

FEE STRUCTURE CHANGE – PENGANA AUSTRALIAN EQUITIES FUND

We are pleased to announce that we have implemented three changes to our fee structure that are significantly beneficial to investors.

These changes are summarised below.

Performance Fee hurdle rate

Previously RBA cash rate - paid quarterly

Now RBA cash rate plus 6% p.a. - paid half yearly

Capped expense recovery (including GST, net of Reduced Income Tax Credit)

Previously Maximum of 0.1% p.a. of the Fund's Net Asset Value ('NAV')

Now Maximum of 0.05% p.a. of the Fund's NAV

Why have we changed the Performance Fee hurdle rate?

Pengana has always been focused on aligning our interests with those of investors. This includes capping the sizes of our funds, as well as utilising fair and appropriate fee structures.

Upon inception of the Pengana Australian Equities Fund in 2008, we utilised the RBA cash rate ("Cash Rate") to set the Performance Fee hurdle rate ("Hurdle"). At that point in time, the Cash Rate was over 7%. Today, the Cash Rate is at 1.25% and there appears to be little prospect of it moving much higher over the coming years. We have therefore decided that it is appropriate for us to increase the Hurdle by 6%, i.e. to Cash Rate plus 6%.

The benefit of this increase is that investors will now only pay a performance fee in the event that the Fund earns a net return in excess of the Cash Rate plus 6% p.a. (calculated and paid 6 monthly).

Details of the changes

The changes effective from 1 July 2019 are detailed in the Product Disclosure Statement (PDS). We have retained the previous PDS website link and the application form remains unchanged. Please see page 5 of the PDS for further details of fees and charges associated with the Fund.

[Pengana Australian Equities Fund \(ARSN 146 346 929 APIR PCL0005AU\)](#)

What do you do next?

No action is required. This change applies to all existing and new investors in the Fund from today. If you have any questions, please contact Pengana. _____

Thank you for your continued support of Pengana.

Kind regards,



RUSSEL PILLEMER
CEO Pengana Capital Group



RHETT KESSLER
CIO and Senior Fund Manager

ABOUT THE PENGANA AUSTRALIAN EQUITIES FUND

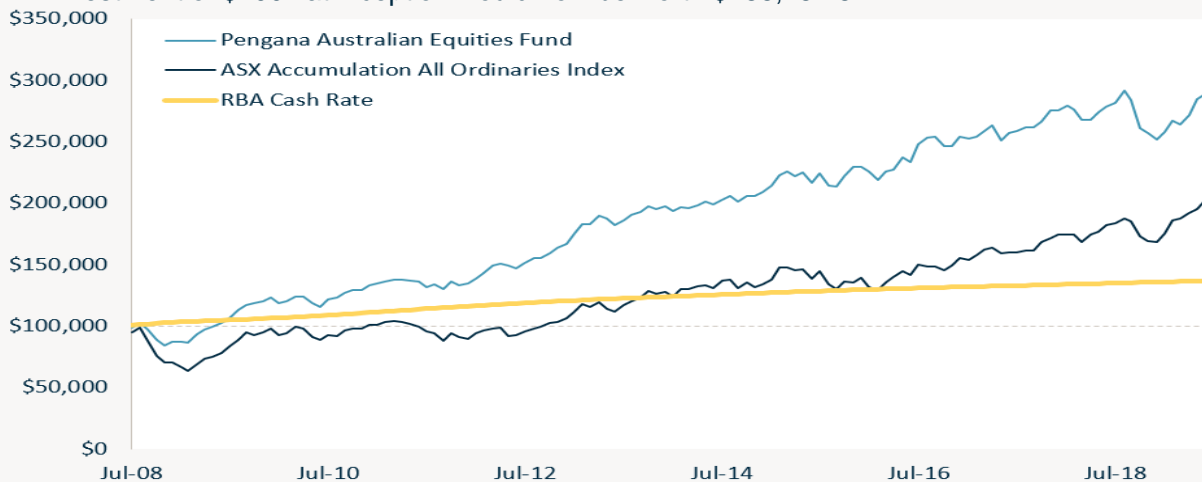
The Pengana Australian Equities Fund (‘the Fund’) was established 11 years ago in order to:

- provide investors with an opportunity to substantially grow their wealth over the long term
- preserve capital during market downturns.

The Fund has been successful in achieving both of its objectives since inception, generating a return of 10.1% per annum¹ with positive returns in each and every financial year.

FUND PERFORMANCE FOR AUSTRALIAN EQUITIES FUND

An investment of \$100k at inception would now be worth \$288,187.81.¹



Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services license number 226566) is the issuer of units in the Pengana Australian Equities Fund (ARSN 146 346 929) (the ‘Fund’). A product disclosure statement for the Fund is available and can be obtained from our distribution team. A person should obtain a copy of the product disclosure statement and should consider the product disclosure statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana Capital Ltd and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person’s objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana Capital Ltd nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund.

1. Inception date: 1/07/2008. Performance as of 30/6/2019. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.