

PCG REPORTS STRONG INTERIM RESULTS

Highlights for the period:

- Statutory profit of \$5.0 million
- Underlying profit of \$7.9 million
- Underlying earnings per share of 7.8 cents per share
- Interim fully franked dividend of 6.5 cents per share

Warwick Negus, Chairman of Pengana Capital Group Limited, (**ASX: PCG**) today announced a statutory profit after tax of \$5.0 million for the half year to 31 December 2017 and a fully franked interim dividend of 6.5 cents per share. When adjusting for non-cash expenses, investment gains accounted for through equity, and interest received on the off-balance sheet Loan Funded Share Plan, the underlying after-tax profit for the six months was \$7.9 million, or earnings of 7.8 cents per share.

The driver of the strong result was an 11% increase in funds under management, from \$3,127 million as at 30 June 2017 to \$3,475 million at 31 December 2017 with investment performance of \$280 million and net inflows of \$187 million comfortably offsetting distributions of \$47 million paid in the period.

PCG made in-roads into its stated strategic objectives, with a number of strategies receiving new or upgraded ratings from research houses late in the period. In addition, in December 2017 our listed investment company, Pengana International Equities Limited, issued one-for-one bonus options to its shareholders.

Russel Pillemer, PCG Chief Executive Officer said, "We are particularly proud of the long-term performance of our range of strategies, and this was further cemented by the excellent investment returns in the six month period to 31 December 2017, resulting in strong support from our adviser network and from our direct clients."

Pengana is in a strong financial position, with no borrowings and at 31 December 2017 Pengana had \$20.9 million of net liquid assets in excess of our regulatory requirements of \$10 million. In addition, last financial year Pengana provided employees with loans of \$27 million, used to acquire shares in Pengana. Whilst these loans do not appear on the balance sheet due to their treatment under Australian Accounting Standards, they nevertheless are economic assets of Pengana.

We are pleased to announce that the Board today declared a fully franked interim dividend of 6.5 cents per share. The record date for the dividend is Thursday, 1 March 2018 and the dividend will be paid on Thursday, 15 March 2018. The Board recognises that shareholders place value on receiving a regular dividend and today confirmed its intention of paying out the majority of Pengana's earnings in both an interim and final dividend.

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Pengana conducts regular roadshows where it provides an opportunity for investors and shareholders to meet PCG executive management and the various investment managers. In March 2018 the international equities team will be conducting investor briefings across 7 cities around Australia. PCG CEO Russel Pillemer will be providing a business update and will be joined at each event by either Jordan Cvetanovski (Chief Investment Officer and Portfolio Manager) or Steven Glass (Head of Research and Portfolio Manager).

We encourage all investors and shareholders to attend and hear from PCG executive management and the international equities team. The location and dates of the briefings are detailed below. Please register for the location that best suits you.

Date	City
Monday, 19 March 2018	Canberra
Tuesday, 20 March 2018	Brisbane
Wednesday, 21 March 2018	Gold Coast
Thursday, 22 March 2018	Sydney
Tuesday, 27 March 2018	Perth
Wednesday, 28 March 2018	Adelaide
Thursday, 29 March 2018	Melbourne

Shareholder Inquiries

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Shareholder Registry

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