

## 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.

NOVEMBER 2021

### RIVIAN, RAMBLER, AND OTHER REALISATIONS

NAV PER UNIT <sup>1</sup>	1 MONTH PERFORMANCE <sup>2</sup>	SINCE INCEPTION PERFORMANCE (P.A.) <sup>2,3</sup>	TARGET DIVIDEND YIELD <sup>4</sup>
<b>\$1.5584</b>	<b>9.3%</b>	<b>13.3%</b>	<b>4%</b>

#### COMMENTARY

The Trust returned +9.3% in November with over half of the positive performance being generated by private equity valuation increases (including from co-investments, secondaries, and primary funds), and the remaining gains coming from the fall in the AUD:USD exchange rate.

Our large secondary transaction, **Project Rambler**, continued to perform well based on 30 September 2021 valuations received during November, with PE1 seeing a ~US\$5.7 million gain in value that was driven by significant accretive distribution activity coupled with modest write-ups in the portfolio. The majority of the gain came from the second and final closing of the transaction where the remaining seven underlying fund interests that did not transfer at 30 June 2021 were purchased at a significant discount.

As always, we continue to build out our portfolio of investments and are now also seeing increasing realisation activity:

- Electric vehicle company **Rivian** had a successful IPO in November with markups on the investment expected to flow through PE1's NAV in the coming months. We had exposure to the private equity and a convertible security of Rivian, both of which are now held in the company's public equity. As a participant in the convertible security, we were entitled to additional IPO shares, which we purchased at the IPO price and exited at a material profit shortly after the initial purchase.
- PSA International Pte Ltd ("PSA"), a leading global port group, signed an agreement to acquire 100% of the shares of our co-investment, **BDP International**. BDP is an asset-light, outsourced, global logistics solutions provider managing the end-to-end movement of shipments globally on behalf of chemical, industrial, healthcare, consumer, and retail customers.
- Within our opportunistic sleeve, we co-invested in the preferred equity of **Deliverr**, a third-party logistics platform serving ecommerce merchants. Founded in 2017, Deliverr offers 1- or 2-day delivery options through a network of 80+ warehouses, with 5 times the warehouse density of its closest competitor.
- We are in the process of executing our 14<sup>th</sup> primary fund investment by committing US\$4.0 million to **TSG9 Parallel L.P.**, which seeks to invest in consumer companies that generally compete in less cyclical, well-established markets and are usually characterised by relatively predictable cash flows, as well as relatively low capital requirements with limited risk of technological obsolescence.

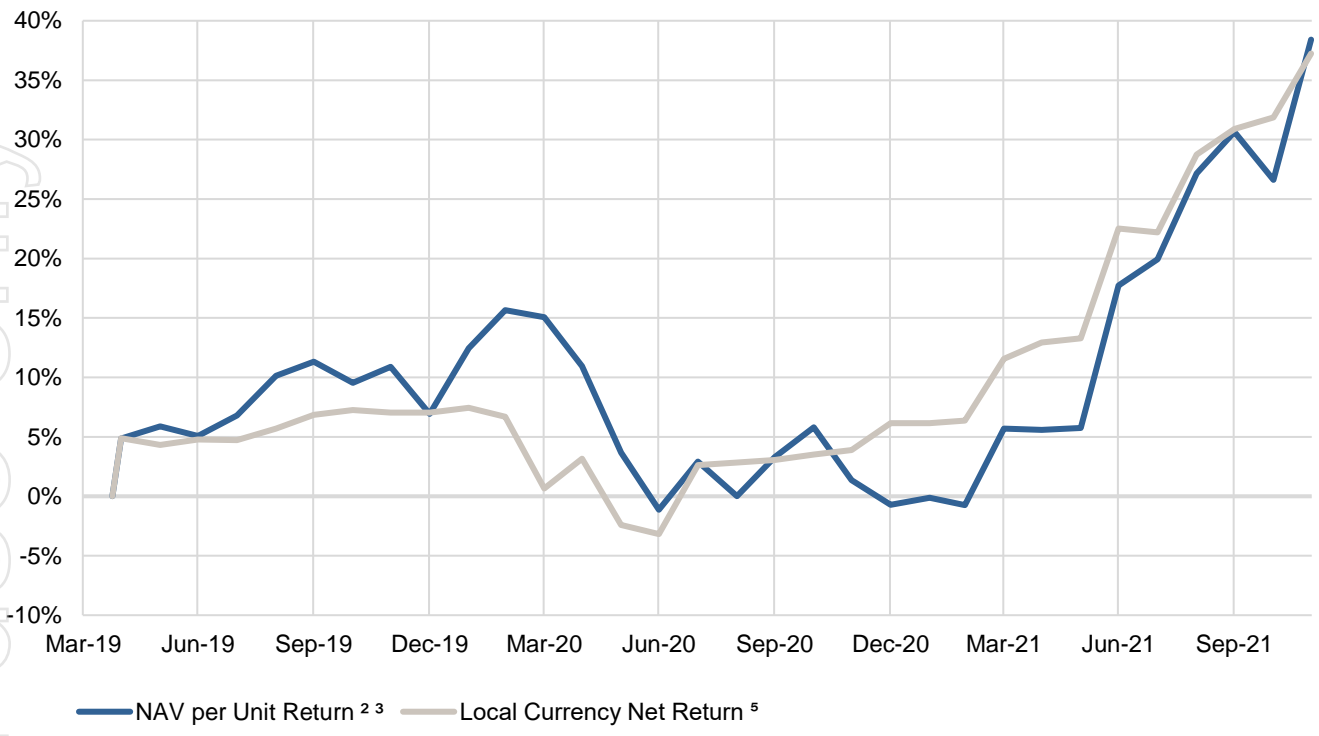
We are pleased with the increase in the price of PE1 units as well as trading levels which more recently have been consistently in excess of the stated NAV per unit. We also note that Pengana Capital Group (ASX: PCG) has informed us that they will continue to trade in PE1 units from time-to-time.

#### WEBINAR RECORDING

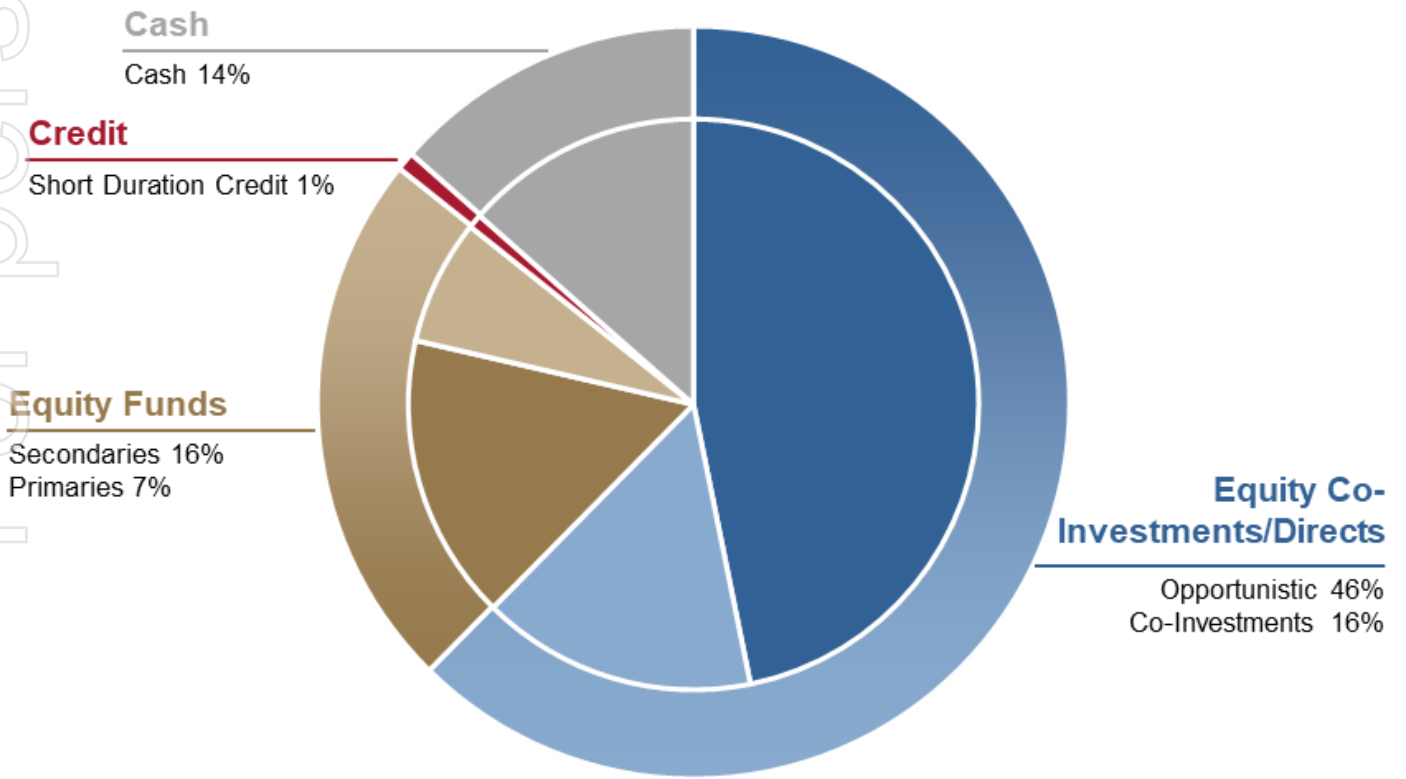
The team at GCM Grosvenor cover how the portfolio is currently positioned and discuss some of PE1's recent co-investments, and the macro trends driving opportunities in the private markets.

[Watch the webinar>>](#)

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



### Portfolio Allocations by Investment Type (30 November 2021)



## INVESTMENT ACTIVITY – SELECTED HIGHLIGHTS<sup>6</sup>

### OPPORTUNISTIC INVESTMENTS



GCM Grosvenor Multi-Asset Class Fund III, L.P. ("MAC III") recently co-invested alongside Coatue, a global technology-focused investment manager, in the preferred equity of **Deliverr**, a third-party logistics platform serving ecommerce merchants. Founded in 2017, Deliverr offers 1- or 2-day delivery options through a network of 80+ warehouses, with 5 times the warehouse density of its closest competitor. The company guarantees delivery through its fast-tag badges, which are shown next to a merchant's shopping cart.

Deliverr operates in the large and growing third-party logistics market, with growth driven by general ecommerce growth and increased outsourcing of logistics and fulfillment. Guaranteed fast delivery is quickly becoming a requirement for ecommerce merchants to effectively compete, as Amazon Prime's 2-day shipping has conditioned consumers to expect fast shipping on all ecommerce deliveries. Merchants view Deliverr as an opportunity to drive revenue rather than solely as an incremental expense, as Deliverr case studies show a 40% increase in shopping cart conversion and a 50% increase in revenue. Deliverr has demonstrated an ability to achieve profitable unit economics at scale, creating a competitive advantage over new entrants.



Following **Rivian's** successful IPO in November, GCM Grosvenor Multi-Asset Class Fund II, L.P. ("MAC II") experienced a significant markup of its investment in the company, which is expected to be incorporated into the PE1 NAV in the coming months. As a reminder, MAC II previously invested in both the private equity and a convertible security of Rivian, both of which are now held in the company's public equity. As a participant in the convertible security, GCM Grosvenor was entitled to additional IPO shares, which we purchased on behalf of both MAC II and MAC III at the IPO price and exited at a material profit shortly after the initial purchase. The successful IPO solidifies Rivian's positioning to become the #2 pure-play EV company. We believe the outlook for the company remains favourable as the IPO provides significant liquidity to fund capital-intensive operations over the next several years.

### CO-INVESTMENTS



In November of 2018, GCM Grosvenor Co-Investment Opportunities Fund II, L.P. invested in **BDP International** ("BDP"), an asset-light, outsourced, global logistics solutions provider managing the end-to-end movement of shipments globally on behalf of chemical, industrial, healthcare, consumer, and retail customers. On 30 November 2021, PSA International Pte Ltd ("PSA"), a leading global port group, signed an agreement to acquire 100% of the shares of BDP. With this investment, PSA will benefit from BDP's global expertise in end-to-end supply chain services, while BDP will be able to leverage PSA's network of more than 60 deep sea, rail and inland terminals worldwide, as well as affiliated businesses in distriparks, warehouses, logistics and marine services, to continue its growth plans. The transaction is subject to formal approvals by the relevant authorities and is expected to close in the first half of 2022. *There can be no guarantee that the transaction will close on this timeframe or at all.*

### SECONDARY TRANSACTIONS

The **Project Rambler** underlying portfolio (which was discussed in our June 2021 update) continued to perform well based on 30 September 2021 valuations received during November, with PE1 seeing a ~US\$5.7 million gain in value that was driven by significant accretive distribution activity coupled with modest write-ups in the portfolio. The majority of the gain came from the second and final closing of the transaction where the remaining seven underlying fund interests that did not transfer at 30 June 2021 were purchased at a significant discount.

## PRIMARY INVESTMENTS

# TSG CONSUMER

PE1 is in the process of executing its 14<sup>th</sup> private equity primary fund investment by committing US\$4.0 million to **TSG9 Parallel L.P.** ("TSG9").

Founded in 1986 and based in San Francisco, California, TSG Consumer Partners LLC (together with its affiliates, "TSG") was among the first private equity firms in the U.S. focused primarily on investing in consumer companies. TSG seeks to invest in consumer companies that generally compete in less cyclical, well-established markets and are usually characterised by relatively predictable cash flows, as well as relatively low capital requirements with limited risk of technological obsolescence. TSG utilises an extensive sourcing network developed over 30 years of investing in the consumer industry to source and execute on attractive opportunities and then seeks to create value in its portfolio companies through a hands-on operational approach. TSG anticipates that TSG9 will ultimately make a total of approximately 10 to 15 investments with initial equity checks of approximately US\$400 million to US\$600 million or more per platform investment.

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.**

References to "managers" or "investment managers" in this presentation are not necessarily to "managers" or "investment managers" of the underlying funds ("Underlying Funds") in which one or more GCM Grosvenor fund or account invests. Where expressly noted, however, references to "managers" or "investment managers" in this presentation are to the subset of investment managers of Underlying Funds in which one or more GCM Grosvenor fund or account invests.

By accepting this information, you agree to treat it as confidential and not to use it for any purpose other than evaluating your investment in a GCM Grosvenor fund or account. Moreover, the information may include material, nonpublic information relating to particular securities and/or the issuers thereof. Furthermore, you acknowledge that you may be receiving material, nonpublic information and that, under certain circumstances, United States securities laws prohibit the purchase and sale of securities by persons or entities who are in possession of material, nonpublic information relating to such securities and/or the issuers thereof, and the securities laws of other jurisdictions may contain similar prohibition. **Therefore, it is possible that trading in securities and/or the issuers thereof which are the subject of information contained in this presentation may be prohibited by law.**

GCM Grosvenor obtains information about investment managers with whom GCM Grosvenor funds or accounts do not invest, either through direct communication with such investment managers or through third-party sources. In attributing particular outlooks, expectations or statements to "managers" or "investment managers," GCM Grosvenor has relied exclusively on information communicated to it by such "managers" or "investment managers" or by third-party sources whom we reasonably believe to have reliable information concerning these matters. GCM Grosvenor has not independently verified such information and makes no representation or warranty as to its accuracy or completeness.

None of Pengana Private Equity Trust ("PE1"), Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219 462) ("Responsible Entity"), Grosvenor Capital Management, L.P., nor any of their related entities guarantees the repayment of capital or any particular rate of return from PE1. Past performance is not a reliable indicator of future performance, the value of investments can go up and down. This document has been prepared by the Responsible Entity and does not take into account a reader's investment objectives, particular needs or financial situation. It is general information only and should not be considered investment advice and should not be relied on as an investment recommendation.

Pengana Investment Management Limited (**Pengana**) (ABN 69 063 081 612, AFSL 219 462) is the issuer of units in the Pengana Private Equity Trust (ARSN 630 923 643) (**the Trust**). Before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. None of Pengana, Grosvenor Capital Management, L.P. (**Grosvenor**), or their related entities, directors, partners or officers guarantees the performance of, or the repayment of capital, or income invested in the Trust. An investment in the Trust is subject to investment risk including a possible delay in repayment and loss of income and principal invested.

Authorised by: Paula Ferrao, Company Secretary

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

Levels 1, 2, 3  
60 Martin Place  
Sydney NSW 2000

T: +61 2 8524 9900  
F: +61 2 8524 9901  
E: [clientservice@pengana.com](mailto:clientservice@pengana.com)

[PENGANA.COM](http://PENGANA.COM)

