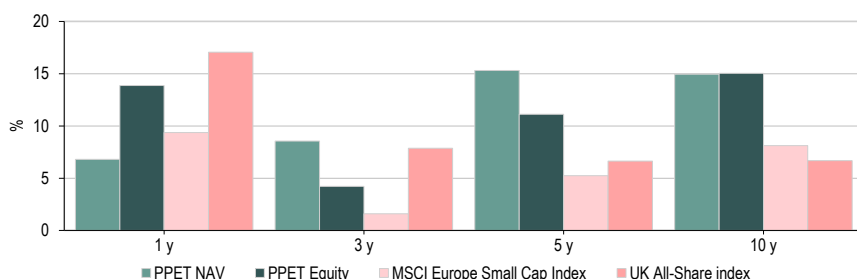


# Patria Private Equity Trust

## An attractive route to the PE mid-market

Patria Private Equity Trust (formerly known as abrdn Private Equity Opportunities Trust) allows investors to gain exposure to a gradually rebounding private equity (PE) market via a trust active in the attractive mid-market (primarily in Europe), which has delivered strong five- and 10-year annualised NAV total returns of 15.3% and 15.0% pa, respectively. This is well ahead of the return of public European small caps and above the average return for close listed PE peers. Despite the c 27% share price re-rating since the beginning of 2024, supported by PPET's buyback programme, the trust's shares are now available at a 27% discount to NAV. This is much wider than the narrow discounts at which PE assets currently trade in the global secondary markets, despite PPET's recent successful secondary sale of older-vintage and non-core assets and the average 25% uplift to carrying value two quarters prior at which its portfolio exits were executed over the last five years (including an average 26% uplift in FY24).

**Exhibit 1: PPET has outperformed comparable public equities in the long run**



Source: Company data, LSEG Data & Analytics, Edison Investment Research. Note: Three-, five- and 10-year performance figures annualised.

## An improving broader PE market backdrop

After a muted activity 2022 and 2023, the global PE sector showed signs of recovery in late 2024, with European deal value up 35.4% and deal count up 18.2% y-o-y in 2024, according to PitchBook data. There were also signs of a revival in European exit activity in Q424, which bodes well for 2025. This has been reflected in PPET's distributions from primary investments outpacing capital calls in recent months. Private equity maintains its status as an important asset class to institutional investors, providing access to actively managed, attractive companies not accessible through public markets.

## Strong balance sheet headroom

We believe that PPET's recent net distributions on its primary investments coupled with the upsizing of the trust's credit facility from £300m to £400m and the above-mentioned secondary sale put PPET in a comfortable capital position with respect to new investments, deleveraging and shareholder returns. PPET is therefore likely to step up its primary commitments and direct investments in 2025 (possibly at more attractive asset prices than at the previous cyclical peak in 2021) and will also seek new opportunities in the secondary markets. The trust maintains its progressive dividend policy and paid out 16.8p per share in FY24, up 5.0% y-o-y and translating into a 2.9% dividend yield at the current share price.

Investment companies  
Listed private equity

7 March 2025

**Price** **563.00p**  
**Market cap** **£852m**

Shares in issue 151.3m  
Code/ISIN PPET/GB0030474687  
Primary exchange LSE  
AIC sector Private equity  
52-week high/low 568.8p 26.4p

### Fund objective

Patria Private Equity Trust's investment objective is to achieve long-term total returns through holding a diversified portfolio of private equity funds and direct investments in private companies (con-investments and single-asset secondaries) alongside private equity, a majority of which will have a European focus.

### Bull points

- Focus on strong relationships with top-performing European private equity managers.
- Increasing share of direct investments that offer greater control over capital deployment and are not subject to second-layer fees.
- High exposure to less cyclical sectors.

### Bear points

- Macroeconomic uncertainty and limited further base rate cuts may curb global M&A volumes (and in turn private equity exit activity).
- Interest rate normalisation may reduce prospective private equity returns, put pressure on interest coverage and/or lead to refinancing issues across private equity-backed companies.
- PPET is yet to build a track record of successful exits from its direct portfolio.

### Analyst

Milosz Papst +44 (0)20 3077 5700

[investmenttrusts@edisongroup.com](mailto:investmenttrusts@edisongroup.com)

[Edison profile page](#)

**Patria Private Equity Trust is  
a research client of Edison  
Investment Research Limited**

## A gateway to top European PE managers

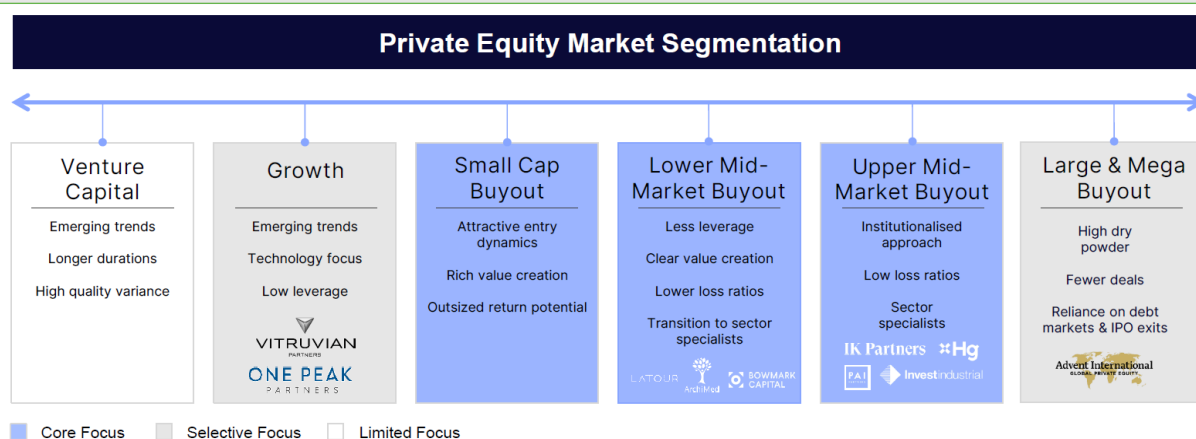
PPET invests in a diversified portfolio of leading PE buyout funds (or alongside them through direct investments). It targets around 50 'active' PE fund investments, which in turn have exposure to over 600 underlying portfolio companies. While doing so, it pursues a concentrated, high-conviction strategy of partnering with top-tier European general partners (GPs), with a strong emphasis on sector expertise, an important advantage in the increasingly competitive PE space. According to PPET's manager, more than 70% of the funds in PPET's portfolio fall within the top or second quartile in terms of total value to paid-in capital (TVPI), based on Burgiss data covering the period 1999–2020 available as of end-September 2024. Its 15 'core' GPs represented 69% of its NAV at end-September 2024 and include names such as Advent International, Altor, Hg, IK, Nordic Capital, PAI, ArchiMed, Triton and Vitruvian, with which PPET has long-term relationships (over a decade). Its covered investment universe includes c 800 institutional-grade PE funds, with 100–150 funds screened for investment each year, of which typically c 20 are shortlisted and reviewed in detail. Consequently, PPET typically makes around four to eight primary fund commitments each year, coupled with secondary market transactions and direct investments alongside its 'core' managers.

## Focus on the PE mid-market with a growing emphasis on the lower end

PPET is focused mainly on the European upper mid-market (defined as companies with enterprise values (EVs) between €0.5bn and €1.0bn) and lower mid-market (EVs of €100–500m). The mid-market (which represented 65% of PPET's end-September 2024 portfolio and which the manager expects to further increase in the short term) offers several potential advantages: 1) many of the acquired companies have not been owned by PE before, potentially providing an opportunity for value creation; 2) portfolio exits are less dependent on the IPO market; and 3) deals are less reliant on funding via syndicated loans and often use less leverage. The trust's manager has recently communicated its intention to further increase the portfolio exposure to the lower mid-market, which it believes provides the greatest potential to outperform the broader PE market, especially in the more normalised interest rate environment. The successful secondary sale of a portfolio of 14 older vintage and non-core investments for c €216m in October 2024 (c £180m or 13% of PPET's end-August 2024 NAV; see our [flash note](#) for details) allowed the trust to further shift its portfolio weighting to the PE mid-market. We note that the global PE secondary market is becoming more liquid, with a transaction volume of US\$162bn in 2024, up 45% y-o-y, according to Jefferies' Global Secondary Market Review 2024. This creates good opportunities for portfolio optimisation through secondary sales, as illustrated by PPET's recent deal.

The trust also invests in selective adjacent and complementary PE strategies in Europe and North America, most notably large/mega buyouts (EVs of more than €1.0bn), making up 29% of end-September 2024 NAV, focused primarily on mid-market core managers that 'graduated' to the large market (eg Advent International), as well as mid-sized growth equity. PPET's manager expects large and mega buyouts to decrease as a proportion of the portfolio over time. The manager also expects its North American exposure to be around 25% going forward (23% at end-September 2024). We note that the portfolio does not have any meaningful exposure to higher-risk early-stage venture capital investments.

**Exhibit 2: PPET's investment focus**

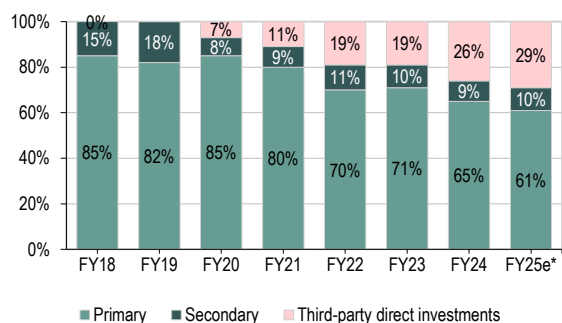


Source: Company data

## Ongoing expansion of the direct investment portfolio

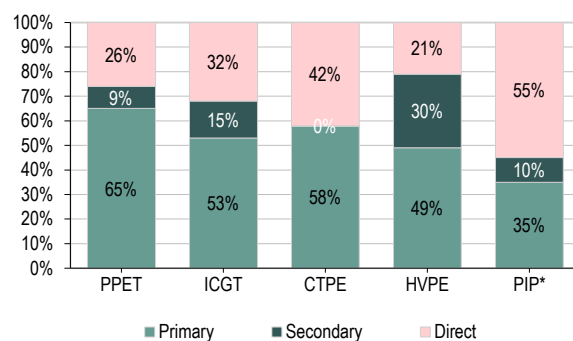
Strong long-term relationships with its top GPs support the expansion of PPET's portfolio of direct investments (co-investments and single-asset secondaries), which at end-September 2024 consisted of 32 private companies representing 26% of the total portfolio (up from 19% at end-September 2023, see Exhibit 3). We note that PPET's manager was able to build this portfolio over just five years, a period shorter than the duration of its peers' direct programmes. PPET's manager aims to increase the share further to 29% at end-September 2025 and, according to PPET's recently updated investment policy, the trust's direct investments will represent between 20% and 35% of the total investment portfolio going forward. That said, primary fund investments with its high-conviction GPs will remain the core part of the portfolio, with a share higher than PPET's peers. It is worth noting that, unlike its close peers, PPET does not charge a performance fee, and therefore any returns from PPET's co-investment portfolio are fully NAV accretive.

**Exhibit 3: PPET's investment portfolio by type**



Source: Company data, Edison Investment Research. Note: \*PPET's expectations.

**Exhibit 4: PPET's portfolio by type versus peers**

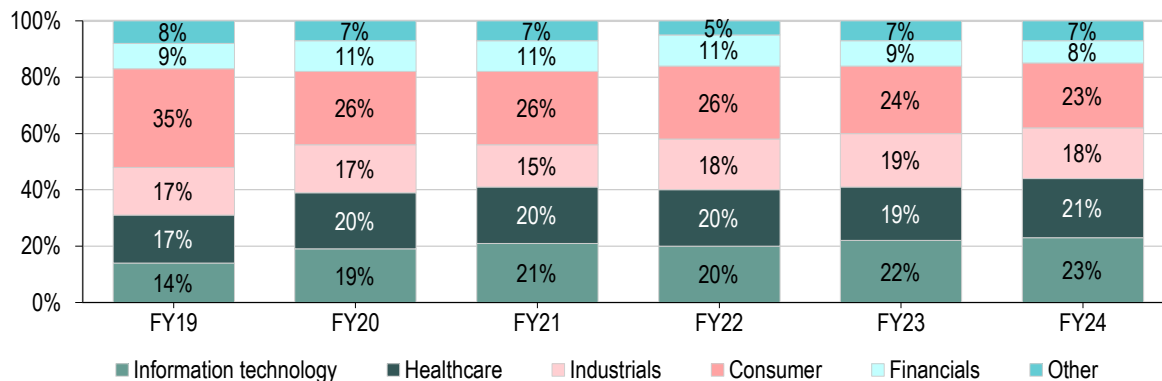


Source: Company data, Edison Investment Research. Note: \*Secondary includes only fund secondaries, while Direct includes co-investments and GP-led secondaries.

Co-investments offer greater flexibility in terms of capital deployment (as they are done on a case-by-case basis and capital is deployed faster), leading to higher capital efficiency and easier balance sheet management. Moreover, unlike limited partner (LP) positions, GPs normally do not charge fees on co-investments, translating into a one-layer fee structure and allowing PPET to lower its look-through ongoing charges ratio. That said, we note that a co-investor has limited control over the timing of the exit (as this is up to the lead sponsor).

## More than half of portfolio in less cyclical sectors

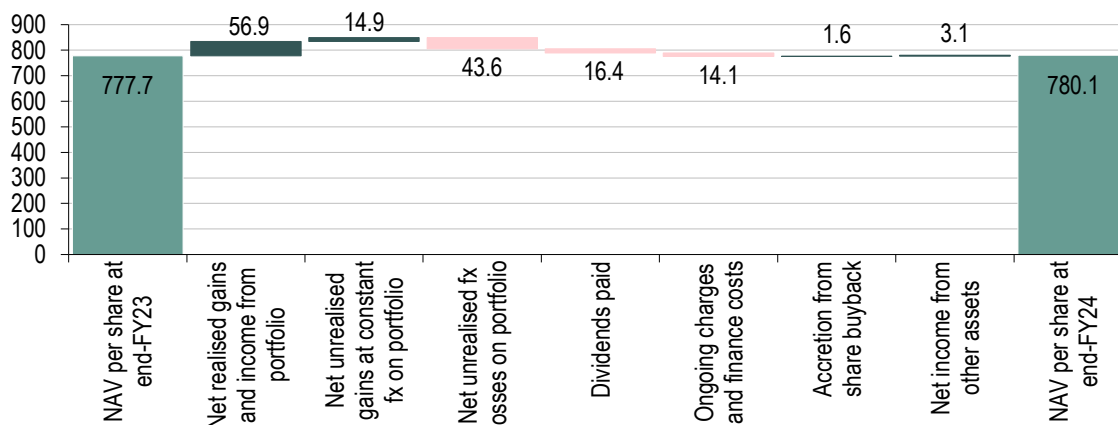
The trust's portfolio remains skewed towards sectors with typically lower cyclicalities (making up 55% of the end-September 2024 portfolio in total vs 51% at end-September 2023, see Exhibit 5), namely IT (mostly profitable B2B businesses, such as Access Group, a provider of ERP and payroll solutions), healthcare (eg NAMSA, a contract research organisation for preclinical and clinical device companies), with little exposure to higher-risk biotech, and consumer staples (eg Spanish food distributor Uvesco). PPET highlights that while the other part of the portfolio (consisting of sectors such as industrials, consumer discretionary and financials) is more cyclical, it includes some sub-sectors that offer a combination of good growth opportunities and a valuable product/essential service with a strong digital component. These include environmental B2B services business ACT, provider of funeral services Funecap, specialist insurer CFC and payments company Planet. In the coming years, PPET's manager expects a further portfolio shift towards sectors benefiting from structural, long-term drivers (such as IT and healthcare), at the expense of more cyclical sectors.

**Exhibit 5: PPET's investment portfolio by sector, as at end-September 2024**


Source: Company data, Edison Investment Research. Note: Consumer as of end-FY24 includes consumer discretionary (12%) and consumer staples (11%)

## Maintaining a strong track record despite more muted recent returns

PPET's NAV total return (TR) in sterling terms in FY24 (to end-September 2024) was a moderate 2.4% (after 5.4% in FY23), which was affected by still tepid (though gradually recovering) PE markets, but also reflects significant (mostly unrealised) FX headwinds. PPET's portfolio return at constant currency (which excludes the trust's ongoing charges of 1.06% and finance costs of c 0.75% of average NAV) was 8.8% in FY24 (9.4% in FY23), driven primarily by realised gains and income (see Exhibit 6).

**Exhibit 6: PPET NAV per share bridge in FY24 (p)**


Source: Company data

The trust's performance continues to be supported by double-digit revenue and EBITDA growth with the last-twelve-month figures to end-September 2024 at 12.4% and 18.1%, respectively, across its top 100 holdings (representing 63.9% of the portfolio). PPET's manager highlighted during the results call that around half of the growth across PPET's portfolio is organic, with some holdings growing entirely organically. We believe that this helped offset some softening in valuation multiples. The median EV/EBITDA multiple across PPET's top 50 holdings was 13.5x at end-September 2024, from 14.0x at end-September 2023 (and 14.5x at end-September 2022), though these figures may not be fully comparable due to different sets of companies included in both periods. The median net debt to EBITDA across PPET's top 50 underlying companies was 3.9x, down from 4.3x at end-September 2023 and slightly below the average 4.1x level for global private equity deals in 2024, as reported by McKinsey in its Global Private Markets Report 2025. Most of PPET's underlying portfolio companies' debt matures in 2027 or later and is covenant-light.

After accounting for post-balance sheet NAV movements (largely related to FX changes), PPET's 12-month NAV TR to end-January 2025 stood at 7.0 % (with 98.0% of the portfolio valuations excluding new investments dated end-September 2024). This is slightly ahead of the peer average, but behind the MSCI Europe Small Cap Index and the

UK All-Share Index returns of 9.4% and 17.1%, respectively. It is worth nothing that PPET's constant currency portfolio return of c 9–10% pa in FY22–24 followed a very strong 47.4% return in FY21 and allowed the trust to visibly outperform public markets over the last three, five and 10 years (see exhibit below the opening paragraph of this note) and also post an NAV TR ahead of the peer average (see Exhibit 7). Over the last five and 10 years, PPET has delivered strong NAV TRs of 15.3% and 15.0%, and posted 14 consecutive years of positive NAV TRs. We note that PPET's 10-year NAV TR is the highest in its peer group, broadly in line with the second-best HarbourVest Global Private Equity, which has a meaningful share of higher-risk, higher-return venture capital and growth investments (30% of portfolio at end-January 2025).

**Exhibit 7: Peer group comparison as of 7 March 2025\* (% unless otherwise stated)**

	Market cap (sterling)	NAV TR (1-year)	NAV TR (3-year)	NAV TR (5-year)	NAV TR (10-year)	Ongoing charge	Performance fee	Discount	Latest net gearing	Dividend yield
Patria Private Equity Trust	867	7.0	28.2	104.2	303.3	1.1	No	(26.9)	106.2	2.9
CT Private Equity Trust	337	1.7	29.2	108.6	270.3	1.1	Yes	(30.7)	114.9	6.0
HarbourVest Global Private Equity	1,992	9.0	24.3	103.1	302.5	1.3	Yes	(34.2)	108.9	0.0
ICG Enterprise Trust	836	3.7	28.8	90.8	255.9	1.4	Yes	(34.8)	111.4	2.6
Pantheon International	1,502	7.3	23.5	83.9	228.4	1.3	Yes	(36.0)	108.7	0.0
<b>Peer average</b>	<b>1,167</b>	<b>5.4</b>	<b>26.5</b>	<b>96.6</b>	<b>264.3</b>	<b>1.3</b>	<b>-</b>	<b>(33.9)</b>	<b>111.0</b>	<b>2.2</b>
<b>Rank</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>-</b>	<b>1</b>	<b>5</b>	<b>2</b>

Source: LSEG Data & Analytics, Edison Investment Research. Note: Net gearing is total assets less cash and equivalents as a percentage of net assets. \*NAV performance in sterling terms based on end-January 2025 NAV, or latest earlier available NAV.

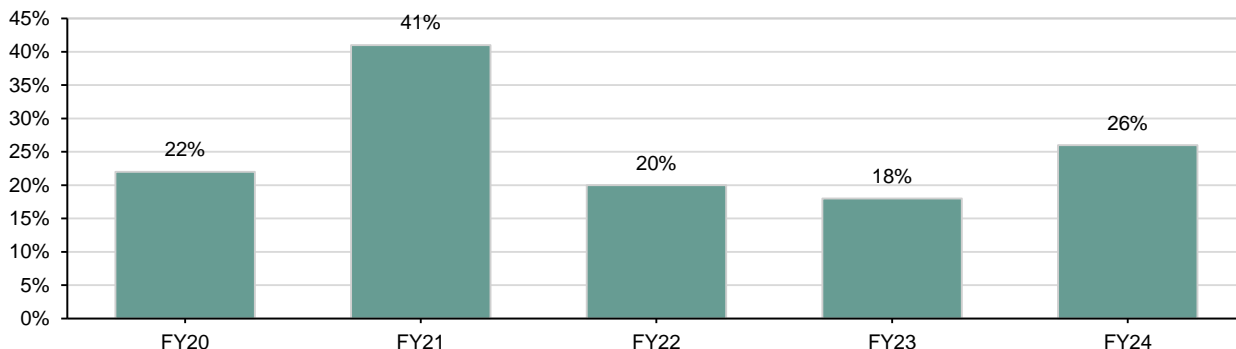
**Exhibit 8: PPET's discrete performance versus selected indices in total return, sterling terms (%)**

12 months ending	PPET's NAV	PPET's share price	MSCI Europe Small Cap Index	UK All-share index
31/01/2021	14.6	1.2	12.9	(7.5)
31/01/2022	38.9	47.9	9.0	18.9
31/01/2023	14.5	(11.2)	(5.2)	5.2
31/01/2024	4.5	12.0	1.2	1.9
31/01/2025	7.0	13.9	9.4	17.1

Source: LSEG Data & Analytics, Edison Investment Research

## Pricing gap to PE secondary markets persists

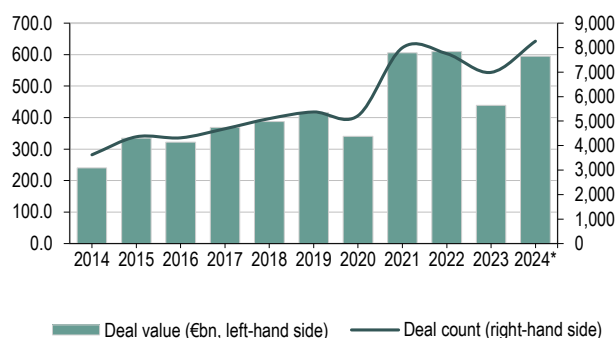
Despite the strong long-term performance and the increasing share of direct investments, the trust trades at a substantial discount to NAV of 27% (though only slightly wider than its 10-year average of 24%). In our [review note](#) in March 2024, we pointed to the significant discrepancy between PPET's discount to NAV and asset pricing in the secondary PE markets. The average pricing of secondary buyout deals was a 6% discount in 2024, with 4% for funds aged four to six years and 12% for seven to nine years (and wider for older vintages), according to Jefferies. With the above-mentioned secondary sale in October 2024, PPET seized the opportunity arising from the favourable demand in the secondary market and priced its portfolio of older vintage and non-core investments at a minor 5% discount to the carrying value of the sold assets at end-March 2024, achieving a robust 1.9x multiple on invested capital (MOIC) and a 16% internal rate of return. PPET received the first tranche of the disposal consideration (around 45%) in December 2024, with the remaining 55% due to be collected in September 2025. We believe that the price of PPET's transaction reflects a prudent approach to valuing its assets, which is also illustrated by the fact that exits from its portfolio continue to be executed at an uplift to carrying value two quarters prior, with an average 26% reported in FY24 (see Exhibit 9).

**Exhibit 9: PPET's portfolio exits' average uplift to carrying value two quarters prior**


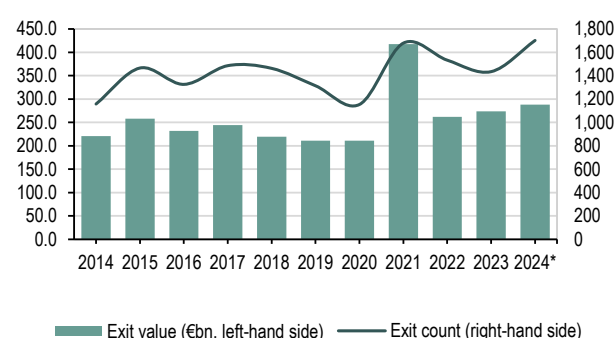
Source: Company data

## Market outlook brighter going into 2025

PE transaction activity has rebounded in 2024 worldwide, with European deal value and count up 35.4% and 18.2% y-o-y, respectively, according to PitchBook's Annual European PE Breakdown 2024 report (see Exhibit 10). Despite the high level of dry powder accumulated in recent years, fund-raising remains strong in Europe at €122.3bn in 2024, broadly stable versus €123.6bn in 2023 and the peak level of €126.0bn in 2021, according to PitchBook data. The European PE market also saw some initial revival in exit activity in Q424, leading to an increase in exit value and deal count by 5% (to €287.9bn) and 18.6% y-o-y in 2024, respectively, according to PitchBook. This is ahead of the €210–260bn per year in 2014–20, though still 31% below the 2021 highs (see Exhibit 11).

**Exhibit 10: Deal value and count in the European PE market**


Source: PitchBook. Note: \*Estimate based on data available at end-December 2024.

**Exhibit 11: Exit value and count in the European PE market**


Source: PitchBook. Note: \*Estimate based on data available at end-December 2024.

The gap between buyers' and sellers' price expectations has begun to narrow, supported by a turn in the interest rate cycle and improving conditions in the debt financing markets (even if they remain tighter than long-term averages). Furthermore, PitchBook data indicate that the median European buyout entry multiple increased in 2024 to 12.2x, from 10.4x in 2023, and therefore returned to 2021–22 levels, though this may be at least partly due to a greater proportion of higher-quality assets for which owners could obtain the desired valuation. That said, Alan Gauld, PPET's lead portfolio manager, highlighted in our recent [Edison TV interview](#) that European deal activity has started to broaden beyond the more recession-proof assets with recurring revenue, in sectors such as business-to-business mission-critical software, healthcare and consumer staples, into businesses operating in more discretionary sectors.

While higher public market valuations (with some initial signs of the IPO market opening up) and improving PE activity may support exit valuations, we also note that there is still a significant overhang of holdings ripe for an exit. Moreover, exits to corporates (which often accept a higher price reflecting expected strategic synergies) remain modest. As a result, the share of sponsor-to-sponsor deals by count reached 51.1% in 2024 (vs a 10-year average of 40%), according to PitchBook. This could act as a constraint to a more significant expansion in exit valuations, though we note that the cautious approach to valuing PPET's underlying companies may still result in uplifts upon exits. Therefore, an



acceleration in exits may act as an NAV catalyst for PPET even without a considerable increase in average valuations across the market. Several macroeconomic and geopolitical risks persist, including uncertainty around future inflationary pressure and the extent of central bank rate cuts, as well as the turbulent start of Trump's presidency (including the threat of tariffs). Still, we consider it likely that there will be a continued recovery in PE activity in 2025.

## **Opportunity to validate its direct investments mandate over the coming 12–24 months**

PPET's direct investment portfolio is gradually maturing, as illustrated by the trust's exit from its first-ever direct investment made in 2019 in Mademoiselle Desserts, a premium sweet bakery manufacturer, agreed in October 2024. This investment was realised at a MOIC of just under 2x (it was valued at a 1.8x net MOIC at end-September 2024), which we consider a decent result given that the investment was affected by the COVID-19 pandemic. We note that the 17 direct investments made in 2021 represented half of PPET's direct portfolio at end-September 2024 and now enter their fourth year of investment (ie within the standard PE realisation horizon of three to five years). A few are already approaching or have surpassed the 2.0x mark, with a notable example being Wundex (a German home care provider for patients with chronic wounds), which at end-September 2024 was held at more than 4x cost and was the second-largest underlying company exposure (2.1% of NAV). Moreover, there were only two holdings in the 2021 bucket that were held below investment cost.

That said, as PE market activity slowed down and the valuation environment weakened amid the interest rate normalisation in 2022 and 2023, the holding period of many of these investments may need to be extended to reach the desired multiple of cost. According to McKinsey's Global Private Markets Report 2025, the average holding period of global buyouts is currently 6.7 years compared to a 20-year average of 5.7 years. This seems to be confirmed by the c 1.4x weighted average MOIC at which PPET's 2021 direct vintages were held at end-September 2024 (according to our calculations), still leaving a gap to the usual 2.0x+ MOIC at which successful investments are exited. PPET's investment manager highlighted that he expects more exits from the direct portfolio in the next 12-24 months. This will be an opportunity for PPET to validate its mandate in terms of direct investments.

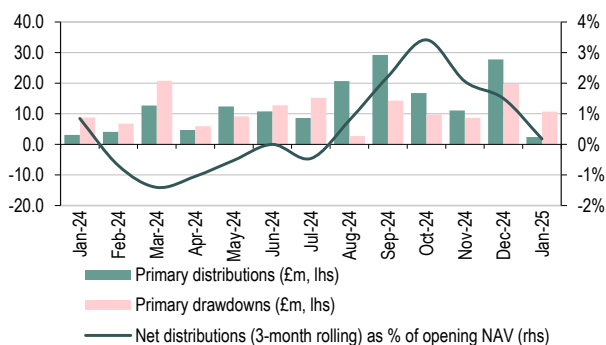
## **Secondary sale significantly strengthened PPET's balance sheet**

We believe that the recent pick-up in distributions from PPET's primary investments, coupled with the £180m secondary sale and credit facility upsizing, greatly reduces any balance sheet risks and puts PPET in a comfortable capital position with respect to new investments, deleveraging and shareholder returns. PPET's short-term resources (including the remaining £94.1m deferred consideration from the secondary sale) stood at £297.4m at end-January 2025 (or c 25% of NAV). Furthermore, effective from 3 February 2025, PPET upsized its syndicated revolving credit facility from £300m to £400m (with Banco Santander and State Street Bank & Trust Company joining the syndicate). The size of the facility now amounts to 34% of PPET's last reported NAV, which is ahead of the four-year average of c 24% and gives it ample headroom.

Based on end-January 2025 figures and accounting for the recent increase in the size of the credit facility, we calculate PPET's pro-forma overcommitment ratio (defined as outstanding commitments in excess of cash and equivalents and undrawn credit facility divided by portfolio NAV) at 22%, which is below PPET's target range of 30–65% (the upper limit was recently revised from 75%). This corresponds with a safe 61% coverage of PPET's outstanding commitments. It also provides full coverage of the £111.2m outstanding credit facilities of underlying funds attributable to PPET as of end-September 2024, which PPET's manager considers a good proxy for drawdowns over the next 12 months.

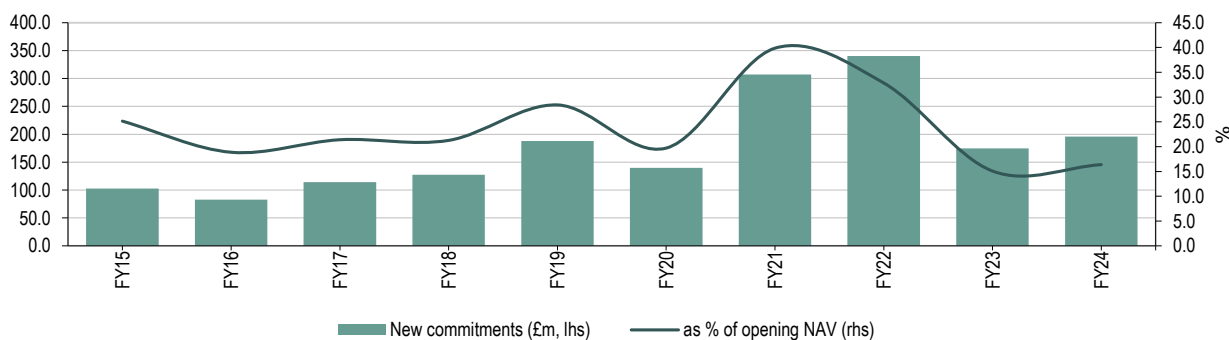
## **PPET is likely to accelerate investments in 2025**

The warming up of the M&A and PE markets resulted in PPET's distributions outpacing capital calls from primary fund investments in recent months (see Exhibit 12). We estimate (based on PPET's monthly NAV updates) that the trust's primary distributions in calendar year 2024 reached c £160m, compared to capital calls of around £135m.

**Exhibit 12: PPET's primary distributions and drawdowns in 2024**


Source: Company data, Edison Investment Research

Meanwhile, PPET's new capital commitments (across direct and primary fund investments) remained cautious throughout most of 2024, but picked up in December 2024 (€70.0m across two new primary investments and one direct investment), resulting in total investments of c £211m in 2024 (or c 18% of opening NAV vs an FY14–23 average of 25%), ahead of PPET's primary distributions. This figure includes PPET's US\$25m commitment to the newly launched Patria Secondary Opportunities Fund V made in August 2024. In FY24 (to end-September 2024), PPET made new investments of £195.8m across primary commitments (£112.9m), fund secondaries (£27.8m) and direct investments (£55.2m, of which £9.7m was follow-ons). PPET's six new direct investments include European Digital Group (a provider of business services for digital transformation), Systra (a global consulting and transportation engineering company), Nutripure (a direct-to-consumer sports nutrition and health and wellness food supplements brand), Goodlife (a manufacturer of frozen snacks), Procemsa (a vitamins and food supplements contract development and manufacturing organisation) and Channelle Pharma (a manufacturer of generic animal and human health products).

**Exhibit 14: PPET's new investment commitments**


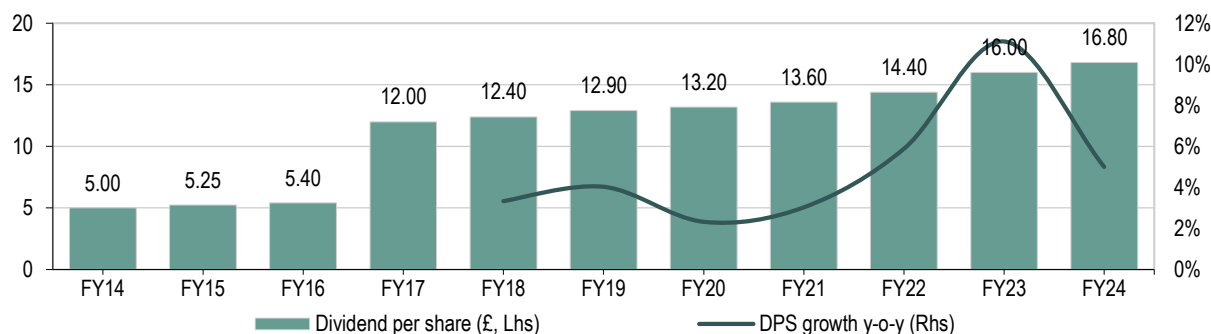
Source: Company data, Edison Investment Research

We expect a further pick-up in PPET's investment activity this year given 1) PPET's sound balance sheet, 2) the fact that many of PPET's core GPs plan new fund-raising, according to PPET's manager, and 3) PPET's continued emphasis on growing its direct portfolio. The manager also believes that PPET can be more active in terms of secondaries this year, even though pricing remains tight, as discussed above.

## Progressive dividend policy and ongoing share buybacks

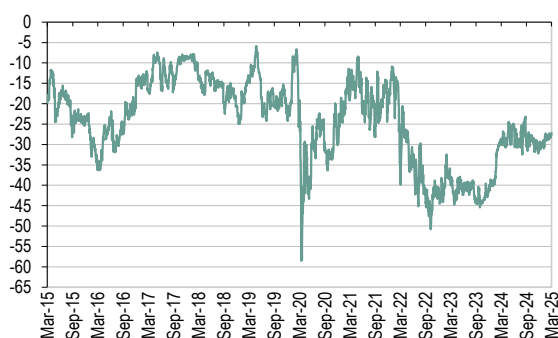
PPET's board continues to pursue a progressive dividend policy, aiming to maintain the value of dividends in real terms. PPET paid four interim dividends for FY24 of 4.2p, representing a c 5% y-o-y increase (following the 11% increase in FY23). As a result, PPET delivered 10 consecutive years of annual dividend growth.



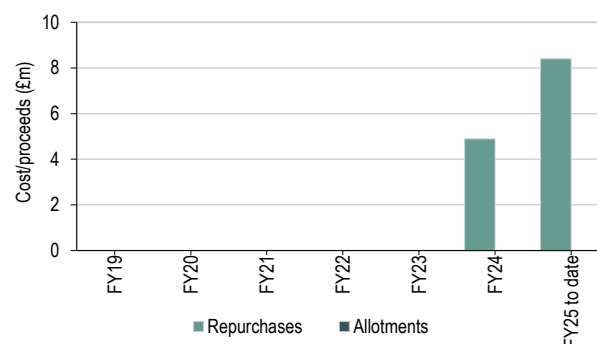
**Exhibit 15: PPET's dividend track record**


Source: Company data

PPET's comfortable balance sheet position, coupled with the persistent wide discount to NAV, encouraged PPET's board to launch a share repurchase programme in January 2024, earmarking part of the €34.6m proceeds from the partial sale of its direct co-investment in Action (realised at 100% of carrying value). PPET has spent £11.5m on repurchasing 2.2m shares to date. While the resulting NAV accretion was rather minor (0.2% of end-September 2023 NAV), the announcement of the buyback programme triggered a re-rating of PPET's shares with their price up 27% in total return terms since end-2023. Consequently, PPET's discount to NAV narrowed from 39% at end-2023 to 27%. While PPET may pursue further buybacks, it is unlikely to run a larger tender offer given the concentrated shareholder register (Phoenix Group being a majority shareholder, see below) and the implications for PPET's stock liquidity.

**Exhibit 16: PPET's discount to NAV over 10 years**


Source: LSEG Data & Analytics

**Exhibit 17: PPET's share issues and repurchases**


Source: Morningstar

## Fund manager: Patria Capital Partners

PPET is managed by Patria Capital Partners (formerly known as SL Capital Partners), which was acquired in April 2024 by Patria, a Nasdaq-listed leading alternative investment business in Latin America, with more than 30 years of experience in private equity, infrastructure, real estate and credit, and a global presence with 10 offices across four continents. The acquisition has not resulted in a change in PPET's investment policy, and the trust does not intend to make investments in Latin America. Patria has more than US\$44.7bn of assets under management as of end-September 2024 (on a pro forma basis), including US\$12.7bn within its Global Private Markets Solutions (GPMS) business, which PPET is part of. PPET's investment manager has 65 professionals across Edinburgh, London and New York, and its senior team members have on average more than 20 years of PE experience. Alan Gauld remains the trust's lead investment manager and is a senior investment director at Patria.

## Fees and charges

In FY24, PPET's expense ratio remained in line with the FY23 level of 1.06%, and consisted of a management fee of 0.95% of average NAV pa plus administrative expenses. PPET's investment manager does not charge any performance fees. These figures exclude the look-through fees charged at the underlying funds level to PPET, in line with the Statement of Recommended Practice published by the AIC in July 2022 and the recent Financial Conduct Authority

(FCA) forbearance. We note that PPET's commitment to the Patria Secondary Opportunities Fund V will be excluded from NAV when calculating the management fee paid by PPET to its manager.

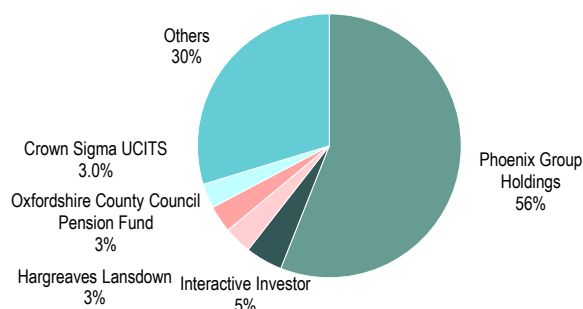
## Approach to ESG

ESG aspects have been embedded in PPET's investment process since 2015 and its ESG assessment depends on the type of investment. For primary investments, it focuses on underwriting the GPs' ESG processes and identifying areas of engagement and improvement. PPET's manager focuses on PE managers who have advanced ESG approaches or have a strong cultural commitment to improve their ESG credentials. In the case of direct investments, the primary focus is on the ESG risks and opportunities affecting the business. For secondary investments, PPET's manager prioritises an analysis of ESG risks and exclusions. PPET's key ESG initiatives in FY24 included: 1) establishing dedicated team coverage for impact- or sustainability-focused fund and company-level investments, 2) developing a sustainable investment pipeline, 3) enhanced GP monitoring, and 4) digitalisation of ESG data collection and reporting.

## Capital structure

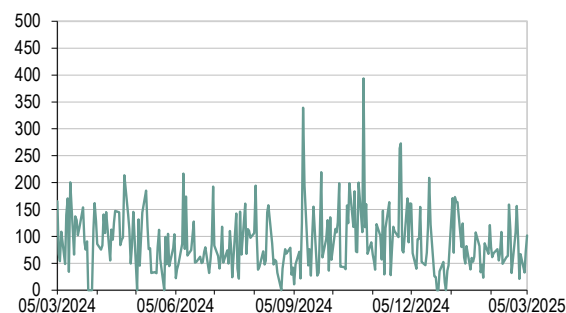
PPET's share capital consists of 153.7m ordinary shares including treasury shares (151.3m excluding treasury shares). The largest shareholder is Phoenix Group Holdings, with a c 56% stake held through its 100% subsidiary Phoenix Life Limited (PLL). PLL has irrevocably undertaken to PPET that, at any time when the PLL group is entitled to exercise or control 30% or more of voting rights at PPET's general meetings of shareholders, it will refrain from 1) nominating directors who are not independent of PLL and its associates, 2) entering any transaction/arrangement with PPET that is not conducted at arm's length and on normal commercial terms, 3) taking any action that would prevent PPET from carrying out an independent business or from complying with its listing rules, and 4) proposing or procuring any proposal of any shareholder resolution with the intent to circumvent the proper application of listing rules.

**Exhibit 18: PPET's shareholder structure**



Source: Company data, Bloomberg data as of 27 February 2025

**Exhibit 19: PPET's average daily traded value (£000s)**



Source: LSEG Data & Analytics as of 27 February 2025

## The board

PPET's board consists of six independent non-executive directors and has been chaired by Alan Devine since March 2022 (he joined the board in May 2014). The AGM in March 2024 followed the ninth anniversary of his appointment. While the trust's policy is for a chair to step down after nine years, the board has asked Alan to remain a member of the board for an additional year to oversee the transition of PPET's manager to Patria. He recently announced that he will seek shareholder approval to serve a further year to hand over chair responsibilities to Duncan Budge and then step down at the AGM in 2026.

**Alan Devine (chairman)** was formerly CEO of the Royal Bank of Scotland Shipping Group and has extensive expertise and over 40 years' experience in both commercial and investment banking. He is a non-executive director of Capitalflow Holdings, where he is chairman of the remuneration, audit and risk committees. Alan is also chairman of the PE-owned cash logistics company GSLS. He holds an MBA and is a fellow of the Institute of Bankers in Scotland.

**Calum Thomson** assumed the role of a senior independent director (SID) in March 2022. Calum is a qualified chartered accountant and was an audit partner with Deloitte for over 21 years. He is a non-executive director and the audit committee chair of the Diverse Income Trust, the AVI Global Trust, BLME Holdings and Ghana International Bank.

**Dugald Agble** started his career in PE investments over 20 years ago at Nomura Principal Finance Group (now Terra Firma Capital Partners). In 2006, he moved to investing in emerging and frontier markets at Helios Investment Partners and became a co-founding partner at 8 Miles in 2010. He is a supervisory board member at FMO, a Dutch entrepreneurial development bank.

**Duncan Budge** was an executive director and chief operating officer of RIT Capital Partners until 2011, and is now a non-executive director of Lowland Investment Company, BioPharma Credit and Asset Value Investors, with previous experience as a non-executive director at Artemis Alpha Trust and Dunedin Enterprise Investment Trust.

**Diane Seymour-Williams** has global investment experience of more than 30 years, including 23 years at Deutsche Asset Management Group (previously Morgan Grenfell) where she held various senior positions, including CIO and CEO of Asia. More recently, she spent nine years at LGM Investments, a specialist global emerging and frontier markets equities manager, where she was the global head of relationship management. She is a non-executive director of Mercia Asset Management and SEI (Europe), as well as an independent member of the Valuations Committee for Chrysalis Investments. Her prior experience as a non-executive director includes nine years at Witan Pacific Investment Trust and Brooks Macdonald. She is also a pro-bono member of the investment committees of Newnham College, Cambridge and the Canal & River Trust.

**Yvonne Stillhart** has over 30 years' senior executive experience in business building, transformational leadership, PE and infrastructure investment, finance, banking and risk and investment management across broad industries and geographic regions. This includes a co-founding senior partner position and member of the Investment Committee of Akina, a Swiss-based specialised PE manager that merged in 2017 with Unigestion. She is a non-executive director and member of the audit and risk committee at UBS Asset Management Switzerland and Integrated Diagnostics Holdings. She is also chair and member of the social and ethics committee of EPE Capital (an investment company listed on the Johannesburg Stock Exchange).

#### Exhibit 20: PPET's board of directors

Board member	Date of appointment	Remuneration in FY24 (£)	Shareholdings at end-FY24
Alan Devine (chair)	28-May-14	78,000	14,695
Dugald Agble	01-Sep-21	50,000	1,400
Diane Seymour-Williams	07-Jun-17	50,000	31,500
Yvonne Stillhart	01-Sep-21	50,000	4,000
Calum Thomson (SID)	30-Nov-17	57,000	13,700
Duncan Budge	01-Feb-25	-	-

Source: Company data

---

## General disclaimer and copyright

This report has been commissioned by Patria Private Equity Trust and prepared and issued by Edison, in consideration of a fee payable by Patria Private Equity Trust. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

**Accuracy of content:** All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

**Exclusion of Liability:** To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

**No personalised advice:** The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

**Investment in securities mentioned:** Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2025 Edison Investment Research Limited (Edison).

---

## Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

---

## New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

---

## United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

---

## United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.