

RESPONSE TO PRESS SPECULATION REGARDING PROPOSAL TO MERGE CORDISH DIXON PRIVATE EQUITY FUND SERIES WITH PE1 OF US-BASED DIVISION

24 February 2023: Pengana Capital Group Limited ("**Pengana**", ASX: PCG) attaches copy of an ASX announcement by its wholly owned subsidiary, Pengana Investment Management Limited ("**PIML**") which is the Responsible Entity of Pengana Private Equity Trust ("**PE1**"), in reference to recent press speculation about the proposal to merge the Cordish Dixon Private Equity Funds Series ("**CDS**") with PE1.

For further information contact

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RESPONSE TO PRESS SPECULATION REGARDING PROPOSAL TO MERGE CORDISH DIXON PRIVATE EQUITY FUND SERIES WITH PE1

24 February 2023: Pengana Investment Management Limited ("**PIML**") refers to recent press speculation about the proposal to merge the Cordish Dixon Private Equity Funds Series ("**CDS**") with the Pengana Private Equity Trust ("**PE1**").

As of today's date, PIML is not currently in active discussions with E&P Investments Limited ("**E&P**") but confirms it previously submitted two conditional non-binding indicative proposals (subject to due diligence)¹ to merge the four CDS funds (CD1, CD2, CD3 and CD4) with PE1 through four separate and simultaneous trust schemes with CDS unitholders receiving PE1 units.

Following last year's failed internal proposal from E&P to merge the four CDS funds, PIML submitted an initial proposal on 16 December 2022 and a second enhanced proposal on 3 February 2023, following specific feedback from E&P on a structure that would allow all unitholders of all vehicles (PE1 & CDS) to materially benefit.

E&P rejected both proposals and did not engage further.

PIML continues to believe the proposal has significant strategic rationale and would provide compelling value to CDS unitholders if implemented. The indicative exchange ratio of the second proposal represented c.30% premia to the last close unit prices of CD1, 2 and 3.²

Importantly, PIML notes that it would only progress a merger proposal on a disciplined basis such that any merger would be materially value accretive to PE1 unitholders, and in consultation with PE1's highly credentialed manager, GCM Grosvenor.³

PIML believes this transaction could achieve a true win-win outcome for all unitholders, to deliver substantial premia for CDS unitholders alongside strong NAV accretion for PE1 unitholders.

¹ The non-binding indicative proposals were subject to a number of customary and other conditions including satisfactory completion of due diligence and obtaining all necessary unitholder and regulatory approvals.

² Based on the closing unit prices of \$1.755 for PE1, \$0.825 for CD1, \$1.10 for CD2 and \$1.33 for CD3 on 2 February 2023, being the last closing price prior to the date of the second proposal submitted on 3 February 2023. For CD4, the offer price was based on assuming the same implied offer discount to NAV as CD3 based on the disclosed NAV as at 2 February 2023 (i.e., the NTA announced on 13 January 2023). The ultimate exchange ratio was subject to due diligence.

³ Note that neither the proposal to merge PE1 with the CDS funds nor anything contained in this ASX release constitutes an offer capable of acceptance by CDS unitholders, and neither the proposal nor this ASX release constitutes a proposal to make a takeover bid for units in the CDS funds including pursuant to section 631 of the *Corporations Act 2001* (Cth).

PIML is advised by Luminis Partners and DLA Piper.

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