



PENGANA CAPITAL GROUP

SHAREHOLDER PRESENTATION FOR THE YEAR ENDED 30 JUNE 2022

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PENGANA CAPITAL GROUP

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SECTION 1

BUSINESS OVERVIEW



GROUP OVERVIEW



Leading Australian provider of premium, value added products

- Compelling long-term returns across the range of strategies



Focused on the higher-end retail market: financial advisors; SMSF's; and HNW's

- Serviced by experienced and capable distribution team



Recognised and well-regarded brand built over 19 years

- Loyal client base
- Well-rated by research houses; availability across all advisor platforms



Circa \$3.4 bn of funds under management ("FUM")

- Diversified across strategies/funds; geographies; market-caps; listed and private equity
- Good fee margins and diversified sources of performance fees across 76% of FUM
- 22% of FUM in listed vehicles



Unique funds management business model, facilitating horizontal growth

- Mix of in-house funds management teams and JVs with offshore groups
- Multiple growth prospects in "high-demand" segments/themes; capacity to grow in existing strategies as well as optionality to add new strategies



Robust, scalable and technologically advanced "institutional-grade" infrastructure

- Sophisticated digital marketing capabilities
- Profitability is highly leveraged to growth; infrastructure capable of managing much larger FUM with minimal additional expenses

COMPELLING TRACK RECORDS WITH CAPACITY TO GROW

(AS AT 30/6/2022)

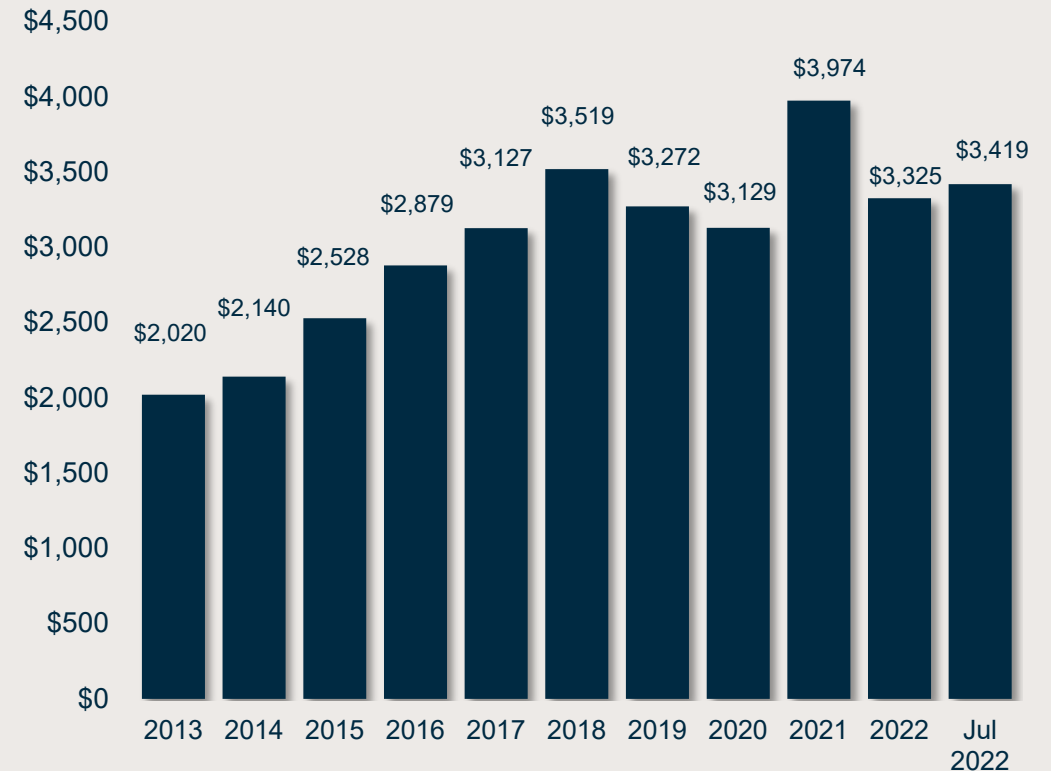
| Primary Fund/Vehicle Name | Strategy | Team | FUM Current (\$m) | Indicative Further FUM Capacity (\$bn) | Fund % | Benchmark % | Relative % |
|--|-----------------------------|----------|-------------------|--|--------|-------------|------------|
| Pengana Australian Equities¹ | Australian Multi Caps | Internal | 778 | Limited | 8.5 | 6.0 | 2.5 |
| Pengana Emerging Companies² | Australian Small Caps | Internal | 685 | Limited | 11.8 | 4.2 | 7.6 |
| Pengana Private Equity (LIT)³ | Global, Multi Caps | JV | 467 | Very large | 14.1 | n/a | n/a |
| Pengana Axiom International Ethical^{4, 13} | Global, Multi Caps, Ethical | JV | 311 | Very large | 7.1 | 7.0 | 0.1 |
| Lizard Global Small⁵ | Global, Small Caps | Internal | 289 | ~2bn | 6.6 | 6.6 | 0.0 |
| Pengana International Equities Ltd (LIC)⁶ | Global, Multi Caps, Ethical | JV | 275 | Very large | 7.7 | 10.0 | (2.4) |
| Pengana WHEB Sustainable Impact^{7, 13} | Global, Multi Caps, Impact | JV | 250 | ~\$800m | 5.2 | 6.3 | (1.1) |
| Pengana Global Small Companies⁸ | Global, Small Caps | Internal | 143 | ~\$500m | 6.0 | 6.8 | (0.8) |
| Pengana Harding Loevner International^{9, 13} | Global, Multi Caps, ESG | JV | 45 | Very large | 8.9 | 6.7 | 2.2 |
| Pengana High Conviction Equities¹⁰ | Global, Multi Caps | Internal | 37 | ~\$200m | 22.3 | 10.0 | 12.3 |
| Pengana Alpha Israel¹¹ | Israel, Small-Mid Caps | JV | 34 | ~\$500m | 7.9 | 7.4 | 0.5 |
| Pengana High Conviction Property¹² | Australian, Multi Caps, ESG | Internal | 11 | ~\$700m | 3.3 | (3.2) | 6.5 |

1. Benchmark: ASX All Ordinaries Accumulation Index, Inception Jul-08 2. Benchmark: ASX Small Ordinaries Accumulation Index, Inception Nov-04 3. Inception Apr-19 4. Benchmark: MSCI AC World Total Return Index (Net), Inception Jun-04 5. Lizard International Master Fund LP, Benchmark: MSCI ACWI SMID Cap, Inception Dec-08 6. Benchmark: MSCI World Total Return Index (Net), Inception Mar-04 7. Benchmark: MSCI World Total Return Index (Net), Inception Jan-06 8. Benchmark: MSCI AC World SMID Cap Index (Unhedged) AUD, Inception Apr-15 9. Benchmark: MSCI AC World Total Return Index (Net), Inception Nov-89 10. Benchmark: MSCI World Total Return Index (Net), Inception Dec-14 11. Benchmark: Tel Aviv Stock Exchange 125 Index, Inception Dec-17 12. Benchmark: S&P/ASX 200 A-REIT TR Index, Inception Feb-20 13. Performance since inception of strategy to date current investment team was appointed is simulated by converting US-denominated gross returns to AUD and applying the fee structure of the stated class

GROWTH IN FUNDS UNDER MANAGEMENT ("FUM")¹

- Focus over the past few years has been on re-positioning the business for future FUM growth at higher margins
- Decrease in FY22 FUM due to market movements, with net flows positive for the year
- Well-positioned for future growth due to the quality of offerings in "high-demand" segments/ themes
 - Global equities – several funds and LIC
 - ESG, Ethical and Impact Investing – across multiple vehicles
 - Private Equity – market-leading LIT
 - Non-index aware/ absolute return – all vehicles
 - Concentrated – across several vehicles
- Opportunity to diversify further over time by adding new strategies

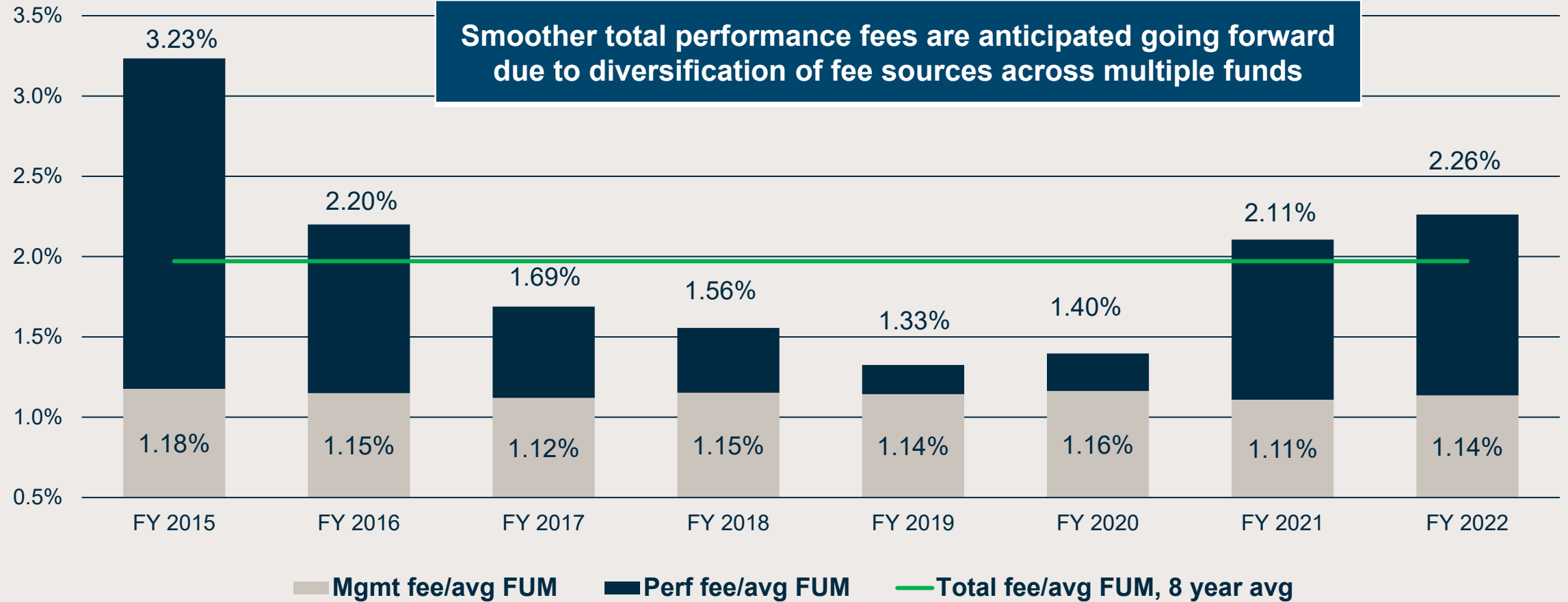
HISTORICAL GROWTH IN FUM (\$M)²



1. The amount of funds under management can increase or decrease due to a range of factors including net fund flows, distributions to investors and investment performance. Past performance is not a reliable indicator of future performance. The reported FUM is prior to any distributions and dividends being paid to investors. 2. Combined Pengana and Hunter Hall FUM at each 30 June.

ANNUAL GROSS FEE MARGIN

Smoother total performance fees are anticipated going forward due to diversification of fee sources across multiple funds

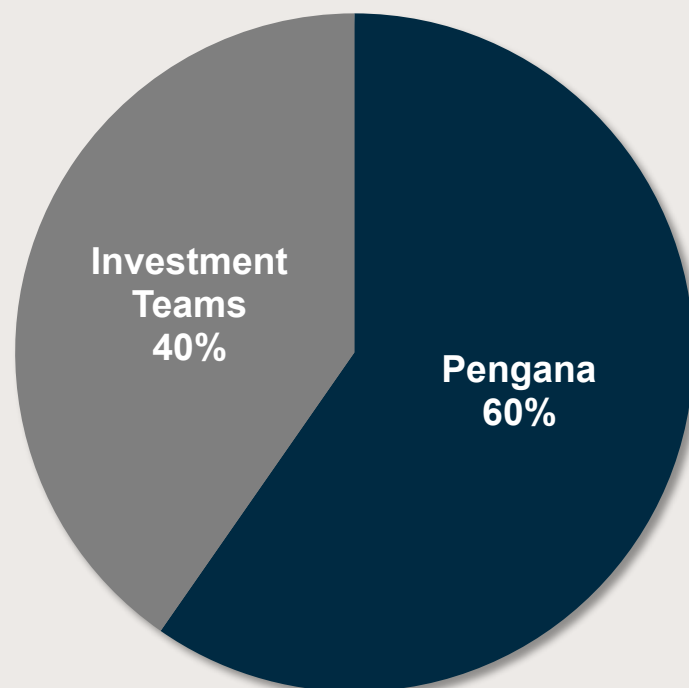


Fee margin for performance fee margin calculated on average annual funds under management subject to performance fees. Total Average Fund under Management for FY 2022: \$3.885 billion, Total Average Funds Under Management subject to Performance Fees for FY 2022: \$2.945 billion. Funds under management at 31/07/2022 subject to performance fees: \$2.560 billion

ANALYSIS OF MANAGEMENT FEES

(AS AT 30/6/2022)

Management Fee Split in FY2022 (\$44.1m)

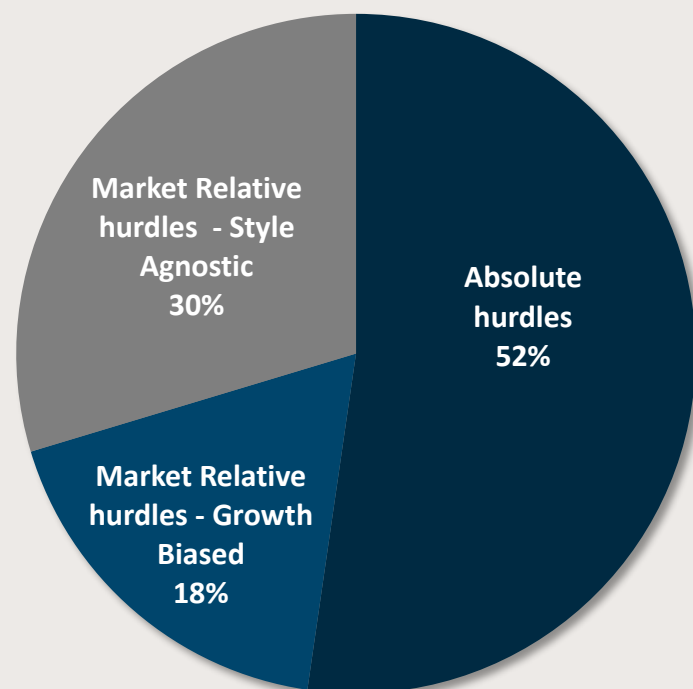


- Average funds under management (“FUM”) subject to management fees for financial year of \$3.9 bn
- Average gross management fee rate of 1.14% (FY21: 1.10%)
- Management fees of \$44.1m in FY22 split:
 - 40% to Investment Teams (FY21: 44%)
 - 60% to PCG (FY21: 56%)
- As business grows, PCG is targeting:
 - Average gross management fee rate to be maintained at around current levels
 - PCG’s percentage split to grow due to more favorable arrangements with FM teams

ANALYSIS OF PERFORMANCE FEES

(AS AT 30/6/2022)

FUM subject to Performance Fees (\$2.5bn)



- Well diversified sources of performance fees (“PFs”) provide added stability
 - **Absolute hurdles (higher level of certainty and consistency): 52%**
 - Market Relative hurdles – (predominantly) Style Agnostic strategies: 30%
 - Market Relative hurdles – Growth Biased strategies: 18%
- Average split of PFs to PCG of 63% (FY21: 55%), including:
 - 48% split in unit trusts,
 - **100% in listed vehicles (PE1 & PIA)**
- PCG targeting
 - **Increased stability of PF’s due to increasing diversification**
 - Growth in FUM with PF structures
 - **Significant PF’s from PE1; Absolute hurdle; 100% to PCG**
 - Current average split to PCG to expand over time

FY 2022 IN REVIEW



KEY DEVELOPMENTS IN FY 2022

- Difficult year in listed investment markets with two distinct halves:
 - Six months to December – strong absolute and relative performance across all major strategies
 - Six months to June – overall negative absolute and relative performance due to quality growth bias of most strategies
- Pengana Private Equity Trust (PE1)
 - Delivered strong investment performance and share price returns
 - Rights issue raised \$58 million
 - PE1 30 June 2022 FUM at \$467 million
- Maintained or improved ratings across major strategies and continued growth in platform access
- Expansion of distribution team
- Further development of leading-edge digital marketing capabilities
- Continued focus on refining responsible investment frameworks across in house strategies
- Focus on new product development in private markets

FINANCIAL PERFORMANCE IN YEAR TO 30/6/2022

- Closing 30 June 2022 FUM of \$3.325bn (31 July 2022: \$3.419bn)
- Operating EBITA **up 64%** to \$31.5m
- Underlying profit before tax **up 34%** to \$29.3m
- EPS on Underlying profit after tax **up 33%** to 18.82 cents
- NTA per share **up 1.2%** to 55.33 cents
- Final dividend of 8 cents per share
- Total dividends per share for 12 months **up 54%** to 20 cents per share

EBITDA AND UNDERLYING PROFIT¹

| Pengana Capital Group Operating EBITDA | 2022 \$'000 | 2021 \$'000 | Increase/ (Decrease) \$'000 | Increase/ (Decrease) % | Comment |
|---|------------------|------------------|-----------------------------------|------------------------------|---|
| Management fee revenue | 44,134 | 41,186 | 2,948 | 7% | ~ 60% to PCG, up from 56% in FY21 |
| Performance fee revenue | 33,174 | 27,454 | 5,720 | 21% | ~ 63% to PCG, up from 55% in FY21 |
| Net fund direct expenses | (3,204) | (3,014) | (190) | 6% | |
| Operating expenses | (20,352) | (21,962) | 1,610 | (7%) | |
| Team profit share | (22,540) | (24,368) | 1,828 | (8%) | Increasing net margins to PCG |
| Non-controlling interests | 271 | (53) | 324 | n/a | |
| Operating EBITDA² | 31,483 | 19,243 | 12,240 | 64% | |
| Interest and investment income distributions | 487 | 607 | (120) | (20%) | |
| Interest on loan funded share plan | 1,388 | 1,471 | (83) | (6%) | Repayment of loans |
| Financing costs | (95) | (153) | 58 | (37%) | Repayment of debt |
| Gain/(loss) on investments and other non-recurring items | (4,005) | 716 | (4,721) | n/a | Revaluation of investments and cost of PE1 Rights Issue |
| Underlying profit before tax³ | 29,258 | 21,884 | 7,374 | 34% | |
| <i>Basic EPS on underlying profit after tax⁴</i> | <i>18.82 cps</i> | <i>14.18 cps</i> | <i>4.64 cps</i> | <i>33%</i> | |

1. Source: Pengana Management Accounts, "Underlying profit before tax attributable to Pengana Shareholders" 2. As per Pengana Capital Group Limited 30 June 2022 Annual Report 3. Underlying profit before tax attributable to Pengana Shareholders 4. Calculated on 108,822,961 weighted average number of shares (i.e. including treasury shares) (2021: 108,000,189), applying normalized 30% tax rate

STATUTORY PROFIT

| Pengana Capital Group (\$'000) | 2022 | 2021 |
|--|------------------|------------------|
| Underlying profit before tax¹ | 29,258 | 21,884 |
| Less: | | |
| Less: investment gains recorded in other comprehensive income reserve | 2,765 | (2,127) |
| Less: Non-cash amortisation and impairment | (2,883) | (4,766) |
| Less: LSP interest income (not on profit & loss) | (1,388) | (1,471) |
| Less: Tax | (9,100) | (4,802) |
| Statutory profit after tax attributable to Pengana shareholders² | 18,652 | 8,718 |
| <i>Basic EPS on statutory profit after tax³</i> | <i>22.30 cps</i> | <i>10.42 cps</i> |

1. Source: Pengana Management Accounts, "Underlying profit before tax attributable to Pengana Shareholders"

2. As per Pengana Capital Group Limited 30 June 2022 Annual Report

3. Calculated on 83,632,923 weighted average number of shares (i.e. excluding treasury shares) (2021: 83,660,113 shares)

BALANCE SHEET¹

| Pengana Capital Group Balance Sheet (\$'000) | 30 June 2022 | 30 June 2021 |
|--|------------------|------------------|
| Cash net of AFSL cash requirements | 21,989 | 16,569 |
| Receivables | 8,211 | 22,214 |
| Payables | (13,153) | (22,722) |
| Net working capital | 17,047 | 16,061 |
| Investments net of AFSL liquid asset requirements and associated current liabilities | 6,557 | 7,471 |
| AFSL capital requirements | 7,333 | 6,663 |
| Loans (on and off-balance sheet) | 28,583 | 30,093 |
| Non-current borrowings | - | (1,250) |
| Other assets and liabilities | 239 | (39) |
| Less: non-controlling interests | 413 | 118 |
| Net tangible underlying assets attributable to Pengana Shareholders¹ | 60,172 | 59,117 |
| <i>Net tangibles underlying assets per ordinary security²</i> | <i>55.33 cps</i> | <i>54.69 cps</i> |
| Less: Off balance sheet Loan Funded Share Plan | (28,196) | (29,636) |
| Add: minority interests | (413) | (118) |
| Net tangible statutory assets³ | 31,563 | 29,363 |
| <i>Net tangibles statutory assets per ordinary security⁴</i> | <i>37.86 cps</i> | <i>35.03 cps</i> |

1. Source: Pengana Management Accounts 2. Calculated on 108,748,050 shares on issue (i.e. including treasury shares) (2021: 108,093,901) 3. As per Pengana Capital Group Limited 30 June 2022 Annual Report 4. Calculated on 83,368,089 shares on issue (i.e. excluding treasury shares) (2021: 83,818,045 shares)

THE YEAR AHEAD

- Current FUM below the 2022 average
- Sales strategy across our funds focused on
 - Quality and uniqueness of underlying teams/strategies
 - Compelling long term track records
 - In general, well placed in the event of market rebound - but still relatively conservatively positioned
- Global equity market performance will impact inflows over the short term – stabilised and/or increasing markets should have positive impact
- Performance high-water-marks at 1 July
 - Equity funds in general below HWMs
 - PE1 at HWM
- Benefits to be derived from improved strength/capabilities in distribution and marketing
- Strong product development pipeline to drive robust medium-term growth
 - Significant new product launch scheduled for Q3 of FY2023

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PENGANA CAPITAL GROUP

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