

An aerial view of a city skyline at night, showing numerous illuminated skyscrapers and buildings. The image is partially obscured by a white curved graphic element on the right side.

PENGANA CAPITAL GROUP

SHAREHOLDER PRESENTATION

FOR THE HALF YEAR ENDED
31 DECEMBER 2022

Russel Pillemer
Chief Executive Officer

Katrina Glendinning
Chief Financial Officer

PENGANA CAPITAL GROUP

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PENGANA CAPITAL MARKETS

SECTION I

BUSINESS OVERVIEW



GROUP OVERVIEW

Leading Australian provider of premium, value added products

Focused on the higher-end retail market: financial advisors, SMSFs and HNW's

- Serviced by experienced and capable distribution team

Recognised, well-regarded brand built over 20 years

- Loyal client base
- Product well-rated by research houses;
- Extensive availability across advisor platforms

Robust, scalable and technologically advanced “institutional-grade” infrastructure

Strong management team with significant industry expertise and experience

Circa \$3.0 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 80% of FUM

Unique funds management business model, facilitating horizontal growth

- Multiple growth prospects in “high-demand” segments/themes;
- capacity to grow in existing strategies as well as optionality to add new strategies
- 25% of FUM in listed vehicles

Strong balance sheet providing stability and the ability to weather market fluctuations

Proven ability to identify and capitalise on market opportunities

COMPELLING TRACK RECORDS WITH CAPACITY TO GROW

(AS AT 31/12/2022)

| Primary Fund/Vehicle Name | Strategy | Team | FUM Current (\$m) | Indicative Further FUM Capacity (\$bn) | Performance Since Inception p.a. ¹³ | | |
|---------------------------------------------------------------|-----------------------------|----------|-------------------|----------------------------------------|------------------------------------------------|-------------|------------|
| | | | | | Fund % | Benchmark % | Relative % |
| Pengana Australian Equities¹ | Australian Multi Caps | Internal | 720 | Limited | 8.4 | 6.5 | 1.9 |
| Pengana Emerging Companies² | Australian Small Caps | Internal | 688 | Limited | 11.9 | 4.5 | 7.4 |
| Pengana Private Equity (LIT)³ | Private Equity | JV | 457 | Very large | 11.9 | n/a | n/a |
| Pengana Axiom International Ethical ^{4, 13} | Global, Multi Caps, Ethical | JV | 298 | Very large | 6.9 | 7.0 | (0.1) |
| Pengana International Equities Ltd (LIC)⁵ | Global, Multi Caps, Ethical | JV | 275 | Very large | 7.0 | 7.6 | (0.6) |
| Pengana WHEB Sustainable Impact ^{6, 12} | Global, Multi Caps, Impact | JV | 254 | ~\$800m | 5.4 | 6.4 | (1.0) |
| Pengana Global Small Companies⁷ | Global, Small Caps | Internal | 147 | ~\$500m | 6.0 | 7.1 | (1.1) |
| Pengana Harding Loevner International ^{8, 12} | Global, Multi Caps, ESG | JV | 42 | Very large | 8.8 | 6.7 | 2.1 |
| Pengana High Conviction Equities ⁹ | Global, Multi Caps | Internal | 36 | ~\$200m | 21.5 | 10.0 | 11.5 |
| Pengana Alpha Israel ¹⁰ | Israel, Small-Mid Caps | JV | 29 | ~\$500m | 5.9 | 5.9 | - |
| Pengana High Conviction Property ¹¹ | Australian, Multi Caps, ESG | Internal | 15 | ~\$700m | 4.7 | (1.3) | 6.0 |

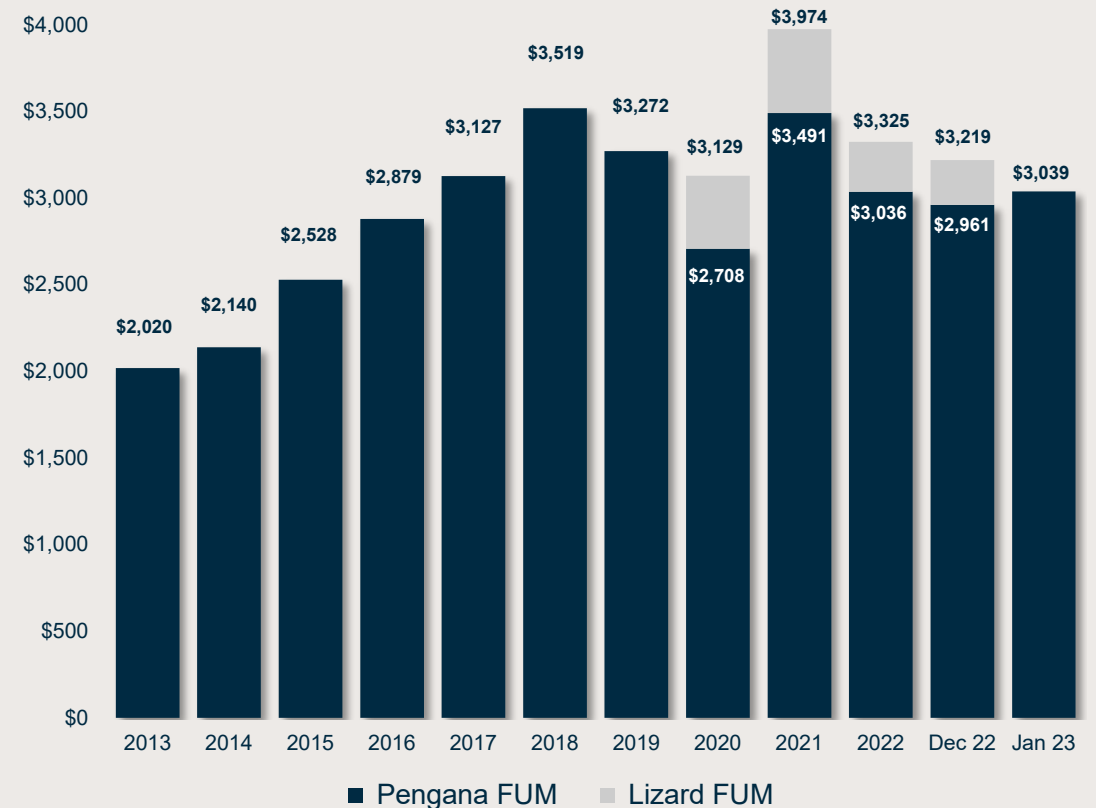
1. Benchmark: ASX All Ordinaries Accumulation Index, Inception Jul-08 2. Benchmark: ASX Small Ordinaries Accumulation Index, Inception Nov-04 3. Inception Apr-19 4. Benchmark: MSCI AC World Total Return Index (Net), Inception Jun-04 5. Benchmark: MSCI World Total Return Index (Net), Inception Mar-04 6. Benchmark: MSCI World Total Return Index (Net), Inception Jan-06 7. Benchmark: MSCI AC World SMID Cap Index (Unhedged) AUD, Inception Apr-15 8. Benchmark: MSCI AC World Total Return Index (Net), Inception Nov-89 9. Benchmark: MSCI World Total Return Index (Net), Inception Dec-14 10. Benchmark: Tel Aviv Stock Exchange 125 Index, Inception Dec-17 11. Benchmark: S&P/ASX 200 A-REIT TR Index, Inception Feb-20 12. 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 13. Performance since inception of Primary Fund to 31 December 2022

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 FUM over the 6 months to 31 December 2022³
 - distributions made to investors of \$123 million
 - net outflows of \$47 million
 - positive performance for the period of \$95 million
- Divestment of Lizard Investors LLC ('Lizard') reduced FUM by \$258 million in January 2023
- Well-positioned for future growth due to the quality of offerings in "high-demand" segments/ themes
 - Private markets, including market leading private equity LIT
 - ESG, ethical and impact investing – across multiple vehicles
 - Non-index aware/ absolute return – all vehicles
 - Global equities – several funds and LIC
- Opportunity to diversify further over time by adding new strategies and businesses

HISTORICAL GROWTH IN FUM (\$M)²

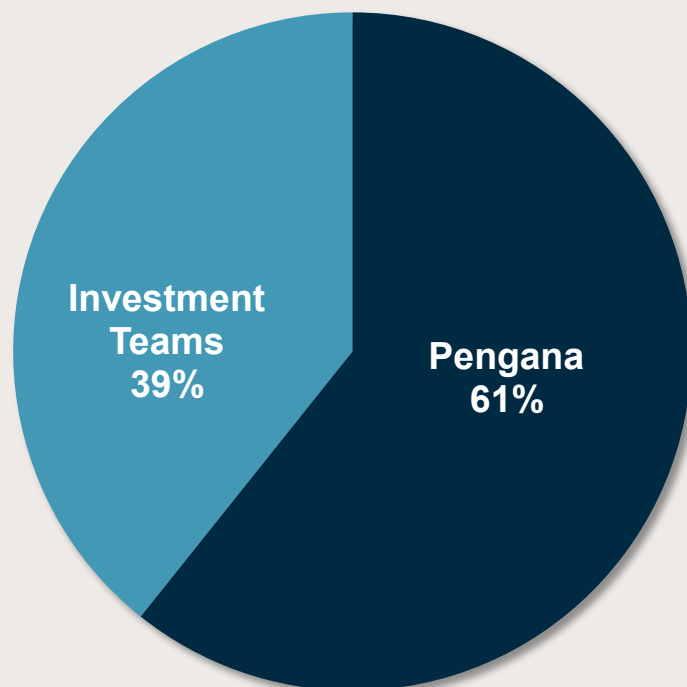


1. The amount of funds under management can increase or decrease due to a range of factors including net fund flows, distributions to investors and investment performance. Past performance is not a reliable indicator of future performance. The reported FUM is prior to any distributions and dividends being paid to investors. 2. Combined Pengana and Hunter Hall FUM at each 30 June. 3. Excludes Lizard movements in FUM

ANALYSIS OF MANAGEMENT FEES

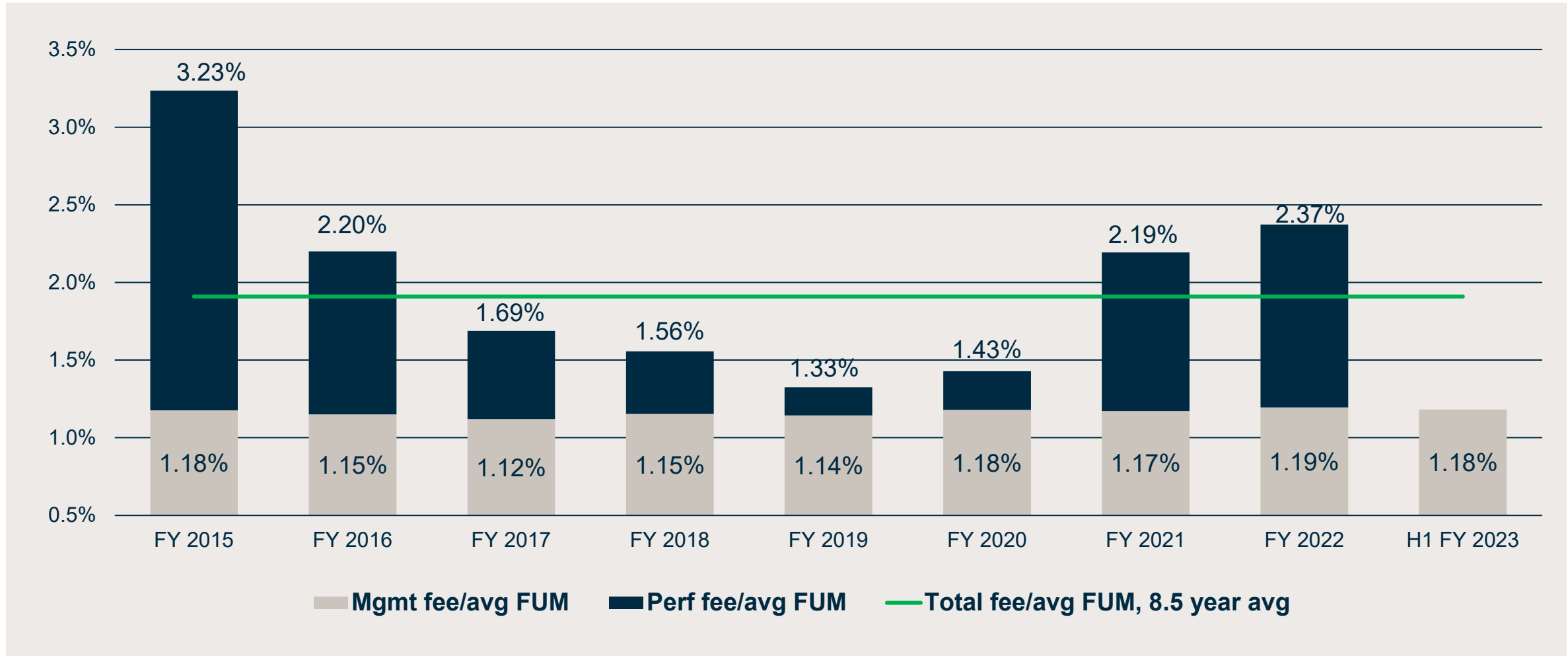
(AS AT 31/12/2022)

MANAGEMENT FEE SPLIT IN H1 FY2023 (\$18.1M)



- Funds under management (“FUM”) subject to management fees of \$3.0bn (at 31/12/2022)
- Average gross management fee rate of 1.19% (FY22: 1.19%)
- Management fees of \$18.1 million in H1 FY2023 split:
 - 39% to Investment Teams (FY22: 40%)
 - 61% to PCG (FY22: 60%)
- 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

ANNUAL GROSS FEE MARGIN

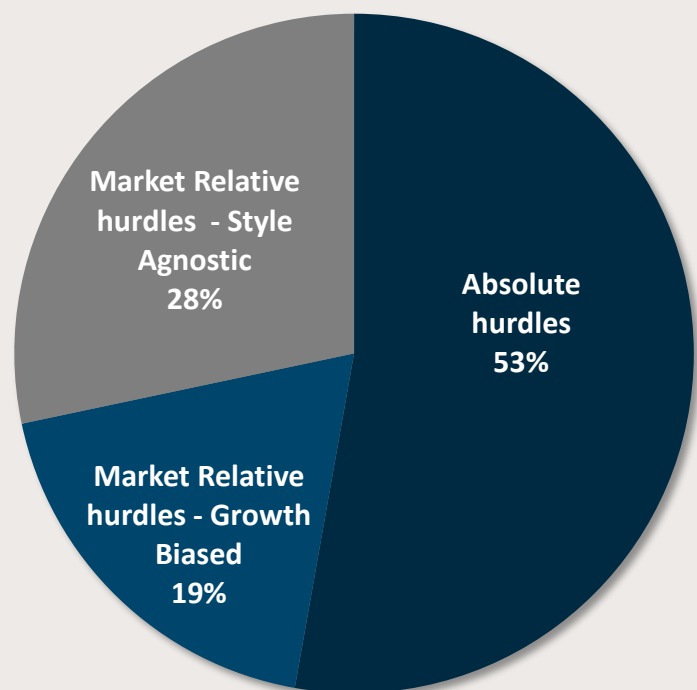


Fee margin for performance fee margin calculated on average annual funds under management subject to performance fees, excluding the impact of Lizard Investors LLC FUM, management and performance fees. Total Average Fund under Management for H1 FY 2023: \$3.034 billion, Total Average Funds Under Management subject to Performance Fees for H1 FY 2023: \$2.413 billion. Funds under management at 31/01/2023 subject to performance fees: \$2.410 billion

ANALYSIS OF PERFORMANCE FEES

(AS AT 31/12/2022)

FUM SUBJECT TO PERFORMANCE FEES (\$2.4BN)



- Well diversified sources of performance fees (“PFs”) provide added stability:
 - **Absolute hurdles (higher level of certainty and consistency): 53%**
 - Market Relative hurdles – (predominantly) Style Agnostic strategies: 28%
 - Market Relative hurdles – Growth Biased strategies: 19%
- Average split of PFs to PCG of 64% (FY22: 62%), 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

SECTION II

HALF-YEAR REVIEW



KEY DEVELOPMENTS IN H1 FY2023

- Volatile six months in listed investment markets
 - Mostly positive absolute returns across strategies with mixed results on a relative basis
 - However, no performance fees earned as all funds under their high-water-marks
 - It is important to note that performance fees will fluctuate, especially over relatively short periods of time. However, over the long term, we expect a reversion to the mean
- Marginal net outflows over the period
- Focus on new product developments in private markets
- Further expansion of distribution team
- Further development of leading-edge digital marketing capabilities
- Continued focus on refining responsible investment frameworks across in-house strategies; recognised as a Responsible Investment Association Australasia (“RIAA”) responsible investment leader 2022-2023

FINANCIAL PERFORMANCE IN H1 TO 31/12/2022

- Closing 31 December 2022 FUM of \$2.961bn (31 January 2023: \$3.039bn)
- Operating EBITA **down 89%** to \$2.5 million
- Underlying Profit before tax **down 85%** to \$3.8 million
- EPS on Underlying Profit after tax **down 85%** to 2.41 cents
- Net tangible underlying assets (“NTA”) per share **down 8%** to 51.02 cents
- Interim dividend of 2 cents per share

UNDERLYING PROFITABILITY¹

| Pengana Capital Group | Dec 2022 \$'000 | Dec 2021 \$'000 | Increase/ (Decrease) \$'000 | Increase/ (Decrease) % | Comment |
|-------------------------------------------------------------|--------------------|--------------------|-----------------------------------|------------------------------|--------------------------------------------------------|
| Management fee revenue | 18,081 | 22,026 | (3,945) | (18)% | Reduced FUM |
| Performance fee revenue | - | 19,263 | (19,263) | (100)% | |
| Net fund direct expenses | (1,504) | (1,620) | 116 | (7)% | |
| Operating expenses | (8,271) | (7,126) | (1,145) | 16% | Increased occupancy and distribution costs |
| Team profit share | (5,800) | (9,847) | 4,047 | (41)% | |
| Operating EBITDA¹ | 2,506 | 22,696 | (20,190) | (89)% | Zero performance fees in period |
| Interest and investment income distributions | 356 | 220 | 136 | 62% | |
| Interest on loan funded share plan | 687 | 718 | (31) | (4)% | Repayment of loans |
| Financing costs | (42) | (55) | 13 | (24)% | Repayment of debt |
| Gain/(loss) on investments and other non-recurring items | 263 | 1,602 | (1,339) | (84)% | Revaluation of investments and discontinued operations |
| Underlying profit before tax² | 3,770 | 25,181 | (21,411) | (85)% | |
| <i>Basic EPS on underlying profit after tax³</i> | <i>2.41 cps</i> | <i>16.23 cps</i> | <i>(13.82) cps</i> | <i>(85)%</i> | |

1. Source: Pengana Management Accounts 2. Underlying profit before tax attributable to Pengana Shareholders 3. Calculated on 109,546,757 weighted average number of shares (i.e. including treasury shares) (2021: 108,645,230), applying normalized 30% tax rate

STATUTORY PROFIT

| Pengana Capital Group | Dec 2022 (\$'000) | Dec 2021 (\$'000) |
|------------------------------------------------------------------------------------|----------------------|----------------------|
| Underlying profit before tax¹ | 3,770 | 25,181 |
| Less: | | |
| Less: investment gains recorded in other comprehensive income reserve | (311) | (1,311) |
| Less: Non-cash amortisation and impairment | (687) | (718) |
| Less: LSP interest income (not on profit & loss) | (1,688) | (1,361) |
| Less: Tax | (762) | (6,287) |
| Statutory profit after tax attributable to Pengana shareholders² | 322 | 15,504 |
| <i>Basic EPS on statutory profit after tax³</i> | <i>0.39 cps</i> | <i>18.51 cps</i> |

1. Source: Pengana Management Accounts

2. As per Pengana Capital Group Limited 31 December 2022 Interim Report

3. Calculated on 83,413,794 weighted average number of shares (i.e. excluding treasury shares) (2021: 83,750,226 shares)

BALANCE SHEET¹

| Pengana Capital Group | 31 Dec 2022 (\$'000) | 30 Jun 2022 (\$'000) |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Cash net of AFSL cash requirements | 9,497 | 19,965 |
| Receivables | 3,099 | 7,865 |
| Payables | (2,999) | (12,204) |
| Net working capital | 9,597 | 15,626 |
| Investments net of AFSL liquid asset requirements and associated current liabilities | 5,989 | 5,137 |
| AFSL capital requirements | 7,295 | 7,333 |
| Loans (on and off-balance sheet) | 29,837 | 28,582 |
| Other assets and liabilities | 1,306 | 18 |
| Net assets and liabilities held for sale less minority interests | 2,149 | 3,470 |
| Net tangible underlying assets attributable to Pengana Shareholders¹ | 56,173 | 60,166 |
| <i>Net tangible underlying assets per ordinary security²</i> | <i>51.02 cps</i> | <i>55.33 cps</i> |
| Less: Off balance sheet Loan Funded Share Plan | (29,479) | (28,195) |
| Add: minority interests | 407 | (413) |
| Net tangible statutory assets³ | 27,101 | 31,558 |
| <i>Net tangible statutory assets per ordinary security⁴</i> | <i>32.49 cps</i> | <i>37.85 cps</i> |

1. Source: Pengana Management Accounts 2. Calculated on 110,109,358 shares on issue (i.e. including treasury shares) (June 2022: 108,748,050) 3. As per Pengana Capital Group Limited 31 December 2022 Interim Report 4. Calculated on 83,414,044 shares on issue (i.e. excluding treasury shares) (June 2022: 83,368,089 shares)

STRATEGIC EXPANSION

i

PRIVATE MARKET STRATEGIES

- Private Equity
- Private Credit

ii

PENGANA CAPITAL MARKETS



PRIVATE MARKETS

- PCG's stated aim over the last few years has been to grow our private markets businesses
- This will provide PCG with strong growth, diversification, stability and higher margins
- Demand for private markets exposures is growing at a rapid rate in Australian and offshore global markets:
 - In Australia there is a lack of high-quality global offerings, with the better exposures not being offered
 - There is a severe lack of vehicles that utilise structures that are appropriate for Australian retail and mass high-net-worth ("HNW") investors
 - Pengana is well-placed to solve both of these challenges for investors
- Preparing to launch further products in two areas:
 - Private Equity ("PE")
 - Private Credit ("PC")

PRIVATE EQUITY (“PE”)

- Initial vehicle - Pengana Private Equity Trust (ASX: PE1) launched in April 2019 with initial FUM of \$205 million:
 - PE1 FUM is now at \$434 million, i.e. 112% increase, driven by capital growth and two additional raisings
- Strong future growth forecast for PE due to market dynamics:
 - Continued increase in market demand for PE from financial advisors and retail/mass HNW investors
 - For investors/advisors who are investing in PE, we have observed portfolio allocations in the range of ~5-15%
- PE1 is the only listed global PE fund in Australia:
 - PCG spent substantial time and effort to create this vehicle with the purpose of making global PE easily accessible and usable by Australian retail and HNW investors
 - Arguably the only suitable structure for Australian retail investors to access global PE opportunities
- PCG also intends to launch unlisted wholesale PE vehicles for sophisticated investors

PRIVATE CREDIT (“PC”)

- Strong demand for PC from Australian retail and HNW investors; expected to continue/increase as investors become more comfortable with the growing asset class
- Significant number of offerings already in the market. However, there is a large gap in the market due to:
 - Quality and diversification of underlying investments
 - Vehicles generally not structurally suitable for retail and HNW investors
- Pengana is well placed to deliver attractive solutions:
 - Ability to innovate, as well as deep understanding of private markets
 - Structuring, distribution and marketing experience and expertise gained through launch and management of PE1
 - Global relationships that are necessary to construct, launch and manage complex private market solutions
- Large Foundation Portfolio - construction and seeding underway:
 - Launch of multiple products using Foundation Portfolio
 - First products to be opened to investors in the coming months
 - Game changer for retail and HNW investors
- Expected to be a major growth engine for PCG over the coming years

PRIVATE CAPITAL MARKETS (“PCM”) BUSINESS

- PCG has recognised a significant opportunity to build/grow a capital markets business:
 - Capital raisings for discreet opportunities, including individual equities, credit instruments and funds
 - Predominantly in private markets – synergistic with PCG’s private markets businesses and product offerings
- PCG has been in the capital markets business to a small extent over the past few years, offering some opportunities to our Family Office and ultra-HNW investors on an ad-hoc basis
- We have noted that many of our investors are interested in investing in Pengana-sourced capital markets opportunities and have launched a dedicated effort in this business: Pengana Capital Markets (“PCM”)
- PCM is a high-margin business consisting predominantly of upfront fees with some ongoing management and/or performance fees
- Phil Schofield has joined PCM to lead the new division as Managing Director and CEO, with responsibility for building and running the PCM business. Phil has significant credentials in this area:
 - Senior management and director roles at Goldman Sachs and Citi Group
 - Patterson Securities - Head of Institutional Sales
 - Canaccord Genuity Australia - Executive Director

THANK YOU

- We thank you for taking the time to read our shareholder presentation.
- The Pengana team is excited to deliver on our plans for the coming period where the opportunities described will come to fruition in the public domain.
- We are confident these new offerings will be a testament to our ability to continue to provide relevant and differentiated investment products to the Australian market, further complementing our diverse range of existing investment options.

We encourage shareholders to get in touch via pengana.com/contact-us/

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