

	Since Inception			
	NAV (\$)	Quarter (%)	Per Annum CAGR (%)	Cumulative (%)
Perennial Private to Public Opportunities Fund No.2	1.332	6.1	15.2	33.2

Performance Update

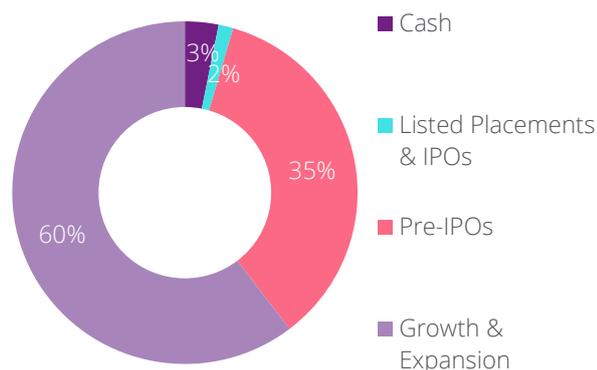
The Private to Public Opportunities Fund No.2 (PPP2) returned +6.1% (net of fees) for the quarter ending September 2022. Since inception in October 2020, PPP2 has now returned +33.2% (net of fees).

PPP2 is now one third through its fund life and performance is starting to accelerate. The exposure to listed equities in PPP2 was intentionally reduced since the start of the year (and is now ~2% of the fund) due to the lack of attractive IPOs and listed placements. This has enabled PPP2 to perform strongly during the recent global equity market sell-off. We anticipate that this volatility may lead to a resetting of the IPO market at some stage.

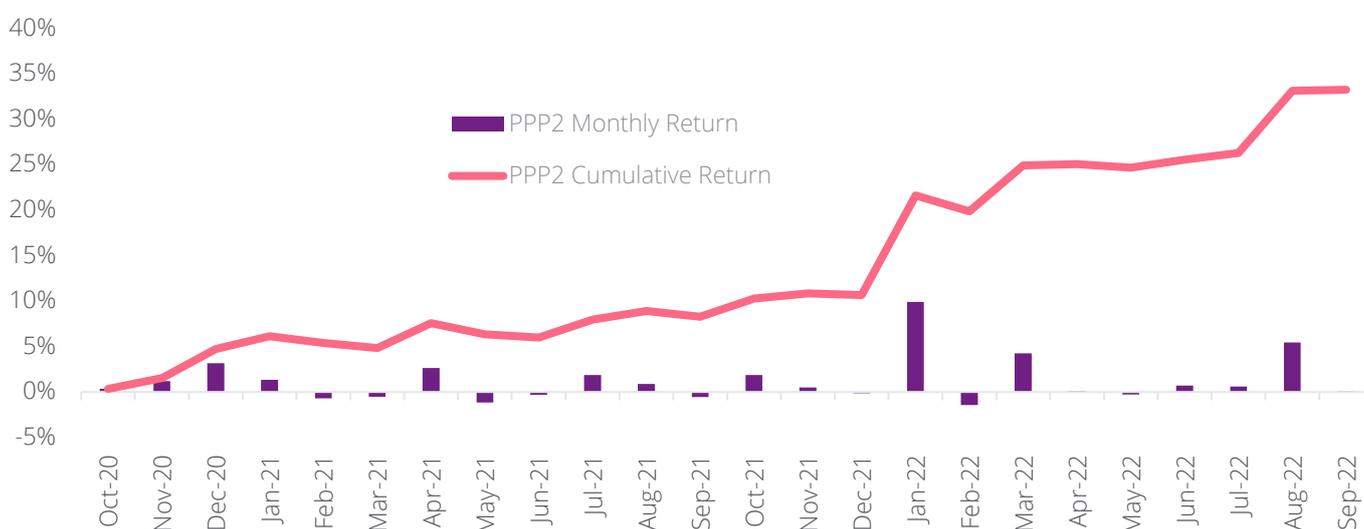
It was a busy time for PPP2 during the quarter with several private transactions completed. The largest contributor to fund performance was the Blackstone investment into ESG marketplace Xpansiv in August. PPP2 also made a follow-on private investment in medical device business Planet Innovation at attractive terms. We also undertook another follow-on in a consumer-facing company already held in the fund. Both these investments are on track for an IPO or trade sale over the next year. In addition, two private companies in the portfolio undertook capital raises with strong strategic partners. We also sold two private investments in the period - one to a US family office, and the other (HR tech platform Ento) to a similar business backed by the private equity fund KKR. Our private position in telehealth business InstantScripts was revalued upwards following a secondary transaction at a higher price than our carrying value. Lastly, we are pleased that one of our pre-IPO investments, manufacturing business Adrad, successfully listed on ASX at the end of September which resulted in a valuation uplift for PPP2.

In general, the private investments held in PPP2 continue to perform very well as they represent structural growth businesses across multiple industry sectors.

Current Fund Allocation



Return Since Inception¹ Net of Fees (%)



¹ 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 Snapshot – Xpansiv

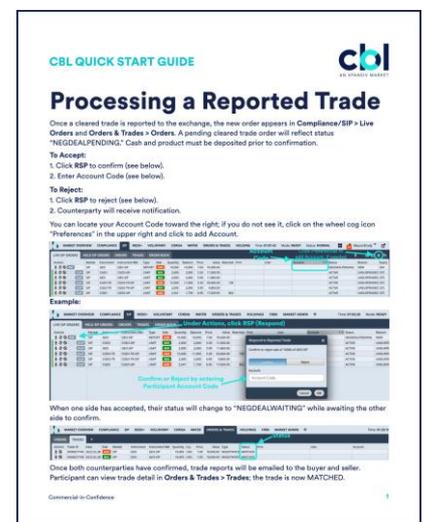
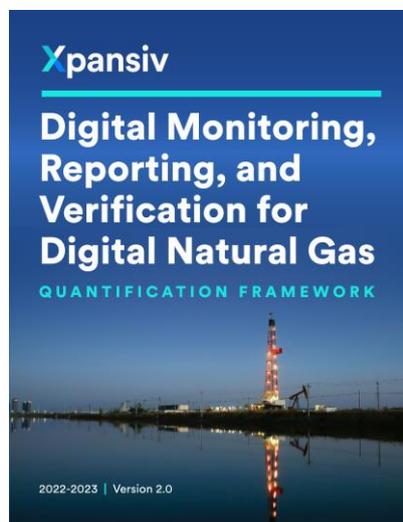
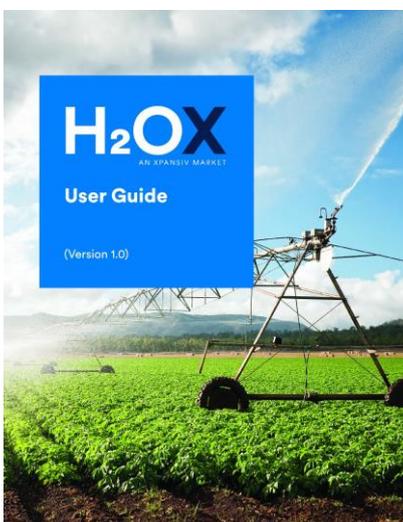
Sector	Investment Stage	Brief Description
Marketplace	Pre-IPO	Global ESG Commodity Platform

Xpansiv 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). With subsequent acquisitions, the combined group is now the global leader in trading of ESG commodities including renewable energy, carbon, water and digital fuels (certificated oil & gas). The business has a number of strategic investor-customers including BP, Oxy, Macquarie Bank, Commonwealth Bank and S&P Platts.

PPP2 first invested in Xpansiv for the following reasons:

- ✓ The executive team and Board is led by an experienced mix of founders, plus ESG and exchange industry experts. The management, staff and Board own a large stake in the business.
- ✓ Xpansiv 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. 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.
- ✓ The market for ESG commodities trading is growing strongly driven by new products, customer demand, government regulation and increased market participation. Xpansiv's revenues have accelerated as a result of this thematic, and the business has diversified income streams which include fees derived from trading, settlement, registry, services, advice and data feeds.
- ✓ Xpansiv 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 successfully assimilated by Xpansiv since the original merger.

In August 2022, global private equity fund Blackstone cornerstoned a US\$400m capital investment into Xpansiv to help fund the acquisition of the APX registry business. This transaction triggered the conversion of PPP2's convertible note position into equity at a very attractive valuation cap. While this event may have changed the IPO trajectory for Xpansiv in the near term, the addition of new strategic investors will ensure the business remains on an aggressive growth pathway. See link to the press release [here](#)



Company Snapshot – Sonder

Sector	Investment Stage	Brief Description
HR Tech	Unlisted Expansion & Growth	Health & Safety Platform for Enterprise

Founded in 2017 in Sydney, Sonder is a technology-centric health, safety and wellbeing platform which is the single entry point of care for employers and students across both physical and mental health. Sonder provides tech-enabled care which leads to earlier intervention when personal safety issues arise. Its holistic wellbeing model was ranked the Best Innovation in the Technology Sector by AFR Boss Magazine in 2021 and is also accredited by the Australian Council on Healthcare Standards (ACHS).

Originally a safety platform with a unique first responder network targeted at universities and international students, Sonder announced a \$35m Series B raise in September 2022 with strong support from new institutional investors (see [here](#) for more details). The new capital will enable Sonder to scale its platform for offshore markets and to tailor its product for domestic SMEs. The transaction pricing delivered a strong uplift to our prior holding value.

We made our original investment in Sonder for the following reasons:

- ✓ The founders Craig Cowdrey, Chris Marr and Peter Burnheim all have military backgrounds and have demonstrated strong execution capabilities in scaling up the business.
- ✓ Sonder's platform is differentiated through its 24/7 first responder network which creates a significant moat against other corporate wellbeing and health apps / platforms on the market.
- ✓ Sonder's solution improves wellbeing and assists with early intervention to more serious issues which will only improve employee productivity and student health overall.
- ✓ Sonder has demonstrated strong user growth and consistently high gross margins. The founders have successfully pivoted the business through COVID from not only supporting universities and international students to engaging with large corporates and their employees. Sonder now supports ~500,000 employees in ANZ.
- ✓ Sonder has a blue-chip client base across corporate, government, education and social services including: Woolworths, Allianz, PwC, Toll, NSW Government, University of Sydney, University of Queensland and Gidget Foundation Australia.



Other Operational Updates

Ento

During the quarter, PPP2 exited its position in private HR software business Ento which was acquired by KKR-backed HumanForce. The transaction ensured we received our full capital back in the form of cash. Perennial had the highest class of shares on issue which ensured strong downside protection. See link to the news article [here](#)

Planet Innovation

During the quarter, PPP2 made a follow-on equity investment in private medical device business Planet Innovation, which was an existing position in the fund. This raising was to fund further growth in the business as its multinational customers look to increasingly on-shore their production facilities given recent supply chain issues. Planet Innovation also completed an acquisition in the US to further consolidate its market position. The follow-on raising was undertaken at attractive terms.

Thank you again for your continued interest in PPP2.

Yours sincerely

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