



ASX: PCX

PENGANA GLOBAL PRIVATE CREDIT TRUST

19 APRIL
2024

ARSN: 673 024 489

PRODUCT DISCLOSURE STATEMENT

LEAD ARRANGER AND JOINT LEAD MANAGER



TAYLOR COLLISON

Taylor Collison Limited
ACN 008 172 450
AFSL 247 083

JOINT LEAD MANAGERS



Morgans Financial Limited
ACN 010 669 726
AFSL 235 410



Shaw and Partners Limited
ACN 003 221 583
AFSL 236 048

INVESTMENT MANAGER



Pengana Credit Pty Ltd
ACN 659 608 849
CAR 001297160

INVESTMENT CONSULTANT



Mercer Consulting (Australia) Pty Ltd
ACN 153 168 140
AFSL 411 770

RESPONSIBLE ENTITY AND ISSUER

Pengana Investment Management Limited
ACN 063 081 612
AFSL 219 462

IMPORTANT NOTICE

The Pengana Global Private Credit Trust ARSN 673 024 489 ("Trust") is an Australian managed investment scheme structured as a unit trust, which has been registered with the Australian Securities and Investments Commission ("ASIC").

This product disclosure statement ("PDS") is dated 19 April 2024 and was lodged with ASIC on that date. This PDS is issued by the responsible entity of the Trust, Pengana Investment Management Limited (ACN 063 081 612, AFSL 219 462) ("Responsible Entity").

The Responsible Entity has appointed Pengana Capital Limited (ACN 103 800 568, AFSL 226 566) as the manager of the Trust pursuant to the Management Agreement ("Manager") and the Manager has engaged Pengana Credit Pty Ltd (ACN 659 608 849, CAR 001297160) ("Pengana Credit" or "Investment Manager") as the investment manager of the Trust pursuant to the Investment Management Agreement.

The Joint Lead Managers will together manage the Offer on behalf of the Responsible Entity. The Joint Lead Managers are Taylor Collison Limited (ACN 008 172 450, AFSL 247 083) ("Taylor Collison"), Morgans Financial Limited (ACN 010 669 726, AFSL 235 410) ("Morgans") and Shaw and Partners Limited (ACN 003 221 583, AFSL 236 048) ("Shaw and Partners"). The Joint Lead Managers are entitled to fees from the Manager as set out in Section 15.5.

The Joint Lead Managers do not guarantee the success or performance of the Trust or the returns (if any) to be received by investors. Except to the extent provided by law none of the Joint Lead Managers are responsible for, or has caused the issue of, this PDS.

PDS

The Responsible Entity will apply to the ASX for admission of the Trust to the Official List of the ASX and for quotation of its Units on the ASX within seven days after the date of this PDS.

Neither ASIC nor the ASX (or their respective officers) take any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates. Units issued under this PDS will be issued by the Responsible Entity on the terms and conditions set out in this PDS.

Admission to the Official List of the ASX is in no way an indication of the merits of the Trust.

NOT INVESTMENT ADVICE

The information contained in this PDS is not personal financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs.

Before deciding to invest in the Trust, you should read this PDS in its entirety. All investments involve a degree of risk. You should take into account all risk factors and conflicts of interest referred to in this PDS (including those in Section 8) and consider whether acquiring Units represents an appropriate investment in view of your personal circumstances. You should carefully consider your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and you should seek advice from your professional adviser before deciding whether to invest. You should consider the risk factors that could affect the financial performance of the Trust as well as the conflicts of interest to which the Trust is subject. There is no guarantee that the Units offered under this PDS will provide a return on capital, lead to payment of distributions or that there will be any increase in the value of the Units. If you wish to apply for Units you must do so using the relevant Application Form.

You should not invest in this Trust if:

- you are seeking short-term investment;
- you are unwilling to accept significant fluctuations in Unit prices; or
- you are unable to accept the loss of your principal invested.

As well as the risks of this particular product, you should also consider how an investment in this product fits into your overall portfolio. Diversification of your investment portfolio can be used as part of your overall portfolio risk management to limit your exposure to failure or underperformance of any one investment, manager or asset class.

If you do not fully understand this PDS or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Units.

AUTHORISED INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer, which is not contained in this PDS. None of the Responsible Entity, the Manager or the Investment Manager, nor any other person associated with the Trust, guarantees or warrants the future performance of the Trust, the return on an investment made under this PDS, the repayment of capital or the payment of distributions on the Units. Any information or representation in relation to the Offer not contained in this PDS may not be relied on as having been authorised in connection with the Offer by the Responsible Entity, the Manager, the Investment Manager or any other person that may have liability for the content of this PDS.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Offer under this PDS, or to otherwise permit a public offering of Units, in any jurisdiction outside Australia or New Zealand. The distribution of this PDS outside Australia or New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

WARNING STATEMENT FOR NEW ZEALAND INVESTORS

The Offer to New Zealand Applicants is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

CURRENCY EXCHANGE RISK

The Offer may involve a currency exchange risk. The currency for the Trust and the Units is not New Zealand dollars. The value of the Units will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the Trust to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

TRADING ON FINANCIAL PRODUCT MARKET

If the Units are able to be traded on a financial product market and you wish to trade the Units through that market, you will have to make arrangements for a participant in that market to sell the Units on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation

of participants in that market and the information available to you about the Units and trading may differ from financial product markets that operate in New Zealand.

DISPUTE RESOLUTION PROCESS

The dispute resolution process described in this PDS is available only in Australia and is not available in New Zealand.

EXPOSURE PERIOD

Pursuant to the Corporations Act, this PDS is subject to an Exposure Period of seven days from the date of lodgement of this PDS with ASIC, which period may be extended by ASIC by a further period of seven days. This period (and extension) is referred to in this PDS as the 'Exposure Period'. The Exposure Period enables this PDS to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this PDS. If deficiencies are detected, the Responsible Entity will either:

- (a) return any Application Amount the Responsible Entity has received; or
- (b) provide each Applicant with a supplementary or replacement product disclosure statement that corrects the deficiency and gives the Applicant the option to withdraw the Application within one month and be repaid the Application Amount.

The Responsible Entity is prohibited from accepting Applications received during the Exposure Period. Application Forms received prior to the expiration of the Exposure Period will therefore not be processed until after the Exposure Period. No preference will be conferred on Application Forms received during the Exposure Period and all Application Forms received during the Exposure Period will be treated as if they were simultaneously received on the first Business Day after the Exposure Period.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in Units pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

RIGHTS AND OBLIGATIONS ATTACHED TO THE UNITS

Details of the rights and obligations attached to each Unit and the material provisions of the Constitution, are summarised in Section 15. A copy of the Constitution is available, free of charge, on request from the Responsible Entity.

ELECTRONIC AND PRINTED PDS; WEBSITE

This PDS will be available and may be viewed online at www.pengana.com/PCX. The information on the website does not form part of this PDS.

The Offer constituted by this PDS in electronic form is available only to persons receiving this PDS in electronic form within Australia or New Zealand. Persons who access this electronic version of this PDS should ensure that they download and read the entire PDS. If unsure about the completeness of this PDS received electronically, or a printout of it, you should contact the Responsible Entity. During the offer period, a paper copy of this PDS will be available for Australian and New Zealand residents free of charge by calling the Offer Information Line on 1300 265 239 (within Australia) or +61 3 9415 4844 (outside Australia) between 8:30am and 5:00pm (Sydney time) on a Business Day.

Applications for the Units under this PDS may only be made via the electronic Application Form attached to the electronic version of this PDS, available at www.pengana.com/PCX. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to the complete and unaltered electronic version of the PDS. If this PDS is found to be deficient, any Applications may need to be dealt with in accordance with section 1016E of the Corporations Act. The Responsible Entity is entitled to refuse Applications for the Units under this PDS if it believes that the Applicant did not receive the Offer in Australia or New Zealand.

Any references to documents included on the Responsible Entity's website are provided for convenience only and none of the documents or other information on the website is incorporated by reference into the PDS unless stated otherwise in this PDS or except where the document or other information is updated information.

FINANCIAL INFORMATION AND AMOUNTS

The unaudited Pro Forma Statements of Financial Position in Section 13 are presented in Australian Dollars and have been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards ("AAS") other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 19 April 2024.

The Trust will operate on a financial year ending 30 June. Accordingly, the Trust's first annual statutory financial period will be the period ending 30 June 2024.

DISCLAIMER

No person is authorised by the Responsible Entity, the Manager, the Investment Manager or the Joint Lead Managers to give any information or make any representation in connection with the Offer that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by the Responsible Entity, the Manager, the Investment Manager, their directors or any other person in connection with the Offer. The Trust's business, financial condition, operations and prospects may have changed since the date of this PDS.

Certain statements in this PDS constitute forward-looking statements. These forward-looking statements are identified by words such as 'aim', 'anticipate', 'assume', 'believes', 'could', 'expects', 'intends', 'may', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would' and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

These forward-looking statements are based on current expectations, estimates and projections about the Trust's business and the markets in which the Trust will invest and the beliefs and assumptions of the Responsible Entity, the Manager and the Investment Manager. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Responsible Entity's, the Manager's and the Investment Manager's control. As a result, any or all of the forward-looking statements in this PDS may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors and conflicts of interest described in Section 8.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The Responsible Entity, the Manager and the Investment Manager do not make any assurance, express or implied, in relation to whether any forward-looking statements will actually eventuate.

These forward-looking statements speak only as at the date of this PDS. Unless required by law, none of the Responsible Entity, the Manager or the Investment Manager intends to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise. They are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. You should, however, review the factors and risks the Responsible Entity describes in the reports to be filed from time to time with the ASX after the date of this PDS.

Past performance, which is one of the principal components in developing these forward looking statements, is not necessarily a guide to future performance.

Some numerical figures in this PDS have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

UPDATED INFORMATION

Information in this PDS may need to be updated from time to time. **Any updated information that is considered not materially adverse to investors will be made available on the website: www.pengana.com/PCX. Pengana will provide a copy of the updated information, free of charge to any investor who requests a copy by calling the Offer Information Line on 1300 265 239 (within Australia) or +61 3 9415 4844 (outside Australia) between 8:30am and 5:00pm (Sydney time) on a Business Day.**

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary product disclosure statement to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures issued in conjunction with this PDS prior to making any investment decision.

PRIVACY

The Responsible Entity will collect, hold, use and disclose personal information provided by Unitholders to allow it to process your Application, service your needs as a Unitholder, provide facilities and services that you request and carry out appropriate administration of your investment. This means that the Responsible Entity will need to collect your personal information (for example, your name, address and details of the Units that you hold). In most cases, your personal information will be collected directly from you although we may also collect your personal information from third parties such as your broker. Under the Corporations Act some of this information must be included in the Trust's Unitholder registers, which will be accessible by the public. If you do not provide us with your relevant personal information, the Responsible Entity may not be able to properly administer your investment.

Privacy laws apply to the handling of personal information and the Responsible Entity will only use or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Responsible Entity and the Unit Registry may not be able to process your Application.

The Responsible Entity may also share your personal information with its service providers or others who provide services on its behalf, some of which may be located outside of Australia.

Each Unitholder acknowledges that in connection with the services provided by the Trust, their personal data may be transferred or stored in various jurisdictions in which such service providers have a presence, including to jurisdictions that may not offer a level of personal data protection equivalent to the Unitholder's country of residence. Each Unitholder also acknowledges that the service providers may disclose the Unitholder's personal data to each other, to any other service provider to the Trust or to any regulatory body in any applicable jurisdiction to which any of the service providers may be subject. This includes copies of the Unitholder's Application Form and any information concerning the Unitholder in their respective possession, whether provided by the Applicant or otherwise, including details of the Unitholder's holdings in the Trust, historical and pending transactions in the Units and the values thereof, and any such disclosure, use, storage or transfer shall not be treated as a breach of any restriction upon the disclosure, use, storage or transfer of information imposed on any such person by law or otherwise.

The Manager and Investment Manager may also collect, use and disclose your personal information provided to the Manager and Investment by the Responsible Entity, for Unitholder relations purposes in accordance with its privacy policy.

For more details on how the Responsible Entity, Manager and Investment Manager collects, stores, uses and discloses your information, please read Pengana's privacy policy available at pengana.com/privacy or by contacting the Responsible Entity on +61 2 8524 9900 and the Responsible Entity will send you a copy of its privacy policy free of charge. It is recommended that you obtain a copy of this privacy policy and read it carefully before making an investment decision. The privacy policy also contains information about how you can access and seek correction of your personal information, complain about a breach by the of the Australian privacy laws, and how the Responsible Entity will deal with your complaint.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Responsible Entity with your personal information, you agree to this information being collected, held, used and disclosed as set out in this PDS and the Responsible Entity's privacy policy.

INDUSTRY TERMS, DEFINITIONS AND ABBREVIATIONS

Certain industry terms, defined terms and abbreviations used in this PDS are explained in the Glossary in Section 17 of this PDS.

TIME

Unless otherwise stated or implied, references to time in this PDS are to Sydney time.

MISCELLANEOUS

Photographs and diagrams used in this PDS that do not have descriptions are for illustration only and should not be interpreted to mean that any person in them endorses this PDS or its contents or that the assets shown in them are owned by the Trust.

References in this PDS to currency are to Australian dollars unless otherwise indicated. All data contained in charts, graphs and tables within this PDS are based on information available as at the date of this PDS unless otherwise stated. Unitholders should note that market data and statistics are not inherently predictive, not necessarily reflective of actual market conditions and subject to uncertainty.

CORPORATE DIRECTORY

Trust	Pengana Global Private Credit Trust
Responsible Entity	Pengana Investment Management Limited ACN 063 081 612 AFSL 219 462 Suite 1, Level 27 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
Manager	Pengana Capital Ltd ACN 103 800 568 AFSL 226 566 Suite 1, Level 27 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
Investment Manager	Pengana Credit Pty Ltd ACN 659 608 849 CAR 001297160 Suite 1, Level 27 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia
Investment Consultant	Mercer Consulting (Australia) Pty Ltd ACN 153 168 140 AFSL 411 770 100 Barangaroo Avenue Sydney NSW 2000 Australia
Lead Arranger and Joint Lead Manager	Taylor Collison Limited ACN 008 172 450 AFSL 247 083 Level 16, 211 Victoria Square Adelaide SA 5000 Australia
Joint Lead Managers	Morgans Financial Limited ACN 010 669 726 AFSL 235 410 Level 29 Riverside Centre, 123 Eagle Street Brisbane QLD 4000 Shaw and Partners Limited ACN 003 221 583 AFSL 236 048 Level 7, Chifley Tower, 2 Chifley Square Sydney NSW 2000
Administrator and Custodian	BNP Paribas ARBN 000 000 117 AFSL 238 043 Level 6, 60 Castlereagh Street Sydney NSW 2000 Australia
Unit Registry	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000 Australia
Investigating Accountant and Trust Auditor	Ernst & Young 200 George Street Sydney NSW 2000 Australia
Australian Legal and Tax Counsel	DLA Piper Australia Level 22, 1 Martin Place Sydney NSW 2000 Australia

New Zealand Legal Counsel	DLA Piper New Zealand Level 15, PwC Tower 15 Customs Street West Auckland 1010 New Zealand
Trust Website	pengana.com/PCX
Offer Information Line	T: 1300 265 239 (within Australia) T: +61 3 9415 4844 (outside Australia)

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1. OFFER HIGHLIGHTS

KEY OFFER STATISTICS

Trust	Pengana Global Private Credit Trust ARSN 673 024 489
Proposed ASX code	PCX
Units offered	Fully paid ordinary Units
Subscription Price per Unit	\$2.00
Minimum number of Units available under the Offer	50,000,000
Minimum gross proceeds from the Offer	\$100,000,000
Pro forma NAV per Unit based on the Minimum Subscription	\$2.00
Maximum number of Units available under the Offer	125,000,000
Gross proceeds from the Offer based on the Maximum Subscription	\$250,000,000
Pro forma NAV per Unit based on the Maximum Subscription being received	\$2.00

The NAV per Unit on the Allotment Date is expected to be \$2.00. The expected NAV per Unit equals the Subscription Price because the upfront costs associated with the Offer will be funded by the Manager. Please see Section 10 and 11.6.10 for more information on fees and other costs.

The percentage of Units which will be available for Unitholders to freely trade in the public market after listing (i.e. Units which are not subject to a restriction on trading) is greater than 20%, based on both the minimum and maximum number of Units available under the Offer.

IMPORTANT DATES

Priority Determination Date	10 April 2024
Lodgement of the PDS with ASIC	19 April 2024
Offer Opening Date (9:00am Sydney time)	20 May 2024
Offer Closing Date (5:00pm Sydney time)	6 June 2024
Expected Settlement Date	13 June 2024
Expected date of the allotment of Units under the Priority Offer, Cornerstone Offer, Broker Firm Offer and General Offer	14 June 2024
Expected date for dispatch of holding statements	17 June 2024
Trading of Units on the ASX commences (on a normal settlement basis)	20 June 2024

The above dates are subject to change and are indicative only. The Responsible Entity reserves the right to amend this indicative timetable subject to the Corporations Act and the Listing Rules. In particular, the Responsible Entity reserves the right to close the Offer early, extend the Offer Period or accept late Applications without notifying any recipients of this PDS or any Applicant. Investors who wish to make an Application are encouraged to do so as soon as practicable after the Offer Opening Date.

2. LETTER TO INVESTORS

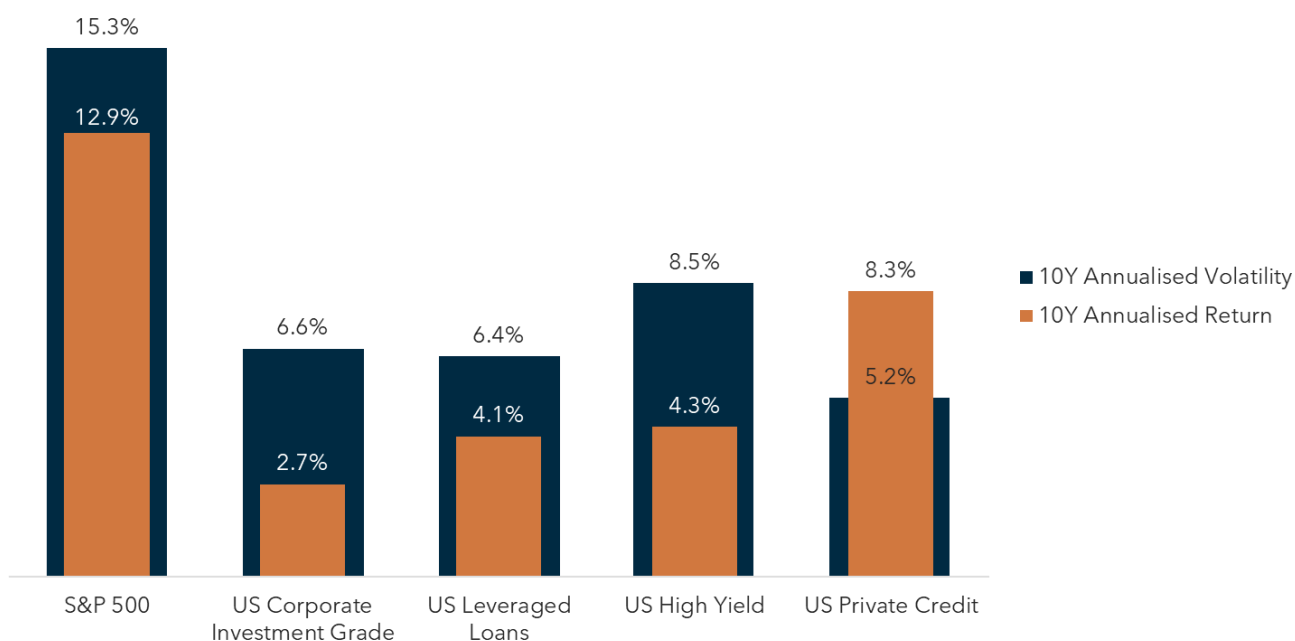
Dear Unitholder,

We are pleased to announce the launch of our new global private credit fund, the Pengana Global Private Credit Trust ("Trust"), which will offer you an opportunity to access a diversified portfolio of high-quality private credit funds across various geographies, strategies and sectors. The Trust has been registered with ASIC and is proposed to be listed on the ASX.

2.1. GLOBAL PRIVATE CREDIT

Global private credit is a fast-growing and attractive alternative asset class, having quadrupled in value over 10 years to USD\$1.7 trillion.¹ This growth has been driven by institutional investors seeking high-yielding, low volatility, capital stable investments and corporate borrowers seeking lending alternatives as North American and European banks have withdrawn from lending markets because of increasing regulatory constraints since the GFC. Investors are attracted to private credit's historically stable income, attractive risk-adjusted returns, diversification, capital preservation, low volatility and low correlation relative to fixed income and public markets alternatives. This relative attractiveness can be seen in the chart set forth below.

Higher annualised historical returns than other debt asset classes, with no realised increase in risk as measured by volatility (with volatility measured by the Annualised Standard Deviation of Quarterly Returns²)



Returns in USD. 10 year period from 1 July 2013 to 30 June 2023. Sources: S&P (S&P 500 Total Return Index), Bloomberg (Bloomberg US Corporate Total Return Value Unhedged USD), Burgiss (Burgiss - Private Debt (North America)), and Thomson Reuters Datastream (ICE BofAML US High Yield Master II, S&P Leveraged Loan). S&P, Bloomberg, Burgiss and Thomson Reuters have not provided consent to the inclusion of statements utilising their data. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance.**

Australian super fund interest in private credit has doubled since 2018 to 3.9% in April 2023,³ with numerous announcing intentions to maintain and grow this allocation over the next year.

However, we believe investing in global private credit funds can be challenging for non-institutional Australian investors due to the difficulty in identifying high quality global managers, gaining access to them, complex due

¹ Source: Preqin, as at 30 June 2023. Preqin has not provided consent to the inclusion of statements utilising their data.

² "Annualised Standard Deviation" is a measure of how much the price of an asset or the return of a portfolio of assets has fluctuated (both up and down) over a certain period. If an asset or portfolio of assets has a high Annualised Standard Deviation, the price of the asset or return of the portfolio of assets has historically fluctuated vigorously. If an asset or portfolio of assets has a low Annualised Standard Deviation, the price of the asset or return of the portfolio of assets has historically moved at a steady pace over a period of time.

³ Source: Preqin 2023 Private Debt Investor Survey. Preqin has not provided consent to the inclusion of statements utilising their data.

diligence requirements, high minimum subscription amounts, long lock-up and drawdown periods and limited liquidity. The Trust seeks to overcome these challenges by offering you a liquid, cost-efficient and diversified way to access this attractive and growing asset class through our alliance with Mercer Consulting (Australia) Pty Ltd ("Mercer").

2.2. MERCER

Mercer is one of the world's largest asset consultants and outsource asset managers with USD\$420 billion global assets under management and over USD\$16.2 trillion global assets under advisement.⁴ In particular, the Trust leverages Mercer's global leadership in private markets, including private credit fund research, with over 220 private market professionals located in 31 offices across 4 continents⁵ dedicated to understanding the private market landscape and its participants. For the Trust, Mercer will:

- carefully identify and screen private credit fund managers, seeking those that have demonstrated sustained mandate outperformance and which Mercer considers are suitable for inclusion in the Trust's portfolio;
- conduct detailed due diligence on managers, assessing their investment strategy, track record, alignment of interests with investors, and business management;
- secure access to such managers' funds for the Trust at negotiated favourable terms whenever possible; and
- develop portfolio plans, assist with liquidity planning and asset & liability modelling and approve asset allocation changes.

We have a high degree of confidence in Mercer's experience and expertise and believe they are well positioned to continue to identify and provide access to leading, global private credit managers and to develop portfolios to meet their clients' objectives.

2.3. THE TRUST

The Trust provides access to leading global private credit fund managers focussed predominantly on the US and Europe, which can complement existing defensive portfolio allocations.

We believe the following characteristics make the Trust an attractive vehicle to enable Australian investors to access global private credit:

- **Diversification:** The Trust provides investors with access to a diversified portfolio of private credit investments with diversification across Underlying Manager, strategy, geography, sector, credit quality and type of instrument. The Responsible Entity believes this diversification supports construction of resilient portfolios to protect capital while providing opportunities for yield enhancement through economic cycles. Multiple Underlying Managers allows the Trust to achieve a wide diversification with limited concentration risk and correlation, which the Responsible Entity believes should translate to low volatility and stable returns.
- **Regular distribution:** The Trust will target a cash distribution of 7% per annum (net of fees, costs and taxes incurred by the Trust) paid monthly and so is applicable to investors seeking income solutions for their portfolios. *This is a target only and may not be achieved.*⁶
- **Defensive investment:** Access to the global private credit asset class which has a strong track record of low volatility, attractive returns and low correlation to other asset classes such as public fixed income and equity. This provides the potential to provide diversification benefits and enhance the risk/return profile in a Unitholder's investment portfolio.
- **Simplicity:** The Trust will serve as a single point of entry to a well-diversified Portfolio of private credit investments (over 2,000 individual loans across 19 Underlying Funds).
- **Institutional investment management:** The Trust provides investors with access to investment manager capability that is typically only available to institutional clients.

⁴ Source: Mercer. Asset under management as at 31 December 2023 and assets under advisement as at 30 June 2023.

⁵ Source: Mercer as at 31 December 2023.

⁶ The target cash distribution yield is an objective target only and may not be achieved. Any shortfall in net income generated may result in a distribution payment made out of capital invested. Future returns are not guaranteed and a loss of principal may occur. Investors should review the Risks summary set out in Section 8 of this PDS. The first distribution is expected to be paid with reference to the period ending on 31 July 2024, with July 2024 being the first full month following the Settlement Date.

- **Liquidity:** Private credit investments typically involve the investors' capital being locked up for a number of years. The Trust will allow small and large investors to gain exposure to global private credit with the flexibility to buy and sell Units on the ASX so long as an active market exists.
- **Access:** Global private credit investments can be challenging to access for individual investors. The Trust will seek to provide investors with direct exposure to difficult-to-access global private credit investments predominantly in middle market companies (typically being those with USD\$50m-250m of annual EBITDA).
- **Bespoke solution:** Mercer will create a solution tailored specifically to the requirements and objectives of the Trust, utilising its highly experienced team, strong global relationships and fee efficiencies.
- **Capital management initiatives:** The Responsible Entity, in consultation with the Manager and Investment Manager, will regularly review the capital structure of the Trust and, where the Responsible Entity considers appropriate, undertake various capital management initiatives that are ultimately designed to reduce the likelihood that the market price of Units will deviate materially from the NAV per Unit. One such initiative is summarised below and detailed in Section 6.12.
 - **Regular off-market scheme buy-back:** The Responsible Entity intends to make an offer to buy-back 5% of the issued capital of the Trust at the Buy-Back Price each calendar quarter on an off-market basis, subject to the Responsible Entity determining such is in the best interest of Unitholders. The Buy-Back Price is equal to the sum of (i) the NAV per Unit as at the Buy-Back Pricing Date; and (ii) the amounts of distributions that the Unitholder would have been entitled to if the Unit was not cancelled from the Buy-Back Cancellation of Units Date up to the Buy-Back Payment Date. This off-market buy-back mechanism is intended to provide investors with an alternate option to sell their holdings. It is also intended to give investors a better investment outcome over traditional listed investment company ("LIC") and listed investment trust ("LIT") structures by reducing the propensity for trading on-market to occur at large discounts to the NAV per Unit. The first round of quarterly buy-back post the completion of the IPO will have a Buy-Back Pricing Date of on or around 31 December 2024. Subject to the acceptance of a buy-back timetable which is acceptable to the ASX, a Buy-Back Booklet with details of specific dates for this first buy-back will be made available to Unitholders on or around 15 August 2024, with the date required for a Unitholder to elect to participate in the buy-back being on or around 20 September 2024. The Responsible Entity intends that each subsequent round of quarterly buy-back after the first round will also have at least one calendar quarter between the date required for a Unitholder to elect to participate in the buy-back and its Buy-Back Pricing Date and Buy-Back Payment Date, with specific dates to be made available in future Buy-Back Booklets (subject to the acceptance of the buy-back timetable by the ASX). Please refer to Section 6.12 for further information in respect of the buy-back proposals and other capital management initiatives.

2.4. PRIORITY OFFER

If you are an existing investor in our retail funds or a shareholder in PCG, Pengana International Equities Limited, or Pengana Private Equity Trust, we would like to show our appreciation for your ongoing support by inviting you to invest via the Priority Offer. A cumulative Application Amount of at least \$100 million for Units have been set aside on a first-come-first-serve basis. We encourage you to submit your Application Form and Application Amount early to potentially avoid missing out in the event of over-subscription.

2.5. THE OFFER

The Responsible Entity is seeking to raise up to \$250 million through the issue of Units at a Subscription Price of \$2.00 per Unit. There are significant fees and costs involved in the establishment, offering and listing of the Trust; however, these will be paid by the Manager in cash.

The Product Disclosure Statement contains important information regarding the Offer. I urge you to read it carefully and in its entirety, including Section 8, which sets out key risks associated with an investment in the Trust and Section 10, which sets out the fees and other costs associated with investing in the Trust. If you have any questions, you should seek relevant professional advice before making an investment decision.

I look forward to welcoming you as an investor in the Trust.

Yours sincerely,



Nehemiah Richardson

CEO, Pengana Credit Pty Ltd



Russel Pillemer

CEO, Pengana Capital Group Limited
CEO, Pengana Investment Management Limited

3. OVERVIEW

The information set out in this section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this PDS. In deciding whether to apply for Units under the Offer, you should read this PDS carefully and in its entirety. You should seek relevant professional advice before making an investment decision.

3.1. ABOUT THE TRUST

3.1.1. WHAT IS THE TRUST AND HOW WILL IT INVEST?

TOPIC AND SECTION	SUMMARY
What is the Trust?	The Pengana Global Private Credit Trust ARSN 673 024 489 is newly-established and has not undertaken any business to date. The Trust has been formed specifically for the purposes of the Offer. The Trust is an Australian registered managed investment scheme under Chapter 5C of the Corporations Act. Following completion of the Offer, it is proposed the Trust will be listed on the ASX under the ticker "PCX" as an investment entity.
What is the Trust's Investment Objective? Section 6.1	<p>The Investment Objective of the Trust is to generate strong risk adjusted returns with a high degree of capital protection as well as stable and consistent income via exposure to a diversified portfolio of global private credit investments, liquid credit investments and cash.</p> <p>The Trust seeks to achieve its Investment Objective over a rolling 3 year investment horizon.</p>
What is the Trust's target distribution policy? Section 6.2	<p>The Trust will target a cash distribution yield of 7% per annum (net of fees, costs and taxes incurred by the Trust), paid monthly. <i>This is a target only and may not be achieved.</i> Any shortfall in net income generated may result in a distribution payment made out of capital invested. Such distributions are expected to be paid by the 15th calendar day of the following month.</p> <p>Distributions will be paid at the discretion of the Responsible Entity in accordance with the Trust Distribution Policy and may depend on a number of factors including earnings, capital requirements, financial conditions, future prospects and other factors that the Responsible Entity deems relevant.</p> <p>The first distribution is expected to be paid with reference to the period ending on 31 July 2024, with July 2024 being the first full month following the Settlement Date.</p>
Are distributions guaranteed? Section 6.2	No, the target cash distribution yield is an objective target only and may not be achieved. The Responsible Entity, the Manager and the Investment Manager can provide no guarantee as to the extent of future distributions from the Trust, as these will depend on a number of factors, including future earnings, financial conditions, future prospects and other factors the Responsible Entity deems relevant. Future returns are not guaranteed and a loss of principal may occur. Investors should review the Risks summary set out in Section 8 of this PDS.
Is there a distribution reinvestment plan? Section 6.2	The Responsible Entity has established a DRP in respect of distributions made by the Trust. Under the DRP, Unitholders may elect to have all or part of their distributions reinvested in additional Units. If participation in the DRP is elected, Investors will be allocated Units in accordance with the DRP Rules, which provide detail on the methodology for determining the price at which Units are issued or transferred to Unitholders and can be found at www.pengana.com/PCX . Unitholder participation in the DRP is optional. The Responsible Entity reserves the right to suspend the DRP at any time.

TOPIC AND SECTION**SUMMARY****What is the Trust's Investment Strategy?**

Section 6.4

Pengana Credit:

- seeks to provide the Trust with exposure to private credit assets that aim to provide stable income, a degree of capital security and attractive total returns;
- achieves this exposure principally through investing in a diversified range of funds managed by Underlying Managers that invest in private credit assets;
- aims to develop a portfolio of high-quality funds managed by Underlying Managers with complementary strategies that provide attractive returns with diversification from individual fund, manager, and strategy risks;
- may also provide the Trust with exposure to more liquid debt strategies and cash. This further complements the reduction of risk through diversification as well as maintaining operational liquidity and flexibility; and
- invests principally in European and North American funds. It may allocate to Australian funds, however, the private credit markets in Australia are smaller and less developed than in the US and Europe and the allocation is therefore expected to be lower.

The implementation of the Investment Strategy is ongoing and includes: making new investments in Underlying Funds, divesting from existing Underlying Funds, managing the allocations between different assets, monitoring performance and risks and hedging currency exposure.

The Trust achieves its economic exposure to private credit assets via investments in Profit Participating Notes ("PPNs") in the Listed (Hedged) Class ("Feeder Class") issued by the Pengana Private Credit Feeder Fund ("Feeder Fund"). A PPN is a debt security which provides economic exposure to the underlying investments of the Feeder Class. The Feeder Fund is an exempted Cayman Islands company incorporated with limited liability. The Feeder Fund will make and hold the investments (in accordance with the Feeder Fund's investment objective, investment strategy and investment guidelines pursuant to an investment management agreement between the Investment Manager, the Feeder Fund and the Master Fund, which are consistent with the investment strategy of the Trust, as set out in this PDS) and distribute income to the Trust via the PPN. Returns from the Feeder Fund flow to the Trust via the PPNs, which in turn are distributed to Investors in the Trust.

The key dependencies and assumptions underpinning the Trust's ability to produce investment returns include:

1. The continued need for commercial borrowers to seek funding outside, or in addition to, more traditional sources of funding available via traded credit markets or receiving a loan directly from a bank;
2. There being a large number of potential investment opportunities within private debt (i.e. lending opportunities) to ensure investment exposure to a diversified Portfolio can be maintained;
3. Attractive levels of interest generated by such private credit investments above the official rates such as the RBA Official Cash Rate;
4. The ability of commercial borrowers to pay the interest due and to repay their loans when required;
5. The ability of the Underlying Funds to use leverage to enhance returns; and
6. The ability to effectively implement a foreign currency hedging strategy given the Trust is denominated in AUD and the underlying loans are in a variety of foreign currencies.

Strong risk management practices are an integral part of the investment process. Pengana Credit and Mercer monitor portfolio exposures to ensure the Trust operates (via the Feeder Class) within its investment guidelines. The guidelines are:

- Master Fund Income Class: 50% - 70%
- Master Fund Balanced Class: 10% - 30%
- Master Fund Total Return Class: 0% - 20%

TOPIC AND SECTION
SUMMARY

- Master Fund Enhanced Cash Class, plus cash held in the Feeder Class and Trust: 0% - 20%

Each Master Class has separate investment guidelines that promote diversification by determining exposure ranges for debt seniority, investment strategy and geography. Based on the Master Class target allocations at the date of this PDS and assuming that the Trust is fully invested, the aggregate seniority, geographic and strategy guidelines for the Trust are as follows:

DEBT SENIORITY	MAXIMUM EXPOSURE
Senior (1 st Lien including unitranche)	100%
Subordinated (2 nd Lien)	31%
Equity & Equity-Linked	16%

INVESTMENT STRATEGY	MAXIMUM EXPOSURE
Direct Lending	100%
Specialty Finance	54%
Structured Credit	52%
Credit Opportunities	11%
Other	28%

INVESTMENT GEOGRAPHY	MAXIMUM EXPOSURE
Australia	55%
North America	70%
Western Europe, including the UK	70%
Asia, Latin America and rest of the world	21%

The Investment Manager and Mercer carries out due diligence on its investments in accordance with its investment strategy and process set out in Sections 6.4 to 6.8.

It is expected that the Trust's investment strategy will be implemented as detailed in this PDS. However, changes in market conditions, which could be favourable or adverse to the Trust's performance, may require the Investment Manager to adopt changes to the Feeder Fund or the Master Fund's investment objective, investment strategy and investment guidelines, which in turn will require the Manager to adopt changes to the Trust's investment objective, investment strategy and investment guidelines. Subject to compliance with the ASX Listing Rules and Corporations Act, the Investment Manager, the Feeder Fund and the Master fund may (subject to the Responsible Entity's consent) change the Feeder Fund or the Master Fund's investment objective, investment strategy and investment guidelines as it sees fit in order to achieve the Trust's investment objective, investment strategy and investment guidelines. The Responsible Entity will release to the ASX any such changes to the Trust's investment objective, investment strategy and investment guidelines.

What is the timeframe for portfolio construction?

Section 6.8.2

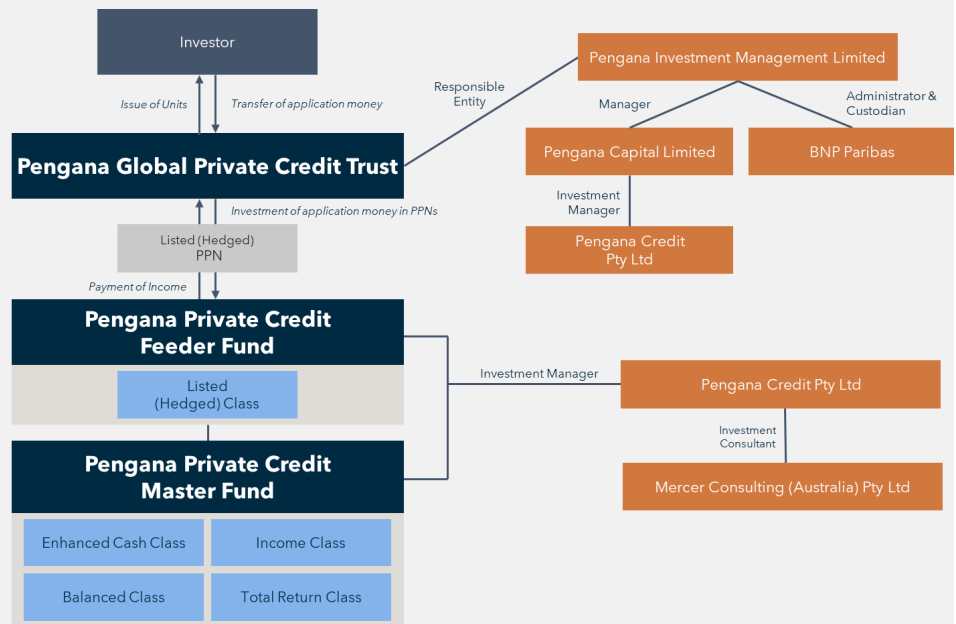
It is anticipated that regardless of the amount raised in the Offer, 90% of the proceeds will be committed, and over 85% of this committed amount will be called and deployed by the Underlying Managers during the Trust’s first full month of operation. We also anticipate, regardless of the amount raised in the Offer, that the Trust will have exposure to 19 Underlying Funds and in excess of 2,000 Underlying Assets. The timeframe for further deployment will depend on a number of factors including the lending environment and the Underlying Managers’ implementation of their investment strategies.

What is the investment structure of the Trust?

Section 5

The Trust gains economic exposure via the Feeder Class which invests in the Master Fund. The Feeder Class also holds cash and uses foreign exchange (“FX”) derivatives to hedge the currency exposure back to Australian Dollars. The Master Fund invests in Underlying Funds managed by Underlying Managers and has multiple Master Classes with different return, risk and liquidity characteristics.

The diagram below shows how the Trust is structured and the key entities that are involved in the management of the Trust and the relevant investment structure and the flow of investment money through the structure:



Will the Trust employ leverage?

Section 6.15

The Trust may utilise leverage directly or indirectly at different levels within the Trust’s structure.

- The primary source of leverage that the Trust will be exposed to is via the Underlying Funds’ execution of their investment strategies or objectives as set forth in Section 6.1. There is no formal Trust policy on the leverage to be used by Underlying Funds. However, the Investment Manager or the Investment Consultant assesses the appropriateness of using leverage in executing the Underlying Funds’ investment strategy both during due diligence before investing and as part of ongoing monitoring. The Trust does not intend the overall leverage ratio resulting from its exposure to the Underlying Managers’ investment strategies to exceed 1.50x the NAV of the Trust.
- The FX hedging implemented, as set forth in Section 6.16, may employ leverage in the form of a FX hedging facility which allows for the deferral of FX settlement payments with counterparties. The terms of the facility are documented in a credit support annex with the provider of the facility. This facility will be used to reduce short term liquidity requirements arising from FX hedging, rather than for long term use. The amount of leverage used will vary between 0.00x and 0.25x the NAV of the Trust.
- It is possible that at a future date and for the purposes of managing the short-term cash needs of the Trust (e.g., to meet the Trust’s obligations in respect of any obligations or demands) further leverage may be employed at the level of the Trust structure that is most appropriate. Further leverage

	<p>will not be introduced to the Trust for the purposes of making long term investments, outside of the Underlying Funds.</p> <p>Inclusive of all the different forms of leverage disclosed above, the Trust does not currently intend to exceed an overall leverage ratio of 1.75x of the NAV. The exposure to leverage may affect the Trust' ability to deliver returns and may magnify the Trust' gains and losses. Assuming the Trust is operating at the maximum intended leverage ratio (i.e., \$1.75 of debt for every \$1 of assets) then:</p> <ul style="list-style-type: none"> • A 1% increase in the return on assets of the Trust will result in a 2.75% increase in the NAV; and • A 1% decrease in the return on assets of the Trust will result in a 2.75% decrease in the NAV. <p>The FX hedging facility and any short term debt facility will be provided by one or more large global banks regulated by APRA, the US Securities and Exchange Commission, the UK Financial Conduct Authority, and/or an equivalent regulator.</p>
<p>Will the Trust employ derivatives? Section 6.16</p>	<p>Pengana Credit seeks to hedge the Trust's foreign currency exposure into AUD. The Feeder Class is exposed to foreign exchange fluctuations via their investments in the Master Classes which hold investments denominated in foreign currencies, including USD and EUR. To mitigate this risk, Pengana Credit seeks to hedge these exposures.</p> <p>There are a number of hedging options available. The selected method may depend on prevailing market conditions, however hedging activity is primarily implemented through the use of OTC forward foreign exchange contracts. The relevant hedges are based on the foreign currency exposure in the Master Fund attributable to the Feeder Class. Pengana Credit may determine to change the hedging strategy for the Trust from time to time.</p> <p>External counterparty risk is mitigated by selecting partners who have strong credit ratings and are key to our transactional process.</p>
<p>Will the Trust engage in short selling? Section 6.17</p>	<p>The Trust does not directly engage in short selling as part of its Investment Strategy, nor is it expected to form a material part of Underlying Funds' investment strategies. The Underlying Fund's strategies focus on generating returns through lending in private credit markets and would only employ short selling to, for example, hedge market broad risk through derivative instruments. It is anticipated that this type of exposure will be limited to specific periods where the Underlying Managers have macroeconomic or geopolitical concerns and will not represent a material percentage of any of the Underlying Fund's at any point in time.</p> <p>Mercer and Pengana Credit monitor the positions in the Underlying Funds and will seek to verify the purpose of any short positions and their consistency with such Underlying Fund's investment strategy and guidelines.</p>
<p>What are the key benefits of investing in the Trust? Section 6.3</p>	<p>The Trust seeks to provide investors with access to leading global private credit fund managers focussed predominantly on the US and Europe, which can complement existing defensive portfolio allocations. We believe the characteristics set forth below make the Trust an attractive vehicle to enable Australian investors to access global private credit.</p> <p>In evaluating a potential investment in the Trust, prospective Investors may wish to consider the following:</p> <p>Diversification: The Trust will provide investors with access to a portfolio of private credit investments with diversification across Underlying Manager, strategy, geography, sector, credit quality and type of instrument. We believe this diversification supports construction of resilient portfolios to protect capital while providing opportunities for yield enhancement through economic cycles. Multiple Underlying Managers allows the Trust to achieve a wide diversification with limited concentration risk and correlation, which we believe should translate to low volatility and stable returns.</p> <p>Regular distribution: The Trust will target a cash distribution yield of 7% per annum (net of fees, costs and taxes incurred by the Trust) paid monthly and so is applicable</p>

to investors seeking income solutions for their portfolios. *This is a target only and may not be achieved.*⁷

Defensive investment: the private credit asset class has a strong historical track record of low volatility, attractive returns and low correlation to other asset classes such as public fixed income and equity. This provides potential diversification benefits and enhancements to the risk/return profile of a Unitholder's investment portfolio.

Simplicity: The Trust will serve as a single point of entry to a well-diversified Portfolio of private credit investments (over 2,000 individual loans across 19 Underlying Funds).

Institutional investment management: The Trust will provide investors with access to an investment management capability that is typically only available to institutional clients.

Liquidity: Private credit investments typically involve the investors' capital being locked up for a number of years. The Trust will allow small and large investors to gain exposure to global private credit with the flexibility to buy and sell Units on the ASX so long as an active market exists.

Access: Global private credit investments can be challenging to access for individual investors. The Trust will seek to provide investors with exposure to difficult-to-access global private credit investments predominantly in middle market companies (typically being those with USD\$50m-250m of annual EBITDA) through managed investment funds approved by Mercer.

Bespoke solution: Mercer will create a solution tailored specifically to the requirements and objectives of the Trust, utilising its highly experienced team, strong global relationships and fee efficiencies.

Capital management initiatives: The Responsible Entity, in consultation with the Manager and Investment Manager, will regularly review the capital structure of the Trust and, where the Responsible Entity considers appropriate, undertake various capital management initiatives that are ultimately designed to reduce the likelihood that the market price of Units will deviate materially from the NAV per Unit. One such initiative is summarised below and detailed in Section 6.12.

- **Regular off-market scheme buy-back:** The Responsible Entity intends to make an offer to buy-back 5% of the issued capital of the Trust at the Buy-Back Price each calendar quarter on an off-market basis, subject to the Responsible Entity determining such is in the best interest of Unitholders. The Buy-Back Price is equal to the sum of (i) the NAV per Unit as at the Buy-Back Pricing Date; and (ii) the amounts of distributions that the Unitholder would have been entitled to if the Unit was not cancelled from the Buy-Back Cancellation of Units Date up to the Buy-Back Payment Date. This off-market buy-back mechanism is intended to provide investors with an alternate option to sell their holdings. It is also intended to give investors a better investment outcome over traditional listed investment company ("LIC") and listed investment trust ("LIT") structures by reducing the propensity for trading on-market to occur at large discounts to the NAV per Unit. The first round of quarterly buy-back post the completion of the IPO will have a Buy-Back Pricing Date of on or around 31 December 2024. Subject to the acceptance of a buy-back timetable which is acceptable to the ASX, a Buy-Back Booklet with details of specific dates for this first buy-back will be made available to Unitholders on or around 15 August 2024, with the date required for a Unitholder to elect to participate in the buy-back being on or around 20 September 2024. The Responsible Entity intends that each subsequent round of quarterly buy-back after the first round will also have at least one calendar quarter between the date required for a Unitholder to elect to participate in the buy-back and its Buy-Back Pricing Date and Buy-Back Payment Date, with specific dates to be made available in future Buy-

⁷ The target cash distribution yield is an objective target only and may not be achieved. Future returns are not guaranteed and a loss of principal may occur. Any shortfall in net income generated may result in a distribution payment made out of capital invested. Investors should review the Risks summary set out in Section 8 of this PDS. The first distribution is expected to be paid with reference to the period ending on 31 July 2024, with July 2024 being the first full month following the Settlement Date.

Back Booklets (subject to the acceptance of the buy-back timetable by the ASX). The Responsible Entity will only be able to continue to buy-back 5% of the capital each calendar quarter where it would exceed the 10/12 Limit (10% of the smallest number of units that are on issue at any time during the previous 12 months) if the Responsible Entity has obtained approval by ordinary resolution of Unitholders prior to effecting the buy-back. It is the Responsible Entity's intention to seek Unitholder approval when required so that it can continue to buy-back 5% of the issued capital each quarter. If the 10/12 Limit could be exceeded if the next calendar quarterly offer to buy-back 5% of the issued capital of the Trust was wholly accepted and Unitholder approval is not obtained to continue to offer to buy-back 5% of the capital for the next calendar quarter buy-back offer, the Responsible Entity will reduce each acceptor's Units by the same proportion needed to ensure the Responsible Entity buys back no more than the 10/12 Limit. The Responsible Entity will seek to issue new Units in the Trust where appropriate to increase the NAV and offset the effect of a potential reduction in Units as a result of the regular buy-back offers.

What are the key risks associated with the Investment Strategy and with investing in the Trust?

Section 8

Prior to investing, you should consider the risks involved and whether they are appropriate for your objectives and financial circumstances.

The Trust will provide exposure to a portfolio of global private debt investments. As such, the Trust is exposed to the risks that are specific to these assets, in particular a borrower's ability to repay the loan outstanding.

The Responsible Entity believes the following represent the key risks associated with investing in the Trust.

Investment risk - the value of an investment in the Trust and/or the Trust's investments may fall or perform poorly in the short or long term for a number of reasons. An Investor is exposed to these risks through the life of their holding of Units in the Trust and through the Trust's investment strategies and policies.

Investment Strategy risk - failure by Pengana Credit to manage the Investment Strategy successfully, including fund manager due diligence, portfolio construction, risk management and observance of investment and regulatory guidelines, could negatively impact the performance of the Trust.

Market risk - certain events may have a negative effect on the price of all types of investments within a particular market in which the Underlying Managers hold investments. Industry specific shocks relevant to underlying loan assets and general market disruption can adversely impact the value of the assets that underpin the value of the Trust.

Leverage risk - the Underlying Managers may employ leverage from time to time in a variety of ways. The use of leverage may magnify the potential gains and losses achieved by Underlying Managers and will also result in fees, expenses and interest costs to the Underlying Managers.

Credit and default risk - one or more assets to which the Trust is exposed may decline in price or fail to pay interest or principal when due because the credit counterparty or borrower experiences a decline in its financial status. While there are a number of strategies that may be employed by the Underlying Managers to manage losses, there is no assurance that they will be successful.

Valuation risk - valuations of the investments made by the Underlying Managers are expected to involve uncertainties and discretionary determinations. Third-party pricing information may not be available regarding a significant portion of investments made by the Underlying Managers and the information utilised to value such assets or to create the pricing models may be inaccurate or subject to other errors.

Currency risk - the functional currency of the Trust is the Australian dollar. While foreign currency hedging should mitigate against adverse currency movements, the foreign currency hedging strategy will not provide complete protection from adverse currency movements.

Underlying Manager risk - the Trust is exposed to funds managed by third-party Underlying Managers. The performance of each Underlying Manager and their funds depends significantly on decisions made by third parties and such decisions, if unsuccessful, will directly adversely affect the income received by the Trust and potential for return of capital. Further, Pengana Credit's ability to withdraw from or transfer interests in such funds is strictly limited.

Fund Risk - the Trust may be exposed to risks that are specific to the Feeder Fund and Master Fund, including operational, distribution, valuation, liquidity and tax risks. Further, the Trust does not directly hold the underlying investments and is subject to controls established in the PPN Agreement to provide the investment exposure that complies with the Trust's investment objective, investment strategy and investment guidelines.

Please refer to Section 8 for a more comprehensive summary of potential risks.

What are the key aspects of the Trust's risk management strategy?

Section 6.18

Investment Consultant: Pengana Credit has appointed Mercer Consulting (Australia) Pty Ltd as the Investment Consultant providing advisory services in respect of the Master Fund and Feeder Fund. Mercer is primarily responsible for Underlying Manager sourcing, research, due diligence, and portfolio construction. All Underlying Managers and their funds are approved by Mercer's investment and operational due diligence teams. Mercer also provides assistance with Underlying Manager monitoring, valuation, performance measurement and reporting, liquidity planning and asset and liability modelling. Mercer's experience is set forth in Sections 6.9 and 7.2.

Underlying Manager and investment due diligence: Mercer's manager research includes two forms of quantitative analysis: past performance and portfolio structure analysis, as well as substantial qualitative manager research. Research meetings with Underlying Managers focus on identifying evidence of any sustainable competitive advantages that should give a manager above average prospects for future outperformance and evidence of any significant potential weaknesses which may affect the prospects for future outperformance or give rise to an above-average risk of future underperformance.

Operational due diligence: Mercer prepares a detailed operational risk assessment report, which considers the risks associated with the investment mandate type, firm size and significant third party or outsourced relationships, along with the mitigating or compensating controls that a firm may have to manage potential issues. The report is prepared by a dedicated team, Mercer Sentinel, that specialise in evaluating non-financial risks.

Legal and tax due diligence: Pengana Credit arranges for legal and tax due diligence to be undertaken by subject matter experts as required on prospective investments.

Diversification: Mercer's approach to enhance returns and mitigate risk is through thorough diversification of the following aspects of the private credit exposure: Underlying Manager, strategy, geography, sector, credit quality and type of instrument. The Trust's investment guidelines are set out in Section 6.8.2.

Portfolio Construction Endorsement and Approval: The Mercer Private Debt Investment Committee ("PDIC") reviews the proposed portfolio plans to ensure consistency of advice across its client portfolios and adherence to current best practice. Asset allocation and other key decisions require the unanimous approval of the Investment Committee ("IC"), which currently comprises four senior members from Mercer, PCG and Pengana Credit, see Section 7.3 for more detail.

Ongoing portfolio and cash management: Pengana Credit uses a Cash Management Strategy ("CMS") to assess the adequacy of aggregated cash balances to meet short term liquidity requirements. It is the purpose of the CMS to monitor, observe and control cashflow on a real time basis arising from the sources and uses of funds.

Governance and oversight: The Pengana Credit Risk and Allocation Committee oversees compliance with the Investment Policy and the Allocation Policy. The

	<p>Pengana Credit Risk and Allocation Committee meets monthly and reports directly to the Responsible Entity quarterly or intra-quarter if required.</p> <p>FX hedging: The Feeder Class is exposed to foreign exchange fluctuations via its investments in the Master Classes which hold investments denominated in foreign currencies, including USD and EUR. To mitigate this risk, Pengana Credit seeks to hedge the foreign currency exposure into AUD. Hedging activity is primarily implemented through the use of OTC forward foreign exchange contracts.</p> <p>Removal for cause: The Responsible Entity has the ability to remove Pengana Capital Limited for cause (See Section 15.2.8.2). Pengana Capital Limited has the ability to remove Pengana Credit for cause (See Section 15.3.8.2). Pengana Credit has the ability to remove Mercer for cause.</p> <p>PPN redemption rights: The Responsible Entity has the right to redeem the PPNs from the Feeder Fund (and realise its investment). Please refer to Section 15.4 for a more comprehensive summary.</p> <p>Amending the investment objective, investment strategy and investment guidelines of Feeder Class: Pengana Credit, the Feeder Fund and the Master Fund cannot amend the investment objective, investment strategy and investment guidelines of Feeder Class without consent from the Responsible Entity.</p>
<p>Will investors be able to make withdrawals/redeem from the Trust?</p> <p>Section 6.14</p>	<p>While the Trust is listed on the ASX, Units are not able to be redeemed. However, the Responsible Entity intends to buy-back Units in the Trust (see Section 6.12.1 for details).</p> <p>The Responsible Entity will only be able to continue to buy-back 5% of the capital each calendar quarter where it would exceed the 10/12 Limit (10% of the smallest number of units that are on issue at any time during the previous 12 months) if the Responsible Entity has obtained approval by ordinary resolution of Unitholders prior to effecting the buy-back. It is the Responsible Entity's intention to seek Unitholder approval when required so that it can continue to buy-back 5% of the issued capital each quarter. If Unitholder approval is not obtained to continue to buy-back 5% of the capital each calendar quarter where it would exceed the 10/12 Limit, the Responsible Entity will reduce each acceptor's Units by the same proportion needed to ensure the Responsible Entity buys back no more than the 10/12 Limit. The Responsible Entity will seek to issue new Units in the Trust where appropriate to increase the NAV and offset the effect of a potential reduction in Units as a result of the regular buy-back offers.</p> <p>Once the Trust is admitted to the official list of ASX and Units are quoted on the ASX, Unitholders will potentially be able to sell their Units on the ASX, subject to there being sufficient buyers of Units at a price that is satisfactory to the selling Unitholder, the ASX being open for trading and the Units not being suspended from trading. Units may be sold on the ASX by Unitholders instructing their stockbroker.</p>
<p>Will the Trust be able to realise its assets in a timely manner?</p> <p>Section 6.14</p>	<p>The Trust will hold PPNs and will have exposure to private credit assets which are expected to be illiquid investments. Prices realised on any sale of illiquid investments may be less than the prices used in calculating the NAV per Unit of the Trust. Please refer to Section 8 for a description of liquidity risk which arises because of the Underlying Fund's investment in private credit assets.</p> <p>The Trust will seek to maintain sufficient liquidity for the purposes of managing the Investment Strategy, the regular buy-back offers and short term cash needs, including the payment of any expenses associated with the operation of the Trust.</p> <p>The Feeder Fund will seek to maintain sufficient liquidity for the purposes of managing the Investment Strategy, facilitating the regular buy-back offers by the Trust and short term cash needs, including payment of settlement amounts in respect of hedges, loans and any expenses incurred by the Feeder Fund.</p> <p>The Responsible Entity does not reasonably expect to realise at least 80% of the Trust's assets, at the value ascribed to those assets in calculating the Trust's net asset value, within 10 days. The Trust is exposed to the private credit asset class via Underlying Funds. Such investments cannot reasonably be expected to be realised at the value ascribed to those investments in calculating the Trust's most recent net</p>

	asset value within 10 days. Key aspects of the Trust’s liquidity management policy are set forth in Section 6.8.2.
<p>What capital management initiatives will the Responsible Entity undertake?</p> <p>Section 6.12</p>	<p>The Responsible Entity, in consultation with the Manager and Investment Manager, will regularly review the capital structure of the Trust and, where the Responsible Entity considers appropriate, undertake various capital management initiatives. The Responsible Entity intends to make an offer to undertake the regular off-market buy-backs detailed in Section 6.12.1. In addition, the Responsible Entity may consider other initiatives such as the issue of new Units (including for example, through the issue of bonus Units, placements and pro rata issues).</p> <p>Capital management initiatives will only be undertaken if the Responsible Entity determines that such initiatives are in the best interests of Unitholders. Relevant factors in making such determination include the views of the Manager, net asset performance, market price of the Units compared to the NAV per Unit and perceived investor demand.</p>
<p>What are the fees and costs of the Trust?</p> <p>Section 10</p>	<p>The following fees and costs will apply in respect of the Trust:</p> <ul style="list-style-type: none"> • Responsible Entity Fee: 0.05% p.a. of the NAV. • Management Fee: 1.20% p.a. of the NAV. • Performance Fees: A Performance Fee is potentially payable by the Trust to the Investment Manager equal to 20% of any increase in the Trust’s NAV greater than the Hurdle Return (after deducting carried forward losses, the Responsible Entity Fee and the Management Fee and adjusted for applications, redemptions and distributions). The Hurdle Return is the RBA Official Cash Rate + 6% p.a., with a floor of 7.5% p.a. The Performance Fee is calculated and accrued monthly and payable to the Investment Manager from the Trust each half-year period ending 30 June or 31 December. • Estimated Indirect Costs: 1.34% p.a. of the NAV. Indirect Costs include fees and operational costs paid at the Underlying Fund level and Feeder Fund and Master Fund expenses. <p>All fees and costs are inclusive of GST and net of RITC, unless otherwise stated. Refer to Section 10 for further details on fees and other costs of the Trust.</p>

3.1.2. ABOUT THE FEEDER FUND AND MASTER FUND

TOPIC AND SECTION	SUMMARY
<p>What is the Feeder Fund?</p> <p>Section 5.1</p>	<p>The Trust aims to achieve its Investment Objective through economic exposure to global private credit assets. This is achieved via investments in Profit Participating Notes (“PPNs”) in the Listed (Hedged) Class (“Feeder Class”) issued by the Pengana Private Credit Feeder Fund (“Feeder Fund”). A PPN is a debt security which provides economic exposure to the underlying investments of the Feeder Class.</p> <p>The Feeder Fund is an exempted Cayman Islands company incorporated with limited liability.</p> <p>The Feeder Fund issues PPNs via multiple classes of notes, aligned to separate investor pools each with a unique investment objective and strategy. Each Feeder Fund class invests in non-voting participating shares in Master Classes to achieve their unique investment objectives and strategies. Cash is held in each Feeder Fund class to meet liquidity requirements.</p>
<p>What is the Master Fund?</p> <p>Section 5.1</p>	<p>The Feeder Class invests in non-voting participating shares in the Pengana Private Credit Master Fund (“Master Fund”).</p> <p>The Master Fund is an exempted Cayman Islands company incorporated with limited liability.</p> <p>The Master Fund has multiple share classes (each a ‘Master Class’). Each Master Class represents a sub-portfolio of investments that share common risk, return and other key attributes.</p>

TOPIC AND SECTION	SUMMARY
	The Master Fund invests in funds managed by Underlying Managers primarily in the established markets of North America, Western Europe, and Australia. These funds provide diversification by strategy, geography, sector, credit quality and type of instrument.

3.1.3.ABOUT THE INVESTMENT MANAGER AND OTHER SERVICE PROVIDERS

TOPIC AND SECTION	SUMMARY
Who is the Responsible Entity? Section 7.4	Pengana Investment Management Limited ("Responsible Entity") is the responsible entity of the Trust.
Who are the directors of the Responsible Entity? Section 7.4.1	<p>The Board of the Responsible Entity comprises of 2 executive directors, 1 non-executive director and 1 independent chairman (having the casting vote). The directors have a broad range of experience in financial services combined with financial and commercial expertise. The current directors of the Responsible Entity are:</p> <ul style="list-style-type: none"> • Ellis Varejes - Non-Executive Chairman • Ilan Zimerman - Non-Executive Director • Russel Pillemer - Executive Director • Katrina Glendinning - Executive Director
Who will be responsible for managing the affairs of the Trust? Section 7	<p>Pengana Investment Management Limited, as the Trust's responsible entity, has appointed:</p> <ol style="list-style-type: none"> (a) Pengana Capital Limited as the manager of the Trust pursuant to the Management Agreement. (b) BNP Paribas as the Trust's Administrator. (c) Computershare Investor Services Pty Limited as the Trust's registry provider. (d) BNP Paribas as the Custodian of the assets of the Trust. <p>Pengana Capital Limited, as the manager of the Trust, has appointed Pengana Credit Pty Ltd as the Investment Manager of the Trust under the Investment Management Agreement.</p> <p>Pengana Credit Pty Ltd has appointed Mercer Consulting (Australia) Pty Ltd as the Investment Consultant under the Investment Consulting Agreement, providing advisory services in respect of the Master Fund and Feeder Fund.</p> <p>Mercer, PCG and Pengana Credit are currently members of the Investment Consulting Group ("ICG") and the Investment Committee ("IC"). The ICG is the core forum for the ongoing investment management of the Master Fund and Feeder Fund, while the IC approves capital deployment and asset allocation decisions. The Investment Committee ("IC"), currently comprises four senior members from Mercer, PCG and Pengana Credit who are:</p> <ul style="list-style-type: none"> • Nehemiah Richardson - Chief Executive Officer, Pengana Credit • Nick Griffiths - Chief Investment Officer, Pengana Capital Group Limited • Rebecca Jacques - Principal and Senior Investment Consultant, Mercer • Scott Wilkinson - Head of Private Debt APAC, Mercer <p>See Sections 6.5 and 7.3 for more details.</p> <p>As at the date of this PDS, there have been no significant adverse regulatory findings against Pengana Credit, the Responsible Entity or the key individuals involved in the investment decisions of the Trust.</p>

TOPIC AND SECTION	SUMMARY
<p>Who is the Manager of the Trust? Section 7.4</p>	<p>The Responsible Entity has engaged Pengana Capital Limited ("Manager") as manager of the Trust. The Manager has experience in managing outsourced investment management relationships with fund managers globally.</p>
<p>Who is the Investment Manager of the Trust? Section 7.1</p>	<p>Pengana Credit Pty Ltd, a corporate authorised representative of the Manager and a subsidiary of Pengana Capital Group Limited, is the Investment Manager of the Trust. Driven by the needs of PCG's client base, Pengana Credit was established in 2022 to address a significant limitation in the Australian market. Increased volatility in public markets has meant Australian retail investors are diversifying into other asset classes in their search of higher yielding and capital stable investment products. Outside of traditional property or equity investments, many products available to Australian retail investors lack sufficient diversification of underlying investments or are offered in unsuitable structures.</p> <p>Pengana Credit has built a diversified, multi-manager, multi-strategy global private credit portfolio designed to deliver both higher yields and a stable capital base.</p>
<p>Who is the Investment Consultant? Section 7.2</p>	<p>The Investment Manager has appointed Mercer Consulting (Australia) Pty Ltd as the Investment Consultant. Mercer provides advisory services to the Master Fund and Feeder Fund. Mercer is responsible for Underlying Manager sourcing, research, due diligence, and portfolio construction. All Underlying Managers and their funds are approved by Mercer's investment and operational due diligence teams. Mercer also provides assistance with Underlying Manager monitoring, valuation, performance measurement and reporting, liquidity planning and asset and liability modelling.</p>
<p>What experience does the Investment Consultant have? Section 6.9</p>	<p>Mercer manages a number of private debt products that invest directly or indirectly in private debt limited partnerships, commingled funds and other similar investment vehicles. The products include separately managed accounts and a series of private investment partnerships, offering both senior private debt and private debt strategies. These products are managed by the same investment team, using the same investment process and investing in the same private credit sub-strategies as the Trust.</p> <p>When evaluating a potential investment in the Trust, prospective Investors may wish to consider the following:</p> <ul style="list-style-type: none"> • Extensive experience - Mercer's Private Credit Team has extensive experience in all major markets and segments, with 20+ years experience in private credit investment advisory and 12 years of private credit portfolio management. The Mercer Private Credit Team had USD\$18.1 billion in assets under advisement and USD\$6.9 billion in assets under management as of 30 June 2023. • Manager relationships, due diligence and access - Mercer uses its size and scale to access a wide range of opportunities, with the Mercer Private Credit Team having over 550 managers and over 1,300 strategies covered in their research database, with over 400 of these strategies having received an investment rating as of 30 September 2023. The Mercer Private Credit Team manages 15 commingled vehicles and separately managed accounts, and had made 152 discretionary general partner fund commitments as of 31 December 2023. • Capabilities and fee efficiency - Mercer's active investment program, size and scale has resulted in Mercer having 56 limited partner advisory committee seats, which in part has allowed Mercer to procure an average fee saving across 62 separate investment funds/vehicles of 0.35% p.a. (being the simple average of management fee savings achieved by Mercer versus manager stated "rack rates") as of 21 February 2024. <p>Investors should note that while the Investment Consultant has significant experience in respect of the various underlying investment strategies for its clients, the Investment Consultant has not acted as an investment consultant for a managed fund</p>

TOPIC AND SECTION	SUMMARY
	applying an investment strategy that is identical to the Investment Strategy of the Trust.
<p>Who is the Custodian and what is its role?</p> <p>Section 7.6</p>	BNP Paribas will act as both the custodian of the assets of the Trust and administrator of the Trust. The Custodian will hold the assets of the Trust.
<p>What will be the Trust's and the Feeder Fund's valuation policy?</p> <p>Section 6.13</p>	<p>The Trust's Net Tangible Asset Backing (NAV per Unit) will be calculated and made available monthly on the Trust's website and on the ASX. The Responsible Entity has appointed an independent administrator, BNP Paribas ("Administrator"), to provide administration services to the Trust, including valuation services.</p> <p>The NAV is calculated by deducting from the total value of the assets of the Trust all liabilities, which includes declared but unpaid distributions, calculated in accordance with the ASX Listing Rules and Australian Accounting Standards ("AAS"). The Administrator is reliant on the valuation of the PPNs held by the Trust in the Feeder Class to value the Trust. The Administrator utilises the most recent net asset value of the PPNs held by the Trust, as provided by the independent administrator of the Feeder Fund and Master Fund, to value the Trust.</p>
<p>What are the Trust's material contracts?</p> <p>Section 15.1 to 15.6</p>	<ul style="list-style-type: none"> • Constitution for the Trust; • Management Agreement between the Responsible Entity and the Manager; • Investment Management Agreement between the Manager and the Investment Manager; • PPN Agreement between the Responsible Entity and the Feeder Fund; • Offer Management Agreement between the Responsible Entity, the Manager and the Lead Arranger and the Joint Lead Managers and in relation to the Offer; and • Investment Consulting Agreement between the Investment Manager and the Investment Consultant.
<p>What are the key terms of the Management Agreement?</p> <p>Section 15.2</p>	<p>The Responsible Entity has appointed Pengana Capital Limited as the manager of the Trust pursuant to the Management Agreement. The Manager's role includes review and supervision of the Investment Manager.</p> <p>The Management Agreement will have an initial term of 10 years subject to an automatic extension. After the expiration of the initial term, the Management Agreement may be terminated by Unitholders passing an ordinary resolution resolving to terminate the Management Agreement and the termination would take effect 3 months after any such resolution is passed.</p>
<p>What are the key terms of the Investment Management Agreement?</p> <p>Section 15.3</p>	<p>The Manager has delegated the investment management of the Portfolio to the Investment Manager pursuant to the Investment Management Agreement.</p> <p>The Investment Management Agreement will have an initial term of 10 years subject to an automatic extension. After the expiration of the initial term, the Investment Management Agreement may be terminated by Unitholders passing an ordinary resolution resolving to terminate the Investment Management Agreement and the termination would take effect 3 months after any such resolution is passed.</p> <p>The Investment Management Agreement will also terminate upon the termination of the Management Agreement.</p>
<p>What are the key terms of the Investment Consulting Agreement?</p> <p>Section 7.2 and 15.6</p>	The Investment Consulting Agreement provides that Mercer will assist Pengana Credit as investment sub-advisor in respect of the Master Fund and Feeder Fund in the selection of investments including, but not limited to, attending regular investment consultation meetings, reviewing investment proposals and policies, making recommendations, sourcing investments, conducting investment and operational due diligence, performing financial modelling and assisting with the negotiation of the terms of any investment.

TOPIC AND SECTION	SUMMARY
<p>How will the Responsible Entity ensure that service providers to the Trust comply with the service agreement obligations?</p> <p>Section 7.4.3</p>	<p>The Responsible Entity undertakes a detailed initial due diligence review of each non-related service provider to the Trust to confirm it has the necessary skills, experience, and authorisations to perform the required functions.</p> <p>The Responsible Entity ensures that service providers to the Trust, including related bodies corporate, comply with their ongoing obligations under the relevant service agreements by monitoring their performance. In case of non-related entities, the Responsible Entity monitors service providers performance through strict Key Performance Indicator (“KPI”) reporting, ongoing reporting by each service provider to the Responsible Entity on a regular basis and requiring completion of an attestation ensuring compliance with service deliverables and applicable law. The Responsible Entity will also conduct an onsite due diligence review of every non-related service provider which will involve key staff involved in the provision of the services as well as a review of all operational areas of the service provider. The Responsible Entity is bound by the Constitution and the Corporations Act.</p> <p>The Feeder Fund, Master Fund, Manager and Investment Manager will also undertake appropriate due diligence and ongoing oversight in respect of the service providers they engage.</p>
<p>What related party transactions will occur?</p> <p>Section 16.3</p>	<p>The Responsible Entity has entered into a Management Agreement with the Manager which is a related party of the Responsible Entity. The Manager has engaged the Investment Manager, which is also a related party, as the investment manager of the Trust pursuant to the Investment Management Agreement. See Sections 15.2 and 15.3 for further details regarding the terms of the Management Agreement and the Investment Management Agreement. The Responsible Entity considers that the terms of both the Management Agreement and the Investment Management Agreement are consistent with terms that would be negotiated on an arm’s length basis.</p> <p>The Responsible Entity, Manager and Investment Manager are related bodies corporate (and therefore related parties) given PCG (which is listed on the ASX) is the ultimate holding company of the Responsible Entity, the Manager and the Investment Manager.</p> <p>The Investment Manager is also the investment manager for the Feeder Fund and Master Fund into which the Trust invests in order to obtain exposure to the Underlying Funds.</p>

3.2. ABOUT THE OFFER

TOPIC AND SECTION	SUMMARY
<p>Who is the Issuer of Units in the PDS?</p> <p>Section 7.4</p>	<p>Pengana Investment Management Limited in its capacity as the responsible entity of the Trust.</p>
<p>What is the Offer?</p> <p>Section 11</p>	<p>An offer to subscribe for Units at the Subscription Price on the conditions set out in this PDS. The Offer comprises the Cornerstone Offer, the Priority Offer, the Broker Firm Offer and the General Offer.</p>
<p>What do Applicants pay when applying under the Offer?</p> <p>Section 11.1</p>	<p>All Applicants under the Offer will pay a Subscription Price of \$2.00 per Unit.</p>

TOPIC AND SECTION	SUMMARY
<p>What is the expected NAV per Unit on Allotment Date?</p> <p>Section 11.6.10 and 13</p>	<p>The NAV per Unit on the Allotment Date is expected to be \$2.00. The expected NAV per Unit equals the Subscription Price because the upfront costs associated with the Offer will be funded by the Manager.</p>
<p>Is there a minimum value of units I must apply for under the offer?</p> <p>Section 11.6.1</p>	<p>Yes. Each Applicant must subscribe for a minimum of 5,000 Units, with a minimum Application Amount of \$10,000.</p> <p>Any Application Amount that is greater than the minimum Application Amount must also be a non-fractional multiple of \$250 or 125 Units.</p>
<p>Who is the Lead Arranger?</p> <p>Section 11.4</p>	<p>Taylor Collison.</p>
<p>Who are the Joint Lead Managers?</p> <p>Section 11.4</p>	<p>Taylor Collison, Morgans and Shaw and Partners.</p>
<p>What is the purpose of the Offer and what is the proposed use of the funds raised under the Offer?</p> <p>Section 6.4</p>	<p>The Responsible Entity is seeking to raise a minimum of \$100 million and up to \$250 million in order to finance the acquisition of investments consistent with the Investment Strategy.</p>
<p>Who can participate in the Cornerstone Offer?</p> <p>Section 11.5.1</p>	<p>The Cornerstone Offer is open to Institutional Applicants and Retail Applicants that have been invited by the Responsible Entity. The Cornerstone Offer will be capped at \$100 million.</p>
<p>Who can participate in the Priority Offer?</p> <p>Section 11.5.2</p>	<p>Qualifying Applicants under the Priority Offer will be given a preferential allocation of Units which have been set aside by the Responsible Entity ("Priority Allocation"). This Priority Allocation will be capped at the cumulative Application Amount received on the day that a cumulative Application Amount equal to \$100 million for Units is received in respect of the Priority Offer. Direct Qualifying Applicants will be allocated Units in order of receipt by the Unit Registry of both a valid and complete Application Form and Application Amount. Indirect Qualifying Applicants will be allocated Units by the relevant Intermediary on receipt of a valid investment instruction as determined by the Intermediary. If the Trust is not yet available via the relevant Intermediary, please call the Offer Information Line on 1300 265 239 (within Australia) or +61 3 9415 4844 (outside Australia) between 8:30am and 5:00pm (Sydney time) on a Business Day. Qualifying Applicants applying under the Priority Offer subsequent to the exhaustion of the Priority Allocation will be treated as applying under the General Offer.</p> <p>Qualifying Applicants are Retail Applicants and Institutional Applicants and who, as at 7:00pm (Sydney time) on 10 April 2024 ("Priority Determination Date"), were investors in any one of the following (each a "Qualifying Vehicle"):</p> <ul style="list-style-type: none"> (a) Pengana Capital Group Limited (ASX: PCG); (b) Any unlisted registered managed investment scheme where Pengana Capital Limited or Pengana Investment Management Limited is the responsible entity or trustee; (c) Pengana Private Equity Trust (ASX: PE1); and (d) Pengana International Equities Limited (ASX: PIA). <p>Investors included as Qualifying Applicants include both:</p> <ul style="list-style-type: none"> • Registered securityholders or registered unitholders of a Qualifying Vehicle ("Direct Qualifying Applicants"); and • Investors who have invested in a Qualifying Vehicle indirectly through an Intermediary ("Indirect Qualifying Applicants").
<p>Who can participate in the Broker Firm Offer?</p>	<p>The Broker Firm Offer is open to Retail Applicants and Institutional Applicants who have received a firm allocation from their broker.</p>

TOPIC AND SECTION	SUMMARY
Section 11.5.3	
Who can participate in the General Offer? Section 11.5.4	The General Offer (which does not include the Cornerstone Offer, the Broker Firm Offer or the Priority Offer) is open to Retail Applicants and Institutional Applicants.
What is the allocation policy under the Offer? Section 11.7	<p>The basis of allocating Units under the Offer will be determined by the Responsible Entity and the Joint Lead Managers, subject to any firm allocations under Cornerstone Offer, the Broker Firm Offer and any allocations under the Priority Offer. Certain Applicants nominated by the Responsible Entity may be given preference in allotment of Units.</p> <p>Qualifying Applicants under the Priority Offer will be given a preferential allocation of Units in accordance with the terms of the Priority Offer.</p> <p>The Responsible Entity reserves the right in its absolute discretion not to issue Units to Applicants under the General Offer and may reject any Application or allocate a lesser amount of Units than those applied for at its absolute discretion. No interest will be paid on any refunded Application Amount.</p>
Will the Units be quoted? Section 11.9	Within seven days of the date of this PDS, Pengana will apply to the ASX for admission of the Trust to the Official List of the ASX and for the Units to be quoted.
When will I know if my Application has been successful? Section 11.6.11	Holding statements confirming Applicant's allocations under the Offer are expected to be sent to successful Applicants on or around 17 June 2024.
When can I sell my Units? Section 11.6.12	<p>It is expected that the allotment of Units under the Cornerstone Offer, the Priority Offer, the Broker Firm Offer and General Public Offer will take place on 14 June 2024. Trading in Units on the ASX is expected to commence on 20 June 2024.</p> <p>It is the responsibility of successful Applicants to confirm their holding before trading their Units. If you sell your Units before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or Pengana.</p>
Is there any brokerage, commission or stamp duty payable by Applicants? Section 11.6.9	There is no brokerage, commission or stamp duty payable by Applicants on the acquisition of Units under the Offer.
Can the Offer be withdrawn? Section 11.1.1 and 11.6.8	The Responsible Entity reserves the right not to proceed with the Offer at any time up until the Settlement Date under the Offer (see Section 11.1.1). If the Offer does not proceed, all Application Amounts received by the Responsible Entity will be refunded in full without interest. The Responsible Entity takes no responsibility for any Application Amounts lodged with the Lead Arranger or Joint Lead Managers or Brokers until these are received by the Responsible Entity.
Is there a minimum subscription amount for the offer to proceed? Section 11.2	The Minimum Subscription required for the Offer to proceed is \$100 million.
What happens if the minimum subscription amount is not achieved? Section 11.2	If the Minimum Subscription is not obtained within three months after the date of this PDS, then the Responsible Entity will repay all Application Amounts in full without interest as soon as practicable or issue a supplementary or replacement product disclosure statement and allow Applicants one month in which to withdraw their Applications and be repaid their Application Amount in full without interest.

TOPIC AND SECTION	SUMMARY									
<p>Is the Offer underwritten?</p> <p>Section 11.4</p>	The Offer is not underwritten.									
<p>What will the capital structure be following the completion of the Offer and as at the Allotment Date?</p> <p>Section 16.1</p>	<p>Following completion of the Offer and as at the Allotment Date, the capital structure of the Trust will be as set out below:</p> <table border="1"> <thead> <tr> <th></th> <th>MINIMUM SUBSCRIPTION \$100 MILLION</th> <th>MAXIMUM SUBSCRIPTION \$250 MILLION</th> </tr> </thead> <tbody> <tr> <td>Units</td> <td>50,000,000</td> <td>125,000,000</td> </tr> <tr> <td>NAV per Unit</td> <td>\$2.00</td> <td>\$2.00</td> </tr> </tbody> </table>		MINIMUM SUBSCRIPTION \$100 MILLION	MAXIMUM SUBSCRIPTION \$250 MILLION	Units	50,000,000	125,000,000	NAV per Unit	\$2.00	\$2.00
	MINIMUM SUBSCRIPTION \$100 MILLION	MAXIMUM SUBSCRIPTION \$250 MILLION								
Units	50,000,000	125,000,000								
NAV per Unit	\$2.00	\$2.00								
<p>Is there a cooling-off period?</p>	A cooling-off period does not apply to the Offer.									
<p>What are the tax implications of the Offer and an investment in the Trust?</p> <p>Section 12</p>	Participation in the Offer and an investment in the Trust may have taxation implications for Unitholders. These implications will differ depending on the individual circumstances of each Unitholder.									
<p>How can I obtain further information?</p> <p>Section 11.6.13</p>	If you would like more information or have any questions relating to the Offer, please go to the Trust's website www.pengana.com/PCX , or call the Offer Information Line on 1300 265 239 (within Australia) or +61 3 9415 4844 (outside Australia) between 8:30am and 5:00pm (Sydney time) on a Business Day. If you are uncertain as to whether an investment in the Trust is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.									

3.3. ASIC BENCHMARKS

ASIC requires disclosure against the following benchmarks with respect to funds of this type and the Responsible Entity is required to state whether it meets each benchmark. This disclosure is aimed at assisting Applicants to make informed decision about whether to invest in the Trust.

BENCHMARK AND SECTION	SUMMARY
<p>Benchmark 1: Valuation of assets</p> <p><i>This benchmark addresses whether valuations of the Trust's non-exchanged traded assets are provided by an independent administrator or an independent valuation service provider.</i></p> <p>Section 6.13</p>	<p>The Responsible Entity will meet this benchmark.</p> <p>The Trust's Net Tangible Asset Backing (NAV per Unit) will be calculated and made available monthly on the Trust's website and on the ASX. The Responsible Entity has appointed an independent administrator, BNP Paribas ("Administrator"), to provide administration services to the Trust, including valuation services.</p> <p>The NAV is calculated by deducting from the total value of the assets of the Trust all liabilities, which includes declared but unpaid distributions, calculated in accordance with the ASX Listing Rules and Australian Accounting Standards ("AAS"). The Administrator is reliant on the valuation of the PPNs held by the Trust in the Feeder Class to value the Trust. The Administrator utilises the most recent net asset value of the PPNs held by the Trust, as provided by the independent administrator of the Feeder Fund and Master Fund, to value the Trust at the end of each month.</p> <p>Citco Fund Administration (Cayman Islands) Limited is the independent administrator of the Feeder Fund and Master Fund. The administrator of the Master Fund and the Feeder Class is responsible for the preparation of statutory financial reports and for the calculation of the net asset value of Feeder Class PPNs. Valuation of PPNs is based on:</p>

BENCHMARK AND SECTION	SUMMARY
	<ul style="list-style-type: none"> • shares held in the Master Classes; • cash; and • FX forward contracts (as applicable) <p>held by the Feeder Class.</p> <p>PPNs are valued in line with the Master Fund and Feeder Fund Valuation Policy and typically utilise the most recent net asset value provided for Underlying Funds by Underlying Managers and/or administrators of Underlying Funds and, to the extent it is determined to be appropriate, will be adjusted for subsequent cash flow activity (i.e., contributions and distributions).</p> <p>Valuations for Underlying Funds are typically issued on a quarterly basis as much as (and in some cases in excess of) 90-days after each calendar quarter-end. While such information is expected to be issued on a quarterly basis, the Master Fund and Feeder Class will report their net asset values on a weekly basis and the weekly net asset values will be calculated using the latest available net asset value of Underlying Funds.</p> <p>Pengana Credit seeks to ensure that it receives unaudited Underlying Fund financial statements typically on a quarterly basis (and more frequently where available) and, to the extent practicable, financial statements that have been audited by a third-party accounting firm annually. Whilst the valuations are generally obtained quarterly, given the nature of the investments, the process of completing the valuations can take up to three months, or longer in some cases.</p> <p>The risks which arise as a result of the use of this valuation methodology and the measures taken to alleviate such risks are set out in Sections 8.1 and 6.13, respectively.</p> <p>Profit / loss on foreign exchange forwards contracts is recognised with reference to movements in exchange rates during the period of the contract.</p>
<p>Benchmark 2: Periodic reporting</p> <p><i>This benchmark addresses whether the Responsible Entity will provide periodic disclosure of certain key information on an annual and monthly basis.</i></p> <p>Section 6.11</p>	<p>The Responsible Entity will meet this benchmark and will report on the following Trust information.</p> <p>On an annual basis, the Responsible Entity will make the following information available free of charge on the Trust Website:</p> <ul style="list-style-type: none"> • The actual allocation to each asset type to which the Trust has exposure (having regard to the Master Fund's investments which the Trust has an exposure to via the Feeder Class); • The liquidity profile of the Trust (having regard to the Master Fund's investments which the Trust has an exposure to via the Feeder Class); • The maturity profile of the Trust's liabilities (having regard to the Master Fund's investments which the Trust has an exposure to via the Feeder Class); • The leverage ratio of the Trust (having regard to the leverage utilised directly and indirectly at different levels within the Trust's structure); • Derivative counterparties engaged; • Investment return statistics; and • Changes to key service providers, including their related party status. <p>On a monthly basis, the following information will be made available free of charge on the Trust Website:</p> <ul style="list-style-type: none"> • The current total NAV of the Trust; • Changes to key service providers and their related party status; • The net return on the Trust's assets after fees, costs and taxes; • Any material change in the Trust's and Feeder Class's risk profile; • Any material change in the Trust's and Feeder Class's strategy; and • Any change in the individuals playing a key role in investment decisions for the Trust, Feeder Fund and Master Fund.

4. OVERVIEW OF GLOBAL PRIVATE CREDIT

4.1. INTRODUCTION

Private credit is an asset class that consists of non-bank lending to counterparties where the debt is not issued or traded on public markets. These counterparties may be companies operating industrial businesses, or companies who are non-bank originators of pools of assets (e.g. residential mortgages, auto finance, trade finance, commercial loans).

In the US and Europe, private credit lenders, funded by institutional investors like insurance companies and pension funds, have grown in importance and significance to both investors seeking income generation, capital resilience, return enhancement and diversification; and to borrowers who are willing to pay a premium for the certainty, speed and customisation private credit lenders offer.

This Section 4 provides an overview of the private credit asset class, its characteristics and investment options available to investors.

4.2. WHAT IS PRIVATE CREDIT?

Private credit is a subset of the corporate credit market. The corporate credit market is comprised of a diverse universe of securities which enable both large and small businesses to borrow money from lenders, including banks, non-bank financial institutions and fund managers. Corporate entities typically borrow to finance expansion of their businesses or to use as capital alongside equity investments when buying a new business.

A debt security represents a principal amount borrowed by a borrower with a commitment by the borrower to pay the lender an agreed rate of interest on the amount borrowed over a set time period. When that time period ends, the borrower repays the principal amount to the lender in full. Depending on the underlying arrangement of each transaction, the interest rate on the debt may be paid during or at the end of the period and may be either fixed or floating rate. Fixed interest rates require the borrower to pay a fixed rate of interest for the term of the loan.

Floating rate securities require the borrower to pay an interest rate that is tied to a benchmark that will vary over the length of the term, such as the RBA Official Cash Rate ("RBA Rate").

Different types of debt securities pay different interest rates that are determined by the following:

- **Term** - how long the principal is outstanding;
- **Capital security** - debt can be secured or unsecured and can vary in seniority from senior to subordinated. Senior debt ranks first in terms of payment of interest and principal while subordinated debt ranks just above equity but below debt that ranks senior to it; and
- **Credit assessment** - the lender will perform its own or rely on a third-party assessment of the probability that the borrower will be able to meet its interest payment and principal repayment obligations.

There are two types of credit markets available for borrowers to borrow, traded credit and private credit.

Traded credits are typically loans, bonds or other debt securities issued by larger companies and are syndicated (syndicated loans are corporate loans large enough to be broken into smaller parcels and syndicated to a group of similar investors, typically managed, and arranged by a bank) to a group of lenders or issued in public fixed income markets. Syndicated securities, also referred to as Leveraged Loans, can also be traded in the public markets.

Traded credit markets, both public and syndicated, are typically only available to borrowers with large businesses (i.e., those with \geq USD\$300 million Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")). At this size or greater, the volume of the debt being offered is sufficient to justify the effort required to assess the loans and the liquidity required for investors in these markets to finance them.

Public debt securities are rated investment grade or sub-investment grade by independent credit rating agencies who perform credit assessments of the borrower. The ratings are used by investors to properly assess the interest rate they require to take on the risk that a borrower may default. Sub-investment grade securities (sometimes referred to as 'high yield' debt) pay higher interest rates than investment grade securities.

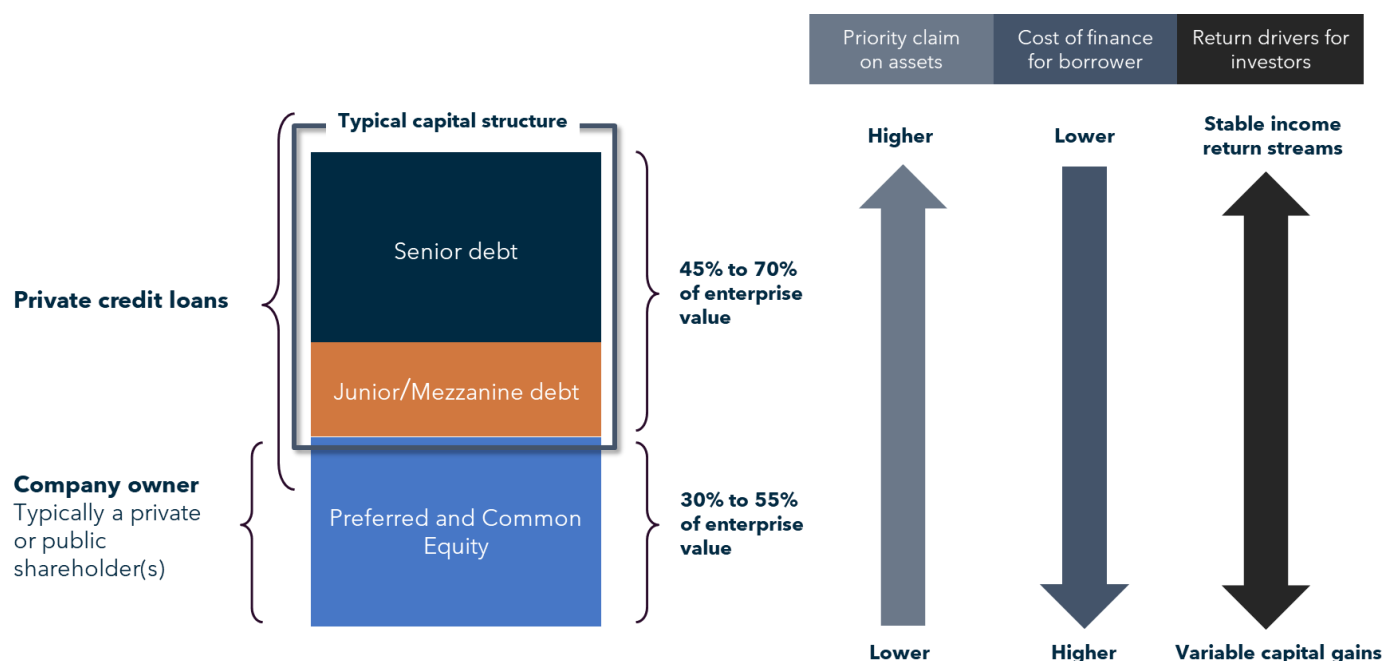
Private credits are typically bilateral loans between a lender and a borrower with little or no syndication. These securities are not typically traded but are held by the lender until maturity. Private credit markets may be accessed

by any size company with the lender using their own proprietary credit rating models to determine the appropriate interest rate required to compensate them for the risk of default. Medium-sized and smaller corporates (<USD\$250 million EBITDA) can access private credit from banks, institutional investors and specialty fund managers but are generally too small to access public and syndicated loan markets.

Private credit encompasses a range of different instruments which have different risk and return characteristics as summarised below:

- **Senior debt** – debt that has priority over other debts in case of bankruptcy or liquidation. It includes loans that have a first claim on assets and/or earnings of a borrower before other debt and equity returns are paid (first lien loans) or have a second claim (second lien loans). In some cases, first and second lien loans are combined into one facility (called unitranche loans); and
- **Junior/mezzanine debt** – debt that ranks below senior debt (and is therefore referred to as ‘subordinated’) and above equity in the capital structure. It usually pays a higher interest rate but has lower security than senior debt, offering higher returns and potential equity participation for lenders.

The figure below depicts where private credit typically fits within a company capital structure.



In addition to the corporate instruments above, private credit encompasses loans that apply similar principles of seniority, subordination and equity, but rather than lending against operating cash flows of a business and taking security over business assets and enterprise value, the loans structures will be against assets and cash flows generated by those assets (see Section 4.6).

4.3. BACKGROUND TO THE PRIVATE CREDIT MARKET

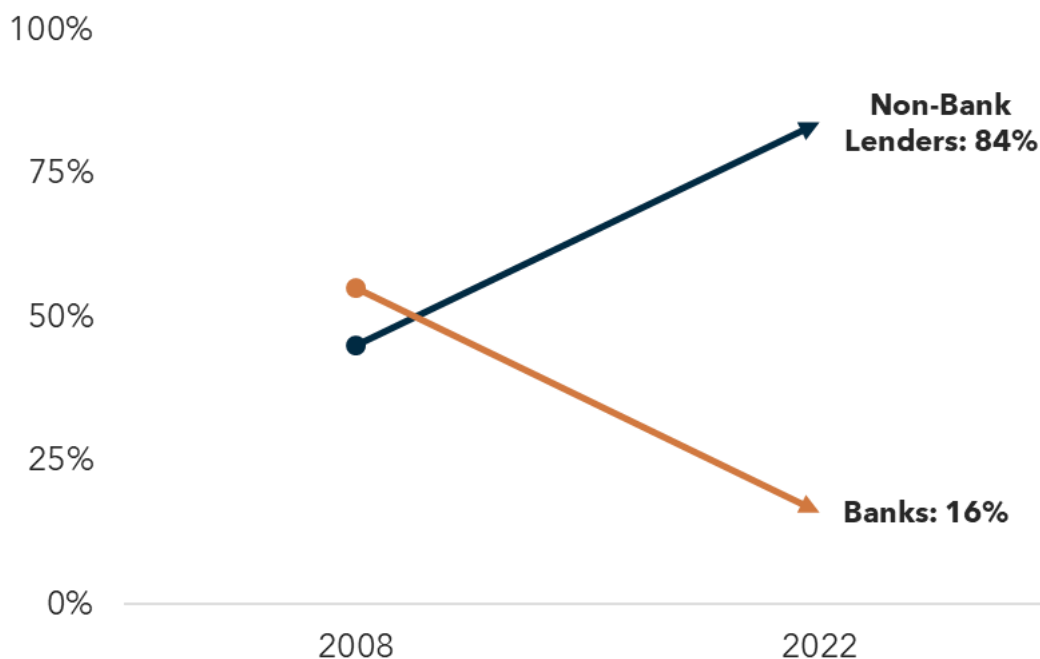
For most of the 20th century, loans to companies were almost exclusively provided by banks. The commencement of non-bank private credit lenders can be traced back to the 1980s, when private equity firms started to use mezzanine debt and other forms of subordinated loans to finance leveraged buyouts and acquisitions. As this debt was beyond the risk appetite of traditional commercial banks, it was financed predominantly by high-yield bonds issued to public markets by investment banks.

In the late 1980s and early 1990s, private equity firms faced a shortage of available credit to finance their transactions leading to the creation of private credit funds by private equity firms themselves, independent private credit fund managers and non-bank financial institutions that are not regulated as banks but provide similar services (e.g., insurance companies).

Despite the growing private credit market, it remained nascent prior to 2007. Until this time, the financing of companies remained the domain of commercial banks, however, the Global Financial Crisis (“GFC”) of 2007-2008 significantly changed the market for corporate credit.

Post the GFC, regulatory reforms were implemented to prevent the recurrence of another systemic liquidity and credit crisis. In particular, the introduction and implementation of Basel 3 banking regulations resulted in increased bank capital and liquidity requirements and decreased leverage. This caused banks to retreat from many types of corporate lending, resulting in companies not large enough to issue broadly syndicated loans or issue bonds into public markets needing to find alternatives, creating a systemic shift of private credit risk from banks to long-term institutional investors through their funding of private credit managers as shown below.

Bank Share of US and European Primary Loans



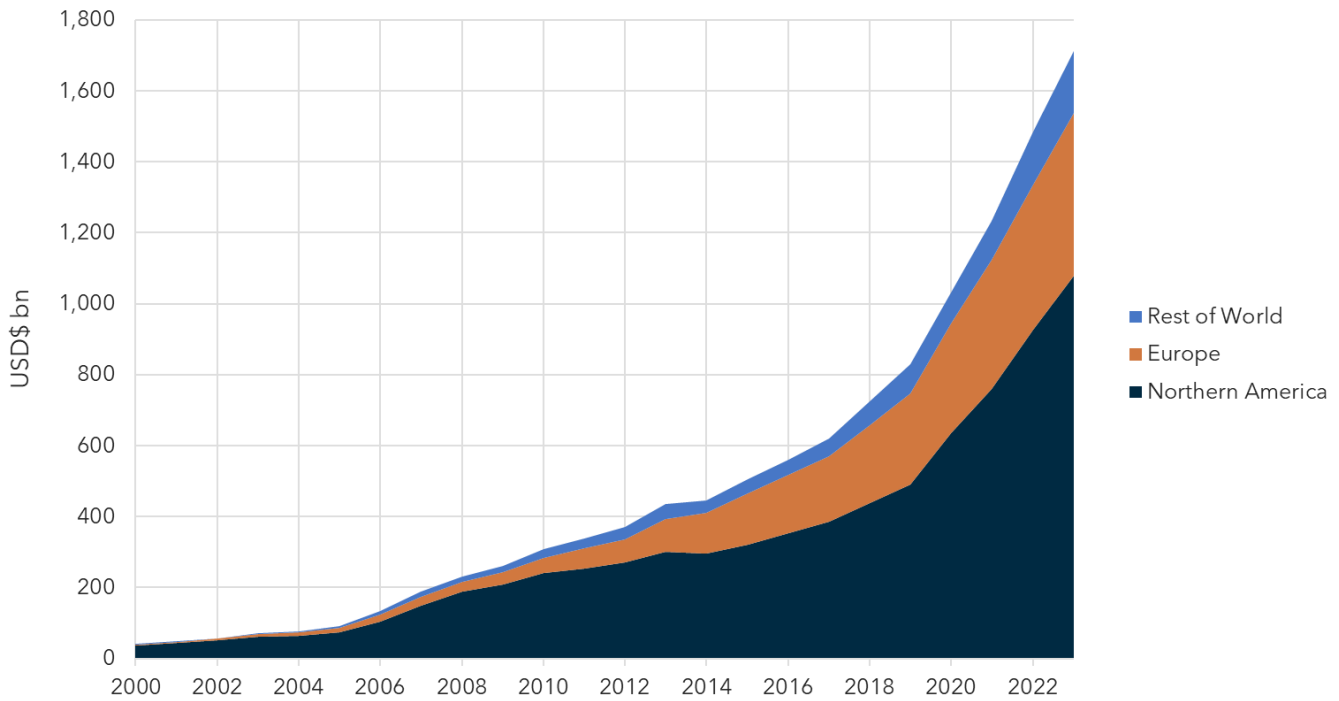
Source: LCD Global Leveraged Lending Review Q3 2023 and Mercer analysis. Calculated as an average between US and European markets. LCD has not provided consent to the inclusion of statements utilising their data.

The market for global private credit is expected to continue to experience strong growth into the future due to:

- ongoing regulatory scrutiny of bank liquidity and lending practices, reducing bank lending directly to corporates;
- volatility and dislocation in traded credit markets which create borrowing uncertainty for large company issuers; and consequently,
- increasing borrowers' demand for the unique value proposition that private lenders can offer, including:
 - greater customisation of structures, flexibility, and longer maturity profiles than traditional bank lending, allowing borrowers to better match their financing needs with their cash flow projections and business plans;
 - certainty of terms, faster speed of execution, privacy, and simplicity;
 - avoidance of the volatility and uncertainty of bank syndicated loans and public bond issuance; and
 - access to capital for borrowers who are too small to access liquid capital markets.

The growing demand for global private credit, which has approximately quadrupled in the past decade is shown as follows.

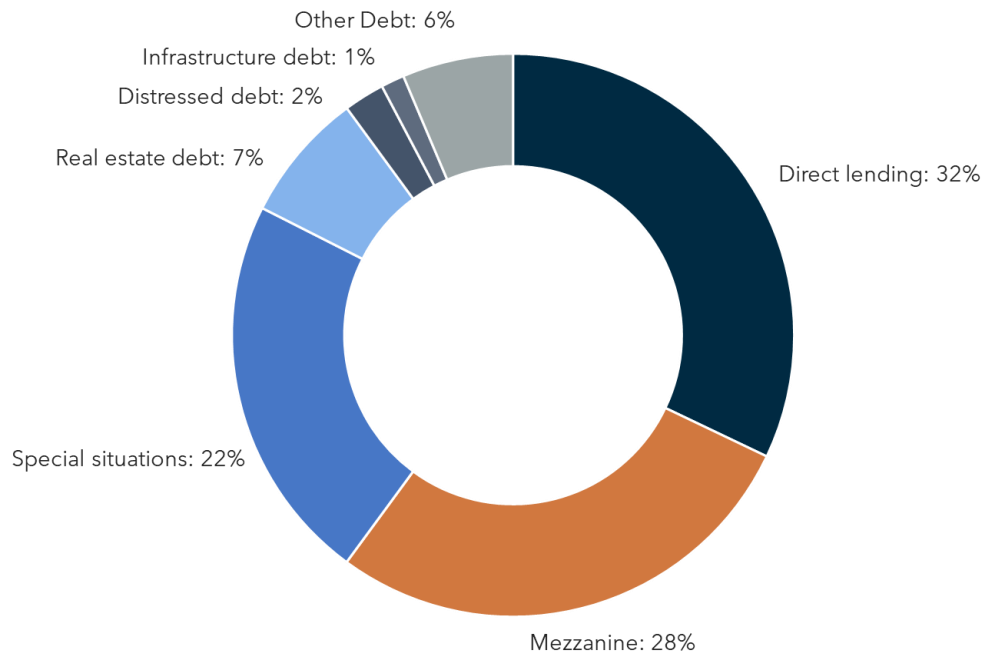
Growth in Private Credit Assets Under Management



Source: Preqin, X-axis covers the period between 31 December 2000 and 30 June 2023. Preqin has not provided consent to the inclusion of statements utilising their data.

With this growth has come an increase in the number and sophistication of private credit managers as well as the development of a wide range of private credit investing strategies. The diversity of strategies, as shown below, provides investors with the choice of varying risk, return and liquidity profiles.

Private Credit - Global AUM Split by Strategy Type



Source: PitchBook Data, Inc. 'H1 2023 Global Private Debt Report Summary'. Data as of 30 June 2023. PitchBook Data, Inc. has not provided consent to the inclusion of statements utilising their data.

4.4. CHARACTERISTICS OF PRIVATE CREDIT

Typical features of private credit instruments include the following:

Unlisted – private credit instruments are illiquid since they are held on the balance sheet of the lender until maturity and are not listed on public markets, so cannot be traded. Lenders are provided with a level of due diligence information that is typically not available to public debt lenders, such as detailed financial projections. The transactions are bilateral (negotiated directly between the borrower and the lender).

Floating rates – private credit borrowers usually pay interest on a floating rate basis. The floating rate is determined by applying a margin above a market indicator rate such as the RBA Rate. Therefore, in a rising interest rate environment, the interest payment will go up while in a falling rate environment it will go down. However, lenders typically have some protection from a decline in rates provided by base rate floors which limit how low the coupons can fall.

Income payment flexibility – In the case of subordinated or mezzanine loans, some or all the interest payments may be in the form of a Payment-In-Kind (“PIK”), which accrues on a current basis but is generally paid later, often at the maturity of the loan. PIK interest may be combined with regular cash payments or otherwise tailored to address the specific circumstances of the borrower. The flexibility to achieve these goals through combinations of floating rates, fixed rates and/or PIK interest is one of the main advantages of private credit.

Seniority – seniority is a form of protection which provides the private credit lender with priority in the payment of interest and principal. When a borrower is distributing cash flow to meet its obligations, the most senior creditor will be the first to receive distributions, or have capital repaid. Remaining funds are then distributed to other lenders in the borrower’s capital structure with the last receiver of distributions or capital being the holders of ordinary equity. This feature is particularly important during insolvency events, where a borrower may have insufficient funds to repay all of its financial obligations. Senior secured loans have the first or second ranking priority of payment from the borrower. Subordinate or mezzanine loans rank below senior secured loans in the priority of distribution of funds after an insolvency event.

Security – security provides lenders with the legal right of enforcement over some or all assets of the borrower should the borrower be unable to meet its repayment obligations. In this event, the lender may have the right to take control of the assets subject to the security, which may enable the lender to directly apply cash flows to payment of interest and principal or sell the asset. Senior secured loans have security over the assets of the borrower, while subordinated loans may be secured (but subordinate to senior secured) or unsecured.

Structural protections – lenders are provided with structural protections called covenants, which protect the lender by providing a mechanism for monitoring the financial profile of the borrower against certain benchmarks and by restricting the borrower’s ability to perform certain activities without the lender’s permission, e.g., taking on additional debt, making acquisitions or paying dividends to ordinary shareholders. If covenants are breached there can be a range of potential consequences, including the right to demand early repayments of a loan, charge a higher interest rate or appoint a receiver to take control of the business and protect the interests of lenders. Covenants and other loan terms and conditions can enhance a lender’s ability to monitor and influence the credit profile of a company. In addition, lenders typically receive prepayment protections via fees and other penalties on early repayments.

Income enhancements – the income returns of private credit investments are sometimes enhanced through other mechanisms like upfront fees, which are generally in the form of a discount between the issue price of the loan and its maturity value typically referred to as an Original Issue Discount (“OID”). Some forms of private credit can also provide lenders with equity exposure through warrants, preferred equity or common equity shares that may be incorporated as additional upside to the lender in certain transactions. The value of such equity participation is typically realised through a trade sale, IPO, or dividend payment.

4.5. INVESTMENT ATTRIBUTES OF PRIVATE CREDIT

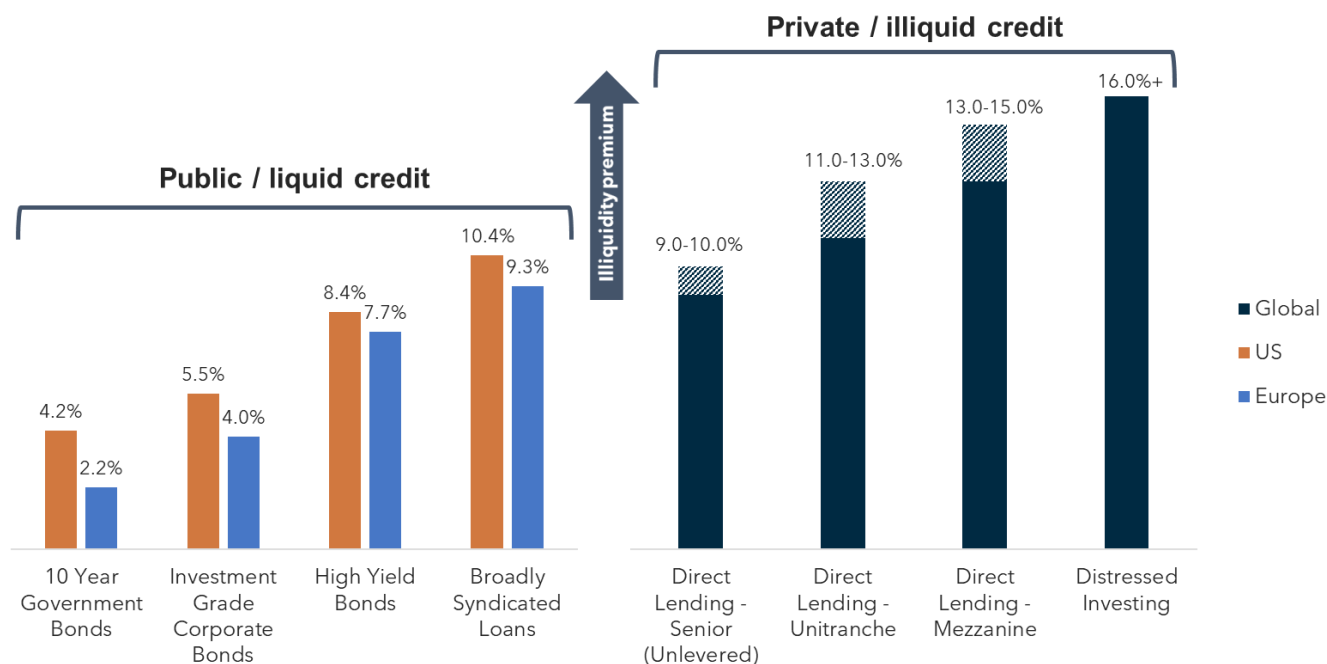
The characteristics of private credit described above underpin the investment attributes that make it a popular alternative, or complement, to traditional fixed income investment strategies and other traded credit investments.

Despite the different risk/reward profiles offered by private credit strategies, there are three attributes that particularly attract investors: the attractive historical returns, resilience and diversification.

4.5.1. HISTORICAL RETURNS: ATTRACTIVE YIELD AND POTENTIAL RETURN ENHANCEMENT

Investors in global private credit generally receive a yield premium over traditional fixed income. This yield premium, or excess spread, is often referred to as an “illiquidity and complexity premium”. The illiquidity premium is required to compensate lenders for their inability to trade the debt. Borrowers have also been willing to pay a premium for the complexity involved in originating, underwriting, and structuring private loans and the customisation offered by private lenders.

The following chart illustrates the premia global private credit has earned over liquid credit alternatives across various private credit instruments.



Source: DataStream and S&P LCD, as at 1 December 2023. 10 year government bond: Bloomberg Barclays US Treasury Bellwether 10 year and Germany Government Stored Yield Curve 10 year, Investment Grade Corporate Bond: Bloomberg Barclays US Corporate Investment Grade and Bloomberg Barclays Euro Aggregate Corporates, High Yield Bonds: Bloomberg Barclays US High Yield 2% Issuer Cap and Bloomberg Barclays Pan European High Yield, Broadly Syndicated Loans: S&P Leveraged Loan Index and S&P European Leveraged Loan Index. Private credit annualised yields to maturity are estimates based on Mercer analysis on the basis that such loans are held to maturity. DataStream and S&P LCD have not provided consent to the inclusion of statements utilising their data. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance.**

In addition to illiquidity and complexity premiums, private credit can provide enhanced returns due to its resilience characteristics and floating rate nature, particularly in a rising rate environment. Private credit instruments are typically tied to floating rates (such as the RBA Rate and Secured Overnight Financing Rate (“SOFR”). When interest rates rise, increases are automatically reflected in the private credit interest payments. This dynamic makes floating rate debt less sensitive to interest rates compared to fixed-rate bonds, which typically lose value as interest rates rise.

4.5.2. RESILIENCE

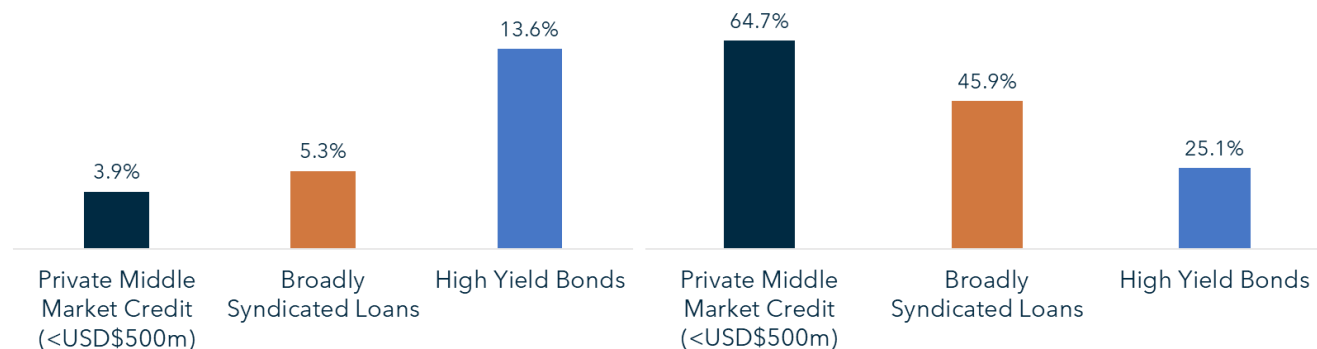
The resilience of private credit is evident in two ways, through lender protections and the way loans are valued.

Lender protections arise out of bespoke structuring and bilateral negotiation and include contractual limitations and covenants on the borrower. Enhanced protections are also provided in relation to the priority of repayments to lenders in a default scenario. Deep access to company records received by private lenders also enables strong due diligence and documentation. The typical bilateral relationship can make for a quicker and more efficient workout (i.e., renegotiation of a loan in default) and potentially greater recovery in the case of a default, when compared to publicly syndicated debt placements and public bonds that feature multiple lenders with potentially competing priorities.

These enhanced protections have resulted in lower default rates and higher recovery rates for private credit assets relative to other credit alternatives as shown following.

USD\$ Cumulative Default Rate

USD\$ Average Annual Recovery Rate



Sources:

- USD\$ Cumulative Default Rate 1995 - 2021: S&P LCD & CreditPro (1995 to 2021), as at 31 December 2021. The cumulative default rate is the percentage of commercial borrowers within a certain category that have defaulted on their obligations by a specific point in time. It is the total number of defaults accumulated over a period, expressed as a percentage of the initial loan pool. This metric helps investors and analysts to assess the historical default likelihood of borrowers within a specific category over different timeframes. The S&P LCD cumulative default rate has a one-year lag since it assumes a loan will not default within one year of origination. Past performance is not a reliable indicator of future performance and may not be repeated.
- USD\$ Average Annual Recovery Rate 1995-2022: S&P LCD & CreditPro (1995 to 2022). The Annual Recovery Rate is the average percentage of the loan principal amount recovered by lenders following a default event within a specific year. This metric provides insight into the expected loss in case of a default, showing how much lenders might recoup on their investments on average. Middle market loans defined as those <\$500m in size. Past performance is not a reliable indicator of future performance and may not be repeated.

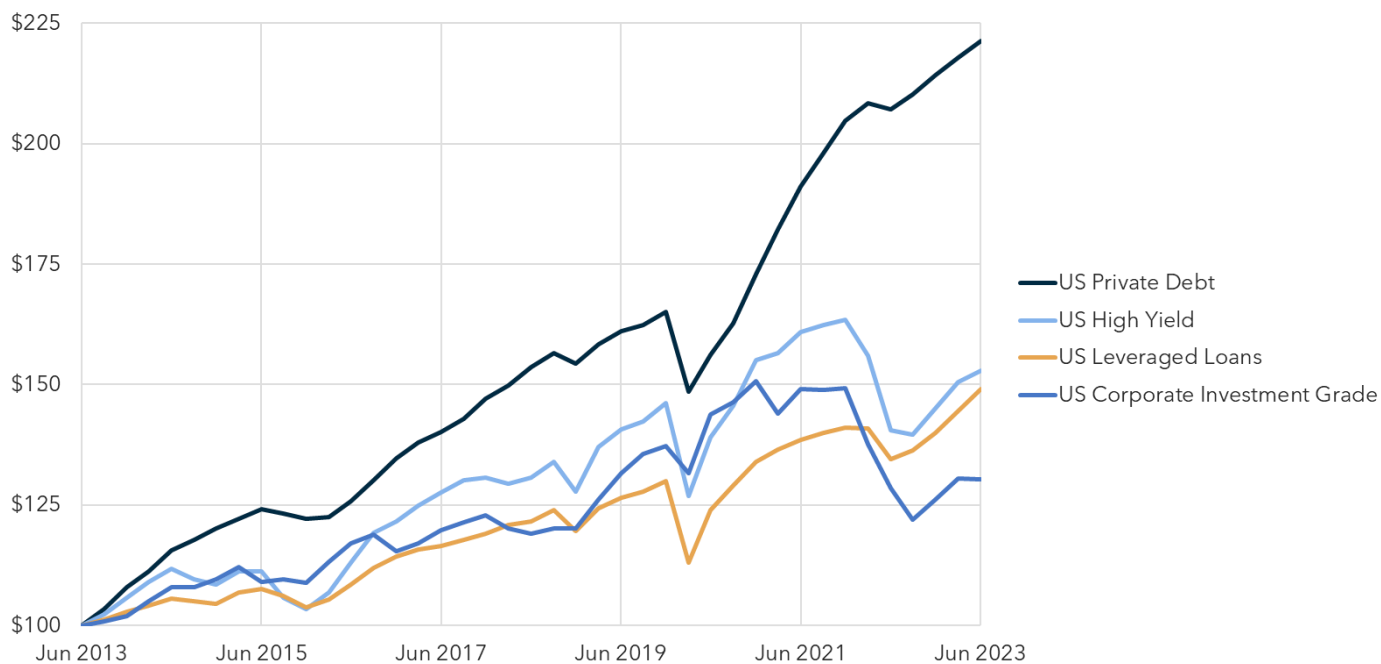
S&P LCD & CreditPro have not provided consent to the inclusion of statements utilising their data. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance.**

In respect of valuations, private credit is not traded and, therefore, valuation methodologies can look through shorter-term market volatility and focus on true fundamentals. Although valuation methodologies can vary, in aggregate this characteristic has generally smoothed private credit portfolio return profiles when compared to other traded credit investments, which are more directly exposed to market price volatility.

The resilience of private credit relative to a wide range of traded investment options can be seen in the figures below, which illustrate the strong relative historical performance of global private credit as an asset class during periods of both economic growth and turbulence, with shallower drawdowns and lower volatility.

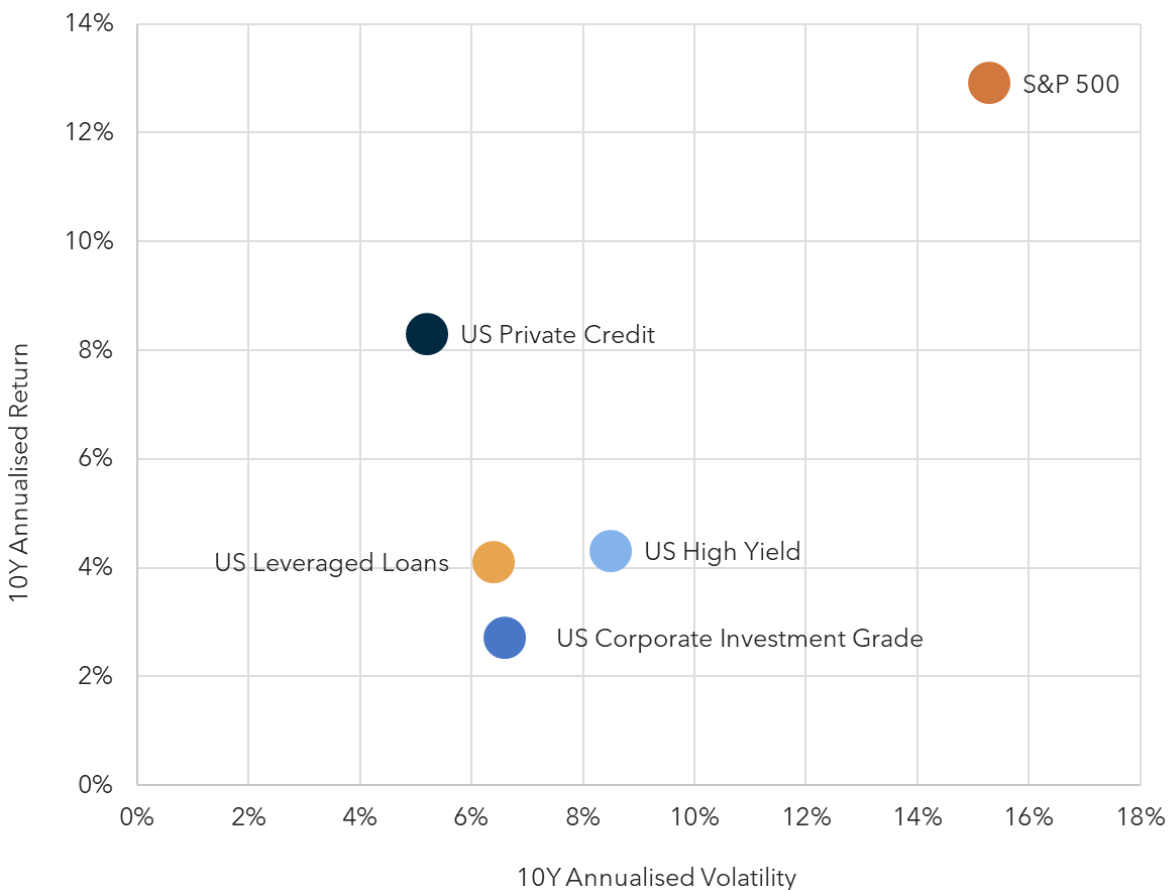
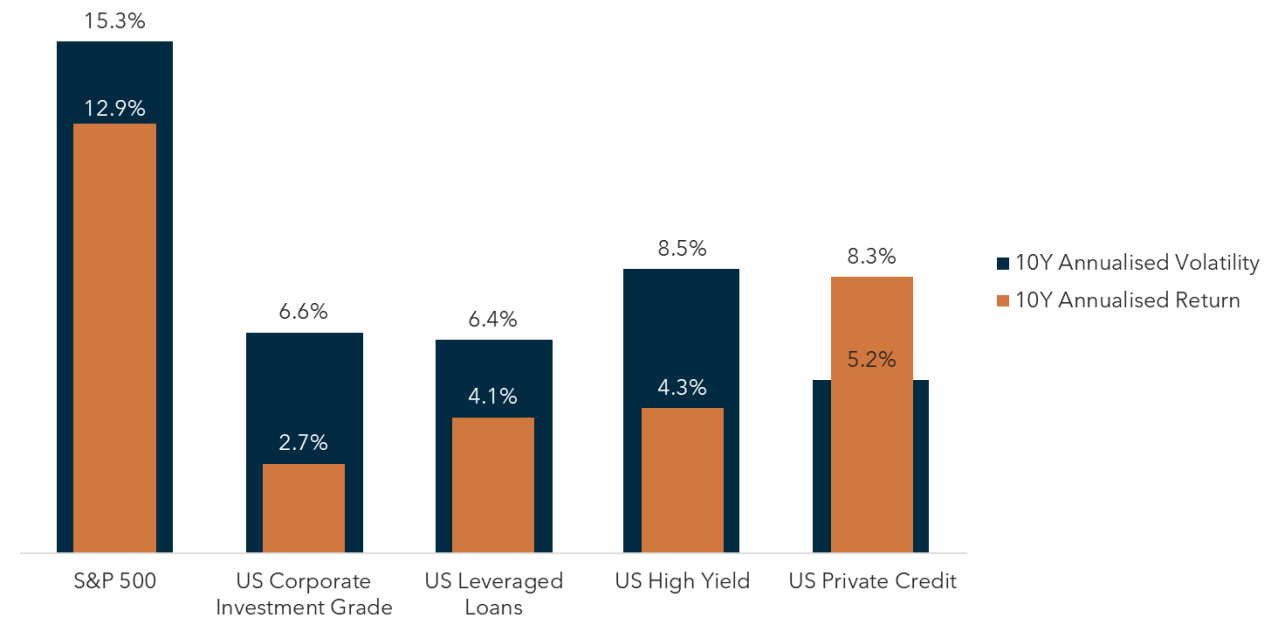
Growth of USD\$100

Resiliency and downside protection of private credit vs. more volatile growth fixed income asset classes



Returns in USD. 10-year period from 1 July 2013 to 30 June 2023. Sources: Bloomberg (Bloomberg US Corporate Total Return Value Unhedged USD), Burgiss (Burgiss - Private Debt (North America)), and Thomson Reuters Datastream (ICE BofAML US High Yield Master II, S&P Leveraged Loan). Bloomberg, Burgiss and Thomson Reuters have not provided consent to the inclusion of statements utilising their data. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance.**

Higher annualised historical returns than other debt asset classes, with no significant realised increase in risk as measured by volatility (with volatility measured by the Annualised Standard Deviation of Quarterly Returns)



Returns in USD. 10 year period from 1 July 2013 to 30 June 2023. Sources: S&P (S&P 500 Total Return Index), Bloomberg (Bloomberg US Corporate Total Return Value Unhedged USD), Burgiss (Burgiss - Private Debt (North America)), and Thomson Reuters Datastream (ICE BofAML US High Yield Master II, S&P Leveraged Loan). S&P, Bloomberg, Burgiss and Thomson Reuters have not provided consent to the inclusion of statements utilising their data. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance.**

"Annualised Standard Deviation" is a measure of how much the price of an asset or the return of a portfolio of assets has fluctuated (both up and down) over a certain period. If an asset or portfolio of assets has a high Annualised Standard Deviation, the price of the asset or return of the portfolio of assets has historically fluctuated vigorously. If an asset or portfolio of assets has a low Annualised Standard Deviation, the price of the asset or return of the portfolio of assets has historically moved at a steady pace over a period of time.

4.5.3. DIVERSIFICATION

Private credit can offer diversity through a range of strategies that target different parts of the capital structure and market segments. The strategies can be broadly characterised as “capital preservation” or “return maximisation”.

Strategies with defensive characteristics, like traditional senior debt funds, seek to deliver predictable returns while protecting against losses. These portfolios tend to be negatively skewed, i.e., they focus their analysis and terms on repayment of principal, with few losses and even fewer unexpected gains.

Return-maximising strategies include distressed corporate credit funds and funds that focus on capital appreciation. These funds offer the prospect of larger gains and often have positively skewed portfolios, i.e., while there is a focus on repayment of principal, the lender expects to be compensated with a degree of equity appreciation resulting from its efforts to recapitalise a borrower.

Strategies that do not easily fall into one of these categories are either opportunistic (investing across the credit spectrum as market opportunities permit) or niche/specialty finance strategies, like aviation finance or health care royalties. Opportunistic and specialty finance strategies must be evaluated individually to determine the appropriate expectations for risk and return.

So, while the premise of private credit is straightforward, complexity arises when considering the number of different strategies across many dimensions, including geography, sector, currency, seniority, security, collateral type, structure, and tenor. The benefit of this complexity is diversification, within the asset class and also relative to other alternative and traditional asset classes.

The following Section 4.6 describes private credit investment strategies in more detail.

4.6. PRIVATE CREDIT INVESTMENT STRATEGY TYPES

The macroeconomic environment has caused investors to face numerous bouts of volatility and market dislocation since the GFC. Private credit has attracted increasing interest, with a very wide range of investment strategies available to investors subject to their risk, return and liquidity requirements. These strategies can be broadly categorised into five types, as follows:

STRATEGY TYPE	DESCRIPTION	RETURN PROFILE	LOAN TYPE
Direct Lending	Lending directly to companies, generally secured against assets and earnings	Income	Floating rate
Structured Credit	Consists of loans dependent on performance of asset pools	Predominantly income, may have some capital appreciation	Floating rate
Specialty Finance	Includes niche lending that requires specialised knowledge	Predominantly income, may have some capital appreciation	Floating rate
Real Asset Lending	Lending to companies that own and operate real assets. Includes real assets such as real estate and infrastructure	Income	Floating rate, fixed rate
Credit Opportunities	Potential benefit from dislocations in the credit or equity markets	Income and capital appreciation	Floating rate, fixed rate, and equity exposure

Within each of the five strategies, there are numerous sub-strategies which allow for further diversification of risk, return and level of downside protection subject to an investor’s investment objective. Details of the most prevalent sub-strategies are set forth in Sections 4.6.1 to 4.6.5.

The wide range of sub-strategies can be characterised into three types of investment attributes as set forth below, each of which possesses a distinct risk/reward.

- **Income:** Sub-strategies with an Income attribute derive returns from contractual cash interest payments, e.g., Direct Lending. Capital preservation is critical so there is a focus on seniority in the capital structure and widely diversified portfolios (e.g., large number of individual loans, 100+), which are predominantly focussed on delivering stable income with strong downside protection provided by security over assets and/or the enterprise value of the business;
- **Balanced:** Sub-strategies with a Balanced attribute seek to exploit the wider private credit opportunity set beyond Direct Lending. These strategies provide mainly contractual returns and seek further diversification to reduce corporate credit market correlation and to exploit credit imbalances and sourcing barriers in specific sectors, which may allow for capital appreciation through sharing in potential capital appreciation provided by the provision of credit. Investment managers in this category may specialise in a single strategy (typically Structured Credit or Specialty Finance), or have capabilities to execute multiple strategies within a single fund; and
- **Total Return:** Sub-strategies with a Total Return attribute predominantly focus on opportunities stemming from market volatility, liquidity mismatch or episodes of stress/distress. They typically accept greater risk (e.g., credit, structuring and/or event) than Income and Balanced investments to achieve returns which are in line with or above equity. Opportunities for these funds are more abundant during periods of market stress. The Credit Opportunities sub-strategies that comprise Total Return include Distressed, Opportunistic and Special Situations.
- **Enhanced Cash:** Sub-strategies with an Enhanced Cash attribute derive floating rate returns from income on shorter term senior corporate credit. Such strategies exhibit very low defaults and interest rate risk, and stability in volatile markets. Their shorter term allows more favourable liquidity terms and they do not employ leverage.

In seeking to achieve the Investment Objective via an execution of the Investment Strategy - refer to Sections 6.1 and 6.4 - the Trust will seek to invest in strategies and sub-strategies across all four attributes.

4.6.1. DIRECT LENDING SUB-STRATEGIES

Direct Lending encompass directly originated senior secured debt of middle market corporate borrowers across a wide range of industries and sizes. Direct loans are generally structured as first lien, second lien or unitranche. Direct Lending is the largest and most mature asset class within private credit. It has been adopted as a defensive source of floating rate income with an attractive illiquidity premium. This strategy is generally levered, meaning the fund manager will fund its loan to a borrower through a combination of fund subscriptions from investors and its own external borrowings (typically the loan portion will be 1x to 2x the fund manager's subscriptions) to enhance returns. The return drivers are contractual yield, fees for arranging the debt, OID and prepayment and covenant-breach fees. Direct Lending has an Income attribute.

Mezzanine is subordinated debt that is predominantly used for growth or transaction purposes (e.g., funding acquisitions). It is a particularly important source of credit for corporates during periods when bank lending is constrained and borrowers need sources of junior capital to fill gaps in their balance sheets. They often employ PIK structures. Given their unsecured nature, they earn higher returns than Direct Lending to compensate for the higher risk and can have access to equity upside through equity warrants. Mezzanine typically has a Total Return attribute.

Venture Debt involves lending to small, newly established companies during their high growth phase. Generally, they have not reached EBITDA positive or are not positive enough to secure a traditional loan. These companies are typically backed by venture capital firms and considered to have a high chance of commercial success. While the debt is senior secured, it is considered to be speculative with lending based on estimates of the borrower's loan to value, cash, tangible and intangible assets and pathway to profitability. In exchange for startup risk, venture debt lenders demand higher contractual spreads, covenants, and a meaningful level of equity warrants. Venture debt has a Total Return attribute.

4.6.2. STRUCTURED CREDIT SUB-STRATEGIES

Asset Backed investments are comprised of debt backed by cash flowing portfolios of hard assets (e.g., equipment, autos, aviation) or financial assets (e.g., consumer loans, trade receivables). Private asset backed investments are special purpose vehicles that are set up to acquire assets. To finance the acquisition of the assets, they simultaneously issue various tranches of debt and equity secured by those assets. These structures, like Direct Lending, must adhere to numerous covenants which provide governance and structural downside protection for investors. These investments appeal to a wide range of investors, including those who require investment grade

assets (so the senior tranches) and those seeking higher returns through junior tranches and equity. The return drivers are contractual yield and principal repayments. This sub-strategy possesses an Income, Balanced or Total Return attribute depending on the fund manager's focus and return objectives.

Collateralised Loan Obligations ("CLOs") are special purpose vehicles with eight to ten year lives established to purchase senior secured loans (referred to as "collateral") through the issue of tranches of debt and equity (so a corporate form of Asset Backed). Typically, the collateral is a diversified pool of 150 to 200 or more large and/or mid cap loans actively managed by the collateral manager. The manager's goal is to exploit the spread between income earned by the collateral and the cost of debt financing. The CLO manager is typically a credit asset management firm with expertise in sub-investment grade debt. The capital structure of the typical CLO contains a senior tranche which is AAA, or highest investment grade (typically 65% of the total), mezzanine which range from AA to BB at (typically between 5% to 15% of the total), with the balance being equity (typically 8% to 10% of the total). CLOs benefit from numerous structural downside protection features which help preserve capital in periods of loan market volatility. These include ongoing interest and asset coverage tests and rules that redirect cash flows from subordinate to senior tranches in periods of credit stress. The return drivers are contractual yield and capital appreciation. Depending on the strategy employed by the fund manager these investments can be Income, Balanced or Total Return.

4.6.3. SPECIALTY FINANCE SUB-STRATEGIES

Asset-Based Lending within the context of the Specialty Finance strategy involves senior loans made to companies that have assets they use as collateral such as hard assets (e.g., equipment, inventory) or financial assets (e.g., accounts receivable). As a result, the recovery of asset-based loans is based on the value of borrowers' assets and not on financial performance of the borrower. Unlike asset-backed lending, asset-based lending does not involve the use of securitisations. The loan to value of an asset-based loan is measured against the liquidation value of specific assets. Lenders often seek to maintain a diverse asset pool in the form of correlated and/or non-correlated assets to protect their principal. In some cases, asset-based lenders will obtain warrants in the borrower as an additional form of compensation. The return drivers are contractual yield, OID and occasionally equity warrants. These sub-strategies are typically Balanced in nature but can be Total Return.

Royalties are a broad asset class that involves cash payments to the owner of a financial asset in exchange for the right to use the asset for commercial purposes. Asset types may include patents, mineral rights, trademarks, pharmaceuticals, music, and entertainment rights. Pharmaceutical is one of the largest, most established royalty sub-strategies whereby asset managers acquire the royalties (typically from hospitals, universities, and research laboratories), invest significantly to commercialise them through product development and monetise their value through drug sales. The yield is based on the exploitation of the underlying asset and so is based on detailed assumptions of future demand and revenue that can be earned, with the security being based on the assumed value of the asset. The return driver is yield. Royalties possess Balanced or Total Return attributes subject to the underlying assets, risk, and cash flow characteristics.

4.6.4. REAL ASSET LENDING SUB-STRATEGIES

Infrastructure lending refers to investments in debt tranches backed by infrastructure development projects rather than directly into a corporate entity. The projects are generally monopolistic or semi-monopolistic, regulated and very stable as their demand is generally inelastic. Example sectors include energy, utilities, social infrastructure, and telecommunications infrastructure. These projects are typically long term (e.g., 10-20 years), illiquid and have strong downside protection given there are essential and monopolistic. The debt tranches provide the opportunity for different risk/reward characteristics based on where investors fund into the capital structure.

Real estate primarily targets major commercial and residential property types including industrial, multifamily, office, retail, lodging and aged care properties. Strategies can focus on stable properties, redevelopments and new developments and investment types can include senior secured first mortgages, mezzanine financing and/or equity.

Transportation is lending that is typically used to fund the acquisition of assets for leasing including shipping, aircraft, and railcars. The assets typically generate cash flows from long-term contracts and downside protection from the tangible assets. The assets are typically managed by servicers owned by the fund manager or outsourced to experienced third parties that manage the daily lease operations while aiming to maximise the lease and asset value of the portfolio.

4.6.5. CREDIT OPPORTUNITIES SUB-STRATEGIES

Distressed typically offers the greatest potential for outsized returns and is the highest risk private credit sub-strategy. The sub-strategy involves gaining influence over, or taking control of, a good company in a stable industry that is financially or operationally distressed. When a private credit manager seeks to gain control of a company to affect a turnaround, it may do so by converting a deeply discounted debt instrument (e.g., senior secured loan) into all, or a majority equity position through a bilateral negotiation or a bankruptcy process. To be successful, a distressed manager must orchestrate many complex steps: identifying the target company and debt instrument that will provide the negotiation leverage, equitising the credit asset through a bankruptcy proceeding, implementing an operational and financial turnaround as may be required and orchestrating a successful exit of the equity to realise an outsized return. This process is competitive, time intensive and expensive and carries market and execution risks. Distressed managers typically have deep legal, valuation, financial and restructuring skills. The return drivers are high contractual yield and capital appreciation through equity ownership. Distressed has a Total Return attribute.

Opportunistic sub-strategies seek the most attractive relative value across multiple credit types (e.g., private versus traded debt, senior versus junior, structured versus non-structured, performing through stressed credit and investment strategies). Managers are multi-strategy and have the proven management experience and proprietary investment processes and platform advantages to target returns above relevant indices, particularly during dynamic and stressed market environments. Given the broad and flexible nature of the sub-strategy, there is a wide range of return and risk profiles. The return drivers are contractual yield and capital appreciation from buying credit below par. Opportunistic managers may be Balanced or Total Return.

Special Situations sub-strategies typically involve an event-driven catalyst (or multiple catalysts) to unlock value and drive capital appreciation of performing or stressed credit. Investments can involve complex, negotiated facilities and terms agreed bilaterally with borrowers or other capital providers. Other examples are credit assets purchased at a discount to intrinsic value that are facing financial stress due to near term challenges (e.g., upcoming debt maturity, liquidity crunch) or operational stress (e.g., supply chain disruption). Borrowers can also have strong business models but inappropriate capital structures. Investment managers seek to influence a company via board seat or a restructuring committee membership, but not to control it through ownership. Special situations can perform well across all market environments given cyclical and non-cyclical sources of borrower stress, though generally outperforms during periods of market volatility and stress given an expanded opportunity set during these times. The return drivers are typically contractual yield and capital appreciation through some form of equity participation. This sub-strategy may be Balanced or Total Return.

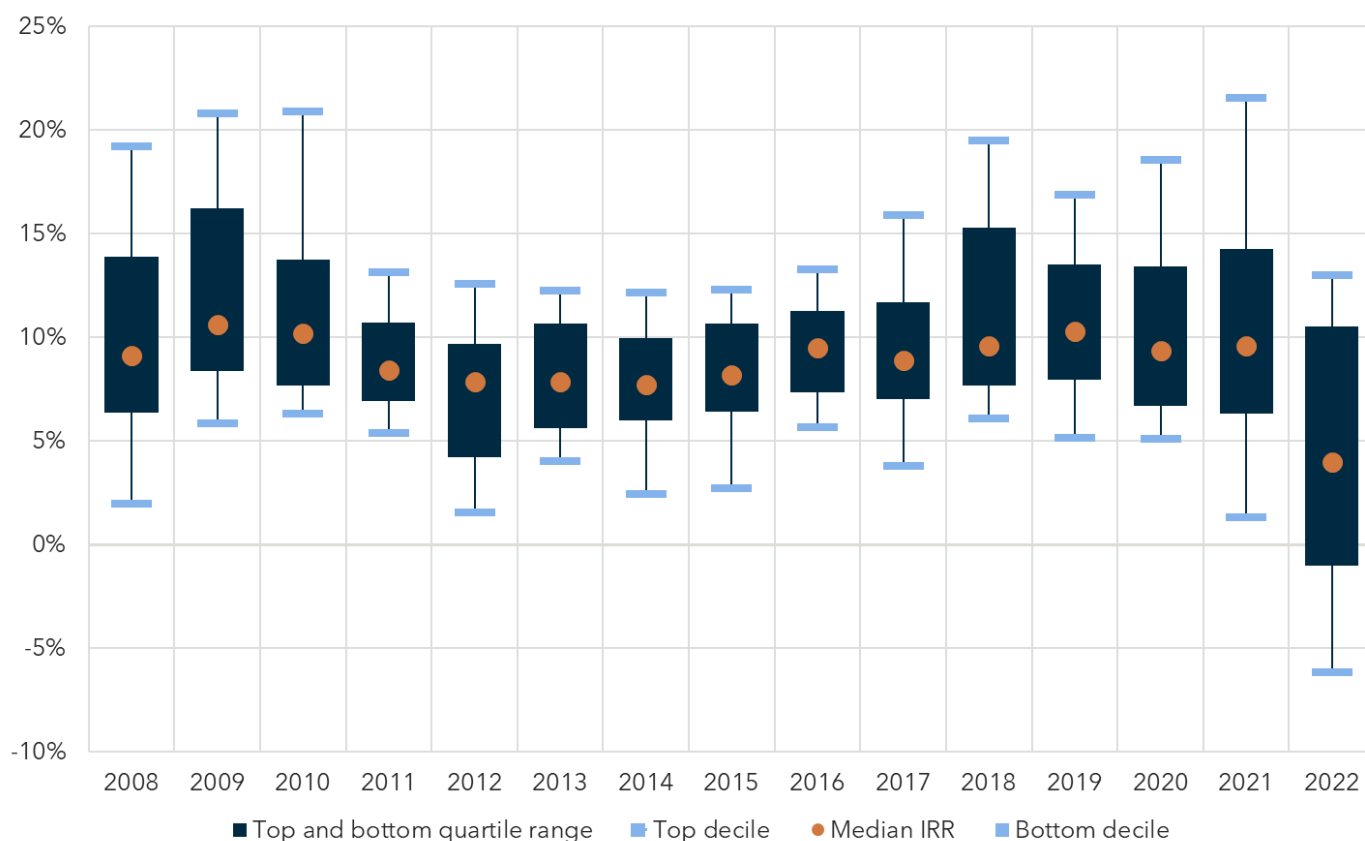
4.7. ACCESSING PRIVATE CREDIT INVESTMENTS

To access global private credit typically requires an investment in a private credit fund managed by a professional private credit manager. There are a number of criteria investors need to consider when seeking to access professionally managed private credit funds, some of which are discussed below.

4.7.1. MANAGER SELECTION

With the significant growth in global private credit there has been a significant increase in the number of private credit managers. North American and European based private credit vehicles make up around 90% of the private credit assets universe and 82% of the 2,097 private credit investment managers. Identification and selection of quality managers, being those with demonstrated experience and consistent track records of performance, can be challenging for Australian investors in the absence of having access to global networks and resources. This is particularly important given the performance dispersion of managers as shown following.

Global Private Credit IRR Dispersion By Vintage Year



Source: PitchBook Data, Inc. 'PitchBook Global Benchmarks: Q1 2023'. Underlying data is net of fees and carry and based on pooled cash flow data and is based on Pitchbook classifications, which may differ from those of Mercer. As of 31 March 2023. The vintage year refers to the year the private credit vehicles were formed. PitchBook Data, Inc. has not provided consent to the inclusion of statements utilising their data. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance.**

4.7.2. MANAGER SUBSCRIPTIONS

Minimum subscription commitments for investors who want to subscribe to private credit funds vary depending on the fund's size, strategy and structure. The typical minimum subscription amounts for offshore institutional commingled funds range anywhere from USD / EUR 5-10 million. These minimum subscription amounts may serve as a constraint for some investors seeking to access private credit and/or diversify across varying strategy types and managers.

4.7.3. FUND STRUCTURE

Private credit managers use different types of fund structures and provide varying liquidity for those investments which determine the time periods an investor can invest and redeem. How often income from underlying investments is paid to investors (e.g., monthly, quarterly, semi-annually) may also vary. There are three predominant fund structures:

- Closed-Ended Funds:** These are funds that have a fixed term (usually 7 to 10 years) and raise capital commitments from investors during a limited period (typically 6 to 12 months) after which it is then closed to new investors. Closed-end funds then call capital from investors (typically up to a 4 year period from the initial close) as investment opportunities arise and distribute proceeds to investors as investments are realised. They typically have a limited investment period, usually 2 to 5 years, during which capital is called and invested and a harvest period, usually 5 to 10 years when they realise proceeds from investments and return proceeds to investors. Closed-end funds are suitable for strategies that required long-term capital lock-up such as Credit Opportunities strategies. They typically charge management fees based on committed or invested capital and performance fees based on performance over a specific hurdle rate.
- Open-Ended Funds:** These are funds that have no fixed term and allow investors to subscribe and redeem their capital at certain intervals, usually monthly or quarterly, subject to notice and lock-up periods. Open-ended funds invest in assets that are relatively more liquid and can be valued more frequently, such as Direct Lending and Structured Credit. Open-ended funds charge management fees based on net asset value and performance fees based on high-water mark or hurdle rate mechanisms that prevent the

manager from earning fees on previously lost capital or below a minimum return threshold. Open-Ended Funds can offer an unlimited number of units.

- **Evergreen Funds:** These are funds that have an indefinite term and reinvest a portion of the proceeds from realised investments into new opportunities, while distributing the remaining portion to investors. Evergreen funds provide a balance between long-term capital commitment and periodic liquidity to investors. Investors are periodically given the opportunity to divest, in which case their investment typically goes into “run off”, whereupon no new investments are made on behalf of the investor and the proceeds are distributed back to investors as they are received by the fund. Evergreen funds are suitable for a wide range of private credit strategies, depending on the reinvestment policy and the distribution frequency. Evergreen funds typically charge management fees based on net asset value and performance fees based on high-water mark or waterfall (a waterfall mechanism typically begins with the payment of management fees to the fund manager, followed by the payment of preferred returns to investors and then the payment of carried interest to the fund manager) mechanism.

Generally, closed-end funds offer lower liquidity than open-ended and evergreen funds, as investors cannot redeem their capital until the end of the fund’s term or through secondary market transactions. However, closed-ended funds may provide some liquidity through current income distributions or interim distributions of realised gains. Open-ended funds offer higher liquidity than closed-ended funds, as investors can redeem their capital periodically, subject to certain restrictions. However, open-ended funds may face liquidity challenges if they invest in assets that are less liquid than their redemption terms or if they face large redemption requests in times of market distress.

4.7.4. OUR APPROACH

We believe a multi-manager approach provides a number of advantages to non-institutional investors versus a single manager or single strategy approach, being:

- Diversification across different investment strategies and managers supports the construction of resilient, “all weather” portfolios, anchoring portfolios with durable yield that includes a persistent spread premium, and security to protect capital while providing opportunities for yield enhancement through economic and market cycles. This is accomplished by selecting Underlying Managers with complementary strategies who have proven track records in real time investing and portfolio optimisation to put the next dollar to work at the best relative value based on their strategies. To achieve this, we invest in a variety of private credit strategies including Direct Lending, mezzanine debt, Specialty Finance, Structured Credit and Credit Opportunities as described above;
- Accessing a wider range of private credit opportunities with managers resident in developed jurisdictions where investors and borrowers are very familiar with what the private credit asset class has to offer and have creditor friendly legal frameworks; and
- Through diversifying across Underlying Managers, reducing the risk of single manager underperformance or failure.

Multiple Underlying Managers and strategies allow the Trust to achieve a wide diversification while limiting idiosyncratic risk and correlation, which we believe should translate to low volatility and stable returns. The Trust’s overall portfolio construction (set forth in Section 6.8) including investment guidelines, initial portfolio, and target portfolio allocations and deployment illustrates the Trust’s diversification by sector, investment strategy, geography, credit quality, and number of Underlying Assets.

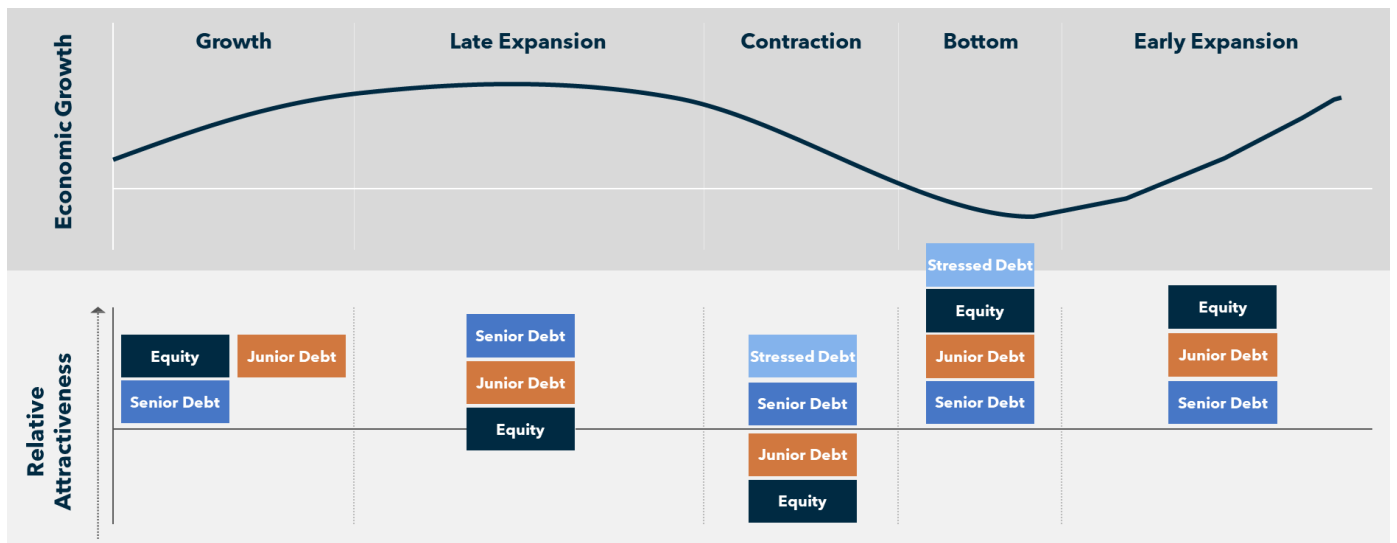
Finally, we employ a rigorous investment process that is based on sound portfolio construction guidelines, deep research and analysis, and wide expert input to both portfolio construction and Underlying Fund selection.

Our investment approach incorporates the following components:

- Capital preservation and stable income as a priority, being senior secured debt with strong income, security and protections;
- Position for flexibility by selecting multi-strategy Underlying Managers who are those that have proven capability to deliver opportunistic, yield enhancing investments through economic transition where they can target a portion of their capital to senior, junior or equity areas where there is a structural capital supply/demand imbalance that enables attractive risk adjusted yield extraction; and
- Underlying Managers who are specialists at dealing with stressed event driven situations and dislocation, for example, from a senior secured vantage point, generate the highest risk adjusted returns with the

strongest contractual positions for companies that have significant liquidity constraints and/or a complete balance sheet restructure.

The following chart seeks to depict the relative attractiveness of these components across economic cycles.



5. INVESTMENT STRUCTURE

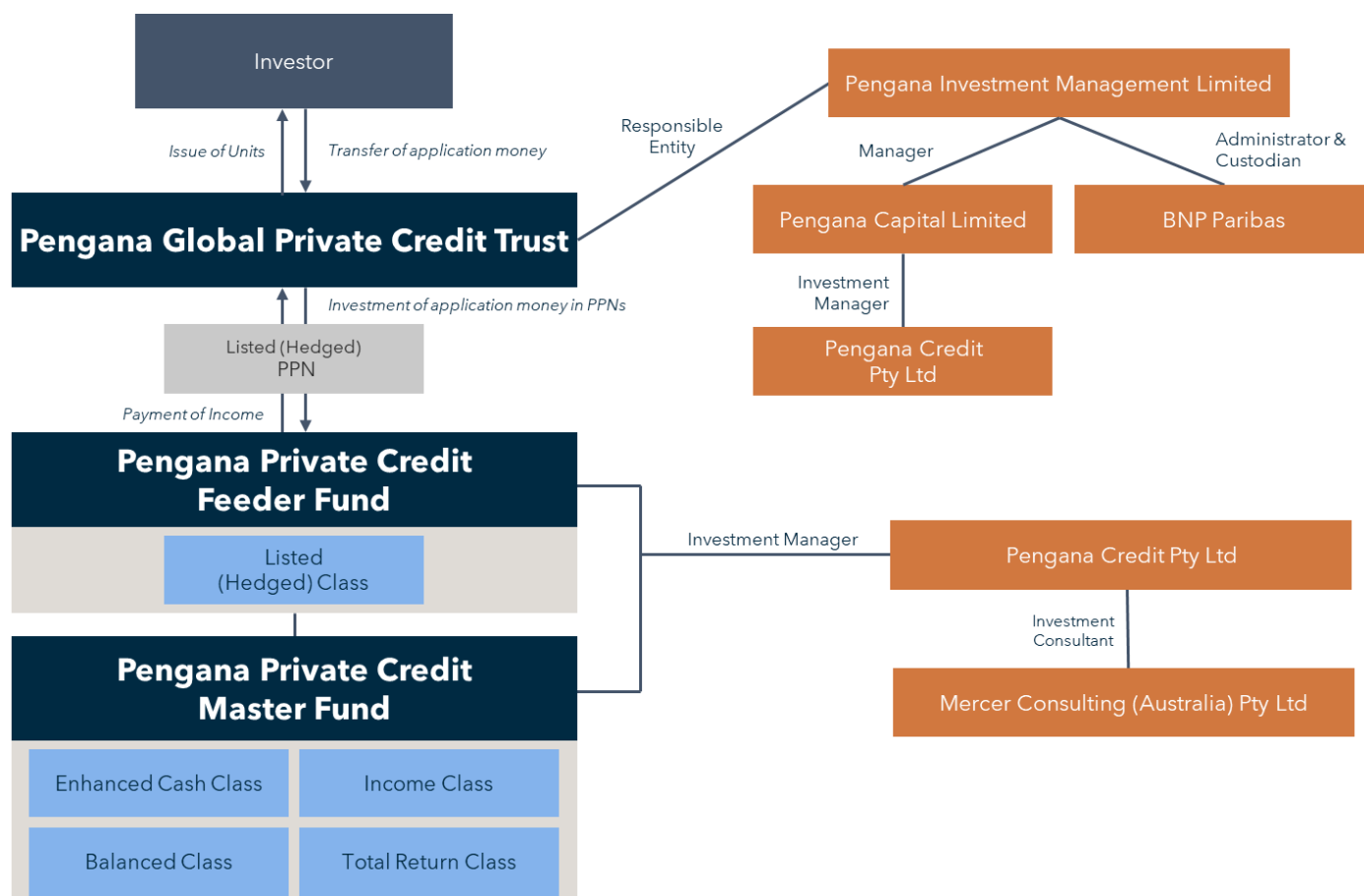
The Trust is a managed investment scheme. The Responsible Entity of the Trust is Pengana Investment Management Limited. The Responsible Entity has appointed Pengana Capital Limited as the Manager of the Trust. The Manager has appointed Pengana Credit Pty Ltd, a corporate authorised representative of Pengana Capital Limited, as the Investment Manager of the Trust.

The Trust aims to achieve its Investment Objective through economic exposure to global private credit assets. This is achieved via investments in Profit Participating Notes (“PPNs”) in the Listed (Hedged) Class (“Feeder Class”) issued by the Pengana Private Credit Feeder Fund (“Feeder Fund”). A PPN is a debt security which provides economic exposure to the underlying investments of the Feeder Class.

The Feeder Class invests in non-voting participating shares in the Pengana Private Credit Master Fund (“Master Fund”). The Master Fund in turn invests predominantly in global private credit funds managed by Underlying Managers.

Returns from the Feeder Fund flow to the Trust via the PPNs, which in turn are distributed to Investors in the Trust. For more details on PPNs and the PPN Agreement, see Section 15.4.

The assets of the Trust are held by the Custodian. Further information on the Trust’s service providers is set out in Section 7.



5.1. OVERVIEW OF THE MASTER FUND AND FEEDER FUND

The Master Fund is an exempted Cayman Islands company incorporated with limited liability.

The Master Fund has multiple share classes (each a ‘Master Class’). Each Master Class represents a sub-portfolio of investments that share common risk, return and other key attributes.

The Master Fund invests in funds managed by Underlying Managers primarily in the established markets of North America, Western Europe, and Australia. These funds provide diversification by strategy, geography, sector, credit

quality and type of instrument. The Portfolio currently has exposure to over 2,000 individual loans on a look through basis.

The Master Fund has appointed Pengana Credit to execute the Investment Strategy of the Master Fund. Pengana Credit has appointed Mercer as the Investment Consultant for the Master Fund to provide support in the identification and sourcing of investments and portfolio construction. Refer to Section 7.2 for further information regarding Mercer.

The Feeder Fund is an exempted Cayman Islands company incorporated with limited liability.

The Feeder Fund has appointed Pengana Credit to execute the individual investment strategies of each of the Feeder Fund's classes. Pengana Credit has appointed Mercer as the Investment Consultant for the Feeder Fund to provide asset and liability modelling, liquidity planning, portfolio construction and portfolio analysis and reporting. Refer to Section 7.2 for further information regarding Mercer.

The Feeder Fund issues PPNs via multiple classes of notes, aligned to separate investor pools each with a unique investment objective and strategy. The Trust invests via PPNs in the Listed (Hedged) Class.

The value of a PPN in the Feeder Class is equal to the net asset value of the PPN. The net asset value of a PPN is the net asset value of the portfolio of assets and liabilities held by the Feeder Fund that is attributable to the Feeder Class divided by the number of PPNs issued of the Feeder Class (see Section 15.4 for details of the PPN Agreement). The independent administrator of the Feeder Fund is responsible for the valuation of PPNs and for determining the net asset value of the portfolio of assets and liabilities held by the Feeder Fund that is attributable to the Feeder Class (see Section 6.13.1 for details on the valuation of the PPNs).

Cash is held in each Feeder Fund class to meet liquidity requirements.

Each Feeder Fund class invests in non-voting participating shares in Master Classes to achieve their unique investment objectives and strategies.

The value of a non-voting participating shares in Master Classes is equal to the net asset value of the share. The net asset value of a share is the net asset value of the portfolio of assets and liabilities held by the Master Fund that is attributable to a Master Class divided by the number of shares issued of a Master Class. The independent administrator of the Master Fund is responsible for the valuation of shares and for determining the net asset value of the portfolio of assets and liabilities held by the Master Fund that is attributable to a share.

The only other debt or equity interest issued in the Feeder Fund and Master Fund are voting, non-redeemable, non-participating management shares held by professional trustee Walkers Fiduciary Limited, as trustee for the Pengana Private Credit Funds Charitable Trust, a Cayman Islands charitable trust. Walkers Fiduciary Limited is the holder of a trust licence issued under the Banks and Trust Companies Act of the Cayman Islands. The professional trustee has no beneficial interest in, and derives no benefit (other than its fees for acting as professional trustee) from, its holding of the management shares of the Feeder Fund and Master Fund.

The Master Fund and Feeder Fund will each provide the Responsible Entity all information that it reasonably requests within the timeframe as required to enable the Responsible Entity to comply with its legal and regulatory obligations, requests for information from government and regulatory authorities and to deal with all communications required to be provided to Unitholders.

The Feeder Fund, Master Fund and Investment Manager will also undertake appropriate due diligence and ongoing oversight in respect of the service providers they engage.

5.2. SERVICE PROVIDERS TO THE MASTER FUND AND FEEDER FUND

5.2.1. INVESTMENT MANAGER

The Master Fund and Feeder Fund have each appointed Pengana Credit as the investment manager of the Master Fund and Feeder Fund, respectively. See Section 7.1 for further information on Pengana Credit.

5.2.2. INVESTMENT CONSULTANT

Pengana Credit as the investment manager of the Master Fund and Feeder Fund has appointed Mercer Consulting (Australia) Pty Ltd as the Investment Consultant for the Master Fund and Feeder Fund, respectively. See Section 7.2 for further details on the Investment Consultant.

5.2.3. ADMINISTRATOR

The Master Fund and Feeder Fund have each appointed Citco Fund Administration (Cayman Islands) Limited as the administrator of the Master Fund and Feeder Fund, respectively. The administrator will perform certain administrative, accounting, registrar and transfer agency services for the Master Fund and Feeder Fund, subject to the overall supervision of the fund's investment manager.

5.2.4. CUSTODIAN

The Master Fund has appointed Citco Custody Limited as the custodian of the Master Fund. The role of the custodian is limited to holding assets of the Master Fund; the custodian has no supervisory role in relation to the operation of the Master Fund. The custodian does not make investment decisions in respect of the assets held or manage those assets.

5.2.5. AUDITOR

Ernst & Young is the independent auditor of the Master Fund and Feeder Fund.

6. INVESTMENT STRATEGY AND PROCESS

6.1. INVESTMENT OBJECTIVE

The Investment Objective of the Trust is to generate strong risk adjusted returns with a high degree of capital protection as well as stable and consistent income via exposure to a diversified portfolio of global private credit investments, liquid credit investments and cash.

The Trust seeks to achieve its Investment Objective over a rolling 3 year investment horizon.

The Trust invests via an offshore fund structure into the Master Fund. The Master Fund has four share classes (each a 'Master Class'). Each Master Class represents a sub-portfolio of cash, liquid credit investments and private credit investments that share common risk, return and other key attributes, as described below. Pengana Credit seeks to purchase what it believes to be the appropriate amount of shares in the Master Classes to create a private credit portfolio designed to achieve the Investment Objective of the Trust.

- **Enhanced Cash Class** - the objective of the Enhanced Cash Class is to preserve capital and achieve a return, principally paid out by way of income. This Master Class invests in fixed income securities or funds with at least annual and at best one day liquidity, senior security, and historically low volatility. The Enhanced Cash Class generally contains Open-Ended Funds.
- **Income Class** - the objective of the Income Class is to provide exposure to a core portfolio of private credit investments in Underlying Funds managed by private credit managers to generate attractive risk adjusted returns, with a majority of the return paid out as income. This Master Class provides investment exposure principally in Direct Lending strategies that generate contractual debt interest payments, with high diversification and strong security requirements and leverage exposure is targeted to be less than 1.5x the net asset value of this Master Class. The Income Class generally contains Open-Ended Funds or Evergreen Funds with regular liquidity windows.
- **Balanced Class** - The objective of the Balanced Class is to generate attractive long term risk adjusted returns. The Master Class invests in funds that employ multiple strategies (including Direct Lending, Structured Credit, Speciality Finance, Real Asset Lending and Credit Opportunities) to provide exposure to a core portfolio of private credit investments in Underlying Funds managed by private credit managers to generate returns from contractual debt interest payments, but which may also include equity components and structural leverage. Overall leverage exposure is targeted to be less than 1.25x the net asset value of this Master Class, with the Underlying Assets well diversified and with strong security. The Balanced Class generally contains Evergreen Funds.
- **Total Return Class** - The objective of the Total Return Class is to provide exposure to a value-add portfolio of private credit investments through investments in Underlying Funds managed by private credit fund managers to generate attractive long-term returns. The Master Class invests in funds that receive a combination of contractual debt interest payments and equity upside. These funds typically employ Credit Opportunities strategies, have lower diversification and security requirements, and generally do not use leverage. The Total Return Class generally contains Closed-Ended Funds.

6.2. DISTRIBUTION POLICY

The Trust will target a cash distribution yield of 7% per annum (net of fees, costs and taxes incurred by the Trust), paid monthly.⁸ Distributions are expected to be paid by the 15th calendar day of the following month.

The distribution Unitholders may receive will be based on the number of Units they hold at the nominated record date. The distribution is not calculated on a pro-rata basis according to the time that Unitholders have held their Units.

Distributions paid in cash will be paid directly into Unitholders' Australian or New Zealand bank accounts. Unitholders who have not provided an Australian or New Zealand bank account will be deemed to have elected to

⁸ The target cash distribution yield is an objective target only and may not be achieved. Any shortfall in net income generated may result in a distribution payment made out of capital invested. Future returns are not guaranteed and a loss of principal may occur. Investors should review the Risks summary set out in Section 8 of this PDS. The first distribution is expected to be paid with reference to the period ending on 31 July 2024, with July 2024 being the first full month following the Settlement Date.

reinvest all their distributions in additional Units. Unitholders should contact their stockbroker or financial adviser to ask how they can provide bank account details.

Pengana retains the discretion to amend the distribution policy of the Trust.

Any shortfall in net income generated may result in a distribution payment made out of capital invested. The distribution a Unitholder receives in cash may or may not be sufficient to meet their tax obligation.

The targeted distributions are only targets and may not be achieved. Investors should review the Risks summary set out in Section 8 of this PDS.

6.2.1. FEEDER FUND DISTRIBUTION POLICY

The Feeder Fund will distribute all earnings, including realised and unrealised capital gains to the Trust each year. These earnings will form taxable income for the Trust and will form the basis of distributions to Unitholders.

6.2.2. DISTRIBUTION REINVESTMENT PLAN

The Responsible Entity has established a DRP in respect of distributions made by the Trust. Under the DRP, Unitholders may elect to have all or part of their distributions reinvested in additional Units. If participation in the DRP is elected, Investors will be allocated Units in accordance with the DRP Rules, which provide detail on the methodology for determining the price at which Units are issued or transferred to Unitholders and can be found at www.pengana.com/PCX. The DRP will be offered to Australian and New Zealand investors on the following basis:

- At the time the price of the Units allotted pursuant to the DRP is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Units if the information were publicly available.
- The right to acquire, or require the Responsible Entity to issue, Units will be offered to all Unitholders of the same class, other than those resident outside Australia and New Zealand who are excluded so as to avoid breaching overseas laws.
- Every Unitholder to whom the right is offered will be given a reasonable opportunity to accept it.
- Units will be issued on the terms disclosed and will be subject to the same rights as Units issued to all Unitholders of the same class.
- The Responsible Entity reserves the right to suspend the DRP at any time.

Instructions on how to make a DRP election will be sent to successful Applicants on or around 17 June 2024. An election to participate in the DRP in respect of the distributions must be made by the election date announced by the Responsible Entity in respect of each relevant distribution.

6.3. INVESTMENT CONSIDERATIONS AND KEY BENEFITS

The Trust seeks to provide investors with access to leading global private credit fund managers focussed predominantly on the US and Europe, which can complement existing defensive portfolio allocations. We believe the characteristics set forth below make the Trust an attractive vehicle to enable Australian investors to access global private credit.

In evaluating a potential investment in the Trust, prospective Investors may wish to consider the following:

Diversification: The Trust will provide investors with access to a portfolio of private credit investments with diversification across Underlying Manager, strategy, geography, sector, credit quality and type of instrument. We believe this diversification supports construction of resilient portfolios to protect capital while providing opportunities for yield enhancement through economic cycles. Multiple Underlying Managers allows the Trust to achieve a wide diversification with limited concentration risk and correlation, which we believe should translate to low volatility and stable returns.

Regular distribution: The Trust will target a cash distribution yield of 7% per annum (net of fees, costs and taxes incurred by the Trust) paid monthly and so is applicable to investors seeking income solutions for their portfolios. *This is a target only and may not be achieved.*⁹

⁹ The target cash distribution yield is an objective target only and may not be achieved. Any shortfall in net income generated may result in a distribution payment made out of capital invested. Future returns are not guaranteed and a loss of principal may occur. Investors should review the Risks summary set out in Section 8 of this PDS. The first distribution is expected to be paid with reference to the period ending on 31 July 2024, with July 2024 being the first full month following the Settlement Date.

Defensive investment: The private credit asset class has a strong historical track record of low volatility, attractive returns and low correlation to other asset classes such as public fixed income and equity. This provides potential diversification benefits and enhancements to the risk/return profile of a Unitholder's investment portfolio.

Simplicity: The Trust will serve as a single point of entry to a well-diversified Portfolio of private credit investments (over 2,000 individual loans across 19 Underlying Funds).

Institutional investment management: The Trust will provide investors with access to an investment management capability that is typically only available to institutional clients.

Liquidity: Private credit investments typically involve the investors' capital being locked up for a number of years. The Trust will allow small and large investors to gain exposure to global private credit with the flexibility to buy and sell Units on the ASX so long as an active market exists.

Access: Global private credit investments can be challenging to access for individual investors. The Trust will seek to provide investors with exposure to difficult-to-access global private credit investments predominantly in middle market companies (typically being those with USD\$50m-250m of annual EBITDA) through managed investment funds approved by Mercer.

Bespoke solution: Mercer will create a solution tailored specifically to the requirements and objectives of the Trust, utilising its highly experienced team, strong global relationships and fee efficiencies.

6.4. INVESTMENT STRATEGY

Pengana Credit believes that the global private credit asset class offers attractive returns, resilience in different market and economic conditions and diversification by targeting different parts of the capital structure and market segments. Pengana Credit employs a diversified approach, anchoring portfolios with direct lending for durable yield and persistent spread premium, while adding structured credit and speciality finance to diversify the risk/return drivers.

In executing the Investment Strategy, Pengana Credit follows an investment process that draws upon internal and external third-party expertise. Pengana Credit's resources and the process it follows in building the portfolios, are described in detail in this Section 6. In summary, Pengana Credit:

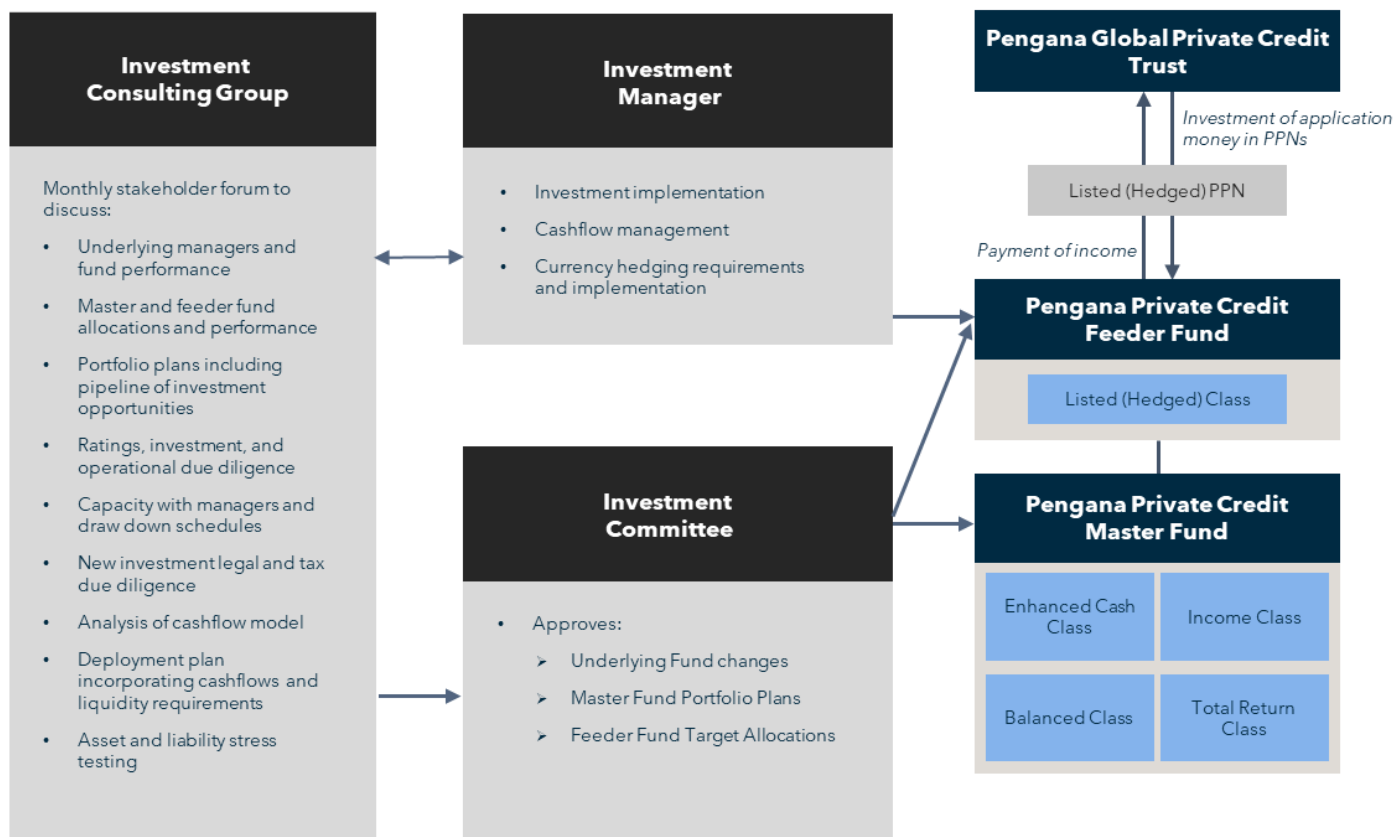
- seeks to provide the Trust with exposure to private credit assets that aim to provide stable income, a degree of capital security and attractive total returns;
- achieves this exposure principally through investing in a diversified range of funds managed by Underlying Managers that invest in private credit assets;
- aims to develop a portfolio of high-quality funds managed by Underlying Managers with complementary strategies that provide attractive returns with diversification from individual fund, manager, and strategy risks;
- may also provide the Trust with exposure to more liquid debt strategies and cash. This further complements the reduction of risk through diversification as well as maintaining operational liquidity and flexibility; and
- invests principally in European and North American funds. It may allocate to Australian funds, however, the private credit markets in Australia are smaller and less developed than in the US and Europe and the allocation is therefore expected to be lower.

The implementation of the Investment Strategy is ongoing and includes making new investments in Underlying Funds, divesting from existing Underlying Funds, managing the allocations between different assets, monitoring performance and risks, and any required hedging of currency exposure. The Trust's structure and the parties responsible for implementing the Investment Strategy are set forth following and in Section 6.5.

RESEARCH AND ANALYSIS

INVESTMENT DECISION MAKING

TRUST STRUCTURE



6.5. INVESTMENT RESOURCES AND RESPONSIBILITIES

Mercer is responsible for Underlying Manager sourcing, research, due diligence, and portfolio construction. All Underlying Managers and their funds are approved by Mercer’s investment and operational due diligence teams. Mercer also provides assistance with Underlying Manager monitoring, valuation, performance measurement and reporting, liquidity planning and asset and liability modelling. See Section 7.2 for further details on Mercer.

Pengana Credit is primarily responsible for overseeing the investment process, managing the liquidity, and implementing the FX hedge.

Mercer, PCG and Pengana Credit are currently members of the Investment Consulting Group (“ICG”) and the Investment Committee (“IC”). The ICG is the core forum for the ongoing investment management of the Master Fund and Feeder Fund, while the IC approves capital deployment and asset allocation decisions. Both are described in more detail below.

6.5.1. INVESTMENT CONSULTING GROUP

The Investment Consulting Group is the core forum for the ongoing investment management of the Master Fund and Feeder Fund. The ICG meets monthly and currently comprises senior members from Pengana Credit, PCG and Mercer. The ICG considers issues including but not limited to:

- the lending environment, incorporating macro-economic and specific strategy factors;
- pipeline management, including fund characteristics, timing and capacity, implications for portfolio composition and diversification;
- investment due diligence and ratings reviews;
- operational, legal and tax due diligence;
- manager monitoring and performance, including current positions, portfolio risk metrics and management of impaired assets;
- cash flow and asset liability modelling;
- current and future deployment schedules; and
- portfolio guidelines.

The ICG makes recommendations regarding Underlying Manager selection, Master Fund portfolio plans, and Feeder Fund target allocations to the Investment Committee. The role of the IC is discussed further in the Portfolio Construction Section 6.8 below.

6.5.2. INVESTMENT COMMITTEE

The Investment Committee oversees the Master Funds' and Feeder Funds' investments. The IC is currently comprised of four senior members from Mercer, PCG and Pengana Credit. Pengana Credit chairs the IC. Asset allocations and other key decisions require a unanimous decision of the IC members.

The IC meets at least quarterly to review the Master Funds' and Feeder Funds' positions and approve recommendations from the ICG. In doing so the IC considers the portfolio composition, investment policy, Master Fund and Feeder Fund objectives, risk guidelines, and feedback from the Mercer Private Debt Investment Committee ("PDIC").

6.6. INVESTMENT UNIVERSE

Pengana Credit seeks to invest in a diversified range of global private credit investments with strong risk adjusted return characteristics. These Underlying Assets are typically accessed indirectly through investments in private credit funds. The private credit funds are managed by specialist Underlying Managers that have extensive experience and resources. All Underlying Managers and their funds are required to be approved by Mercer, following Mercer's investment and operational due diligence processes which are described in this Section 6. Underlying Managers may have the flexibility to invest in multiple private credit investment strategies, which allows them to develop more resilient "all weather" portfolios that are expected to perform well in different economic and market environments. Access to Underlying Managers is intended to provide Investors with exposure to investment opportunities that are not readily available to Australian investors.

6.7. INVESTMENT SELECTION AND DUE DILIGENCE

6.7.1. UNDERLYING MANAGER SELECTION

Pipeline of Investment Opportunities

Mercer leverages its extensive network of relationships with private credit fund managers as well as its knowledge of the underlying investments through existing fund investing activities. Mercer focuses on opportunities involving managers (and/or management teams) with whom it has already invested or with whom it is otherwise familiar.

Mercer sees a substantial flow of new fund openings through its proprietary research and prior fund investments. Mercer is highly selective in reviewing opportunities, ensuring that investments meet the investment philosophy and Pengana Credit's requirements.

Initial Assessment

The Master Fund has three private credit Master Classes and an Enhanced Cash Master Class that differ by return expectation, risk, liquidity, and other characteristics. Underlying Manager offerings are assessed by Mercer as potential investments using a proprietary screening system which has regard to pace of capital deployment, return profile and structural and other features.

6.7.2. UNDERLYING MANAGER DUE DILIGENCE

Investment Due Diligence

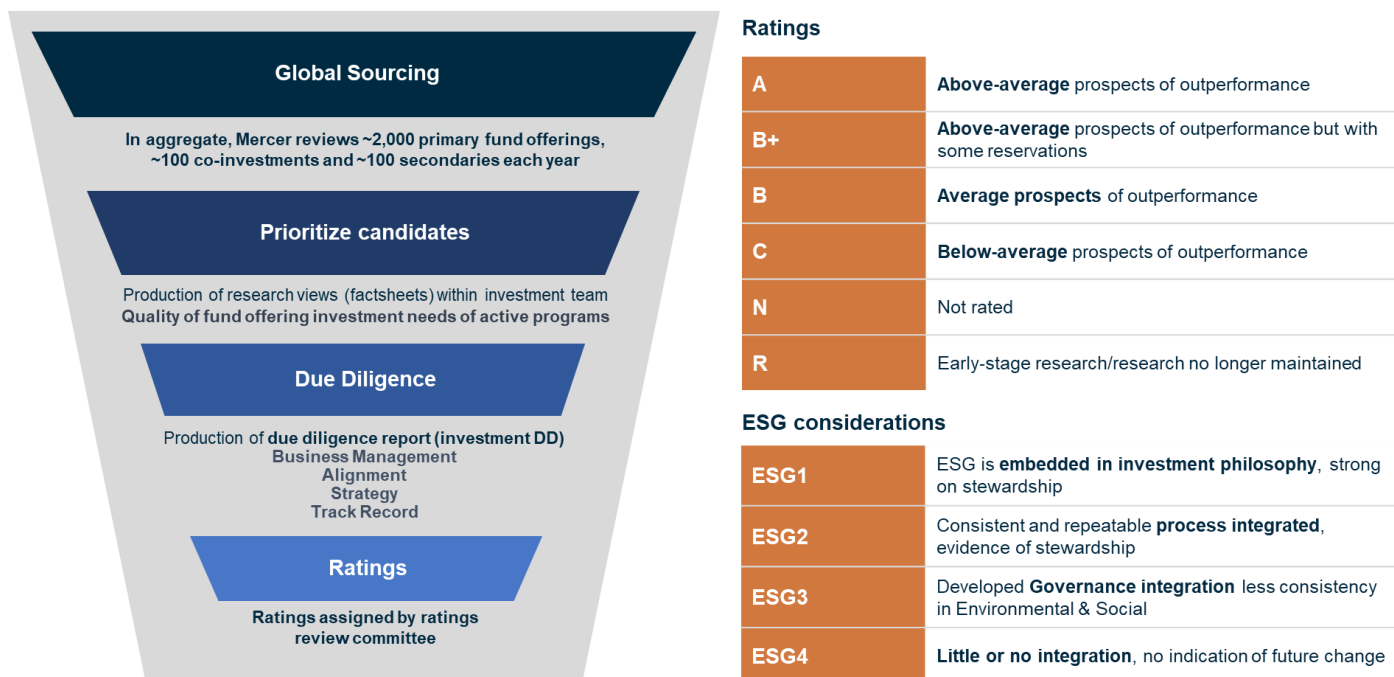
Mercer's manager research includes two forms of quantitative analysis: past performance and portfolio structure analysis, as well as substantial qualitative manager research. Underlying Manager meetings involve interview-style discussions with the key decision-makers involved in the management of the product and other relevant staff.

When evaluating a fund managed by an Underlying Manager, Mercer focuses on assessment criteria based on four key factors as outlined below.

FACTOR	DESCRIPTION
Business management	Measures both the quality of the individuals as well as their ability to work together as a team. This analysis considers and evaluates: <ul style="list-style-type: none"> • departures of partner(s) and the justification / their performance; • manager transition issues; and • processes along several dimensions including sourcing, pipeline management, value creation, performance evaluations, investor relations and cash flow management.
Strategy	Measures how effective the fund’s strategy is expected to be in the current market environment by evaluating: <ul style="list-style-type: none"> • the uniqueness of the strategy; • the execution of the strategy; and • whether managers have incorporated “lessons learned” and evolved their strategy.
Alignment of interests	Measures how well the Underlying Manager’s interests are aligned with investors. This considers the fund under evaluation as well as changes from the previous fund offered, including whether the terms are getting better or worse from the investors’ perspective.
Track record	Focuses on the historical performance with a particular emphasis on consistency across and within the fund, including loss ratios. This analysis considers relevant and attributable prior investments and track records.

Mercer believes these four factors encompass the qualities that Underlying Managers must possess to deliver strong performance in private markets. Each of the factors is assigned a score that ranges between one out of four (negative) to four out of four (very positive). Overall strategy ratings are then derived based on an overall research opinion.

The following graphic describes Mercer’s ratings process on the left-hand side and the research ratings on the right-hand side.



Environmental, Social and Governance (“ESG”)

ESG is integrated into Mercer’s due diligence process. Mercer’s ESG ratings have been undertaken by Mercer’s global manager research team since 2010, as part of the standard research process by strategy.

Mercer evaluates the ESG policies, capabilities, and practices of Underlying Managers as part of the standard research, manager selection and monitoring process, by drawing on Mercer's ESG ratings and associated commentary from the Mercer Manager Research team.

Mercer assigns ESG ratings to strategies that represent its view on the extent to which ESG and active ownership practices (voting and engagement) are integrated into the Underlying Managers' investment process and decision-making across asset classes where relevant.

6.7.3. OPERATIONAL DUE DILIGENCE

As a part of the due diligence process, Mercer prepares a detailed operational risk assessment report, which considers the risks associated with the investment mandate type, firm size and significant third party or outsourced relationships, along with the mitigating or compensating controls that a firm may have to manage potential issues. The report is prepared by a dedicated team, Mercer Sentinel, that specialise in evaluating non-financial risks.

6.7.4. UNDERLYING MANAGER SELECTION DECISIONS

The Master Fund may invest in an Underlying Managers' fund if it is approved by Mercer for investment by the Master Fund, following investment and operational due diligence and if there are no adverse legal or tax issues that have been identified and which cannot be reasonably resolved. Underlying Manager selection is made with reference to such fund's risk and return characteristics, other attributes such as liquidity and pace of deployment and how well it complements the Master Fund's existing investments.

6.8. PORTFOLIO CONSTRUCTION

6.8.1. MASTER FUND

For the Master Classes, Mercer seeks to construct portfolios by investing in funds managed by Underlying Managers with appropriate attributes for the Master Class that it believes will generate attractive long-term investment returns and significant distributions to the Master Fund. Mercer conducts extensive analysis of target sectors and regions, including an analysis of the economic conditions, investment environment and the state of the private credit markets. These top-down analyses guide sourcing, due diligence, and portfolio construction decisions. This approach takes into consideration several factors, such as the Underlying Managers' expertise, relationships, market conditions, long-term value creation opportunities, workout resources and risk mitigation.

Mercer's approach to enhance returns and mitigate risk is through thorough diversification of the following aspects of the private credit exposure.

Underlying Manager

Underlying Manager risks relate to individual fund managers such as key personnel, third party relationships, corporate strategy, business management and other financial risks. Mercer therefore seeks to invest with a number of Underlying Managers such that if a fund management organisation suffers from a business-related risk it is less likely to have a significant impact on the Master Fund.

Strategy

As discussed in Section 4.6, the private credit asset class includes a range of different strategies. The key differences relate to the purpose of the loan, type and financial situation of the borrower, the security for the loan and financial covenants, the length of the loan and repayment terms, additional equity like exposures and whether the debt is listed or unlisted. Mercer seeks to obtain exposure to a broad range of strategies to develop a resilient portfolio that may perform well across an economic cycle.

Geography

Mercer seeks geographic diversification with the majority of capital allocated to the most developed and established private credit markets in North America and Western Europe. Mercer may enhance diversification with opportunistic exposures to other geographies, such as Australia.

Sector

Mercer typically constructs portfolios by investing in funds managed by Underlying Managers that specialise in diverse industries such as: communications, consumer products, healthcare and select areas within manufacturing,

industrial goods, technology, and business/financial services. Exposure to a broad set of industries seeks to ensure that significant underperformance in certain sectors is balanced with relative outperformance in other industries.

Credit quality

The Underlying Assets vary in terms of their credit quality. Some of the instruments have a credit rating from a credit ratings agency. However, private credit instruments are typically unrated although they may have an equivalent rating assigned by the Underlying Manager. Credit ratings reflect the opinion of the relevant credit rating agency or Underlying Manager about the likelihood of the underlying borrower failing to meet its interest and principal payment and repayment obligations when they fall due. Borrowers considered to be at greater risk of not making their interest payments or principal repayments are rated below investment grade. These borrowers must pay a higher interest rate or coupons to attract investors to buy their bonds compared to investment grade rated borrowers.

Type of instrument

The Underlying Assets are primarily comprised of senior secured bilateral loans. On a more limited basis they may include, bonds, notes (fixed and floating rate) and other debt securities and related financial instruments, including traded senior secured bank loans and high yield bonds.

The debt instruments may be fixed or floating rate. Fixed rate debt investments require the borrower to pay a fixed rate of interest for the term of the investment. Floating rate debt investments pay interest rates that are tied to a benchmark that vary over their term, such as U.S. treasury bill rates.

6.8.2. FEEDER CLASS

Target Allocations

Target allocations to the Master Classes are designed to achieve the Target Rates while minimising risk and satisfying future liquidity requirements. The target allocations are reviewed periodically and will conform with the investment guidelines described below. Changes to the target allocations are infrequent and driven principally by changes to the expected return and yield profiles of the Master Classes as a result of changes in the economic or lending environment.

Target allocations are established based on long-term cash flow modelling. Inputs to the model include Underlying Fund commitments, calls, distributions, capital returns, subscriptions, redemptions, foreign currency rates and fees. Management of the Trust also considers its yield requirements and distribution policy as key components of its objectives and therefore modelling.

The modelling relies on assumptions for some of the data inputs, which are generally related to the Underlying Funds. These assumptions are constantly updated to take into account information directly sourced from the Underlying Managers regarding pipeline, current portfolios, capital calls and return of capital.

Investment Guidelines

Strong risk management practices are an integral part of the investment process. Pengana Credit and Mercer monitor portfolio exposures to ensure the Trust operates (via the Feeder Class) within its investment guidelines. The guidelines are:

- Master Fund Income Class: 50% - 70%
- Master Fund Balanced Class: 10% - 30%
- Master Fund Total Return Class: 0% - 20%
- Master Fund Enhanced Cash Class, plus cash held in the Feeder Class and the Trust: 0% - 20%

Each of the foregoing guidelines is to be applied only at the time that a new investment is made in, or in certain limited circumstances a voluntary redemption is made from, a Master Class. Market movements, distributions and mandatory redemptions will not result in non-conformity with any of the above guidelines even if as a result the Trust (via the Feeder Class) no longer conforms to certain of the foregoing guidelines.

In the event that the Trust (via the Feeder Class) no longer conforms to one of the above guidelines in any material respect, then Pengana Credit shall use reasonable best endeavours to bring the Trust (via the Feeder Class) back into material conformity with the guidelines within a reasonable period following Pengana Credit becoming aware of such nonconformity. Pengana Credit's ability to do so will be subject to the limited liquidity of the portfolio's investments.

Each Master Class has separate investment guidelines that promote diversification by determining exposure ranges for debt seniority, investment strategy and geography. Based on the Master Class target allocations at the date of this PDS and assuming that the Trust is fully invested, the aggregate seniority, geographic and strategy guidelines for the Trust are as follows:

DEBT SENIORITY	MAXIMUM EXPOSURE
Senior (1 st Lien including unitranche)	100%
Subordinated (2 nd Lien)	31%
Equity & Equity-Linked	16%

INVESTMENT STRATEGY	MAXIMUM EXPOSURE
Direct Lending	100%
Specialty Finance	54%
Structured Credit	52%
Credit Opportunities	11%
Other	28%

INVESTMENT GEOGRAPHY	MAXIMUM EXPOSURE
Australia	55%
North America	70%
Western Europe, including the UK	70%
Asia, Latin America and rest of the world	21%

Initial Portfolio and Permanent Capital

Pengana Credit commenced managing an initial amount of capital and making commitments with Underlying Funds in 2022. Early commitments, prior to the launch of the Trust, have accelerated the deployment of capital and reduced the time taken to achieve exposure to the Underlying Assets.

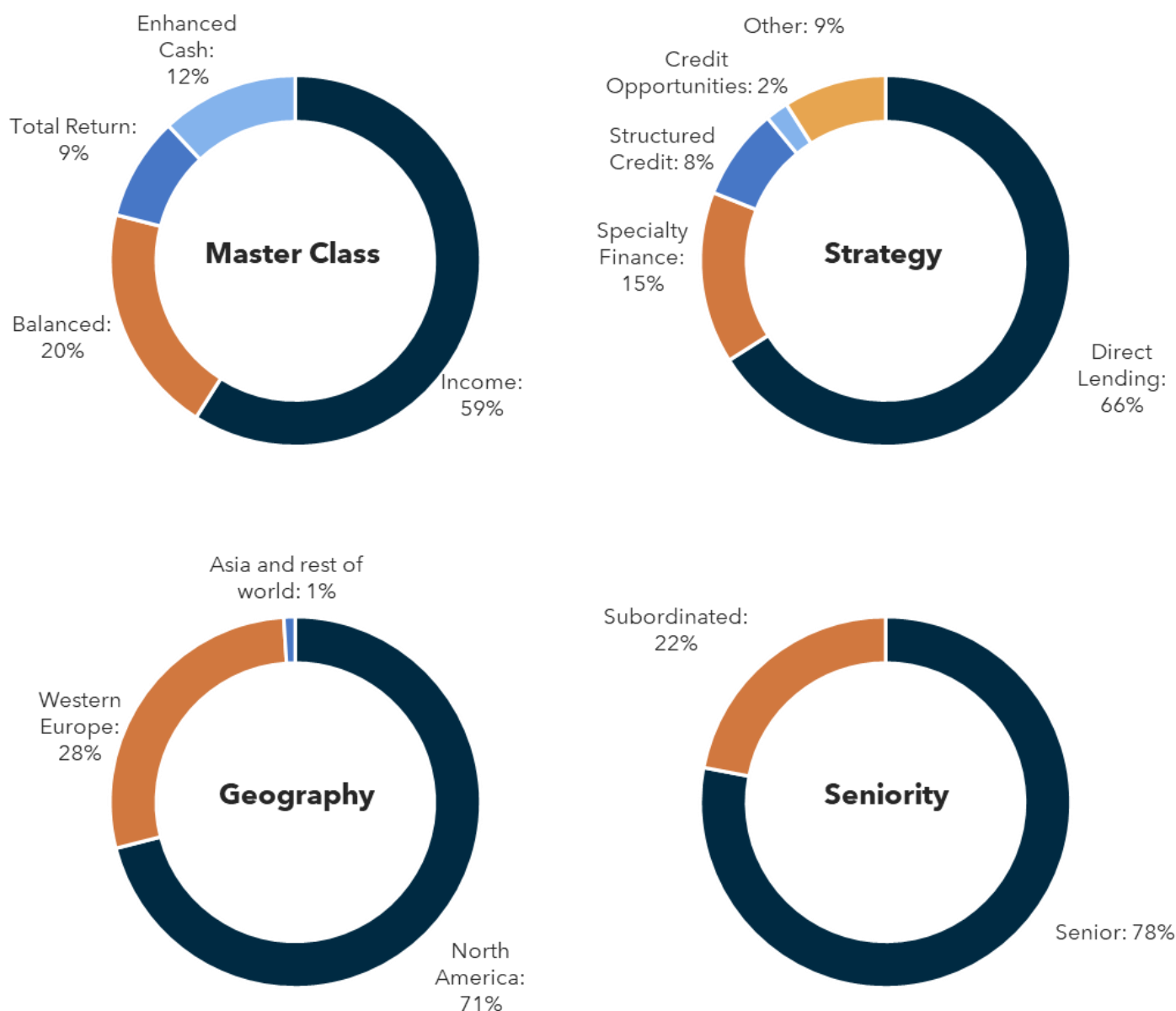
In addition, Pengana Credit launched the Pengana Diversified Private Credit Fund in December 2023 and TermPlus in March 2024. The Pengana Diversified Private Credit Fund offers wholesale investors access to a diversified portfolio of global private credit investments through a feeder fund into the Master Fund. TermPlus offers account holders a choice of investment timeframes, with each such term having a specific target rate. These have served to increase the number of Underlying Funds invested in by the Master Fund, which we expect to grow to 19 before the Trust is listed on the ASX. Proceeds from the Offer will be used to increase allocations to Underlying Funds invested in by the Master Fund. It is Pengana Credit's intention that no investments in new Underlying Funds will be made with the proceeds from the Offer.

Target Portfolio Allocations and Deployment

It is anticipated that regardless of the amount raised in the Offer, 90% of the proceeds will be committed, and over 85% of this committed amount will be called and deployed by the Underlying Managers during the Trust's first full month of operation. We also anticipate, regardless of the amount raised in the Offer, that the Trust will have exposure to 19 Underlying Funds and in excess of 2,000 Underlying Assets.

The following charts are provided for illustrative purposes only and are based on the Master Class target allocations and the expected capital commitment and deployment for the Feeder Class regardless of the amount

raised in the Offer. The charts show the anticipated portfolio composition as of 30 June 2024. The strategy, geography and asset charts all exclude cash and are on a fully deployed basis. The charts do not take account of cash holdings in the Underlying Funds.



The actual composition of the Portfolio may differ from expectations based on factors including, but not limited to, the Net Asset Value, the availability of investment opportunities over the life of the Trust and the performance of the Trust's investments. Pengana Credit may change the Trust's target allocation in response to changes in market conditions.

Underlying Fund Diversification

From time to time the Trust's exposure to an Underlying Fund may exceed 10%. On the Trust being fully invested, the Trust is expected to have over 10% invested in three Underlying Funds:

- One European multi strategy direct lending fund; and
- Two US senior direct lending funds.

These funds have passed Mercer's due diligence process and satisfy their requirements in terms of business management, strategy, alignment of interests and track record. They have received a positive rating from Mercer and have complimentary strategies that are suitable for the Trust's objectives. The Trust has relatively high allocations to the above three funds because they offer quick deployment of committed capital, attractive long term returns, flexible terms and liquidity, and are highly rated by the Investment Consultant.

Ongoing Portfolio and Cash Management

Pengana Credit uses a Cash Management Strategy ("CMS") to assess the adequacy of aggregated cash balances to meet short term liquidity requirements. It is the purpose of the CMS to monitor, observe and control cashflow on a real time basis arising from the sources and uses of funds.

- Uses of funds include call drawdowns from Underlying Managers, interest paid, return of capital to investors, redemptions, cashflows to fund foreign currency hedging.
- Sources of funds include Investor subscriptions, distributions and capital returns from Underlying Managers, redemptions from Underlying Managers, interest received, cashflows from hedging.

Subject to this cash requirement, Pengana Credit seeks to invest the Trust's assets as efficiently as reasonably practicable through the Feeder Class and into the Master Fund to maximise the return on capital.

The key dependencies and assumptions underpinning the Trust's ability to produce investment returns include:

1. The continued need for commercial borrowers to seek funding outside, or in addition to, more traditional sources of funding available via traded credit markets or receiving a loan directly from a bank;
2. There being a large number of potential investment opportunities within private debt (i.e. lending opportunities) to ensure investment exposure to a diversified Portfolio can be maintained;
3. Attractive levels of interest generated by such private credit investments above the official rates such as the RBA Official Cash Rate;
4. The ability of commercial borrowers to pay the interest due and to repay their loans when required;
5. The ability of the Underlying Funds to use leverage to enhance returns; and
6. The ability to effectively implement a foreign currency hedging strategy given the Trust is denominated in AUD and the underlying loans are in a variety of foreign currencies.

Conflicts of interest

Investment capacity in the Master Classes may be appropriate for more than one Feeder Class. Pengana Credit seeks to allocate investments into the Master Classes in a fair and equitable manner in line with the obligations owed to each Feeder Class. Pengana Credit has developed and adheres to an Allocation Policy which recognises that while each Feeder Class has broad investment mandates, they nonetheless each have discrete investment guidelines, objectives and constraints that must be considered.

In general, investment capacity in a Master Class is allocated by Pengana Credit *pari-passu*, i.e., *pro rata*, relative to the net asset values of each Feeder Class, subject to the eligibility of that Feeder Class.

The allocation process is managed over the course of each month. Intra-month cash flows, such as capital calls and distributions from funds managed by Underlying Managers in the Master Fund, may be managed by transferring cash to/from the Master Fund Enhanced Cash Class. At month end, rebalancing between Feeder Classes is undertaken to ensure compliance with the Allocation Policy.

Governance and Oversight

The Pengana Credit Risk and Allocation Committee oversees compliance with the Investment Policy and the Allocation Policy. The Investment Policy sets out the investment objective, strategy and guidelines for the Master Fund. The Allocation Policy governs how the allocation of investments by feeder funds, including the Feeder Fund, into the Master Fund is managed and how conflicts of interest between such feeder funds are addressed.

The committee comprises Pengana Capital Group Limited's Chief Financial Officer, Chief Operating Officer and Head of Risk and Performance. Pengana Credit attends the meetings and provides the Pengana Credit Risk and Allocation Committee with a Risk and Liquidity Report and an Allocation Report.

The Pengana Credit Risk and Allocation Committee meets monthly and reports directly to the Responsible Entity quarterly or intra-quarter if required.

Changes to the Investment Strategy

It is expected that the Trust's investment strategy will be implemented as detailed in this PDS. However, changes in market conditions, which could be favourable or adverse to the Trust's performance, may require Pengana Credit to adopt changes to the Feeder Fund or the Master Fund's investment objective, investment strategy and investment guidelines, which in turn will require the Responsible Entity to adopt changes to the Trust's investment objective, investment strategy and investment guidelines. Subject to compliance with the ASX Listing Rules and the

Corporations Act, Pengana Credit, the Feeder Fund and the Master fund may (subject to the Responsible Entity's consent) change the Feeder Fund or the Master Fund's investment objective, investment strategy and investment guidelines as it sees fit. The Responsible Entity will release to ASX and make available on the Trust's website any such changes to the Trust's investment objective or investment strategy. The investment strategy, investment objective and investment guidelines for the portfolio attributable to the Feeder Class described above may not be amended without the written agreement of the Feeder Fund, Master Fund, and Investment Manager and also the consent of all the noteholders of the Feeder Class to which the portfolio relates.

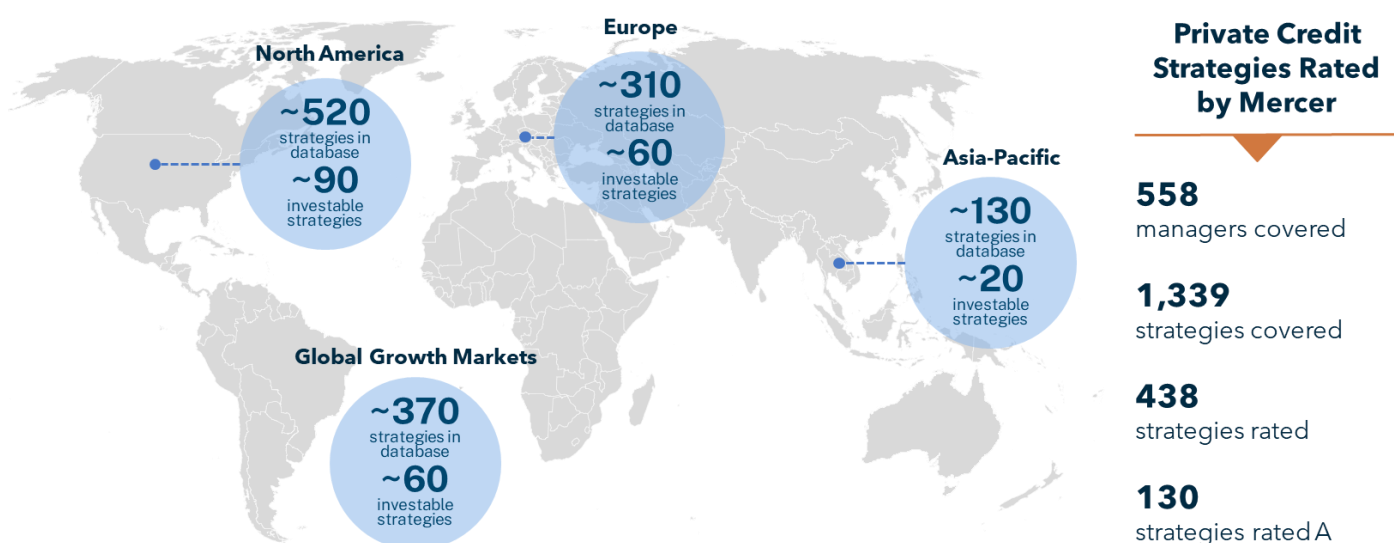
6.9. THE INVESTMENT CONSULTANT'S RELEVANT EXPERIENCE IN PRIVATE CREDIT

Mercer manages a number of private debt products that invest directly or indirectly in private debt limited partnerships, commingled funds and other similar investment vehicles. The products include separately managed accounts and a series of private investment partnerships, offering both senior private debt and private debt strategies. These products are managed by the same investment team, using the same investment process and investing in the same private credit sub-strategies as the Trust.

When evaluating a potential investment in the Trust, prospective Investors may wish to consider the following:

- **Extensive experience** - Mercer's Private Credit Team has extensive experience in all major markets and segments, with 20+ years experience in private credit investment advisory and 12 years of private credit portfolio management. The Mercer Private Credit Team had USD\$18.1 billion in assets under advisement and USD\$6.9 billion in assets under management as of 30 June 2023.
- **Manager relationships, due diligence and access** - Mercer uses its size and scale to access a wide range of opportunities, with the Mercer Private Credit Team having over 550 managers and over 1,300 strategies covered in their research database, with over 400 of these strategies having received an investment rating as of 30 September 2023. The Mercer Private Credit Team manages 15 commingled vehicles and separately managed accounts, and had made 152 discretionary general partner fund commitments as of 31 December 2023.
- **Capabilities and fee efficiency** - Mercer's active investment program, size and scale has resulted in Mercer having 56 limited partner advisory committee seats, which in part has allowed Mercer to procure an average fee saving across 62 separate investment funds/vehicles of 0.35% p.a. (being the simple average of management fee savings achieved by Mercer versus manager stated "rack rates") as of 21 February 2024.

Mercer's Global Private Credit Investment Coverage By Region



Source: Mercer. Data as of September 30, 2023. Investable Strategies include those rates A and B+.

Investors should note that while the Investment Consultant has significant experience in respect of the various underlying investment strategies for its clients, the Investment Consultant has not acted as an investment

consultant for a managed fund applying an investment strategy that is identical to the Investment Strategy of the Trust.

6.10. LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

Environmental, Social and Governance

Mercer believes a sustainable investment approach is consistent with an objective to create and preserve long-term investment capital.

Where relevant and aligned with achieving investment objectives, Mercer expects appointed investment managers to assess and reflect ESG risks and opportunities when they select securities or assets and construct portfolios.

Examples of ESG factors that may be considered by appointed investment managers are shown below.

ENVIRONMENTAL
<ul style="list-style-type: none"> • Climate change • Water security • Waste and pollution • Biodiversity
SOCIAL
<ul style="list-style-type: none"> • Health and safety • Labour standards and modern slavery, including supply chains • Human rights • Demographics/consumption
GOVERNANCE
<ul style="list-style-type: none"> • Board diversity, composition and effectiveness • Executive remuneration • Conduct, culture and ethics • Shareholder rights

A key way Mercer aim to integrate ESG considerations into their manager selection processes is through consideration of ESG Ratings developed by Mercer’s Manager Research capability. The ESG Ratings represent an assessment of the extent to which ESG and active ownership (voting and engagement) are integrated into a strategy’s investment decision making process. A number of factors are considered and documented within the research commentary and an overall rating assigned, where ESG1 is the highest possible rating and ESG4 is the lowest possible rating.

The four factors against which a manager’s investment strategy is assessed are as follows.

ESG INTEGRATION IN THE FOUR-FACTOR FRAMEWORK	
Idea Generation	How does the investment team identify ESG risks and opportunities at the portfolio level? How are ideas sourced? How is the materiality determined and incorporated into financial analysis?
Portfolio Construction	How effectively does the portfolio manager translate ESG views into active positions in the portfolio?
Implementation (Stewardship)	To what extent does the portfolio manager engage on ESG topics at the portfolio level? How has the engagement led to a change in portfolio positioning and/or the investment horizon? What efforts does the manager make to minimise portfolio turnover?
Business Management (Firm-wide commitment)	To what extent do the business leaders understand and support responsible investment and to what extent are these integrated across the business? What firm-wide beliefs, policies and responsible investment strategies are in place?

The ESG ratings represent Mercer’s view of the investment manager’s capability in terms of what they are doing across the four factors: idea generation; portfolio construction; implementation (voting and engagement); and firm-wide commitment. The ratings are as below.

ESG 1	The highest ESG rating is assigned to strategies that Mercer believe to be leaders in integrating ESG and active ownership into their core processes, and that provide clear evidence that ESG overall, or a particular ESG theme, is embedded and core to idea generation and portfolio construction.
ESG 2	The second highest rating is assigned to strategies that, in Mercer’s view, include ESG factors as a consistent part of decision making, with a strong focus on risk in valuation processes and commitment at the firm-wide level, including on active ownership.
ESG 3	The penultimate rating is assigned to strategies that, in Mercer’s view, the investment manager has made some progress with respect to ESG integration and/or active ownership, particularly on corporate governance, but for which there is little evidence that ESG factors are taken into consideration consistently in valuations and investment processes.
ESG 4	The lowest ESG rating is assigned to strategies that, in Mercer’s view, have little to no integration on ESG and active ownership into their core processes.

The Feeder Class PPNs, in which the Trust invests, seek to gain exposure to Underlying Funds that have a rating of ESG 3 or better. This indicates they have at least a well-developed integration of governance issues and show signs of overall progress on stewardship and ESG issues generally. Underlying Funds that show little or no integration of ESG or stewardship into core processes, and no indication of future change, are avoided where possible.

Ratings are monitored and reviewed periodically by the Investment Manager. There is no specified time frame for this review process. Most managers are aiming to improve their ESG integration, however if an Underlying Fund’s rating deteriorates and it no longer meets the minimum ESG 3 standard expected by the Trust, the fund will receive no new commitments and the Investment Manager will take reasonable measures to prudently reduce the exposure.

Labour Standards and Ethics

The Trust’s investment criteria does not take into account labour standards or ethical considerations when making, retaining or realising investments of the Trust.

6.11. REPORTS TO UNITHOLDERS

The Trust will be a disclosing entity and as such will be required to meet the continuous disclosure requirements of the Corporations Act and Listing Rules. The Responsible Entity will:

- (a) Prepare annual and half-yearly financial statements for the Trust which will be announced on the ASX.
- (b) Will report its NAV per Unit monthly to the ASX and the Trust Website.
- (c) Notify ASX of any information concerning the Trust of which it is, or becomes, aware, that a reasonable person would expect to have a material effect on the price or value of Units, subject to any exceptions in the Listing Rules.

The Responsible Entity may also release to the ASX and publish on the Trust Website certain reports prepared by the Responsible Entity from time to time, to keep Unitholders informed about the current activities of the Trust and the performance of the Portfolio.

The Responsible Entity will additionally report on the information set forth in Section 3.3. However, the Responsible Entity will not report on aspects of private credit investments which are private and confidential. Private and confidential information may include, without limitation, details regarding all or parts of each transaction, Underlying Managers, Underlying Funds and Underlying Assets.

6.12. CAPITAL MANAGEMENT

The Responsible Entity, in consultation with the Manager and Investment Manager, will regularly review the capital structure of the Trust and where the Responsible Entity considers appropriate, undertake various capital

management initiatives. The Responsible Entity will undertake the regular off-market buy-backs detailed below in Section 6.12.1. In addition, the Responsible Entity may consider other initiatives such as the issue of new Units (including for example, through the issue of bonus Units, placements and pro rata issues).

Capital management initiatives will only be undertaken if the Responsible Entity determines that such initiatives are in the best interests of Unitholders. Relevant factors in making such determination include the views of the Manager, net asset performance, market price of the Units compared to the NAV per Unit and perceived investor demand.

These capital management initiatives are further detailed below.

6.12.1. SCHEME BUY-BACKS

Following Listing, the Responsible Entity may, in consultation with the Manager and Investment Manager, exercise its discretion to buy-back Units on-market or off-market and cause those Units to be cancelled, with a view to addressing any unsatisfied liquidity in the Units or any material discount in the price at which the Units may have been trading to the NAV per Unit.

The timing of the commencement and conduct of any on-market or off-market buy-back will be in accordance with the Constitution, the ASX Listing Rules and all applicable laws. Any buy-back will not exceed 10% of the smallest number of Units on issue in the Trust during the 12 months prior to any buy-back ("10/12 Limit"), unless otherwise approved by ordinary resolution of Unitholders. To fund a buy-back of Units on-market or off-market, the Trust may look to liquidate some of its investments.

If the Responsible Entity commences an on-market or off-market buy-back, it will give the required notice to the ASX. The Responsible Entity is not permitted to buy-back a Unit for at least 14 days after the giving of the notice. Units purchased by the Responsible Entity on behalf of the Fund under a buy-back will be immediately cancelled.

6.12.1.1. Regular off-market scheme buy-back

Subject to the conditions in Section 6.12, the Responsible Entity, in consultation with the Manager and Investment Manager, intends to make an off-market equal access buy-back offer to all investors in the Trust on a calendar quarterly basis for 5% of the issued capital of the Trust at the Buy-Back Price. The Buy-Back Price is equal to the sum of:

- the NAV per Unit as at the Buy-Back Pricing Date; and
- the amounts of distributions that the Unitholder would have been entitled to if the Unit was not cancelled from the Buy-Back Cancellation of Units Date up to the Buy-Back Payment Date.

The NAV per Unit will be calculated by the independent administrator of the Trust.

If the Responsible Entity receives acceptances for more units than 5% of the issued capital of the Trust, the number of each acceptor's units will be subject to a Scale-Back ("Scale-Back") and reduced by the same proportion needed to ensure the Responsible Entity buys back no more than the 5% of the issued capital of the Trust. If the Responsible Entity only receives acceptances for less than 5% of the issued capital of the Trust, then all accepting units will be bought back.

The Responsible Entity will only be able to continue to buy-back 5% of the issued capital of the Trust each calendar quarter where it would exceed the 10/12 Limit (10% of the smallest number of units that are on issue at any time during the previous 12 months) if the Responsible Entity has obtained approval by ordinary resolution of Unitholders prior to effecting the buy-back. It is the Responsible Entity's intention to seek Unitholder approval when required so that it can continue to buy-back 5% of the issued capital each quarter.

If the 10/12 Limit could be exceeded if the next calendar quarterly offer to buy-back 5% of the issued capital of the Trust was wholly accepted and Unitholder approval is not obtained to continue to offer to buy-back 5% of the issued capital of the Trust for the next calendar quarter buy-back offer, the Responsible Entity will reduce or Scale-Back each acceptor's Units by the same proportion needed to ensure the Responsible Entity buys back no more than the 10/12 Limit.

The Responsible Entity will seek to issue new Units in the Trust where appropriate to increase the NAV and offset the effect of a potential reduction in Units as a result of the regular buy-back offers.

Buy-Back Agreements between the Responsible Entity and accepting Unitholders ("Buy-Back Agreements") are not entered into until a specified time (buy-back offer period) for acceptance of offers has closed. Acceptance of the offer is revocable up until the buy-back offer period has closed.

The purchase price for the buy-back is paid out of the assets of the Trust.

Any Units which are bought back will be cancelled immediately upon registration of the transfer to the Responsible Entity of the units bought back (they are not disposed of or on-sold again on-market).

For each round of quarterly buy-back, the Responsible Entity will provide to investors a buy-back explanatory statement ("Buy-Back Booklet"). The Buy-Back Booklet will contain information specific to the specific round of buy-back so that investors have all the material information before them in respect of the particular buy-back.

Investors will respond back to the Responsible Entity if they wish to participate in the buy-back. If they do not wish to participate in the buy-back, no action is necessary.

The first round of quarterly buy-back post the completion of the IPO will have a Buy-Back Pricing Date of on or around 31 December 2024. Subject to the acceptance of a buy-back timetable which is acceptable to the ASX, a Buy-Back Booklet with details of specific dates for this first buy-back will be made available to Unitholders on or around 15 August 2024, with the date required for a Unitholder to elect to participate in the buy-back being on or around 20 September 2024. The Responsible Entity intends that each subsequent round of quarterly buy-back after the first round will also have at least one calendar quarter between the date required for a Unitholder to elect to participate in the buy-back and its Buy-Back Pricing Date and Buy-Back Payment Date, with specific dates to be made available in future Buy-Back Booklets (subject to the acceptance of the buy-back timetable by the ASX).

Please refer to Section 16.9 for details of the ASIC relief obtained in respect of this off-market buy-back arrangement.

6.12.2. ISSUE OF NEW UNITS

The Responsible Entity is permitted, subject to the Constitution, the Corporations Act, the ASX Listing Rules and applicable laws, to issue further Units after the Trust is admitted to the official list of ASX. This may include the issue of Units to satisfy a DRP, Unit purchase plan, rights issue, placement of Units or consideration for a takeover. Any subsequently issued Units will participate in the Trust's existing as well as future investments.

Further issues of Units will only be made if the Responsible Entity determines that such issues are in the best interests of Unitholders. Relevant factors in making such determination include the views of the Manager and Investment Manager, net asset performance, trading price of the Units compared to the NAV per Unit and perceived investor demand.

6.13. VALUATION

The Trust's Net Tangible Asset Backing (NAV per Unit) will be calculated and made available monthly on the Trust's website and on the ASX. The Responsible Entity has appointed an independent administrator, BNP Paribas ("Administrator"), to provide administration services to the Trust, including valuation services.

The NAV is calculated by deducting from the total value of the assets of the Trust all liabilities, which includes declared but unpaid distributions, calculated in accordance with the ASX Listing Rules and Australian Accounting Standards ("AAS"). The Administrator is reliant on the valuation of the PPNs held by the Trust in the Feeder Class to value the Trust. The Administrator utilises the most recent net asset value of the PPNs held by the Trust, as provided by the independent administrator of the Feeder Fund and Master Fund, to value the Trust at the end of each month.

6.13.1. VALUATION OF THE PPNs

Citco Fund Administration (Cayman Islands) Limited is the independent administrator of the Feeder Fund and Master Fund. The administrator of the Master Fund and the Feeder Class is responsible for the preparation of statutory financial reports and for the calculation of the net asset value of Feeder Class PPNs. Valuation of PPNs is based on:

- shares held in the Master Classes;
- cash; and
- FX forward contracts (as applicable)

held by the Feeder Class.

PPNs are valued in line with the Master Fund and Feeder Fund Valuation Policy and typically utilise the most recent net asset value provided for Underlying Funds by Underlying Managers and/or administrators of Underlying Funds

and, to the extent it is determined to be appropriate, will be adjusted for subsequent cash flow activity (i.e., contributions and distributions).

Valuations for Underlying Funds are typically issued on a quarterly basis as much as (and in some cases in excess of) 90-days after each calendar quarter-end. While such information is expected to be issued on a quarterly basis, the Master Fund and Feeder Class will report their net asset values on a weekly basis and the weekly net asset values will be calculated using the latest available net asset value of Underlying Funds. Pengana Credit seeks to ensure that it receives unaudited Underlying Fund financial statements typically on a quarterly basis (and more frequently where available) and, to the extent practicable, financial statements that have been audited by a third-party accounting firm annually. Whilst the valuations are generally obtained quarterly, given the nature of the investments, the process of completing the valuations can take up to three months, or longer in some cases.

Profit / loss on foreign exchange forwards contracts is recognised with reference to movements in exchange rates during the period of the contract.

6.14. LIQUIDITY

While the Trust is listed on the ASX, Units are not able to be redeemed. However, the Responsible Entity intends to buy-back Units in the Trust (see Section 6.12.1 for details).

The Responsible Entity will only be able to continue to buy-back 5% of the capital each calendar quarter where it would exceed the 10/12 Limit (10% of the smallest number of units that are on issue at any time during the previous 12 months) if the Responsible Entity has obtained approval by ordinary resolution of Unitholders prior to effecting the buy-back. It is the Responsible Entity's intention to seek Unitholder approval when required so that it can continue to buy-back 5% of the issued capital each quarter. If Unitholder approval is not obtained to continue to buy-back 5% of the capital each calendar quarter where it would exceed the 10/12 Limit, the Responsible Entity will reduce each acceptor's Units by the same proportion needed to ensure the Responsible Entity buys back no more than the 10/12 Limit. The Responsible Entity intends to issue new Units in the Trust where appropriate to increase the NAV and offset the effect of a potential reduction in Units as a result of the regular buy-back offers.

Once the Trust is admitted to the official list of ASX and Units are quoted on the ASX, Unitholders will potentially be able to sell their Units on the ASX, subject to there being sufficient buyers of Units at a price that is satisfactory to the selling Unitholder, the ASX being open for trading and the Units not being suspended from trading. Units may be sold on the ASX by Unitholders instructing their stockbroker.

The Trust will hold PPNs and will have exposure to private credit assets which are expected to be illiquid investments. Prices realised on any sale of illiquid investments may be less than the prices used in calculating the NAV per Unit of the Trust. Please refer to Section 8 for a description of liquidity risk which arises because of the Underlying Fund's investment in private credit assets.

The Trust will seek to maintain sufficient liquidity for the purposes of managing the Investment Strategy, the regular buy-back offers and short term cash needs, including the payment of any expenses associated with the operation of the Trust.

The Feeder Fund will seek to maintain sufficient liquidity for the purposes of managing the Investment Strategy, facilitating the regular buy-back offers by the Trust and short term cash needs, including payment of settlement amounts in respect of hedges, loans and any expenses incurred by the Feeder Fund.

The Responsible Entity does not reasonably expect to realise at least 80% of the Trust's assets, at the value ascribed to those assets in calculating the Trust's net asset value, within 10 days. The Trust is exposed to the private credit asset class via Underlying Funds. Such investments cannot reasonably be expected to be realised at the value ascribed to those investments in calculating the Trust's most recent net asset value within 10 days. Key aspects of the Trust's liquidity management policy are set forth in Section 6.8.2.

6.15. LEVERAGE

The Trust may utilise leverage directly or indirectly at different levels within the Trust's structure.

- The primary source of leverage that the Trust will be exposed to is via the Underlying Funds' execution of their investment strategies or objectives as set forth in Section 6.1. There is no formal Trust policy on the leverage to be used by Underlying Funds. However, the Investment Manager or the Investment Consultant

assesses the appropriateness of using leverage in executing the Underlying Funds' investment strategy both during due diligence before investing and as part of ongoing monitoring. The Trust does not intend the overall leverage ratio resulting from its exposure to the Underlying Managers' investment strategies to exceed 1.50x the NAV of the Trust.

- The FX hedging, as set forth in Section 6.16, may employ leverage in the form of a FX hedging facility which allows for the deferral of FX settlement payments with counterparties. The terms of the facility are documented in a credit support annex with the provider of the facility. This facility will be used to reduce short term liquidity requirements arising from FX hedging, rather than for long term use. The amount of leverage used will vary between 0.00x and 0.25x the NAV of the Trust.
- It is possible that at a future date and for the purposes of managing the short-term cash needs of the Trust (e.g., to meet the Trust's obligations in respect of any obligations or demands) further leverage may be employed at the level of the Trust structure that is most appropriate. Further leverage will not be introduced to the Trust for the purposes of making long term investments, outside of the Underlying Funds.

Inclusive of all the different forms of leverage disclosed above, the Trust does not currently intend to exceed an overall leverage ratio of 1.75x of the NAV. The exposure to leverage may affect the Trust' ability to deliver returns and may magnify the Trust' gains and losses. Assuming the Trust is operating at the maximum intended leverage ratio (i.e., \$1.75 of debt for every \$1 of assets) then:

- A 1% increase in the return on assets of the Trust will result in a 2.75% increase in the NAV; and
- A 1% decrease in the return on assets of the Trust will result in a 2.75% decrease in the NAV.

The FX hedging facility and any short term debt facility will be provided by one or more large global banks regulated by APRA, the US Securities and Exchange Commission, the UK Financial Conduct Authority, and/or an equivalent regulator.

6.16. DERIVATIVES

Pengana Credit seeks to hedge the Trust's foreign currency exposure into AUD. The Feeder Class is exposed to foreign exchange fluctuations via their investments in the Master Classes which hold investments denominated in foreign currencies, including USD and EUR. To mitigate this risk, Pengana Credit seeks to hedge these exposures.

There are a number of hedging options available. The selected method may depend on prevailing market conditions, however hedging activity is primarily implemented through the use of OTC forward foreign exchange contracts. The relevant hedges are based on the foreign currency exposure in the Master Fund attributable to the Feeder Class. Pengana Credit may determine to change the hedging strategy for the Trust from time to time.

Hedging can, during periods of extreme volatility, cause cash outflows due to collateral or margining requirements. Commitments arising from the hedging strategy are generally met through available cash or by redeeming shares in the Master Fund. If required, the settlement of losses may be deferred by capitalising and rolling the loss into another hedge. Pengana Credit includes such scenarios in its cashflow forecasting and stress testing regime.

In connection with the hedging strategy, the Feeder Fund may grant a security interest to relevant trading counterparties over the underlying assets (including shares in the Master Fund) and cash instead of posting daily margins.

The Trust's currency strategy may expose the Trust to certain risks. Please refer to 'Currency risk', 'Derivatives and hedging risk' and 'Counterparty risk' for more information as set forth in Section 8.

External counterparty risk is mitigated by selecting partners who have strong credit ratings and are key to our transactional process.

Pengana Credit has no intention to utilise derivatives for speculative or gearing purposes for the Trust.

6.17. SHORT SELLING

The Trust does not directly engage in short selling as part of its Investment Strategy, nor is it expected to form a material part of Underlying Funds' investment strategies. The Underlying Fund's strategies focus on generating returns through lending in private credit markets and would only employ short selling to, for example, hedge

market broad risk through derivative instruments. It is anticipated that this type of exposure will be limited to specific periods where the Underlying Managers have macroeconomic or geopolitical concerns and will not represent a material percentage of any of the Underlying Fund's at any point in time.

Mercer and Pengana Credit monitor the positions in the Underlying Funds and will seek to verify the purpose of any short positions and their consistency with such Underlying Fund's investment strategy and guidelines.

6.18. WHAT ARE THE KEY ASPECTS OF THE TRUST'S RISK MANAGEMENT STRATEGY?

Investment Consultant: Pengana Credit has appointed Mercer Consulting (Australia) Pty Ltd as the Investment Consultant providing advisory services in respect of the Master Fund and Feeder Fund. Mercer is primarily responsible for Underlying Manager sourcing, research, due diligence, and portfolio construction. All Underlying Managers and their funds are approved by Mercer's investment and operational due diligence teams. Mercer also provides assistance with Underlying Manager monitoring, valuation, performance measurement and reporting, liquidity planning and asset and liability modelling. Mercer's experience is set forth in Sections 6.9 and 7.2.

Underlying Manager and investment due diligence: Mercer's manager research includes two forms of quantitative analysis: past performance and portfolio structure analysis, as well as substantial qualitative manager research. Research meetings with Underlying Managers focus on identifying evidence of any sustainable competitive advantages that should give a manager above average prospects for future outperformance and evidence of any significant potential weaknesses which may affect the prospects for future outperformance or give rise to an above-average risk of future underperformance.

Operational due diligence: Mercer prepares a detailed operational risk assessment report, which considers the risks associated with the investment mandate type, firm size and significant third party or outsourced relationships, along with the mitigating or compensating controls that a firm may have to manage potential issues. The report is prepared by a dedicated team, Mercer Sentinel, that specialise in evaluating non-financial risks.

Legal and tax due diligence: Pengana Credit arranges for legal and tax due diligence to be undertaken by subject matter experts as required on prospective investments.

Diversification: Mercer's approach to enhance returns and mitigate risk is through thorough diversification of the following aspects of the private credit exposure: Underlying Manager, strategy, geography, sector, credit quality and type of instrument. The Trust's investment guidelines are set out in Section 6.8.2.

Portfolio Construction Endorsement and Approval: The Mercer Private Debt Investment Committee ("PDIC") reviews the proposed portfolio plans to ensure consistency of advice across its client portfolios and adherence to current best practice. Asset allocation and other key decisions require the unanimous approval of the Investment Committee ("IC"), which currently comprises four senior members from Mercer, PCG and Pengana Credit, see Section 7.3 for more detail.

Ongoing portfolio and cash management: Pengana Credit uses a Cash Management Strategy ("CMS") to assess the adequacy of aggregated cash balances to meet short term liquidity requirements. It is the purpose of the CMS to monitor, observe and control cashflow on a real time basis arising from the sources and uses of funds.

Governance and oversight: The Pengana Credit Risk and Allocation Committee oversees compliance with the Investment Policy and the Allocation Policy. The Pengana Credit Risk and Allocation Committee meets monthly and reports directly to the Responsible Entity quarterly or intra-quarter if required.

FX hedging: The Feeder Class is exposed to foreign exchange fluctuations via its investments in the Master Classes which hold investments denominated in foreign currencies, including USD and EUR. To mitigate this risk, Pengana Credit seeks to hedge the foreign currency exposure into AUD. Hedging activity is primarily implemented through the use of OTC forward foreign exchange contracts.

Removal for cause: The Responsible Entity has the ability to remove Pengana Capital Limited for cause (See Section 15.2.8.2). Pengana Capital Limited has the ability to remove Pengana Credit for cause (See Section 15.3.8.2). Pengana Credit has the ability to remove Mercer for cause.

PPN redemption rights: The Responsible Entity has the right to redeem the PPNs from the Feeder Fund (and realise its investment). Please refer to Section 15.4 for a more comprehensive summary.

Amending the investment objective, investment strategy and investment guidelines of Feeder Class:
Pengana Credit, the Feeder Fund and the Master Fund cannot amend the investment objective, investment strategy and investment guidelines of Feeder Class without consent from the Responsible Entity.

7. INVESTMENT MANAGER, INVESTMENT CONSULTANT, RESPONSIBLE ENTITY AND OTHER KEY SERVICE PROVIDERS

7.1. INVESTMENT MANAGER

The Manager has appointed Pengana Credit, a corporate authorised representative of the Manager, as the Investment Manager of the Trust under the Investment Management Agreement. There are no unusual or materially onerous terms in the Investment Management Agreement.

The primary responsibility of Pengana Credit is to implement the Investment Strategy and administer the investment structure.

As Investment Manager of the Trust, Pengana Credit has been appointed to:

- implement the investment strategy, including actively managing and supervising the Trust's investments;
- regularly update the Responsible Entity regarding the portfolio and provide all information necessary for the maintenance of the Trust's financial accounts to be completed; and
- provide administrative support to assist and ensure the maintenance of the records of the Trust and compliance with the Corporations Act.

Driven by the needs of PCG's client base, Pengana Credit was established in 2022 to address a significant limitation in the Australian market. Increased volatility in public markets has meant Australian retail investors are diversifying into other asset classes in their search of higher yielding and capital stable investment products.

Pengana Credit has built a diversified, multi-manager, multi-strategy global private credit portfolio designed to deliver both higher yields and a stable capital base.

Pengana Credit has appointed PCG to provide a range of distribution, marketing, compliance, and client service functions associated with the Trust. Pengana Credit has also appointed Mercer as the Investment Consultant. Further details on Mercer can be found in Section 7.2.

As at the date of this PDS, there have been no adverse regulatory findings against Pengana Credit.

The appointment of Pengana Credit as the Investment Manager of the Trust is documented in an Investment Management Agreement ("IMA"). Further details on the IMA can be found in Section 15.3.

7.1.1. PENGANA CAPITAL GROUP LIMITED

PCG is an ASX publicly listed company headquartered in Sydney, with offices in Melbourne and Brisbane.

Since 2003 PCG has been in the business of offering Australian investors access to unique and distinct investment solutions. Today, PCG is recognised as one of Australia's leading providers of innovative investment solutions, managing over \$3bn for retail investors, select high-net-worth clients and financial planners in Australia and New Zealand, across a range of international and Australian strategies, including unlisted and listed vehicles investing in both public and private markets.

PCG believes that the optimal active funds management environment exists when the interests of expert investment managers are aligned with the interests of investors within a disciplined and risk-controlled structure. PCG is structured and managed within this framework, as are its funds, through their employment of active investment strategies with non-benchmark focused mandates and emphasis on delivering superior long-term risk adjusted returns to investors.

7.2. INVESTMENT CONSULTANT

Pengana Credit has appointed Mercer Consulting (Australia) Pty Ltd as the Investment Consultant under the Investment Consulting Agreement, which consists of an engagement letter, statement of works and terms and conditions ("Investment Consulting Agreement").

Mercer is one of the world's largest outsourced asset managers with USD\$420 billion global assets under management (as of 31 December 2023) and USD\$16.2 trillion global assets under advice in total (as of 30 June

2023), placing them in a unique position to offer a distinctive ability to source, diligence, and access a diversified portfolio of some of the best global private credit opportunities available.

The Investment Consulting Agreement provides that Mercer will assist Pengana Credit as investment sub-advisor in respect of the Master Fund and Feeder Fund in the selection of investments including, but not limited to, attending regular investment consultation meetings, reviewing investment proposals and policies, making recommendations, sourcing investments, conducting investment and operational due diligence, performing financial modelling and assisting with the negotiation of the terms of any investment. The Investment Consulting Agreement also covers Mercer's reporting and monitoring obligations, service standards, staffing obligations and the professional fees and expenses which it may charge. Mercer's fees and expenses are incurred by the Master Fund and Feeder Fund.

Pengana Credit believes Mercer's global research capability, scale, investment pipeline management and access to highly rated managers is a core strength of the Trust. As at 31 December 2023, Mercer maintained the following insights and analytics, providing one of the broadest manager research coverages of any investment firm.



Mercer's manager research is undertaken by a group of over one hundred dedicated investment specialists located in seven major cities globally. The research process is consistent across asset classes and is designed to produce reliable, forward-looking analysis that identifies the highest quality managers in each universe. Through a combination of on-site visits to managers and discussion amongst colleagues, Mercer evaluates managers through qualitative views, desk-based quantitative analysis, the direct experience of their consultants and ongoing reviews.

Within the research team, Mercer has an experienced and cycle tested Private Credit Team that has extensive experience in all major markets and segments, with 20+ years' experience in private credit investment advisory and 12 years of private credit portfolio management.

Mercer uses its size and scale to access a wide range of opportunities, with the Mercer Private Credit Team having over 550 managers and over 1,300 strategies covered in their research database, with over 400 of these strategies having received an investment rating (as of 30 September 2023). Mercer's size and scale has allowed it to procure an average fee saving across 62 separate investment funds/vehicles of 0.35% p.a. (being the simple average of management fee savings achieved by Mercer versus manager stated "rack rates" as of 21 February 2024).

7.3. KEY PERSONNEL

Asset allocation and other key decisions require the unanimous approval of the IC, which currently comprises four senior members from Mercer, PCG and Pengana Credit. The investment team will devote as much of their time and attention to the investments of the Trust as is, in the discretion of the Investment Manager and/or Investment Consultant, reasonably required for the effective execution of the Trust's Investment Strategy.

As at the date of this PDS, there have been no significant adverse regulatory findings against Pengana Credit, the Responsible Entity or the key individuals involved in the investment decisions of the Trust.

7.3.1. NEHEMIAH RICHARDSON – CHIEF EXECUTIVE OFFICER, PENGANA CREDIT

Nehemiah Richardson is an experienced executive with over 20 years of financial services experience at leading international and Australian institutions including Credit Suisse, JPMorgan, Merrill Lynch (now Bank of America), National Australia Bank and Latitude Financial Services.

Nehemiah has advised large financial institutions and corporations on significant M&A and financing transactions, led teams that have delivered transformative improvements in strategic direction, reputation, risk management, financial performance, and culture across a diversity of generalist and specialist leadership roles in the financial services industry.

7.3.2. NICK GRIFFITHS - CHIEF INVESTMENT OFFICER, PENGANA CAPITAL GROUP LIMITED

Nick Griffiths is the Chief Investment Officer for PCG, responsible for manager monitoring, due diligence, performance analysis and reporting across Pengana's investment strategies. He also chairs the PCG Risk Management Committee and is an Executive Director of Pengana Capital.

Nick has more than 25 years' experience in the actuarial and investment industries in the UK and Australia. Prior to his current role, Nick was Head of Investment Research within Aon's Investment Consulting Practice in Sydney. Nick is a qualified Actuary and CFA Charterholder.

7.3.3. REBECCA JACQUES – PRINCIPAL AND SENIOR INVESTMENT CONSULTANT, MERCER

Rebecca Jacques is a Principal in Mercer's Institutional Wealth business. As a Senior Investment Consultant, Rebecca is involved in preparing strategic investment advice to institutional and wealth management clients as well as supporting Mercer's focus on delivering retirement income solutions. She is based in Sydney.

Prior to joining Mercer in October 2018, Rebecca gained over 20 years of investment and financial services experience. This included heading up the managed funds research business at ASSIRT Pty Ltd, where she was responsible for managing the research team and developing the first retail alternative asset class product rating in the Australian retail marketplace. Rebecca was also part of the executive management team brought in to establish the retail presence of Deutsche Asset Management in Australia. She was also the chief operating officer of a boutique Hedge Fund established by the Chairman of AIMA Australia. Rebecca has led her own consultancy business providing investment and portfolio construction advice to independent financial planning firms, and dealer groups, as well as product and asset management consultancy to asset management firms.

Rebecca holds a Bachelor of Arts (Economics and Politics) (Honours) from Monash University; and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

7.3.4. SCOTT WILKINSON – HEAD OF PRIVATE DEBT APAC, MERCER

Scott Wilkinson is Head of Private Debt APAC at Mercer based in Sydney. Mr. Wilkinson joined Pavilion Alternatives Group in London during 2009, which was acquired by Mercer in 2018.

Mr. Wilkinson is responsible for the oversight of all APAC private debt investments, along with leading portfolio construction and planning efforts for Mercer's global discretionary private debt accounts. He is a member of the Private Debt Ratings Review Committee ("RRC") and Investment Committee, in addition to the Co-Investment & Secondaries RRC. During his tenure at Pavilion / Mercer, Mr. Wilkinson has also led private equity fund investments across Europe, in addition to client and portfolio management in the region.

Mr. Wilkinson has been in the financial services industry since 2005, focusing on private markets since 2009. Previously, he worked at Alliance Bernstein, Threadneedle and State Street in client services. Prior to that, he worked in financial planning, providing investment and retirement advice, and managing the Australian financial accounts of a Chinese-headquartered aluminium manufacturer.

Scott Wilkinson holds a BCom in Accountancy and Finance from the University of Wollongong in Australia and an MBA with distinction from Durham University Business School in the U.K. He also holds the Investment Management Certificate in the U.K.

7.4. RESPONSIBLE ENTITY AND MANAGER

Pengana Investment Management Limited ("Responsible Entity") is the Trust's responsible entity and is ultimately responsible to Unitholders for all aspects of the Trust. The Responsible Entity has engaged Pengana Capital Limited ("Manager") as manager of the Trust. The Manager has appointed Pengana Credit as the investment manager of the portfolio of the Trust with responsibility for making investment decisions in respect of the Portfolio.

The Manager has experience in managing outsourced investment management relationships with fund managers globally having entered into investment management agreements with Grosvenor Capital Management, L.P. in February 2019 (which manages the investments of the Pengana Private Equity Trust), Harding Loevner LP in May 2021 (which manages the investments of the Pengana Harding Loevner International Fund), Axiom Investors LLC in May 2021 (which manages the investments of the Pengana Axiom International Ethical Fund and the Pengana

Axiom International Ethical Fund (Hedged)) and Lizard Investors LLC in March 2015 (which manages the investments of the Pengana Global Small Companies Fund).

The Responsible Entity and Manager are together responsible for supervising the Trust and its overall investment policy. In addition, the Responsible Entity and Manager together provide a range of distribution, marketing, compliance and client service functions associated with the Trust. The Responsible Entity and Manager have a well-developed policy and operational framework for the management of outsourced providers.

The Responsible Entity, the Manager and the Investment Manager are members of the Pengana Group of Companies which consists of Pengana Capital Group Limited (ASX: PCG) ("PCG") and its subsidiaries, the oldest company in the group having incorporated in 1993. PCG is principally focused on offering investors actively managed investment strategies with non-benchmark focused mandates and which have an emphasis on delivering superior long-term risk adjusted returns. PCG is headquartered in Sydney and listed on the ASX.

7.4.1. THE BOARD OF THE RESPONSIBLE ENTITY

The Board of the Responsible Entity comprises of 2 executive directors, 1 non-executive director and 1 independent chairman (having the casting vote). The directors have a broad range of experience in financial services combined with financial and commercial expertise. Brief biographies of the current directors are set out below:

7.4.1.1. Ellis Varejes – Non-Executive Chairman

Ellis has degrees in commerce and law and is a member of the Australian Institute of Company Directors and the Law Society of New South Wales. He was a director (and audit committee chair) of Equity Trustees Superannuation Limited from 2014 to 2023 and the chief operating officer of Abacus Property Group from 2007 to 2017. Before that Ellis was a lawyer in private practice in Sydney, working in corporate advisory, capital markets and financial services law. He was a partner of Abbott Tout (since merged with HWL Ebsworth) and of Rosenblum & Partners (since merged with Ashurst).

7.4.1.2. Ilan Zimerman – Non-Executive Director

Ilan Zimerman is a solicitor of over 30 years standing. He is currently a solicitor at Reid & Vesely. Ilan commenced his legal career in South Africa in 1990 and has also held several in house counsel roles. He holds a Bachelor of Arts and Laws as well as an MBA all from the University of the Witwatersrand, South Africa. He also holds an Applied Diploma in Corporate Governance.

7.4.1.3. Russel Pillemer – Executive Director (CEO, Pengana Capital Group Limited)

Russel Pillemer co-founded Pengana Capital Group in 2003. He has been Pengana's Chief Executive Officer since inception and is also CEO and executive director of Pengana Investment Management Limited. Prior to founding Pengana, Russel worked in the Investment Banking Division of Goldman Sachs in New York where he specialised in providing advice to funds management businesses. Before moving to New York, he was responsible for leading Goldman Sachs' Australian Financial Institutions Group. Russel was previously Chairman of Centric Wealth Group and a Principal of Turnbull Pillemer Capital. He is a member of the Institute of Chartered Accountants in Australia and has a Bachelor of Commerce (Hons) from the University of New South Wales.

7.4.1.4. Katrina Glendinning – Executive Director (CFO, Pengana Capital Group Limited)

Katrina is the Chief Financial Officer of Pengana Capital Group and has held this role since inception in 2003. She is also an Executive Director of Pengana Capital Limited and Pengana Investment Management Limited and is a member of Pengana's Compliance and Risk Management Committees. Katrina is a financial services executive with over 30 years' experience across a diverse range of products, investors and regulatory regimes. Prior to joining Pengana, Katrina was an Executive Vice President at BT Funds Management where she held a number of roles in the nine year period. Prior to that she worked for Price Waterhouse specialising in banking and financial services audit. Katrina is a member of Chief Executive Women, is a Graduate of the Australian Institute of Company Directors, is an Australian Chartered Accountant, and has a Bachelor of Economics from the University of Sydney.

7.4.2. THE BOARD OF THE MANAGER

The board of the Manager comprises of 3 executive directors. The directors have a broad range of experience in financial services combined with financial and commercial expertise. Brief biographies of the current directors are set out below:

7.4.2.1. Russel Pillemer – Executive Director (CEO, Pengana Capital Group Limited)

Refer to Section 7.4.1.3 for Russel's biography.

7.4.2.2. Katrina Glendinning – Executive Director (CFO, Pengana Capital Group Limited)

Refer to Section 7.4.1.4 for Katrina's biography.

7.4.2.3. Nick Griffiths – Executive Director (CIO, Pengana Capital Group Limited)

Refer to Section 7.3.2 for Nick's biography.

7.4.3. GOVERNANCE

Responsibility for proper governance of the Trust rests with the Responsible Entity. The Responsible Entity's guiding principle in meeting this responsibility is to act honestly, in good faith and in the best interests of Investors.

The Responsible Entity has entered into a management agreement with Pengana Capital Limited, which in turn has entered into an investment management agreement with Pengana Credit pursuant to which Pengana Credit provides certain investment management services to the Trust (the 'Investment Management Agreement'). The Responsible Entity, with reliance upon Pengana Capital Limited, Pengana Credit and their service providers, monitors the operational and financial position, and performance of the Trust.

The Responsible Entity undertakes a detailed initial due diligence review of each non-related service provider to the Trust to confirm it has the necessary skills, experience, and authorisations to perform the required functions.

The Responsible Entity ensures that service providers to the Trust, including related bodies corporate, comply with their ongoing obligations under the relevant service agreements by monitoring their performance. In case of non-related entities, the Responsible Entity monitors service providers performance through strict Key Performance Indicator ("KPI") reporting, ongoing reporting by each service provider to the Responsible Entity on a regular basis and requiring completion of an attestation ensuring compliance with service deliverables and applicable law. The Responsible Entity will also conduct an onsite due diligence review of every non-related service provider which will involve key staff involved in the provision of the services as well as a review of all operational areas of the service provider. The Responsible Entity is bound by the Constitution and the Corporations Act.

The Feeder Fund, Master Fund, Manager and Investment Manager will also undertake appropriate due diligence and ongoing oversight in respect of the service providers they engage.

7.5. ADMINISTRATOR

The Responsible Entity has outsourced the Trust's valuation and accounting to BNP Paribas ("Administrator"). The Administrator performs certain administrative and accounting services for the Trust, subject to the overall supervision of the Responsible Entity and Pengana Credit. The Administrator calculates the NAV of the Trust at each month-end and, as soon as it is practical, provides these calculations to the Responsible Entity.

7.6. CUSTODIAN

BNP Paribas ("Custodian") provides custody services to the Trust. The role of the Custodian is limited to holding assets of the Trust; the Custodian has no supervisory role in relation to the operation of the Trust. The Custodian does not make investment decisions in respect of the assets held or manage those assets. The Responsible Entity may change the appointed custodian from time to time, without prior notice.

7.7. AUDITOR

Ernst & Young ("Auditor") is the independent auditor of the Trust.

7.8. UNIT REGISTRY

The Responsible Entity has appointed Computershare Investor Services Pty Limited ("Unit Registry") to maintain the Unit register for the Trust. The Unit Registry will also provide transaction confirmation statements, regulatory reporting and distribution processing and payments.

8. RISKS

This section provides Investors with risk disclosure that is relevant to the Trust, to the extent that the protection mechanisms offered by the Trust are exhausted. All investments carry risk. The likely income returns and the risk of losing money is different for each managed investment scheme as different strategies may carry different levels of risk depending on the portfolio of assets that make up the scheme. Those assets with potentially higher long-term returns may also have a higher risk of losing money in the shorter term.

Prior to investing, you should consider the risks involved and whether it is appropriate for your objectives and financial circumstances. You should read this PDS in its entirety to gain an understanding of the risks associated with an investment in the Trust.

Risks can be managed but cannot be eliminated completely. Investors can undertake several steps to help minimise the impact of risk. First, seek professional advice suited to your personal investment objectives, financial situation, and particular needs. Second, only make investments with a risk level and time frame recommended by your professional adviser.

It is important to understand that the value of your investment may go down and laws affecting your investment in a managed investment scheme may change over time.

The appropriate level of risk for you will depend on a range of factors including your age, investment time frame and risk tolerance and other investments held and how they are invested.

Although Pengana Credit and the Responsible Entity believe the expectations reflected in any forward-looking statements are reasonable, neither Pengana Credit nor the Responsible Entity can guarantee any rate of return in terms of Income or return of capital or the investment performance of the Trust. The Income paid and maintenance of the initial capital investment of your investment will depend on the performance of the investments made by the Trust and current market conditions. There can be no certainty that the Trust will generate Income to your satisfaction.

This section describes certain areas the Responsible Entity believes represent risks associated with investing in the Trust. It is not possible to identify every risk associated with investing in the Trust. Prospective investors should note that this is not an exhaustive or complete list of all the risks associated with the Trust.

8.1. RISKS ASSOCIATED WITH THE INVESTMENT STRATEGY

Investment risk - the value of an investment in the Trust and/or the Trust's investments may fall or perform poorly for a number of reasons, including general economic and market conditions, changes in laws, currency exchange controls and national and international political and socioeconomic circumstances. An Investor is exposed to these risks through the Trust's investment strategies and policies.

Investment strategy risk - the investment strategy to be used by Pengana Credit on behalf of the Trust includes inherent risks. These include, but are not limited to the following:

- the ability of Pengana Credit to devise and maintain a portfolio that achieves the Investment Objective of the Trust within the guidelines and parameters within which it is permitted to invest and set out in this PDS and the law; and
- the ability of Pengana Credit to continue to manage the Trust in accordance with this PDS, its mandate and the law which may be compromised by such events as the loss of its licence or registrations; and
- the ability of Pengana Credit to diversify the Trust to mitigate and manage risk.

There is no guarantee that the Investment Strategy will be managed successfully or will meet its objectives. Failure to do so could negatively impact the performance of the Trust, resulting in loss of capital to Unitholders.

Fund manager due diligence - the success and profitability of the Trust will depend in large part upon the performance of the funds managed by the Underlying Managers. Mercer is primarily responsible for identifying, due diligence and monitoring Underlying Managers following the process detailed in Section 6.7. There is no guarantee that this process is effective and identifies Underlying Managers whose funds will meet their investment objectives or contribute to the Trust meeting its Investment Objective. The performance of the funds managed by Underlying Managers is dependent on a number of factors that may not be correctly assessed in the due diligence

process, such as the stability and expertise of the investment team. Such performance will also be subject to changes in those factors, which may not be accurately identified or assessed in the monitoring process. While the Underlying Managers' documentation may provide some safeguards against adverse developments at an Underlying Manager, such as key person clauses, it may be that the Trust is unable to influence or divest from an underperforming fund managed by an Underlying Manager.

Manager, Investment Manager and Investment Consultant risk - the success and profitability of the Feeder Fund, the Master Fund and the Trust will depend in large part upon the performance of the Manager, Investment Manager and Investment Consultant, which is dependent on the skill and expertise of the investment team deployed by these entities. If the Manager, Investment Manager and Investment Consultant were to lose the services of any of its key members of the investment team or otherwise be precluded from providing their respective management services (for example, by virtue of the loss of their respective licences or registration), the success and profitability of the Trust, Feeder Fund and Master Fund could be materially and adversely affected. There can be no assurance that the investment team will remain wholly intact or that the Manager, Investment Manager and Investment Consultant will maintain key licences and registrations throughout the term of the Trust. In addition, there are also risks that the Manager, Investment Manager and Investment Consultant may cease to be associated with the Trust. If this were to occur, the Responsible Entity will need to identify and engage an alternative, and suitably qualified and experienced, replacement manager, investment manager or investment consultant. This may affect the Trust's success and profitability.

Portfolio construction - Pengana Credit invests the assets of the Trust and in doing so, exposes the Trust to multiple Master Classes in differing proportions having regard to a number of factors so as to best achieve the Investment Objective. These factors may include (but are not limited to) availability of capital, origination of opportunities, matters specific to the Underlying Managers such as liquidity requirements and prevailing market conditions. Pengana Credit may not be able to achieve its preferred allocation in seeking to achieve the Investment Objective.

Debt investments - the Underlying Managers' funds invest principally in loans, bonds and other types of debt instruments and securities. Such investments may be secured, partially secured or unsecured and may have speculative characteristics. Changes in interest rates generally will cause the value of fixed income debt investments to vary inversely to such changes. Debt investments with longer terms to maturity or duration are subject to greater volatility than investments in shorter-term obligations. The obligor of a debt security or instrument may not be able or willing to pay interest or to repay principal when due in accordance with the terms of the associated agreement. An obligor's willingness to pay interest or to repay principal due in a timely manner may be affected by, among other factors, its cash flow. Commercial bank lenders may be able to contest payments to the holders of other debt obligations of the same obligor in the event of default under their commercial bank loan agreements.

Liquidity risk of Underlying Managers - at any given time, the Underlying Managers may be exposed to significant numbers of securities and other assets that are very thinly traded, for which no market exists, or which are restricted as to their transferability. The risks of such illiquidity can be further increased by changes in the financial condition or business prospects of a company, changes in national or international economic conditions and changes in laws, regulations, fiscal policies, or political conditions of countries in which the Underlying Managers' investments are made. Prices realised on any sale of illiquid investments may be less than the prices used in calculating the NAV per Unit of the Trust, this is particularly so in times of market distress.

Time taken to deploy capital for portfolio construction - It will take time to deploy the proceeds raised under the Offer and there is a risk that it may take longer than expected to invest such funds into appropriate assets and in the allocation described in this PDS (including the risk that the timeframe for portfolio construction may have a longer duration than currently anticipated). This means that the portfolio may not align with the Trust's Investment Objective while the funds are being deployed.

Interest rate risk - the Trust's investments are exposed to interest rate risks, meaning that changes in prevailing market interest rates could negatively affect the value of such investments and the yield they generate. Factors that may affect market interest rates include, but are not limited to, inflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorder, and instability in relevant financial markets.

In particular, global central banks' decisions regarding interest rate policy to manage inflation could impact the private lending market. There may be significant unexpected movements in interest rates which could have adverse effects on portfolio companies and other issuers in which the Underlying Managers invest and global

economies as a whole. In a changing interest rate environment, neither the Underlying Managers nor Pengana Credit may be able to manage this risk effectively.

Credit and default risk – credit risk is the risk that one or more assets to which the Trust is exposed may decline in price or fail to pay interest or principal when due because the credit counterparty or borrower experiences a decline in its financial status. Losses may occur because the value of the asset is affected by the creditworthiness of the borrower or by general economic and specific industry conditions.

While all debt assets are subject to credit risk, to the extent the Trust is exposed to lower-grade debt, it will be exposed to a greater amount of credit risk than a fund that is exposed to higher rated credit assets. The values of lower-grade debt instruments are more sensitive to negative developments, such as a decline in the borrower's cash earnings or a general economic downturn, than are the values of higher-grade debt instruments. Lower-grade debt instruments are higher risk with respect to the counterparty's capacity to pay interest and repay principal when due and therefore involve a greater risk of default.

In circumstances where a borrower defaults or the credit risk increases for a borrower, there are a number of strategies that may be employed by the Underlying Managers to manage losses, including seeking to renegotiate the terms of the loan arrangement with the borrower. While such action may mitigate further losses to the Underlying Manager's fund, there is no assurance that this may be achieved.

Valuation risk – the valuation of the Trust will be calculated with reference to the valuation of the PPNs issued by the Feeder Fund, which in turn is calculated with reference to the valuation of shares in the Master Fund and valuation of Underlying Funds. Valuations of the investments made by the Underlying Managers are expected to involve uncertainties and discretionary determinations. Third-party pricing information may not be available regarding a significant portion of investments made by the Underlying Managers. The valuation of illiquid securities and other assets is inherently subjective and subject to increased risk that the information utilised to value such assets or to create the price models may be inaccurate or subject to other errors. In some circumstances Underlying Managers may rely on valuation models that the Underlying Managers have created in order to value the assets. In addition, to the extent third-party pricing information is available, a disruption in the secondary markets for investments with Underlying Managers may limit the ability to obtain accurate market quotations for purposes of valuing investments and calculating net asset value. Further, the liquidation values of securities and other investments may differ significantly from the interim valuations of these securities and other investments.

Currency risk – the functional currency of the Trust is the Australian dollar. For investments in global assets, which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value. For example, if the Australian dollar rises, the value of the foreign investments expressed in Australian dollars will fall. Currency markets can be extremely volatile and are subject to a range of unpredictable events. Pengana Credit seeks to mitigate currency risk by hedging foreign currency exposures to the Australian dollar but may, from time to time, not be able to do so. Additionally, while foreign currency hedging should mitigate against adverse currency movements, the foreign currency hedging strategy will not provide complete protection from adverse currency movements.

Market and economic risk – certain events may have a negative effect on the price of all types of investments within a particular market in which the Underlying Managers hold investments. These events may include (but are not limited to) changes in legal, tax, economic, social, technological, or political conditions, laws as well as general market sentiment. Industry specific shocks relevant to underlying loan assets and general market disruption can adversely impact the value of the assets that underpin the value of the Trust.

International investing risk – the Underlying Managers primarily invest in North America and Europe. The risks of international investing include foreign withholding tax or duties on income or capital gains, securities regulations, market and settlement practices, potential political and economic instability affecting overseas markets, limited liquidity and volatile prices of international investments, foreign exchange controls and investment and repatriation restrictions. Regulatory intervention could also materially affect the ability of the Underlying Managers to give effect to their investment strategy and adversely affect the Trust's performance.

Underlying Managers – the Trust is exposed to funds managed by third-party Underlying Managers. Pengana Credit does not have an active role in the management of the assets of funds that are managed by third-party Underlying Managers, including in the valuation of investments by the third-party Underlying Managers. Although Pengana Credit monitors the performance of Underlying Managers and their funds, it relies upon third-party Underlying Managers to operate their funds on a day-to-day basis. Pengana Credit's ability to withdraw from or transfer interests in such funds is strictly limited. Further, the performance of each Underlying Manager and their

funds depends significantly on decisions made by third parties, who will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing, monitoring and eventually divesting investments made by such third-party Underlying Managers and such decisions, if unsuccessful, will directly adversely affect the income received by the Trust and potential for return of capital. Pengana Credit will often not be aware of the particular companies in which a fund managed by a third-party Underlying Manager is invested and Investors themselves will have no direct dealings or contract relationship at the third-party Underlying Manager.

Underlying Manager misconduct - the Trust will depend on the integrity and good faith of the Underlying Managers. Pengana Credit has no control over and a strictly limited ability to monitor, the Underlying Managers. Misconduct, conflicts of interest and/or bad judgment on the part of a single or only a very small number of Underlying Managers could materially adversely affect the Trust.

Risks associated in investing with other third parties - Pengana Credit primarily exposes the Trust's capital to Underlying Managers' funds, in which funds third parties also invest. The Trust is therefore subject to the risk of the Trust's investments being materially adversely affected by the conduct, including possible default, of other investors with such Underlying Managers, certain of which investors may have different, if not actually opposing, interests with respect to their investments with such Underlying Managers than Pengana Credit in acting on behalf of the Trust. If another investor in any Underlying Fund defaults on its funding obligations, the Master Fund may be required to fund its pro-rata portion of such investor's default amount.

Access to information from Underlying Managers - Pengana Credit and Mercer may not always receive full information from third-party Underlying Managers for a variety of reasons, including that certain of this information may be considered proprietary by the Underlying Manager. This lack of access to information may make it more difficult for Pengana Credit and Mercer to select and evaluate investments offered by the Underlying Managers.

Debt and leverage risk - The Underlying Managers may employ leverage from time to time in a variety of ways. The use of leverage may magnify the potential gains and losses achieved by Underlying Managers, thus impacting on the value of Units. The use of leverage will diminish the returns to investments made by the Underlying Manager and therefore the Trust if the overall returns are less than the cost of borrowing. The utilisation of leverage will also result in fees, expenses, and interest costs to the Underlying Managers.

Derivatives and hedging risk - Derivative risk is the risk that the Trust will be exposed to substantial losses or experience volatile returns through exposure to derivatives (for hedging purposes). Derivatives are instruments whose value is derived from the value of an underlying asset and can be highly volatile. A derivative's value can change in response to a range of factors such as changes in interest rates, foreign exchange rates, credit ratings or volatility of the underlying assets. Derivatives also involve a higher level of risk and volatility than buying an asset directly. This is because derivatives require very little or no initial investment to gain exposure to markets. As a result, derivatives magnify both potential investment gains and losses. Losses from derivative transactions can be substantial and can exceed the original amount invested. The Investment Manager will only use derivatives for the purposes listed in Section 6.16. If derivatives are used at inopportune times or if the Investment Manager judges market conditions incorrectly, such investments may lower the Trust's return or result in a loss. The Trust also could experience losses if any derivative contracts to which it has exposure to are poorly correlated with its other investments or are illiquid. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. The assets that form part of the portfolio may be pledged as collateral in swap and other derivatives transactions. Thus, in the event of a default on such an obligation, the counterparty may be entitled to some or all of the assets in the portfolio as a result of the default. Derivatives may be purchased on established exchanges or through privately negotiated transactions referred to as OTC derivatives. No clearing agency guarantees OTC derivatives. Therefore, each party to an OTC derivative bears the risk that the counterparty will default. Accordingly, the Investment Manager will consider the creditworthiness of counterparties to OTC derivatives.

Counterparty Risk - There is a risk that the Trust may incur a loss arising from the failure of another party to a contract (the Counterparty) to meet its obligations. Counterparty risk arises primarily from investments in cash, derivatives, and currency transactions. Substantial losses can be incurred if a Counterparty fails to deliver on its contractual obligations.

Distressed instruments - Investment by the Underlying Funds in the instruments of financially or operationally troubled issuers involves a high degree of credit and market risk. There can be no assurance that such financially or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility that the Underlying Funds may incur substantial or total losses on their investments. During an economic downturn or recession, securities of financially or operationally troubled issuers are more likely to go into default

than securities of other issuers. In addition, it may be difficult to obtain information about financially or operationally troubled issuers. Investment in the instruments of financially or operationally troubled issuers is typically a part of a long-term investment strategy and, accordingly, the Underlying Funds in which the Trust invests should have the financial ability and willingness to remain invested for the long term. Instruments of financially or operationally troubled issuers are less liquid and more volatile than instruments of companies not experiencing such difficulties. The market prices of these instruments are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected for more liquid or less volatile instruments. In addition, it is anticipated that many of the portfolio investments of the Underlying Funds may be illiquid. As a result, Underlying Funds may experience delays and incur losses and other costs in connection with the sale of their portfolio investments. In addition, the Underlying Funds may be subject to restrictions on the sale of certain instruments in the portfolio as a result of the Underlying Fund's percentage of holdings of instruments in such issuer or as a result of its access to confidential information.

Defaulted instruments - The Underlying Funds may invest in strategies involving the instruments of municipalities or companies involved in bankruptcy proceedings, reorganisations, and financial restructurings. In a bankruptcy or other proceeding, the Underlying Fund as a creditor may be unable to enforce its claims or rights in any collateral or may have its claims or security interest in any collateral challenged, disallowed, or subordinated to the claims or security interests of other creditors. There can be no assurance that such claims will not be asserted or that the relevant Underlying Fund will be able to successfully defend against them. Even if the Underlying Fund is ultimately successful, it may in the interim be required to post a bond pending an appeal that may limit its ability to deploy capital to other investment opportunities, which could adversely affect that Underlying Fund.

High yield, low or unrated financial instruments - The Underlying Funds may invest in strategies involving "high yield" bonds and preferred stock or debt instruments that are unrated or rated in the lower categories by the various credit rating agencies (or in comparable non-rated securities). Financial instruments in the lower categories are subject to greater risk of loss of principal and interest than higher-rated instruments and are generally considered predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than instruments with higher ratings in the case of deterioration or general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated instruments, the yields and prices of such instruments may tend to fluctuate more than those of higher-rated instruments. The market for lower-rated instruments is thinner and less active than that for higher-rated instruments, which can adversely affect the prices at which these instruments can be sold. In addition, adverse publicity, and investor perceptions about lower rated instruments, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated instruments.

Volatile markets - The market for publicly traded bank loans, corporate debt, municipal debt, and other credit-related investments has historically experienced levels of extreme volatility and this volatility may recur at any time. During such periods, markets may experience periods of very limited liquidity. Pengana Credit believe that these market conditions may present attractive opportunities, but they also present the risk of large losses. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, political events, interest rate movements, natural disasters, and general economic conditions. Diverse markets may move rapidly in the same direction due to any one or a combination of these factors.

Investments in different parts of the capital structure - The holders of classes of financial instruments that differ from the class of financial instruments owned by the Underlying Funds may control the exercise of remedies in connection with such financial instruments. Such exercise of remedies by a holder of a different class of financial instruments may be in conflict with the interests of the Underlying Funds.

Post reorganisation securities - Financial instruments received post-reorganisation typically entail a higher degree of risk than investments in companies that have not undergone and are not perceived as likely to undergo a reorganisation or restructuring. Moreover, post-reorganisation instruments can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganisation or restructuring. If an Underlying Fund's portfolio manager's assessment of the anticipated outcome of an investment situation should prove incorrect, the Underlying Fund could experience a loss. While the strategies that the Trust invests in may focus on investing in senior instruments that typically receive cash or debt in a reorganisation, the Underlying Fund's

investment strategy may from time to time result in the receipt of post-reorganisation equity, which may be subject to greater risk than debt.

Contingent liabilities – The Underlying Funds may, from time to time, incur contingent liabilities in connection with an investment. For example, an Underlying Fund may purchase from a lender a revolving credit facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, the Underlying Fund would be obligated to fund the amounts due.

Asset-backed securities – The Underlying Funds may invest in a variety of assets including mortgage-backed securities, home equity loans, commercial loans, instalment sale contracts, credit card receivables or other assets. The Underlying Funds may acquire exposure to such investments through asset-backed securities. Asset-backed securities are “pass-through” securities, meaning that principal and interest payments net of expenses made by the borrower on the underlying assets (such as credit card receivables) are passed through to the Underlying Fund. The value of asset-backed securities, like that of traditional fixed income securities, typically increases when interest rates fall and decreases when interest rates rise. However, asset-backed securities and other exposures to similar assets underlying asset-backed securities differ from traditional fixed income securities because of their potential for prepayment. The price paid by the Underlying Fund for its asset-backed securities, the yield the Underlying Fund expects to receive from such securities and the average life of the securities are each based on a number of factors, including the anticipated rate of prepayment of the underlying assets. In a period of declining interest rates, borrowers may prepay the underlying assets more quickly than anticipated, thereby reducing the yield to maturity and the average life of the asset-backed securities. Moreover, when the Underlying Fund reinvests the proceeds of a prepayment in these circumstances, it will likely receive a rate of interest that is lower than the rate on the security that was prepaid. To the extent that the Underlying Fund purchases asset-backed securities at a premium, prepayments may result in a loss to the extent of the premium paid. In a period of rising interest rates, prepayments of the underlying assets may occur at a slower than expected rate, creating maturity extension risk. This particular risk may effectively change a security that was considered short or intermediate-term at the time of purchase into a longer term security. Since the value of longer-term securities generally fluctuates more widely in response to changes in interest rates than shorter term securities, maturity extension risk could increase the volatility of such securities. When interest rates decline, the value of an asset-backed security with prepayment features may not increase as much as that of other fixed-income securities and, as noted above, changes in market rates of interest may accelerate or retard prepayments and thus affect maturities.

Other investments – An Underlying Fund’s strategies may from time to time invest in other kinds of investments, including, without limitation, emerging market debt securities or equity securities, convertible securities, warrants, futures, and options, each of which involve special risks.

Co-investments with third parties – An Underlying Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer or partner of the Underlying Fund may at any time have economic or business interests or goals which are inconsistent with those of the Underlying Fund, or may be in a position to take action contrary to the Underlying Fund’s investment objectives. In addition, the Underlying Fund may be liable for actions of its co-venturers or partners.

Risks inherent in fund investing – The success of an Underlying Fund, in general is subject to a variety of risks, including, without limitation, those related to: (i) the quality of the management of the Underlying Funds and the ability of such management to successfully select investment opportunities; (ii) the quality of the management of the operating companies in which the Underlying Funds have invested; (iii) general economic conditions; and (iv) the ability of the Underlying Funds and the Trust to liquidate their investments. The Trust will not participate in the management and control of the Underlying Funds or the assets in which the Underlying Funds invest either directly or indirectly through Underlying Funds. There can be no assurance that the management team of an Underlying Fund or any successor will be able to operate the Underlying Fund in accordance with the Trust’s expectations or Pengana Credit/Mercer’s suggestions (if any), or that the Trust will be able to recover on its investments.

Long term Underlying Fund investments; no assurance of investment return – There can be no assurance that the Trust or the Underlying Funds will be able to generate returns, that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein or that the Pengana Credit/Mercer’s or the underlying portfolio managers’ methodologies for evaluating risk-adjusted return profiles for investments

will achieve their objectives. It is possible there may be little or no near-term cash flow available to the investors of the Trust and there can be no assurance that the Trust will make any distribution to its investors. Partial or complete sales, transfers, or other dispositions of investments which may result in a return of capital or the realisation of gains, if any, are generally not expected to occur for a number of years after an investment is made. The Trust's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods. Past performance of individuals or investment entities associated with such individuals, as well as Pengana Credit/Mercer/portfolio manager or any Underlying Fund is not necessarily indicative of future results and provides no assurance of future results.

Timeframe for investment - Unitholders are strongly advised to regard any investment in the Trust as a long-term proposition and to be aware that, as with any investment, substantial fluctuations in the value of their investment may occur over that period and beyond.

Excuse and exclusion from partnership investments - Where the Master Fund invests in an Underlying Fund that is a partnership as a limited partner, the general partner of the Underlying Fund may have powers to excuse or exclude a limited partner from participating in one or more portfolio investments. Any such excuse or exclusion may increase the participation of other limited partners in the applicable portfolio investment(s) and/or decrease the participation of such other limited partners in other portfolio investments from which the excused or excluded investor has not been excused or excluded, which in any case would be expected to result in differing aggregate returns realised by excused or excluded limited partners, on the one hand and by limited partners that have not been excused or excluded from such portfolio investment(s) on the other. For example, a limited partner that is excused or excluded from a successful portfolio investment may realise lower aggregate returns than those realised by the limited partners participating in such portfolio investment, while a limited partner that is excused or excluded from an unsuccessful portfolio investment may realise higher aggregate returns than those realised by the limited partners participating in such portfolio investment. In the latter case, limited partners that have not been excused or excluded from such unsuccessful portfolio investment may have greater exposure to losses from such investment than they would have had there been no excuse or exclusion of any limited partner from such portfolio investment. In addition, limited partners that have not been excused or excluded from such unsuccessful portfolio investment may have lesser exposure to other portfolio investments, including successful portfolio investments, from which such excused or excluded limited partner has not been excused or excluded. To the extent a limited partner's participation in certain portfolio investments becomes more concentrated due to the exercise of excuse or exclusion rights (whether with respect to such limited partner or with respect to other limited partners), the value of such limited partner's interest in the Underlying Fund will be more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting those particular portfolio investments and could be materially adversely affected by the unfavourable performance of even one such portfolio investment.

Identification of investments - Identification of attractive investment opportunities by Pengana Credit/Mercer and portfolio managers of Underlying Funds involves a high degree of uncertainty. The success of the Trust and each Underlying Fund depends on the availability of appropriate investment opportunities (including co-investments) and the ability of Pengana Credit/Mercer and the portfolio managers to identify, select, gain access to and consummate appropriate investments. Investors may not have an opportunity prior to investing to evaluate any of the investments to be made by the Trust or the Underlying Funds or the relevant economic, financial and other information regarding such investments and, accordingly, will be entirely dependent upon the judgment and ability of the Trust, Investment Manager/Investment Consultant and the portfolio managers in investing and managing the capital of the Trust. The availability of investment opportunities for the Trust generally will be subject to market conditions and the ability of Pengana Credit/Mercer to locate Underlying Funds in their fundraising stages that are available for purchase at attractive prices. There can be no assurance that suitable investments will be available or that the Trust or an Underlying Fund will be able to choose, make and realise investments in any particular company or portfolio of companies, or that it will be able to fully invest its capital. To the extent that any portion of such capital is not invested, the potential for return for the Trust and an Underlying Fund will be diminished. Moreover, the historical performance of any Underlying Fund or any portfolio manager thereof is not a guarantee or indication of its future performance. No assurance can be given that investments (and underlying investments thereof) can be acquired at favourable prices or that, once purchased, investments will perform to the Trust's or the Underlying Fund's expectations.

Secondary market considerations; highly competitive market for investment opportunities - The activity of identifying, completing, and realising on attractive investments that fall within the Trust's objective is highly

competitive and involves a high degree of uncertainty and will be subject to market conditions. Other investment funds currently in existence or organised in the future, may adopt, partially or totally, the Trust's strategy and compete with the Trust. Such funds may have greater resources than the Trust, which could adversely affect the Trust's proposed business plan. Some of these funds may have greater ability to complete investments than the Trust, or may have different return criteria than the Trust, any of which would afford them a competitive advantage.

Follow-on investments – The Master Fund may be called upon to provide additional funding for its investments or have the opportunity to increase its investment in its Underlying Funds. There can be no assurance that the Master Fund will seek such follow-on investments or that it will have sufficient capital to do so. Any decision by the Master Fund not to make follow-on investments or its inability to make such investments may have a substantial negative impact on an Underlying Fund or other investment in need of such an investment and may diminish the Master Fund's ability to influence the Underlying Fund's or other investment's future development. Furthermore, no assurance can be made that any follow-on investments made by the Master Fund will be profitable to the Master Fund.

Underlying fund insolvency risks – If a court in a lawsuit brought by a creditor or representative of creditors (such as a trustee in bankruptcy) of a Underlying Fund were to find that (a) the Underlying Fund did not receive fair consideration or reasonably equivalent value for incurring the indebtedness evidenced by the securities issued to the Master Fund and (b) after giving effect to such indebtedness and the use of the proceeds thereof, the Underlying Fund (i) was insolvent; (ii) was engaged in a business for which its remaining assets constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the obligor or recover amounts previously paid by the Underlying Fund to the Master Fund in satisfaction of such indebtedness. In addition, upon the insolvency of an Underlying Fund, payments that it made to the Master Fund may be subject to avoidance as a "preference" if made within a certain period of time before insolvency. There can be no assurance as to what standard a court would apply in order to determine whether the company was "insolvent" or that, regardless of the method of valuation, a court would not determine that the company was "insolvent" in each case, after giving effect to the indebtedness evidenced by the securities held by the Master Fund and the use of the proceeds thereof. In general, if payments are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Master Fund) or from subsequent transferees of such payments.

Illiquidity of Underlying Fund interests – Interests in Underlying Funds are typically restricted as to their transferability under securities laws or under the terms and conditions of their respective governing documents and are highly illiquid. There is no public market for the interests of the Underlying Funds and none is expected to develop.

The sale of any such investments by the Master Fund may be possible only at substantial discounts, if at all. In addition, generally the consent of the general partner of such Underlying Fund is required to facilitate any transfer or sale of an interest in the Underlying Fund, which consent may be withheld in the discretion of the general partner, whether reasonable or not. Further, such investments may be extremely difficult to value with any degree of certainty.

Lack of coordination among investment decisions of portfolio managers – Investment decisions of the Underlying Funds are made by such Underlying Funds' portfolio managers independently of each other. Consequently, at any particular time, one Underlying Fund may be purchasing interests in an issuer that at the same time are being sold by another Underlying Fund. Investing by the Underlying Funds in this manner could cause the Trust to incur indirectly certain transaction costs without accomplishing any net investment result.

Time Frame – Underlying Funds typically have several years over which to call and invest their capital. Each Underlying Fund and/or portfolio company is also likely to take several years to mature to a point where it can be disposed of. Alternatively, to the extent an Underlying Fund invests all of its capital early in the life of the Underlying Fund, the Underlying Fund's exposure to market risks may be magnified and the Underlying Fund's management and other resources may become thinly spread.

Ability to verify information – Although Pengana Credit/Mercer may sometimes seek to receive detailed information from each Underlying Fund regarding its historical performance and business strategy, in most Pengana Credit/Mercer will have little or no means of independently verifying this information. An Underlying Fund may use proprietary investment strategies that are not fully disclosed to Pengana Credit/Mercer, which may involve risks under some market conditions that are not anticipated by Pengana Credit/Mercer.

Multiple layers of expense - The Underlying Funds each have multiple layers of expenses and management costs that will be borne, directly or indirectly, by the investors of the Trust. Such compensation, fees and expenses are expected to reduce the actual returns to investors of the Trust.

In-kind distributions - If the Master Fund receives distributions in kind from any investment, the Master Fund may incur additional costs and risks in connection with the disposition of those assets. Distributions made to the Trust in-kind could consist of securities for which there is no readily available public market or could consist of securities of companies unable to meet required interest or redemption payments. The Master Fund may experience difficulties in selling, or may be forced to sell, such securities at a price below what Pengana Credit/Mercer believes the securities are worth in order to liquidate the in-kind distribution. The risk of loss and delay in liquidating these financial instruments will be borne by the Master Fund, with the result that investors in the Trust may ultimately receive less cash than they would have received if it had been paid in cash.

Recall of distributions - Some of the Underlying Funds may reserve the right to recall some or all of the distributions to their investors, including the Master Fund, in order to make additional investments, pay expenses or for other purposes.

Use of third-party service providers - The Underlying Funds will delegate certain tasks to third party service providers, including the Underlying Fund's administrator and other service providers and Pengana Credit/Mercer may not be in a position to verify the risks or reliability of such third-parties. For example, certain aspects of fund administration, legal, accounting, audit and tax reporting services will be provided to the Underlying Fund by third party service providers at the Underlying Fund's expense. The Underlying Fund may suffer adverse consequences from actions, errors, or failure to act by such third parties and may have obligations, including indemnity obligations and limited recourse against them. While Pengana Credit/Mercer's monitoring of the Underlying Fund's investments may include developing a general understanding of what fees and types of fees may be charged to an Underlying Fund (and/or a company with respect to direct investments or co-investments) by the Underlying Fund's portfolio managers and/or affiliates of those having equity interests in the Underlying Fund or underlying, as applicable, neither Pengana Credit, Mercer or the Master Fund will be responsible for determining whether Underlying Funds and/or underlying companies (or the managers thereof or the service providers thereto) are properly charging fees and expenses or correctly calculating and/or allocating such fees and expenses (withholding or other taxes or fee offsets, if applicable); rather, it will be the responsibility of such Underlying Funds, underlying companies, the managers thereof and the service providers thereto (including their administrators and auditors) to verify these calculations. In addition to the foregoing, please note that the carrying value of an investment may not reflect the price at which the investment could be sold in the market and the difference between carrying value and any ultimate sales price could be material.

Institutional risk; prime brokers and custodians - Institutions, such as brokerage firms or banks (including the custodians), may hold certain assets of an Underlying Fund in their own name and in non-segregated accounts. Bankruptcy or fraud at one of these institutions or other entities could impair the operational capabilities or the capital position of the Underlying Fund or result in its inability to perform its obligations. Certain brokers and custodians will have general custody of the assets of Underlying Funds and the failure of a broker or custodian may result in adverse consequences to the assets held and may in turn have an adverse effect on the value of the Interests.

8.2. RISKS ASSOCIATED WITH THE TRUST

No operating or performance history of the Trust - although Mercer has extensive experience analysing, investing in, and managing investments, the Trust is a newly formed entity with no financial, operating or performance history upon which to evaluate its likely performance. There is a risk that the Investment Objective will not be achieved. Investors should draw no conclusions from the prior experience of Mercer or the performance of other funds or investment vehicles managed by them or their affiliates. Past performance of these vehicles is not a reliable indicator of future performance of the Trust.

Fund risk - Fund risk refers to other specific risks associated with the Trust, such as termination and changes to fees and expenses. The performance of the Trust or the security of an Investor's capital is not guaranteed. There is no guarantee that the Investment Strategy of the Trust will be managed successfully or will meet its objectives. Failure to do so could negatively impact the performance of the Trust. An investment in the Trust is governed by the terms of the Constitution and this PDS. The Responsible Entity may elect, in accordance with the Constitution and the Corporations Act, to terminate the Trust for any reason.

Master feeder fund structure – the Trust invests in PPNs issued by the Feeder Fund and the Feeder Fund invests in the Master Fund. As such, the Trust may be exposed to risks that are specific to the Feeder Fund and Master Fund. This may include operational risks, distribution risks, valuation risks, liquidity risks and tax risks that are specific to the Feeder Fund and Master Fund.

There may be more than one fund (other than the Trust) exposed to the Feeder Fund and subsequently, the Master Fund. Redemption requests received by one fund will ordinarily necessitate a corresponding redemption request from that fund to the Feeder Fund and subsequently, the Master Fund. As such, the ability of a fund to satisfy redemption requests received by it is partially dependent on the amount of redemption requests received by other fund(s) for the same redemption date. Prospective Trust investors should bear this in mind as it could either reduce or increase the amount of redemption proceeds an investor may otherwise receive were there no other funds into the Feeder Fund and subsequently, the Master Fund.

Legal structuring risk – the Trust does not directly hold the underlying investments to which it principally has investment exposure. Controls have been established in the PPN Agreement to provide for the PPN to deliver to the Trust investment exposure that complies with the Trust's investment objective, investment strategy and investment guidelines as documented in an investment management agreement between Pengana Credit, the Feeder Fund, and the Master Fund. The Responsible Entity as a noteholder also has the ability to request for the PPN to be redeemed on a weekly basis, subject to the issuer of the PPN (the Feeder Fund) having the right to declare a suspension of redemptions.

Reliance on the Investment Manager – The Feeder Fund and Master Fund is reliant on the Investment Manager to carry on its business. A failure by the Investment Manager may materially disrupt the business of the Feeder Fund and Master Fund. The Feeder Fund and Master Fund has no employees and its directors have all been appointed on a non-executive basis. The Investment Manager will also act as investment manager of the Feeder Fund and Master Fund. Therefore, the Feeder Fund and Master Fund is reliant upon the performance of the Investment Manager for the performance of certain functions. The Responsible Entity is not a party to the investment management agreement for the Feeder Fund and Master Fund and therefore, does not have any rights under that agreement including, for example, the ability to terminate the investment manager of the Feeder Fund and Master Fund where it fails to perform its obligations under that agreement. Instead, the Responsible Entity may seek to redeem the PPN, however this may have consequences, such that the portfolio is required to be liquidated at a value less than market value.

Unsecured and limited recourse obligations – the recourse of the Responsible Entity under the PPN Agreement shall at all times be limited to the proceeds of realisation of the unsecured assets of the Feeder Fund referable to the relevant PPNs.

The Feeder Fund is permitted to incur secured debt and leverage as disclosed in this PDS. Any such secured debt will rank ahead of the PPNs in respect of any distributions or payments by the Feeder Fund. In an enforcement scenario under any secured debt, the provider(s) of any such secured debt will have the ability to enforce their security over the assets of the Feeder Fund and to dispose of or liquidate (on their own behalf or through a security trustee or receiver) the assets of the Feeder Fund in a manner which is beyond the control of the Responsible Entity, Investment Manager or Feeder Fund. In such an enforcement scenario, there is no guarantee that there will be sufficient proceeds from the disposal or liquidation of the Feeder Fund's assets to repay any amounts due and payable on the PPNs. See Sections 6.1 and 6.15 for details around the leverage employed within the Trust and the leverage policy of the Trust.

Cross contamination risk – the Feeder Fund and Master Fund are each a separate legal entity/company. See Section 5 for details on the structure of the Trust. The Trust has economic exposure to the Feeder Fund. Holders of one or more classes of PPNs in the Feeder Fund (including the Trust as a holder of the Feeder Class) or shareholders of one or more classes of the Master Fund may be compelled to bear the liabilities incurred in respect of other classes in each of the Feeder Fund and Master Fund which such participating holders do not themselves own if there are insufficient assets in that other class in each of the Feeder Fund and Master Fund to satisfy those liabilities. Accordingly, there is a risk that liabilities of one class in each of the Feeder Fund and Master Fund may not be limited to that particular class and may be required to be paid out of one or more other classes.

Responsible Entity risk – The Responsible Entity is required to supervise and monitor Pengana Credit and other service providers to the Trust. The Responsible Entity has put in place policies and procedures to achieve this. These measures may not, however, be successful or adequate, resulting in such service providers not being adequately supervised and monitored. This could result in the Responsible Entity not being in a position to protect the interests of Investors.

Conflicts of interest – Pengana Investment Management Limited is the Responsible Entity of the Trust. Pengana Capital Limited, a related entity of Pengana Investment Management Limited, is the Manager of the Trust. Pengana Credit Pty Ltd, a related entity of Pengana Investment Management Limited, is the investment manager of each of the Trust, the Feeder Fund and the Master Fund. Situations may arise where the Responsible Entity, Manager and Pengana Credit and their related entities have interests that conflict with those of the Investors. The Responsible Entity, Manager and Pengana Credit may act in a similar capacity, or be involved in other funds, which may have similar investment objectives, leading to conflicting demands in allocating time, services, and other functions. If a conflict does arise, the Responsible Entity, Manager and Pengana Credit will endeavour to ensure that such conflict is resolved fairly. Other parties and investors (including investors with the Underlying Managers) may have interests that diverge from that of the Trust and Investors, which may have an adverse effect on Investors.

Service provider risk – Trust performance relies on the successful performance of the Responsible Entity's contracts with service providers, such as the Investment Management Agreement with Pengana Credit and the agreement with the Administrator. Refer to Section 15 for details on key agreements. The Trust could be exposed to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress, or a dispute over the terms of the contract or the termination of any of the material agreements and there can be no assurance that the Responsible Entity would be successful in enforcing its contractual rights. In the case of a counterparty default, the Trust may also be exposed to adverse market movements while the Responsible Entity sources replacement service providers.

Regulatory approvals – All regulatory approvals for the continued operation of the Trust, including licenses or exemptions from licensing for Pengana Credit have been obtained and the Responsible Entity and Pengana Credit are not aware of any circumstances which might give rise to the cancellation or suspension of any of those approvals. If any of the approvals are cancelled or suspended, the Trust may be adversely affected.

Distribution risk – No guarantee can be given concerning the future earnings of the Trust, the earnings or capital appreciation of the Trust's portfolio or the return on investments. There may be circumstances when the target cash distribution may result in a reduction in the capital of the Trust. There also may be circumstances where a portion of the Trust's income may not be distributed and may instead be accumulated or deferred and in such circumstances, there is a risk the distribution received by Unitholders in cash may be insufficient to cover a Unitholder's tax payable on the total distribution.

Performance fee structure risk – A Performance Fee is payable to the Investment Manager in circumstances outlined in Section 10. These arrangements may create an incentive to take more risk with investing the Trust's capital than may otherwise be the case. The incentive fees paid by the Underlying Funds are calculated on the basis of the performance of each Underlying Fund separately. Consequently, the Trust could pay substantial performance fees on its investment in certain Underlying Funds despite incurring material losses on its overall investment in the Underlying Funds.

8.3. RISKS RELATED TO THE UNITS BEING LISTED ON THE ASX

Investors should be aware there are a number of specific risks associated with the Units being listed on the ASX. These risks include:

ASX liquidity risk – Units are intended to be listed on the ASX. Although liquidity is generally expected to exist in this secondary market, there are no guarantees that an active trading market with sufficient liquidity will develop, or should it develop after listing, that such a secondary market will sustain a price representative of the NAV per Unit. As a listed investment trust, there is no redemption facility for Units. That is, if a Unitholder no longer wishes to be invested in the Trust with respect to some or all of their Units, they will not have the ability to simply redeem their Units. They will be required to sell their Units on the ASX. Whilst a listed investment trust can make a withdrawal offer from time to time, it is not the current intention of the Responsible Entity to do so.

Price appreciation after Buy-Back Pricing Date for buy-back of Units in the Trust – If the on-market price of the Units increases above the Buy-Back Price, Unitholders accepted in a buy-back of Units in the Trust would have sold their Units at a lesser price than may have been achieved by selling those Units on-market.

No distribution after Buy-Back Payment Date for buy-back of Units in the Trust – Unitholders accepted in a buy-back of Units in the Trust will not receive any amounts relating to future distributions following the Buy-Back Payment Date.

Scale-Back under the buy-back of Units in the Trust - There is a risk that the number of Units bought back from each eligible Unitholder who elects to participate in a buy-back will subject to a Scale-Back from their election.

Tax consequences for Unitholders from the buy-back of Units in the Trust - There will be capital gains tax consequences for eligible Unitholders who hold their units on capital account and participate in a buy-back. Unitholders should seek their own professional advice regarding the individual tax consequences of a buy-back.

Price of Units on the ASX - The trading price of any listed security may change, related to performance and matters inherent to the investment performance of the securities, but also due to external factors such as market sentiment, or a range of other factors including the presence of larger buying or selling interest in the Units. Therefore, Unitholders should expect that for periods of time, sometimes extended periods, the Units may trade below the stated underlying NAV per Unit.

Volatility of Units - Units when listed on the ASX may be thinly or heavily traded and could be very volatile, irrespective of any changes in the underlying value of the investments held by the Trust. Units may also trade at a discount or premium to the NAV per Unit. There can be no guarantee that the total number of buyers multiplied by the number of Units that each buyer wants to buy at each point in time in the market will match or exceed the total number of sellers multiplied by the number of Units each seller wants to sell, or that Unitholders will be able to buy or sell Units for a price which they or the Responsible Entity believes fairly reflects the value of their Units. In addition, the NAV per Unit will fluctuate with changes in the value of the underlying investments held by the Trust.

Valuation risk - As an investor in Underlying Funds, the NAV per Unit will be largely based on valuations the Responsible Entity receives from these funds. The frequency with which valuations are provided by the Underlying Funds and accordingly incorporated into the NAV per Unit will vary. Credit funds will tend to release valuations monthly, however it is standard industry practice for private equity funds to release valuations quarterly and such valuations may contain information that may be more than three months old. As such, there is a risk that the NAV per Unit will be different, perhaps materially, than the current value of the Units as of any particular day on which the Units are traded on the ASX.

Operational risk - There is a risk that inadequacies with systems and procedures or the people operating them could lead to a problem with the Trust's operation and result in a decrease in the value of Units or otherwise disadvantage the Trust. These systems and procedures include, but are not limited to, those that identify and manage conflicts of interest. Section 9 of this PDS explains the corporate governance and compliance framework for the Responsible Entity.

8.4. GENERAL RISKS

Legal and regulatory risk - Legal and regulatory risk is the risk that a change in government policies, laws, and regulations (including taxation and accounting) may adversely affect the value of an investment in the Trust, of the Trust or its underlying assets.

Litigation risks - From time to time, the Responsible Entity, Pengana Credit or Underlying Managers may be involved in litigation. This litigation may include, but is not limited to, contractual claims. If a claim is pursued against the Responsible Entity, Pengana Credit or Underlying Managers, the litigation may adversely impact on the profits and financial performance of the Trust. Any claim, whether successful or not, may adversely impact the Trust, the capital value of your investment and/or the return on your investment.

Regulatory matters risk - The Responsible Entity, Manager, Investment Manager and Investment Consultant involved in the management of the Trust, Feeder Fund or Master Fund have a regulatory compliance and governance framework and monitor compliance with existing regulations, the political and regulatory environment and adherence to their respective internal processes. From time to time, the Responsible Entity, Manager, Investment Manager and Investment Consultant involved in the management of the Trust, Feeder Fund or Master Fund may become subject to regulatory investigations. The inherent uncertainty of the investigative processes may have an effect on the operational or financial position of the Trust, through demands on management time and increased costs. Such investigations may result in administrative actions or legal processing against those entities or their key persons. If any such action or proceeding is commenced, the Responsible Entity will make appropriate disclosures as required under the ASX Listing Rules or the Corporations Act. Such actions or proceedings, if successful, could attract fines and civil and criminal liability and amendments or cancellation of the relevant entity's regulatory authorisation, and may cause reputational damage which impacts the Trust's financial performance, regardless of the outcome.

Cyber security breaches and identity theft – Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in both frequency and severity. The Responsible Entity's, Pengana Credit's, the Underlying Manager's and their respective service providers' information and technology systems may be vulnerable. If unauthorised parties gain access to such information and technology systems, they may be able to steal, publish, delete, or modify private and sensitive information. Breaches such as those involving covertly introduced malware, impersonation of authorised users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Responsible Entity's, Pengana Credit's, and the Underlying Manager's – and accordingly, Trust operations.

8.5. INHERENT LIMITATIONS OF RISK DISCLOSURES

The discussion and summary of certain risk factors in this PDS do not in any way purport to be a complete discussion nor should it be construed to imply that it is a complete list of all of the numerous risk factors that an Investor should consider prior to deciding whether to invest in the Trust.

9. CORPORATE GOVERNANCE

9.1. CORPORATE GOVERNANCE FRAMEWORK

Responsibility for the Trust's proper corporate governance rests with the Responsible Entity. The Responsible Entity's guiding principle in meeting this responsibility is to act honestly, in good faith and in the best interests of Unitholders of the Trust.

The Responsible Entity has entered into a Management Agreement with the Manager pursuant to which the Manager will provide certain management services to the Trust. The Manager, in turn, has entered into an Investment Management Agreement with the Investment Manager pursuant to which the Investment Manager will provide certain investment management services to the Trust. The Responsible Entity, with reliance upon the Manager and the Investment Manager, will monitor the operational and financial position and performance of the Trust.

The Directors of the Responsible Entity are committed to implementing high standards of corporate governance in operating the Trust. Accordingly, the Responsible Entity has created a framework for managing the Trust, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Trust's business and which are designed to promote the responsible management and conduct of the Trust.

The Responsible Entity is a wholly-owned subsidiary of PCG. The Responsible Entity is reliant on PCG for access to adequate resources, including management, staff, functional support (such as legal, compliance and risk, finance) and financial resources. PCG has made such resources available to the Responsible Entity.

9.2. CORPORATE GOVERNANCE POLICIES

The Responsible Entity has adopted the following policies and charters, which have been prepared having regard to the ASX Corporate Governance Principles and Recommendations, 4th Edition ("ASX Principles").

Audit and Risk Charter - The Board has adopted an Audit and Risk Charter to assist and advise the Board in fulfilling its corporate governance and oversight responsibility in relation to the integrity of the Trust's financial reporting and internal control structure and reviewing the Trust's compliance, risk management systems and external audit functions.

Board Charter - The Board Charter sets out the role, responsibilities, structure and processes of the Board.

Code of Conduct - PCG's Code of Conduct sets out the standards of ethical behaviour and integrity that PCG expects from directors, officers and employees of the Pengana Group of Companies.

Compliance Plan & Framework - The Compliance Plan sets out how the Responsible Entity fulfils its compliance obligations for the Trust. The Responsible Entity's compliance with the Compliance Plan is audited annually. The Responsible Entity has developed a Compliance Framework to support its management of compliance obligations for the Trust.

Conflicts of Interest Policy - PCG's Conflicts of Interest Policy sets out the arrangements in place to manage conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by PCG and its subsidiaries in the provision of financial services as part of the financial services business of PCG and its subsidiaries.

Continuous Disclosure Policy - The Responsible Entity must comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act with respect to the Trust, namely that it must disclose to the ASX any information concerning the Trust which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Units. The Responsible Entity's policy sets out the procedures and measures designed to ensure that it complies with its continuous disclosure obligations with respect to the Trust.

Risk Management Framework - PCG's risk management framework is designed to assist to identify, evaluate, monitor and manage risks.

Securities Trading Policy - This policy is designed to maintain investor confidence in the integrity of the Responsible Entity's internal controls and procedures and in particular to provide guidance to directors, executives and any employees on avoiding any conflicts of interest or breaches of insider trading laws.

9.3. ASX CORPORATE GOVERNANCE PRINCIPLES

The ASX Corporate Governance Council has developed and released the ASX Principles for Australian listed entities in order to promote investor confidence and assist entities to meet stakeholder expectations. The ASX Principles are not prescriptions, but guidelines. Nonetheless, the Responsible Entity will conduct itself with respect to its operation of the Trust in accordance with the ASX Principles to the extent they apply to externally managed entities. The Responsible Entity has developed the Trust's corporate governance policies and practices having regard to the ASX Principles. Under the ASX Listing Rules, the Trust will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the ASX Principles in the reporting period. Where the Trust does not follow a principle, it must identify the principle that has not been followed and give reasons for not following it.

A brief summary of the approach adopted by the Trust is set out below:

Principle 1: Lay solid foundations for management and oversight

The Responsible Entity is responsible for the operation and management of the Trust.

The Responsible Entity's Board has been appointed to ensure that both the Responsible Entity and the Trust are properly managed and that the interests of Unitholders are enhanced and protected. This includes monitoring the Trust's performance, viewing and overseeing the risk management framework, approval of annual and half year financial reports, monitoring and reviewing service providers, ensuring compliance with the Trust's Constitution, the Responsible Entity's Constitution and with the continuous disclosure requirements of the Listing Rules and the Corporations Act and monitoring the Responsible Entity's affairs in order to ensure that it acts in the best interests of all Unitholders.

To this end the Responsible Entity's Board has adopted appropriate corporate governance policies and practices to lay solid foundations for management and oversight. The Responsible Entity's Board has adopted a charter that details the functions and responsibilities of the Responsible Entity's Board. A copy of the Board Charter is available in Trust's Corporate Governance section of Pengana's website: www.pengana.com.

The Responsible Entity's Board delegates to the Responsible Entity's management team all matters not reserved to the Responsible Entity Board, including the day-to-day management of the Responsible Entity and the operation of the Trust. Directors, management and staff are guided by Pengana's Code of Conduct which is designed to assist them in making ethical business decisions.

The Responsible Entity's Board has adopted an Audit and Risk Charter that provides details of how the Responsible Entity's Board is fulfilling its corporate governance and oversight responsibilities in relation to the integrity of financial reporting, control structure, risk management and the external audit function of the Trust and of the Responsible Entity.

The Responsible Entity's Board is responsible for ensuring it is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to the law and the best governance standards.

The Responsible Entity Board's framework to assess whether a person has the appropriate skills, experience and knowledge to perform the role and act with the requisite character, diligence, honesty, integrity and judgement includes pre-appointment screening, annual skills reviews and performance assessments and on-going disclosures of material and/or conflicting interests.

Prior to appointing a director or nominating a new candidate for election, appropriate screening checks are undertaken as to the person's character, experience, education, criminal history, bankruptcy history and any material directorships currently held by the candidate. The skills nominees will bring to the board are evaluated in the context of the Responsible Entity Board's Skill Matrix. This information is provided to shareholders when a candidate is standing for election or re-election as a director.

Directors of the Responsible Entity are engaged pursuant to letters of appointment setting out the terms of their appointment and are in accordance with the Responsible Entity's Constitution, the Corporations Act of 2001 and, where appropriate, the ASX Listing Rules.

The Responsible Entity Board has not developed a formal diversity policy and has also not set measurable objectives for achieving gender diversity. It is the aim of the Directors to ensure the Responsible Entity Board is comprised of individuals that are best equipped to contribute to the success of the business and who can represent the interest of all shareholders, irrespective of gender. The Responsible Entity Board currently has 25% female representation.

The Responsible Entity Board will review its performance in terms of objectives and the performance of the Investment Manager against the Investment Management Agreement. The Board will ensure each Director has the necessary skills, experience and expertise and the mix remains appropriate for the Responsible Entity Board to function effectively. As a result of these performance reviews, the Responsible Entity Board may implement changes to improve the effectiveness of the Responsible Entity Board and corporate governance structures. Independent professional advice may be sought as part of this process.

Directors' profiles setting out their skills, experience, expertise, period of office and other directorships of listed entities are disclosed on Pengana's website and will be disclosed in the Directors' Report included in the Trust's annual report.

The Responsible Entity Board will report on whether the evaluation has taken place on an annual basis in the Corporate Governance Statement and will include, where appropriate, any insights it has gained from the evaluation and any resulting governance changes.

Principle 2: Structure the board to add value

The Board of the Responsible Entity consists of two independent non-executive directors (one of which is the chair) and two directors who are executives of Pengana Capital Group Limited. The chair has the casting vote.

The Responsible Entity Board has adopted a Board Skills Matrix and periodically reviews the skills and experience of each director. The Responsible Entity ensures each director has the necessary skills, experience and expertise and the mix remains appropriate, for the Board to function effectively. See Section 7.4 for brief biographies for each of the directors.

A new director will be offered an induction and training program about the Responsible Entity, its policies and charters and their roles and responsibilities. New directors also have the opportunity of meeting with key management staff.

As part of its ongoing review of its own performance and skill set, the Responsible Entity Board is committed to offering education and training to directors to ensure they remain fit and proper to act as directors with the requisite skills for the proper functioning of the Board.

Directors must disclose any material personal or family contract or relationship in accordance with the Corporations Act. Each director may from time to time have personal dealings with the Responsible Entity. Some Directors are involved with other companies or professional firms that may from time to time have dealings with the Pengana Group of Companies.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

The Responsible Entity pursues Pengana's purpose and ethical and responsible investment objectives in a manner that is consistent with its values as outlined in Pengana's Code of Conduct, Anti-Bribery Policy, Whistleblower Policy and its Sustainable & Responsible Investment Policy.

Pengana's Code of Conduct sets out the expectations placed on directors, officers, employees and contractors of the Pengana Group of Companies in their business dealings. A copy of the Code of Conduct is available on Pengana's website: www.pengana.com.

The Code of Conduct requires high standards of personal integrity and honesty in all dealings, a respect for the privacy of Unitholders and others and observance of all relevant laws.

Under the Code of Conduct the standards expected include:

- acting honestly, fairly and ethically in all business dealings;
- acting to prevent bribery and corruption;
- protecting assets, resources and information;
- working with others including showing proper courtesy, consideration and sensitivity in their dealings with clients and colleagues; and
- acting in the best interest of Pengana, its clients, shareholders, unitholders and other stakeholders.

Principle 4: Safeguard integrity in corporate reporting

The Responsible Entity recognises the importance of establishing audit and risk committees as good corporate governance in circumstances where appropriate for the size, nature and complexity of the Trust.

The functions that would be performed by these committees are undertaken by the Board, with assistance from management of the Pengana Group of Companies. This is also in line with ASX's position (explained in the ASX Principles) which recognises that "ultimate responsibility for a listed entity's financial statements rests with the full Board".

As a registered managed investment scheme, the Trust has a compliance plan that has been lodged with the Australian Securities and Investments Commission ("ASIC"). The compliance plan will be reviewed every year to ensure that the way in which the Trust operates protects the rights and interests of unitholders and that major compliance risks are identified and properly managed.

The Responsible Entity will manage the engagement and monitoring of independent external auditors for the Trust. The Board will receive periodic reports from external auditors in relation to financial reporting and the Compliance Plans for the Trust.

The Responsible Entity has appointed a fund administrator to maintain the financial records for the Trust pursuant to an agreement that contains agreed service levels. The fund administrator must report any failure to adhere to these service levels to the Responsible Entity and breaches and incidents relating to the fund administrator's performance will be reported to the Board.

The Responsible Entity has an established framework to verify the content of any periodic reports not subject to audit or review by external auditors (including the monthly Net Tangible Assets ("NTA") announcements, monthly performance reports Directors' Report and investor presentations).

Principle 5: Make timely and balanced disclosure

The Responsible Entity has adopted a Continuous Disclosure Policy to ensure it meets its disclosure obligations under the Corporations Act and the ASX Listing Rules in relation to the Trust. The policy requires timely disclosure of information to be reported to the Responsible Entity's management and/or directors to ensure that information that a reasonable person would expect to have a material effect on the Unit price or would influence an investment decision in relation to the Trust, is disclosed to the market. The Responsible Entity's company secretary assists management and/or the Board in making disclosures to the ASX after appropriate Board consultation. The Responsible Entity will require service providers, including the Manager and the Investment Manager, to comply with its policy in relation to continuous disclosure for the Trust.

Announcements not of a routine or administrative nature will be reviewed and approved by the Board prior to release to the market.

The company secretary is responsible for coordinating the disclosure of information to ASIC and ASX.

Principle 6: Respect the rights of Unitholders

The Responsible Entity is committed to ensuring accurate, timely and relevant information about the Trust is available to Unitholders via the Responsible Entity's website. All ASX announcements will be promptly posted on Pengana's website: www.pengana.com. The annual and half-year financial results statements and other communication materials will also be posted on the website.

In addition to the continuous disclosure obligations, the Responsible Entity will communicate with Unitholders and convene formal and informal meetings of Unitholders, as required. The Responsible Entity handles any complaints received from Unitholders in accordance with the Pengana's Complaints Handling Policy. The Responsible Entity is a member of Australian Financial Complaints Authority, an independent dispute resolution body, which is available to Unitholders.

The company secretary oversees and coordinates the distribution of all information by the Responsible Entity to the ASX. The Manager oversees and coordinates the distribution of information to shareholders, the media and the public.

The Manager conducts regular updates where investors have the opportunity to hear from and meet the Investment Manager.

The Responsible Entity recognises the benefits of the use of electronic communications and Unitholders will have the option to receive communications from and send communications to, the unit registry electronically. Unitholders will have and the Responsible Entity actively encourages, the opportunity to elect to receive relevant documentation electronically from the Responsible Entity and communicate with the Responsible Entity via email.

Principle 7: Recognise and manage risk

The Board recognises the importance of prudent identification of and management of risk factors as part of its responsibility and has adopted Pengana's formal risk management program which encompasses governance, compliance and risk systems designed to understand, quantify and mitigate risks to the Trust's Unitholders and other significant stakeholders. However, the Board recognises that it cannot guarantee that these safeguards and systems will be effective. Additionally, some risks are outside the control of the Responsible Entity.

The Board is responsible for:

- Assessing the effectiveness of the risk management framework, including compliance and internal controls practices and policies; and
- Overseeing and monitoring the Responsible Entity's effectiveness in managing its key risks and internal controls.

The Board will implement risk management and compliance frameworks. These frameworks ensure that:

- emphasis is placed on maintaining a strong control environment;
- accountability and delegations of authority are clearly identified;
- risk profiles are in place and regularly reviewed and updated;
- timely and accurate reporting is provided; and
- compliance with the law, contractual obligations and internal policies is communicated and demonstrated.

Management will execute the Board-approved strategy and will manage the Trust's operations within the Board-approved risk appetite. Management is responsible for identifying, monitoring, mitigating and reporting on risks.

The Board will receive regular reports from management on financial matters, on compliance matters; on enterprise, operational, technology and cyber security risks, as well as receiving reports from the external auditor.

In addition to the responsibilities above, the Board has a role in safeguarding the integrity of the Trust's financial reporting.

The Responsible Entity's Board will conduct an annual review of assessment of risks and reviews the Group's risk management framework every two years or as required to satisfy itself that it continues to be sound that the Trust is operating with consideration of the risk appetite set by the Board. A review has taken place during the reporting period and the Responsible Entity is satisfied that the framework remains sound and that the Trust is operating with due regard to the risk appetite set by the Board.

Principle 8: Remunerate Fairly and Responsibly

A summary of the fees payable and actual management and performance fees paid can be found in the half yearly reports and annual reports of the Trust.

10. FEES AND OTHER COSTS

The Consumer Advisory Warning below is required by law to be displayed at the beginning of the 'Fees and Other Costs' Section of this PDS. The example given in the warning does not relate to any investment described within this PDS.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE:

If you would like to find out more or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

10.1. FEES AND COSTS SUMMARY

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

Pengana Global Private Credit Trust		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
ONGOING ANNUAL FEES AND COSTS**		
Management Fees and Costs The fees and costs of managing your investment*	Estimated management fees and costs of 2.59% p.a. of the NAV of the Trust, which comprise of: 1. A Management Fee of 1.20% p.a. of the NAV of the Trust.	1. The Management Fee is payable to the Manager for the management of the Trust. This fee is calculated and payable monthly in arrears from the Trust. This fee is paid directly from the Trust and reflected in the NAV per Unit. Any management fee charged by Underlying Managers for Underlying Funds are listed in estimated indirect costs.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
	<p>2. A Responsible Entity Fee of 0.05% p.a. of the NAV of the Trust.</p> <p>3. Estimated indirect costs of 1.34% p.a. of the NAV of the Trust.</p> <p>4. Estimated expense recoveries of 0.00% p.a. of the NAV of the Trust.</p>	<p>2. The Responsible Entity Fee is payable to the Responsible Entity for the operational oversight of the Trust. This fee is calculated and payable monthly in arrears from the Trust. This fee is paid directly from the Trust and reflected in the NAV per Unit.</p> <p>3. Indirect costs are deducted from the assets of the Trust (including the Feeder Fund, Master Fund and Underlying Funds) as and when incurred. As the Trust is newly established, the estimated amount reflects the Responsible Entity's reasonable estimate of the indirect costs at the date of the PDS for the current financial year ending 30 June 2024 (adjusted to reflect a 12-month period). The quoted amount is an estimate only and is not a forecast. The amount may be higher or lower.</p> <p>4. Expenses recoveries are variable and deducted from the Trust and the Trust's investments as and when incurred. As the Trust is newly established, the estimated amount reflects the Responsible Entity's reasonable estimate of the expense recoveries at the date of the PDS for the current financial year ending 30 June 2024 (adjusted to reflect a 12-month period). The quoted amount is an estimate only and is not a forecast. The amount may be higher or lower. The Responsible Entity does not intend to recover any recoverable normal expenses from the Trust as at the date of this PDS.</p>
<p>Performance Fees</p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	<p>Estimated performance fees of 0.71% p.a. of the NAV of the Trust.</p>	<p>A Performance Fee is potentially payable by the Trust to the Investment Manager equal to 20% of any increase in the Trust's NAV greater than the Hurdle Return (after deducting carried forward losses, the Responsible Entity Fee and the Management Fee and adjusted for applications, redemptions and distributions). The Hurdle Return is the RBA Official Cash Rate + 6% p.a., with a floor of 7.5% p.a. The Performance Fee is calculated and accrued monthly and payable to the Investment Manager from the Trust each half-year period ending 30 June or 31 December. Further information on the Performance Fee is set forth in Section 10.3.5.1.</p> <p>The listed estimated performance fees also include an estimate of any performance-based incentive fees charged by Underlying Managers for Underlying Funds. Performance fees are variable and deducted from the Trust's investments as and when incurred.</p> <p>As the Trust is newly established, the estimated amount reflects the Responsible Entity's reasonable estimate of the performance fees as at the date of the PDS for the current financial year ending 30 June 2024</p>

Pengana Global Private Credit Trust

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
		(adjusted to reflect a 12-month period). The quoted amount is an estimate only and is not a forecast. The amount may be higher or lower.
<p>Transaction Costs The costs incurred by the scheme when buying or selling assets</p>	<p>Estimated transaction costs of 0.10% p.a. of the NAV of the Trust.</p>	<p>The listed estimated transaction costs include an estimate of any transaction costs incurred by the Trust, or an interposed vehicle (including the Feeder Fund, Master Fund and Underlying Funds) in which the Trust invests as well as certain costs in relation to derivative financial products.</p> <p>Transaction costs are variable and deducted from the Trust's investments as and when incurred.</p> <p>As the Trust is newly established, the estimated amount reflects the Responsible Entity's reasonable estimate of the transaction costs as at the date of the PDS for the current financial year ending 30 June 2024 (adjusted to reflect a 12-month period). The quoted amount is an estimate only and is not a forecast. The amount may be higher or lower.</p>
<p>MEMBER ACTIVITY RELATED FEES AND COSTS (FEES FOR SERVICES OR WHEN YOUR MONEY MOVES INTO OR OUT OF THE SCHEME)**</p>		
<p>Establishment fee The fee to open your investment</p>	<p>Nil</p>	<p>Not Applicable</p>
<p>Contribution fee* The fee on each amount contributed to your investment</p>	<p>Nil</p>	<p>Not Applicable</p>
<p>Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	<p>Nil</p>	<p>Not Applicable</p>
<p>Withdrawal fee* The fee on each amount you take out of your investment</p>	<p>Nil</p>	<p>Not Applicable</p>
<p>Exit fee* The fee to close your investment</p>	<p>Nil</p>	<p>Not Applicable</p>
<p>Switching fee The fee for changing investment options</p>	<p>Nil</p>	<p>Not Applicable</p>
<p>Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.</p> <p>Unless otherwise stated, all fees and costs are quoted inclusive of GST, any applicable stamp duty and net of any input tax credits ("ITCs") or reduced input tax credits ("RITCs") that are expected to be available to the Trust and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.</p> <p>* This fee includes an amount payable to an adviser. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.</p> <p>** All estimates of fees and costs in this section are based on information available as at the date of this PDS and reflects the Responsible Entity's reasonable estimates of the ongoing amounts for the current financial year. Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable.</p>		

10.2. EXAMPLE OF ANNUAL FEES AND COSTS FOR THE TRUST

This table gives an example of how the ongoing annual fees and costs for the Trust can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE - Pengana Global Private Credit Trust ²		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs comprising:	2.59% p.a. of the NAV of the Trust.	And , for every \$50,000 you have in the Trust you will be charged or have deducted from your investments \$1,296 each year.
Management Fee	1.20% p.a. of the NAV of the Trust	
Responsible Entity Fee	0.05% p.a. of the NAV of the Trust	
Indirect costs	1.34% p.a. of the NAV of the Trust	
Expense recoveries	0.00% p.a. of the NAV of the Trust	
PLUS Performance fees	0.71% p.a. of the NAV of the Trust	And , you will be charged or have deducted from your investments \$355 in performance fees each year.
PLUS Transaction costs	0.10% p.a. of the NAV of the Trust	And , you will be charged or have deducted from your investments \$49 in transaction costs.
EQUALS Cost of the Trust		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of: \$1,700^{1, 3} What it costs you will depend on the fees you negotiate.

1. Additional fees may apply.

Establishment fee - Nil

And, if you leave the managed investment scheme early, you may also be charged exit fees of nil of your total account balance (\$0 for every \$50,000 you withdraw).

2. All estimates of fees and costs in this section are based on information available as at the date of this PDS and reflects the Responsible Entity's reasonable estimates of the ongoing amounts for the current financial year. Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable.

3. This amount excludes fees for any additional contributions that may be made during the year. We have assumed that the \$5,000 contribution is made at the end of the year and that the value of the investment is a constant. This example is therefore calculated using the \$50,000 balance only. Please note that this is just an example.

10.3. ADDITIONAL EXPLANATION OF FEES AND COSTS

10.3.1. MANAGEMENT FEES AND COSTS

Management fees and costs include the amounts payable for administering the Trust, amounts paid for investing in the assets of the Trust and other expenses and reimbursements in relation to the Trust and investments. The management fees and costs of the Trust are comprised of management fee, responsible entity fee, indirect costs and any recoverable expenses. Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees and costs reduce the NAV of the Trust and are reflected in the NAV per Unit.

10.3.2. RESPONSIBLE ENTITY FEE AND MANAGEMENT FEE

The Trust pays Pengana Investment Management Limited a Responsible Entity Fee of 0.05% p.a. ("Responsible Entity Fee") and pays Pengana Capital Limited a management fee of 1.20% p.a. ("Management Fee"). These fees are expressed as a per annum percentage of the Trust's NAV as at the end of the month (which 1. is adjusted for capital flows into and out of the Trust including distributions and 2. is before the Management Fee and Responsible Entity Fee being calculated and any accrued and unpaid Performance Fee).

The Responsible Entity Fee and Management Fee are calculated and payable monthly in arrears by the Trust. The Responsible Entity Fee and Management Fee are paid directly from the Trust and reflected in the NAV per Unit.

If a Unit is purchased during a month on the ASX, it will nevertheless be subject to a full monthly Responsible Entity Fee and monthly Management Fee at month-end.

Any management fee charged by Underlying Managers for Underlying Funds are listed in estimated indirect costs.

10.3.3. INDIRECT COSTS

Indirect costs include any amount that we know or reasonably ought to know, or where this is not the case, may reasonably estimate has reduced or will reduce (as applicable), whether directly or indirectly, the return of the Trust, or the amount or value of the income of, or property attributable to the Trust, or an interposed vehicle (including the Feeder Fund, Master Fund and Underlying Funds) in which the Trust invests. Indirect Costs include management fees and operational costs paid at the Underlying Fund level and Feeder Fund and Master Fund expenses. These operational costs may include, but are not limited to, accounting, legal, custody, audit, and investment sub-adviser fees. Indirect costs are deducted from the assets of the Trust (including the Feeder Fund, Master Fund and Underlying Funds) as and when incurred.

The estimated management fees and costs figure disclosed in the Fees and Costs Summary of this PDS includes the estimated indirect costs of the Trust of 1.34% p.a. of the NAV of the Trust. As the Trust is newly established, the estimated amount reflects the Responsible Entity's reasonable estimate of the indirect costs at the date of the PDS for the current financial year ending 30 June 2024 (adjusted to reflect a 12-month period). The quoted amount is an estimate only and is not a forecast. The amount may be higher or lower.

10.3.4. EXPENSES RECOVERIES

Expenses recoveries are variable and deducted from the Trust and the Trust's investments as and when incurred.

The estimated management fees and costs figure disclosed in the Fees and Costs summary in this PDS includes the estimated normal and abnormal expense recoveries of the Trust of 0.00% p.a. of the NAV of the Trust. As the Trust is newly established, the estimated amount reflects the Responsible Entity's reasonable estimate of the expense recoveries as at the date of the PDS for the current financial year ending 30 June 2024 (adjusted to reflect a 12-month period). The quoted amount is an estimate only and is not a forecast. The amount may be higher or lower.

Normal expense recoveries

The Responsible Entity is entitled to separately recover normal or ordinary expenses (such as fund accounting, unit registry, custody, audit costs, postage and preparation of tax returns, etc) from the assets of the Trust.

Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by the Responsible Entity from the assets of the Trust. Normal costs may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

The Responsible Entity does not intend to recover any such recoverable normal expenses from the Trust as at the date of this PDS. While as at the date of this PDS the Responsible Entity does not intend to recover any such normal expenses from the Trust, the Responsible Entity may do so in the future.

Abnormal expense recoveries

The Responsible Entity may also recover abnormal or extraordinary expenses (such as costs of unitholder meetings, changes to constitutions, and defending or pursuing legal proceedings) from the Trust.

Abnormal expenses are not generally incurred during the day-to-day operation of the Trust and are not necessarily incurred in any given year. In circumstances where such events do occur, we may decide not to recover these from

the Trust. Abnormal costs may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

10.3.5. PERFORMANCE FEES

The estimated performance fees are 0.71% p.a. of the NAV of the Trust. The listed estimated performance fees include an estimate of the Performance Fee as well as any performance-based incentive fees charged by Underlying Managers for Underlying Funds.

10.3.5.1. Trust Performance Fee Calculation Methodology

Depending on the Trust's performance, a performance fee may be payable to Pengana Credit Pty Ltd ("Performance Fee"). The Performance Fee is calculated and accrued monthly as set forth below. The Performance Fee is paid directly from the Trust and reflected in the NAV per Unit.

The Performance Fee is 20% of the Trust Outperformance (in excess of the Hurdle Return, being the RBA Official Cash Rate + 6% p.a., with a floor of 7.5% p.a.):

- The "Trust Outperformance" is expressed in dollars and is equal to the Trust Total Return less the Hurdle Return.
- The "Trust Total Return" is equal to the dollar change in the NAV (which 1. is adjusted for capital flows into and out of the Trust including distributions and 2. is before any accrued and unpaid Performance Fee but after the Management Fee and Responsible Entity Fee) over a Performance Fee Payment Period.
- The "Hurdle Return" is equal to the RBA Official Cash Rate + 6% p.a., with a floor of 7.5% p.a., prorated (on a non-compounded basis) of the NAV as at the beginning of the relevant Performance Fee Payment Period (which 1. is adjusted for capital flows into and out of the Trust over the Performance Fee Payment Period, including distributions and 2. is before any accrued and unpaid Performance Fee but after the Management Fee and Responsible Entity Fee) for the number of days in a Performance Fee Payment Period.
- "Performance Fee Payment Period" means each half-year period or part period ending 30 June or 31 December, however, the first Performance Fee Payment Period means the period ending 31 December 2024.

The Performance Fee is calculated and accrued monthly and reflected in the NAV per Unit. The Performance Fee is paid directly from the Trust.

The Trust will only accrue or pay a Performance Fee if the Trust Total Return at the end of a Performance Fee Payment Period is at least greater than 7.5% p.a. above the high-water mark ('HWM'). The HWM is equal to the NAV at the end of the latest Performance Fee Payment Period in which the Trust paid a Performance Fee ("Last Payment Period"). The initial HWM is equal to the initial NAV. The HWM will be adjusted for capital flows into and out of the Trust (including from distributions) following the Last Payment Period.

A portion of any negative Performance Fee accrual will be extinguished if there is a net monthly capital outflow (including from distributions) from the Trust. The negative Performance Fee accrual will be reduced in proportion to the size of the net monthly capital outflow relative to the Trust's opening gross asset value. When applicable, the adjustment is made for the purpose of calculating Performance Fees and reduces the amount in dollars that the Trust has to recover before the Manager earns Performance Fees (given the Trust's assets have been reduced).

If the accrued Performance Fee is negative at the end of a Performance Fee Payment Period, then it will be carried forward into the next Performance Fee Payment Period and form part of the Performance Fee for that Performance Fee Payment Period. Negative Performance Fee accruals resulting from underperformance in previous Performance Fee Payment Period(s) are required to be made up before a Performance Fee is payable.

The Performance Fee does not take account of the position of individual investors.

10.3.5.2. Underlying Funds' Incentive Fees

Performance-based incentive fees may be charged by Underlying Managers for Underlying Funds. The existence or quantum of such incentive fees paid to Underlying Managers in practice and in respect of the Underlying Funds invested in by the Trust will be affected by factors including, but not limited to, the Underlying Funds that the Trust has investment exposure to, the size of their allocations or commitments, their actual fee structures, their actual performances, their investment strategies and their stage in the investment lifecycle. Such incentive fees will be paid on the basis of the performance of the individual Underlying Funds regardless of the overall performance of the Trust. Performance fees are variable and deducted from the Trust's investments as and when incurred.

10.3.6. TRANSACTION COSTS

The listed estimated transaction costs include an estimate of any transaction costs incurred by the Trust, or an interposed vehicle (including the Feeder Fund, Master Fund and Underlying Funds) in which the Trust invests as well as certain costs in relation to derivative financial products.

The estimated transaction costs are 0.10% p.a. of the NAV of the Trust. The Trust will incur transaction costs care of the hedging done via FX forwards. Transaction costs are variable and deducted from the Trust's investments as and when incurred.

As the Trust is newly established, the estimated amount reflects the Responsible Entity's reasonable estimate of the transaction costs as at the date of the PDS for the current financial year ending 30 June 2024 (adjusted to reflect a 12-month period). The quoted amount is an estimate only and is not a forecast. The amount may be higher or lower.

10.3.7. FINANCIAL ADVISERS

Additional fees may be paid by you to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

With regards to remuneration of the Lead Arranger and the Joint Lead Managers, please see Section 15.5.

10.3.8. RESPONSIBLE ENTITY RESPONSIBLE FOR UPFRONT COSTS OF THE OFFER

The Manager has agreed to be responsible for the payment of all upfront costs of the offer that the Trust would normally be liable for. The Manager will pay these costs in full out of its own pocket (i.e. there will be no charge back, loan or other recovery mechanism utilised to reimburse the Manager for such fees and costs), please see Section 11.6.10.

10.3.9. ALTERATION OF FEES

The Responsible Entity can change all the Trust's fees (including fees which are currently nil) in this PDS without consent, subject to the maximum fee amounts specified in the Constitution.

10.3.10. TAXATION

For further information, refer to Section 12.

All fees and costs specified in this PDS are quoted on a GST inclusive basis net of reduced input tax credits unless otherwise stated.

Services supplied to the Trust are generally taxable supplies for GST purposes and will therefore usually include a GST component (being 1/11 of the total amount of the fees and expenses). Generally, the Trust cannot claim full input tax credits for these services but is usually entitled to claim reduced input tax credits at the prescribed rates of the GST payable on those services.

10.3.11. COMMISSION SHARING

None of the Responsible Entity, Manager or Investment Manager currently participate in "commission sharing" arrangements in relation to the Trust. However, the Investment Manager may in the future select service providers, that furnish the Responsible Entity, the Manager and/or the Investment Manager with proprietary or third-party brokerage and research services that provide, in the Investment Manager's view, appropriate assistance in the investment advisory process. As a result, Investment Manager may pay for such brokerage and research services with "soft" or commission dollars.

The Underlying Managers may and certain of them will, make extensive use of "soft dollar" services.

10.3.12. DIFFERENTIAL FEES

The Responsible Entity or the Manager may from time to time negotiate a different fee arrangement (by way of a rebate of fees) with certain 'wholesale clients' (as defined by the Corporations Act) in accordance with ASIC requirements. Any fee rebates will be paid out of the assets of the Responsible Entity or the Manager (as applicable) and will not be paid from the assets of the Trust. The size of the investment and other relevant factors may be taken

into account. The terms of these arrangements are at the discretion of the Responsible Entity and the Manager (as applicable).

10.3.13. INVESTMENT MANAGER FEES

The Investment Manager is entitled to the performance fee provided for in the Management Agreement pursuant to the Investment Management Agreement as described in Section 15.3.5.

10.3.14. INVESTMENT CONSULTANT FEES

Mercer's fees and expenses are borne by the Master Fund and Feeder Fund and such costs are included as indirect costs as detailed in Section 10.

11. DETAILS OF THE OFFER

11.1. WHAT IS THE OFFER?

The Offer comprises an offer of Units at a Subscription Price of \$2.00 per Unit to raise up to \$250 million. The rights attached to the Units are summarised in Section 15 and set out in the Constitution.

The Offer comprises a:

- (a) Cornerstone Offer - open to Institutional Applicants and Retail Applicants who have been invited by the Responsible Entity to participate in the Cornerstone Offer. Participants in the Cornerstone Offer will receive priority allocations in the Offer and the Cornerstone Fee. The Cornerstone Offer will be capped at \$100 million.
- (b) Priority Offer - open to Qualifying Applicants, who will be given a preferential allocation capped at the cumulative Application Amount received on the day that a cumulative Application Amount equal to \$100 million for Units is received in respect of the Priority Offer.
- (c) Broker Firm Offer - open to persons who have received a firm allocation from their Broker and:
 - (i) who are Retail Applicants who have a registered address in Australia or New Zealand; or
 - (ii) who are Institutional Applicants who have a registered address in Australia or New Zealand.
- (d) General Offer - open to persons who have a registered address in Australia or New Zealand.

All Units offered in the Cornerstone Offer, Priority Offer, Broker Firm Offer and General Offer are identical.

Further information about the Cornerstone Offer, the Priority Offer, the Broker Firm Offer and the General Offer is set out below in Section 11.5.

11.1.1. DISCRETION UNDER THE OFFER

Early lodgement of Applications is recommended, as the Responsible Entity may close the Offer at any time after the expiry of the Exposure Period without prior notice. The Responsible Entity reserves the right to terminate the Offer at any time or undertake a scale back of Application Amounts on any part of the Offer at its absolute discretion. The Responsible Entity may extend the Offer Period at any time after the expiry of the Exposure Period without prior notice, in accordance with the Corporations Act.

11.2. MINIMUM SUBSCRIPTION

The Minimum Subscription required for the Offer to proceed is \$100 million.

If the Minimum Subscription is not obtained within three months after the date of this PDS, then the Responsible Entity will repay all Application Amounts in full without interest as soon as practicable or issue a supplementary or product disclosure statement and allow Applicants one month in which to withdraw their Applications and be repaid their Application Amount in full without interest.

11.3. MAXIMUM SUBSCRIPTION

The Maximum Subscription amount under the Offer is \$250 million. The Responsible Entity considers this appropriate having regard to factors including, but not limited to, the Investment Objective, achieving portfolio diversification across and within asset classes and the proposed deployment of capital in an efficient manner.

11.4. IS THE OFFER UNDERWRITTEN?

No, the Offer is not underwritten.

Taylor Collison is acting as Lead Arranger and a Joint Lead Manager to the Offer. Morgans and Shaw and Partners are acting as a Joint Lead Managers to the Offer. The Responsible Entity, the Manager and the Joint Lead Managers have entered into an Offer Management Agreement with respect to the Offer, details of which are set out in Section 15.5.

11.5. WHO IS ELIGIBLE TO PARTICIPATE IN THE OFFER?

11.5.1. CORNERSTONE OFFER

The Cornerstone Offer is open to Institutional Applicants and Retail Applicants that have been invited by the Responsible Entity. The Cornerstone Offer will be capped at \$100 million.

Participants in the Cornerstone Offer will receive priority allocations in the Offer (ahead of Qualifying Applicants under the Priority Offer) and the Cornerstone Fee. A Cornerstone Fee of 1.50% (exclusive of GST) will be paid to Cornerstone Investors who are Institutional Applicants by the Manager on the amount raised by each Cornerstone Investor.

The Manager will pay the upfront costs of the Offer, including the Cornerstone Fee. The upfront costs, including the Cornerstone Fee are not paid out of the proceeds of the Offer, please see Section 11.6.10.

11.5.2. PRIORITY OFFER

The Priority Offer is open to “Qualifying Applicants”, being Retail Applicants and Institutional Applicants and who, as at 7:00pm (Sydney time) on 10 April 2024 (“Priority Determination Date”), were investors in any one of the following (each a “Qualifying Vehicle”):

- (a) Pengana Capital Group Limited (ASX: PCG);
- (b) Any unlisted registered managed investment scheme where Pengana Capital Limited or Pengana Investment Management Limited is the responsible entity or trustee;
- (c) Pengana Private Equity Trust (ASX: PE1); and
- (d) Pengana International Equities Limited (ASX: PIA).

Investors included as Qualifying Applicants include both:

- (a) Registered securityholders or registered unitholders of a Qualifying Vehicle (“Direct Qualifying Applicants”); and
- (b) Investors who have invested in a Qualifying Vehicle indirectly through an Intermediary (“Indirect Qualifying Applicants”).

Qualifying Applicants under the Priority Offer will be given a preferential allocation of Units which have been set aside by the Responsible Entity (“Priority Allocation”). Qualifying Applicants under the Priority Offer will receive a priority allocation in the Offer behind those who are allocated Units in the Cornerstone Offer. This Priority Allocation will be capped at the cumulative Application Amount received on the day that a cumulative Application Amount equal to \$100 million for Units is received in respect of the Priority Offer. Direct Qualifying Applicants will be allocated Units in order of receipt by the Unit Registry of both a valid and complete Application Form and Application Amount. Indirect Qualifying Applicants will be allocated Units by the relevant Intermediary on receipt of a valid investment instruction as determined by the Intermediary. If the Trust is not yet available via the relevant Intermediary, please call the Offer Information Line on 1300 265 239 (within Australia) or +61 3 9415 4844 (outside Australia) between 8:30am and 5:00pm (Sydney time) on a Business Day. Qualifying Applicants applying under the Priority Offer subsequent to the exhaustion of the Priority Allocation will be treated as applying under the General Offer.

All Applicants under the Priority Offer must have an eligible residential address or, in the case of a corporate Applicant, registered office address in Australia or New Zealand.

11.5.3. BROKER FIRM OFFER

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and:

- (a) who are Retail Applicants who have a registered address in Australia or New Zealand; or
- (b) who are Institutional Applicants who have a registered address in Australia or New Zealand.

An investor who has been offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. Applicants should contact their Broker to determine whether they may be allocated Units under the Broker Firm Offer.

11.5.4. GENERAL OFFER

The General Offer (which does not include the Cornerstone Offer, the Priority Offer or the Broker Firm Offer) is open to Retail Applicants and Institutional Applicants. The Responsible Entity reserves the right in its absolute

discretion to reject any Application or to allocate a lesser number of Units than that which is applied for under the General Offer.

All Applicants under the General Offer must have an eligible residential or, in the case of a corporate Applicant, registered office address in Australia or New Zealand.

11.5.5. OFFER EXTENDED TO NEW ZEALAND

All Units offered to investors in New Zealand under the Offer are being offered under the trans-Tasman mutual recognition regime.

11.6. HOW DO I APPLY UNDER THE OFFER?

11.6.1. WHAT ARE THE MINIMUM, MAXIMUM AND INCREMENTAL APPLICATION AMOUNTS UNDER THE OFFER?

The minimum Application Amount under the Offer is 5,000 Units at a Subscription Price of \$2.00 per Unit, being \$10,000.

There is no maximum Application Amount.

Any Application Amount that is greater than the minimum Application Amount must also be a non-fractional multiple of \$250 or 125 Units.

The Responsible Entity reserves the right in its absolute discretion to reject any Application, allocate a lesser number of Units than applied for, or to aggregate any Applications which it believes may be multiple Applications from the same person.

11.6.2. HOW DO I APPLY UNDER THE CORNERSTONE OFFER?

If you are applying for Units under the Cornerstone Offer, you should have received a personalised invitation to apply for Units in the Cornerstone Offer. You should follow the instructions in your personalised invitation to apply and pay your Application Amount.

11.6.3. HOW DO I APPLY UNDER THE PRIORITY OFFER?

11.6.3.1. Direct Qualifying Applicants

If you are a Direct Qualifying Applicant, you should have received a personalised invitation to apply for Units in the Priority Offer. You should follow the instructions in your personalised invitation to apply and pay your Application Amount.

If you have not received a personalised invitation or are otherwise unsure whether you are a Direct Qualifying Applicant, please call the Offer Information Line on 1300 265 239 (within Australia) or +61 3 9415 4844 (outside Australia) between 8:30am and 5:00pm (Sydney time) on a Business Day.

11.6.3.2. Indirect Qualifying Applicants

Indirect Qualifying Applicants may participate in the Priority Offer via either their Intermediary, or directly through the Unit Registry under certain circumstances.

The Intermediary through which an Indirect Qualifying Applicant has invested in a Qualifying Vehicle is the registered legal owner of that investment in the Qualifying Vehicle and, as a result, will be the applicant on behalf of the Indirect Qualifying Applicant (the underlying beneficial holders) for the purposes of the Priority Offer. The Intermediary through which an Indirect Qualifying Applicant has invested in a Qualifying Vehicle should be in contact with each Indirect Qualifying Applicant to inform them of how they can participate in the Priority Offer. However, there may be certain limitations (for example, logistical, legal, or a requirement for the provision of financial advice) which preclude an Intermediary from contacting an Indirect Qualifying Applicant about the Priority Offer. If you are an Indirect Qualifying Applicant and you have not been contacted by your Intermediary, you should contact your financial adviser or your Intermediary in the first instance to determine the status of your ability to participate in the Priority Offer via your Intermediary.

If you are not able to determine the status of your participation in the Priority Offer, or if you wish to invest directly in the Priority Offer, you should call the Offer Information Line on 1300 265 239 (within Australia) or +61 3 9415 4844 (outside Australia) between 8:30am and 5:00pm (Sydney time) on a Business Day. All Indirect Qualifying

Applicants who can provide evidence of their beneficial holding to the Responsible Entity will be eligible to apply directly under the Priority Offer.

11.6.4. HOW DO I APPLY UNDER THE BROKER FIRM OFFER?

If you are applying for Units under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

Applicants under the Broker Firm Offer must lodge their Application Form and Application Amount with their Broker in accordance with the relevant Broker's directions. Applicants under the Broker Firm Offer must not send their Application Forms to the Unit Registry.

The allocation of Units to Brokers will be determined by the Responsible Entity and the Joint Lead Managers. Units that have been allocated to Brokers for allocation to their clients will be issued to the Applicants who have received a valid allocation of Units from those Brokers. It will be a matter for the Brokers how they allocate Units among their clients and they (and not the Responsible Entity nor the Joint Lead Managers) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Units.

The Responsible Entity, the Unit Registry and the Joint Lead Managers take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form and Application Amount (including, without limitation, failure to submit Application Forms in accordance with the deadlines set by your Broker).

Please contact your Broker if you have any questions.

11.6.5. HOW DO I APPLY UNDER THE GENERAL OFFER?

In order to apply for Units under the General Offer, please visit www.pengana.com/PCX and complete the Application Form. The Application Form must be completed in accordance with the instructions on the online Application Form.

Once completed, please submit your Application Form online and pay your Application Amount so that they are received by 5:00pm (Sydney time) on the Closing Date.

11.6.6. HOW DO I PAY THE APPLICATION AMOUNT?

Applicants under the General Offer, the Cornerstone Offer or the Priority Offer may pay their Application Amount by BPAY in accordance with the instructions below. Indirect Applicants who are investing through Intermediaries and Applicants under the Broker Firm Offer should make payments in accordance with the directions of the Broker or Intermediary from whom they received an allocation.

Applying online

You may apply for Units at www.pengana.com/PCX and pay your Application Amount by BPAY.

Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this PDS and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number ("CRN")).

You will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided to you or generated by the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by the Unit Registry by no later than 5:00pm (Sydney time) on the Closing Date. Your financial institution may implement earlier cut off times with regard to electronic payment and may impose a limit on the amount which you can transact on BPAY. Policies with respect to processing BPAY transactions may vary between financial institutions.

The Responsible Entity and the Joint Lead Managers accept no responsibility for any failure to receive an Application Amount or payments by BPAY before the Closing Date arising as a result of, among other things, the processing of payments by financial institutions.

11.6.7. WHEN DOES THE OFFER OPEN?

The Offer is expected to open for Applications on 20 May 2024.

11.6.8. WHAT IS THE DEADLINE TO SUBMIT AN APPLICATION UNDER THE OFFER?

General Offer Applicants, Priority Offer Applicants and Cornerstone Offer Applicants should ensure that their Application Forms and Application Amounts are received by the Unit Registry before 5:00pm (Sydney time) on the Closing Date for the General Offer, the Priority Offer and the Cornerstone Offer which is 6 June 2024.

Broker Firm Offer Applicants should return their applications in accordance with the deadline set out to them by their Broker. The Responsible Entity and the Unit Registry take no responsibility in respect of an Application Form or Application Amount which is delivered to your Broker in connection with your Application until such time as your Application Form and Application Amount are received by the Unit Registry.

The Responsible Entity reserves the right not to proceed with the Offer at any time up until the Settlement Date under the Offer (see Section 11.1.1). If the Offer does not proceed, all Application Amounts received by the Responsible Entity will be refunded in full without interest. The Responsible Entity takes no responsibility for any Application Amounts lodged with the Lead Arranger or Joint Lead Managers or Brokers until these are received by the Responsible Entity.

11.6.9. IS THERE ANY BROKERAGE, COMMISSION OR STAMP DUTY PAYABLE BY APPLICANTS?

There is no brokerage, commission or stamp duty payable by Applicants on the acquisition of Units under the Offer.

11.6.10. WHAT ARE THE UPFRONT COSTS OF THE OFFER AND WHO IS PAYING THEM?

The upfront costs associated with the Offer are those which are necessary for the Offer and include, without limitation: the fees paid to the Joint Lead Managers and other brokers; the Cornerstone Fee; the registration, listing and admission fees; advertising, distribution, marketing and printing costs (including the costs incurred in connection with the Offer roadshow); legal, accounting and advisory fees; and any other applicable costs.

The Manager will pay the upfront costs of the Offer. The upfront costs are not paid out of the proceeds of the Offer.

11.6.11. WHEN WILL I RECEIVE CONFIRMATION WHETHER MY APPLICATION HAS BEEN SUCCESSFUL?

Holding statements confirming Applicant's allocations under the Offer are expected to be sent to successful Applicants on or around 17 June 2024.

11.6.12. WHEN WILL I RECEIVE MY UNITS AND WHEN CAN I TRADE MY UNITS?

Units will be allotted if the Minimum Subscription is received and if the ASX grants approval for the Trust to be admitted to the official list of ASX, unconditionally or on terms acceptable to the Responsible Entity.

If ASX does not grant permission for the Units to be quoted within three months after the date of issue of any Units, the Units will not be issued and any Application Amount will be refunded (without interest) as soon as practicable.

It is expected that the allotment of Units under the Cornerstone Offer, the Priority Offer, the Broker Firm Offer and General Public Offer will take place on 14 June 2024. Trading in Units on the ASX is expected to commence on 20 June 2024.

An Application constitutes an offer by the Applicant to subscribe for Units on the terms and subject to the conditions set out in this PDS. A binding contract to issue Units will only be formed at the time Units are allotted to Applicants.

Where the number of Units allotted is less than the number applied for or where no allotment is made, the surplus Application Amount will be returned to Applicants (without interest) in Australian dollars.

It is the responsibility of successful Applicants to confirm their holding before trading their Units. If you sell your Units before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Responsible Entity.

11.6.13. WHO DO I CONTACT IF I HAVE FURTHER QUERIES?

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this PDS, please call the Offer Information Line on 1300 265 239 (within Australia) or +61 3 9415 4844 (outside Australia) between 8:30am and 5:00pm (Sydney time) on a Business Day.

11.7. ALLOCATION POLICY

The basis of allocating Units under the Offer will be determined by the Responsible Entity and the Joint Lead Managers, subject to any firm allocations under the Broker Firm Offer and any allocations under the Cornerstone Offer and the Priority Offer. Certain Applicants nominated by the Responsible Entity may be given preference in allotment of Units.

Qualifying Applicants under the Priority Offer will be given a preferential allocation of Units in accordance with the terms of the Priority Offer. Qualifying Applicants under the Priority Offer will receive a priority allocation in the Offer behind those who are allocated Units in the Cornerstone Offer.

Brokers may determine how they allocate Units applied for under the Broker Firm Offer among their clients, provided those clients are Institutional Applicants or Retail Applicants.

The Responsible Entity reserves the right in its absolute discretion not to issue Units to Applicants under the General Offer and may reject any Application or allocate a lesser amount of Units than those applied for at its absolute discretion. No interest will be paid on any refunded Application Amount.

11.8. APPLICATION AMOUNT

All Application Amounts will be held on trust in a separate bank account with an Australian authorised deposit-taking institution until the Units are issued to Unitholders on the Allotment Date. Any interest earned on Application Money will form part of the assets of the Trust. The Responsible Entity has obtained relief from ASIC to enable Application Amounts to be held for up to 60 days starting on the day on which the money was received, before Units are issued or the Application Amounts are returned (this period is modified by ASIC relief, see Section 16.9).

Applicants under the Broker Firm Offer must lodge their Application Amount with their Broker, who will act as the Applicant's agent in providing their Application Amount to the Responsible Entity.

11.9. ASX LISTING AND ISSUE OF UNITS

Within seven days of the date of this PDS, the Responsible Entity will apply to the ASX for admission of the Trust to the Official List of the ASX and for the Units to be quoted. The Responsible Entity will issue the Units to successful Applicants as soon as practicable after the Closing Date, subject to the Trust being admitted to the Official List of the ASX. Allotment is expected to occur on 14 June 2024. Trading of Units on the ASX is then expected to commence on 20 June 2024 on a normal T+2 settlement basis.

The Responsible Entity will apply for the Units to participate in ASX's CHESS and will comply with the Listing Rules and the ASX Settlement Operating Rules under which transfers are effected in an electronic form.

When the Units become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register.

11.10. OVERSEAS DISTRIBUTION

No action has been taken to register or qualify the Offer under this PDS, or to otherwise permit a public offering of Units, in any jurisdiction outside Australia and New Zealand.

11.10.1. OFFER ONLY MADE WHERE LAWFUL TO DO SO

The distribution of this PDS (including an electronic copy) in jurisdictions outside Australia and New Zealand may be restricted by law. This PDS does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons into whose possession this document comes should inform themselves about and observe any restrictions on acquisition or distribution of the PDS. Any failure to comply with these restrictions may constitute a violation of securities laws.

11.10.2. WARNING STATEMENT FOR NEW ZEALAND INVESTORS

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law and New Zealand law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

Currency Exchange Risk

The Offer may involve a currency exchange risk. The currency for the Trust and the Units is not New Zealand dollars. The value of the Units will go up or down according to changes in the exchange rate between Australian and New Zealand dollars. These changes may be significant.

If you expect the Trust to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Trading on Financial Product Market

If the Units are able to be traded on a financial product market and you wish to trade the Units through that market, you will have to make arrangements for a participant in that market to sell the Units on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Units and trading may differ from financial product markets that operate in New Zealand.

Dispute Resolution Process

The dispute resolution process described in this PDS is available only in Australia and is not available in New Zealand.

12. TAXATION

12.1. INTRODUCTION

This section provides an overview of the likely Australian income tax, GST and stamp duty consequences for Investors in the Trust, based on the laws of the Commonwealth of Australia in force as at the date of this PDS. These laws are subject to change periodically as is their interpretation by the courts and the Australian Taxation Office ("ATO"). This overview outlines the Australian taxation position of Investors in the Trust who hold their Units on capital account. It is not intended to apply to Investors who hold their Units as trading stock or acquire Units for the principal purpose of making a profit from a future disposal of those Units.

Information provided in this section is of a general nature and is not intended to be legal advice. Potential Investors should obtain their own independent advice on the tax implications of investing in the Trust, based on their own specific circumstances.

12.2. TAXATION OF THE TRUST

The Trust should generally be treated as a 'flow-through' entity for Australian income tax purposes and should not be subject to income tax. Rather, Investors should be taxed on their share of the taxable income of the Trust each year.

The taxable income of the Trust is expected to primarily comprise income and gains of a revenue nature, which will predominantly consist of payments under the PPNs that are paid to the Trust or credited to the account of the Trust by the Feeder Fund.

If the Trust makes a loss for Australian income tax purposes in a financial year, the tax loss may not be distributed to Investors but may be carried forward by the Trust to be offset against taxable income of the Trust in future financial years, subject to the satisfaction of certain tax loss recoupment rules.

For income tax purposes, the Trust may be taxed like a company if it is a 'public trading trust'. However, provided that the Trust and any entities that the Trust controls (or has the ability to control, either directly or indirectly) do not carry on a 'trading business', the Trust should not be treated as a public trading trust. Based on the investment structure and strategy of the Trust, it is not expected that the Trust will be a public trading trust.

12.2.1. ATTRIBUTION MANAGED INVESTMENT TRUST STATUS

The Trust is expected to qualify as a managed investment trust ("MIT") for Australian income tax purposes. In addition, the Responsible Entity intends to make an irrevocable election to apply the attribution managed investment trust ("AMIT") provisions to the Trust.

The Responsible Entity intends to attribute the taxable income of the Trust to the Investors in accordance with the AMIT rules and the Constitution each financial year. If there is taxable income of the Trust that is not attributed to an Investor, the Trust will be subject to tax at the highest marginal rate (plus Medicare levy) on that non-attributed income.

12.2.2. TAX TREATMENT OF PPNS

The PPNs are expected to be classified as non-share equity interests for Australian income tax purposes. On this basis, payments made under the PPNs to the Trust should generally be treated as non-share dividends for Australian income tax purposes and included in the taxable income of the Trust when paid (or credited) to the Trust.

12.2.3. MIT CAPITAL ACCOUNT ELECTION

The Responsible Entity intends to mitigate any tax character mismatches that can arise where realised losses on the redemption or partial redemption of the PPN are of a capital nature and cannot be used to offset dividend income. In this regard, the Responsible Entity will not elect for deemed capital account treatment for its "covered assets" under the MIT rules. Consequently, the PPNs (being non-share equity interests) will be deemed to be held on revenue account by the Trust. On this basis, any realised gains and losses on a disposal (e.g. redemption) of a PPN will be treated as ordinary income and allowable deductions, respectively, for the Trust.

12.2.4. CONTROLLED FOREIGN COMPANY PROVISIONS

The Controlled Foreign Company ("CFC") rules in Australian tax legislation can impose an accruals tax liability on Australian entities that invest in overseas entities, where certain control tests are satisfied. For example, a foreign company or limited partnership may be a CFC where the Trust (or another Australian resident entity) directly or indirectly owns 40% or more of the ownership interests in the foreign entity.

Non-share equity interests generally do not constitute ownership interests for CFC purposes since they do not provide the holder with rights as a 'shareholder' in the company, as defined in the Income Tax Assessment Act 1936. On this basis, the CFC rules should not apply to the interests held by the Trust in the Feeder Fund via the PPNs. Thus, the CFC rules are not expected to have practical application to the Trust.

12.3. TAXATION OF AUSTRALIAN RESIDENT INVESTORS

12.3.1. TAXATION OF DISTRIBUTIONS

Investors will include in their assessable income their share of the taxable income of the Trust that is attributed to them each financial year in accordance with the AMIT regime and Constitution of the Trust. The various components of the taxable income of the Trust should retain their character in the hands of the Investors for Australian tax purposes. As noted above, the taxable income of the Trust is expected to primarily comprise income and gains of a revenue nature.

To the extent the cash distributions to an Investor exceeds the Investor's attributed share of the Trust's taxable income, the excess (known as a 'tax deferred' distribution) will generally not be assessable to the Investor. Similarly, a return of capital by the Trust should not be assessable to the Investor.

Such tax deferred distributions or returns of capital will generally reduce the Investor's capital gains tax ("CGT") cost base of their Units in the Trust. Once the cost base of an Investor's Units has been reduced to nil any additional tax deferred or capital distributions will be assessable to an Investor as a capital gain.

Conversely, under the AMIT regime, to the extent that the cash distributed to an Investor is less than the Investor's share of the Trust's taxable income, the Investor will be entitled to a cost base increase for their Units in the Trust. These cost base adjustments will impact upon the capital gains tax position upon the disposal of the Investor's Units in the Trust (please refer to Section 12.3.2 for additional information).

Investors will receive a tax statement after the end of each financial year (referred to as an AMIT Member Annual ("AMMA") Statement) that will provide them with details of the amounts that have been attributed to them by the Trust to assist them in the preparation of their tax return.

12.3.2. DISPOSAL OF UNITS

A transfer or redemption of Units will trigger a taxable disposal event for CGT purposes. Investors would derive a taxable capital gain where the disposal proceeds received exceed the cost base of the relevant Units at the time of disposal. Investors would incur a capital loss where the reduced cost base of the Units disposed of is greater than the disposal proceeds.

Where there is a capital gain upon disposal, certain Investors (such as Australian resident individuals, trusts and complying superannuation funds) may be entitled to a capital gains discount where they have held the Units for at least 12 months prior to disposal. Individuals and trusts may be entitled to a capital gains discount of 50% and complying superannuation funds may be entitled to a capital gains discount of 33⅓%. Companies are not entitled to the capital gains discount.

12.4. TAXATION OF NON-RESIDENT INVESTORS

Distributions of any foreign-sourced income to non-resident Investors will not be subject to Australian withholding tax.

Distributions of any Australian sourced income to non-resident Investors may be subject to Australian withholding tax. The rate of withholding tax applicable to such distributions will depend on factors including the types of income being distributed and the country of residence of the Investor.

Non-residents should be exempt from Australian capital gains tax in respect of a disposal of their Units in the Trust on the basis that the Trust is not expected to hold material interests in Australian real estate.

Non-resident Investors should obtain their own independent professional advice on the tax implications in their home jurisdiction of investing in the Trust.

12.5. GOODS AND SERVICES TAX AND STAMP DUTY

The issue or disposal of Units and the receipt of distributions, should not be subject to GST or stamp duty for Investors.

GST will be payable by the Trust as a component of the fees and expenses incurred by the Trust. The Trust will be entitled to full input tax credits for GST incurred on certain costs. The Trust will also be able to claim reduced input tax credits at the prescribed rates in respect of the remainder of its costs (to the extent a full input tax credit is not available).

12.6. TAX FILE NUMBER AND AUSTRALIAN BUSINESS NUMBER (AUSTRALIAN RESIDENT INVESTORS ONLY)

It is not compulsory for Investors to provide their Tax File Number ("TFN") or Australian Business Number ("ABN") details to the Trust. However, unless an Investor is exempted, if an Investor does not provide their TFN or ABN, the Responsible Entity may be required to deduct tax from distributions to such Investor at the highest personal marginal rate plus the Medicare levy.

12.7. FOREIGN ACCOUNT TAX COMPLIANCE ACT AND COMMON REPORTING STANDARD

In compliance with the US income tax laws commonly referred to as the Foreign Account Tax Compliance Act ("FATCA") and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Trust will be required to provide certain information to the ATO in relation to:

- Investors that are US citizens or residents;
- entities controlled by US persons; and
- financial institutions that do not comply with FATCA.

The Trust is intending to conduct appropriate due diligence in relation to FATCA (as required). Where an Investor does not provide appropriate information to the Trust, the Trust may also be required to report such accounts to the ATO.

The Common Reporting Standard ("CRS") is the global standard for the collection, reporting and exchange of financial account information of non-residents. The CRS is similar to FATCA, whereby the Responsible Entity will be required to collect and report similar financial account information of all non-resident Investors to the ATO.

The ATO may exchange this information with the participating foreign tax authorities of those non-resident Investors.

12.8. ANNUAL INVESTMENT INCOME REPORT

The Trust is required to lodge annually an Annual Investment Income Report ("AIIR") to the ATO containing certain Investor identity details and details of Unit disposals and investment income paid or attributed to Investors for the relevant income year.

13. FINANCIAL INFORMATION

13.1. PROCEEDS OF THE ISSUE

The Trust intends to use the funds raised from the Offer for investment consistent with the Investment Objectives and investment process set out in Section 6.

13.2. PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

The pro forma historical statements of financial position of the Trust set out below (“Pro Forma Historical Statements of Financial Position” or “Financial Information”) has been prepared to illustrate the effects of the Offer and comprise:

- the pro forma historical statement of financial position as at 19 April 2024 based on the minimum subscription of \$100 million; and
- the pro forma historical statement of financial position as at 19 April 2024 based on the maximum subscription of \$250 million.

Investors should note the scope and limitations of the Independent Limited Assurance Report.

Unaudited Pro Forma Historical Statements of Financial Position (as at 19 April 2024)

	MINIMUM SUBSCRIPTION \$100 MILLION (\$)	MAXIMUM SUBSCRIPTION \$250 MILLION (\$)
Assets		
Cash	100,000,000	250,000,000
Total Assets	100,000,000	250,000,000
Total Liabilities	-	-
Net Assets	100,000,000	250,000,000
Equity		
Net assets attributable to unit-holders	100,000,000	250,000,000
Total Equity	100,000,000	250,000,000
Pro forma NAV per Unit	\$2.00	\$2.00

Capital Structure

The anticipated capital structure of the Trust on completion of the Offer is set out below:

	MINIMUM SUBSCRIPTION \$100 MILLION (\$)	MAXIMUM SUBSCRIPTION \$250 MILLION (\$)
Fully paid ordinary units on issue (Units)	50,000,000	125,000,000

The Trust was established through the issuance of 10 Units which will be automatically redeemed upon the allotment of units pursuant to this Offer.

Cash

A reconciliation of the cash included in the Pro Forma Historical Statements of Financial Position is set out below:

	MINIMUM SUBSCRIPTION \$100 MILLION (\$)	MAXIMUM SUBSCRIPTION \$250 MILLION (\$)
Proceeds of Offer	100,000,000	250,000,000
Pro forma historical cash	100,000,000	250,000,000

The above financial pro-formas are prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards ("AAS") other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 19 April 2024, and are representative of the financials which will be prepared, audited and lodged on the ASX as per the required ASX listing rules.

13.2.1. BASIS OF PREPARATION

The Directors of Pengana Investment Management Limited are responsible for the preparation and presentation of the Financial Information included in this Section. The Trust is an Australian managed investment scheme that was registered on 1 December 2023 and has no trading history.

It is intended to be illustrative only and it neither reflects the actual position of the Trust as at the date of this PDS nor at the conclusion of the Offer. The Pro Forma Historical Statements of Financial Position have been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards ("AAS") other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 19 April 2024. Significant accounting policies in respect of the Financial Information are set out in Section 13.4 below.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The information in this Section should also be read in conjunction with the risk factors set out in Section 8 and other information contained in this PDS.

13.3. PRO-FORMA ADJUSTMENTS

The Pro-Forma Historical Statements of Financial Position have been prepared on the basis of the following assumptions:

- Application of the proposed accounting policies set out in Section 13.4.
- The column "Minimum Subscription \$100,000,000 (\$)" is based on the subscription of 50,000,000 Units by Applicants under this PDS to external investors.
- The column "Maximum Subscription \$250,000,000 (\$)" is based on the subscription of 125,000,000 Units by Applicants under this PDS to external investors.
- All costs associated with the Offer are paid by Pengana. No expenses related to the Offer will be paid out of the assets of the Trust; and
- The Trust was established through the issuance of 10 units which will be automatically redeemed upon the allotment of Units pursuant to this Offer.

13.4. SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies that have been adopted in the preparation of the Financial Information and will be applied in the preparation of the financial statements of the Trust for the next reporting period is set out as follows:

13.4.1. BASIS OF PREPARATION

The Financial Information has been prepared on an accrual basis.

13.4.2. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into Australian Dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net foreign exchange gains/(losses) in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss.

13.4.3. INVESTMENTS

13.4.3.1. Classification

In accordance with AASB 9 *Financial Instruments*, the Trust classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below. In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Trust classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets.
- The contractual cash flow characteristics of the financial asset.

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at fair value through profit or loss (FVPL)

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Trust includes in this category, derivative contracts in a liability position and equity and debt instruments sold short since they are classified as held for trading.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Trust includes in this category convertible bonds, debentures, and other short-term payables.

13.4.3.2. Recognition and Derecognition

The Trust recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets and liabilities are recognised on trade date, which is the date on which the Trust commits to purchase or sell the asset or liability within the timeframe generally established by regulation or convention in the marketplace.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Trust has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Trust has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Trust derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

13.4.3.3. Measurement

At initial recognition, the Trust measures its financial assets and liabilities at fair value, excluding, in the case of financial assets and liabilities as at FVPL, any transaction costs that are directly attributable to their acquisition. All transaction costs for such instruments are recognised directly in profit or loss. Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Debt instruments, other than those classified as at FVPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

13.4.3.4. Determination of Fair Value

The fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Trust has access to at that date. The fair value of a liability reflects its non-performance risk.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure at fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

13.4.4. DISTRIBUTIONS

The Trust intends to elect into the Attribution Managed Investment Trust ("AMIT") regime. The units in the Trust have been classified as equity. Under the Constitution the Trust does not have an obligation to make distributions to Unitholders by cash and/or reinvestment in accordance with AASB 132 Financial Instruments: Presentation (AASB 132).

Distributions to Unitholders are recognised directly in equity and presented in the statement of changes in equity. A distribution payable is recognised in the statement of financial position where the distribution has been declared but remains unpaid at reporting date.

13.4.5. INCOME TAX

Under current income tax legislation, the Trust is not subject to income tax provided that each financial year either unitholders are presently entitled to all the income of the Trust (if the Trust is not an AMIT) or all taxable income of the Trust is fully attributed to Unitholders (if the Trust is an AMIT).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain would be included in taxable income. Realised capital losses can only be utilised to offset any realised capital gains. Net realised capital losses are retained in the Trust to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses, the excess may be distributed to Unitholders.

13.4.6. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

13.4.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

13.4.8. UNITS

The Units will be classified as equity as they satisfy the below criteria under AASB 132 Financial Instruments Presentation:

- the Units are the most subordinate class and entitle unitholders to a pro-rata share of the net assets in the event of the Trust's liquidation;
- all Units have the identical contractual obligation for the Trust to deliver a pro rata share of its net assets on liquidation;
- the Trust has no other instrument that has: total cash flows based substantially on the profit or loss, change in recognised net assets or change in fair value of recognised and unrecognised net assets of the Trust; and the effect of substantially restricting or fixing the residual return to the holders.

Costs directly attributable to the issue of the Units will be recognised as a deduction from equity, net of any tax effects.

14. INDEPENDENT LIMITED ASSURANCE REPORT



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19 April 2024

The Board of Directors
Pengana Investment Management Limited
In its capacity as Responsible Entity for Pengana Global Private Credit Trust
Suite 1, Level 27
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000 Australia

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

1. Introduction

We have been engaged by Pengana Investment Management Limited as Responsible Entity for Pengana Global Private Credit Trust ("the Trust") to report on the pro forma historical statements of financial position of the Trust for inclusion in the product disclosure statement to be dated on or about 19 April 2024 ("PDS"), and to be issued by the Responsible Entity, in respect of the offer of up to 125,000,000 fully paid ordinary units in the Trust at a subscription price of \$2.00 per unit (the "Offer").

Expressions and terms defined in the PDS have the same meaning in this report.

2. Scope

Pro Forma Historical Statements of Financial Position

You have requested Ernst & Young to review the following pro forma historical financial information of the Trust:

- ▶ The pro forma historical statement of financial position as at 19 April 2024 based on the minimum subscription of \$100 million, as set out in section 13.2 of the PDS; and
- ▶ The pro forma historical statement of financial position as at 19 April 2024 based on the maximum subscription of \$250 million, as set out in section 13.2 of the PDS.

(Hereafter the "Pro Forma Historical Statements of Financial Position" or the "Financial Information").

The Pro Forma Historical Statements of Financial Position have been derived from the unaudited historical statement of financial position of the Trust as at 19 April 2024 adjusted for the effects of pro forma adjustments described in Section 13.3 of the PDS.

The Pro Forma Historical Statements of Financial Position have been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ("AAS") other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 19 April 2024.

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Liability limited by a scheme approved under Professional Standards Legislation

Due to their nature, the Pro Forma Historical Statements of Financial Position do not represent the Trust's actual or prospective financial position.

The Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

The directors of Pengana Investment Management Limited, as the Responsible Entity of the Trust, are responsible for the preparation and presentation of the Pro Forma Historical Statements of Financial Position, including the basis of preparation, selection and determination of pro forma adjustments made to the Pro Forma Historical Statements of Financial Position. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Pro Forma Historical Statements of Financial Position that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Statements of Financial Position based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Pro Forma Historical Statements of Financial Position

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Financial Information of the Trust comprising:

- ▶ The pro forma historical statement of financial position as at 19 April 2024 based on the minimum subscription of \$100 million, as set out in Section 13.2 of the PDS; and
- ▶ The pro forma historical statement of financial position as at 19 April 2024 based on the maximum subscription of \$250 million, as set out in Section 13.2 of the PDS.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 13.4.1 of the PDS.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 13.2 of the PDS, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

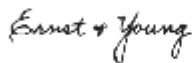
7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the PDS in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young (ABN 75 288 172 749) is not operating under an Australian financial services license when giving financial product advice provided as a result of this report in the Prospectus. Ernst & Young does not have any interests in the outcome of the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

15. MATERIAL CONTRACTS

15.1. CONSTITUTION

The Trust has been registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act.

Pengana Investment Management Limited is the Responsible Entity of the Trust. The respective rights and obligations of the Responsible Entity and the Unitholders are determined by the Constitution and the Corporations Act, together with any exemptions and declarations issued by ASIC and the general law relating to trusts.

The Constitution is a lengthy and complex document. The following is a brief outline of the Constitution. Because the outline is brief, Investors should confirm all information by reference to the Constitution itself, which is available free of charge from the Responsible Entity. If you are unsure about anything, you should seek advice from a legal or financial advisor and examine a copy of the Constitution.

The Constitution deals with a wide range of matters, including:

- Applications for Units and the nature of a Unitholder's interest in the Trust;
- the term of the Trust and Unitholders' entitlements on winding up;
- distributions;
- further issues of Units;
- powers of the Responsible Entity;
- Unitholders' meetings;
- Unitholders' liability;
- the Responsible Entity's right to be indemnified out of the Trust, and its fees;
- how the Constitution may be amended; and
- compliance with the ASX Listing Rules.

15.1.1. UNITS

The beneficial interest in the Trust is divided into Units. A Unit confers an interest in the Trust's investments as a whole - it does not confer an interest in any particular asset. The Responsible Entity can issue Units in accordance with the Constitution.

The Constitution contains provisions regarding the Responsible Entity's ability to issue different classes of units. The Constitution contains provision for calculating the application price of Units, for this and any future issues. The Constitution also provides for the Responsible Entity to determine a different Application Price in relation to some Units, a class of Units or all Units to the extent it is permitted to do so by applicable ASIC relief.

When the Responsible Entity issues Units, it will exercise any discretion it has under the Constitution in relation to Unit pricing in accordance with its Unit pricing discretions documentation. You can obtain a copy of any Unit pricing discretions documentation at any time on request, at no charge, by contacting Pengana on +61 2 8524 9900.

15.1.2. REDEMPTION OF UNITS

While the Trust is listed on the ASX, Units are not able to be redeemed. However, the Responsible Entity intends to buy-back Units in the Trust (see Section 6.12.1 for details).

15.1.3. INCOME, DISTRIBUTIONS AND REINVESTMENTS

The Responsible Entity will generally determine the distributable income of the Trust for each tax year as set out in Section 6.2. The Responsible Entity may also distribute capital of the Trust from time to time. Unitholders on the register on the record date for a distribution are entitled to a share of the total distributed amount based on the number of Units held.

A distribution may be paid in cash or other assets. The Responsible Entity may deduct from distributions any tax or other amount that it is required by law or authorised, to deduct, or any amount owing to it by a Unitholder.

The Constitution provides that the Responsible Entity may decide whether to permit or require the Unitholders to reinvest some or all of any distribution.

15.1.4. AMENDMENTS TO THE CONSTITUTION

Subject to the Corporations Act, the Constitution may be amended by a resolution passed by 75% of the votes cast by Unitholders. Alternatively, the Responsible Entity can amend the Constitution by executing a deed if the Responsible Entity reasonably considers that the amendment will not adversely affect Unitholders' rights.

15.1.5. LIABILITY OF UNITHOLDERS

Subject to any separate agreement of acknowledgement by the Unitholder or any tax amount arising in connection with the Unitholder as set out in the Constitution, the liability of each Unitholder is stated in the Constitution to be limited to the amount unpaid (if any) in relation to the Unitholder's subscription for their Units.

As the Units will be fully paid, a Unitholder's liability is limited to its investment in the Trust, however the effectiveness of such provisions has not been confirmed by superior courts.

Unitholders are not required to indemnify the Responsible Entity or creditor of the Responsible Entity against any liability in respect of the Trust.

15.1.6. RESPONSIBLE ENTITY'S POWERS AND DUTIES

The Responsible Entity holds the Trust's assets on trust or may have assets held by a custodian. The Responsible Entity may manage the assets as if it were the absolute and beneficial owner of them, subject only to the terms of the Constitution and its duties and obligations to Unitholders.

Examples of the Responsible Entity's powers include acquiring or disposing of any holding, borrowing or raising money, encumbering any asset, incurring any liability, giving any indemnity, providing any guarantee, applying for listing of the Trust, entering into derivative and currency swap arrangements, and entering into underwriting arrangements.

The Responsible Entity may appoint delegates or agents to perform any act or to exercise any of its powers as well as to assist with its duties and functions.

15.1.7. RESPONSIBLE ENTITY'S INDEMNITIES

The Responsible Entity has a right of indemnity out of the Trust property for any liability incurred by it in the proper performance of its duties, in its own capacity or through an agent or delegate. This indemnity is subject to the Corporations Act (which in certain circumstances may impose limits on the Responsible Entity's right of indemnity).

The Corporations Act provides that a responsible entity's right to be indemnified out of scheme property for liabilities incurred in relation to the performance of its duties must be available only in relation to the proper performance of those duties.

15.1.8. RESPONSIBLE ENTITY'S LIMITATION OF LIABILITY

Under the Constitution the Responsible Entity will not be liable to Unitholders except to the extent that the Corporations Act imposes such liability.

The Responsible Entity's liability to third parties is generally limited to the extent to which it is entitled and does recover through its right of indemnity from the Trust property.

15.1.9. SMALL HOLDINGS

In certain circumstances while the Trust is listed, the Responsible Entity may sell any Units held by a Unitholder that is a less than marketable parcel as provided in the Constitution and the ASX Listing Rules.

15.1.10. MEETINGS

Meetings may be convened and conduct in accordance with the Corporations Act and the Constitution. A resolution by Unitholders will bind all Unitholders whether or not they voted or were present at the meeting, or whether or not they signed the resolution.

15.1.11. REMOVAL AND RETIREMENT OF THE RESPONSIBLE ENTITY

The Responsible Entity may voluntarily or compulsorily retire as permitted by law, which includes by calling a meeting of Unitholders to pass a resolution with respect to appointing a new responsible entity. Unitholders may also call a meeting to vote on a resolution to remove the Responsible Entity.

15.1.12. TERMINATION OF THE TRUST

The Unitholders may terminate the Trust through an extraordinary resolution (as defined in the Corporations Act). Alternatively, the Trust terminates at the earliest of a date determined by the Responsible Entity and advised to Unitholders by notice in writing not less than 60 days before the proposed date of termination or the date on which the Trust terminates in accordance with the Constitution or by law.

15.1.13. ASX LISTING RULES

If the Trust is admitted to the official list of the ASX, then, despite anything in the Constitution, if the Listing Rules prohibit an act being done, that act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules requires to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

15.2. MANAGEMENT AGREEMENT

The Responsible Entity has entered into the Management Agreement with the Manager. A summary of the material terms of the Management Agreement are set out below.

15.2.1. SERVICES

The Manager will invest and manage the assets and liabilities of the Trust as the agent of the Responsible Entity in accordance with the terms of the Management Agreement.

The Investment Strategy for the Trust is to invest in a diversified portfolio of global private credit investments, liquid credit investments and cash.

15.2.2. POWERS AND DISCRETIONS OF THE MANAGER

For the purpose of carrying out its functions and duties under the Management Agreement, the Manager has the powers of a natural person to deal with the assets and liabilities of the Trust and to do all things and execute all documents necessary for the purpose of managing the assets and liabilities of the Trust.

The Responsible Entity may, at any time, instruct the Manager or vary any decision of the Manager in the performance of the Manager's functions from that time, in which circumstances the Responsible Entity has the sole responsibility for the consequences of that instruction or variation. However, the Manager may complete any transaction already commenced provided it does not act contrary to any reasonable direction by the Responsible Entity.

15.2.3. POWERS AND DISCRETIONS OF THE RESPONSIBLE ENTITY

The Manager must not without the prior consent of the Responsible Entity:

- a) enter into derivative contracts unless there are at all times, in the case of each derivative contract, sufficient assets in the Trust to support the underlying liability of the Responsible Entity under every derivative contract in the assets and liabilities of the Trust in the form of one or more of the following:
- b) assets of the kind required to be delivered under the derivative contract;
 - i. other derivative contracts or assets which substantially offset the underlying liability under the derivative contract; and/or
 - ii. cash or immediately realisable assets of sufficient value either to discharge the maximum contingent liability or effect an offset as described in (ii);
- c) delegate any of its discretionary management powers under the Management Agreement;
- d) charge or encumber in any way (other than as arises by lien in the ordinary course of business or by statutory charge) any asset of the Trust;
- e) perform any broking function in relation to the assets and liabilities of the Trust, but the Manager may, using reasonable care and diligence, on behalf of the Responsible Entity appoint any broker to act on behalf of the Responsible Entity in relation to the assets and liabilities of the Trust, subject to:
 - i. reasonable monitoring of capacity and performance of the broker by the Manager; and
 - ii. the Manager having customary assurances that the broker is aware that the Responsible Entity's liability to the broker is limited to the Responsible Entity's ability to be indemnified from the assets

of the Trust. For any transaction that is a long equity transaction, the Manager's obligations only apply if the Manager considers (acting reasonably) that there is a material risk that insufficient assets of the Trust will be available to satisfy the Responsible Entity's liability to the broker in respect of such transaction;

- f) enter into any derivative contract or any transaction involving leverage on behalf of the Responsible Entity or the Trust unless the Responsible Entity's liability in respect of the transaction is limited to the Responsible Entity's ability to be indemnified from the assets of the Trust; and
- g) engage in securities lending in relation to the assets and liabilities of the Trust (in which case the Manager must provide a copy of the agreed policy and any set limits).

15.2.4. DELEGATION

The Manager may not delegate any of its discretionary management powers without the prior written consent of the Responsible Entity. The Responsible Entity has, as at the date of Management Agreement, consented to the Manager's sub-delegation to the Investment Manager the investment management of the Portfolio pursuant to the Investment Management Agreement (described in Section 15.3 below).

15.2.5. FEES

The Responsible Entity and the Manager are each entitled to the fees set out in Section 10 of this PDS pursuant to the Management Agreement.

15.2.6. EXPENSES

The Responsible Entity must pay all taxes, costs, charges and expenses properly incurred in connection with the investment and management of the assets and liabilities of the Trust, or the acquisition, disposal or maintenance of any investment of the assets and liabilities of the Trust (including all custodian and clearing house fees) or in acting under the Management Agreement, and the Manager may cause them to be deducted from the assets of the Trust. The Manager may allocate expenses incurred in connection with an asset acquired or to be acquired on behalf of several clients between those clients proportionately to their interest in the asset. The Manager is liable for the in-house administration costs of the Manager in the nature of rent for the Manager's premises, computer charges, salaries, research costs, the Manager's own direct legal costs in respect of the Management Agreement (if any) and like expenses. The Manager is also liable for costs incurred by the Manager's employees in the course of providing assistance with the Responsible Entity's marketing activities.

15.2.7. TERM

The initial term of the Management Agreement commences as at 19 April 2024 or such other date as agreed by the parties and ceases ten years from the first date the Units commence trading on the ASX unless terminated earlier in accordance with the terms of the Management Agreement (see below). Upon the expiry of the initial term, unless terminated earlier as described below, the Management Agreement will continue until terminated by the parties (see below).

15.2.8. TERMINATION

15.2.8.1. Automatic Termination

After the expiry of the initial term, the Management Agreement will automatically terminate three months after an ordinary resolution of the Trust is passed to end the Management Agreement.

15.2.8.2. Termination by the Responsible Entity

The Management Agreement gives the Responsible Entity the right to immediately terminate the Management Agreement and remove the Manager by written notice on the occurrence of any one of the following events:

- a) an insolvency event occurs with respect to the Manager;
- b) the Manager ceases to carry on business in relation to its activities as a manager;
- c) the Manager materially breaches any provisions of the Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by the Manager under the Management Agreement and the Manager fails to rectify such breach or failure within 10 business days of receiving notice in writing from the Responsible Entity specifying such breach or failure;
- d) the Manager materially breaches any provision of the Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by the Manager under the

Management Agreement, and such breach of failure materially adversely affect the Trust and/or the Responsible Entity, and is incapable of being remedied;

- e) the Manager acts or omits to act in such a manner that causes the Trust or the Responsible Entity to be in material disrepute and/or materially damages the Trust or the Responsible Entity's reputation;
- f) relevant law requires the Management Agreement to terminate.

15.2.8.3. Termination by the Manager

The Management Agreement gives the Manager the right to immediately terminate the Management Agreement on the occurrence of any one of the following events:

- a) an insolvency event occurs with respect to the Responsible Entity;
- b) the Responsible Entity ceases to carry on business in relation to its activities as a responsible entity;
- c) the Responsible Entity materially breaches any provisions of the Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by the Responsible Entity under the Management Agreement and the Responsible Entity fails to rectify such breach or failure within 10 business days of receiving notice in writing from the Manager specifying such breach or failure;
- d) the Responsible Entity materially breaches any provision of the Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by the Responsible Entity under the Management Agreement, and such breach of failure materially adversely affects the Manager, and is incapable of being remedied;
- e) the Responsible Entity acts or omits to act in such a manner that causes the Manager to be in material disrepute and/or materially damages the Trust or the Manager's reputation; or
- f) relevant law requires the Management Agreement to terminate.

The Manager may also terminate the Management Agreement on not less than 6 months' written notice (or, provided that the parties agree, such lesser period that is no less than 3 months).

15.2.9. MANAGEMENT AFTER TERMINATION

The Manager may deal with the assets and liabilities of the Trust for up to 30 business days from the effective date of termination of the Management Agreement in order to vest control of it in the Responsible Entity (or as the Responsible Entity may otherwise direct in writing) and during that time the Manager:

- a) subject to the consent of the Responsible Entity, may enter transactions to settle or otherwise extinguish or offset obligations incurred by the Manager in relation to the assets and liabilities of the Trust before that date;
- b) must, with respect to obligations not capable of settlement before transfer of the assets and liabilities of the Trust, create provision for such contingent liability as will arise, notify the Responsible Entity of that provision, and the Responsible Entity must procure that the Custodian holds sufficient assets of the assets and liabilities of the Trust to satisfy that liability;
- c) may instruct the Custodian to deduct from the assets and liabilities of the Trust the fees, charges and expenses due to the date on which the transfer of the assets and liabilities of the Trust is effected if, after giving 10 business days' notice to the Responsible Entity of its intention to so direct the Custodian, the Responsible Entity has not objected, and all charges and expenses incurred in such actions;
- d) must deliver to the Responsible Entity (or as the Responsible Entity reasonably directs) all records which may reasonably be required by the Responsible Entity in respect of the assets and liabilities of the Trust;
- e) may deal with the assets and liabilities of the Trust in accordance with instructions from a new manager appointed by the Responsible Entity.

The Responsible Entity must take all necessary steps to facilitate the transfer of the assets and liabilities of the Trust from the Manager.

15.2.10. USE OF RELATED BODIES CORPORATE

The Responsible Entity acknowledges that the Manager may invest in, deal with or engage the services of the Manager's related bodies corporate engaged in separate business activities which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business and on arm's length terms. No adjustment to the fee paid under the Management Agreement is to be made for any such fee, brokerage or commission paid to a related body corporate of the Manager.

15.2.11. AMENDMENT

The Management Agreement may only be altered by the agreement of the parties to the Management Agreement. However, material changes to the Management Agreement will only be made if the Responsible Entity has obtained unitholder approval to these material changes.

15.2.12. RESPONSIBLE ENTITY INDEMNITY

The Responsible Entity must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Manager or any of its officers or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, fraud or dishonesty of the Manager or its officers or supervised agents. This obligation continues after the termination of the Management Agreement.

15.2.13. MANAGER INDEMNITY

The Manager must indemnify the Responsible Entity against any losses or liabilities reasonably incurred by the Responsible Entity arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any negligence, fraud or dishonesty of the Manager or its officers or supervised agents. This obligation continues after the termination of the Management Agreement.

15.3. INVESTMENT MANAGEMENT AGREEMENT

The Manager has entered into the Investment Management Agreement with the Investment Manager. A summary of the material terms of the Investment Management Agreement is set out below.

15.3.1. SERVICES

The Investment Manager will invest and manage the Portfolio in accordance with the terms of the Investment Management Agreement.

The investment strategy for the Trust is to invest in a diversified portfolio of global private credit investments, liquid credit investments and cash.

15.3.2. POWERS AND DISCRETIONS OF THE INVESTMENT MANAGER

For the purpose of carrying out its functions and duties under the Investment Management Agreement, the Investment Manager has the powers of a natural person to deal with the assets and liabilities of the Trust and to do all things and execute all documents necessary for the purpose of managing the assets and liabilities of the Trust.

The Manager may, at any time, instruct the Investment Manager or vary any decision of the Investment Manager in the performance of the Investment Manager's functions from that time, in which circumstances the Manager has the sole responsibility for the consequences of that instruction or variation. However, the Investment Manager may complete any transaction already commenced provided it does not act contrary to any reasonable direction by the Manager.

15.3.3. POWERS AND DISCRETIONS OF THE INVESTMENT MANAGER

The Investment Manager must not without the prior consent of the Manager:

- a) enter into derivative contracts unless there are at all times, in the case of each derivative contract, sufficient assets in the Trust to support the underlying liability of the Manager under every derivative contract in the assets and liabilities of the Trust in the form of one or more of the following:
- b) assets of the kind required to be delivered under the derivative contract;
 - i. other derivative contracts or assets which substantially offset the underlying liability under the derivative contract; and/or
 - ii. cash or immediately realisable assets of sufficient value either to discharge the maximum contingent liability or effect an offset as described in (ii);
- c) delegate any of its discretionary management powers under the Investment Management Agreement;
- d) charge or encumber in any way (other than as arises by lien in the ordinary course of business or by statutory charge) any asset of the Trust;

- e) perform any broking function in relation to the assets and liabilities of the Trust, but the Investment Manager may, using reasonable care and diligence, on behalf of the Manager appoint any broker to act on behalf of the Manager in relation to the assets and liabilities of the Trust, subject to:
 - i. reasonable monitoring of capacity and performance of the broker by the Investment Manager; and
 - ii. the Investment Manager having customary assurances that the broker is aware that the Manager's liability to the broker is limited to the Manager's ability to be indemnified from the assets of the Trust. For any transaction that is a long equity transaction, the Investment Manager's obligations only apply if the Investment Manager considers (acting reasonably) that there is a material risk that insufficient assets of the Trust will be available to satisfy the Manager's liability to the broker in respect of such transaction;
- f) enter into any derivative contract or any transaction involving leverage on behalf of the Manager or the Trust unless the Manager's liability in respect of the transaction is limited to the Manager's ability to be indemnified from the assets of the Trust; and
- g) engage in securities lending in relation to the assets and liabilities of the Trust (in which case the Investment Manager must provide a copy of the agreed policy and any set limits).

15.3.4. DELEGATION

The Investment Manager may not delegate any of its discretionary management powers without the prior written consent of the Manager.

15.3.5. FEES

The Investment Manager is entitled to the fees set out in Section 10 of this PDS pursuant to the Investment Management Agreement.

15.3.6. EXPENSES

The Responsible Entity must pay all taxes, costs, charges and expenses properly incurred in connection with the investment and management of the assets and liabilities of the Trust, or the acquisition, disposal or maintenance of any investment of the assets and liabilities of the Trust (including all custodian and clearing house fees) or in acting under the Investment Management Agreement, and the Investment Manager may cause them to be deducted from the assets of the Trust. The Investment Manager may allocate expenses incurred in connection with an asset acquired or to be acquired on behalf of several clients between those clients proportionately to their interest in the asset. The Investment Manager is liable for the in-house administration costs of the Investment Manager in the nature of rent for the Investment Manager's premises, computer charges, salaries, research costs, the Investment Manager's own direct legal costs in respect of the Investment Management Agreement (if any) and like expenses. The Investment Manager is also liable for costs incurred by the Investment Manager's employees in the course of providing assistance with the Manager's marketing activities.

15.3.7. TERM

The initial term of the Investment Management Agreement commences as at 19 April 2024 or such other date as agreed by the parties and ceases ten years from the first date the Units commence trading on the ASX unless terminated earlier in accordance with the terms of the Investment Management Agreement (see below). Upon the expiry of the initial term, unless terminated earlier as described below, the Investment Management Agreement will continue until terminated by the parties (see below).

15.3.8. TERMINATION

15.3.8.1. Automatic Termination

After the expiry of the initial term, the Investment Management Agreement will automatically terminate three months after an ordinary resolution of the Trust is passed to end the Investment Management Agreement.

15.3.8.2. Termination by the Manager

The Investment Management Agreement gives the Manager the right to immediately terminate the Investment Management Agreement and remove the Investment Manager by written notice on the occurrence of any one of the following events:

- a) an insolvency event occurs with respect to the Investment Manager;
- b) the Investment Manager ceases to carry on business in relation to its activities as an Investment Manager;

- c) the Investment Manager materially breaches any provisions of the Investment Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by the Investment Manager under the Investment Management Agreement and the Investment Manager fails to rectify such breach or failure within 10 business days of receiving notice in writing from the Manager specifying such breach or failure;
- d) the Investment Manager materially breaches any provision of the Investment Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by the Investment Manager under the Investment Management Agreement, and such breach of failure materially adversely affect the Trust and/or the Manager, and is incapable of being remedied;
- e) the Investment Manager acts or omits to act in such a manner that causes the Trust or the Manager to be in material disrepute and/or materially damages the Trust or the Manager's reputation;
- f) relevant law requires the Investment Management Agreement to terminate.

15.3.8.3. Termination by the Investment Manager

The Investment Management Agreement gives the Investment Manager the right to immediately terminate the Investment Management Agreement on the occurrence of any one of the following events:

- a) an insolvency event occurs with respect to the Manager;
- b) the Manager ceases to carry on business in relation to its activities as a Manager;
- c) the Manager materially breaches any provisions of the Investment Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by the Manager under the Investment Management Agreement and the Manager fails to rectify such breach or failure within 10 business days of receiving notice in writing from the Investment Manager specifying such breach or failure;
- d) the Manager materially breaches any provision of the Investment Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by the Manager under the Investment Management Agreement, and such breach of failure materially adversely affects the Investment Manager, and is incapable of being remedied;
- e) the Manager acts or omits to act in such a manner that causes the Investment Manager to be in material disrepute and/or materially damages the Trust or the Investment Manager's reputation; or
- f) relevant law requires the Investment Management Agreement to terminate.

The Investment Manager may also terminate the Investment Management Agreement on not less than 6 months' written notice (or, provided that the parties agree, such lesser period that is no less than 3 months).

15.3.9. MANAGEMENT AFTER TERMINATION

The Investment Manager may deal with the assets and liabilities of the Trust for up to 30 business days from the effective date of termination of the Investment Management Agreement in order to vest control of it in the Manager (or as the Manager may otherwise direct in writing) and during that time the Investment Manager:

- a) subject to the consent of the Manager, may enter transactions to settle or otherwise extinguish or offset obligations incurred by the Investment Manager in relation to the assets and liabilities of the Trust before that date;
- b) must, with respect to obligations not capable of settlement before transfer of the assets and liabilities of the Trust, create provision for such contingent liability as will arise, notify the Manager of that provision, and the Manager must procure that the Custodian holds sufficient assets of the assets and liabilities of the Trust to satisfy that liability;
- c) may instruct the Custodian to deduct from the assets and liabilities of the Trust the fees, charges and expenses due to the date on which the transfer of the assets and liabilities of the Trust is effected if, after giving 10 business days' notice to the Manager of its intention to so direct the Custodian, the Manager has not objected, and all charges and expenses incurred in such actions;
- d) must deliver to the Manager (or as the Manager reasonably directs) all records which may reasonably be required by the Manager in respect of the assets and liabilities of the Trust;
- e) may deal with the assets and liabilities of the Trust in accordance with instructions from a new Investment Manager appointed by the Manager.

The Manager must take all necessary steps to facilitate the transfer of the assets and liabilities of the Trust from the Investment Manager.

15.3.10. USE OF RELATED BODIES CORPORATE

The Manager acknowledges that the Investment Manager may invest in, deal with or engage the services of the Investment Manager's related bodies corporate engaged in separate business activities which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business and on arm's length terms. No adjustment to the fee paid under the Investment Management Agreement is to be made for any such fee, brokerage or commission paid to a related body corporate of the Investment Manager.

15.3.11. AMENDMENT

The Investment Management Agreement may only be altered by the agreement of the parties to the Investment Management Agreement. However, material changes to the Investment Management Agreement will only be made if the Manager has obtained unitholder approval to these material changes.

15.3.12. MANAGER INDEMNITY

The Manager must indemnify the Investment Manager against any losses or liabilities reasonably incurred by the Investment Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Investment Manager or any of its officers or agents acting under the Investment Management Agreement or on account of any bona fide investment decision made by the Investment Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, fraud or dishonesty of the Investment Manager or its officers or supervised agents. This obligation continues after the termination of the Investment Management Agreement.

15.3.13. INVESTMENT MANAGER INDEMNITY

The Investment Manager must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any negligence, fraud or dishonesty of the Investment Manager or its officers or supervised agents. This obligation continues after the termination of the Investment Management Agreement.

15.4. PPN AGREEMENT

To facilitate the investment of the Trust into Feeder Class PPNs issued by the Feeder Fund, the Responsible Entity and the Feeder Fund have entered into a PPN Agreement, which consists of a note deed poll and note subscription agreement.

The note deed poll provides for the issue of PPNs of various classes and the note subscription agreement provides for a noteholder to subscribe for PPNs of a particular class. The Feeder Fund will issue PPNs of a class in denominations of units (called unit notes).

The Trust will be the holder of the Listed (Hedged) Class of PPNs (the 'Feeder Class').

The Feeder Fund will apply all amounts raised with the PPNs of a class towards meeting the investment objectives of the relevant class of PPNs. Pengana Credit is engaged pursuant to the investment management agreement with the Feeder Fund to manage the assets attributable to each class of PPNs.

Each of the classes are denominated in AUD. The terms of each class of PPNs will be the same except that each different class of PPNs will be attributable to a different portfolio of assets and liabilities held by the Feeder Fund that are attributable to a class of PPNs held by the Feeder Fund.

Each portfolio of assets and liabilities of a class will be investment managed in accordance with the investment management agreement between Pengana Credit and the Feeder Fund. The investment objective, investment strategy and investment guidelines for each portfolio of assets and liabilities of a class as provided for in the investment management agreement may not be amended without the consent of all the noteholders of the class to which the portfolio of assets and liabilities relates.

The value of a PPN is equal to the net asset value of the PPN of that relevant class. The net asset value of a PPN is the net asset value of the portfolio of assets and liabilities held by the Feeder Fund that is attributable to the class of PPNs divided by the number of PPNs issued of that class of PPNs.

The Feeder Fund shall pay interest for each interest period on each PPN, the amount of which will be the net income of the relevant class of PPNs divided by the number of PPNs of that class on issue.

The net income of a whole class of PPNs is equal to the income derived by the portfolio of assets and liabilities (including realised and unrealised gains and losses on any portfolio assets) net of costs. If the income derived by the portfolio of assets and liabilities (including realised and unrealised gains and losses on any portfolio assets) net of costs is less than \$0, the net income will be \$0.

The Feeder Fund may determine from time to time if any interest is to be distributed as income or capitalised and reinvested with new additional PPNs issued by the Feeder to the noteholder for the value of such interest.

Ongoing redemptions are at call by the noteholder on a weekly basis by means of a redemption notice from the noteholder. Redemptions are effected by the cancellation of the redeemed PPNs. Ongoing subscriptions are carried out by means of a subscription notice from the noteholder. Subscriptions are effected by an increase in the number of PPNs. Ongoing redemptions and subscriptions are processed at the current net asset value of the PPNs of that class of PPNs.

The Feeder Fund may suspend redemptions upon the occurrence of various circumstances including but not limited to where:

- the disposal of investments held by the Feeder Fund would not be reasonably practicable or might prejudice the non-redeeming noteholders;
- the calculation of the net asset value, acceptance of subscriptions for unit notes, redemptions of unit notes or payment of the redemption amount is impracticable or undesirable;
- the Feeder Fund determines that such limitation or suspension is in the best interests of the noteholders;
- or
- any of the above applies to the Master Fund or the Master Fund has effected a similar suspension.

The maturity date of a class of PPNs is the date on which the last asset attributable to the class of PPNs has been realised and final distribution has been made in respect of all PPNs of the class.

The PPNs are issued on an unsecured basis. The recourse of the noteholder shall at all times be limited to the proceeds of realisation of the unsecured assets of the Feeder Fund referable to the relevant PPNs.

The note deed poll is governed by the laws of NSW. The Feeder Fund and each affected noteholder may together amend the note deed poll.

15.5. OFFER MANAGEMENT AGREEMENT

15.5.1. GENERAL

The Responsible Entity and Manager have entered into the Offer Management Agreement with the Joint Lead Managers under which the Joint Lead Managers have been appointed to arrange and manage the Offer and act as bookrunners. The Joint Lead Managers have entered into the Offer Management Agreement with the Responsible Entity and Manager on an arms' length basis and do not accept any fiduciary obligations to, or any fiduciary relationship with the Responsible Entity or the Manager, in connection with the Offer, the Units or otherwise.

The Manager will pay the upfront costs of the Offer. The upfront costs are not paid out of the proceeds of the Offer. The Offer has been structured to eliminate immediate decline to the Trust's Net Tangible Asset Backing as a result of the expenses incurred as part of the Offer. The Manager will pay to the Joint Lead Managers up to 2.53% (excluding GST) of the amount raised under the Offer. In addition, the Manager will pay the costs associated with the Offer such as legal, advisory, accounting, taxation, and quotation fees.

The Joint Lead Managers are also entitled to be reimbursed by the Manager for all reasonable expenses incurred in connection with the Offer Management Agreement, this PDS and the Offer.

15.5.2. INDEMNITY

The Responsible Entity and the Manager jointly and severally indemnify each of the Joint Lead Managers, their respective affiliates and related bodies corporate, and the directors, officers, employees, agents and advisers of each of the Joint Lead Managers, their respective affiliates and their related bodies corporate ('Indemnified Parties') against all liabilities that any of the Indemnified Parties may sustain or incur in relation to the Offer, this PDS or the Offer Management Agreement, except to the extent that such liability has resulted from an Indemnified Party's fraud, wilful misconduct or gross negligence (except to the extent caused, induced or contributed to by the acts or omissions of another party or their officers or employees, agents, professional advisers, or caused by an Indemnified Party's reliance on information contained in disclosure documents (including this PDS), any

promotional materials made or published by the Responsible Entity or the Manager in relation to the Offer, or other information provided by or on behalf of another party or their officers or employees, agents or professional advisers).

15.5.3. WARRANTIES AND REPRESENTATIONS

The Offer Management Agreement contains customary warranties and representations to be provided by the Responsible Entity, the Manager and the Joint Lead Managers, such as having the necessary corporate power and authority to enter into the agreement. The Responsible Entity and the Manager provide additional representations and warranties, including that this PDS complies with the requirements of the Corporations Act and the Listing Rules.

15.5.4. TERMINATION

The Offer Management Agreement contains a number of customary and usual events under which the agreement may be terminated, including any non-compliance of any aspect of the Offer in respect of the Corporations Act or the Listing Rules, or a member of the Investment Committee is removed or replaced.

15.6. INVESTMENT CONSULTING AGREEMENT

Pengana Credit as Investment Manager for the Master Fund and Feeder Fund has appointed Mercer Consulting (Australia) Pty Ltd as the Investment Consultant for the Master Fund and Feeder Fund, respectively, under the Investment Consulting Agreement, which consists of an engagement letter, statement of works and terms and conditions ("Investment Consulting Agreement").

The Investment Consulting Agreement provides that Mercer will assist Pengana Credit as investment sub-advisor in respect of the Master Fund and Feeder Fund in the selection of investments including, but not limited to, attending regular investment consultation meetings, reviewing investment proposals and policies, making recommendations, sourcing investments, conducting investment and operational due diligence, performing financial modelling and assisting with the negotiation of the terms of any investment. The Investment Consulting Agreement also covers Mercer's reporting and monitoring obligations, service standards, staffing obligations and the professional fees and expenses which it may charge.

Mercer's fees and expenses are borne by the Master Fund and Feeder Fund and such costs are included in the indirect costs disclosed in Section 10.

15.7. OTHER KEY AGREEMENTS OF THE MASTER FUND AND THE FEEDER FUND

15.7.1. THE INVESTMENT MANAGER

Pengana Credit Pty Ltd is the Investment Manager of the Master Fund and the Feeder Fund. For more information on Pengana Credit Pty Ltd please refer to Section 7.1.

As Investment Manager of the Master Fund and the Feeder Fund appointed under an investment management agreement, Pengana Credit has agreed to:

- implement the Investment Strategy, including actively managing and supervising the Master Fund and Feeder Fund investments; and
- construct and manage the portfolio of the Master Fund and Feeder Fund in accordance with the investment guidelines set out in such investment management agreement.

15.7.2. THE ADMINISTRATOR

Citco Fund Administration (Cayman Islands) Limited ("Master Fund Administrator") performs certain administrative and accounting services for the Master Fund and the Feeder Fund.

15.7.3. THE CUSTODIAN

Citco Custody Limited ("Master Fund Custodian") provides custody services to the Master Fund. The Master Fund Custodian is a member of the leading global Citco group and is a Maltese company authorised by the Malta Financial Services Authority. The role of the Master Fund Custodian is limited to holding assets of the Master Fund;

the Master Fund Custodian has no supervisory role in relation to the operation of the Master Fund and the Feeder Fund. The Master Fund Custodian does not make investment decisions in respect of the assets held or manage those assets. The assets of the Master Fund are held by the Master Fund Custodian in Malta. Cash may also be held on deposit with one or more authorised deposit-taking institutions. The Master Fund may change the appointed custodian from time to time, without prior notice.

15.7.4. THE AUDITOR

Ernst & Young (Cayman Islands) is the independent auditor of the Master Fund and of the Feeder Fund.

16. ADDITIONAL INFORMATION

16.1. CURRENT CAPITAL STRUCTURE

The issued capital of the Trust as at the date of this PDS is set out in the table below. The initial Units referred to below will be automatically redeemed upon the issue of the Units under this Offer.

CLASS OF UNITS	NUMBER OF UNITS
Existing Units	10

16.2. PROPOSED CAPITAL STRUCTURE ON ALLOTMENT OF UNITS PURSUANT TO THIS OFFER

	MINIMUM SUBSCRIPTION \$100 MILLION	MAXIMUM SUBSCRIPTION \$250 MILLION
Units	50,000,000	125,000,000
NAV per Unit	\$2.00	\$2.00

16.3. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

Except as otherwise disclosed in this PDS, the Responsible Entity has not entered into any related party transactions which remain in place or under which the Responsible Entity still has obligations.

16.3.1. RELATED PARTY TRANSACTIONS

The Board of the Responsible Entity is responsible for reviewing and approving all transactions in which the Responsible Entity is a participant and in which any parties related to the Responsible Entity, including its executive officers, directors, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Responsible Entity, has or will have a direct or indirect material interest.

The Board or its Chairperson, as the case may be, will only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Trust and its Unitholders, after taking into account all available facts and circumstances as the Board or its Chairperson determines in good faith to be necessary. Transactions with related parties will also be subject to Unitholder approval to the extent required by the ASX Listing Rules.

16.3.2. MANAGEMENT AGREEMENT AND INVESTMENT MANAGEMENT AGREEMENT

The Responsible Entity has entered into a Management Agreement with a related party, Pengana Capital Limited ("Manager"). The Manager has engaged a related party, Pengana Credit Pty Ltd ("Pengana Credit" or "Investment Manager") as the investment manager of the Trust pursuant to the Investment Management Agreement. See Sections 15.2 and 15.3 for further details regarding the terms of the Management Agreement and the Investment Management Agreement. The Responsible Entity considers that the terms of both the Management Agreement and the Investment Management Agreement are consistent with terms that would be negotiated on an arm's length basis.

The Responsible Entity, Manager and Investment Manager are related bodies corporate (and therefore related parties) given PCG (which is listed on the ASX) is the ultimate holding company of the Responsible Entity, the Manager and the Investment Manager.

Pengana Credit is also the investment manager for the Feeder Fund and Master Fund into which the Trust invests in order to obtain exposure to the Underlying Funds.

Neither the Responsible Entity, the Manager nor the Investment Manager will be performing any broking function nor engage any brokers in respect of the Trust, the Feeder Fund or the Master Fund. Neither the Responsible Entity the Manager nor the Investment Manager proposes to engage the services of another related body corporate in respect of the Trust, the Feeder Fund or the Master Fund other than as set out in this PDS. However, if they do engage the services of another related body corporate, they may engage related bodies corporate engaged in separate business activities to that of the Responsible Entity, the Manager and the Investment Manager which are entitled to charge fees provided that they are in the ordinary course of business and on arm's length terms.

16.3.3. TRADE ALLOCATION

The Responsible Entity has established the Pengana Credit Risk and Allocation Committee ("RAC") to assist and advise the Board in fulfilling its oversight responsibility in relation to compliance with the Investment Policy and the Allocation Policy.

The Allocation Policy governs how the allocation of investments by feeder funds, including the Feeder Fund, into the Master Fund is managed and how conflicts of interest between such feeder funds are addressed.

The Responsible Entity is committed to allocating investment opportunities in a fair manner in line with its obligations to all feeder funds. Accordingly, the Allocation Policy has been established which provides a rules-based approach to allocating and divesting investments, to the extent possible.

Feeder Fund classes invest into the Master Classes based on their respective Target Allocations, as determined by the Investment Policy applicable to the relevant Feeder Fund class. In each case, the Target Allocations are determined to ensure appropriate diversification for each Feeder Fund class and to meet the investment objectives of each Feeder Fund class. In addition, investment guidelines, the current investment environment, tax and/or legal consequences are taken into consideration, where applicable, when determining the appropriate investment allocations from the Feeder Fund classes into the Master Classes.

Where demand from Feeder Fund classes exceeds the investment capacity in the Master Classes, allocations are generally based on a pro-rata principle, subject to a minimum threshold. The Allocation Policy aims to establish a fair and equitable distribution of capacity in the Master Classes to Feeder Fund classes over time. The Allocation Policy will also aim to reduce Master Class allocations on a pro rata basis. However, there may be situations whereby given Feeder Fund classes may reduce allocations in a non pro-rata manner based on the Investment Policy and any other considerations, as mentioned above. Any allocations or divestments which do not occur on a pro rata basis must be included in the Allocation Report provided to the Board on a quarterly basis.

16.3.4. MANAGING POTENTIAL CONFLICTS OF INTEREST

The Responsible Entity, Manager and Investment Manager offer a variety of products and services to their clients and may find themselves in a position where the interests of one part of the business could be or is in conflict with the interests of another part of the business. Where possible, the Responsible Entity, Manager and Investment Manager seek to prevent conflicts of interest which are avoidable and effectively manage those which are not.

The Responsible Entity, Manager and Investment Manager have determined that the key factor in determining whether a conflict of interest exists is whether, based on existing circumstances, some or all of the interests of a client are inconsistent with, or diverge from, some or all of the interests of the Responsible Entity, Manager or Investment Manager or their representatives providing the financial services to the client. This includes actual, apparent and potential conflicts of interest. It is not necessary that the client is disadvantaged by favouring one interest over another - a conflict of interest exists because of the risk that the client could be disadvantaged. For example, this will be the case where:

- The Responsible Entity could make a financial gain, or avoid a financial loss, at the expense of a client;
- The Manager has an interest in the outcome of a service provided to a client (or of a transaction carried out on behalf of a client) which is distinct from the client's interest in that outcome; or
- The Investment Manager has a financial incentive to favour the interest of one client over the interests of another client.

The board of directors of each of the Responsible Entity, Manager and Investment Manager will make decisions on potential conflicts of interest which are encountered including whether a conflict of interest situation exists and then considering and applying available mitigating or resolving conflict management arrangements.

16.4. UPFRONT COSTS OF THE OFFER

The Manager will incur the upfront costs associated with the Offer (not the Trust or Investors).

16.5. INTERESTS OF EXPERTS AND ADVISERS

Except as disclosed in this PDS, no amounts of any kind (whether in cash or otherwise) have been paid or agreed to be paid to any expert, stockbroker, promoter or any other person named in this PDS as performing a function in a professional capacity in connection with the preparation or distribution of this PDS, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated, for services rendered by that person in connection with the formation or promotion of the Trust or the Offer under this PDS. For the avoidance of doubt this excludes any appointment of rating agencies, research houses, and experts (including legal advisers, auditors and tax advisers) who have provided services in relation to the Offer at market rates and noting that such costs form part of upfront costs of the offer and are paid by the Manager (and are not charged to the Trust).

Taylor Collison is the Lead Arranger to the Offer. The Manager will pay the Lead Arranger fees as set out in Section 15.5.

Taylor Collison, Morgans and Shaw and Partners have agreed to act as Joint Lead Managers to the Offer. The Manager will pay the Joint Lead Managers fees as set out in Section 15.5.

16.6. CONSENTS

Each of the parties referred below has given and has not, before the issue of this PDS, withdrawn its written consent to be named in the in the PDS and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent. None of the parties referred to below has caused the issue of this PDS.

- **Taylor Collison Limited** has consented to being named as Lead Arranger and Joint Lead Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Taylor Collison Limited;
- **Morgans Financial Limited** has consented to being named as a Joint Lead Manager to the Offer, but does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Morgans Financial Limited;
- **Shaw and Partners Limited** has consented to being named as a Joint Lead Manager to the Offer, but does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Shaw and Partners Limited;
- **Pengana Capital Limited**, the Manager, has consented to be named as Manager and to statements regarding its role as Manager and its business, but it does not make any other statement in the PDS, nor is any other statement in this PDS based on any statement by the Manager;
- **Pengana Credit Pty Ltd**, the Investment Manager, has consented:
 - (a) to being named as Investment Manager and to the statements regarding its role as Investment Manager, its business and its personnel;
 - (b) the statements about it and its services in respect of the Trust in Section 7.1;
 - (c) the statements about its personnel in Section 7.3.1; and
 - (d) the statements about it and its services in respect of the Master Fund and the Feeder Fund in Section 15.7.1.

but it does not make any other statement in the PDS, nor is any other statement in this PDS based on any statement by the Investment Manager;

- **Mercer** has consented to the use of its name in respect of the PDS and to each of the statements in sections of the PDS in which:
 - (a) Mercer is named or referred to; or

(b) information about Mercer is included;

in the form and context in which they appear (the "Statements").

Mercer has confirmed that each of the Statements (including, but not limited to, any information in the Statements regarding investment strategy and approach, investment objective, minimum investment horizon and sector allocation ranges) is true, correct and not misleading or deceptive.

To the maximum extent permitted by law, Mercer takes no responsibility for any other statements contained in the PDS other than the Statements and specifically disclaims liability to any person for any other statements in the PDS.

- **Computershare Investor Services Pty Limited** has consented to being named in the Directory and elsewhere in this PDS as Unit Registry for the Trust, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Computershare Investor Services Pty Limited as Unit Registry for the Trust;
- **DLA Piper Australia** has consented to being named in the Directory and elsewhere in this PDS as the Australian Legal and Tax Adviser to the Responsible Entity and to the inclusion of the taxation report set out in Section 12, but it does not make any other statement in this PDS, nor is any statement in this PDS based on any other statement by DLA Piper Australia;
- **DLA Piper New Zealand** has consented to being named in the Directory and elsewhere in this PDS as the New Zealand Legal Adviser to the Responsible Entity, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by DLA Piper New Zealand;
- **Ernst & Young** has consented to being named in the Directory and elsewhere in this PDS as the auditor for the Trust and the Responsible Entity's Investigating Accountant and to the inclusion of its Independent Limited Assurance Report on the pro forma statements of financial position in Section 14 in the form and context in which it appears, but it does not make any other statement in the PDS, nor is any statement in this PDS based on any other statement by Ernst & Young.

Part 7.9 of the Corporations Act imposes a liability regime on the Responsible Entity (as the offeror of the Units), the Directors of the Responsible Entity, persons named in this PDS with their consent as having made a statement in this PDS and persons involved in a contravention in relation to this PDS with regard to misleading or deceptive statements made in the PDS. Although the Responsible Entity bears primary responsibility for this PDS, other parties involved in the preparation of this PDS can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than the reference to its name and any statement or report included in this PDS with the consent of that party as described above.

16.7. LEGAL PROCEEDINGS

As at the date of this PDS the Trust is not engaged in any litigation and as far as the Responsible Entity is aware, no litigation involving the Trust is pending or threatened.

16.8. OBTAINING UPDATED INFORMATION

In accordance with the Responsible Entity's continuous disclosure obligations under the ASX Listing Rules, the Responsible Entity will notify the ASX of any material changes that affect any matter specified under this PDS.

16.9. ASIC RELIEF

ASIC has granted relief under section 1020F(1)(e) of the Corporations Act in respect of section 1017E(4)(d) and 1017E(4)(e) of the Corporations Act to enable the Responsible Entity to issue Units under the Offer on the dates set out in the 'Important Dates' section of the PDS. This relief will allow the Responsible Entity to hold Application Amounts under the Offer for a period of up to 60 days.

ASIC has granted relief under sections 601QA(1), 655A(1)(b) and 1020F(1)(a) of the Corporations Act for the regular off-market buy-backs detailed in Section 6.12.1.1. The relief is granted in accordance with ASIC's *RG 101*

Managed investment scheme buy-backs and is in a similar form to the relief provided for on-market buy-backs of ASX-listed schemes in *ASIC Corporations (ASX-listed Schemes On-market Buy-backs) Instrument 2016/1159*. The relief is granted in respect of sections 601GA(4), Part 5C.6, 601FC(1)(d), 601FG(1)(a) and Division 5A of Part 7.9 of the Corporations Act and is effected by modifying or varying Part 5C of the Corporations Act. ASIC has also granted relief to modify the tables in section 609 and 611 of the Corporations Act in respect of the buy-backs.

16.10. ASX WAIVERS AND CONFIRMATIONS

In connection with the listing of the Trust on ASX, the Responsible Entity has obtained the following in-principle waivers and confirmations from ASX in relation to the Trust:

- a waiver from ASX Listing Rule 15.16(b) and 15.16(c) to the extent necessary to permit the Manager to act as manager of the Trust in accordance with the terms of the Management Agreement for an initial period of up to 10 years from the date of the Management Agreement; and
- a waiver from ASX Listing Rule 15.16(b) and 15.16(c) to the extent necessary to permit the Investment Manager to act as investment manager of the Trust in accordance with the terms of the Investment Management Agreement for an initial period of up to 10 years from the date of the Investment Management Agreement.

16.11. COMPLAINTS HANDLING

The Responsible Entity takes complaints seriously and aims to resolve all complaints as quickly as possible. In the first instance, if you have a complaint, then you should notify the Responsible Entity immediately using the following contact details:

Address Pengana Investment Management Limited
Suite 1, Level 27
Governor Phillip Tower, 1 Farrer Place
Sydney NSW 2000

Post Pengana Investment Management Limited
c/o Complaints Officer
Suite 1, Level 27
Governor Phillip Tower, 1 Farrer Place
Sydney NSW 2000

Phone +61 2 8524 9900

Email clientservice@pengana.com

Once the Responsible Entity receives a complaint, the Responsible Entity will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as practicable.

If you are not satisfied with the Responsible Entity's response, then you can refer your complaint to the Australian Financial Complaints Authority, of which the Responsible Entity is a member. The Australian Financial Complaints Authority can be contacted as follows:

Post Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone 1800 931 678

Fax +61 3 9613 6399

Email info@afca.org.au

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it is important that you contact us first.

16.12. YOUR PRIVACY

In applying to invest and completing and Application Form, you are providing the Registry, Administrator and the Responsible Entity with certain personal details (your name, address, etc.). The Registry, Administrator and Responsible Entity use this information to establish and manage that investment for you.

The Responsible Entity may also use your personal information to tell you about other products and services offered by the Responsible Entity or other related bodies corporate.

Under the Privacy Act 1988 (Cth), you can access personal information about you that is held by the Responsible Entity, except in limited circumstances. Please let the Responsible Entity know if you think the information is inaccurate, incomplete, or out of date. You can also tell the Responsible Entity by written communication, at any time, not to pass-on your personal information.

If you do not provide your contact details and other information, then your Application Form may not be able to be processed.

Under various laws and regulatory requirements, the Responsible Entity may have to pass-on certain information to other organisations, such as the ATO, or AUSTRAC.

By applying to invest, you give the Responsible Entity permission to pass-on information the Responsible Entity holds about you to other companies which are involved in helping the Responsible Entity administer the Trust, or where they require it for the purposes of compliance with AML/CTF law.

A copy of the Responsible Entity's Privacy Policy is available on the Responsible Entity's website www.pengana.com or by contacting the Responsible Entity on +61 2 8524 9900.

16.13. ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING (AML/CTF)

Australia's AML/CTF Laws require the Responsible Entity to adopt and maintain an Anti-Money Laundering and Counter Terrorism Financing program. A fundamental part of the AML/CTF program is that the Responsible Entity knows certain information about Investors in the Trust.

To meet this legal requirement, the Responsible Entity is required to collect certain identification information and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with the AML/CTF Laws. Processing of Applications will be delayed or refused if investors do not provide the KYC Documents when requested.

Under the AML/CTF Laws, the Responsible Entity may be required to submit reports to AUSTRAC. This may include the disclosure of your personal information. The Responsible Entity may not be able to tell you when this occurs and, as a result, AUSTRAC may require the Responsible Entity to deny you (on a temporary or permanent basis) access to your investment. This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment.

The Responsible Entity is not liable for any loss you may suffer because of compliance with the AML/CTF Laws.

16.14. GOVERNING LAW

This PDS and the contracts that arise from the acceptance of Applications under the Offer are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

16.15. STATEMENT OF DIRECTORS

The issue of this PDS has been authorised by each director of the Responsible Entity. Each director of the Responsible Entity has consented to lodgement of this PDS and issue of this PDS and has not withdrawn that consent.

16.16. INDEMNITY

The Responsible Entity is indemnified out of the Trust against all liabilities incurred by it in properly performing or exercising any of its powers in the proper performance of its duties in relation to the Trust. This indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, the Responsible Entity may retain or pay out from the assets of the Trust any sum necessary to affect such an indemnity.

16.17. DESIGN AND DISTRIBUTION OBLIGATIONS

The Responsible Entity has integrated into its corporate governance framework the necessary policies, procedures and documentation to ensure it complies with the Design and Distribution Obligations (“DDO”) imposed on certain financial product issuers and distributors, as required by Pt 7.8A of the Corporations Act 2001 (Cth). Two of the principal elements of the DDO regime are (1) the publication of Target Market Determinations for all products subject to ‘retail product distribution’ and (2) the establishment and embedding of a product governance framework to ensure that financial products are critically evaluated through their lifecycle, meeting the DDO requirements relating to design, review and data collection.

Target Market Determination for the Trust is available to be viewed publicly at pengana.com/tmds/. Further, a fit for purpose product governance framework has been established and embedded which provides an overarching framework for the Responsible Entity’s compliance with the DDO obligations including ensuring the distribution of products is in line with the Target Market Determinations, directly and through any third party distributors.

17. GLOSSARY OF INDUSTRY TERMS, DEFINED TERMS AND ABBREVIATIONS

The following terms used in this PDS have the following meanings unless the context otherwise requires.

\$ or Australian Dollars	Australian dollars. All amounts in this PDS are in Australian dollars unless otherwise stated.
10/12 Limit	The 10/12 limit is 10% of the smallest number of units that are on issue at any time during the previous 12 months.
AAS	Australian Accounting Standards.
ABN	Australian Business Number.
ACN	Australian Company Number.
Administrator	BNP Paribas.
AFSL	Australian Financial Services Licence.
Allotment Date	The relevant dates on which the Units are allotted under each of the Cornerstone Offer, the Priority Offer, the Broker Firm Offer and the General Offer.
AMMA Statement	Attribution Managed Investment Member Annual Statement (Tax Statement).
AMIT	Attribution Managed Investment Trust.
AML	Anti-Money Laundering.
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and other applicable anti-money laundering and counter terrorism laws, regulations, rules, and policies which apply to the Responsible Entity.
AML/CTF Laws	Means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), rules and other subordinate instruments.
Annualised Standard Deviation	A measure of how much the price of an asset or the return of a portfolio of assets has fluctuated (both up and down) over a certain period. If an asset or portfolio of assets has a high Annualised Standard Deviation, the price of the asset or return of the portfolio of assets has historically fluctuated vigorously. If an asset or portfolio of assets has a low Annualised Standard Deviation, the price of the asset or return of the portfolio of assets has historically moved at a steady pace over a period of time.
Applicant	A person who submits a valid Application Form and Application Amounts under this PDS.
Application	An application for Units under this PDS.
Application Amount	Subscription monies submitted by Applicants under the Offer.
Application Form	The electronic application form provided by an online application facility.
APRA	Australian Prudential Regulation Authority.
ARSN	Australian registered scheme number.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the market it operates (Australian Securities Exchange), as the context requires.
ASX Principles	The ASX Corporate Governance Principles and Recommendations 4th Edition (2019) of the ASX Corporate Governance Council as at the date of this PDS.
ATO	Australian Taxation Office.
Auditor	Ernst & Young.
Australian Legal and Tax Counsel	DLA Piper Australia.

AUM	Assets under management.
AUSTRAC	The Australian Transaction Reports and Analysis Centre.
Board	The Board of Directors of the Responsible Entity.
Broker	Any ASX participating organisation selected by the Joint Lead Managers in consultation with the Responsible Entity to act as a broker to the Offer.
Broker Firm Offer	Has the meaning given to that term in Section 11.
Broker Firm Offer Closing Date	The date that the Broker Firm Offer closes.
Business Day	A day on which banks are open for general banking business in Sydney, Australia.
Buy-Back Agreement	Has the meaning given to that term in Section 6.12.1.
Buy-Back Booklet	Has the meaning given to that term in Section 6.12.1.
Buy-Back Cancellation of Units Date	Means the date on which Units which are the subject of the buy-back described in Section 6.12.1 are cancelled as will be set out in the Buy-Back Booklet.
Buy-Back Payment Date	Means the date when payments for the buy-back of Units described in Section 6.12.1 are made as will be set out in the Buy-Back Booklet.
Buy-Back Price	Has the meaning given to that term in Section 6.12.1.
Buy-Back Pricing Date	Means the pricing date for the Buy-Back Price as will be set out in the Buy-Back Booklet.
CAR	Corporate Authorised Representative.
CFC	Controlled Foreign Company.
CGT	Capital Gains Tax.
CHESS	Clearing House Electronic Sub-register System which is the Australian settlement system for equities and other issued products traded on the ASX.
Class	The class of units offered under this PDS.
Closed-Ended Fund	Has the meaning given to that term in Section 4.7.3.
CLO	Collateralised loan obligation. Has the meaning given to that term in Section 4.6.2.
Closing Date	The Cornerstone Offer Closing Date, the Priority Offer Closing Date, the Broker Firm Offer Closing Date and the General Offer Closing Date, as applicable.
CMS	Cash Management Strategy.
Compliance Plan	The Trust's compliance plan which sets out the measures that the Responsible Entity will apply in operating the Trust in an effort to ensure compliance with matters as required by the Corporations Act and the Constitution.
Constitution	The constitution of the Trust as amended or replaced from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Cornerstone Fee	A fee paid to investors in the Cornerstone Offer of 1.50% (exclusive of GST) of funds raised by the relevant Cornerstone Investor.
Cornerstone Offer	Has the meaning given to that term in Section 11.
Cornerstone Offer Closing Date	The date that the Cornerstone Firm Offer closes.
Credit	Has the meaning given to that term in Section 4.2. 'Credit' and 'Debt' are used interchangeably in this PDS.
Credit Opportunities	A private credit investment strategy that potentially benefits from dislocations in the credit or equity markets. Refer to Section 4.6 for further information.
CRN	Customer Reference Number.
CTF	Counter Terrorism Financing.

Custodian	BNP Paribas.
DDO	Design and Distribution Obligations.
Direct Lending	A private credit investment strategy involving lending directly to companies. Refer to Section 4.6 for further information.
Direct Qualifying Applicants	Has the meaning given to that term in Section 11.5.2.
DRP	The distribution reinvestment plan established by the Responsible Entity for the Trust.
DRP Rules	The rules of the DRP as varied from time to time.
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation.
ESG	Environmental, social and governance.
EUR	The Euro is the official currency of 20 European Union countries which comprise the Eurozone. Also known as €.
Evergreen Fund	Has the meaning given to that term in Section 4.7.3.
Exposure Period	The seven day period after the date of lodgement of the PDS with ASIC (as extended by ASIC (if applicable)).
Feeder Class	Class of notes (PPNs) in the Feeder Fund's Listed (Hedged) Class, which is issued to the Trust by the Pengana Private Credit Feeder Fund.
Feeder Fund	Pengana Private Credit Feeder Fund.
Financial Information	Has the meaning given to that term in Section 13.2.
Financial Year End	Each 30 June.
FUM	Funds Under Management.
FX	Foreign Exchange.
General Offer	Has the meaning given to that term in Section 11.
General Offer Closing Date	The date that the General Offer closes.
GFC	Global Financial Crisis.
Governmental Agency	means a government or government department or other body, or a governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, commission, authority, tribunal, agency, bureau, municipal, board, instrumentality or entity in any jurisdiction.
Gross Asset Value	The value of a Class' investments, excluding any liabilities or accruals for unpaid distributions, fees or costs. Also known as 'GAV'.
GST	Goods and Services Tax.
High Yield	A term used to describe a borrower or credit instrument that has a relatively higher risk of default and is typically representative of a borrower that has medium to low credit quality. External credit rating agencies view High Yield as equivalent to a rating below BBB- (Standard & Poors) or below Baa3 (Moody's).
Hurdle Return	Has the meaning given to that term in Section 10.3.5.1.
HWM	Has the meaning given to that term in Section 10.3.5.1.
IC	The Investment Committee as described in Section 6.5 of this PDS.
ICG	The Investment Consulting Group described in Section 6.5 of this PDS.
Independent Limited Assurance Report	The report by the Investigating Accountant in Section 14.
Indirect Costs	Has the meaning given to that term in Section 10.3.3.
Indirect Qualifying Applicants	Has the meaning given to that term in Section 11.5.2.

Institutional Applicant	means, for the purposes of: (a) an offer in Australia, a person to whom offers and issues of Units may lawfully be made without the need for disclosure to investors under Part 7.9 of the Corporations Act; (b) an offer outside Australia, means a person to whom an offer or issue of Units may be lawfully made under the applicable laws of the relevant foreign jurisdiction without lodgement, registration, approval or filing with a Governmental Agency or other formality (other than one which the Responsible Entity is willing to comply), and excludes persons who are retail clients under section 761G of the Corporations Act.
Intermediary	An Investor Directed Portfolio Service (“IDPS”), IDPS-like scheme or a nominee or custody service.
Investigating Accountant	Ernst & Young.
Investment Consultant	Mercer Consulting (Australia) Pty Ltd.
Investment Consulting Agreement	The agreement between the Investment Manager and the Investment Consultant, which consists of an engagement letter, statement of works and terms and conditions as referred to in Section 7.2.
Investment Grade	A term used to describe a borrower or credit instrument that has a relatively low risk of default and is typically representative of a borrower that has high to medium credit quality. External credit rating agencies view Investment Grade as equivalent to a rating between AAA and BBB- (Standard & Poor’s) or Aaa and Baa3 (Moody’s).
Investment Management Agreement	The investment management agreement between Pengana Credit and the Manager, as amended from time to time, pursuant to which Pengana Credit agrees to provide certain investment management services in respect of the Trust, as summarised in Section 15.3.
Investment Manager	Pengana Credit Pty Ltd (ACN 659 608 849, CAR 001297160), in its capacity as investment manager of the Trust, Feeder Fund and/or Master Fund, as the context requires.
Investment Objective	The investment objective as described in Section 6.1 of this PDS.
Investment Strategy	The investment strategy implemented to achieve the investment objective as described in Section 6.4 of this PDS.
Investor	A person investing in the Trust. Also referred to as a “Unitholder”.
IPO	Initial public offering.
IRR	Also known as the “Internal Rate of Return”, the IRR is used as a measure of the performance of private markets investments. The IRR takes account of the time value of cash flows which include drawdowns and distributions. Unless expressly stated otherwise, all references to IRR in this PDS are expressed as an annualised rate.
Joint Lead Managers	Taylor Collison, Morgans and Shaw and Partners, each individually a Joint Lead Manager.
KYC	Know Your Customer.
KYC Documents	Has the meaning given to that term in Section 16.13.
Last Payment Period	Has the meaning given to that term in Section 10.3.5.1.
Lead Arranger	Taylor Collison.
Leveraged Loan	Has the meaning given to that term in Section 4.2.
LIC	Listed investment company.
Liquid Credit	Credit securities that may be traded on a public capital market.
Listing Rules	The official Listing Rules of the ASX as amended or waived from time to time.
LIT	Listed investment trust.

Managed Investment Scheme	A managed investment scheme is a way of investing money alongside other investors. Terminology varies with country but collective investment vehicles are often referred to as 'collective investment schemes', 'mutual funds', 'investment funds', 'managed funds', or simply 'funds'.
Management Agreement	The management agreement between the Responsible Entity and Pengana Capital Limited (ACN 103 800 568, AFSL 226 566) that appoints Pengana Capital Limited as the manager of the Trust, as summarised in Section 15.2.
Management Costs	Has the meaning given to that term in Section 10.3.1.
Management Fee	Has the meaning given to that term in Section 10.3.2.
Manager	Pengana Capital Limited (ACN 103 800 568, AFSL 226 566).
Master Class	A class of participating shares in the Master Fund providing investment exposure to investments in private credit, each of which is exposed to funds managed by Underlying Managers that share common characteristics and objectives.
Master Fund	Pengana Private Credit Master Fund.
Master Fund Administrator	Citco Fund Administration (Cayman Islands) Limited.
Master Fund Custodian	Citco Custody Limited.
Master Fund Registry	Citco Fund Administration (Cayman Islands) Limited.
Maximum Subscription	\$250 million.
Mercer	Mercer Consulting (Australia) Pty Ltd.
Minimum Subscription	\$100 million.
MIT	A managed investment trust for Australian income tax purposes.
Morgans	Morgans Financial Limited (ACN 010 669 726, AFSL 235 410).
NAV per Unit	Net Tangible Asset Backing Value per Unit.
Net Tangible Asset Backing or Net Asset Value or NAV	As defined under and calculated in accordance with the ASX Listing Rules in relation to a Unit, is the value of the Trusts total assets reduced by the intangible assets and the Trust's liabilities, divided by the number of Units.
New Zealand Legal Counsel	DLA Piper New Zealand.
Offer	The offer to subscribe for Units under the Cornerstone Offer, Priority Offer, Broker Firm Offer and/or the General Offer.
Offer Management Agreement	An agreement between the Responsible Entity, the Manager and the Joint Lead Managers, which is summarised in Section 15.5.
Offer Opening Date	The date the Offer is expected to open, which is expected to be 20 May 2024.
Offer Period	The period during which investors may subscribe for Units under the Offer.
OID	Original Issue Discount. Has the meaning given to that term in Section 4.4.
Open-Ended Fund	Has the meaning given to that term in Section 4.7.3.
OTC	Over the counter.
PCG	Pengana Capital Group Limited.
PDIC	Mercer Private Debt Investment Committee.
PDS	This Product Disclosure Statement.
Pengana Capital Group Limited	Pengana Capital Group Limited (ACN 059 300 426, ASX: PCG), also known as 'PCG'.
Pengana Credit	Pengana Credit Pty Ltd (ACN 659 608 849, CAR 001297160), in its capacity as Investment Manager of the Trust, Feeder Fund, and/or Master Fund as the context requires.

Pengana Group of Companies	Pengana Capital Group Limited (ACN 059 300 426) and its subsidiaries.
Performance Fee	Has the meaning given to that term in Section 10.3.5.1.
Performance Fee Payment Period	Has the meaning given to that term in Section 10.3.5.1.
PIK	Payment-In-Kind. Has the meaning given to that term in Section 4.4.
Portfolio	The Underlying Assets to which the Trust is indirectly exposed to through its investments in the Feeder Class.
PPN	Has the meaning given to that term in Section 5.
PPN Agreement	The agreement between the Feeder Fund and the Trustee, which consists of a note deed poll and note subscription agreement as referred to in Section 15.4.
Priority Allocation	Has the meaning given to that term in Section 11.5.2.
Priority Determination Date	Has the meaning given to that term in Section 11.5.2.
Priority Offer	Has the meaning given to that term in Section 11.5.2.
Priority Offer Closing Date	The date the Priority Offer closes.
Pro Forma Historical Statements of Financial Position	Has the meaning given to that term in Section 13.2.
Qualifying Applicant	Has the meaning given to that term in Section 11.5.2.
Qualifying Vehicle	Has the meaning given to that term in Section 11.5.2.
RBA	Reserve Bank of Australia.
Real Asset Lending	A private credit investment strategy broadly including real assets such as real estate and infrastructure. Refer to Section 4.6 for further information.
Reserve Bank of Australia Official Cash Rate	The Reserve Bank Board's operational target for monetary policy. It is the interest rate on unsecured overnight loans between banks. Also known as 'RBA Official Cash Rate' or 'RBA Rate'.
Responsible Entity	Pengana Investment Management Limited (ACN 063 081 612, AFSL 219 462) in its capacity as Responsible Entity for the Trust. Also known as 'We', 'Our' or 'Us'.
Responsible Entity Fee	Has the meaning given to that term in Section 10.3.2.
Retail Applicant	An Applicant who is not an Institutional Applicant.
RITC	Reduced input tax credits.
Scale-Back	Has the meaning given to that term in Section 6.12.1.
Secured Overnight Financing Rate	The weighted average of the overnight rates used in U.S. Treasury bond repurchase agreements as published by the New York Federal Reserve Bank. Also known as 'SOFR'.
Settlement Date	The date the Offer is expected to settle.
Shaw and Partners	Shaw and Partners Limited (ACN 003 221 583, AFSL 236 048).
Specialty Finance	A private credit investment strategy including niche lending that requires specialised knowledge. Refer to Section 4.6 for further information.
Structured Credit	A private credit investment strategy consisting of loans dependent on performance of asset pools. Refer to Section 4.6 for further information.
Subscription Price	The amount payable by the Application for the Units under the Offer being \$2.00 per Unit.
Taylor Collison	Taylor Collison Limited (ACN 008 172 450, AFSL 247 083).
TFN	Tax File Number.
Transaction Costs	Has the meaning given to that term in Section 10.3.6.

Trust	Pengana Global Credit Trust (ARSN 673 024 489).
Trust Distribution Policy	Has the meaning given to that term in Section 6.2.
Trust Outperformance	Has the meaning given to that term in Section 10.3.5.1.
Trust Total Return	Has the meaning given to that term in Section 10.3.5.1.
Trust Website	www.pengana.com/PCX
Underlying Assets	The loans invested in by the Underlying Funds held by the Master Fund.
Underlying Funds	Funds managed by the Underlying Managers.
Underlying Managers	The managers of the Underlying Funds in which the Master Fund invests.
Unit	Means a unit of capital in the Trust.
Unitholder	A holder of a Unit. Also referred to as an “Investor”.
Unitholding	The Units held by a Unitholder.
Unit Price	NAV of the Trust divided by the total number of Units in the Trust.
Unit Registry	Computershare Investor Services Pty Limited.
USD	United States of America dollars.



PENGANA

CAPITAL GROUP