

	NAV (\$)	Quarter (%)	CAGR ² (%)	Since Inception ¹ Cumulative (%)
Perennial Private to Public Opportunities Fund No.1	1.852	-0.3	+22.9	+134.0

Performance Update

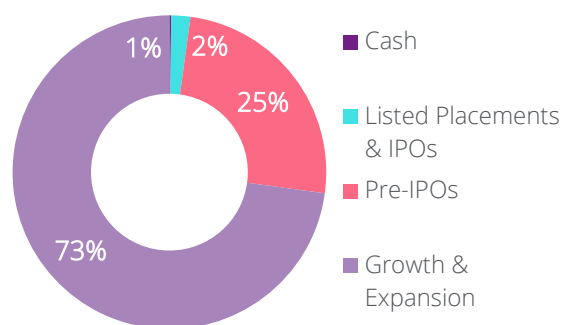
The Private to Public Opportunities Fund (PPP1) returned -0.3% (net of fees) for the quarter ending September 2023. Since inception in August 2019, PPP1 has delivered +134.0% (net of fees). This PPP1 performance includes the four distributions made to date which total 48.8c.

During the quarter, there were a number of offsetting impacts which resulted in a small overall decline. Positive contribution came from a placement in a medical diagnostics business which rallied during the quarter. The decline in the \$A also positively impacted the valuation for PPP1's foreign currency domiciled companies. During the quarter, PPP1 also sold down its position in a listed health sciences business.

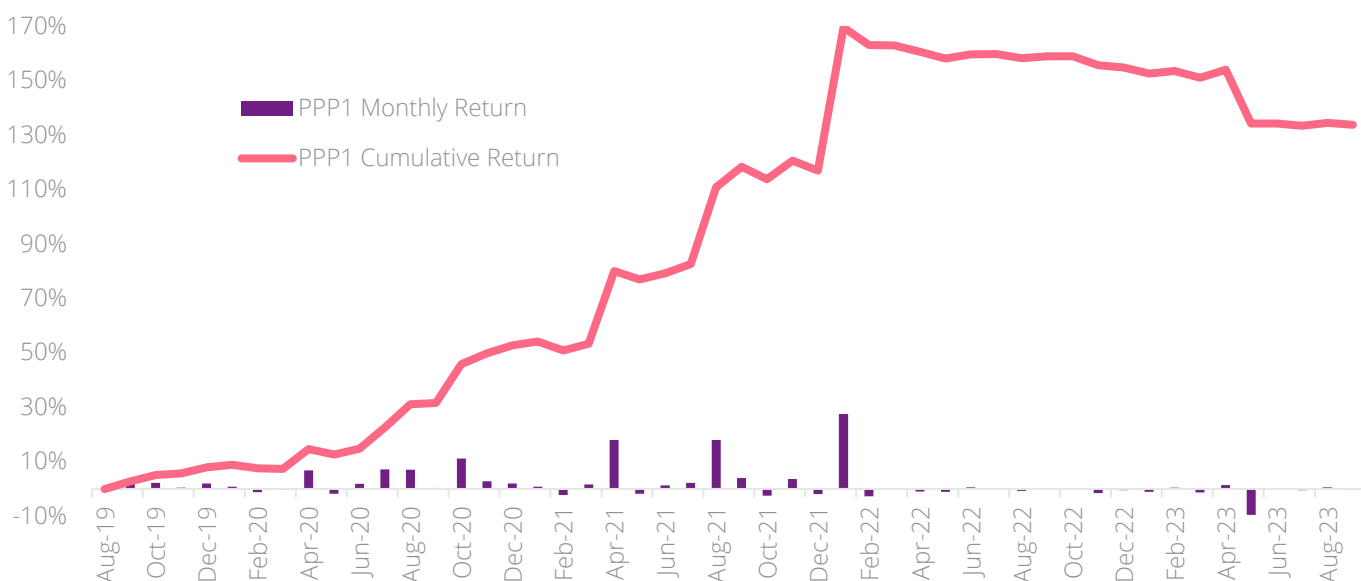
The key driver of negative performance during the quarter came from a reduction in the carrying value in a foodtech investment. This decision was made due to recent business underperformance which has resulted in a strategy reset by the company. The carrying value of our position in a data SaaS business was also reduced as the company completed the sale of one of its core divisions.

With PPP1 now in the last 12 months of its 5-year life, we have started to fast-track alternate exit options for companies where an IPO now looks less likely. To this end, a number of M&A approaches have been made to PPP1 companies in recent months. In addition, there are some early signs of an improving IPO market in the period ahead, and we will continue to assess opportunities for exits via this route.

Current Fund Allocation



Return Since Inception¹ Net of Fees (%)



¹ Inception date for PPP1 is 19 August 2019. Performance shown is net of fees. It does not take into account any taxes payable by an investor. Past performance is not a reliable indicator of future performance.

² Return calculations include the 4 distributions paid in July 2020, 2021, 2022, 2023. CAGR is compound annual growth rate

Increasing IPO Activity

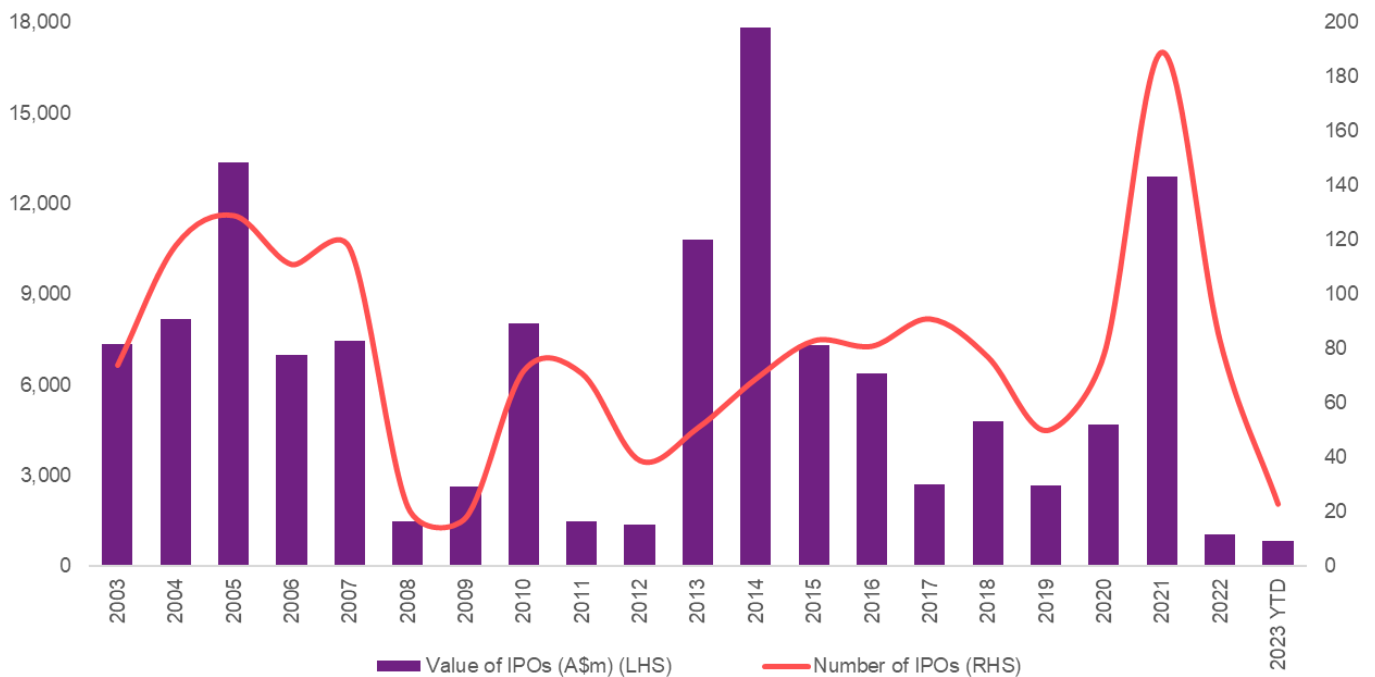
One of the key themes during the September 2023 quarter was the re-emergence of IPO activity in both Australia and the USA. We investigate this theme in more detail below.

Recent IPO Activity on ASX

As highlighted on the chart below, the last 18-months have been incredibly quiet for IPO activity in Australia, especially outside of the resources sector. This main driver of the low number of new ASX listings during this period were global macro headwinds and equity market volatility. In CY22, the value of IPO capital raised fell to 30-year lows, and while the number of transactions was close to the long-term ASX average, many of these IPOs were in the mining exploration sector and raised only small amounts of capital. However in recent months, the domestic market has started to see increased IPO activity, with 4 non-resources companies listing on ASX including chemical distributor Redox and medtech business Curvebeam. Unfortunately, all four of these non-resources names are trading below IPO issue price at the time of writing, partially due to another bout of macro-driven equity market volatility recently. The Perennial private funds did not invest in any of these four recent IPOs.

Despite this mixed after-market performance, the domestic IPO pipeline continues to build with Nido, Virgin, MolyCop, Cuscal, AirTrunk and Mondiale VGL all on the horizon according to press reports. Interestingly, the majority of these businesses have not undertaken a pre-IPO round from institutions. In many cases this reflects the larger equity values for these companies, and the decision to use the IPO as a mechanism for a sell-down by existing shareholders rather than raise new primary capital. To date, the domestic companies finding better IPO support from institutions are larger, profitable businesses with predictable operating histories, plus those businesses raising primary capital to grow. It feels too early for younger high-growth technology stocks to list successfully on ASX, however this could change in CY24 given recent activity in the US market. There are also a number of private companies within the PPP portfolios which may look to IPO over the next 12 months which we can discuss closer to their proposed date of listing.

Annual IPOs on ASX by number and value over the last 20 years

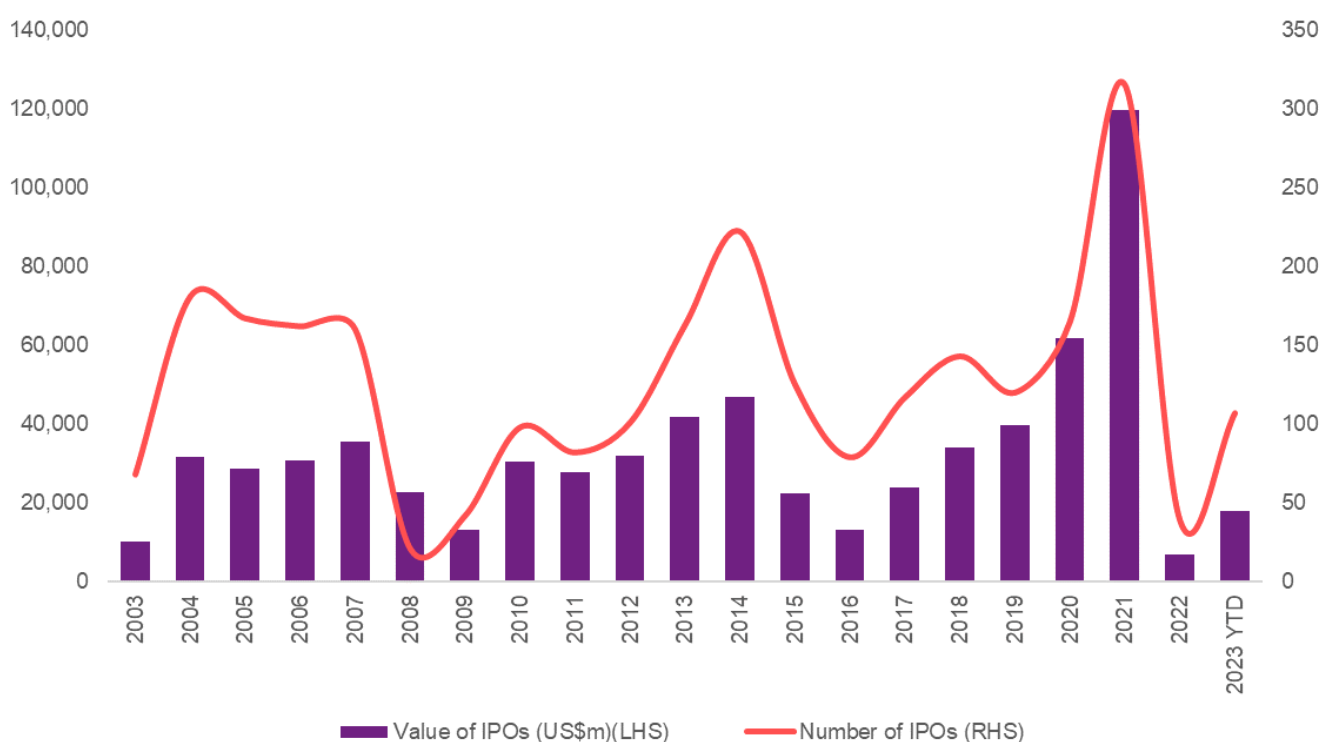


Source: Ord Minnett, ASX, Perennial

Recent IPO Activity in the USA

As was the case in Australia, the US IPO market over the last 18 months has also been negatively impacted by the equity market selloff and macroeconomic concerns as demonstrated on the chart below. However, the US market is now showing good signs of increased IPO activity with YTD volumes and values recovering from a low point last year. So far in CY23, the US market has seen 107 IPOs (excluding SPAC listings) which is marked increase on the 39 listings in CY22. The IPOs this year include a number of larger companies such as chip-maker ARM (+9% on IPO issue price at the time of writing), grocery delivery business Instacart (-10%), marketing platform Klaviyo (+16%) and footwear company Birkenstock (listed this week). Other private companies in the IPO pipeline in the USA include the fintech Chime, payments business Stripe and social media platform Reddit. In a key difference to Australia, a number of the recent and future IPOs in the US market are technology companies, albeit they generally have long operating histories and are profitable businesses.

Annual IPOs on NYSE / NASDAQ by number and value over the last 20 years



Source: University of Florida, stockanalysis.com, Perennial
 Note: The above data excludes SPACs, penny stocks, REITs, units, funds and other small raisings


Thank you for your continued interest in PPP1.

Yours sincerely,
The Perennial Private Investments Team



L to R: Brendan Lyons, Ryan Sohn, Karen Chan, Andrew Smith, James McQueen

Contact us

 Level 27, 88 Phillip Street
Sydney NSW 2000

 1300 133 451

 invest@perennial.net.au

 www.perennial.net.au

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