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Pengana Private Equity Trust

ARSN 630 923 643

Appendix 4E
Preliminary Final Report for the year ended 30 June 2024

Results announcement to the market

	30 June 2024	30 June 2023	**Change from the corresponding period**
	$'000	$'000	**%**
Total investment income/(loss)	**7,583**	24,790	(69.4)
Total comprehensive income/(loss) for the year	**(134)**	17,115	(100.8)
Basic Earnings per unit (cents per unit)	**(0.05)**	6.14	(100.8)
Net Asset Value (NAV) Per Unit	**1.5461**	1.6080	(3.8)

Distribution Information	**Cents per share**
2024 Interim distribution paid on 23 January 2024	3.18
2024 Final distribution paid on 23 July 2024	3.16

Final Distribution Dates

Ex-distribution Date	1 July 2024
Record Date	2 July 2024
Last date for DRP	3 July 2024
Payment Date	23 July 2024

Distribution Reinvestment Plan

The final distribution for the year ended 30 June 2024 of 3.16 cents per unit was paid on 23 July 2024. The Trust's Distribution Reinvestment Plan was available to eligible unitholders in relation to the interim and final distributions.

This report is based on the Annual Report which has been audited by Ernst & Young.
The audit report is included with the Trust's Annual Report which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.

For further information on the results for the Trust refer to the Chief Executive Officer's letter to unit holders contained in the attached Annual Report.

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PENGANA
PRIVATE EQUITY TRUST

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ASX: PE1

PENGANA PRIVATE EQUITY TRUST

30 JUNE
2024

ANNUAL REPORT

PENGANA PRIVATE EQUITY TRUST
ARSN 630 923 643

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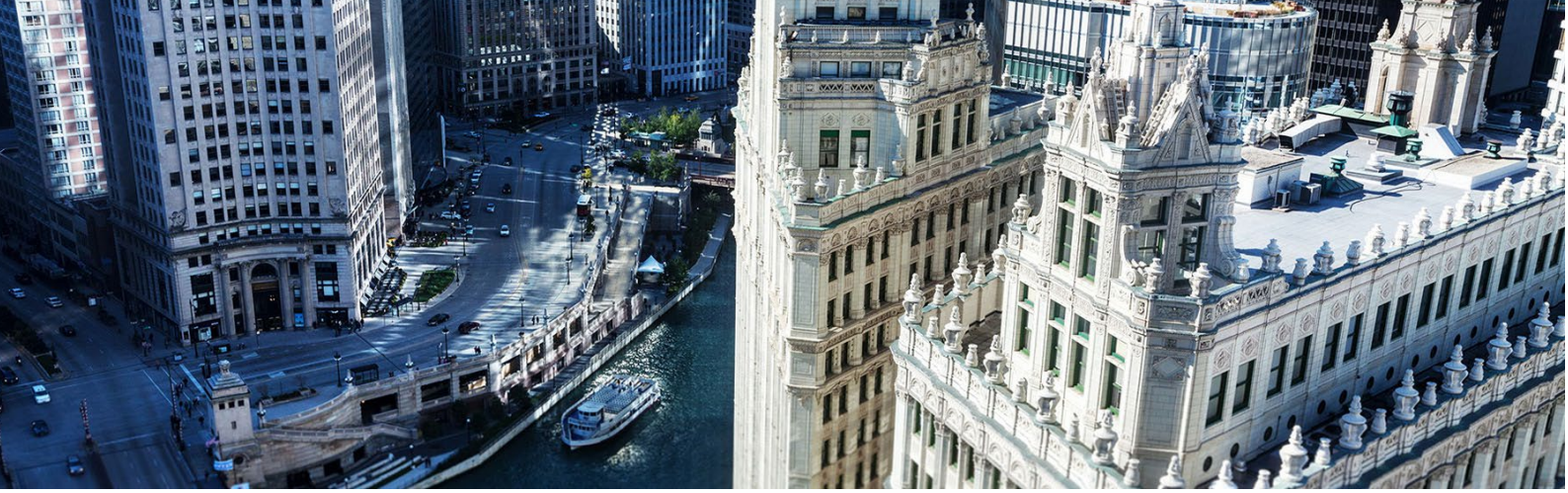

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PENGANA
PRIVATE EQUITY TRUST

CHIEF EXECUTIVE OFFICER'S LETTER TO UNITHOLDERS

Dear Unitholders

I am pleased to present the Annual Report for Pengana Private Equity Trust (ASX: PE1) (the Trust).

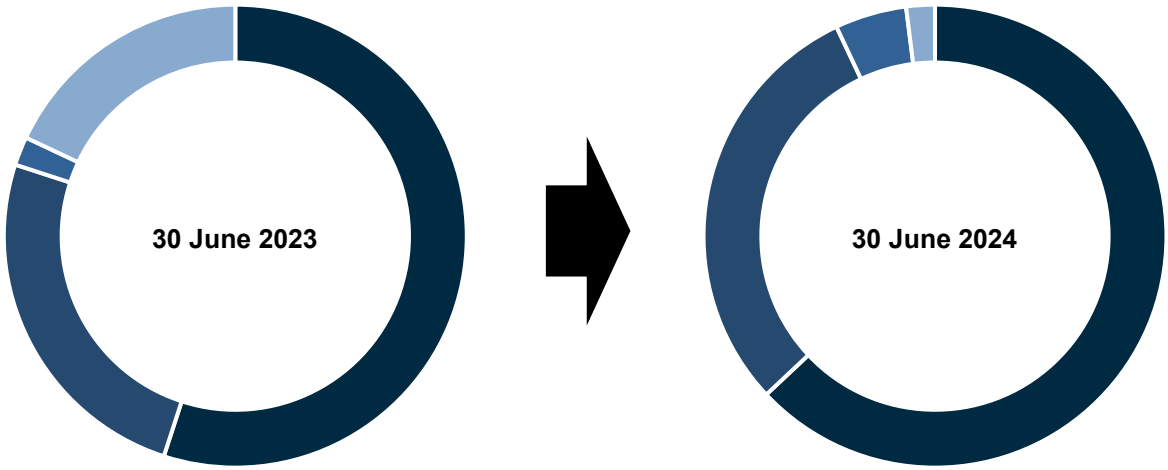
The Trust, which has now been listed for over five years, seeks to generate attractive returns and capital growth through a selective and diversified approach to private market investments, primarily private equity (including equity funds, co-investments, and direct investments), and to a small extent private credit.

Portfolio Positioning

PE1 reached full deployment over the last 12 months with exposure to a well-diversified portfolio of private equity investments, many of which are beginning to enter a more robust harvesting period. Deploying during a period of favourable valuations, we significantly reduced the amount of cash in the portfolio by:

- adding 10 equity co-investments and direct investments;
- completing 9 new secondary transactions which collectively added 13 more underlying funds and more than 100 underlying companies; and
- making our second allocation to private credit to seek to take advantage of the robust opportunity set we are currently seeing.

Figure 1: Portfolio Changes (Last 12 Months) [i]



	30 June 2023	30 June 2024
Equity Co-Investments & Direct Investments	55%	63%
Equity Funds	25%	30%
Private Credit	2%	5%
Cash	18%	2%

The portfolio, which had a post-distribution NAV of $433 million, is fully committed ($522 million) and fully exposed ($450 million) to private market investments. The portfolio is self-funding, with forecast distributions from the portfolio's investments together with any existing cash balance and a modest use of PE1's line of credit expected to fund commitments already made by PE1 as well as to make new commitments. Since inception, PE1 has funded $374 million of commitments and received distributions totalling $98 million.

PE1 is now exposed to over 500 underlying companies and is diversified across multiple dimensions including regions, vintages covering 2003 to the present, and implementation methods including 16 primary funds managed by 13 cycle-tested managers, around 85 private equity co-investments and direct investments, and 36 secondary transactions (comprising approximately 85 funds and over 325 underlying companies).

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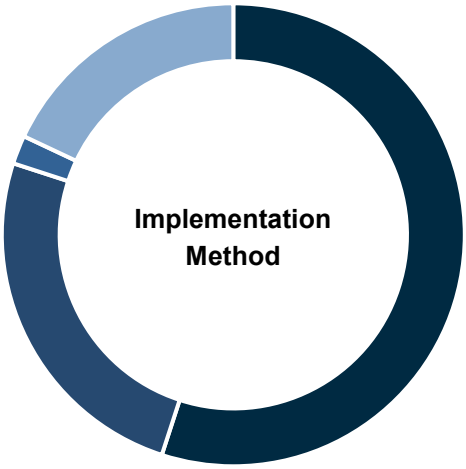
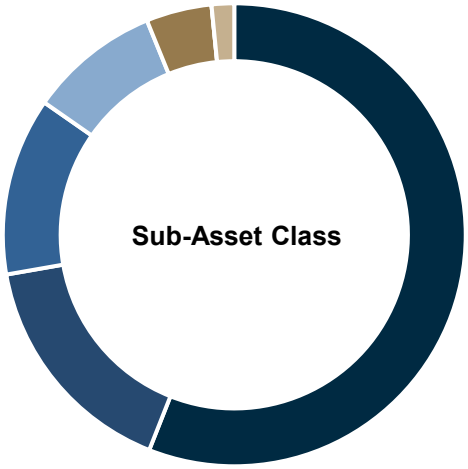
Figure 2: Portfolio Diversification (30 June 2024) [ii]



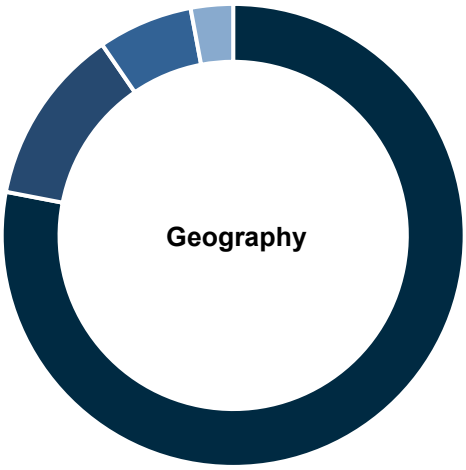
Equity Co-Investments & Direct Investments	63%
Equity Funds	30%
Private Credit	5%
Cash	2%

Cash includes short duration credit which may be used as a cash management tool. The Trust has utilised a line of credit equal to 5% of the NAV.



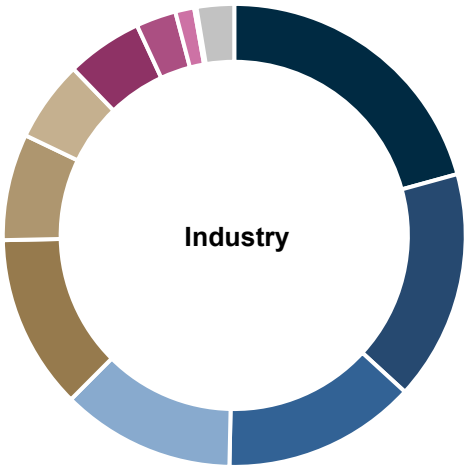
Buyout	58%
Structured Equity	16%
Growth Equity	11%
Special Situations (Including Credit)	10%
Real Estate	4%
Venture Capital	0%
Other	1%

Allocations exclude short duration credit and cash held directly by the Trust and indirectly through underlying funds; includes only private market investments.



North America	79%
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.



Information Technology	20%
Industrials	18%
Consumer Discretionary	14%
Financials	12%
Health Care	11%
Consumer Staples	9%
Real Estate	5%
Materials	3%
Communication Services	3%
Energy	1%
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.

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Performance and Attribution [iii]

The last financial year for PE1 is a tale of two halves. During the six months to 31 December 2023, continued macroeconomic uncertainty coupled with higher financing costs led to muted deal flow across the private equity industry. In fact, 2023 had the lowest M&A activity since 2020 when the world was in the early days of the COVID pandemic.[9] With limited transaction volume and many private company valuations still being impacted by the broad repricing of public market comparables during 2022 and the first half of 2023, many private equity portfolios saw returns stagnate and even decline over the period. PE1 was not immune from these market forces. Despite this, we believe that due to careful construction of a highly-diversified portfolio designed to be successful in any market environment,[8] PE1's private markets investments helped to contribute +0.9% to the NAV during the six months ending 31 December 2023. These modest investment gains were offset by FX (i.e., an appreciation in the AUD:USD) leading to an overall -2.0% decline in PE1's NAV.

The six months ended 30 June 2024 were significantly better with strong operating performance by the leveraged buyout co-investments in our middle market buyout co-investment portfolios (LTM Revenue and EBITDA have increased on average over 60% since entry for the unrealised buyout investments in the portfolio[10]). We also observed improved aggregate performance in the rest of our PE co-investments and direct investments. Finally, we experienced progress from a number of our primary fund managers in their investment and value creation initiatives. As a result, overall performance in the first six months of 2024 was solid, with PE1's NAV increasing +3.4%.

Overall, the Trust generated a net return of +1.3% for the 2024 financial year based on the audited financial information contained in this report.

Figure 3: Cumulative NAV Per Unit Return Since Inception (23 April 2019 to 30 June 2024)

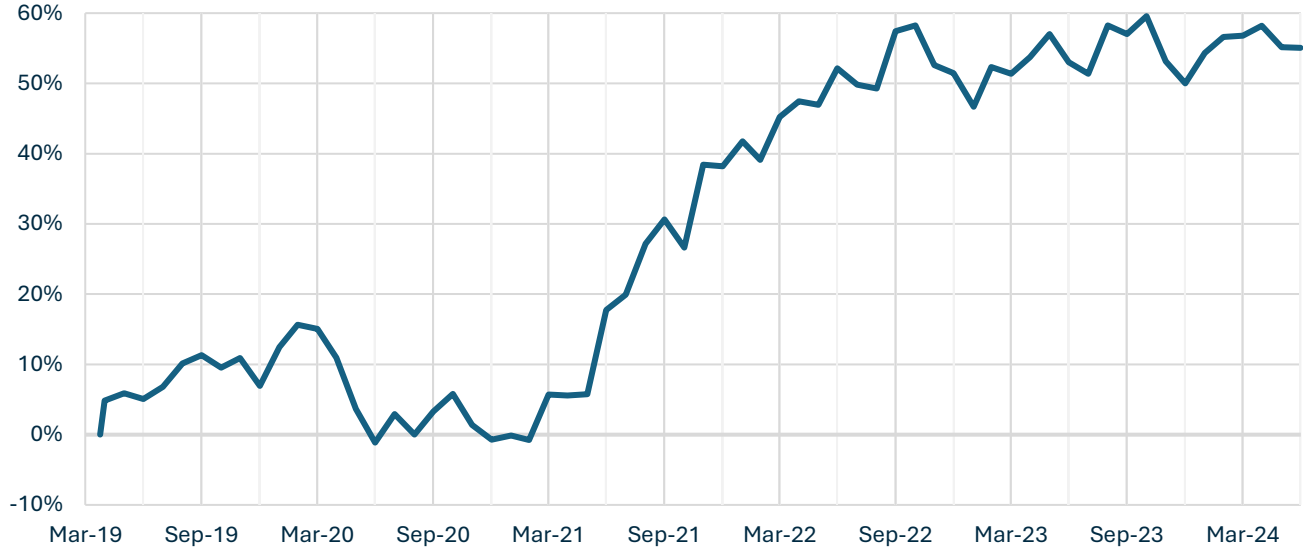

Figure 4: Trailing Period Net Returns to 30 June 2024

1 Year	+1.3%
3 Years (Annualised)	+9.6%
Since Inception (Annualised)	+8.8%

Our primary fund investments began to bear fruit, contributing +1.1% to performance over financial year 2024, with ~25% of capital invested during the period as our managers found attractive opportunities in a normalising valuation environment and continued to build value in their existing portfolio companies. Over the same period, equity co-investments and direct investments contributed +0.6% to the NAV return, with early investments in seeded portfolios and a focus on more defensive sectors and/or investing with structural protections helping mitigate downside risk.

Since inception to 30 June 2024, the private markets portfolio has delivered strong net returns to PE1 including an overall +17% IRR[iv] and a 1.5x MOIC[v]. We believe that this performance supports our value proposition, as other than in the early stages of PE1's portfolio build-up, the PE1 private markets portfolio has consistently outperformed relevant public markets and industry benchmarks. Moreover, we believe that the investments that drove the strong early performance of PE1, together with the new investments PE1 has gained exposure to as valuations across the private equity industry have normalised, position PE1 well in terms of potential upside as (i) value creation initiatives at our portfolio companies translate into revenue and/or EBITDA gains and (ii) realisations occur.[vi]

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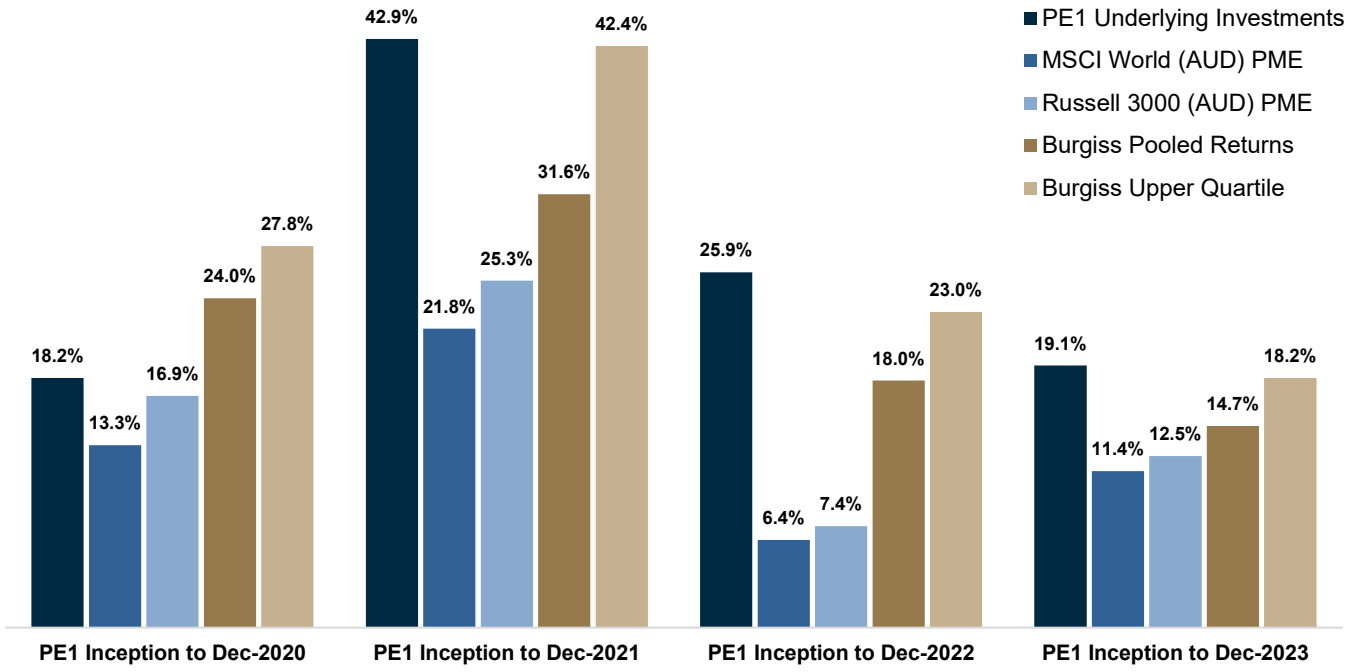
Figure 5: PE1 Benchmarking (as of 31 December 2023) – Investment IRR Comparison [vii]



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Outlook [viii]

Deal flow began to pick up at the end of 2023 and into the first half of 2024, with the gap between seller and buyer expectations narrowing and a push for liquidity coming from private equity investors incentivising sponsors to transact. Our focus on the middle market, where managers typically rely less on leverage and more on operational improvements and revenue growth to drive returns, makes PE1 well-positioned going forward in terms of potential for uplift as well as near-term realisation activity.

We have already seen an uptick in realisation activity within the portfolio, including:

- Healthcare services provider **Cotiviti** being sold to KKR in May for more than 2x our cost; and
- **Lineage**, the world's leading owner-operator of cold storage facilities and the second largest position in the PE1 portfolio, undertaking an IPO in July that valued the company at US$19 billion.

We believe that a number of additional realisations of some of the largest positions within the PE1 portfolio are possible over the next 6-12 months, including:

- **BlueTriton** (5th largest position in the PE1 portfolio), which is a leading provider of several longstanding bottled water brands sold in the United States and Canada, has had strong fundamental performance and just announced a transaction to merge with publicly-traded Primo Water at a premium to our current valuation; and

- The 6th largest position in the portfolio, a co-investment we made in a family-owned and operated grocery and pharmacy business based in the United States, was significantly improved during our ownership due to a variety of operational improvements implemented by our sponsor partner. This investment is a home run investment, generating more than an 11x net return on our investment with final proceeds expected to be distributed by the end of 2024 (~70% has already been distributed).

We also believe there is material embedded value in a number of other positions in the portfolio, including:

- **SpaceX**, which is the largest position in the PE1 portfolio, recently completing another financing round at a valuation that was 17% above our current valuation;

- Online grocery delivery platform, **Instacart** (11th largest position in the PE1 portfolio). Although Instacart's stock struggled for several months following its IPO in September of last year, its stock is up nearly 50% from its low on 5 January and we believe there is significant untapped value in the company, though Instacart will need to continue executing throughout the year to prove it can drive profitable growth; and

- **Osaic** (15th largest position in the PE1 portfolio), which is one of the largest networks of independent wealth management firms in the United States, making a number of accretive acquisitions and realised significant synergies since our entry, which have helped pro forma EBITDA significantly increase during our ownership. We believe that the investment could sell for significantly more than its current valuation given the company's progress to date.

We are pleased with the portfolio build-out to date and with the opportunities ahead of us as we redeploy realised capital into new investments. We believe that our disciplined build out of a well-diversified portfolio of private equity investments should enable PE1 to achieve its investment objective. Now fully invested, we expect PE1's performance to more closely reflect the performance of the underlying private markets portfolio.

I thank you for your continued support for the Trust and for investing in Australia's first and only listed portfolio of diversified global private equity investments.

Your sincerely,

Russel Pillemer
Chief Executive Officer, Pengana Capital Group
Executive Director, Pengana Investment Management Limited
27 August 2024

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[i] Cash includes short duration credit which may be used as a cash management tool. As at 30 June 2024, the Trust has utilised a line of credit equal to 5% of the NAV.

[ii] Portfolio Diversification charts (excluding "Implementation Method"), 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.

[iii] **Past performance is not a reliable indicator of future performance, the value of investments can go up and down.** PE1's net return in this section 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. The NAV per unit at inception is based on the subscription price per unit which is equal to $1.25.

[iv] Also known as the "Internal Rate of Return", the IRR is used as a measure of the performance of private markets investments. The IRR takes account of the time value of cash flows which include drawdowns and distributions.

[v] Also known as the "Multiple on Invested Capital", the MOIC is used as a measure of the performance of private markets investments. The MOIC is calculated as the total current value (both realised and unrealised) divided by the initial amount funded.

[vi] **Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its objectives or avoid losses.**

[vii] Please see the following paragraphs of this endnote for information on "Public Market Equivalents" and our methodology. S&P and its third-party information providers do not accept liability for the information and the context from which it is drawn. Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its objectives or avoid losses. Benchmarks are used solely for purposes of comparison and the comparison does not mean that there will necessarily be a correlation between the returns described herein and the benchmarks.

Public Market Equivalent ("PME") returns have been calculated using the Long Nickels PME methodology. The total return prices of the index have been applied; all prices include the impact of dividends and interest and are gross of any tax withholding. The public market cash flows are generated by simulating buy and sell decisions in the public index using actual investment transactions made by GCM Grosvenor-managed programs. Investments made by a GCM Grosvenor-managed program translates into buying shares in the public index on the same date and at the closing index price on such date. Distributions represent the selling of shares in the public index at the closing index price and on such date. The residual value of the equity in the public markets is calculated by multiplying the remaining shares still invested in the public index on the terminal

value date or on the liquidation date of the GCM Grosvenor-managed program by the index price on such date. The number of remaining public shares depends on the GCM Grosvenor-managed program's investment cash flows as well as the index performance and in some situations the share balance can become negative. This is a result of a well-known shortcoming associated with the Long Nickels PME methodology which is that it incorrectly uses the private equity fund's distributions. By using these distributions, the calculation: (1) overstates the amount sold by the hypothetical public market portfolio and (2) incorporates the private equity fund's gains, which are included in the distributions, into the public market's performance calculation. (see for example: https://bisonplatform.wordpress.com/2014/09/22/problem-with-long-nickels-pme/)

Negative share balance outcomes are a known shortcoming of the Long Nickels PME methodology and depending on their severity can lead to questionable results. In these cases, it is a reasonable conclusion that the high level of distributions are a strong indication that the GCM Grosvenor-managed program has outperformed the index. The returns in the table shown includes instances where the ending index share balance became negative; however, the Long Nickels methodology produced a calculable result so the results are included here. Returns marked as "N/M" (Not Meaningful), represent instances where the ending index share balance became highly negative; in these cases, the Long Nickels PME methodology did not produce a calculable result due to the resulting highly negative net asset value and, therefore, the results are listed as not meaningful.

To address this Long Nickels methodology shortcoming and to provide an alternative point of reference, GCM Grosvenor has also calculated the above PMEs using a GCM Grosvenor proprietary methodology which can be provided separately upon request.

[viii] With private markets investments typically being valued quarterly and quarterly in arrears, we expect that events including realisations, distributions and share price changes occurring during Q2 2024 or later will only be incorporated into PE1's NAV on or around the end of the quarter following the occurrence of such event. **Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its objectives or avoid losses.**

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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 financial year ended 30 June 2024.

Directors

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

Ellis Varejes	Independent Non-Executive Director and Chairman
Ilan Zimerman	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 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

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the reporting period.

Operating Results

Review and results of operations

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

	Year ended	
	30 June 2024	30 June 2023
Results	**$'000**	$'000
Total net investment (loss)/income	**7,583**	24,790
Total expenses	**(7,717)**	(7,675)
Net operating (loss)/profit	**(134)**	17,115
Unit Price / NAV Per Unit ($)	**1.5461**	1.6080
ASX Reported NAV Per Unit (Ex) ($)	**1.5781**	1.5893

Directors' report (continued)

Distribution Information		
Interim distribution	**8,826**	9,199
Final distribution	**8,732**	9,293
Total distributions	**17,558**	18,492
Distribution (cents per unit)	**6.34**	6.63

On 25 June 2024, the Trust announced a final distribution of 3.16 cents (2023: 3.33 cents) per unit, which was paid on 23 July 2024. This distribution is recognised as a liability as at 30 June 2024.

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 regarding 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.

During the period, the Trust has secured a line of credit to increase its cash availability to meet ongoing short term cash flow requirements. The Directors regularly monitor the liquidity process and modelling of the Investment Manager, and are comfortable with the current obligations and forecasted cash requirements. The line of credit will be used until expected realisations and income from investments are received and recycled to meet ongoing opportunities and commitments.

Likely Developments and Expected Results of Operations

The Trust continues 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 August 2024 the Trust reported a NAV per unit $1.5702 as at 31 July 2024 (31 July 2023: $1.5721).

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.

Environmental Regulation

The Trust's operations are not subject to any environmental regulation under the law of the Commonwealth, State and Territory.

Proceedings on Behalf of the Trust

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not a party to any such proceedings during the year.

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.

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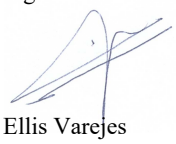
Directors' report (continued)

Signed in accordance with a resolution of the Board of Directors.



Ellis Varejes
Chairman
Sydney
27 August 2024

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Building a better working world

Auditor's independence declaration to the directors of the Responsible Entity of Pengana Private Equity Trust

As lead auditor for the audit of the financial report of Pengana Private Equity Trust for the financial year ended 30 June 2024, 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 audit;

b. no contraventions of any applicable code of professional conduct in relation to the audit; and

c. no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pengana Private Equity Trust during the financial year.

Ernst & Young

Ernst & Young

Jaddus Manga
Partner
27 August 2024

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	Notes	Year ended 30 June 2024 $'000	30 June 2023 $'000
Investment income			
Interest income		**592**	2,563
Dividends and distributions received		**7,542**	6,874
Net (losses)/gains on financial instruments at fair value through profit or loss		**(766)**	20,424
Net foreign exchange losses		**(139)**	(5,957)
Other operating income		**354**	886
Total net investment income		**7,583**	24,790
Expenses			
Responsible entity fee and management fee	14	**(5,571)**	(5,718)
Withholding tax		**(219)**	(184)
Secondaries Management Fee and Carried Interest Fee	14	**(842)**	(128)
Transaction costs		**(96)**	(196)
Other operating expenses		**(989)**	(1,449)
Total operating expenses		**(7,717)**	(7,675)
(Loss)/profit for the year		**(134)**	17,115
Other comprehensive income for the year		**-**	-
Total comprehensive (loss)/income for the year		**(134)**	17,115
Basic and diluted earnings per unit (cents per unit)	4	**(0.05)**	6.14

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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	Notes	As at 30 June 2024 $'000	30 June 2023 $'000
Assets			
Cash and cash equivalents	5	**10,945**	77,651
Receivables	7	**102**	365
Financial assets at fair value through profit or loss	13	**449,566**	380,576
Total assets		**460,613**	458,592
Liabilities			
Bank overdraft	6	**22,610**	-
Distribution payable	11	**7,762**	8,355
Payables	9	**1,414**	520
Total liabilities		**31,786**	8,875
Total unitholders' equity		**428,827**	449,717
Unitholders' equity			
Issued units		**357,928**	361,126
Retained earnings		**70,899**	88,591
Total unitholders' equity		**428,827**	449,717

The statement of financial position should be read in conjunction with the accompanying notes.

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		Year ended	
		30 June 2024	30 June 2023
	Notes	**$'000**	$'000
Total unitholders' equity at the beginning of the year		**449,717**	449,305
Transactions with unitholders for the year:			
Distributions reinvested	10	**1,934**	1,789
Share buyback	10	**(5,132)**	-
Distributions paid/payable	11	**(17,558)**	(18,492)
Total transactions with unitholders for the year		**428,961**	432,602
Comprehensive income for the year:			
Profit for the year		**(134)**	17,115
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**(134)**	17,115
Total unitholders' equity at the end of the year		**428,827**	449,717

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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	Notes	Year ended 30 June 2024 $'000	30 June 2023 $'000
Cash flows from operating activities			
Proceeds from sale of investments		**3,314**	-
Payments for purchase of investments		**(73,070)**	(16,251)
Transaction costs paid		**(96)**	(196)
Dividends and distributions received		**7,542**	6,874
Interest received		**1,087**	2,336
GST received/(paid)		**3**	(5)
Other income received		**354**	886
Management fees paid		**(5,588)**	(5,740)
Performance fees paid		**-**	(4,335)
Secondaries Management Fee and Carried Interest Fee		**(166)**	(128)
Payment to suppliers		**(1,207)**	(3,071)
Net cash inflow/(outflow) from operating activities	12	**(67,827)**	(19,630)
Cash flows from financing activities			
Utilisation of the line of credit		**22,610**	-
Distributions paid		**(16,218)**	(16,531)
Share buyback		**(5,132)**	-
Net cash inflow/(outflow) from financing activities		**1,260**	(16,531)
Net increase in cash and cash equivalents		**(66,567)**	(36,161)
Cash and cash equivalents at the beginning of the year		**77,651**	119,769
Translation of foreign cash held		**(139)**	(5,957)
Cash and cash equivalents at the end of the year	5	**10,945**	77,651
Non-cash financing activities			
Units issued under the distributions reinvestment plan (DRP)		**1,933**	1,789

The above statement of cash flows should be read in conjunction with the accompanying notes.

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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 dollars.

The financial statements were authorised for issue by the Directors on 27 August 2024. The Directors of the Responsible Entity have the power to amend and reissue the financial report.

Further information on the nature of the operations and principal activities of the Trust is provided in the Directors' report.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated in the following text.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and the *Corporations Act 2001* in Australia. Pengana Private Equity Trust is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis.

Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets.

The Trust manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance sheet date.

Compliance with International Financial Reporting Standards

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024, and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

b. Financial instruments

(i) Classification

In accordance with AASB 9 Financial Instruments, the Trust classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Assets

The Trust classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets and whether or not such cash flow constitute solely payments of principal and interest on principal amount outstanding. The Trust's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Trust's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

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2 Summary of material accounting policies (continued)

b. Financial instruments (continued)

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities at fair value through profit or loss:

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss and other comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of profit or loss and other comprehensive income within change in fair value of investments at fair value through profit or loss in the period in which they arise. Gains and losses do not include interest or dividend income.

Further details on how the fair values of financial instruments are determined are disclosed in Note 13.

c. Unitholders' equity

Under the Constitution, the Trust has no obligation to distribute income. The units issued by the Trust are classified as equity as they satisfy the below criteria under AASB 132 *Financials Instruments Presentation*:

- the units are the most subordinate class and entitle unitholders to a pro-rata share of the net assets in the event of the Trust's liquidation;
- all units have the identical contractual obligation for the Trust to deliver a pro rata share of its net assets on liquidation;
- the Trust has no other instrument that has: total cash flows based substantially on the profit or loss, change in recognised net assets or change in fair value of recognised and unrecognised net assets of the Trust; and the effect of substantially restricting or fixing the residual return to the holders.

Units are recognised at the value of consideration received by the Trust. Where the Trust purchases its own issued units under a buyback, the consideration paid, including any directly attributable transaction costs, is deducted from unitholders' equity.

d. Revenue and other income

Interest income on cash and cash equivalents is recognised in the statement of comprehensive income using the accruals method.

Dividend and distribution income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense in the profit and loss and other comprehensive income.

e. Expenses

All expenses are recognised on an accrual basis.

f. Distributions

The Trust has elected into the Attribution Managed Investment Trust ("AMIT") regime. The units in the Trust have been classified as equity. Under the Constitution the Trust does not have an obligation to make distributions to Unitholders by cash and/or reinvestment.

Distributions to unitholders are recognised directly in equity, and presented in the Statement of Changes in Equity. A distribution payable is recognised in the Statement of Financial Position where the distribution has been declared but remains unpaid at reporting date.

g. Cash and cash equivalents

Cash and cash equivalents wholly comprise of cash held with the custodian with known variable rates to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

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2 Summary of material accounting policies (continued)

h. Receivables

Receivables may include amounts for interest and trust distributions. Trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note (d) above. Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Trust shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Trust shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

i. Payables

Payables are initially recognised at fair value. They are subsequently measured at amortised cost.

j. Foreign currency translation

(i) Functional and presentation currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for capital and is regulated. The Australian dollar is also the Trust's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

k. Income Tax

Under current legislation, the Trust is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain would be included in taxable income. Realised capital losses can only be utilised to offset any realised capital gains. Net realised capital losses are retained in the Trust to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses, the excess may be distributed to Unitholders.

Uncertain Taxes

AASB Interpretations 23 Uncertainty over Income Tax Treatments ("AASB Interpretations 23") requires the evaluation of whether a tax position of the Trust is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense, including interest and penalties, in the current year in the statement of comprehensive income. The guidance establishes a minimum threshold for financial statement recognition of positions taken in filing of tax returns, including whether an entity is taxable in a particular tax jurisdiction, and requires certain expanded tax disclosures. As stated above, the Trust is not subject to income tax.

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2 Summary of material accounting policies (continued)

l. Goods and Services Tax

The GST incurred on the costs of various services provided to the Trust by third parties such as custodial services and investment management fees have been passed onto the Trust.

The Trust qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%, hence responsible entity and management fees, custodial fees and other expenses have been recognised in the profit and loss and other comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position.

Cash flows relating to GST are included in the statement of cash flows on a gross basis.

m. Use of estimates and judgments

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trust uses fair value valuation techniques in valuing Private equity investments and Unlisted managed investment funds. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the responsible entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated please see Note 13(d) to the financial statements.

The Responsible Entity has applied judgment in determining the functional currency of the Trust and considered the primary and secondary indicators in AASB 121. The currency in which funds from issuing equity instruments are generated is considered to be a key factor. The Responsible Entity has determined that the functional currency of the Trust is the Australian dollar.

n. Rounding of amounts

Unless otherwise shown in the financial statements, amounts have been rounded to the nearest thousand dollars and are shown in A$'000. Pengana Private Equity Trust is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

3 Auditor's remuneration

The following fees were paid or payable for services provided by the auditor of the Trust:

	30 June 2024 $'000	30 June 2023 $'000
Ernst & Young		
Audit and assurance services		
Audit and review of financial statements	**85**	85
Other services	**4**	4
Total remuneration for audit and other assurance services	**89**	89
Non-assurance services		
Tax compliance services	**-**	-
Total remuneration for taxation services	**-**	-
Total remuneration of Ernst & Young	**89**	89

The auditor's remuneration in 2024 and 2023 was borne by the Responsible Entity.

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4 Earnings per unit (EPU)

	30 June 2024 $'000	30 June 2023 $'000
Net profit used in the calculation of basic and diluted EPU	**(134)**	17,115
	No. of units '000	No. of units '000
Weighted average number of units outstanding during the period used in calculation of basic EPU	**278,153**	278,779
Weighted average number of units outstanding during the period used in calculation of diluted EPU	**278,153**	278,779

The basic and diluted earnings per unit have been calculated using the profit attributable to the unitholders of the Trust as the numerator. There is no difference between basic and diluted earnings per unit as there are no dilutive potential units.

5 Cash and cash equivalents

	30 June 2024 $'000	30 June 2023 $'000
Cash at custodian	**10,945**	77,651
	10,945	77,651

6 Bank overdraft

	30 June 2024 $'000	30 June 2023 $'000
Line of Credit	**22,610**	-
	22,610	-

The Trust has established a line of credit with Goldman Sachs for USD 68.5 million. The line of credit was established in September 2022. USD 15.1 million has been drawn down as at 30 June 2024. The Line of Credit has an automatic rollover each year as at 31 July unless otherwise terminated by either party. The interest rate is variable and paid quarterly, and the facility is secured by investments within the Trust.

7 Receivables

	30 June 2024 $'000	30 June 2023 $'000
Interest receivable	**-**	260
GST receivable	**102**	105
	102	365

There are no past due or impaired receivables at reporting date. All trade receivables are expected to be received within 12 months of the reporting date.

8 Financial assets at fair value through profit or loss

	30 June 2024 $'000	30 June 2023 $'000
Private equity investments	**449,566**	377,440
Unlisted managed investment funds	**-**	3,136
	449,566	380,576

9 Payables

	30 June 2024	30 June 2023
	$'000	$'000
Responsible Entity and Management fees payable	**448**	466
Other expenses payable	**731**	54
Interest expense payable	**235**	-
	1,414	520

10 Unitholders' equity

	30 June 2024	30 June 2023
	No. of units	No. of units
	'000	'000
Units on issue at the beginning of the reporting period	**279,683**	278,550
- Distributions reinvested (DRP)	**1,399**	1,133
- Share buyback	**(3,720)**	-
Units on issue at the end of reporting period	**277,362**	279,683
	$'000	**$'000**
Units on issue at the beginning of the reporting period	**361,126**	359,337
- Distributions reinvested (DRP)	**1,934**	1,789
- Share buyback	**(5,132)**	-
Units on issue at the end of reporting period	**357,928**	361,126

Terms and conditions of Units

Units are listed on the Australian Securities Exchange ("ASX").

Each unit confers upon the unitholder an equal interest in the Trust, and is of equal value to other units in the Trust.

A unit does not confer upon the holder any interest in any particular asset or investment of the Trust. The rights of unitholders are contained in the Trust's Constitution and include:

- the right to receive a distribution determined in accordance with the provisions of the Trust's Constitution;
- the right to attend and vote at meetings of unitholders; and
- the right to participate in the termination and winding up of the Trust.

There are no separate classes of units and each unit in the Trust has the same rights attaching to it as all other units of the Trust.

Other equity reserve, which forms part of unitholders' equity, is discussed in detail under Note 14 to the Financial Statements.

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11 Distributions

	30 June 2024 $'000	30 June 2023 $'000
a Distributions paid		
Distribution paid - December	**8,826**	9,199
Distribution paid and payable - June	**8,732**	9,293
	17,558	18,492
b Dividend reinvestment plan		
Distribution paid - December	**(963)**	(850)
Distribution paid and payable - June	**(970)**	(939)
	(1,933)	(1,789)
Net distributions paid/payable in cash	**15,625**	16,703

The Trust will generally make distributions to investors semi-annually but it may do so more or less frequently at the Responsible Entity's discretion.

12 Cash flow information

	30 June 2024 $'000	30 June 2023 $'000
(a) Reconciliation of net cash flow from operating activities to net profit for the period:		
Net (Loss)/profit for the period	**(134)**	17,115
Change in fair value of investments and foreign cash held	**905**	(14,467)
Proceeds from sale of investments	**3,314**	
Payments for purchase of investments	**(73,070)**	(16,251)
Change in receivables	**263**	(232)
Change in payables	**895**	(5,795)
Net cash inflow/(outflow) from operating activities	**(67,827)**	(19,630)
(b) Non-cash financing activities		
Units issued under the distributions reinvestment plan (DRP)	**1,933**	1,789

13 Financial risk management

The Trust holds the following financial instruments:

	30 June 2024 $'000	30 June 2023 $'000
Financial Assets		
Cash and cash equivalents	**10,945**	77,651
Receivables	**102**	365
Investments at fair value through profit or loss (Note 8 and Note 14)	**449,566**	380,576
	460,613	458,592
Financial Liabilities		
Bank overdraft	**22,610**	-
Payables	**1,414**	520
Distribution payable	**7,762**	8,355
	31,786	8,875

Financial Risk Exposures and Management

The main risks the Trust is exposed to through its financial instruments are market risk and credit risk.

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13 Financial risk management (continued)

a. Market Risk

(i) Price risk

Price risk arises from the Trust's investee funds, whose valuation is based on the valuation of the underlying companies of those investee funds. The Trust invests in such financial assets in order to take advantage of their long-term growth. All investments present a risk of loss of capital. The Investment Manager mitigates this risk through careful selection of investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid.

Primary commitments

The Trust makes commitments to a diversified portfolio of private equity and private credit funds managed by managers with a strong track record. The Trust diversifies its portfolio of investee funds across managers, underlying industries, countries and investment stages.

The Investment Manager follows a rigorous investment due diligence process prior to making an investment. In making the investment decision, the Investment Manager considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the Investment Managers of the underlying investee funds through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an investment agreement, gathered information is confirmed through reference checks or through the Investment Manager's standing data and experience.

Secondary purchases of interests in private funds

The Trust also makes commitments to investee funds through secondary market transactions. Where there are new investments, the due diligence process followed is consistent to the one described above. However, in most cases, the Trust makes such commitments to investee funds, in which the Investment Manager has already made commitments through other products with which the Investment Manager has prior experience.

The Investment Manager performs continuous monitoring of the Trust's investments through an established ongoing monitoring process. The Investment Manager monitors the performance of its investments using a look-through approach, where possible, to the underlying investments of its investee funds. The Investment Manager monitors price movements in listed underlying investments, as well as company, industry, tax, regulatory and legal developments in countries of the unlisted underlying investments. The Investment Manager uses such information in order to make estimates of the fair value of such companies, in cases where financial/capital account statements provided by the investment managers of the investee funds do not coincide with the reporting dates.

Sensitivity analysis

The following table summarises the sensitivity of the Trust's operating profit and total unitholders' equity to price risk on the basis that this information is beneficial to unitholders.

	-15%	**+10%**
	$'000	**$'000**
30 June 2024	**(67,435)**	**44,957**
30 June 2023	(57,086)	38,058

(ii) Foreign exchange risk

As at 30 June 2024 the portfolio had an exposure to foreign cash and investments of A$423m (2023: A$380m) and the portfolio's net assets was invested 92.59% (2023: 79.23%) in US dollar denominated financial assets and financial liabilities.

Sensitivity analysis

The sensitivity analysis has been performed under the assumption that Australian Dollar strengthened or weakened +/-10% (30 June 2023: +/-15%) against the major currencies to which the Trust is exposed. At reporting date, a 10% (30 June 2023: 15%) strengthening/weakening of the Australian Dollar at 30 June 2024 would have decreased/increased operating profit by $42.3 (30 June 2023:$ 57.0m).

The Trust's total net exposure to fluctuations in foreign currency exchange rates at the reporting date was as follows:

30 June 2024	**Cash**	**Investments**
Assets (AUD)	**$'000**	**$'000**
Euro	**10**	**15,593**
United States Dollar	**10,507**	**419,643**
	10,517	**435,236**

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13 Financial risk management (continued)

a. Market risk (continued)

(ii) Foreign exchange risk (continued)

Liabilities (AUD)		
United States Dollar	**(22,610)**	**-**
	(22,610)	**-**

30 June 2023	Cash	Investments
Assets (AUD)	$'000	$'000
Euro	-	7,588
United States Dollar	15,703	356,309
	15,703	363,897

(iii) Interest rate risk

The main interest rate risk for the Trust arises from its cash holdings and line of credit

	30 June 2024	30 June 2023
	$'000	$'000
Cash balance subject to floating interest rate	**10,945**	77,651
Bank overdraft balance subject to floating interest rate	**(22,610)**	-

b. Credit risk

Credit risk principally arises from cash and cash equivalents held with the custodian and outstanding receivables.

The Trust's major credit risk arises from assets and cash held with the custodian, BNP Paribas Securities Services (credit rating: A-1). (2023: A-1).

c. Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting obligations associated with financial liabilities on the due date or will be forced to sell financial assets at a value which is less than they are worth.

The Trust has established a line of credit with an international bank for USD$68.5 million. The line of credit was established in September 2022 and will have a variable interest rate when utilised USD 15.1 million has been drawn down. The fund has pledged part of its asset portfolio as collateral for the facility.

Private equity investments typically involve the investors' capital being locked up for a number of years. The Trust allows small and large investors to gain exposure to global private equity with the flexibility to buy and sell units on the ASX as long as an active market exists.

30 June 2024 **Financial liabilities**	**Less than 1 month** **$'000**	**1 to 3 months** **$'000**	**3 to 6 months** **$'000**	**6 to 12 months** **$'000**
Distribution payable	7,762	-	-	-
Other payables	1,414	-	-	-
Bank overdraft	-	-	-	22,610
Total	**9,176**	**-**	**-**	**22,610**

30 June 2023 Financial liabilities	Less than 1 month $'000	1 to 3 months $'000	3 to 6 months $'000	6 to 12 months $'000
Distribution payable	8,355	-	-	-
Other payables	520	-	-	-
Total	8,875	-	-	-

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13 Financial risk management (continued)

d. 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 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.

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.

13 Financial risk management (continued)

d. Fair value measurement (continued)

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.

30 June 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	**$'000**	**$'000**	**$'000**	**$'000**
Private equity investments	-	-	449,566	449,566
Total	-	-	449,566	449,566

30 June 2023	Level 1	Level 2	Level 3	Total
Financial assets	$'000	$'000	$'000	$'000
Private equity investments	-	-	377,440	377,440
Unlisted managed investment funds	-	3,136	-	3,136
Total	-	3,136	377,440	380,576

As of 30 June 2024, 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.

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:

30 June 2024	**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 year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at financial year end**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Private equity investments	377,440	73,836	-	-	(1,710)	449,566	(1,710)
Total	377,440	73,836	-	-	(1,710)	449,566	(1,710)

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13 Financial risk management (continued)

d. Fair value measurement (continued)

30 June 2023	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 year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at financial year end
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Private equity investments	340,944	16,251	-	-	20,245	377,440	20,245
Total	340,944	16,251	-	-	20,245	377,440	20,245

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 losses relating to assets classified within level 3 at the end of the period is $1.7 million (30 June 2023: $20.2 million).

At reporting date, if the unobservable inputs had been 10% higher or 15% lower (30 June 2023: 10% higher or 15% lower) profit or loss of the Trust would have increased by $0.17 million or decreased by $0.26 million (30 June 2023: increased by $2.0 million or decreased by $3.0 million).

14 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.

Key management personnel

Directors

Key management personnel include 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 Zimerman	Independent Non-Executive Director
Russel Pillemer	Chief Executive Officer and Managing Director
Katrina Glendinning	Executive Director

Key management personnel unitholdings

At 30 June 2024, Katrina Glendinning held 53,933 units in the Trust (30 June 2023: 53,933 units).

At 30 June 2024, Russel Pillemer held 2,444 units in the Trust (30 June 2023: nil units).

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14 Related party transactions (continued)

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. of NAV and pays PCL a management fee of 1.20% p.a. of NAV 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 performance fee is payable to PCL. The performance fee potentially payable by the Trust is equal to 20% 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 at the end of the latest Performance Fee Payment Period in which the Trust paid a Performance Fee (“Last Payment Period”). 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 PCL from the Trust each half-year period ending 30 June or 31 December.

Transactions with related parties have taken place in the ordinary course of business. The transactions during the year and amounts at period end between the Trust and the Responsible Entity were as follows:

	30 June 2024	30 June 2023
	$	$
Responsible entity fee and management fee	**5,571,373**	5,718,427
Aggregate amount payable for Responsible entity fee and management fee	**448,463**	465,773
Aggregate amount payable for Performance fee	**-**	-

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:

	30 June 2024	30 June 2023
	$	$
Secondaries management fee and carried interest fee	**842,293**	128,285
Aggregate amount payable for carried interest fee	**730,858**	54,379

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14 Related party transactions (continued)

Investments

GCM as the Investment Manager invests the Trust's capital primarily 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 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 30 June 2024 are disclosed in Note 16.

The Trust did not hold any investments in Pengana Investment Management Limited and Pengana Capital Limited during the year. The Trust held investments in the following related parties at 30 June 2024.

	Fair value of investment $		**Interest held %**		**Commitments / In kind contributions Units / Value**		**Dividends/ Distributions received during the year $**	
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	**69,098,067**	72,197,881	**11.35**	11.35	**55,401,662**	55,584,767	**2,508,915**	4,075,992
GCM Grosvenor Multi-Asset Class Fund II, L.P.	**119,542,056**	129,468,514	**5.80**	5.80	**85,348,506**	85,630,587	**1,195,133**	-
GCM Grosvenor SP Mid Market Opportunities Fund, L.P.	**-**	-	**-**	-	**-**	-	**-**	35,189
GCM Grosvenor CPP Investment Board Mid Market Opportunities Fund II, L.P.	**-**	-	**-**	-	**-**	-	**-**	1,045
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	**1,137,891**	1,090,140	**23.13**	23.13	**1,624,708**	1,630,077	**-**	-
Grosvenor Secondary Opportunities Feeder Fund III, L.P.	**32,325,009**	23,170,453	**7.88**	7.88	**64,385,715**	64,598,513	**-**	-
GCM Grosvenor CPP Investment Board Mid Market Opportunities Fund, L.P.	**141,653**	177,634	**23.13**	23.13	**2,455,023**	2,463,137	**-**	116
GCM Grosvenor Multi-Asset Class Fund III, L.P.	**85,223,472**	48,354,147	**8.28**	8.44	**104,813,955**	105,160,370	-	-
GCM Grosvenor Strategic Credit Sidecar Feeder, L.P.	**16,119,448**	8,362,647	**14.63**	14.63	**17,968,107**	18,027,492	-	-
GCM Maple Holdings (Cayman), L.P.	**14,330,389**	16,678,888	**100.00**	100.00	**35,435,337**	35,435,337	**2,606,319**	1,545,662
GCM Grosvenor Co-Investment Opportunities Feeder Fund III, L.P.	**7,373,139**	4,725,391	**17.51**	21.77	**21,112,525**	21,182,303	-	-
GCM Iceman Holdings, L.P.	**1,316,438**	-	**100.00**	-	**1,110,125**	-	-	-
GCM Grosvenor Strategic Credit Fund II Feeder, L.P.	**5,413,772**	-	**5.80**	-	**22,460,133**	-	-	-

14 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:

30 June 2024	**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**
Pengana Capital Ltd	**2,323,589**	**0.97**	**696,345**	**(50,000)**	**147,278**

30 June 2023	**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**
Pengana Capital Ltd	1,677,244	0.70	30,000	(151,750)	116,250

15 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 Manager in assessing and determining the allocation of resources.

The Trust operates in one business segment, being investment in securities.

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16 Contingent liabilities and commitments

There were no contingent liabilities at 30 June 2024 that required disclosure (30 June 2023: nil).

At 30 June 2024, the Trust has the following capital commitments:

30 June 2024 Investee	Total capital commitment	Called up capital	Unfunded capital commitment
	$	$	$
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	55,401,662	45,962,504	9,439,158
GCM Grosvenor Multi-Asset Class Fund II, L.P.	85,348,506	85,348,506	-
Carlyle Credit Opportunities Fund Parallel L.P.	7,486,711	5,153,940	2,332,771
Vista Equity Endeavour Fund II A L.P.	5,989,369	4,471,732	1,517,637
H.I.G. Middle Market LBO Fund III L.P.	4,327,319	3,564,506	762,813
WPEF VIII Feeder L.P.	6,828,324	4,766,512	2,061,812
Alpine Investors III L.P.	1,472,386	1,373,279	99,107
Alpine Investors IV L.P.	374,336	308,463	65,873
Alpine Investors VI L.P.	374,336	247,568	126,768
Alpine Investors VII L.P.	748,671	508,521	240,150
H.I.G. Europe Middle Market LBO Feeder Fund L.P.	5,861,671	3,741,495	2,120,176
Riverside Micro-Cap Fund V L.P.	6,028,300	5,536,937	491,363
Cornell Capital Partners II Parallel L.P.	5,989,369	3,833,196	2,156,173
Wynnchurch Capital Partners V L.P.	7,486,711	6,235,788	1,250,923
Peak Rock Capital Fund III L.P.	5,989,369	3,386,001	2,603,368
Valiant Peregrine Fund 2, L.P.	5,989,369	3,292,109	2,697,260
Cobalt Strategic Partners I, L.P.	5,989,369	5,506,544	482,825
GCM Iceman Holdings, L.P.	1,110,125	1,108,165	1,960
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund, L.P.	2,455,023	299,042	2,155,981
MC Private Equity Partners I-A, L.P.	2,157,284	2,040,131	117,153
MIC Capital Partners III Parallel (Cayman) L.P.	1,112,254	1,036,726	75,528
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	1,624,708	48,209	1,576,499
GCM Grosvenor Secondary Opportunities Feeder Fund III, L.P.	64,385,715	26,939,986	37,445,729
The Veritas Capital Fund VII L.P.	10,481,396	9,986,825	494,571
Falfurrias Capital Partners V L.P.	7,486,711	4,611,814	2,874,897
GCM Grosvenor Multi-Asset Class Fund III L.P.	104,813,955	73,369,768	31,444,187
Iconiq Strategic Partners VI-B L.P.	3,144,419	2,981,141	163,278
TSG9 Parallel L.P.	5,989,369	1,514,035	4,475,334
Alpine Investors Ingenio CV L.P.	610,953	528,877	82,076
GCM Grosvenor Co-Investment Opportunities Feeder Fund III, L.P.	21,112,525	6,627,478	14,485,047
GCM Grosvenor Strategic Credit Sidecar Feeder, L.P.	17,968,107	14,568,143	3,399,964
WPEF IX Feeder 2 I L.P.	5,237,991	746,370	4,491,621
WPF I Feeder 2 I L.P.	1,309,498	-	1,309,498
GCM Maple Holdings (Cayman), L.P.	35,435,337	22,762,983	12,672,354
Hockey Parent Holdings L.P.	7,486,524	7,486,524	-
GCM Grosvenor Strategic Credit Fund II Feeder, L.P.	22,460,133	5,269,239	17,190,894
Vista Foundation Fund III A L.P.	1,023,746	826,269	197,477
Adrian LBO Fund VI A S L.P.	1,408,747	1,376,269	32,478
Astorg VII	2,038,066	1,946,353	91,713
H.I.G. Bayside Debt And LBO Fund II, L.P.	419,284	111,482	307,802
H.I.G. Europe Capital Partners II, L.P.	272,286	202,374	69,912
H.I.G. Middle Market LBO Fund II, L.P.	916,444	705,544	210,900
	534,146,378	370,331,348	163,815,030

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16 Contingent liabilities and commitments (continued)

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 Investment Manager, as part of their process, will model for the realisation of investments and income returns. They will also recycle cash from investment realisations and income for further investment purposes and capital management.

The Trust has secured a line of credit through Goldman Sachs 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 RE to do so. This line of credit is secured by assets of the Trust.

30 June 2023 Investee	Total capital commitment $	Called up capital $	Unfunded capital commitment $
GCM Grosvenor Co-Investment Opportunities Feeder Fund II, L.P.	55,584,767	46,086,575	9,498,192
GCM Grosvenor Multi-Asset Class Fund II, L.P.	85,630,587	85,630,587	-
Carlyle Credit Opportunities Fund Parallel L.P.	7,511,455	5,096,285	2,415,170
Vista Equity Endeavour Fund II A L.P.	6,009,164	3,541,403	2,467,761
H.I.G. Middle Market LBO Fund III L.P.	4,341,621	3,559,292	782,329
WPEF VIII Feeder L.P.	6,973,943	3,908,534	3,065,409
Alpine Investors III L.P.	1,477,252	1,377,817	99,435
Alpine Investors IV L.P.	375,573	309,483	66,090
Alpine Investors VI L.P.	375,573	248,386	127,187
Alpine Investors VII L.P.	751,145	615,405	135,740
H.I.G. Europe Middle Market LBO Feeder Fund L.P.	5,986,675	1,485,362	4,501,313
Riverside Micro-Cap Fund V L.P.	6,048,224	4,895,516	1,152,708
Cornell Capital Partners Ii Parallel L.P.	6,009,164	2,103,207	3,905,957
Wynnchurch Capital Partners V L.P.	7,511,455	5,243,479	2,267,976
Peak Rock Capital Fund III L.P.	6,009,164	2,220,509	3,788,655
Valiant Peregrine Fund 2, L.P.	6,009,164	1,598,438	4,410,726
Cobalt Strategic Partners I, L.P.	6,009,164	5,509,773	499,391
Ardian LBO Fund VI A S, L.P.	1,438,789	1,337,286	101,503
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund, L.P.	2,463,137	315,538	2,147,599
MC Private Equity Partners I-A, L.P.	2,164,414	2,025,833	138,581
MIC Capital Partners III Parallel (Cayman) L.P.	1,115,930	1,045,824	70,106
GCM Grosvenor CPP Investment Board Co-Investment Fund, L.P.	1,630,077	33,335	1,596,742
GCM Grosvenor Secondary Opportunities Feeder Fund III, L.P.	64,598,513	18,913,313	45,685,200
The Veritas Capital Fund VII L.P.	10,516,037	9,915,972	600,065
Falfurrias Capital Partners V L.P.	7,511,455	2,531,360	4,980,095
GCM Grosvenor Multi-Asset Class Fund III L.P.	105,160,370	42,064,148	63,096,222
Iconiq Strategic Partners VI-B L.P.	3,154,811	2,649,754	505,057
TSG9 Parallel L.P.	6,009,164	301,930	5,707,234
Alpine Investors Ingenio CV L.P.	612,972	508,488	104,484
GCM Grosvenor Co-Investment Opportunities Feeder Fund III, L.P.	21,182,303	5,113,541	16,068,762
GCM Grosvenor Strategic Credit Sidecar Feeder, L.P.	18,027,492	8,132,373	9,895,119
WPEF IX Feeder 2 I L.P.	5,349,694	-	5,349,694
WPF I Feeder 2 I L.P.	1,337,424	-	1,337,424
GCM Maple Holdings (Cayman), L.P.	35,435,337	19,542,302	15,893,035
H.I.G. Bayside Debt And LBO Fund II, L.P.	420,670	111,851	308,819
H.I.G. Europe Capital Partners II, L.P.	278,092	206,689	71,403
H.I.G. Middle Market LBO Fund II, L.P.	919,473	718,537	200,936
Vista Foundation Fund III A L.P.	1,027,130	804,934	222,196
	502,967,374	289,703,059	213,264,315

16 Contingent liabilities and commitments (continued)

The total value of capital commitments in local currency amounts to USD 318 million and EUR 14 million as at 30 June 2024 (30 June 2023: USD 297 million and EUR 13 million) of which USD $223,588,829 and EUR $7,963,334 have been called to date. An amount of USD $94,143,785 and EUR $6,341,824 remains uncalled by the investment managers.

17 Subsequent events

In the latest release to the ASX on 9 August 2024 the Trust reported a NAV per unit $1.5702 as at 31 July 2024 (31 July 2023: $1.5721).

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.

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Directors' declaration

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

a) the financial statements of the Trust as set out on pages 11 to 33 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 30 June 2024 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 30 June 2024.

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

On behalf of the Board

Ellis Varejes
Chairman, Pengana Investment Management Limited
27 August 2024

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Independent auditor's report to the unitholders of Pengana Private Equity Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of Pengana Private Equity Trust (the Trust), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Trust's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Investment – Existence and Valuation

Why significant	How our audit addressed the key audit matter
The Trust has a significant investment portfolio consisting primarily of unlisted securities, including unlisted investment funds and unlisted shares. At 30 June 2024, the value of these unlisted investments was $449,565,837 which equates to 97.6% of the total assets of the Trust. As disclosed in the Trust's accounting policy Note 2b to the financial report, these financial assets are recognised at fair value through profit or loss in accordance with the requirements of Australian Accounting Standards. As the investment portfolio has a global geographical exposure, pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and on the overall financial report. Accordingly, valuation of the investment portfolio was considered a key audit matter.	Our audit procedures included the following: • Assessed the effectiveness of relevant controls related to the recognition and valuation of investments. • Obtained and considered the assurance report on the controls of the Trust's administrator in relation to Fund Administration Services for the year ended 30 June 2024 and assessed the auditor's qualifications, competence and objectivity and the results of their procedures. • Agreed a sample of investment holdings to third party confirmations at 30 June 2024, including 100% of cash balances. • Assessed the fair value of a sample of investments held at 30 June 2024. • For a sample of unlisted private equity funds we: - obtained an understanding of the key processes adopted by management to determine the fair value of the investment at balance date; - confirmed the investment balances, the pro-rata ownership, and future commitments with the respective investee fund managers; - obtained the most recent audited financial statements of the underlying investment funds (at 31 December 2023), reviewing the nature of the underlying investments held and the recorded fair values of the investments including the accounting basis adopted for such valuations; - assessed the qualifications, competence and objectivity of the auditing firms of the unlisted private equity funds and considered the content of their audit opinions; - evaluated management's assessment of the most recent unaudited financial information of material unlisted private equity funds (as at 31

Why significant	How our audit addressed the key audit matter
	March 2024 or 30 June 2024, as available) and obtained information from the underlying investment manager (as available) and evaluated the quantum and reasonableness of any material fair value movements (or the lack thereof where movements may be expected) from the date of the latest audited financial information by comparing them to publicly available market information. • Assessed the adequacy of the associated disclosures included in Note 13 to the financial report.

Management and Performance Fees

Why significant	How our audit addressed the key audit matter
For the period ended 30 June 2024, Responsible Entity and management fees totalled $5,571,373 which equates to 72.2% of total expenses. Secondaries management fee and carried interest fee totalled $842,293 which equates to 11% of total expenses. Performance fees (excluding GST recovered) totalled nil for the period ended 30 June 2024 Responsible Entity and management fees and performance fees paid to the Responsible Entity, Pengana Investment Management Limited, are significant operating expenses for the Trust. The Trust also directly pays the Manager a Secondaries management fee and carried interest for those Secondaries investments directly held. The Trust's accounting policy for Investment Manager Fees is disclosed in Note 14 to the financial report. Performance fees are recognised in the financial report if the performance hurdles for the Trust have been met at the end of the relevant measurement period, which is the date that the performance criteria is met and the liability has been crystallised. The assessment of performance fee arrangements can be complex and judgmental due to uncertainty around future performance.	Our audit procedures included the following: • Assessed the effectiveness of relevant controls in relation to the calculation of Responsible Entity and management fee, and Secondaries management fee and carried interest fee, and performance fees at the service provider responsible for the calculation. • Recalculated Responsible Entity and management fees, in accordance with the Trust's Product Disclosure Statement and the Trust's Constitution, including verifying the fee rate to the agreement. We also recalculated the Secondaries management and carried interest fees, in accordance with the Product Disclosure Statement. • Assessed the performance fee calculation, including testing the inputs into the calculation model and assessed whether the calculation was in accordance with the relevant Trust's Product Disclosure Statement and the Trust's Constitution. We assessed whether the criteria for accrual of a performance fee liability were met at 30 June 2024.

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Why significant	How our audit addressed the key audit matter
The value of these expenses and the impact that market volatility can have on the recognition of performance fees, accordingly is considered a key audit matter.	• Assessed the adequacy of the associated disclosures included in Note 14 to the financial report.

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Information other than the financial report and auditor's report thereon

The directors of Pengana Investment Management Limited, the Responsible Entity of the Trust, are responsible for the other information. The other information comprises the information included in the Trust's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Responsible Entity of the Trust are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Building a better working world

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Responsible Entity of the Trust.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Ernst & Young

Jaddus Manga
Partner
Sydney
27 August 2024

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ASX Information (Unaudited)

Distribution of unitholders as at 25 July 2024

Category (size of holding)	Number of unitholders	Number of units
1 - 1,000	256	115,063
1,001 - 5,000	705	2,158,975
5,001 - 10,000	926	7,049,655
10,001 - 100,000	3,054	91,171,675
100,001 and Over	285	176,866,569
Total	5,226	277,361,937

Range	Holders
Holders holding less than a marketable parcel	116

Substantial unitholders

As at 25 July 2024 the following unitholders have notified the Trust that they are the substantial unitholders:

	Number of units	% of total units issued
Westpac Banking Corporation	21,880,292	7.89%
Macquarie Group Limited	13,975,701	5.04%

20 Largest unitholders - units

	Number of units	% of total units issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,837,901	8.96
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	23,861,348	8.60
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	18,613,603	6.71
IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	15,819,802	5.70
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	15,798,159	5.70
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	6,778,325	2.44
CITICORP NOMINEES PTY LIMITED	3,449,301	1.24
PENGANA CAPITAL LTD	2,323,589	0.84
CITICORP NOMINEES PTY LIMITED <DPSL A/C>	2,206,168	0.80
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,183,577	0.79
VISTE HOLDINGS PTY LTD <VISTE DISCRETIONARY A/C>	1,382,615	0.50
MS MARGARET LEONIE O'HANLON <PRENDERGAST&O'HANLON FAM A/C>	1,312,591	0.47
ABYANEH PTY LTD <RWK SUPER FUND A/C>	1,292,454	0.47
FERNWAYE PTY LTD <FOLIE STAFF SUPER FUND A/C>	1,088,868	0.39
CAPITEL PACIFIC PTY LIMITED	1,082,666	0.39
MR WARWICK MARTIN NEGUS + MS LOUISE ALEXANDRINA GREEN <NEGUS GREEN S/F A/C>	1,082,666	0.39
ANDREW CREE + EVA ATTEBO <CREE & ATTEBO S/F A/C>	869,895	0.31
TIM ROSE + CAMILLE ROSE <THE ROSE FAMILY A/C>	733,008	0.26
SCAPA PTY LTD <SCAPA A/C>	684,859	0.25
GEAT INCORPORATED <GEAT-PRESERVATION FUND A/C>	600,000	0.22
MR STEPHEN WILLIAM TOYE	600,000	0.22

As at 25 July 2024 there were 5,226 unitholders.

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Voting rights

Subject to the Trust's constitution:

- At meetings of unitholders, each unitholder is entitled to vote in person, by proxy, by attorney or by representative;
- On a show of hands, each unitholder present in person, by proxy, by attorney or by representative is entitled to one vote;
- On a poll, each unitholder present in person, by proxy, by attorney or by representative is entitled to one vote for every share held by the unitholder.

In the case of joint holdings, only one joint holder may vote.

Voting by proxy

Unitholders may appoint a proxy or attorney to represent them at a unitholder meeting. If a proxy is appointed and the unitholder attends the meeting, then that proxy is automatically revoked.

A corporate unitholder may appoint a proxy, an attorney or a corporate representative.

Distribution payments

The Trust offers unitholders the following choices of how distribution entitlements can be received:

- Cash – a cheque is mailed to the unitholder's registered address
- Direct Credit Deposit –the distribution is paid directly to the nominated bank account. Direct credits avoid delay in postal delivery and the possibility of lost cheques and are therefore a preferred option.

Transaction in securities	**30 June 2024**	30 June 2023
Total number of transactions in securities during the period	**84**	76
Transaction costs paid or accrued during the period	**96,137**	195,596

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Investments at market value as at 30 June 2024 (unaudited)

Company Name	Market value $'000	% of Gross Assets
Financials		
GCM Grosvenor Multi Asset Class Fund II L.P.	119,542	27.88
GCM Grosvenor Multi Asset Class Fund III L.P.	85,224	19.87
GCM Grosvenor Co-Investment Opportunities Feeder Fund II L.P.	69,098	16.11
Grosvenor Secondary Opportunities Feeder Fund Fund III L.P.	32,325	7.54
GCM Grosvenor Strategic Credit Sidecar Feeder L.P.	16,119	3.76
GCM Maple Holdings (Cayman) L.P.	14,330	3.34
The Veritas Capital Fund VII L.P.	13,819	3.22
Riverside Micro Cap Fund V L.P.	8,161	1.90
Hocke Parent Holdings L.P.	8,018	1.87
Wynchurch Capital Partners V L.P.	7,557	1.76
GCM Grosvenor Co-Investment Opportunities Feeder Fund III L.P.	7,373	1.72
WPEF VIII Feeder L.P.	6,001	1.40
GCM Grosvenor Strategiv Credit Fund II Feeder L.P.	5,414	1.26
Falfurrias Capital Partners L.P.	5,387	1.26
Vista Equity Endeavour Fund II A L.P.	5,345	1.25
HIG Europe Middle Market LBO Feeder Fund L.P.	4,788	1.12
HIG Middle Market LBO Fund III L.P.	4,425	1.03
Carlyle Credit Opportunities Fund Parallel L.P.	4,166	0.97
Cobalt Strategic Partners I L.P	4,010	0.94
Prak Rock Capital Fund III L.P.	3,948	0.92
Cornell Capital Partners II Parallel L.P.	3,305	0.77
Valiant Peregrine fund 2 L.P.	3,045	0.71
Iconiq Strategic Partners VI B L.P.	2,965	0.69
Astorg VII	2,768	0.65
GCM Iceman Holdings L.P.	1,317	0.31
TSG9 Parallel L.P.	1,298	0.30
Alpine Investors VI L.P.	1,186	0.28
GCM Grosvenor CPP Investment Board Co-Investment Fund L.P.	1,138	0.27
Adrian LBO Fund VI A L.P.	1,065	0.25
MIC Capital Partners III Parallel Cayman L.P.	1,041	0.24
MC Private Equity Partners I A L.P.	990	0.23
Vista Foundation III A L.P.	899	0.21
Alpine Investors VII L.P.	833	0.19
WPEF IX Feeder 2 I L.P.	746	0.17
HIG Middle Market LBO Fund II L.P.	680	0.16
Alpine Investors Ingenio C.V. L.P.	649	0.15
HIF Europe Capital Partners II L.P.	225	0.05
GCM Grosvenor CPP Investment Board Mid-Market Opportunities Fund L.P.	142	0.03
Alpine Investors III L.P.	120	0.03
HIG Bayside Debt and LBO Fund II L.P.	104	0.02
Total long portfolio	449,566	104.84
Total cash and cash equivalents, income receivables and outstanding settlements	(20,739)	(4.84)
Gross assets	428,827	

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Principal registered address of the Trust
The principal registered office is Suite 27.01, Level 27, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW 2000 Australia. Telephone (02) 8524 9900.

Registry
Computershare Investor Services Pty Limited, 6 Hope St, Ermington NSW 2115. Investor Enquiries (02) 8216 5700.

Stock exchange listing
Quotation has been granted for all the units of the Trust on all Member Exchanges of the Australian Securities Exchange Limited ("ASX"). The Trust shares are traded under the symbol PE1. Details of trading activity are published in most daily newspapers and also obtainable from the ASX website: www.asx.com.au.

Investment management agreement
The Manager has appointed Grosvenor Capital Management L.P (the 'Investment Manager'), under an Investment Management Agreement dated 11 February 2019, to manage the investment portfolio of the Trust. The Investment Manager manages and supervises all investments of the Trust, including providing monthly valuations, for the term of the contract.

Term
The Investment Management Agreement is for an initial period of 10 years commencing on the date the Trust listed on the ASX (March 2019), unless terminated earlier in accordance with terms of the Investment Management Agreement.

Powers of Investment Manager
For the purpose of carrying out its functions and duties under the Investment Management Agreement, the Investment Manager has the powers of a natural person and absolute and unfettered discretion to manage the investment portfolio and to do all things and execute all documents necessary for the purpose of managing the investment portfolio.

Responsible entity fee and management fee
In return for the management and the operational oversight of the Trust the Manager and the Responsible entity are entitled to a management fee of 1.20% per annum and a responsible entity fee of 0.05% p.a. of the gross value of the investment portfolio respectively, payable on a monthly basis.

Performance fee
The Manager is also entitled to a Performance Fee, equal to monthly 20% of any out-performance of the investment portfolio compared to the hurdle return (being 8% p.a.) in Australian Dollars. The fee is aggregated daily and paid each half-year period.

PRINCIPAL AND REGISTERED OFFICE

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Ellis Varejes
Independent Non-Executive Director and Chairman

Ilan Zimerman
Independent Non-Executive Director

Russel Pillemer
Chief Executive Officer and Managing Director

Katrina Glendinning
Executive Director

COMPANY SECRETARY

Paula Ferrao

AUDITOR

Ernst & Young
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Sydney NSW 2000
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