

Pengana Private Equity Trust (ASX: PE1) intention to offer additional units

- **PE1 to offer additional units via an entitlement offer to existing unitholders as well as a placement**
- **Since listing on 24 April 2019, PE1 has generated significant upside for Unitholders**
- **Offer should provide additional liquidity and attract new investors and advisor groups**
- **Existing unitholders to receive Loyalty Units, funded by PCG – a unique innovation to provide a benefit to existing investors**

23 October 2019: Pengana Capital Group Limited (ASX: PCG), announces the intention of its wholly-owned subsidiary, Pengana Investment Management Limited ("PIML") which is the Responsible Manager of Pengana Private Equity Trust (ASX: PE1) ("PE1" or "Trust"), to offer additional PE1 units in the first quarter of the 2020 calendar year ("Secondary Offer"). The Secondary Offer will comprise both an entitlement offer for existing unitholders and a placement.

Since its initial listing on 24 April 2019, PE1 has generated significant upside for Unitholders. The net asset value of the Trust has increased by 11.3%¹ and the unit price is 18%² above the IPO price.

Russel Pillemer, PCG's Chief Executive Officer, said "PE1 has attracted strong after-market support since its listing, with PE1 units mostly trading at a material premium to its Net Asset Value ("NAV"). PE1 has been a game changer for retail investors who for the first time have had the opportunity to invest in global private equity, an asset class that has the potential to generate substantially higher returns than listed equity markets, with lower volatility and low correlations³ with both equity and bond markets."

PIML intends to conduct a Secondary Offer for units in PE1⁴ given its strong performance to date and the continued and growing demand for private equity investments in general and PE1 in particular. Russel Pillemer said "We have had many approaches from existing and new investors and advisor groups who are seeking to acquire meaningful exposures to PE1 but are unable to do so because of a lack of liquidity. The offer of additional units should provide additional liquidity as well as enable the Trust to attract new investors and advisor groups."

Existing PE1 investors would benefit from the Secondary Offer of additional units in three ways:

- An entitlement offer that will enable them to increase their investment, without having to buy on-market;
- Increased size of the vehicle and thereby increased liquidity for their holdings; and
- A Loyalty Benefit Program, entirely paid for by PCG.

¹ Performance is calculated based on the Net Asset Value ("NAV") per unit in PE1 ("Unit") as at 30 September 2019. The NAV per unit used at inception for the purpose of calculating this performance is the subscription price per unit for the initial public offering of Units ("IPO") which was \$1.25 per Unit. Past performance is not a reliable indicator of future performance. The value of investments can go up and down.

² The stated growth of the unit price of Units is calculated based on the closing price of Units as at 22 October 2019. Past performance is not a reliable indicator of future performance. The value of investments can go up or down.

³ Source BURGESS & MSCI. Burgess data based on published 3Q 2018 benchmark data as of January 2019. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This information is not approved or produced by MSCI. Past performance is not a reliable indicator of future performance. The value of investments can go up and down. There are, of course, risk associated with private equity investments. Such risks will be addressed in the Product Disclosure Statement for the Secondary Offer.

⁴ Once finalized, full details of the offer will be announced and set out in a product disclosure statement ("2020 PDS"). A person should consider the 2020 PDS in its entirety in deciding whether to participate in the Secondary Offer.

PCG is proposing the introduction of a Loyalty Benefit Program to be offered to investors who hold PE1 units as at the closing date of the Secondary Offer. The proposed Loyalty Benefit Program is a unique innovation by PCG, reflecting the high value that we place on the loyalty of our supporters. To our knowledge, this is the first time ever that existing investors in a vehicle will benefit in this manner from an additional capital raising.

It is proposed that the Loyalty Benefit Program will be available to investors who hold PE1 units as at the closing date of the Secondary Offer ("Eligible Investors"), regardless of whether they participate in the Secondary Offer. Under the proposed Loyalty Benefit Program, if an Eligible Investor retains their pre-Secondary Offer unitholding for four months after the closing date of the Secondary Offer, then the Eligible Investor will receive additional PE1 units that are fully paid up by PCG ("Loyalty Units").

It is proposed that the number of Loyalty Units to be issued pro rata to all Eligible Investors will be 1% of the aggregate unitholding of Eligible Investors per complete \$100m raised under the Secondary Offer. For example, if \$100m is raised under the Secondary Offer, then the percentage will be 1%; if \$250m is raised under the Secondary Offer, then the percentage will be 2.5%, and so on.

Details regarding the offer size, issue price and offer structure of the Secondary Offer and the Loyalty Benefit Program will be announced in due course.

Register your interest at <http://pe1.pengana.com>

ENDS

Investor Enquiries:

Paula Ferrao, Pengana Capital Group
paula.ferrao@pengana.com
+61 2 8524 9900

Media Enquiries:

Rashmi Punjabi, Honner
rashmi@honner.com.au
+61 2 8248 3734 / 0466 658 475

About Pengana Capital Group

Pengana Capital Group is a listed funds management group, managing eleven active equity strategies focused on Global, Asia Pacific and Australian markets.

At Pengana we believe that alignment of interest between a fund manager and its investors is crucial. Our business and our funds are structured and managed within this framework.

Headquartered in Sydney, Pengana was founded in 2003 and also has operations in Melbourne, Brisbane and Singapore. It is a listed entity that has large ownership by directors and staff.

Important Information

The information in respect of PE1 has been prepared by Pengana Investment Management Limited ("Pengana") (ABN 69 063 081 612, AFSL 219 462) as the issuer of units in the Pengana Private Equity Trust (ARSN 630 923 643) ("PE1" or "Trust"). The information does not contain any investment recommendation or investment advice and has been prepared without taking account of any person's objectives, financial situation or needs. It is general information only and should not be considered investment advice and should not be relied on as an investment recommendation. Therefore, before acting on the information in this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs.

None of Pengana, Grosvenor Capital Management, L.P. ("Grosvenor"), or their related entities, directors, partners or officers guarantees the performance of, or the repayment of capital, or income invested in the Trust. An investment in the Trust is subject to investment risk including a possible delay in repayment and loss of income and principal invested.

A Product Disclosure Statement for the Secondary Offer ("PDS") will be available when the Secondary Offer opens. The PDS will be obtainable from our distribution team or website. A person who is considering participating in the Secondary Offer should obtain a copy of the PDS and should consider the PDS carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Trust.

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