



ASX: PE1

PENGANA PRIVATE EQUITY TRUST

31 DECEMBER
2022

INTERIM FINANCIAL REPORT

PENGANA PRIVATE EQUITY TRUST
ARSN 630 923 643

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**PENGANA
PRIVATE EQUITY
TRUST**



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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 2022 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: Suite 27.01, Level 27, Governor Phillip Tower, 1 Farrer 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 2022.

Directors

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

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

Directors have been in office since the start of the 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
Statutory Auditor	Ernst & Young

Background Information of The Trust

The trust raised \$57,692,820 through the issue of 37,462,870 new units pursuant to the Rights Issue and Sophisticated and Wholesale Investor Shortfall Placement. All these units were allotted by 8 April 2022 and commenced trading on ASX by 11 April 2022.

Significant Changes in the State of Affairs

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

DIRECTORS' REPORT (continued)

Operating Results

Review and results of operations

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

	Half-year ended	
	31 December 2022 \$'000	31 December 2021 \$'000
Results		
Total investment profit	11,665	55,315
Total expenses	(3,411)	(13,902)
Net operating profit	<u>8,254</u>	<u>41,413</u>
Unit Price/ NAV Per Unit (\$)	1.6096	1.5247
ASX Reported NAV Per Unit (Ex) (\$)	1.6059	1.5248
Distribution Information		
Interim distribution	9,198	9,198
In-specie distribution*	-	9,573
Total distributions	<u>9,198</u>	<u>17,056</u>
Distribution (cents per unit)	3.30	3.12

*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 2022, the Trust announced an interim distribution of 3.30 cents (2021: 3.12 cents) per unit, which was paid on 23 January 2023. This distribution is recognised as a liability as at 31 December 2022.

Russia-Ukraine conflict

The Directors of the Responsible Entity acknowledge the market disruptions associated with current geopolitical events. These have and will continue to have a global impact and uncertainty exists as to their implications.

This is one of the many factors that are evaluated when making investment decisions for the fund.

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

DIRECTORS' REPORT (continued)

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 2023 the Trust reported a NAV per unit \$1.5554 as at 31 January 2023 (31 January 2022: \$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.

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.

A handwritten signature in black ink, appearing to read "Ellis Varejes", written in a cursive style.

Ellis Varejes

Chairman
Pengana Investment Management Limited
24 February 2023



**Building a better
working world**

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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 2022, 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

Ernst & Young

Jaddus M Manga

Jaddus Manga

Partner

24 February 2023

Pengana Private Equity Trust
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	Half-year ended	
		31 December 2022 \$'000	31 December 2021 \$'000
Investment income			
Interest income		1,178	-
Dividends and distributions received		3,775	4,057
Net gains on financial instruments at fair value through profit or loss		11,563	44,569
Net foreign exchange (losses)/gains		(5,537)	6,582
Other operating income		<u>686</u>	<u>107</u>
Total net investment income		<u>11,665</u>	<u>55,315</u>
Expenses			
Responsible entity fee and management fee	3	(2,920)	(2,261)
Performance fees	3	-	(10,196)
Withholding tax		(61)	(20)
Secondaries Management Fee and Carried Interest Fee	3	-	(525)
Transaction costs		(49)	(900)
Legal fees		<u>(381)</u>	<u>-</u>
Total operating expenses		<u>(3,411)</u>	<u>(13,902)</u>
Profit for the half-year		<u>8,254</u>	<u>41,413</u>
Other comprehensive income for the half-year		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u>8,254</u>	<u>41,413</u>
Basic and diluted earnings per unit (cents per unit)		2.96	17.25

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 2022

		As at	
		31 December	30 June
	Note	2022	2022
		\$'000	\$'000
Assets			
Cash and cash equivalents		90,211	119,769
Receivables		1,509	133
Financial assets at fair value through profit or loss	2	367,972	343,901
Total assets		459,692	463,803
Liabilities			
Distribution payable		8,348	8,183
Payables		2,133	6,315
Total liabilities		10,481	14,498
Total unitholders' equity		449,211	449,305
Unitholders' equity			
Issued units		360,187	359,337
Retained earnings		89,024	89,968
Total unitholders' equity		449,211	449,305

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 2022

	Half-year ended	
	31 December 2022 \$'000	31 December 2021 \$'000
Total unitholders' equity at the beginning of the half-year	449,305	341,702
Transactions with unitholders for the half-year:		
Distributions reinvested	850	660
Distributions paid/payable*	<u>(9,198)</u>	<u>(17,056)</u>
Total transactions with unitholders for the half-year	<u>440,957</u>	<u>325,306</u>
Comprehensive income for the half-year:		
Profit for the half-year	8,254	41,413
Other comprehensive income for the half-year	<u>-</u>	<u>-</u>
Total comprehensive income for the half-year	<u>8,254</u>	<u>41,413</u>
Total unitholders' equity at the end of the half-year	<u>449,211</u>	<u>366,719</u>

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 2022

	Half-year ended	
	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities		
Payments for purchase of investments	(11,071)	(54,141)
Transaction costs paid	(49)	(900)
Dividends and distributions received	2,625	4,057
Interest received	965	-
GST received/(paid)	(13)	(46)
Other income received	36	107
Management fees paid	(2,922)	(2,157)
Performance fees paid	(4,335)	-
Secondaries Management Fee and Carried Interest Fee	-	(74)
Payment to suppliers	(1,074)	(20)
Net cash inflow/(outflow) from operating activities	<u>(15,838)</u>	<u>(53,174)</u>
Cash flows from financing activities		
Distributions paid	(8,183)	(5,498)
Net cash (outflow)/inflow from financing activities	<u>(8,183)</u>	<u>(5,498)</u>
Net increase in cash and cash equivalents	(24,021)	(58,672)
Cash and cash equivalents at the beginning of the half-year	119,769	103,266
Translation of foreign cash held	(5,537)	6,582
Cash and cash equivalents at the end of the half-year	<u>90,211</u>	<u>51,176</u>
Non-cash financing activities		
Units issued under the distributions reinvestment plan (DRP)	850	660
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: Suite 27.01, Level 27, Governor Phillip Tower, 1 Farrer 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 2022. 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 2022 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 24 February 2023. 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 2022 Annual report, any public announcements made in respect of the Trust during the half-year ended 31 December 2022 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.

The trust raised \$57,692,820 through the issue of 37,462,870 new units pursuant to the Rights Issue and Sophisticated and Wholesale Investor Shortfall Placement. All these units were allotted by 8 April 2022 and commenced trading on ASX by 11 April 2022.

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.

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 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.

2 Fair value measurement (continued)

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.

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 2022	Level 1	Level 2	Level 3	Total
Financial assets	\$'000	\$'000	\$'000	\$'000
Private equity investments	-	-	364,992	364,992
Unlisted managed investment funds	-	2,980	-	2,980
Total	-	2,980	364,992	367,972
30 June 2022	Level 1	Level 2	Level 3	Total
Financial assets	\$'000	\$'000	\$'000	\$'000
Private equity investments	-	-	340,944	340,944
Unlisted managed investment funds	-	2,957	-	2,957
Total	-	2,957	340,944	343,901

As of 31 December 2022, 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.

2 Fair value measurement (continued)

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 2022	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	340,944	12,508	-	-	11,540	364,992	11,540
Total	340,944	12,508	-	-	11,540	364,992	11,540

30 June 2022	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	48,524	-	-	58,040	340,944	58,040
Total	234,380	48,524	-	-	58,040	340,944	58,040

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 \$11.5 million (30 June 2022: \$58.0 million).

At reporting date, if the unobservable inputs had been 10% higher and 15% lower (30 June 2022: 10% higher and 15% lower) profit or loss of the Trust would have increased by \$1.15 million and decreased by \$1.73 million (30 June 2022: increased by \$5.8 million and decreased by \$8.7 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.

3 Related party transactions (continued)

Key management personnel

Directors

Key management personnel includes 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 2022, Katrina Glendinning held 53,933 units in the Trust (30 June 2022: 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% p.a. 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 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 2022	31 December 2021
	\$	\$
Responsible entity fee and management fee	2,919,654	2,261,478
Aggregate amount payable for Responsible entity fee and management fee	485,404	438,490
Performance fee	-	10,195,903
Aggregate amount payable for Performance fee	-	10,195,903

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 12.3.4.2 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 2022	31 December 2021
	\$	\$
Secondaries management fee and carried interest fee	-	524,484
Aggregate amount payable for carried interest fee	211,291	693,845

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 2022 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 2022.

	Fair value of investment		Interest held		Commitments / In kind contributions		Dividends/ Distributions received during the half-year	
	\$		%		Units / Value		\$	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022	31 December 2022	30 June 2022	31 December 2022	30 June 2022
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	70,488,942	66,951,367	11.35	11.35	54,560,201	53,806,442	1,536,457	7,292,549
GCM Grosvenor Multi-Asset Class Fund II, L.P.	135,541,234	140,505,909	5.80	5.80	84,052,201	82,891,006	-	-
GCM Grosvenor SP Mid Market Opportunities Fund, L.P.	-	17,971,422	-	23.24	-	28,728,594	35,189	9,906,959
GCM Grosvenor CPP Investment Board Mid Market Opportunities Fund II, L.P.	-	7,848,000	-	23.24	-	9,631,669	-	2,459,942
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	1,114,134	1,225,448	2.70	23.24	1,600,031	1,577,926	-	-
Grosvenor Secondary Opportunities Feeder Fund III, L.P.	16,325,036	7,446,288	8.10	8.13	63,407,801	62,531,811	-	-
GCM Grosvenor CPP Investment Board Mid Market Opportunities Fund, L.P.	161,560	173,849	1.63	23.24	2,417,735	2,384,334	1,045	944
GCM Grosvenor Multi-Asset Class Fund III, L.P.	41,922,480	40,763,157	8.44	23.55	103,222,001	101,795,972	-	-
GCM Grosvenor Strategic Credit Sidecar Feeder, L.P.	6,903,765	-	23.07	14.63	17,695,200	17,450,738	-	-
GCM Maple Holdings (Cayman), L.P.	21,972,688	-	100.00	-	38,897,641	-	1,544,587	-
GCM Grosvenor Co-Investment Opportunities Feeder Fund III, L.P.	3,201,593	-	21.77	-	20,791,860	-	-	-

3 Related party transactions (continued)

Related party schemes' unitholdings

Parties related to the Trust, including the Responsible Entity, its associates and other schemes managed by Pengana Capital Group Limited (PCG), held the following units in the Trust at the end of the year:

31 December 2022	Number of units held	Interest held %	Number of units acquired during the year	Number of units disposed of during the year	Distributions paid or payable during the year \$'000
Pengana Capital Ltd	1,828,994	0.76	30,000	-	60,398

30 June 2022	Number of units held	Interest held %	Number of units acquired during the year	Number of units disposed of during the year	Distributions paid or payable during the year \$'000
Pengana Capital Ltd	1,798,994	0.75	2,783,133	(984,139)	62,623

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 2022	31 December 2021
	\$'000	\$'000
Interim distribution	9,198	7,483
In-specie distribution	-	9,573
Total	<u>9,198</u>	<u>17,056</u>
Interim distributions (cents per unit)	3.30	3.12

On 24 December 2022, the Trust announced an interim distribution of 3.30 cents per unit, which was paid on 23 January 2023.

6 Contingent liabilities and commitments

There were no contingent liabilities at 31 December 2022 that required disclosure (30 June 2022: nil).

At 31 December 2022, the Trust has the following capital commitments:

31 December 2022	Total capital commitment	Called up capital	Unfunded capital commitment
Investee	\$	\$	\$
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	54,560,201	43,582,735	10,977,466
GCM Grosvenor Multi-Asset Class Fund II, L.P.	84,052,201	84,052,201	-
Carlyle Credit Opportunities Fund Parallel L.P.	7,373,000	5,002,347	2,370,653
Vista Equity Endeavour Fund II A L.P.	5,898,400	3,073,712	2,824,688
HIG Middle Market LBO Fund III L.P.	4,261,594	3,191,581	1,070,013
WPEF VIII Feeder L.P.	6,696,378	2,898,780	3,797,598
Alpine Investors III L.P.	1,450,023	1,352,421	97,602
Alpine Investors IV L.P.	368,650	303,778	64,872
Alpine Investors VI L.P.	368,650	243,807	124,843
Alpine Investors VII L.P.	737,300	590,588	146,712
H.I.G. Europe Middle Market LBO Feeder Fund L.P.	5,748,404	808,071	4,940,333
Riverside Micro-Cap Fund V L.P.	5,936,740	4,785,716	1,151,024
Cornell Capital Partners Ii Parallel L.P.	5,898,400	2,064,440	3,833,960
Wynnchurch Capital Partners V L.P.	7,373,000	3,896,440	3,476,560
Peak Rock Capital Fund III L.P.	5,898,400	2,135,480	3,762,920
Valiant Peregrine Fund 2, L.P.	5,898,400	1,568,974	4,329,426
Cobalt Strategic Partners I, L.P.	5,898,400	5,595,615	302,785
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund, L.P.	2,417,735	297,383	2,120,352
MC Private Equity Partners I-A, L.P.	2,124,518	1,983,105	141,413
MIC Capital Partners III Parallel (Cayman) L.P.	1,095,361	1,002,952	92,409
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	1,600,031	38,108	1,561,923
GCM Grosvenor Secondary Opportunities Feeder Fund III, L.P.	63,407,801	15,228,621	48,179,180
The Veritas Capital Fund VII L.P.	10,322,200	9,432,335	889,865
Falfurrias Capital Partners V L.P.	7,373,000	1,975,964	5,397,036
GCM Grosvenor Multi-Asset Class Fund III L.P.	103,222,001	41,288,800	61,933,201
Iconiq Strategic Partners VI-B L.P.	3,096,660	1,950,409	1,146,251
TSG9 Parallel L.P.	5,898,400	-	5,898,400
Alpine Investors Ingenio CV L.P.	782,749	488,252	294,497
GCM Grosvenor Strategic Credit Sidecar Feeder, L.P.	17,695,200	6,903,760	10,791,440
WPEF IX Feeder 2 I L.P.	5,136,775	-	5,136,775
WPF I Feeder 2 I L.P.	1,284,194	-	1,284,194
GCM Maple Holdings (Cayman), L.P.	38,897,640	21,088,840	17,808,800
PVM Colossus Holdings (Cayman), L.P.	5,898,401	3,392,302	2,506,099
GCM Grosvenor Co-Investment Opportunities Feeder Fund III, L.P.	20,791,860	3,201,595	17,590,265
	<u>499,462,667</u>	<u>273,419,112</u>	<u>226,043,555</u>

The Investment Manager actively manages unfunded commitments and direct/Co-investment reserve obligations. In carrying out this process the Investment Manager monitors distributions from underlying funds to effectively recycle and rebalance capital and models and tracks the cash flow requirements of the underlying commitments to ensure the Trust has sufficient liquidity to fund capital calls.

The Trust may also borrow directly or through an intermediary to fund investments or pay fees and expenses or to address the timing issues associated with the acquisition of investments and re-investment of proceeds. The Trust will not borrow in excess of 25% of the NAV. The Trust does not currently expect to borrow in excess of 15% of NAV and requires the consent of the Manager to do so. Any such borrowing may be secured by the assets of the Trust.

6 Contingent liabilities and commitments (continued)

30 June 2022	Total capital commitment	Called up capital	Unfunded capital commitment
Investee	\$	\$	\$
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	53,806,442	40,460,552	13,345,890
GCM Grosvenor Multi-Asset Class Fund II, L.P.	82,891,006	82,891,006	-
Carlyle Credit Opportunities Fund Parallel L.P.	7,271,140	4,569,681	2,701,459
Vista Equity Endeavour Fund II A L.P.	5,816,912	3,030,454	2,786,458
HIG Middle Market LBO Fund III L.P.	4,202,719	2,678,093	1,524,626
WPEF VIII Feeder L.P.	6,468,974	2,071,385	4,397,589
Alpine Investors III L.P.	1,429,991	1,333,737	96,254
Alpine Investors IV L.P.	363,557	299,581	63,976
Alpine Investors VI L.P.	363,557	240,439	123,118
Alpine Investors VII L.P.	727,114	582,428	144,686
H.I.G. Europe Middle Market LBO Feeder Fund L.P.	5,553,192	314,629	5,238,563
Riverside Micro-Cap Fund V L.P.	5,854,723	4,489,585	1,365,138
Cornell Capital Partners Ii Parallel L.P.	5,816,913	1,337,890	4,479,023
Wynnchurch Capital Partners V L.P.	7,271,141	2,955,680	4,315,461
Peak Rock Capital Fund III L.P.	5,816,913	1,827,114	3,989,799
Valiant Peregrine Fund 2, L.P.	5,816,913	651,495	5,165,418
Cobalt Strategic Partners I, L.P.	5,816,913	5,191,922	624,991
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund II, L.P.	9,631,669	6,522,827	3,108,842
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund, L.P.	2,384,334	306,917	2,077,417
MC Private Equity Partners I-A, L.P.	2,095,168	1,963,283	131,885
MIC Capital Partners III Parallel (Cayman) L.P.	1,080,228	1,006,183	74,045
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	1,577,926	47,012	1,530,914
GCM Grosvenor Secondary Opportunities Feeder Fund III, L.P.	62,531,811	6,997,059	55,534,752
The Veritas Capital Fund VII L.P.	10,179,597	8,614,173	1,565,424
Falfurrias Capital Partners V L.P.	7,271,141	1,636,007	5,635,134
GCM Grosvenor Multi-Asset Class Fund III L.P.	101,795,972	40,718,389	61,077,583
Iconiq Strategic Partners VI-B L.P.	3,053,879	1,787,507	1,266,372
TSG9 Parallel L.P.	5,816,913	-	5,816,913
Alpine Investors Ingenio CV L.P.	771,935	478,933	293,002
GCM Grosvenor SP Mid Market Opportunities Fund, L.P.	28,728,594	14,268,036	14,460,558
GCM Grosvenor Strategic Credit Sidecar Feeder, L.P.	17,450,738	-	17,450,738
	<u>459,658,025</u>	<u>239,271,997</u>	<u>220,386,028</u>

The total value of capital commitments in local currency amounts to USD 326 million and EUR 12 million as at 31 December 2022 (30 June 2022: USD 308 million and EUR 8 million) of which USD \$182,905,370 and EUR \$2,355,400 have been called to date. An amount of USD \$143,011,428 and EUR \$9,632,240 remains uncalled by the investment managers.

7 Subsequent events

In the latest release to the ASX on 9 February 2023 the Trust reported a NAV per unit \$1.5554 as at 31 January 2023 (31 January 2022: \$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

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

- a the financial statements and notes of the Trust for the half year ended 31 December 2022 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 2022 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, the *Corporations Regulations 2001*, International Financial Reporting Standards as disclosed in Note 2 and other mandatory professional reporting requirements; 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 2022.

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

On behalf of the Board,

A handwritten signature in black ink, appearing to read "Ellis Varejes", written in a cursive style.

Ellis Varejes

Chairman
Pengana Investment Management Limited
24 February 2023

Independentp 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 2022, 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 2022 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 2022 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.

Ernst & Young

Ernst & Young

Jaddus M D Manga Noto

Jaddus Manga
Partner
Sydney
24 February 2023

CORPORATE DIRECTORY

PRINCIPAL AND REGISTERED OFFICE

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Independent Non-Executive Director and Chairman

Ilan Zimmerman
Independent Non-Executive Director

Russel Pillemer
Chief Executive Officer and Managing Director

Katrina Glendinning
Executive Director

COMPANY SECRETARY

Paula Ferrao

AUDITOR

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ASX: PE1

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