

PENGANA CAPITAL GROUP LIMITED SHAREHOLDER PRESENTATION

Date: 10 October 2024

Pengana Capital Group Limited (ASX: **PCG**) attaches a copy of the presentation to be delivered to shareholders by CEO Russel Pillemer at today's shareholder webinar:

DATE: Thursday 10 October

TIME: 10am

DURATION: 30 minutes

To join the webinar please visit Pengana.com/PCGwebinar

Approved by Paula Ferrao, Company Secretary.

Shareholder Enquiries:

Paula Ferrao
paula.ferrao@pengana.com
+61 2 8524 9900

Other Enquiries:

Pengana Client Service
clientservice@pengana.com
+61 2 8524 9900

Registry Enquiries:

Computershare
dean.weinbren@pengana.com
+61 2 8524 9984



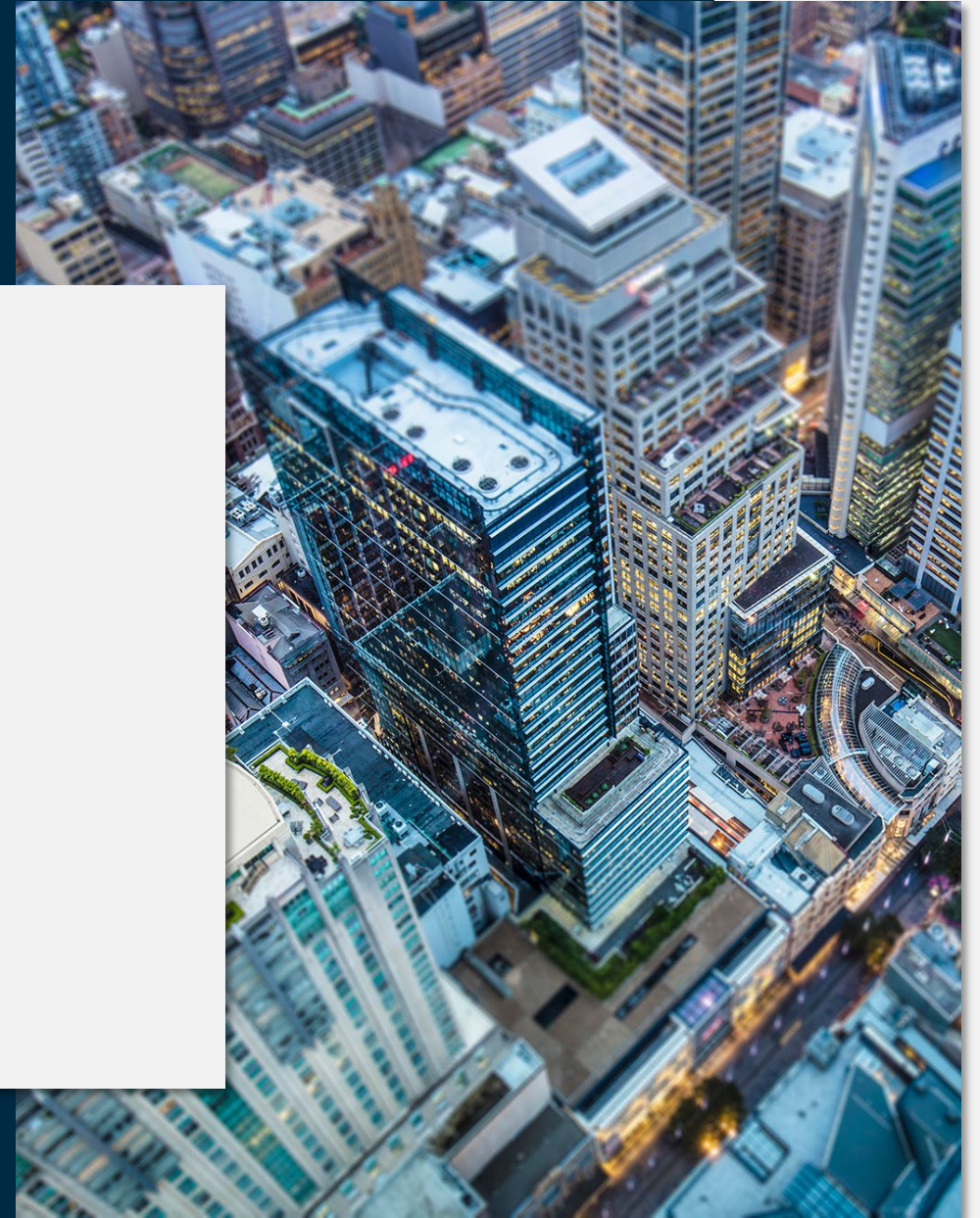
PENGANA
CAPITAL GROUP

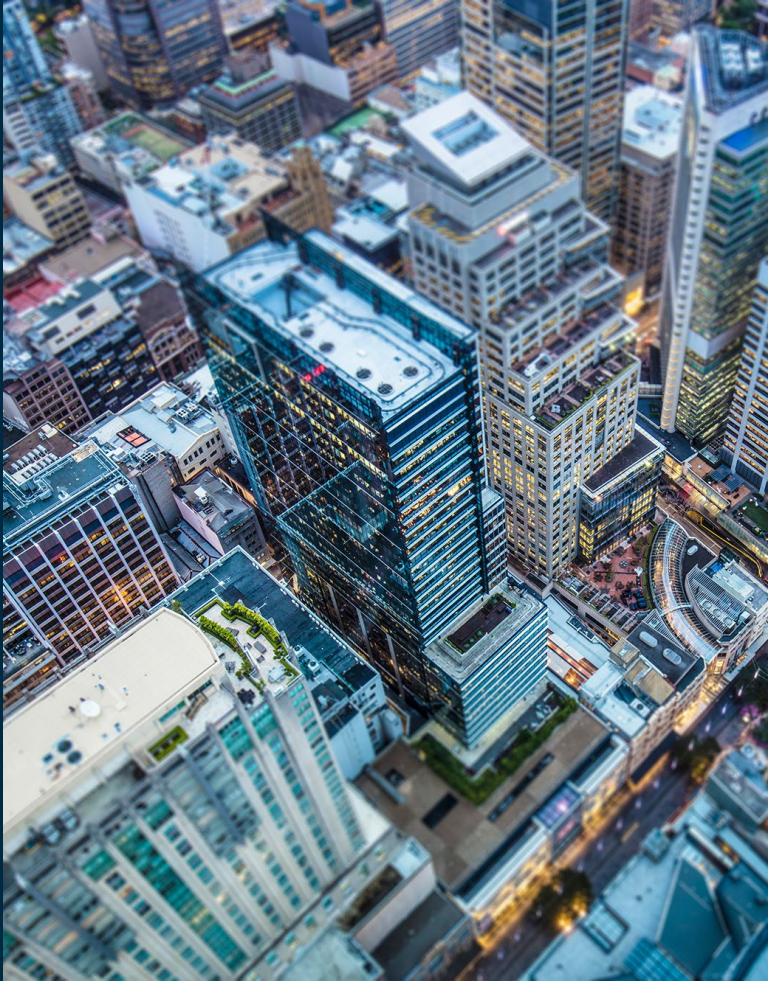
INVESTOR PRESENTATION

PIONEERING
TOMORROW, TODAY.

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PENGANA OVERVIEW

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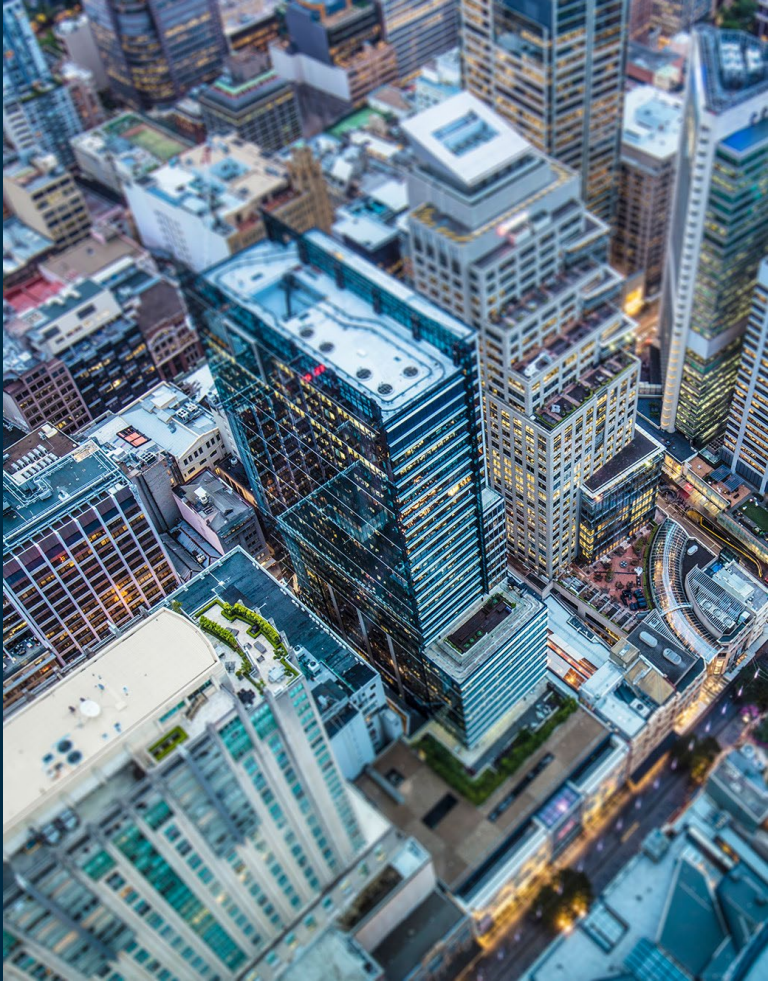
Established in 2003, Pengana Capital Group Limited ('PCG') is a diversified fund manager with \$3.4bn of funds under management ('FUM')¹

- Highly diversified
- Good fee margins, and diversified sources of performance fees across 74% of FUM.
- Offering both unlisted and listed vehicles, run by a combination of in-house teams and external fund managers.

Strong presence across the non-institutional market, consisting of retail, high-net-worth investors ('HNW') and family offices

- Highly-regarded brand built over 20+ years.
- Used by >3,000 financial advisors
- Estimated >50,000 underlying investors; including >10,000 direct investors
- Well-rated by research houses with extensive platform availability
- One of the few non-institutional fund managers to have a presence in private market strategies

1. As at 31 July 2024



STRATEGIC FOCUS - PRIVATE CREDIT

AUSTRALIAN FUNDS MANAGEMENT MARKET

1. Australia is one of the most attractive global markets for fund managers due to Superannuation
2. The non-institutional segment is the most attractive part of the Australian market
 - Consists of SMSF's as well as the substantial savings that retail, HNW investors, family offices, foundations and charities etc have outside of Superannuation.
 - SMSFs market is now~\$1tn.
 - More attractive segment due to stronger margins, high growth and client loyalty. However, this market is fragmented and extremely difficult to penetrate.
3. Private markets represent a significant opportunity
 - Biggest growth opportunity in the non-institutional segment is in Global Private Credit and Global Private Equity, where most investors are significantly under-weight.

PCG IS UNIQUELY POSITIONED TO BENEFIT FROM TRIPLE TAIL-WINDS




STRATEGIC REPOSITION TO FOCUS ON PRIVATE MARKETS STRATEGIES

- Most attractive part of the funds management market due to growth, returns and stability:
 - Shortage of strategies available to Australian non-institutional investors.
 - Globally, private market focussed fund managers trade at significant premiums to managers that focus on listed markets.
- PCG targets sophisticated advisors and investors:
 - One of the few Australian fund managers operating in this space
 - PCG offers listed vehicles in both Global Private Credit and Global Private Equity.
- PCG's Global Private Credit suite of vehicles are key to growth:
 - Currently only represent ~22% of PCG's FUM.
 - Medium-term focus for this to be dominant part of the business

PENGANA GLOBAL PRIVATE CREDIT

- Global Private Credit master portfolio comprised of 20 underlying funds, selected by Mercer:
 - Unparalleled manager access allows purpose-built exposures with varying risk/return targets.
 - Launched multiple distinct vehicles in FY 2024, with more planned
- PCG's deep strategic alliance with Mercer is a key strength:
 - One of the world's largest investment consultants with >US\$16 trillion in AUA
 - Provides extensive support across PCG's Global Private Credit business, utilising expertise, resources and relationships to assist PCG.

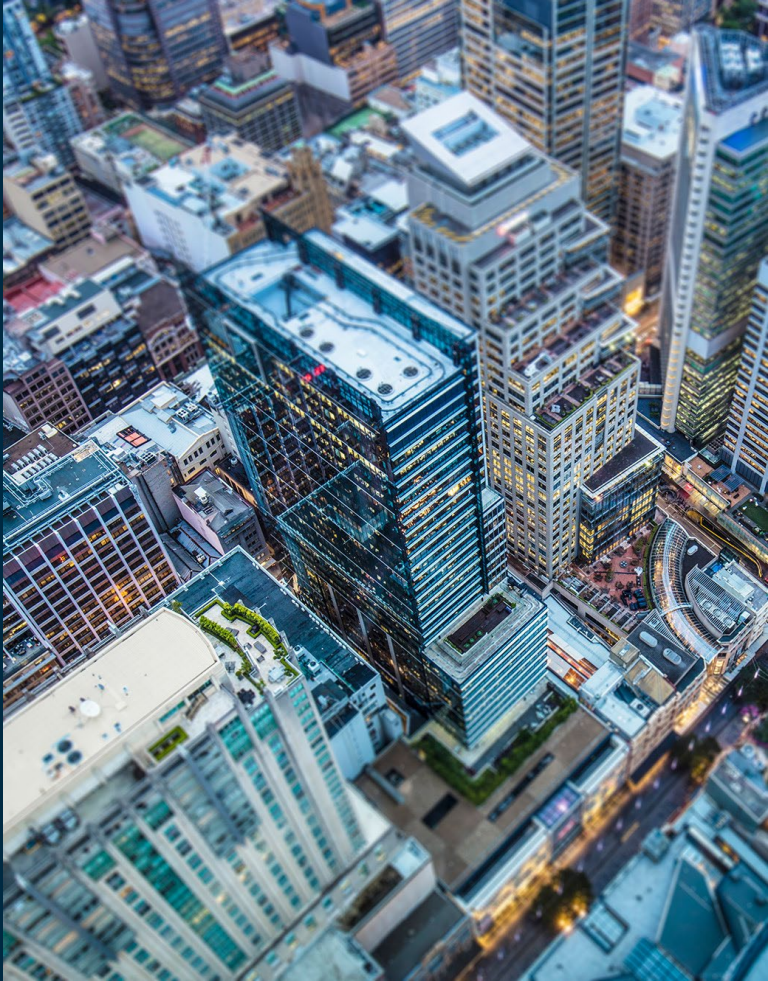
PCG'S CURRENT GLOBAL PRIVATE CREDIT OFFERINGS

 ASX: PCX			TAILORED ACCOUNTS	STRATEGIC PARTNERSHIPS
<ul style="list-style-type: none"> • Retail, listed investment structure • Recent IPO raised \$157m from financial advisors, direct retail and HNW investors • Targeting strong risk-adjusted returns, including a 7% p.a. cash distribution yield (and hedged into AUD) • Unique structure to deal with discount to NAV; has consistently traded above NAV since listing • Demand from existing and new clients continued to increase and an additional \$11 million was raised via a placement, further diversifying the investor base. 	<ul style="list-style-type: none"> • Direct to consumer ('DTC') offering - operating under the TermPlus brand <ul style="list-style-type: none"> ◦ 12, 24 and 60 months with monthly income payments that can be paid or reinvested for compounding ◦ Highly compelling floating target returns ◦ Layers of built-in protections for stability of capital and reliability of income • Market leading technology <ul style="list-style-type: none"> ◦ Fully digital onboarding and account management infrastructure ◦ Custom built in house to deliver unique product features and customer experience • Key driver of future profitability <ul style="list-style-type: none"> ◦ Potential to open up a new, broader, mass-market audience ◦ Spread-based revenue model 	<ul style="list-style-type: none"> • Wholesale fund • For family offices, high net-worth and institutional investors (ex large superfunds) • Target returns of RBA Cash + 7-9% p.a., with very low volatility (hedged into AUD) 	<ul style="list-style-type: none"> • For institutional clients, large dealer groups and Separately Managed Accounts ("SMA") operators seeking bespoke solutions • The only diversified Global Private Credit product in the Australian SMA market, which is one of the fastest growing segments of the savings market. • The first SMA client has been onboarded, with strong inflows anticipated over the coming quarters. • Initial platform access through the North platform has been secured, with more platforms expected to follow over the coming quarters. 	<ul style="list-style-type: none"> • Pengana entered into its first strategic partnership, with one of Australia's largest wealth groups, with an offering specifically tailored for their clients. • This will be the only Global Private Credit offering that will be recommended for allocation in the group's client portfolios and strong inflows are expected over the coming quarters. • The selection of Pengana as the preferred Global Private Credit partner for this large group is testament to the attractiveness of the offering.

THE PENGANA PRIVATE CREDIT MASTER PORTFOLIO IS PERFORMING IN LINE WITH EXPECTATIONS, REAFFIRMING OUR INVESTORS' CONFIDENCE IN THIS ATTRACTIVE ASSET CLASS

FINANCIAL IMPACT ON PCG

- Global Private Credit is generally a high fee margin business for PCG:
 - Current offerings have varying net revenue margins - on average are targeted be >1.0%.
- TermPlus is expected to be a key profit driver over the medium term:
 - Spread-based revenue model.
 - Scalable due to technology; sophisticated digital platform to facilitate growth.
- No long-term capacity constraints
- As PCG's Global Private Credit business mostly leverages off existing PCG infrastructure, as the Global Private Credit business expands:
 - Resources largely included in current cost base.
 - Most net revenue will fall to the bottom line

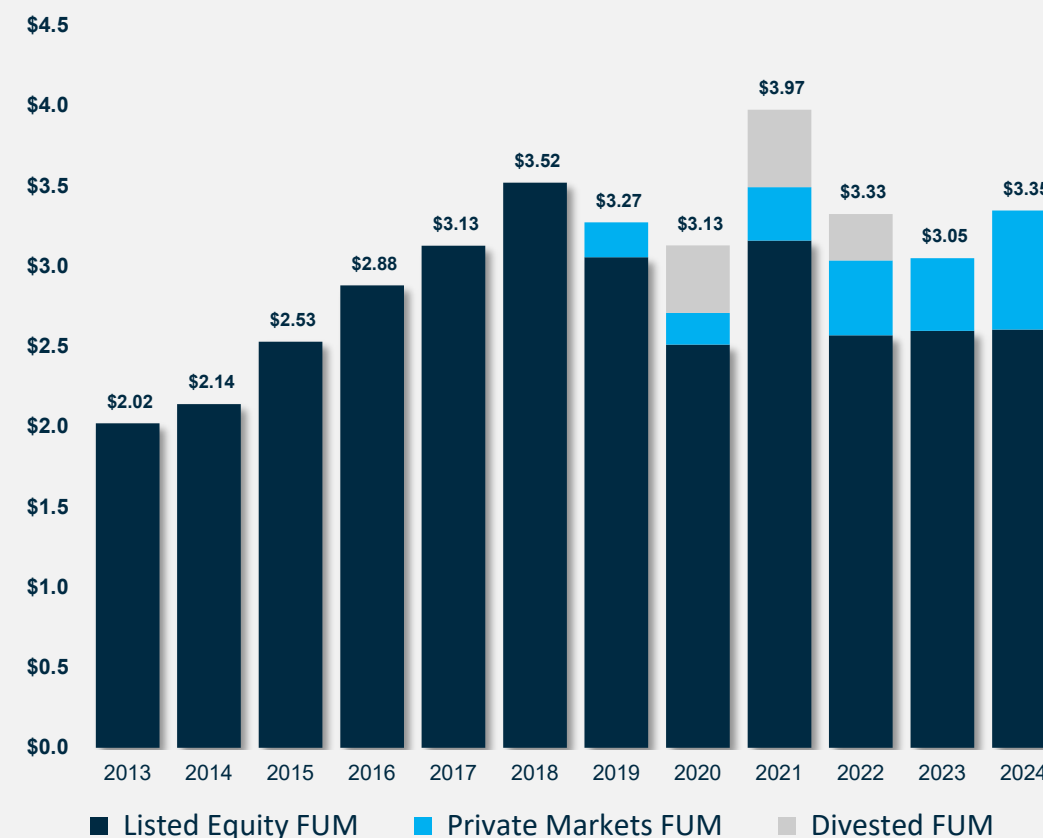


SHAREHOLDER OPPORTUNITY

FUNDS UNDER MANAGEMENT (“FUM”)¹

- Listed Equity Funds:
 - Stable base over many years
 - High quality brand
- Business now re-positioned to Private Markets:
 - Potential for outsized FUM growth
 - Higher margins
 - Competitive advantage
- Strategically well-placed for growth

HISTORICAL GROWTH IN FUM (\$B)²



1. The amount of funds under management can increase or decrease due to a range of factors including net fund flows, distributions to investors and investment performance. Past performance is not a reliable indicator of future performance. The reported FUM is prior to any distributions and dividends being paid to investors. 2. Combined Pengana and Hunter Hall FUM at each 30 June.

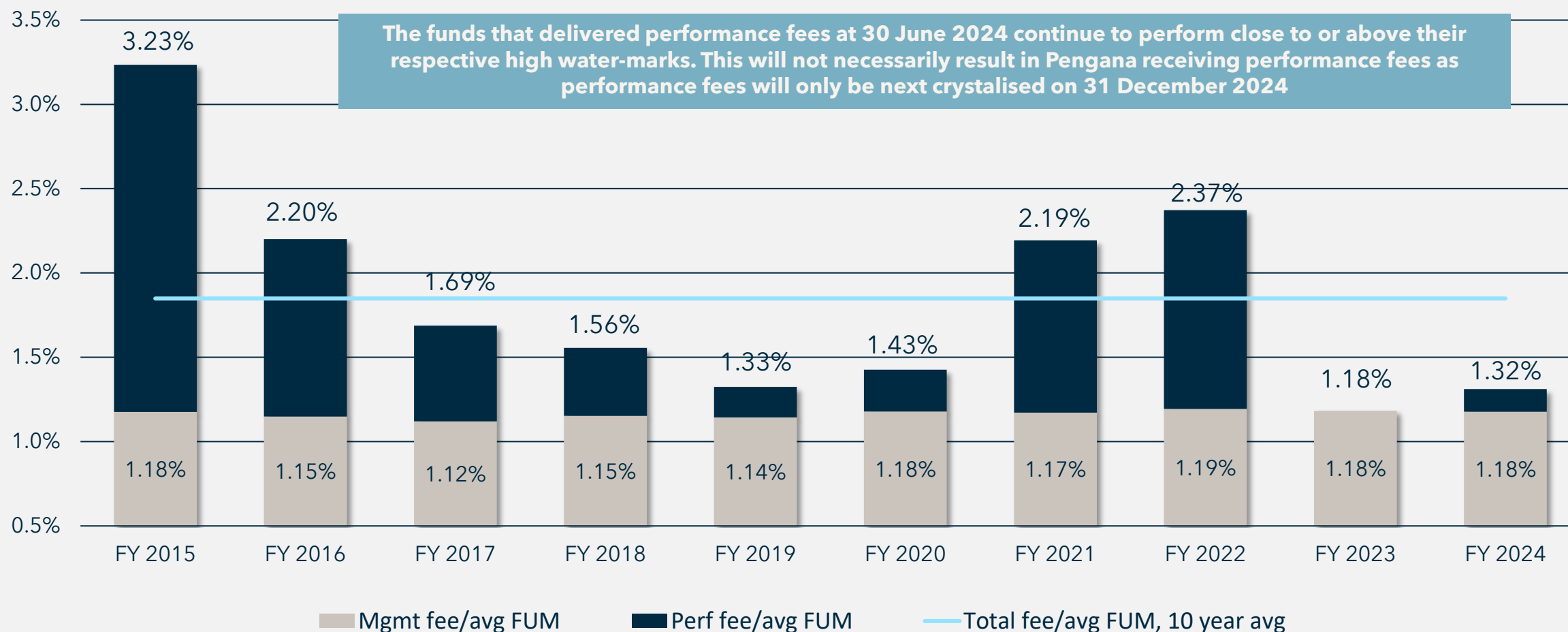
LEVERAGED TO GROWTH AND PERFORMANCE FEES

(\$M)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Management Fees	35.9	36.0	41.8	41.2	38.1
Performance Fees	3.1	-	32.7	27.5	6.1
Total Fees	40.0	36.0	74.5	68.7	68.7
Operating expenses	(24.2)	(21.1)	(19.4)	(25.0)	(21.2)
Team Profit Share	(11.7)	(11.1)	(23.2)	(24.4)	(13.2)
Operating EBITDA¹	3.1	3.7	31.8	19.2	9.9

- Includes Lizard Investors LLC ('Lizard') (US subsidiary) sold in FY 2022; FUM from the core (ex-Lizard) listed equity business static over last few years
- Swings in EBITDA mostly due to volatility of performance fees
- Increased expenses in FY 2024 due to launch of Global Private Credit business

1. Source: Pengana Management Accounts

ANNUAL GROSS FEE MARGIN



Fee margin for performance fee margin calculated on average annual funds under management subject to performance fees, excluding the impact of Lizard Investors LLC FUM, management and performance fees. Total Average Fund under Management for FY 2023: \$3.040 billion, Total Average Funds Under Management subject to Performance Fees for FY 2023: \$2.405 billion. Funds under management at 31/07/2023 subject to performance fees: \$2.314 billion

EMPLOYEE SHARE PLAN LOANS DUE 31 OCTOBER 2024

	\$million	Shares 'million	\$ per share	% accretion if cancelled
Loans due for repayment 31 October 2024 – Tranche 1	11	11	\$1.02	11%
Loans due for repayment 31 October 2024 – Tranche 2	13	11	\$1.21	11%
Total loans due for repayment 31 October 2024	24	22		24%

Board's current expectation that:

- 1st tranche will be repaid in full; implied share price of \$1.02 equates to a 35% premium to the current share price ; \$11 million cash inflow for PCG
 - 2nd tranche will be forfeited, with associated treasury shares cancelled; 11% accretion
-
- Board's view is that current share price not reflective of the underlying value of the Company, and that on this basis, it would be value accretive to buy back shares at current prices.
 - However, (although **on-market share buy-back program remains on foot**), the Board considered it prudent to suspend the buyback activity until the uncertainty around the Employee Share Loan plan is resolved.

SOURCES OF POTENTIAL VALUATION UPSIDE

There currently appears to be subdued equity market interest in the stock due to:

- Low free float of shares.
- Small market capitalisation.

Current market value does not reflect significant potential upside, including from:

- Re-emergence of performance fees.
- Growth prospects, especially in Global Private Credit.
- Re-rating of valuation multiple to reflect focus on Private Market strategies.

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FOR MORE INFORMATION

PENGANA.COM

PENGANA CAPITAL GROUP LIMITED

ABN 30 103 800 568

AFSL 226566

Suite 1, Level 27,
Governor Phillip Tower,
1 Farrer Place,
Sydney, NSW, 2000

CLIENT SERVICE

T: +61 2 8524 9900

E: clientservice@pengana.com

