

	NAV (\$)	Quarter (%)	Since Inception net of fees (%)
Perennial Private to Public Opportunities Fund No.2	1.106	2.3	10.6

## Performance Update

The Private to Public Opportunities Fund No.2 (PPP2) returned 2.3% (net of fees) for the quarter ending December 2021. Since inception in October 2020, PPP2 has returned 10.6% (net of fees).

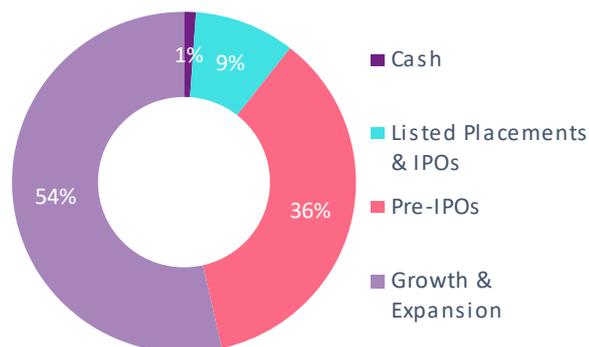
We are pleased with the early performance of PPP2 as it passes its first anniversary. Our target is to generate high single digit returns in the first year of each PPP fund, whilst we deploy capital into the private market. We expect PPP2 returns to accelerate from year 2 onwards.

The positive performance of PPP2 during the quarter was driven by repricing events in the unlisted positions in Animoca Brands, meldCX and Vald.

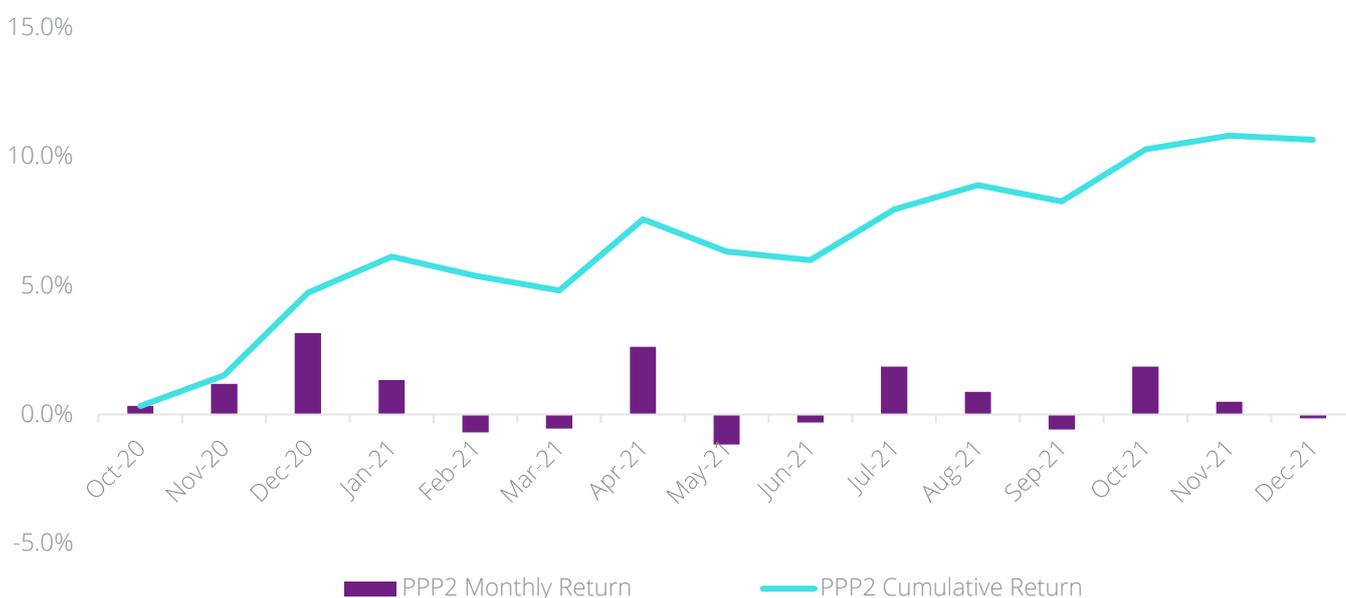
The other pre-IPO and unlisted positions in PPP2 are all tracking in line or ahead of expectations with some performing materially above. A number of the Fund's private investments are on track to IPO over the next six months including XCHG (Xpansiv), Planet Innovation, Microba and Songtradr.

Please see the next section for further details on some of PPP2's private investments.

## Current Fund Allocation



## Return Since Inception<sup>1</sup> Net of Fees (%)



<sup>1</sup> Inception date for PPP2 is 2 October 2020. 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.

## Company Update – Superhero

Sector	Investment Stage	Brief Description
FinTech	Pre-IPO	Online stockbroking & superannuation platform

Superhero is a convertible note investment in a number of Perennial funds including PPP2. Perennial led an investment round in March 2021, and then followed with a top-up investment in October 2021.

Founded in Sydney in 2018 by John Winters (CEO) and Wayne Baskin (CTO), Superhero is an online investment platform focussed on equity trading & administration for Australian and US shares. The platform was launched in September 2020 after 2.5 years of IT development and regulatory approvals.

We made our investments in Superhero for the following reasons:

- The two founders are strongly aligned and committed to the business with significant equity holdings. They possess highly relevant but differentiated experience and skillsets. John Winters' background is in stockbroking & wealth management, while Wayne Baskin brings technology and B2C interface skills from his prior role as Deputy CEO / CTO of Booktopia. We have known the founders prior to Superhero, and have watched the business as it has developed and delivered over the last 2 years.
- Superhero has built its own proprietary and unique wealth trading & administration platform with a novel trade processing mechanism. This has resulted in a 'next-gen' product which is fast, low-cost, user-centric and highly scalable, with its own regulated custody capability. The IT build and regulatory approvals to get to this point have been significant.
- Since launch, Superhero has exhibited very strong customer and revenue growth. From a standing start 18mths ago, it has opened well over 100k broking accounts to date. In addition, the business has diversified by product and geography. During CY21, Superhero expanded its client account types and added share trading in new markets. In addition, the launch of a retail superannuation product has enabled the business to increasingly move from a transactional basis to a recurring revenue model.
- Due to its purpose-built and automated technology platform, Superhero exhibits strong unit economics and high gross margins. As a result, the business will deliver strong operating leverage as it scales over the next few years.
- The domestic market was overdue for a new challenger brand, offering a low-cost and more efficient user experience driven by the latest technology available. Superhero's marketing strategy has been differentiated & effective, with the business carving out an increasingly strong position in the industry. By attracting first-time investors, Superhero has also effectively increased the size of its own target market.
- Superhero has entered a number of key partnerships with household names such as Qantas and the AFL.
- The business is on track to IPO on the ASX during CY22.

Overall, we are strong supporters of Superhero given its combination of experienced founders, unique technology platform, customer-first mindset, effective brand positioning, rapid customer growth, and attractive financial metrics.

## Other Operational Updates

### **meldCX**

Customer AI business meldCX completed a capital raise at a 30% premium to our initial investment. Given the strong business momentum, the Fund participated in the round to increase the overall exposure.

### **Lumi**

SME lender Lumi has continued to see significant growth in its loan book as the economy re-opens. It was recently ranked the 23rd fastest growing Australian start up over the last three years by the AFR.

### **XCHG / Xpansiv**

ESG commodities platform XCHG continued to perform strongly during the quarter, with transaction volumes growing across all products and markets. In CY21, the business tracked well ahead of budget.

### **Good Pair Days**

Wine subscription business Good Paid Days reported another record quarter in December, which included a successful launch into the UK market. PPP2 made a top-up investment in the business to help supercharge the subscriber growth.

Thank you again for your continuing interest in PPP2.

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](mailto:invest@perennial.net.au)

 [www.perennial.net.au](http://www.perennial.net.au)

Signatory of:

 Principles for Responsible Investment



Issued by Perennial Partners Limited (ABN 90 612 829 160) (**Perennial**) as a Corporate Authorised Representative (No. 1293138) of the Investment Manager Perennial Value Management Limited (ABN 22 090 879 904, AFSL No.247293). Trustee: Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No.275101).

This document is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This document does not take into account your investment objectives, particular needs or financial situation and is not intended to constitute advertising or advice of any kind and you should not construe the contents of promotional statement as legal, tax, investment or other advice. This document does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. While every effort has been made to ensure the information in this email is accurate its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. The information memorandum can be found on Perennial's website [www.perennial.net.au](http://www.perennial.net.au). Investments in the Fund are now closed. No further applications will be accepted. Use of the information on our websites is governed by Australian law and is subject to the terms of use. No distribution of this material will be made in any jurisdiction where such distribution is not authorised or is unlawful.