

18 December 2019

Markets Announcement Office
ASX Limited
Level 5, 20 Bridge Street
Sydney NSW 2000

AMENDMENTS TO LOANS MADE UNDER PENGANA CAPITAL GROUP LIMITED (ASX: PCG) EMPLOYEE LOAN SHARE PLAN

As previously disclosed, Pengana Capital Group Limited (“PCG”) operates the PCG Employee Loan Share Plan (“Loan Share Plan”) to incentivise selected employees (including executive directors).

When making grants of shares under the Loan Share Plan, PCG provides participants with loans to enable them to acquire those shares. Interest generally accrues on these loans at an interest rate of “10% p.a. or, if higher the FBT benchmark rate of interest at the relevant time as set by the Australian Tax Office via a tax determination” (“10% Minimum Rate”).

Due to the current low interest rate environment, PCG has determined to change the applicable interest rate for all current participants in the Loan Share Plan whose relevant loans have an interest rate of the 10% Minimum Rate. As a result of this change, the applicable interest rate on these loans will be “the FBT benchmark rate of interest at the relevant time as set by the Australian Tax office via a tax determination” (“FBT Benchmark Interest Rate”).

The current FBT Benchmark Interest Rate is 5.37% for the FBT year running from 1 April 2019 to 31 March 2020. The FBT Benchmark Interest Rate is set each year.

As previously disclosed in our ASX announcement dated 6 June 2017, RC Pillemer Pty Ltd (ACN 099 911 510) as trustee for RC Pillemer Family Trust (“RCP”) (of which Russel Pillemer, the CEO, is the sole director and shareholder) holds 15,872,528 PCG Shares pursuant to the terms of the Loan Share Plan.

In connection with the 2017 grants of PCG shares under the Loan Share Plan, two loans were made to RCP:

- a loan of \$12,771,570 with an interest rate of 5.5% p.a. or, if higher the FBT benchmark rate of interest at the relevant time as set by the Australian Tax office via a tax determination (“5.5% Minimum Rate”); and
- a loan of \$6,133,790 with an interest rate of the 10% Minimum Rate.

The abovementioned change of interest rate from the 10% Minimum Rate to the FBT Benchmark Rate applies to the loan to RCP with an interest rate of the 10% Minimum Rate. This change has effect from 1 January 2020.

In relation to RCP’s 5.5% Minimum Rate loan, the interest rate has not changed however, with effect from 21 February 2019, RCP is obliged to use the dividends (net of tax) on the relevant PCG shares to pay outstanding interest only on the relevant loan made under the Loan Share Plan and not the outstanding principal.

Authorised by the Board of Directors, Pengana Capital Group Limited.



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About Pengana Capital Group

Pengana Capital Group is a leading provider of premium products that are benchmark unaware and actively managed, across both global and Australian investment strategies.