

FIRST REALISED CO-INVESTMENT

NAV
PER UNIT¹

\$1.4711

1 MONTH
PERFORMANCE²

2.7%

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

11.6%

TARGET DIVIDEND
YIELD⁴

4%

COMMENTARY

The Trust returned +2.7% in September, with the majority of returns being generated from our secondary investments including **GCM Grosvenor Secondary Opportunities Fund III, L.P.** ("GSF III") and **Project Rambler**. The latter, which involved the acquisition of a portfolio containing 35 discrete private equity funds and approximately 100 underlying portfolio companies, contributed +1.3% following uplifts in quarterly valuations.

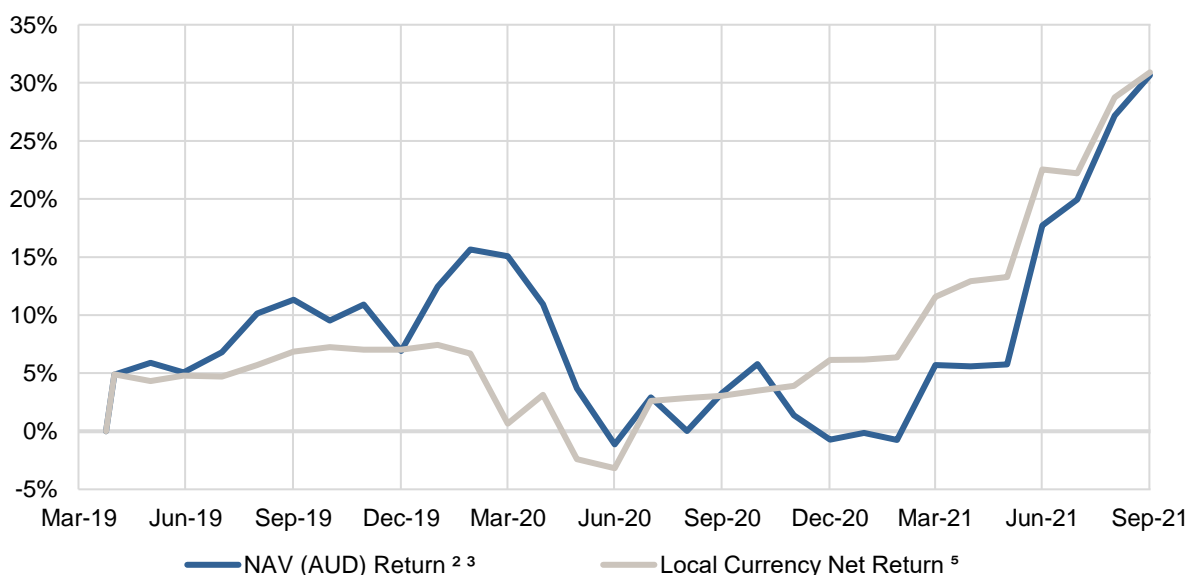
Over the month, PE1 became fully committed across private market investments and ended with 77% of the portfolio invested in private equity.

GCM Grosvenor Co-Investment Opportunities Fund II, L.P. ("GCF II") fully realised its investment in **Alion Science and Technology**, with the exception of a small escrow holdback, generating a 2.45x multiple on invested capital and a 34.3% gross IRR. **Spice World**, another GCF II investment, has also performed well. The company recently completed a debt recapitalisation that enabled a distribution to equity holders, with inception-to-date total distributions at 50.5% of the amount GCF II invested in Spice World.

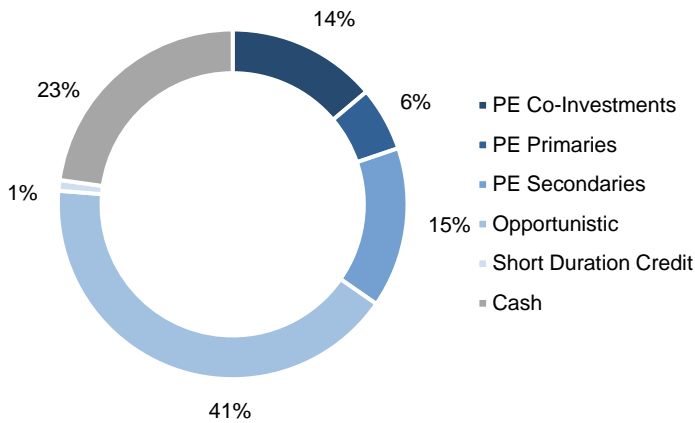
During September, PE1 committed USD\$70 million to **GCM Grosvenor Multi-Asset Class Fund III, L.P.** ("MAC III") of which US\$8.5m has been called (with additional amounts being called in October). Like its predecessor fund, MAC III will leverage the GCM Grosvenor platform to invest opportunistically in the most compelling risk-adjusted return opportunities presented across the firm in seeking to create a portfolio of 20-30 diversified investments.

The NAV per unit of \$1.4711 is after provision for the in-specie distribution of \$0.0399 per unit of Pengana Capital Group Limited ("PCG") shares (the Alignment Shares), which had an ex-date of 7 September and a distribution date of 30 September 2021.

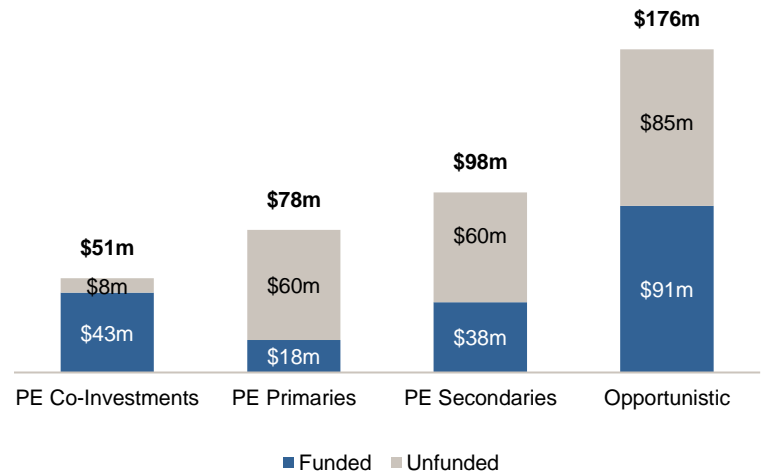
Cumulative Net Return Since Inception (23 April 2019 to 30 September 2021)



PE1 Allocations by Investment Type



Breakdown of PE Commitments (A\$)



INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS⁶

OPPORTUNISTIC INVESTMENTS



PE1 has committed USD\$70 million to GCM Grosvenor Multi-Asset Class Fund III, L.P. (“MAC III”). Like its predecessor fund, MAC III will leverage the GCM Grosvenor platform to invest opportunistically in the most compelling risk-adjusted return opportunities presented across the firm. The fund will seek to create a portfolio of 20 to 30 investments diversified across asset classes, strategies, sectors, and regions. The portfolio will be managed to avoid reliance on any single risk factor to generate its target return and will seek to take advantage of intermediate-term liquidity opportunities and mitigate J-curve risk typically associated with private market investment vehicles primarily through the use of direct investments and co-investments alongside top-tier managers.

CO-INVESTMENTS

ALION

During September, Veritas Capital completed its previously announced sale of Alion Science and Technology, a leading provider of high-end research and development capabilities to a diversified set of US government end customers, to Huntington Ingalls Industries, a publicly traded company and America’s largest military shipbuilder. GCM Grosvenor Co-Investment Opportunities Fund II, L.P. (“GCF II”) fully realised its investment in Alion, with the exception of a small escrow holdback, which realisation generated a 2.45x multiple on invested capital and a 34.3% gross IRR.



Additionally, Spice World, the largest supplier of fresh and processed garlic in the US and the first investment made by GCF II, has performed well, benefitting from strong demand stemming from increased at-home food consumption during COVID and several capex projects that will drive labour efficiency and lower costs going forward. Based on Spice World’s strong performance, the company recently completed a debt recapitalisation that enabled a distribution to equity holders. GCF II received US\$10.7 million as part of the transaction, bringing inception-to-date total distributions to 50.5% of the amount GCF II invested in Spice World.

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. The 'Local Currency Net Return' represents the performance of the Trust without any impact from foreign exchange fluctuations – a continuously hedged portfolio. In practice, the functional currency of the Trust is the Australian Dollar; the Trust's investments are denominated in multiple other currencies (including and predominantly the US Dollar); and the Trust does not hedge its foreign currency exposures.
6. 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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