PENGANA CAPITAL GROUP

Interim Results
For the period to
31 December 2017

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Chief Executive Officer

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Chief Financial Officer

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1. Overview

Pengana Capital Group

Investment strategies aim to generate superior long term returns with focus on capital preservation

- Leading provider of premium products
- Benchmark-unaware mandates; we don’t aim to “beat the market” over the short-term
- Proven long-term performance over multiple funds
- Impose capacity limits across our strategies
- Focused on the higher end retail market; SMSF’s, advisors and HNW’s
- Unique funds management business
- FUM of circa $3.5 billion

Strengths and Opportunities

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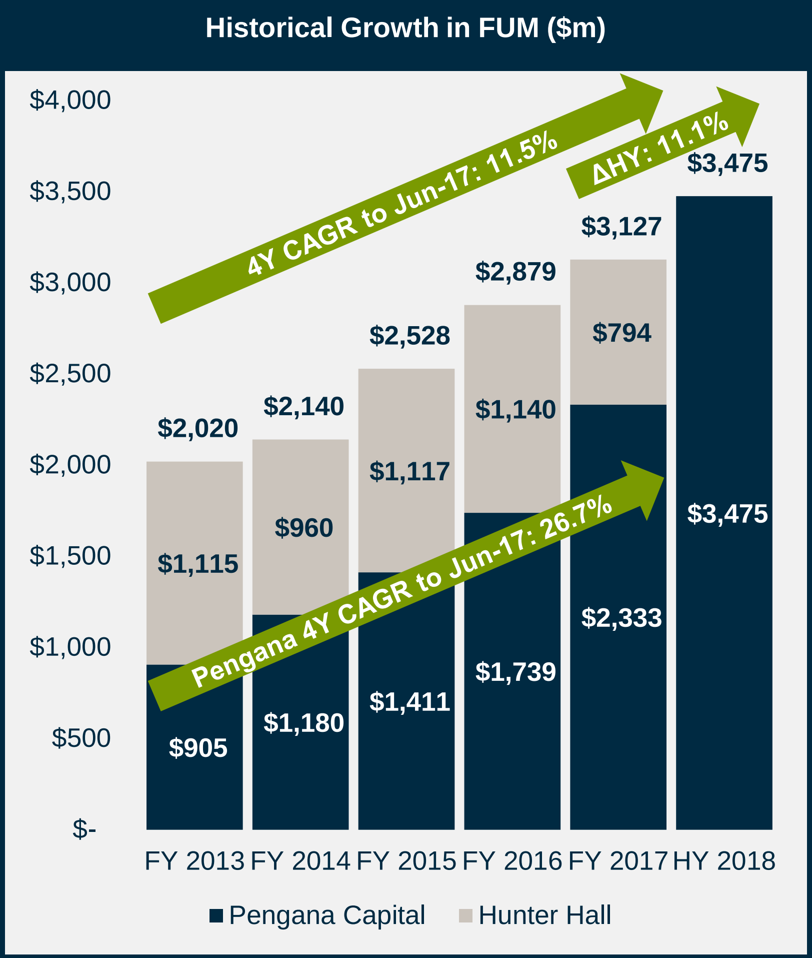
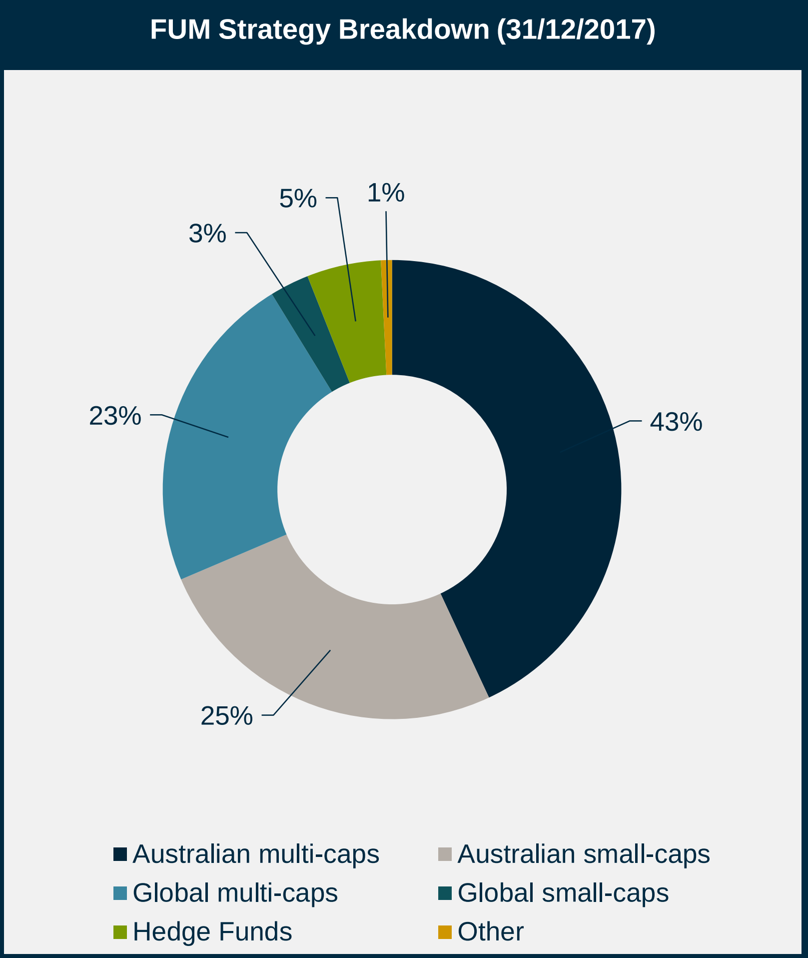
- A leading retail brand in benchmark-unaware actively managed equities
- A diverse high quality offering across Australian and International equities; proven long term performance across multiple funds
- Capitalise on increasing demand in benchmark-unaware, absolute return and alternative asset spaces
- Capitalise on increasing demand for ethical funds
- Experienced and aligned corporate management team with robust and scalable infrastructure
- Aligned funds management teams with substantial expertise and long term track records
- Horizontal growth prospects enhanced by unique operating model
- Strong distribution capability with over 50,000 underlying retail investors across platforms, dealer groups, IFAs, and direct HNW and SMSF clients
- LIC platform

Funds Under Management [1]





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.

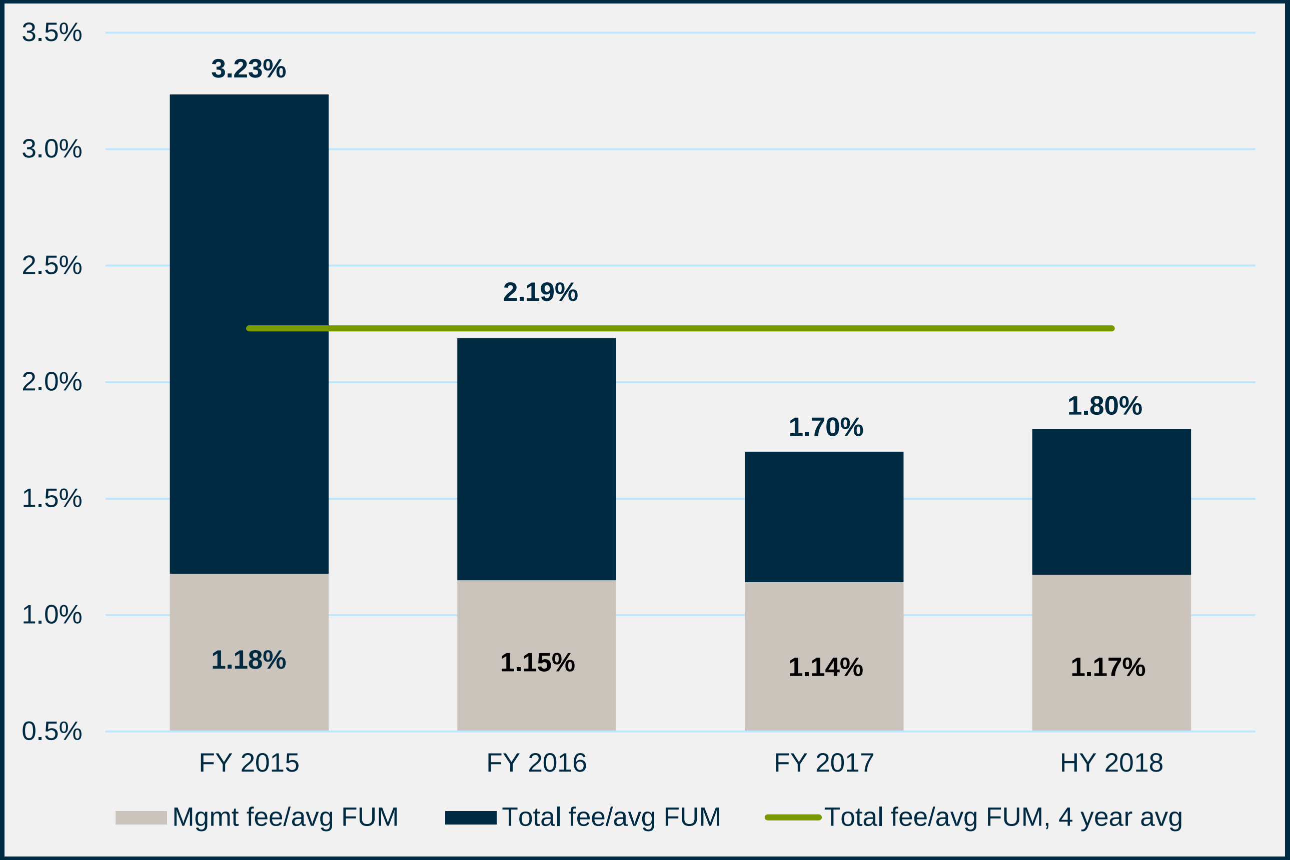
The reported FUM is prior to any distributions and dividends being paid to investors.

Diversified Range of Funds [1]

Acronym	Primary Fund Name	Strategy	Strategy FUM at 31/12/17 ($m)	Management Fee; Performance Fee (Primary Fund)
PAEF	Pengana Australian Equities	Australian Multi-caps	1,474	1.0%; 10% above 0%
PECF	Pengana Emerging Companies	Australian Small-caps	888	1.3%; 20% above ASX Small Ords
PIEF	Pengana International Equities	Global Multi-caps	489	1.25%; N/A
PIA	Pengana International Equities Ltd (LIC)	Global Multi-caps	297	1.2%; 15% above MSCI World
PanAgora	Pengana PanAgora Absolute Return Global Equities	Global Market Neutral	129	1.5%; 20% above RBA Cash
PGSC	Pengana Global Small Companies	Global Small-caps	96	1.3%; 20% above MSCI AC World SMID
PAR Asia	Pengana Absolute Return Asia Pacific	Absolute Return Asia	53	1.5%; 20% above RBA Cash
PAEIF	Pengana Australian Equities Income	Australian Multi-caps	22	0.7%; 10% above 0%
HCT	Pengana High Conviction Equities	High Conviction	21	1.76%; 15% above RBA Cash + 3% p.a.
WHEB	Pengana WHEB Sustainable Impact	Global Impact Investing	6	1.32%; N/A

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.
2. Fees are expressed excluding GST as this reflects the fees that PCG will receive

Annual Fee Margin FY 2015 to HY 2018



3. HY 2018 Results

Pengana Capital Group Operating EBITDA [1]

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31 December 2017	($000)
Management fee revenue	18,744
Performance fee revenue	10,006
Operating expenses	(9,772)
Team profit share	(11,055)
Operating EBITDA	**7,923**
Other income	1,318
Amortisation	(1,482)
Profit before tax	**7,759**
Income tax expense	(2,751)
Statutory profit after tax attributable to Pengana shareholders[2]	**5,008**
Basic earnings per share on statutory profit – cents per share [3]	6.4

1. Source: Pengana Management Accounts
2. As per Pengana Capital Group Limited 31 December 2017 Financial Statements
3. Calculated on 78,623,370 shares (i.e. excluding 22,853,722 treasury shares)

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Pengana Capital Group Operating EBITDA [1]

31 December 2017	($000)
Statutory profit after tax attributable to Pengana shareholders [1]	**5,008**
Add back: [2]	
Amortisation	1,482
Unrealised investment gains	348
Interest on Loan Funded Share Plan	1,063
Underlying profit	**7,901**
Basic earnings per share on underlying profit – cents per share [3]	7.8

1. As per Pengana Capital Group Limited 31 December 2017 Financial Statements
2. Source: Pengana Management Accounts
3. Calculated on 101,477,092 shares (i.e. including 22,853,722 treasury shares)

Pengana Capital Group Balance Sheet[1]

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31 December 2017	($m)
Cash net of $5m AFSL cash requirements	12.22
Current receivables	11.81
Current liabilities	(12.35)
Net working capital	**11.68**
Investments net of $5m AFSL liquid asset requirements	**8.68**
AFSL capital requirements	10.00
Loans (on and off balance sheet)	28.69
Other assets	2.10
Other non-current liabilities	(7.86)
Total non-current assets and liabilities	**32.93**
Net Assets [1]	**53.29**
Less: Off balance sheet Loan Funded Share Plan	(26.92)
Add: Intangibles	65.74
Net Assets as per 31 December 2017 Financial Statements [2]	**92.11**

1. Source: Pengana Management Accounts
2. As per Pengana Capital Group Limited 31 December 2017 Financial Statements

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2. HY 2018 Highlights

Six months to 31 December 2017 in review

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- Completion of merger integration and capture of synergies
- Growth in FUM from net inflows and performance
- Management fee revenue as expected
- Performance fee revenue lower than historical averages: expected from time to time
- Strong performance from International Equities strategies
- Improvement in research house ratings, especially for International Equities strategies
- Listed Investment Company, PIA, announced one-for-one bonus option issue; potential large increase of vehicle over 18 months
- Fully franked interim dividend of 6.5 cents per share

4. The Future

Focus going forward

- Continued growth in FUM , especially for International Equities strategies
- Increase in distribution resources
- Continued focus on advised markets
- Increased focus on direct markets
- Unit trust and listed investment company activities
- Evaluate acquisition opportunities whilst being highly disciplined

Platform for Long Term Growth

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Superior Business Model

- Attract, retain and align “in-house” teams
- “JV model” enables growth at low cost
- Plug and play: identify opportunities and deliver solutions
- Opportunity to expand into other FM segments

Scalable Infrastructure

- Manage significantly larger asset base with low incremental cost
- Experienced and aligned management team
- Sophisticated operations, risk and compliance framework; segregated from FMs

Distribution and Brand

- FUM growth in existing and new funds
- Potential to launch additional LICs
- Leverage brand and relationships in Advisor and mass HNW markets

Acquisition Opportunities

- Attractive partner/buyer for select opportunities
- Revenue and cost synergies
- Valuation multiple arbitrage
- Opportunity to expand into other FM segments

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THANK YOU

FOR MORE INFORMATION

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