

| | | |
|---------------------|--|--|
| \$1.0472 | 4.7% | 4.7% |
| NAV per unit | 3 month performance (net of fees) | Since inception¹ (net of fees) |

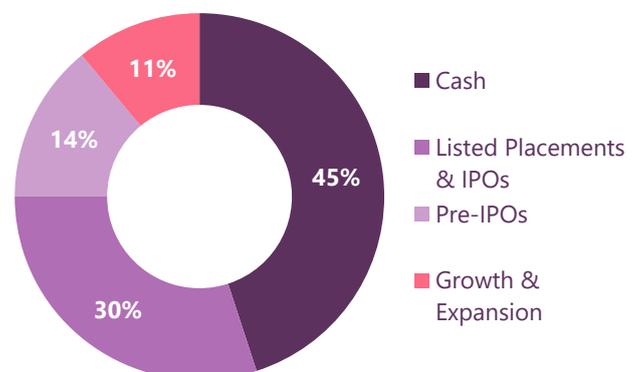
Performance Update

- The Private to Public Opportunities Fund No.2 (the Fund) returned 4.7%¹ (net of fees) for the quarter ending December 2020. The Fund commenced investing in early October 2020 following a fully subscribed wholesale offer during September 2020.
- The Fund’s performance during the quarter was driven by our selective participation in listed placements and IPOs, as well as our first pre-IPO investment Booktopia (BKG) listing on ASX in December and trading strongly thereafter.
- Other IPO contributors during the quarter included: Doctor Care Anywhere (DOC), Control Bionics (CBL) and Playside Studios (PLY). Key placement contributors included: Immutep (IMM), ImExHS (IME) and Nuheara (NUH).
- The Fund has invested in 7 pre-IPO names and 6 unlisted growth & expansion companies to date. In addition, we hold options or have secured second tranches with 4 of these companies to further increase our position size over time. We are also in final discussions with a further 2 pre-IPO positions and 2 unlisted companies at present.
- The investment pipeline remains very strong, and we are meeting with numerous private companies every week. We continue to see an acceleration of opportunities in all three investment segments – listed placements and IPOs, pre-IPOs, and unlisted growth and expansion businesses. As at the end of the December quarter, the Fund was 55% invested.

Returns Since Inception¹ Net of Fees (%)



Current Allocation



Quarterly Review

The first quarter for the Fund can be defined by two distinct characteristics:

1. Deployment of capital into pre-IPO and unlisted businesses we have known for a considerable period of time.
2. Active but selective participation in listed placements and IPOs to help drive a strong start to the Fund.

¹ Inception date for Trust No.2 is 2 October 2020. Performance shown is net of fees, but is not adjusted for any taxes payable by investors. Past performance is not a reliable indication of future performance.

IPO and Listed Market Observations

The December quarter was incredibly active in the Australian equity market for both IPOs and listed company placements. In total, there were 54 new IPOs completed during the quarter, and the ASX200 index rose by a record amount over the 3 months. Analysing the December quarter IPO data provides the following insights:

- During the 2020 calendar year, 77 companies were IPOed on ASX of which 54 occurred in the December quarter. In other words, 70% of last year's IPOs occurred in the last 3 months of the year, with activity in the first half impacted by COVID-related market volatility. Such a crowded IPO pipeline limits the time for proper analysis & due diligence, and was likely buoyed by the overall market rally at the time. We don't think that level of IPO activity is sustainable as we commence 2021, although pre-IPO activity remains strong.
- Of the 54 IPOs last quarter, the Fund participated in 8 of these transactions. This included Booktopia (BKG) and Doctor Care Anywhere (DOC) where we held pre-IPO positions in both, plus Control Bionics (CBL) and Playside Studios (PLY). Booktopia was particularly pleasing for the Fund, with an 89% increase from our entry price to the IPO subscription price, plus a further 13% return since IPO to the ASX closing price at the end of the December quarter. We took a very selective approach towards participating in many of the other IPOs during the quarter, avoiding transactions which were not reasonably priced and/or featured large secondary sell-downs. This reflects our focus on investing in proven founder-led businesses who wish to transition onto the public markets and then continue to grow strongly.
- As per the table below, many of the higher profile IPOs did not trade well in the secondary market with the exception of Nuix (NXL) and Universal Stores (UNI). The Fund did not invest in any of the IPOs listed below due to a combination of valuation, deal structure and/or business outlook. We believe that the negative trading experienced by many of these companies will prove to be constructive going forward as it should lead to improved IPO structure & terms in 2021. These transactions also demonstrate the importance of a stable, supportive & aligned share register coming into the IPO, which often ensures more reasonable pricing of the IPO itself in our view.

| | IPO Price | 1st Day | Since IPO |
|------------------------|-----------|---------|-----------|
| Adore Beauty (ABY) | \$ 6.75 | 2.5% | -20.3% |
| Cluey (CLU) | \$ 1.20 | 2.9% | -7.9% |
| Nuix (NXL) | \$ 5.31 | 50.8% | 55.4% |
| YouFoodz (YFZ) | \$ 1.50 | -30.0% | -30.7% |
| HiPages (HPG) | \$ 2.45 | 0.4% | -5.7% |
| Dusk (DSK) | \$ 2.00 | -15.5% | 1.0% |
| Harmony (HMY) | \$ 3.50 | -1.4% | -14.3% |
| Top Shelf (TSI) | \$ 2.21 | -3.2% | -8.1% |
| Dalrymple Coal (DBI) | \$ 2.57 | -15.6% | -18.7% |
| Universal Stores (UNI) | \$ 3.80 | 18.4% | 39.5% |

Planet Innovation

Sector
Healthcare

Investment Stage
Pre-IPO

Brief Description
Design and Manufacturing of
medical equipment technology



Established in 2009 in Melbourne, Planet Innovation (PI) is a leading global health tech design and manufacturing provider with an established ventures portfolio. We have known the business for many years and have an existing investment in the company via our first Private to Public Opportunities Fund. We decided to lead the most recent funding round for the following reasons:

- ✓ The management and Board is led by two of the co-founders, Stuart Elliot and Sam Lanyon, who are incredibly experienced, well credentialed and passionate about the business. Both Stuart and Sam held senior roles at Vision BioSystems before founding PI more than 10 years ago. Vision was an ASX-listed business that was acquired in 2006 by Danaher, a US-based technology company.
- ✓ The Board and management are highly incentivised by the success of the business, owning close to 50% of the company.
- ✓ PI has consistently grown its top line revenue organically at above 30% pa for many years. Importantly, the business has continued to expand its margins and is highly cash generative.
- ✓ PI is a trusted partner of some of the world's largest healthcare companies including Abbott Labs, Genentech and Merck. We believe this is great validation for the company's leading design and manufacturing capability.
- ✓ There is excellent optionality provided via PI's medtech venture portfolio. This could provide enormous upside to our investment given this is not reflected in the valuation as yet.
- ✓ We are excited at the emerging healthcare tailwinds around digital, point-of-care and age care services, and believe PI is well positioned to take advantage of this trend.

Overall, Planet Innovation has the size, scale, management and Board to be an excellent IPO and ASX-listed business within the next 12-18months. See recent AFR article [here](#)

XCHG (Xpansiv CBL)

Sector

Financial
Services

Investment Stage

Pre-IPO

Brief Description

Global ESG commodity
exchange & registry



XCHG was established in 2019 by the merger of two established businesses CBL Markets (a Sydney-based ESG commodities trading platform) and Xpansiv (a San Francisco-based ESG registry and data interface). The combined group is the global leader in trading of ESG commodities including renewable energy, carbon, water and natural gas. The business has a number of strategic investor-customers including BP, Oxy, Macquarie Bank and S&P Platts. We decided to invest in the pre-IPO raising through a convertible note structure for the following reasons:

- ✓ The management and Board is led by an experienced mix of CBL / Xpansiv founders, plus ESG and exchange industry experts. The management, staff and Board own 42% of the equity of the business.
- ✓ XCHG is the global market leader in the emerging ESG commodity trading sector and the only fully-integrated market participant. It has developed a number of exclusive new products which are not offered by existing global exchange operators (e.g. GEO product for carbon offsets by airlines).
- ✓ The market for ESG commodities trading was estimated at US\$20b in 2020, and forecast to grow 5-10x over the next 10 years. This growing market opportunity is being driven by new products, customer demand, government regulation and increased market participation.
- ✓ XCHG revenues are growing strongly with a 55% CAGR over the last 3 years. The business has diversified revenue streams which includes fees derived from trading, settlement, registry, services, advice and data feeds.
- ✓ XCHG has a history of growth by acquisition, with future M&A focused on the addition of new products, capabilities and geographies across a fragmented market. A number of accretive acquisitions have already been identified by XCHG.
- ✓ The business has a diversified & growing customer base including oil & gas companies, energy providers, water utilities, renewable energy producers, airlines, auto manufacturers and financial services firms.

Overall, we believe XCHG is well-placed to capture the emerging global opportunity in ESG commodities trading. The business is targeting an IPO on ASX. See recent AFR article [here](#)

Thank you again for your ongoing interest in the Fund.

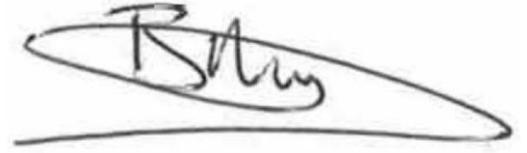
Yours sincerely,



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