

	NAV (\$)	Quarter (%)	Cumulative (%)
Perennial Private to Public Opportunities Fund No.3	0.98	-2.6	-2.1

Performance Update

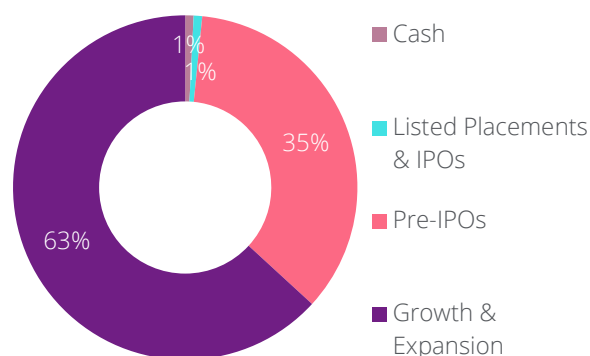
The Private to Public Opportunities Fund No.3 (PPP3) returned -2.6% (net of fees) for the quarter ending March 2023. Since inception in August 2021, PPP3 has returned -2.1% (net of fees) and is now fully deployed.

A number of transactions during the quarter contributed to this net result. The first was the demerger of Superhero from Swyftx in January 2023, and PPP3 now holds separate positions in both private companies as a result. As part of the demerger process, we have reset the valuation of each entity in the PPP3 portfolio. In addition, a convertible note held in a private data business converted into equity in March 2023 which led to a valuation reset at lower levels. Finally, 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.

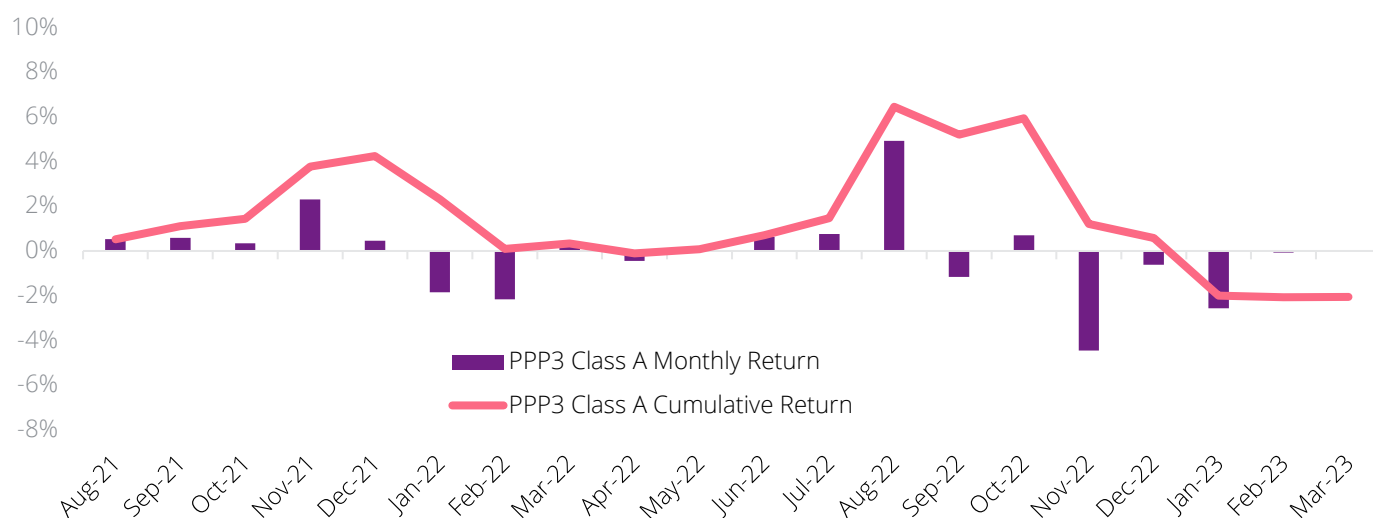
We continue to spend time with all our private companies to ensure they remain on strong financial footing in the current uncertain macro environment. We have completed a review of carrying values for PPP3's investment as at the end of the March quarter and no other valuation changes are proposed at this time, however all positions are reviewed continuously.

In general, the private investments held in PPP3 continue to perform well as they represent structural growth businesses across multiple industry sectors. However as a result of the current macro volatility, we expect the private positions in PPP3 to take longer to reach an ASX listing. On the other hand, M&A activity within the fund's private company portfolio has seen a marked increase in recent months, and this may provide a faster route to liquidity for some investments.

Current Fund Allocation



Return Since Inception¹ Net of Fees (%)



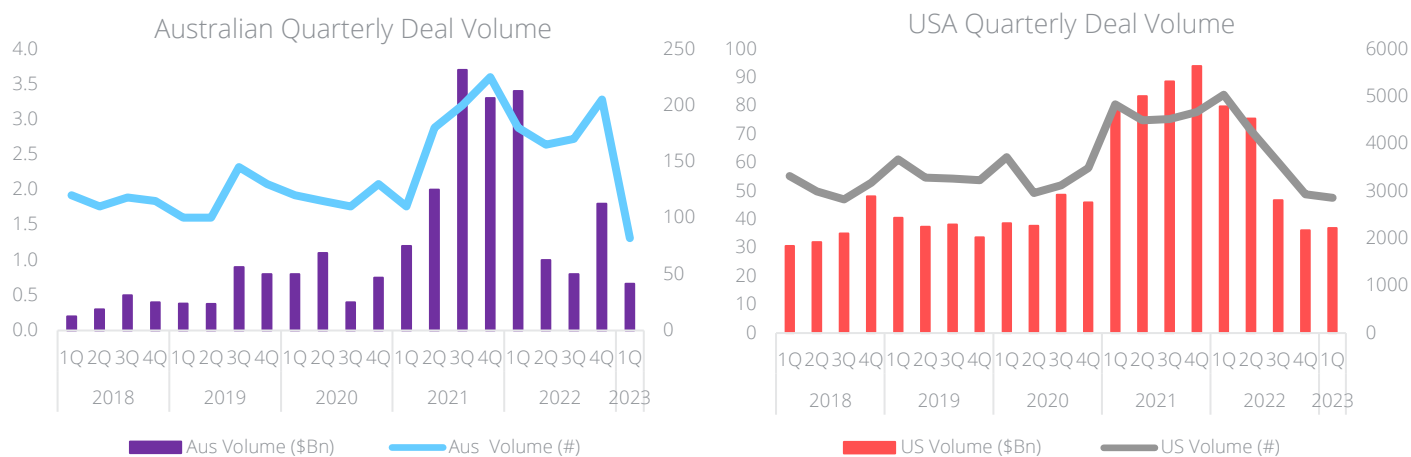
¹ Inception date for PPP3 is 18 August 2021. Performance shown is net of fees. It does not take into account any taxes payable by an investor. Past performance is not a reliable indicator of future performance.

Private Markets in 2023

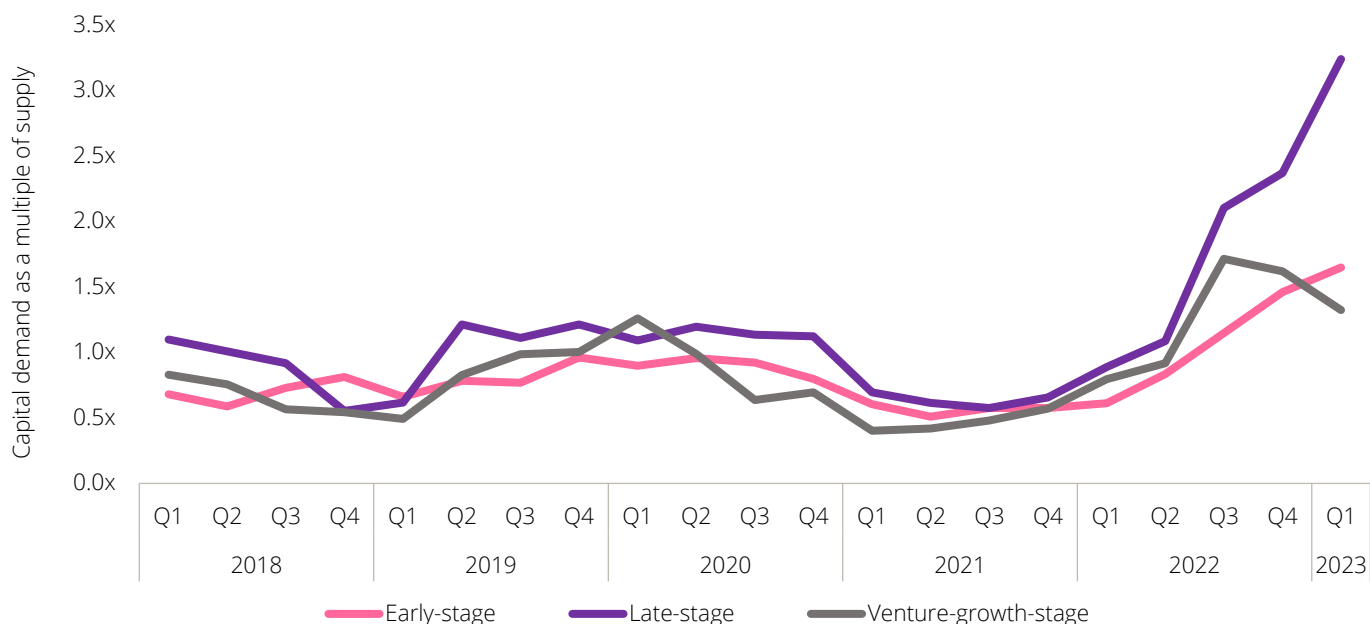
Over the first quarter of CY23, a number of trends have become evident within the domestic private market including:

- **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 PPP3.

Yours sincerely
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