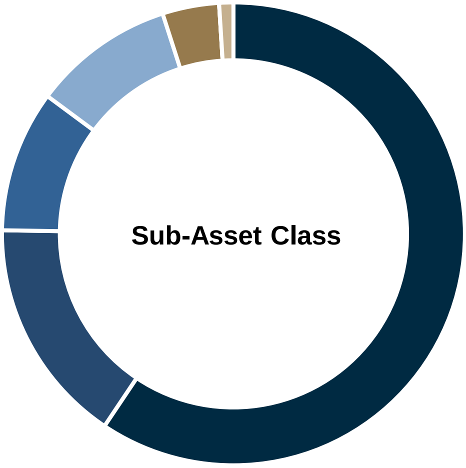
	1 month	1 year	3 years p.a.	Since inception p.a. [3]
NAV per Unit	5.4%	-0.9%	7.7%	8.6%

PORTFOLIO DIVERSIFICATION



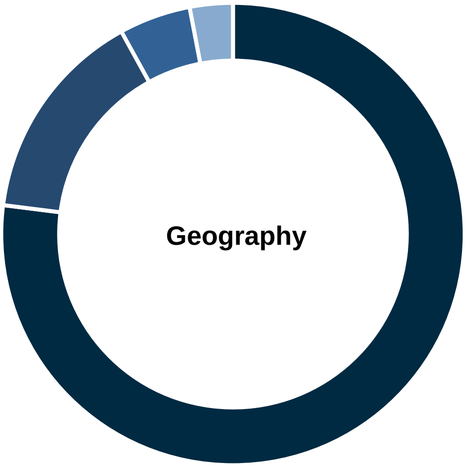
Equity Co-Investments & Direct Investments	62%
Equity Funds	31%
Private Credit	5%
Cash	2%

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]	16%
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	5%
Other	3%

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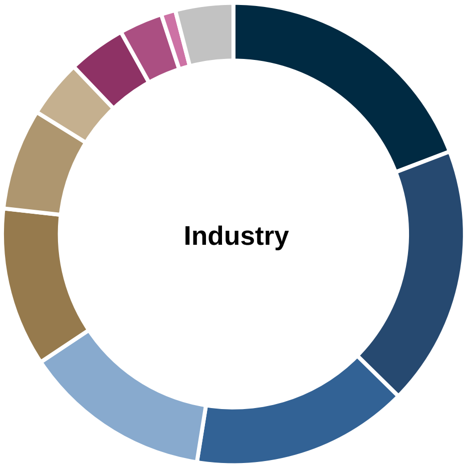

Industrials	19%
Information Technology	18%
Financials	15%
Consumer Discretionary	13%
Health Care	11%
Consumer Staples	7%
Materials	4%
Real Estate	4%
Communication Services	3%
Energy	1%
Utilities	0%
Other	4%

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 Gilde Equity Management Benelux B.V to finance the acquisition of **Dunlop Protective Footwear** ("Dunlop") from its majority shareholder. Headquartered in Raalte, Netherlands, Dunlop is a global leading brand of high-quality polymer-based protective footwear serving customers across 70+ countries. Dunlop's competitive position is supported by the company's strong brand / reputation and premium B2B product assortment. A majority of the company's sales are driven from a proprietary Dunlop formula distinguished by features such as lightweight fit, thermal insulation, and shock absorption, all of which enhance durability and comfort.

We found this investment opportunity compelling due in part to an attractive entry valuation that was at a significant discount to comparable public / precedent transactions. Moreover, Dunlop has a unique B2B sales model that consists of more than 1000 distributors that provide access to businesses worldwide and has helped create very sticky customer relationships (average length of relationship is 15+ years). Finally, Dunlop operates in a resilient global market (€8B total addressable market) that benefits from the non-discretionary nature of safety footwear, as well as from structural industry tailwinds such as the heightened focus on worker health and increasing regulatory / ESG requirements.

PRIVATE CREDIT

In October, we participated in a first lien term loan opportunity issued by **Distinguished**. Distinguished, a leading managing general agent ("MGA"), has been owned by Aquiline since 2022 and operates across ten insurance verticals. The company has consistently outpaced the broader MGA industry, achieving a double digit organic gross written premiums compounded annual growth rate ("CAGR") over the past decade compared to the industry's 9% CAGR, driven by its strength in complex excess umbrella policies. While umbrella policies represent a significant portion of revenue, the line is diversified by end-market exposure.

This term loan benefits from substantial enterprise value ("EV") coverage, with a more than 2.5x detachment point at close. Combined with incurrence and maintenance covenants for added protection and an asset-light model with minimal maintenance capital expenditure, this structure supports an attractive cash flow profile, making it 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

PENGANA
CAPITAL GROUP

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

Suite 1, Level 27
Governor Phillip Tower, 1 Farrer Place

T: +61 2 8524 9900
F: +61 2 8524 9901
E: clientservice@pengana.com
pengana.com