

	NAV (\$)	Quarter (%)	CAGR* (%)	Cumulative (%)
Perennial Private to Public Opportunities Fund No.2	1.30	-2.8	+11.2	+30.0

Performance Update

The Private to Public Opportunities Fund No.2 (PPP2) returned -2.8% (net of fees) for the quarter ending March 2023. Since inception in October 2020, PPP2 has delivered +30.0% (net of fees). A number of transactions during the quarter contributed to this net result.

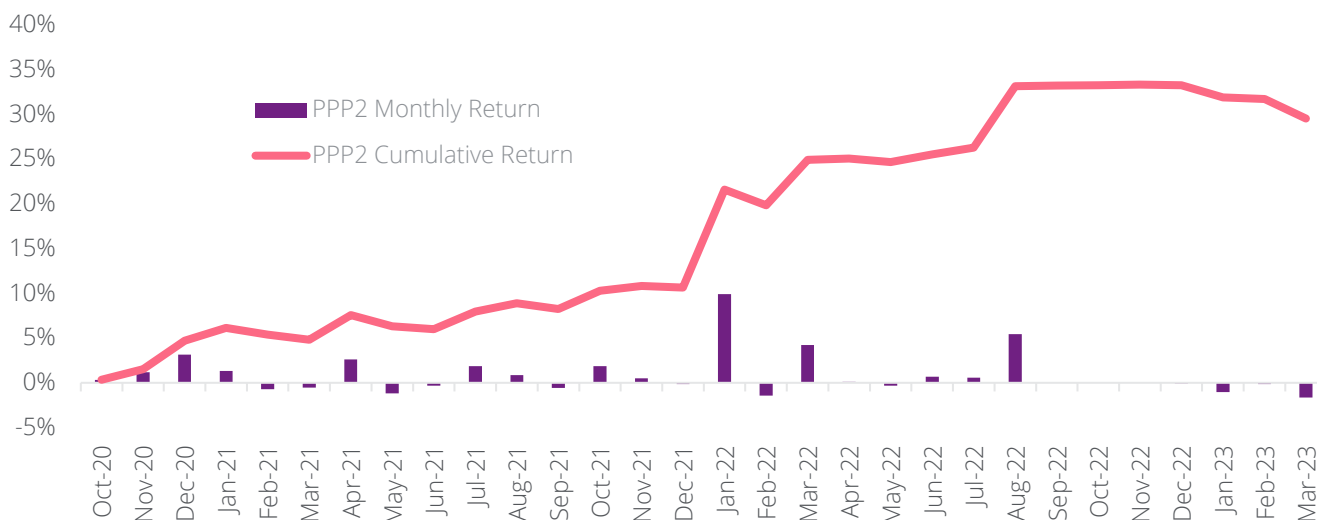
During the quarter, PPP2 saw a positive contribution from an upwards revaluation for telehealth business InstantScripts following a secondary sell-down during March 2023 at a higher share price. In addition, PPP2 exited its position in medtech company Microba which listed on ASX in March last year.

These positive drivers were more than offset by four private transactions which resulted in reduced carrying values within PPP2. The first was the demerger of Superhero from Swyftx in January 2023, and we have reset the valuation of each entity in the portfolio. A convertible note held in a private data business converted into equity in March 2023 which led to a valuation reset at lower levels. In addition, one of our marketplace businesses completed an acquisition which was funded by an equity issue at a lower share price than our previous holding value. Finally, we reduced the holding valuation for an HR tech platform which undertook follow-on raising at more attractive terms.

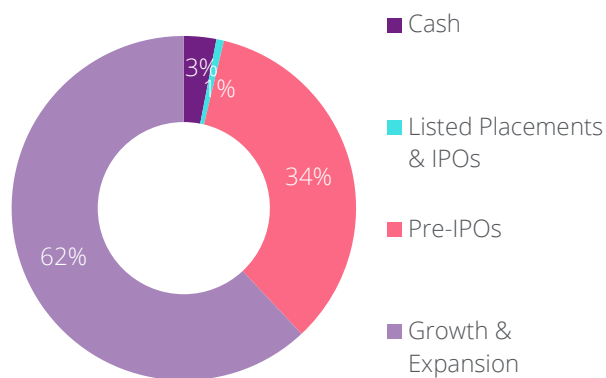
We continue to spend time with all our private companies to ensure they remain on strong financial footing in the current uncertain macro environment. We have completed a review of carrying values for PPP2's investment as at the end of the March quarter and no other valuation changes are proposed at this time, however all positions are reviewed continuously. PPP2 is fully deployed and so our attention has moved to exit opportunities. While some business will take longer to reach IPO due to the current equity market volatility, others are considering private M&A exits instead.

* CAGR is compound annual growth rate

Return Since Inception¹ Net of Fees (%)



Current Fund Allocation



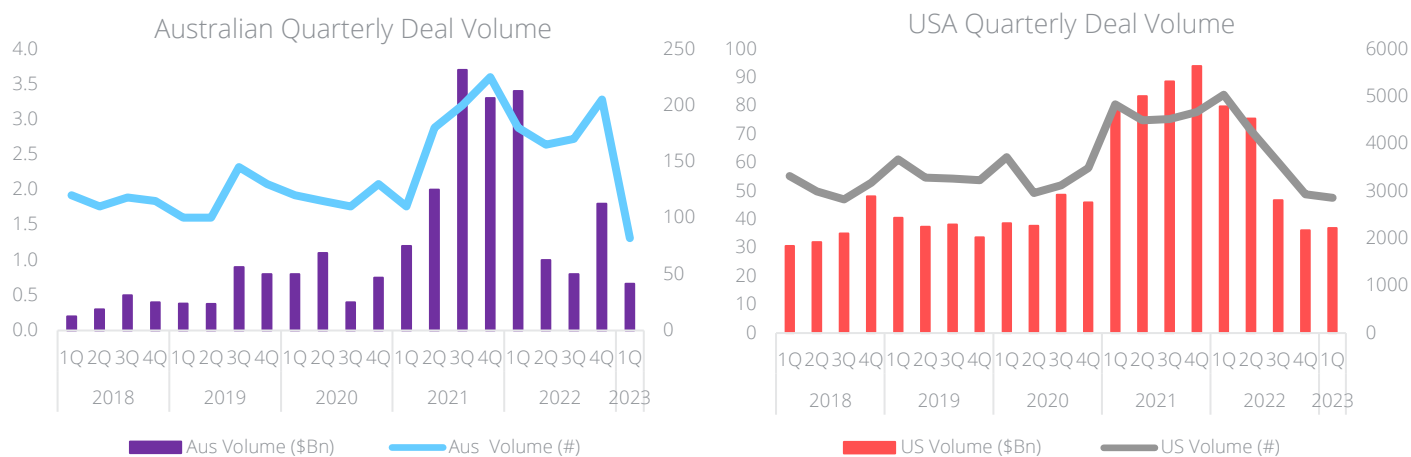
¹ Inception date for PPP2 is 2 October 2020. Performance shown is net of fees. It does not take into account any taxes payable by an investor. Past performance is not a reliable indicator of future performance.

Private Markets in 2023

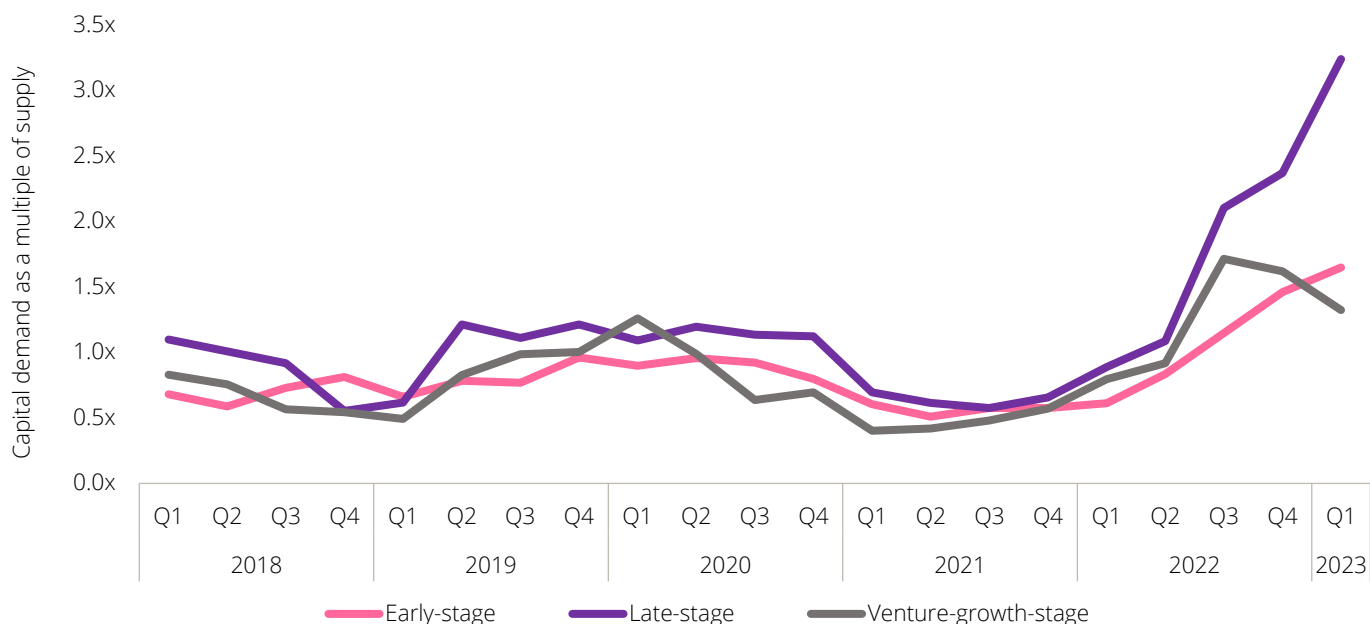
Over the first quarter of CY23, a number of trends have become evident within the domestic private market including:

- **Private for Longer** – Founder-led private companies continue to want to “stay private for longer” which is also being driven by sluggish IPO and M&A markets.
- **Private Markets Slower** – We have witnessed a marked slow-down in transactions in terms of both volume and value over the last 12 months in the Australian private market and offshore (see first chart below).
- **Valuation Reset** – The deterioration in macro conditions over the last year has resulted in significantly more attractive valuations & terms within private market transactions.
- **Higher M&A Activity** – Our portfolios have experienced an increase in M&A interest recently, as the IPO market remains difficult, and founders focus on alternate exit strategies.
- **Private Pipeline Remains Strong** – Perennial’s strong pipeline of proprietary deal flow continues to grow each year, with demand for late-stage private growth capital far outstripping supply (see purple line on second chart below).
- **Less Private Capital Competition** – The offshore private capital providers from the USA, Asia and the UK/EU have returned to their home markets over the last year, thereby lessening deal competition in the domestic market.

Private Markets Deal Activity



Demand for Private Capital



Thank you again for your continued interest in PPP2.

Yours sincerely
The Perennial Private Investments Team



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