

	NAV (\$)	Month (%)	Quarter (%)	Since Inception ¹	
				CAGR ² (%)	Cumulative (%)
Perennial Private to Public Evergreen Fund (PPP+)	1.034	+0.1	+3.4	+14.4	+3.4

PPP+ Investments To Date

Private Growth	Pre-IPOs	IPOs and Listed Equity Placements
2	1	0

Performance Update

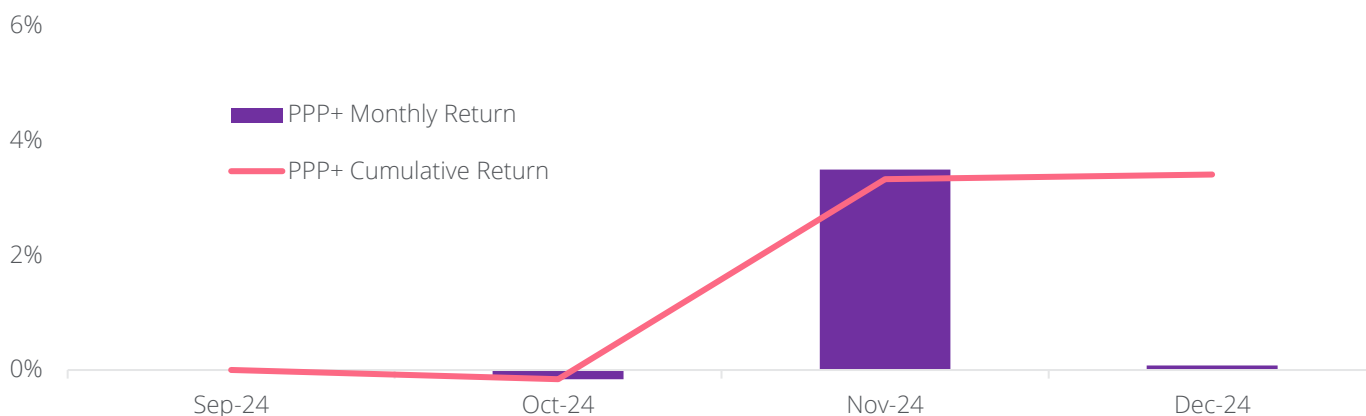
The Private to Public Evergreen Fund (PPP+) returned +3.4% (net of fees) for the quarter ending December. The Fund was launched at the end of September 2024, and we are pleased with its initial performance. We continue to see a strong pipeline of quality private investment opportunities for PPP+, as valuations and terms remain attractive after a reset in private markets over the last 2 years.

As we discussed in the welcome letter last month, PPP+ made two initial investments into healthcare business Evolt and B2B SaaS business UltraCommerce in November. We are now pleased to announce we have closed an additional investment during December, with payments platform Mint now added to the portfolio. Mint successfully raised new capital during the quarter from a new investor who will be joining the Board of the company. Mint also recently launched a new product, Mint Protect, which has received significant early interest from its customer base.

We are also close to finalising our fourth investment for the Fund, due to be closed within the month of January. This business has demonstrated impressive operational performance in the last year, with a growing recurring revenue base and diversified product mix.

During this launch period for PPP+, we have been targeting 'early wins' for the Fund. To this end, our ability to invest through a diverse range of financial instruments on attractive terms helps ensure we are well placed to generate early returns for our PPP+ unitholders. PPP+ will remain open for monthly applications during this launch period.

Return Since Inception¹ Net of Fees (%)



¹ Inception date for PPP+ is 28 September 2024. 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.

² CAGR is compound annual growth rate

PPP+ Holdings – Company Updates

Private Company (Alphabetically)	Sector	Company Overview	Company Updates (December-24 Quarter)
	Healthcare	Evolt is a hardware and software company providing a medically approved Body Composition Scanning solution. It uses bioelectrical impedance analysis to deliver users a reliable in-depth report which rapidly captures over 40 different body composition measurements.	➤ Appointed two new board members, Peter Barraket (ex CFO Blackmores) and Stephane Chatonsky (medical & life science NED) ➤ Strong momentum from FY24 continuing with new large enterprise contracts looming and partnerships for medical & supplements. For 1QFY25, recorded statutory revenue of \$4.5m, up 40% on pcp with run rate scans of 3.5m, versus 2.3m for FY24. Drawn on \$5m growth debt facility to fund device inventory ➤ Evolt has completed a pre-IPO raise (see here) and is monitoring the market for a potential IPO (see this article for further details).
	Fintech	Mint Payments provides real-time bank transfers, digital payments and virtual card issuance for the travel industry through a single payments technology platform. The business allows customers to both accept and receive payments, locally and internationally.	➤ Mint is continuing to experience strong growth in revenue and market share. ➤ Announced the launch of Mint Protect in December 2025, an industry first chargeback protection solution. More details here. ➤ Finalised a capital raising to accelerate growth through product development, merchant acquisition and investment in the UK market. ➤ Achieved #69 on the AFR Fast 100 for 2024.
	E-commerce	Ultra Commerce is an ecommerce platform which integrates with broader retail businesses. The Ultra Commerce platform is used by retailers' marketing and technical teams to drive revenue growth.	➤ Ultra Commerce has won two meaningful contracts in Europe which will support FY25 revenue. ➤ These new enterprise customers are complementary of the platform.

2024 – Year in Review

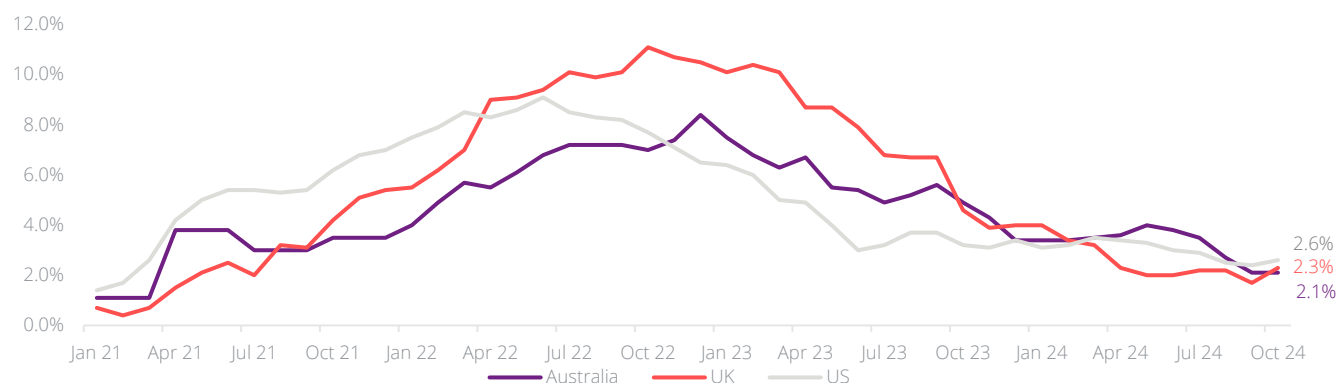
2024 was a tale of two halves – it started with a continuation of the volatility and uncertainty from 2023, but the macro and market environment stabilised in the second half of the year. With many OECD countries seeing inflationary pressures ease, central banks began cutting interest rates offshore, leading to a strong rally in equity markets. While IPO activity remains below historic averages, it has shown solid signs of improvement, with the US market in particular more supportive of new listings. On the M&A front, there has also been a noticeable step-up in takeover activity in both private and public markets globally, with a number of our own portfolio companies completing or progressing transactions. If the macroeconomic environment and equity markets continue to improve over 2025, we expect to see activity in both the domestic IPO market and the broader private market to increase. These themes are discussed in further detail in the sections below.

In terms of the private investment pipeline, Perennial continued to see a strong level of proprietary deal flow last year, with founders preferring to source private capital given recent equity market and macro volatility. Overall, 2024 was a busy period across our private funds, which included 8 full or partial exits, 10 follow-on investments and 2 new investments. Valuations and deal terms remain attractive in private markets, with demand for private capital still exceeding supply. The improving macro sentiment described below will also provide a more supportive environment for exits going forward. To this extent, we continue to spend time with our private investments to ensure they remain in the best position to take advantage of such opportunities as they arise.

Global Economic Trends

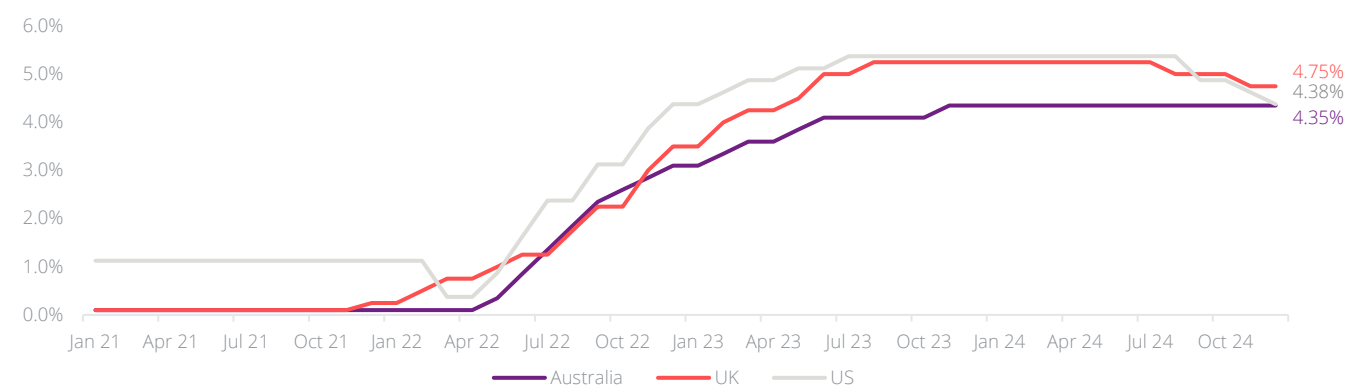
Macroeconomic trends remained a key driver in private & public markets in 2024. A sense of cautious optimism has taken hold as macro conditions steadily improved throughout the year, bolstering investor sentiment. Offshore central banks are more confident they have reduced the inflation risk although ongoing vigilance is required. We have already seen the US Federal Reserve deliver three consecutive interest rate cuts in the second half of 2024, with the UK and EU also kicking off their rate-cutting cycle last year. Rate cuts in Australia have been delayed due to sticky inflation, high public spending, a weak \$A, and an economy operating near full capacity.

Consumer Price Index (year-on-year % change) – Australia, UK, USA



Source: RBA, Office for National Statistics and U.S. Bureau of Labour Statistics. Note: Australia CPI is on a quarterly basis until monthly data was available from Jan-22

Central Bank Policy Rate (%) – Australia, UK, USA

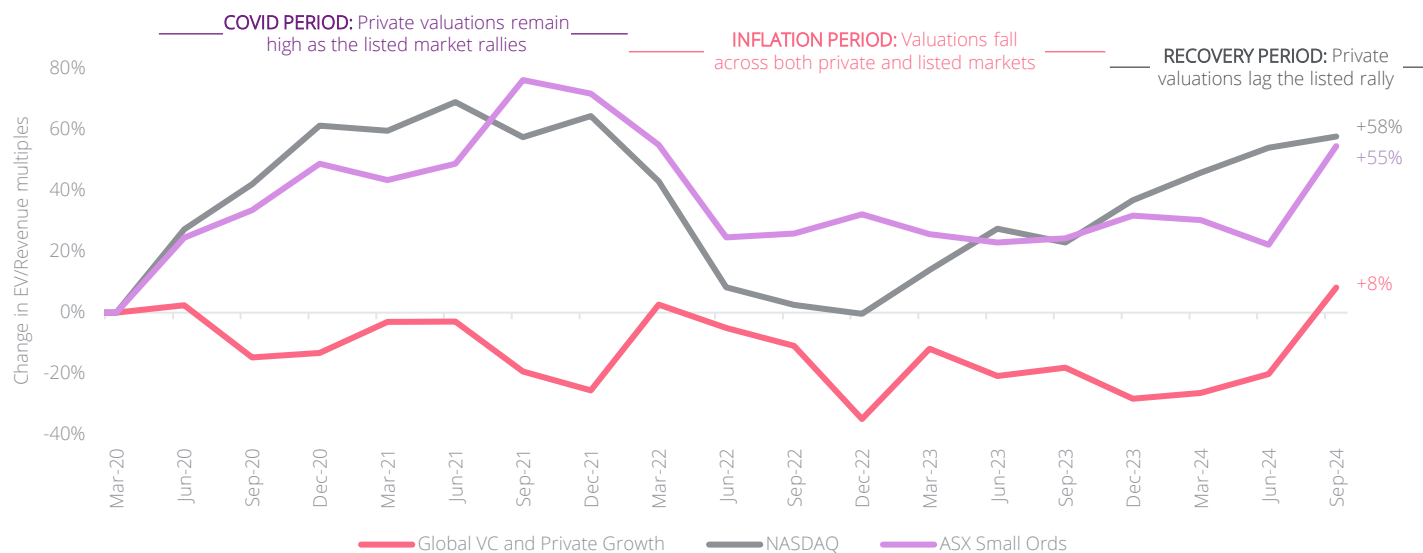


Source: RBA, Bank of England and Forbes. Note: The US rate is calculated as the mid-point of the Fed Funds Rate range at that point in time

Private vs Public Valuations

Public equity markets performed well in 2024 on the back of lower global interest rates and reduced macro & geopolitical uncertainty. The S&P500 in the USA and the ASX200 domestically both reached record highs during the year. Over the last 5 years, global private company valuations have largely traded near-flat, as compared to public equity valuations which have traded strongly upwards after recovering from the COVID-lows in 2022. Whilst private company valuations tend to lag their listed peers, there are already early signs that the gap here is closing, as per the chart below.

Global private market revenue multiples vs listed markets

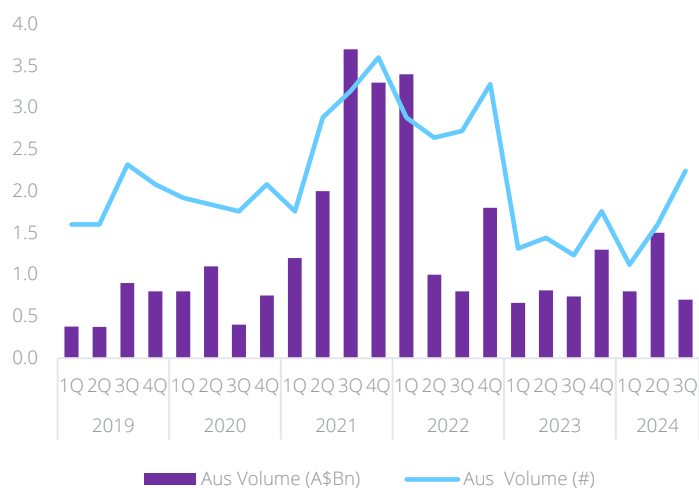


Source: Bloomberg, Pitchbook. Data shows the % change in EV/Revenue multiple from quarter to quarter on an index basis since 1Q CY20. Data as at September 2024

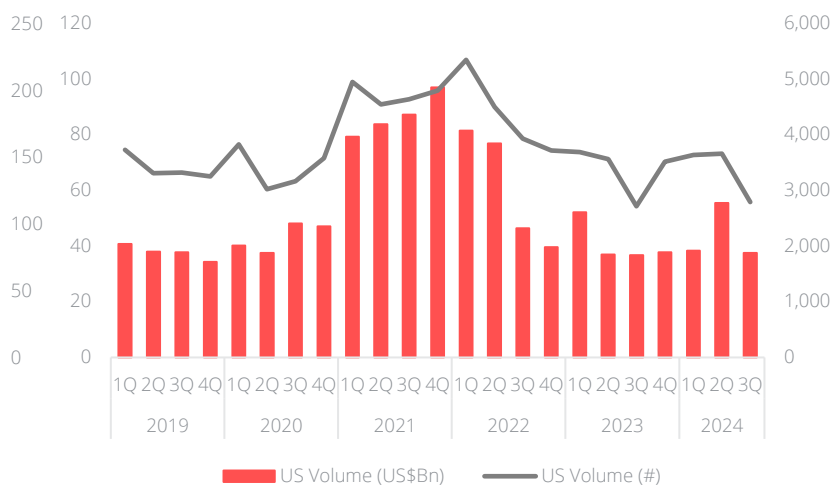
Private Deal Flow

Global private market transactions in 2024 followed a similar trend to the previous year, with deal volume and value broadly comparable to 2023 (see charts below). This reflected a continuation of recent private market headwinds which have included slow M&A exits, a recovering IPO market and general investor cautiousness. Late-stage and venture-growth companies, which are typically prime candidates for public listings have typically delayed their IPOs whilst they wait for a more supportive macroeconomic environment, thereby opting to 'stay private for longer'. As inflationary pressures continue to moderate and central banks respond with rate cuts, we expect to see a recovery in transaction volumes as a more conducive dealmaking environment emerges.

Australian Quarterly Deal Volume & Value



USA Quarterly Deal Volume & Value



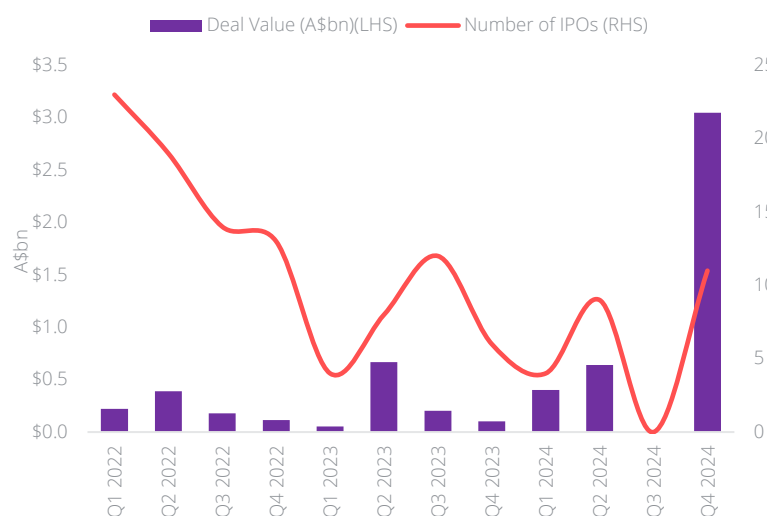
Source: Cut Through Ventures and Pitch Book. Note: Data for both charts as at September 2024.

IPO and M&A Activity

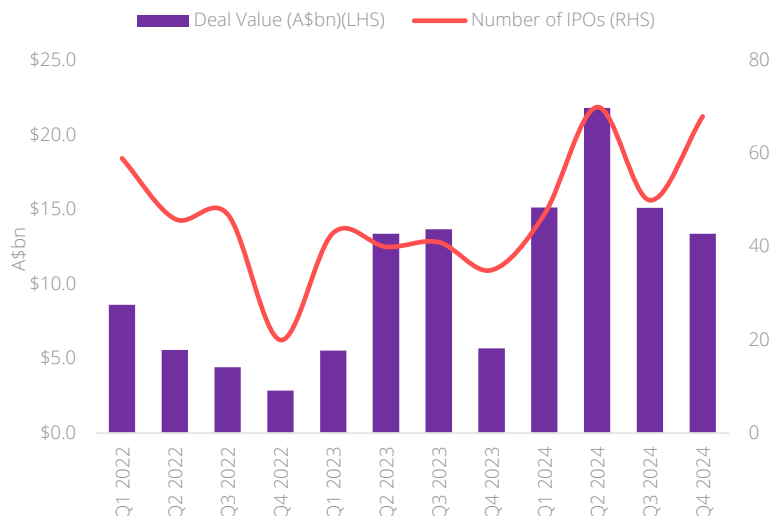
There were encouraging signs of increasing IPO activity globally in 2024. In the USA, total IPO proceeds raised exceeded both 2022 and 2023 levels, with sizeable listings from Lineage (US\$5.1b raised), Viking (US\$1.8b raised) and StandardAero (US\$1.7b raised). We had to wait until June 2024 for the domestic IPO market to show signs of life, with fast food chain Guzman Y Gomez raising A\$335m and recording one of the largest first day gains in years in a sign that investor sentiment was turning. In December we saw the debut of Digico Infrastructure REIT, raising A\$2bn in what was the largest ASX IPO in 6 years. Overall, 2024 saw an increase in the total proceeds raised, albeit through a smaller number of new listings on the ASX. With market sentiment improving, we hope to see a steady uptick in IPO activity throughout 2025 including a number of companies from our private portfolios.

M&A activity was a positive in 2024, with several of our own portfolio companies successfully completing takeover or merger transactions. We remain in discussion with additional names across our funds who are close to executing transactions, and we believe this could be a key driver of performance in 2025.

ASX IPOs by Volume & Value (A\$b)



USA IPOs by Volume & Value (A\$b)



Source: 1,2: Reuters. Charts: Factset, LSEG

Outlook for 2025

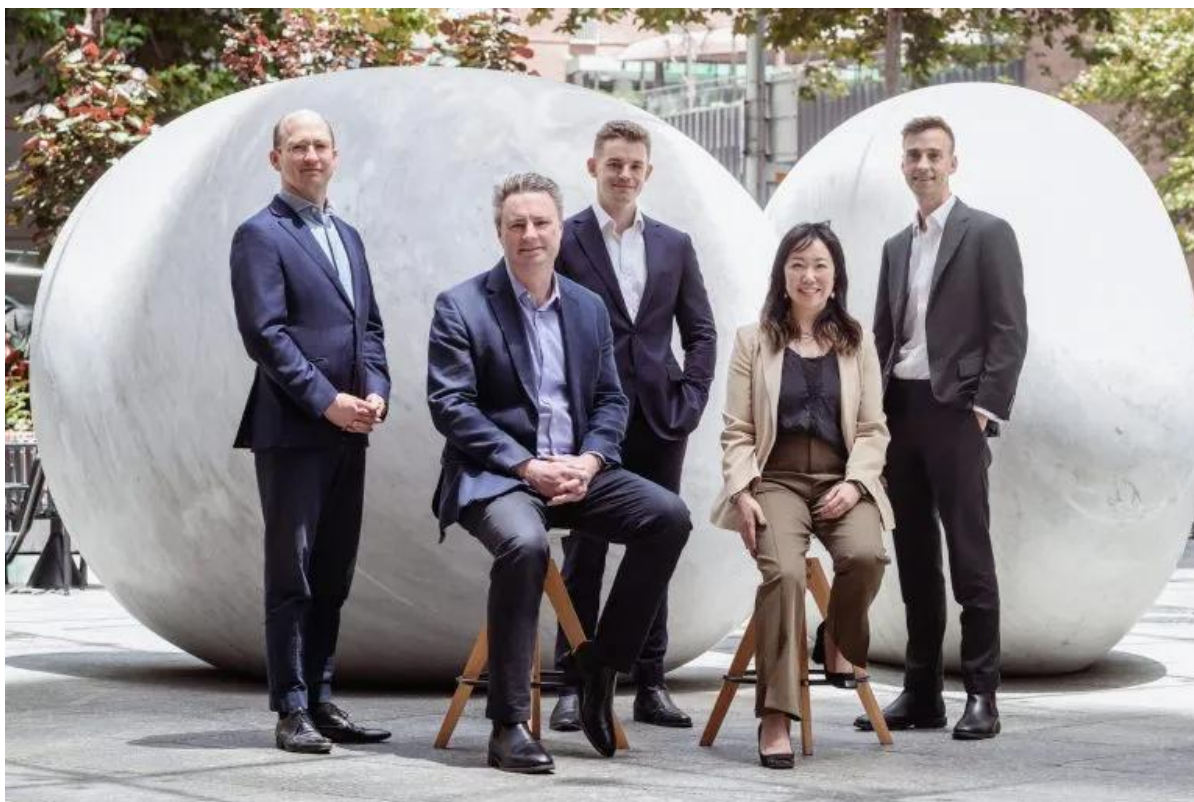
There are solid reasons to be optimistic for the year ahead, with the emergence of a more supportive macroeconomic environment likely to be positive for both private and public markets. Increased private market deal flow will be assisted by a less restrictive rate environment, helping to reverse the trend of slow deal cadence we have observed over the last few years. Private companies have had to focus on 'profitability over growth' given the recent lull in capital availability, creating a backlog of more efficient and higher-quality businesses that will look for exit opportunities in 2025.

The domestic IPO market should see an uptick in activity this year, with companies more confident to list in improved market conditions. The completion of several IPOs in 2024 and the recent outperformance of equity markets should help instil confidence, and with investors starved of new issuance in the last few years, there is a strong appetite for quality companies to join the ASX.

We expect the pipeline of private investment opportunities will continue to grow in 2025. Private valuations and deal terms remain investor friendly, even as listed valuations trend upwards and public markets rally. We see this as a key investment opportunity, given the favourable combination of an attractive private market coupled with a rebound in the IPO market and increased M&A exit activity.

Thank you for your continued interest in the PPP+ Fund.

Yours sincerely,
The Perennial Private Investments Team



L to R: James McQueen, Brendan Lyons, David Muller, Karen Chan, Will O'Connell

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