

REPLACEMENT
PRODUCT DISCLOSURE
STATEMENT

PENGANA PRIVATE EQUITY TRUST



PENGANA
CAPITAL

ISSUE DATE:
22 FEBRUARY 2019

ARSN: 630 923 643

LEAD ARRANGER AND JOINT LEAD MANAGER



TAYLOR COLLISON

JOINT LEAD MANAGERS

BELL POTTER

ShawandPartners

CO-MANAGERS

Baillieu
1889 ONWARD



PATERSONS

INVESTMENT MANAGER

Grosvenor Capital
Management, L.P.

**RESPONSIBLE ENTITY
AND ISSUER**

Pengana Investment
Management Limited
ABN 69 063 081 612
AFSL 219 462

CONTACT

T: 1800 291 041
(within Australia)
T: +61 3 9415 4019
(outside Australia)

PENGANA.COM/PE1

IMPORTANT INFORMATION

IMPORTANT NOTICE

The Pengana Private Equity Trust ARSN 630 923 643 ("Trust") is an Australian managed investment scheme registered with the Australian Securities and Investments Commission ("ASIC").

This replacement product disclosure statement ("Replacement PDS") is dated 22 February 2019 and was lodged with ASIC on that date. This Replacement PDS replaces the product disclosure statement dated 11 February 2019 which was lodged with ASIC on that date. This Replacement PDS is issued by the responsible entity of the Trust, Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219 462) ("Responsible Entity").

The Responsible Entity has appointed Pengana Capital Limited (ABN 30 103 800 568, AFSL 226 566) as the manager of the Trust pursuant to the Management Agreement ("Manager"), and the Manager has engaged Grosvenor Capital Management, L.P. ("GCM" or "Investment Manager") as the investment manager of the Trust pursuant to the Investment Management Agreement.

The Joint Lead Managers and the Co-Managers will together manage the Offer on behalf of the Responsible Entity. The Joint Lead Managers are Bell Potter Securities Limited (ABN 25 006 390 772, AFSL 243 480) ("Bell Potter"), Shaw and Partners Limited (ABN 24 003 221 583, AFSL 236 048) ("Shaw and Partners") and Taylor Collison Limited (ABN 53 008 172 450, AFSL 247 083) ("Taylor Collison"). The Co-Managers are Baillieu Limited (ABN 74 006 519 393, AFSL 245 421) ("Baillieu"), FinClear Execution Ltd (ABN 56 061 751 102, AFSL 246 842) ("FinEx") and Patersons Securities Limited (ABN 69 008 896 311, AFSL 239 052) ("Patersons Securities").

The Joint Lead Managers and Co-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 or the Co-Managers is responsible for, or has caused the issue of, this Replacement PDS.

REPLACEMENT PDS

The Responsible Entity has applied to the ASX for admission of the Trust to the Official List of the ASX.

Neither ASIC nor the ASX (or their respective officers) take any responsibility for the contents of this Replacement PDS or the merits of the investment to which this Replacement PDS relates. Units issued under this Replacement PDS will be issued by the Responsible Entity on the terms and conditions set out in this Replacement 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 Replacement PDS is not 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 Replacement PDS in its entirety. You should take into account all risk factors and conflicts of interest referred to in this Replacement PDS (including those in Section 11), 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 Replacement 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.

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 Replacement 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 Replacement 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 Replacement 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 Replacement PDS.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

This Replacement 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 Units in any jurisdiction outside Australia or New Zealand. The distribution of this Replacement PDS outside Australia or New Zealand may be restricted by law and persons who come into possession of this Replacement 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.

EXPOSURE PERIOD

Pursuant to the Corporations Act, this Replacement PDS is subject to an Exposure Period of seven days from the date of lodgement of this Replacement 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 Replacement PDS as the 'Exposure Period'. The Exposure Period enables this Replacement PDS to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Replacement PDS. If deficiencies are detected, the Responsible Entity will either:

- return any Application Amount the Responsible Entity has received;
- 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; or
- issue to the Applicant the Units applied for in the Application, 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 17. A copy of the Constitution is available, free of charge, on request from the Responsible Entity.

IMPORTANT INFORMATION CONTINUED

ELECTRONIC AND PRINTED REPLACEMENT PDS; WEBSITE

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

The Offer constituted by this Replacement PDS in electronic form is available only to persons receiving this Replacement PDS in electronic form within Australia or New Zealand. Persons who access this electronic version of this Replacement PDS should ensure that they download and read the entire Replacement PDS. If unsure about the completeness of this Replacement PDS received electronically, or a print out of it, you should contact the Responsible Entity. During the offer period, a paper copy of this Replacement PDS will be available for Australian and New Zealand residents free of charge by calling the Offer Information Line on 1800 291 041 (within Australia) or +61 3 9415 4019 (outside Australia) between 8:30am and 5:30pm (Sydney time) on a Business Day.

Applications for the Units under this Replacement PDS may only be made on either a printed copy of the Application Form attached to or accompanying this Replacement PDS or via the electronic Application Form attached to the electronic version of this Replacement PDS, available at www.pengana.com. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Replacement PDS or the complete and unaltered electronic version of the Replacement PDS. If this Replacement PDS is found to be deficient, any Applications may need to be dealt with in accordance with section 1016E of the Corporations Act.

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 Replacement PDS unless stated otherwise in this Replacement PDS.

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 Replacement PDS. Any information or representation that is not contained in this Replacement 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 Replacement PDS.

Certain statements in this Replacement 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 Replacement 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 11.

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 Replacement 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 Replacement 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 Replacement 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 Replacement 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. 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 1800 291 041 (within Australia) or +61 3 9415 4019 (outside Australia) between 8:30am and 5:30pm (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 Replacement PDS. You should read any supplementary disclosures issued in conjunction with this Replacement PDS prior to making any investment decision.

INDUSTRY TERMS, DEFINITIONS AND ABBREVIATIONS

Certain industry terms, defined terms and abbreviations used in this Replacement PDS are explained in the Glossary in Section 19 of this Replacement PDS.

TIME

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

MISCELLANEOUS

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

References in this Replacement PDS to currency are to Australian dollars unless otherwise indicated. All data contained in charts, graphs and tables within this Replacement PDS are based on information available as at the date of this Replacement PDS unless otherwise stated.

For the GCM Group, all AUM data is as of 30 September 2018 and all employee data is as of 31 December 2018.



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OFFER HIGHLIGHTS

KEY OFFER STATISTICS

Trust	Pengana Private Equity Trust ARSN 630 923 643
Proposed ASX code	PE1
Units offered	Fully paid ordinary Units
Minimum number of Units available under the Offer	80,000,000
Subscription Price per Unit	\$1.25
Minimum gross proceeds from the Offer	\$100 million
Pro forma Net Asset Value (NAV) backing per Unit based on the Minimum Subscription	\$1.3125
Maximum number of Units available under the Offer	480,000,000
Gross proceeds from the Offer based on the Maximum Subscription	\$600,000,000
Pro forma NAV backing per Unit based on the Maximum Subscription being received	\$1.3125

IMPORTANT DATES

Priority Determination Date	25 January 2019
Lodgement of the Replacement PDS with ASIC	22 February 2019
Offer Opening Date	4 March 2019
Broker Firm Offer Closing Date	3 April 2019
Priority Offer Closing Date and General Offer Closing Date	10 April 2019
Expected Settlement Date	18 April 2019
Expected date of the allotment of Units under the Priority Offer, Broker Firm Offer and General Offer	23 April 2019
Expected date for dispatch of holding statements	24 April 2019
Trading of Units on the ASX commences (on a normal settlement basis)	30 April 2019
Period during which Alignment Shares are intended to be distributed in-specie to Unitholders and convert to ordinary shares, subject to a determination by the Responsible Entity to distribute	April – June 2021

The above dates are subject to change and are indicative only. Pengana reserves the right to amend this indicative timetable subject to the Corporations Act and the Listing Rules. In particular, Pengana reserves the right to close the Offer early, extend the Offer Period or accept late Applications without notifying any recipients of this Replacement 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.

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CORPORATE DIRECTORY

Responsible Entity	Pengana Investment Management Limited Level 12, 167 Macquarie Street Sydney NSW 2000 Australia	
Manager	Pengana Capital Limited Level 12, 167 Macquarie Street Sydney NSW 2000 Australia	
Investment Manager	Grosvenor Capital Management, L.P. 900 North Michigan Avenue Suite 1100 Chicago Illinois 60611 USA	
Lead Arranger and Joint Lead Manager	Taylor Collison Limited Level 16, 211 Victoria Square Adelaide SA 5000 Australia	
Joint Lead Managers	Bell Potter Securities Limited Level 38, Aurora Place 88 Phillip Street Sydney NSW 2000 Australia	Shaw and Partners Limited Level 15, 60 Castlereagh Street Sydney NSW 2000 Australia
Co-Managers	Baillieu Limited Level 26, 360 Collins Street Melbourne, VIC 3000 Australia Patersons Securities Limited Level 23, Exchange Tower 2 The Esplanade Perth WA 6000 Australia	FinClear Execution Ltd Level 5, 53 Walker Street North Sydney NSW 2060 Australia
Administrator and Custodian	BNP Paribas Securities Services Level 6, 60 Castlereagh Street Sydney NSW 2000 Australia	
Unit Registry	Computershare Investor Services Pty Limited Level 4, 60 Carrington Street Sydney NSW 2000 Australia	
Investigating Accountant and Trust Auditor	Ernst & Young 200 George Street Sydney NSW 2000 Australia	
Legal and Tax Counsel	DLA Piper Australia Level 22, 1 Martin Place Sydney NSW 2000 Australia DLA Piper New Zealand Level 22, 205 Queen Street Auckland 1010 New Zealand	

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LETTER TO INVESTORS

Dear Investor,

It gives me great pleasure to invite you to become an investor in the Pengana Private Equity Trust ("Trust") which has been registered with ASIC and is proposed to be listed on ASX.

By investing in the Trust, investors will have the opportunity, for the very first time, to invest in a highly diversified portfolio of global private equity ("GPE") investments through an ASX listed vehicle.

Since the inception of Pengana in 2003, we have sought to provide our investors with funds that have the potential to generate strong returns as well as which assist in diversifying their portfolios. In partnership with Grosvenor Capital Management, L.P. ("GCM"), we have designed the Trust with these objectives in mind, whilst also targeting a cash distribution yield of 4% p.a.¹

GLOBAL PRIVATE EQUITY

Over the last 18 years, GPE assets have grown by almost 600% and today there is over US\$3 trillion invested in the asset class. Most of the investment is from sophisticated institutional investors, many of whom regard the sector as an integral component of their investment portfolios.

In contrast, most Australian retail, high-net-worth and superannuation investors have very little, if any, GPE in their portfolios. Reasons for this may include a scarcity of suitable investment vehicles which will enable investors to obtain meaningful and diversified access, with the potential for liquidity if it is required. I believe the Trust addresses many of the issues that have previously impeded them from investing into GPE.

GROSVENOR CAPITAL MANAGEMENT, L.P.

The investment manager of the Trust is Grosvenor Capital Management, L.P. ("GCM") with AUM[#] in excess of US\$52 billion and a 20-year track record in GPE investing. GCM employs over 500 people globally of which there are 64 investment professionals dedicated to its private equity, real estate and infrastructure strategies. GCM is headquartered in Chicago, with offices in New York, Los Angeles, London, Tokyo, Hong Kong and Seoul.

GCM will generally seek to invest with Underlying Investment Managers[#] who have historically managed investment vehicles which have generated upper Quartile^{2, #} returns, and whom GCM believes have the potential to continue to do so. Investing in top Quartile funds is critical for a successful PE[#] program, as illustrated in the buyout funds³ example below. There are two key requirements in this regard: (1) identify future top Quartile funds and (2) gain access to invest in these funds, which is difficult due to the excess demand for such investments. We have a very high degree of confidence in the investment management capabilities of GCM and believe that GCM's expertise, experience and relationships place them in a good position to be able to identify future top Quartile performing funds as well as to gain access to invest.

1. The targeted distribution is only a target and may not be achieved. Investors should read the Risks summary set out in Section 11 of this Replacement PDS[#].

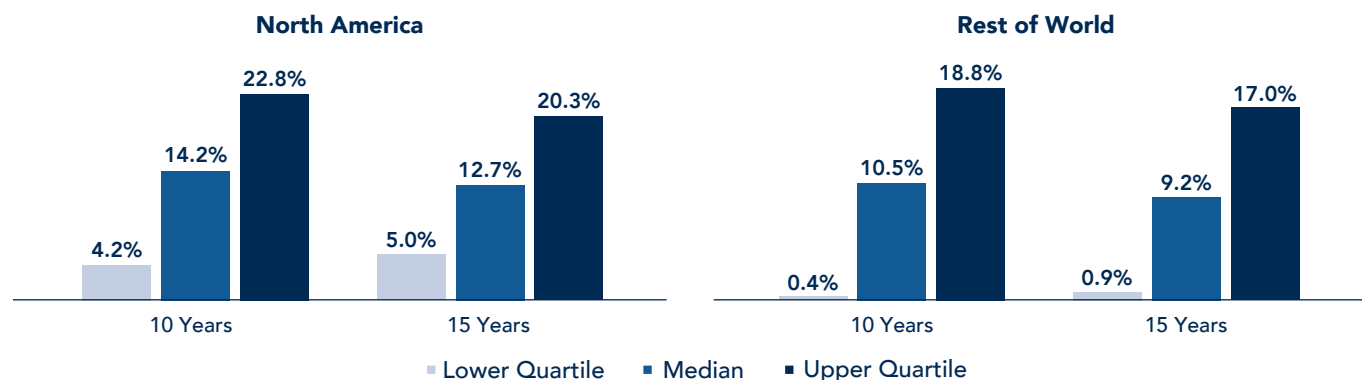
2. Defined as the top 25% of returns of the manager universe.

3. Buyout funds represent a majority of the global private equity fund universe and a majority of GCM's historical Commitments[#] to private equity.

[#] These terms are explained in the Glossary of this Replacement PDS in Section 19. The Glossary explains the meaning of industry terms, defined terms and abbreviations used in this Replacement PDS.

LETTER TO INVESTORS CONTINUED

Quartile Annualised Performance (IRR)[#] of Private Equity Buyout Funds



For illustrative purposes only. Source: The above graphs were prepared by GCM utilising certain information obtained from the Burgiss Group ("Burgiss"). Burgiss is an independent subscription-based data provider, which calculates and publishes quarterly performance information from cash flows and valuations collected from a sample of private equity firms worldwide (the "Burgiss Manager Universe"). The Burgiss Manager Universe includes data from 8,250 global private funds. The graphs are based on published 3Q 2018 industry data as of January 2019. "North America" represents North American buyout funds in the Burgiss Manager Universe. "Rest of World" represents non-North American buyout funds in the Burgiss Manager Universe. Returns represent pooled IRRs[#] of a broad selection of buyout private equity funds formed since the beginning of each illustrated period and thereafter. Ten-year returns are for funds formed in Vintages 2009 to 3Q 2018 and fifteen-year returns are for funds formed in Vintages[#] 2004 to 3Q 2018. GCM uploads data into its system used to prepare the above graphs one-time each quarter; however, the data service may continue to update its information thereafter. Therefore, information in GCM's system may not always agree with the most current information available from the data service. Additional information is available upon request.

Burgiss has not provided consent to the inclusion of statements utilising its 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.**

THE TRUST

The Trust will invest in private equity, private credit and other opportunistic investments and will seek to provide diversification across Underlying Investment Managers[#], Vintages[#], geographies, sectors, and strategies.

I believe the following characteristics make the Trust an attractive vehicle to enable Australian investors to access GPE:

- **Growth and Income:** The Trust is designed to deliver strong capital growth as well as income distributions of 4% p.a.⁴, and is therefore potentially applicable to investors seeking both growth and income solutions for their portfolios.
- **Simplicity:** The Trust serves as a single point of entry to a well-diversified portfolio of GPE investments (estimated to be in excess of 600 underlying companies⁵) in accordance with the long-term target guidelines for the Portfolio[#].
- **Institutional investment management:** The Trust allows us to deliver an investment management capability typically accessed by institutional clients.
- **Liquidity:** Private equity 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 GPE with the flexibility to buy and sell Units on the ASX so long as an active market exists.
- **Access:** Private equity investments can be challenging to access for individual investors. The Trust will seek to provide investors with direct exposure via the GCM Group platform to oversubscribed and difficult-to-access Private Investment Funds[#] investing predominantly in middle market Portfolio Companies[#] globally.
- **Bespoke solution:** GCM will create a solution tailored specifically to the requirements and objectives of the Trust, utilising GCM's highly experienced team, differentiated deal flow and fee efficiencies.

[#] These terms are explained in the Glossary of this Replacement PDS in Section 19. The Glossary explains the meaning of industry terms, defined terms and abbreviations used in this Replacement PDS.

⁴ This is the intended distribution of the Trust and it is only a target and may not be achieved. Investors should read the Risks summary in Section 11 of this Replacement PDS[#].

⁵ On the assumption \$600 million is raised under the Offer. Refer to Section 8.5.5.

LETTER TO INVESTORS CONTINUED

ALIGNMENT SHARES

Core to Pengana's philosophy is to continually strive to align Pengana's interests with those of our investors. Pengana is utilising a unique structure to align and reward investors in the offer by issuing convertible preference shares in Pengana Capital Group Limited (ASX:PCG) ("PCG") (at nominal cost being an aggregate price of \$1.00 for 100% of shares issued) to the Trust, effectively providing investors with a 5% uplift in the NAV per Unit, on the Allotment Date. These shares will convert into ordinary shares on distribution and it is our intention to make an in-specie distribution of these shares into the hands of investors, approximately 2 years after the listing, subject to determination by the Responsible Entity to distribute. This will result in all investors in the Trust at that point in time becoming direct shareholders in PCG. We look forward to welcoming you as a shareholder in PCG at that future point in time. Full details of the Alignment Shares are set out in Section 9 in this document.

PRIORITY OFFER

If you are an existing investor in our retail funds or a shareholder in PCG, Pengana International Equities Limited or Washington H. Soul Pattinson, 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 least⁶ \$125 million for Units have been set aside on a first-come-first-serve basis. We encourage you to submit your application form and application money early to potentially avoid missing out in the event of over-subscription.

THE OFFER

Pengana is seeking to raise up to \$600 million through the issue of Units at a Subscription Price of \$1.25 per Unit. There are significant fees and costs involved in the establishment, offering and listing of the Trust; however, these will be paid by Pengana in cash. The combination of this and the Alignment Shares is expected to result in a NAV per unit at inception of \$1.3125, a 5% premium to the subscription price.

The Replacement Product Disclosure Statement contains important information regarding the Offer. I urge you to read it carefully and in its entirety, including Section 11, which sets out key risks associated with an investment in the Trust, and Section 12, 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 and as a future shareholder in PCG.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Russel Pillemer'.

Russel Pillemer
CEO, Pengana Capital Group Limited /
Pengana Investment Management Limited

6. Refer to Section 5.5.3 for complete details in respect of this Priority Allocation[#].

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OFFER SUMMARY

4.1 ABOUT THE TRUST

TOPIC	SUMMARY	SECTION REFERENCE
What is the Trust?	The Trust 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.	
Who is the Responsible Entity?	<p>Pengana Investment Management Limited ("Responsible Entity") is the responsible entity of the Trust.</p> <p>The Responsible Entity is part of the Pengana Group of Companies which consists of Pengana Capital Group Limited (ASX: PCG) ("PCG") and its wholly owned subsidiaries, the oldest company in the group having been incorporated in 1993. PCG is headquartered in Sydney and listed on the ASX.</p>	7.2
Who will be responsible for managing the affairs of the Trust?	<p>Pengana Investment Management Limited, as the Trust's responsible entity, has appointed:</p> <ul style="list-style-type: none"> (a) Pengana Capital Limited, also a member of the Pengana Group of Companies, as the manager of the Trust pursuant to the Management Agreement. (b) BNP Paribas Securities Services as the Trust's Administrator. (c) Computershare Investor Services Pty Limited as the Trust's registry provider. (d) BNP Paribas Securities Services as the Custodian of the assets of the Trust. <p>Pengana Capital Limited, as the manager of the Trust, has appointed Grosvenor Capital Management, L.P. as the Investment Manager of the Trust under the Investment Management Agreement. GCM will, directly and indirectly, allocate the Trust's capital to a range of unaffiliated third-party managers for investment in addition to directly investing a portion of the Trust's capital.</p>	7
Who is the Investment Manager?	<p>Grosvenor Capital Management, L.P. ("GCM" or "Investment Manager") is the investment manager of the Trust.</p> <p>GCM, in combination with its affiliate, GCM Customized Fund Investment Group, L.P. ("GCM CFGI", and together with GCM and their respective affiliates and predecessor firms, "GCM Group"), is a global alternative asset management firm with assets under management ("AUM") in excess of US\$52 billion. GCM Group invests across a broad range of alternative strategies and asset classes including private equity, infrastructure, real estate, hedge funds and strategic investments. In providing investment management services to the Trust, particularly with respect to investments in private equity, GCM will utilise resources across the GCM Group. Within private markets, the GCM Group has a track record that dates back to 1999.</p>	7.1

OFFER SUMMARY CONTINUED

What experience does the Investment Manager have?	<p>Founded in 1971, GCM is one of the longest continuously operational alternative asset managers globally and possesses a track record in private markets investing dating back to 1999.</p> <p>In addition when evaluating a potential investment in the Trust, prospective investors may wish to consider the following:</p> <ul style="list-style-type: none"> (a) Established presence in industry – GCM Group has been investing in alternatives since 1971, and has been a capital partner to leading private equity managers since 1999. GCM Group is a globally recognised alternative asset manager with more than US\$52 billion of AUM and over US\$24 billion in private equity, real estate and infrastructure AUM. (b) Manager relationships – GCM Group has in excess of 500 underlying investment manager relationships with Commitments in over 800 Underlying Funds and investments in over 200 Co-investment opportunities. (c) Customised solutions – GCM Group has been providing customised portfolios since 1996, and has the industry knowledge and relationships to deliver a customised solution. Approximately 88% of GCM Group's private equity, real estate and infrastructure AUM is managed through customised mandates. (d) Due diligence – GCM Group employs a rigorous manager screening, selection, and monitoring process to invest in underlying funds and Co-investment opportunities alongside private equity managers. Investors in the Trust benefit from the Investment Manager's investment and operational due diligence processes. <p>While the Investment Manager is experienced in operating mandates for institutional clients, the Investment Manager has not previously managed the portfolio of an ASX-listed managed investment scheme. The Trust is the first private equity-focused fund managed by GCM that invests for an indefinite period of time.</p>	8.8
What is the Trust's Investment Objective?	The Trust seeks to generate, over an investment horizon of at least 10 years, attractive returns and capital growth through a selective and diversified approach to private markets, including private equity, private credit, and other opportunistic investments.	8.1
What is the Trust's Investment Strategy?	<p>The Trust seeks to provide investors with a diversified set of exposures to private markets, including private equity, private credit, and other opportunistic investments.</p> <p>In executing the Investment Strategy and seeking to achieve the Trust's Investment Objective, GCM will construct a customised portfolio consisting of investments in Private Investment Funds made on a Primary basis (i.e., an interest in a newly established Private Investment Fund offered by the operator of the Private Investment Fund) or on a Secondary basis (i.e., an interest in an existing Private Investment Fund purchased from an existing third party investor in the Private Investment Fund), as well as Co-investments and direct investments. The Trust may invest either directly or indirectly through investments in one or more GCM Funds, or vehicles managed by third-party investment managers.</p>	8.2
How will the Portfolio be constructed?	Consistent with the Trust's stated Investment Strategy and Investment Objective, the Portfolio will seek diversification by strategy, manager, sector, geography and Vintage, primarily in the established markets of North America and Western Europe, with opportunistic exposure to other regions.	8.5 to 8.6

OFFER SUMMARY CONTINUED

Will the Trust pay distributions?	<p>Pengana intends that the Trust will make distributions to Investors semi-annually (as at 30 June and 31 December of each year) but it may do so more or less frequently at Pengana's discretion. The Trust is expected to make its first distribution no sooner than 31 December 2019.</p> <p>Pengana intends that the first four cash distributions after the Trust's listing be the following amounts:</p> <ul style="list-style-type: none"> • \$0.025 per Unit for the period ending 31 December 2019; • \$0.025 per Unit for the six month period ending 30 June 2020; • \$0.025 per Unit for the six month period ending 31 December 2020; • \$0.025 per Unit for the six month period ending 30 June 2021, <p>referred to as the "Early Years Intended Cash Distribution".</p> <p>From 1 July 2021, Pengana intends to target a cash distribution yield equal to 4% p.a. (prorated on a non-compounded basis) of the NAV (excluding the total value of the Alignment Shares but including the cash distribution amount payable) as at the end of the period that a distribution is paid (the "Target Cash Distribution").</p> <p>The Trust will have an initial focus on funding and liquidity management with an emphasis on yield generation through investments in short duration credit. The Trust will also provide early exposure to private equity by investing in partially invested private equity, Co-investments, opportunistic investments and Secondaries (all of which generally involve an accelerated deployment of capital). Notwithstanding, any shortfall in net income generated or shortfall in net capital gains may result in a distribution payment made out of the capital invested.</p> <p>Even where the income of the Trust earned in a particular year for tax purposes exceeds the Target Cash Distribution or the Early Years Intended Cash Distribution, Pengana may determine to only make a cash distribution for the particular year equal to the Target Cash Distribution or Early Years Intended Cash Distribution, as the case may be.</p> <p>Pengana retains the discretion to amend the distribution policy of the Trust.</p> <p>The targeted distributions are only targets and may not be achieved. Investors should review the Risks summary set out in Section 11 of this Replacement PDS.</p>	8.9
Will the distributions be franked?	Trust distributions are not expected to be franked ⁷ . The Trust may distribute franking credits it has received, but given that the Trust invests primarily in international assets, this is unlikely to occur.	8.9
Will there be a distribution reinvestment plan?	Pengana has established a distribution reinvestment plan (DRP) in respect of distributions made by the Trust. In respect of each distribution, Pengana may elect to offer or not offer the DRP. Under the DRP, Unitholders may elect to have all or part of their distributions reinvested in additional Units. The DRP Rules provide detail on the methodology for determining the price at which Units are issued to Unitholders and can be found at www.pengana.com .	8.9

7. Except potentially any distributions attributable to the Alignment Shares.

OFFER SUMMARY CONTINUED

What are the key benefits associated with an investment in the Trust?

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

8.3

- (a) **Simplicity** – The Trust serves as a single point of entry to a well-diversified portfolio of private equity investments in accordance with the guidelines for the long-term target Portfolio.
- (b) **Institutional investment management** – The Trust's listed structure allows the Responsible Entity to deliver an investment management capability typically accessed by institutional clients.
- (c) **Liquidity** – Private equity investments typically involve the investors' capital being locked up for a number of years. The structure of the to-be-listed Trust will allow small and large investors to gain exposure to private equity with the flexibility to buy and sell Units on the ASX so long as an active market exists.
- (d) **Bespoke solution** – GCM will create a solution tailored specifically to the requirements and objectives of the Trust.
- (e) **Experienced team** – The Trust's investments will be sourced and due diligence conducted by professionals across GCM Group, an experienced and major allocator to global private equity investments, with 30 senior professionals devoted to private equity.
- (f) **Differentiated deal flow** – GCM Group's established and extensive network of relationships with managers can lead to differentiated deal flow across private equity Co-investments and Secondaries.
- (g) **Access** – Private equity investments can be difficult to access for individual investors. The Trust will seek to provide investors with direct exposure via the GCM Group platform to oversubscribed and difficult-to-access Private Investment Funds investing predominantly in middle market Portfolio Companies globally.
- (h) **Middle market focus** – GCM Group believes that Middle Market Buyouts (MMBOs) represent an area with compelling investment opportunities due in part to potentially attractive investment entry valuations and capital structures.
- (i) **J-curve mitigation** – The Trust will be managed with the specific goal to mitigate the J-curve with an accelerated deployment of capital through Co-investments, Secondaries, short duration credit strategies, investments into partially invested private equity, Co-investment and opportunistic commingled funds (i.e., those that have had initial Closes, but which are still accepting subscriptions and have already deployed initial capital), and the issue of Alignment Shares to the Trust.
- (j) **Preferred economics** – GCM will seek to leverage GCM Group's size, scale, and reputation in the industry in an effort to negotiate preferred economics for investments made by the Trust.
- (k) **Fee efficiency** – GCM will seek to create an offering subject to a competitive total fee cost by incorporating Co-investments, Secondaries and opportunistic implementation styles, which generally are more fee efficient private equity strategies when compared to Primary fund investments. The Trust will be subject to the Trust level and Underlying Fund level fees as described in Section 12.
- (l) **Global presence with local knowledge** – GCM will seek to source deal flow for the Trust from GCM Group's local investment presence across the world.
- (m) **Comprehensive due diligence and monitoring** – GCM will perform independent investment and operational due diligence processes in selecting investments for the Trust. GCM will monitor and manage investments in the Trust from inception through exit.

OFFER SUMMARY CONTINUED

What are the key risks associated with an investment in the Trust?

There are a number of risks associated with investing in the Trust which are set out in detail in Section 11. They include the following:

11

RISKS RELATING TO THE PRIVATE MARKETS INVESTMENT STRATEGY

- (a) **Risks Associated with Portfolio Companies** – The Portfolio Companies in which the Trust or the Underlying Funds have invested or may invest may involve a high degree of business and financial risk.
- (b) **Lack of Portfolio Liquidity** – The Underlying Funds may hold significant amounts of securities and other assets issued by Portfolio Companies that are very thinly-traded, for which no market exists, or which are restricted as to their transferability.
- (c) **Market Risk** – During periods of difficult market conditions or slowdowns in a particular investment category, industry, or region, Portfolio Companies may experience decreased revenues, financial losses, difficulty in obtaining access to financing, and increased costs.
- (d) **Currency Risk** – Investments will predominantly be made in U.S. dollars (as well as multiple other foreign currencies), and if these currencies change in value relative to the Australian dollar, the value of these investments can change and accordingly can negatively affect the value of the Portfolio. The Investment Manager has no obligations or duty to hedge the Trust's currency risk, however, in certain limited circumstances, the Trust may engage in foreign exchange hedging transactions intended to reduce foreign exchange exposure, primarily to hedge capital calls or known Commitments.
- (e) **Long-Term Time Horizon** – Even if the Trust's investments prove successful, they are unlikely to produce a realised return for a number of years.
- (f) **Reliance on Third-Party Underlying Investment Managers** – The Trust invests in Underlying Funds and Portfolio Companies managed by third parties. GCM, as Investment Manager of the Trust, generally does not have an active role in the management of the assets of the third-party managed Underlying Funds or Portfolio Companies, including in the valuation of investments by the third-party managed Underlying Funds. Although the Investment Manager will monitor the performance of Underlying Funds and Co-investments, GCM relies upon third-party Underlying Investment Managers to operate the third-party managed Underlying Funds and Co-investments on a day-to-day basis. GCM's ability to withdraw from or transfer interests in such funds and Co-investments is strictly limited. Further, the performance of each investment made by GCM 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 managed Underlying Funds or Portfolio Companies, and such decisions, if unsuccessful, will directly adversely, perhaps materially adversely, affect the returns achieved by the Trust. GCM will often not be aware of the particular Portfolio Companies in which a third-party managed Underlying Fund is invested, and Investors themselves will have no direct dealings or contract relationship at the third-party managed Underlying Fund or Portfolio Company level.
- (g) **Substantial Costs** – The Trust is subject to substantial costs, as well as to a "layering" of fees and expenses including at the level of the Trust, the GCM Funds and at the level of the Underlying Funds. These substantial costs must be offset by Portfolio gains (after reduction for incentive compensation and other advisory fees) for the Trust's net asset value not to be depleted.

OFFER SUMMARY CONTINUED

- (h) **Debt and Leverage Risk** – The Underlying Funds will employ leverage from time to time in a variety of ways. The Trust may borrow directly or through an intermediate entity to fund investments, pay fees and expenses or to address the timing issues associated with the acquisition of investments and re-investment of proceeds and as otherwise set forth in the Management Agreement and the Investment Management Agreement. The use of leverage may magnify the potential gains and losses achieved by the Trust or an Underlying Fund, thus impacting on the value of the Units. The use of leverage will diminish the returns to the Trust if the overall returns are less than the Trust's cost of borrowing. The utilisation of leverage will also result in fees, expenses and interest costs to the Trust. In addition, the borrowings may be secured by the assets of the Trust.
- (i) **Highly Competitive Market for Investment Opportunities** – The activity of identifying, completing and realising on attractive Primary and Secondary private equity investments is highly competitive and involves a high degree of uncertainty. The Trust will be competing for investments with other investment vehicles, as well as with major financial institutions and investors.
- (j) **Third-Party Underlying Investment Manager Misconduct** – The Trust will depend on the integrity and good faith of the third-party Underlying Investment Managers with which GCM places the Trust's capital. GCM will have no control over, and a strictly limited ability even to monitor, the third-party Underlying Investment Managers. Misconduct, conflicts of interest and/or simple bad judgment on the part of a single or only a very small number of third-party Underlying Investment Managers could materially adversely affect the Trust.
- (k) **Interest Rate Risk** – Changes in official interest rates can directly and indirectly have an impact on investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and the valuation of securities. For example, rising interest rates can have a negative impact on a Portfolio Company's value as increased borrowing costs may cause earnings to decline. As a result, the company's value may fall and therefore the value of an investment of the Trust may fall.
- (l) **Foreign Investment Risk** – The Trust or Underlying Funds may invest in Portfolio Companies domiciled or operating in multiple countries. Certain risks may differ from country to country. Managing these risks may increase transaction costs and adversely impact the value of the Trust's and/or such Underlying Funds' investments in certain jurisdictions.
- (m) **Portfolio Valuation** – Valuations of the underlying investments are expected to involve uncertainties and discretionary determinations. Third-party pricing information may not be available regarding a significant portion of investments in certain asset classes, and in some circumstances may rely on valuation models that GCM has created in order to value the assets and calculate the account value. In addition, to the extent third-party pricing information is available, a disruption in the secondary markets for investments in Underlying Funds and Co-investments 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 (as may the market price of the Units on the ASX from the NAV per Unit).

OFFER SUMMARY CONTINUED

RISKS RELATING TO THE ALIGNMENT SHARES

- (n) **Market Factors** – The performance of the Alignment Shares is strongly linked to the amount of FUM of the Pengana Group of Companies, which is subject to net fund flows and market performance.
- (o) **Investment Performance Risk** – A sustained period of poor investment performance or failure to meet investment objectives for a fund operated by the Pengana Group of Companies could lead to a reduction in the amount of FUM and/or could lead to lower management fees, which would have a material adverse effect on the value of the Alignment Shares.
- (p) **Ability to attract new clients and retain existing clients** – The future growth prospects of the Pengana Group of Companies are determined in part by its ability to develop and launch new funds and products and retain existing clients.

RISKS RELATING TO THE TRUST AND BEING LISTED ON THE ASX

- (q) **ASX Liquidity Risk** – The liquidity of trading in the Units on the ASX may be limited and may be at a substantial discount to net asset value. This may affect an Investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on the ASX during any period that ASX suspends trading of Units.
- (r) **Conflicts of Interest Risk** – GCM, its affiliated entities, and its related persons are subject to certain actual or potential conflicts of interest in making investment decisions. Because GCM has different financial services businesses and manages and/or advises multiple funds, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than those to which it would otherwise be subject if it had only one line of business or managed and/or advised only a single fund. GCM maintains policies and procedures that attempt to address actual and potential conflicts of interest. Refer to Section 18.3 of this Replacement PDS for information on how the Investment Manager will manage potential conflicts of interest. In the event that a conflict of interest arises, GCM will generally attempt to resolve such conflict according to its policies and procedures and in a fair and equitable manner, on a case-by-case basis. However, GCM will not be able to resolve all conflicts of interest in a manner that is equitable or favourable to all Investors. By investing in the Trust, each Investor will be deemed to have acknowledged and consented specifically to: (i) the existence of such actual, apparent and potential conflicts of interest, including, without limitations, those described herein; and (ii) the actions taken by GCM to address such conflicts and to the extent permitted by applicable law, to have waived any claims with respect to the existence of any conflicts of interest. It's a fundamental conflict of interest that GCM will allocate Trust capital to GCM Funds from which the GCM Group receives advisory fees including incentive compensation.
- (s) **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.

OFFER SUMMARY CONTINUED

- (t) **Distribution Risk** – There may be circumstances where the Target Cash Distribution or Early Years Intended 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.
- (u) **Performance Fee Structure Risk** – Pengana and GCM may each receive a performance fee in circumstances outlined in Section 12. These arrangements may create an incentive for Pengana and GCM to take more risk with investing the Trust's capital than may otherwise be the case.
- (v) **Price and Volatility of Units on the ASX** – The market price of the Units on the ASX may not equal the underlying value of the Trust as reflected in its NAV per Unit. The Trust's Units may trade on the ASX at a discount or a premium to the NAV per Unit. Unitholders may not be able to sell their investment in the Trust at the NAV per Unit.
- (w) **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.
- (x) **Trust Risk** – Trust 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 a Unitholder'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 Replacement PDS, each as amended from time to time. The Trust is also governed by the ASX Listing Rules, and is exposed to the risks of listing on that platform, including such risks as the platform or settlements process being delayed or failing. ASX may suspend trading in the Units, or remove the Units from listing on the ASX. Pengana may elect, in accordance with the Constitution and the Corporations Act, to terminate the Trust for any reason.

Will the Trust have any debt?	The Trust may borrow directly or through an intermediate entity to fund investments or pay fees and expenses or to address the timing issues associated with the acquisition of Investments and re-investment of proceeds. The Trust will not borrow in excess of 25% of the NAV, calculated at the time of borrowing, excluding short term borrowing, deferred purchase price obligations (i.e., when a portion of the purchase price for an Investment is paid after closing rather than up-front) and guarantees. The Trust does not currently expect to borrow in excess of 15% of NAV and requires the consent of the Manager to do so. Any such borrowing may be secured by the assets of the Trust.	8.14
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OFFER SUMMARY CONTINUED

Does the Trust permit derivative investments?	<p>The Trust is denominated in Australian dollars. The Trust will make investments that are predominantly denominated in U.S. dollars, but may make investments denominated in other currencies as well. In certain limited circumstances, the Trust may engage in foreign exchange hedging transactions intended to reduce foreign exchange exposure.</p> <p>In addition to the use of derivatives related to the Trust's foreign exchange exposure, the Trust and the Underlying Funds may invest in derivatives such as options, swaps, futures and warrants in an effort to effectively execute their investment strategies. Use of derivatives is not expected to be a significant component of the Trust's direct investments. Use of derivatives by an Underlying Fund will be subject to agreed guidelines and restrictions applicable to the particular Underlying Fund.</p>	8.15
What fees will Pengana and the Investment Manager receive?	<p>Pengana receives:</p> <ul style="list-style-type: none"> • A Responsible Entity Fee and a Management Fee together totalling 1.25% p.a. of NAV, and • A Performance Fee of 20% of the Trust Outperformance, namely of the Trust Total Return in excess of the Hurdle Return (being 8% p.a.) and subject to the NAV being greater than the Trust's high-water mark. <p>The total value and Price Return⁸ of the Alignment Shares are not included when calculating the Responsible Entity Fee, Management Fee and Performance Fee.</p> <p>GCM, GCM CFG and potentially other members of the GCM Group will also serve as the manager of a number of the Underlying Funds in which the Trust will invest ("GCM Funds"). The GCM Group receives management fees and/or incentive compensation from these GCM Funds. The Trust will also invest in other Underlying Funds (other than the GCM Funds) and the managers of these other Underlying Funds will also receive management fees and/or incentive compensation. Refer to Section 12.3.5 for more information in respect of these fees.</p> <p>GCM will receive from the Trust a Secondaries Management Fee and potentially a Secondaries Carried Interest Fee in respect of the portion of the Portfolio initially proposed to be directly invested in Secondaries ("Secondaries Sub-Portfolio"). Refer to Section 12.3.4 for more detail in respect of these fees. In the future, it is expected that the Trust will seek Secondaries exposure through a GCM Fund, however, the current GCM Fund focused on Secondaries is not open to new investors.</p> <p>Pengana will also pay GCM a portion of the Management Fee it derives with respect to Portfolio investments other than the GCM Funds and the GCM Secondaries Portfolio.</p> <p>All fees and costs specified in this Replacement PDS are quoted on a GST inclusive basis and net of reduced input tax credits unless otherwise stated.</p> <p>Refer to Section 12 for further details on fees and other costs of the Trust, including the example of annual fees and costs for the Trust set out in Section 12.2.</p>	12

8. The term "Price Return" is the rate of return on an asset, where the return takes into account only the capital appreciation of the asset, while the income generated (namely dividends in the case of the Alignment Shares) is ignored.

OFFER SUMMARY CONTINUED

EXAMPLE OF THE RESPONSIBLE ENTITY FEE AND MANAGEMENT FEE PAYABLE TO PENGANA

Assuming the Trust raises the Minimum Subscription and the NAV of the Trust remains equal to the Minimum Subscription, excluding the value of the Alignment Shares as these fees are not calculated with reference to the total value and Price Return of the Alignment Shares, the annual Responsible Entity Fee and Management Fee payable to Pengana would be as follows:

Average of monthly NAVs of the Trust for 1 year (excluding the total value and Price Return of the Alignment Shares)	\$100,000,000
Responsible Entity and Management Fee	1.25% p.a.
Total Responsible Entity and Management Fee payable	\$1,250,000

Refer to Section 12 for further details on fees and other costs of the Trust, including the example of annual fees and costs for the Trust set out in Section 12.2 and Section 12.3.2 for a detailed explanation of the Responsible Entity Fee and Management Fee.

EXAMPLE OF PERFORMANCE FEES PAYABLE TO PENGANA

It is anticipated that no Performance Fees will be payable to Pengana in the first two years of the operation of the Trust.

The following worked example is intended only to demonstrate the Performance Fee calculation methodology and does not reflect Pengana's or the Investment Manager's view of the expected performance of the Trust. As such, and for simplicity, the Trust's illustrative example returns are net of all fees and costs (including the Responsible Entity Fee and the Management Fee) except for the Performance Fee. It is not a guarantee of future performance and Trust returns will differ from those used in the example below.

Further, if the Trust has generated returns in excess of the Hurdle Return, it is expected that certain of the Underlying Investment Managers, including the GCM Group in respect of GCM Funds, will also be entitled to receive performance based compensation. The extent of the fees paid to these Underlying Investment Managers as well as the number of Underlying Investment Managers who are entitled to receive performance based fees will vary and cannot be predicted at this time. Refer to Section 12.3.5 for more information in respect of these fees.

This example assumes that at the start of year 3 the NAV of the Trust is \$120 million⁹, the Alignment Shares have been distributed in a prior period, all cash distributions are reinvested by Unitholders on an ongoing basis, no Performance Fee has been levied in prior years and there is no accrued negative Performance Fee as the Trust's past return during each part Performance Fee Payment Period has equalled the Hurdle Return (8% p.a.).

9. This is not a forecast. The numbers have been chosen solely to illustrate the Performance Fee calculation methodology. The Trust's future performance and returns will differ from the performance numbers used in this solely illustrative example of the Performance Fee calculation methodology.

OFFER SUMMARY CONTINUED

EXAMPLE RETURNS USED FOR THIS WORKED EXAMPLE ⁹	CALCULATION	YEAR 3	YEAR4	YEAR 5
(a) Opening NAV of the Trust	Prior year (j)	120,000,000	132,720,000	142,342,200
(b) Trust Return ¹⁰ (% of Opening NAV of the Trust)		11.25% ⁹	7.25% ⁹	11.50% ⁹
(c) Trust Return ¹⁰ in \$ value	(a) x (b)	13,500,000	9,622,200	16,369,353
(d) Closing NAV of the Trust before charging Performance Fees (if any)	(a) + (c)	133,500,000	142,342,200	158,711,553
(e) Hurdle Return for the Year	(a) x 8%	9,600,000	10,617,600	11,387,376
(f) Trust Outperformance / (underperformance) for the Year with reference to the Hurdle Return	(c) – (e)	3,900,000	-995,400	4,981,977
(g) Potential Performance Fee amount (20%) calculated just with reference to the performance of the Year, this amount is only payable if the amount is positive and there is no prior Year negative Performance Fee accruals.	(f) x 20%	780,000	-199,080	996,395
(h) Performance Fee actually payable, derived also with reference to any prior Year underperformance relative to the Hurdle Return	(g) if positive less any prior negative Performance Fee accruals	780,000	0	797,315
(i) Trust return net of Performance Fee	(c) – (h)	12,720,000	9,622,200	15,572,038
(j) Year end NAV of the Trust	(a) + (i)	132,720,000	142,342,200	157,914,238

In practice:

- the Performance Fee is actually calculated and accrued monthly, and paid each half-year period ending 30 June or 31 December. The above worked Performance Fee example has instead been calculated by determining Performance Fees each 12 months; and
- it is not expected that 100% of investors will elect to have all of their distributions reinvested in additional Units,

however we have applied the above assumptions to the worked Performance Fee example with the intent of providing a clearer explanation of the calculation methodology of the fee.

The Performance Fee does not take the position of individual investors into account and is calculated solely at the Trust level with reference to the performance of the Portfolio of the Trust (not the trading price of the Units on the ASX). Refer to Section 12 for further details on fees and other costs of the Trust, including the example of annual fees and costs for the Trust set out in Section 12.2 and the detailed explanation of the Performance Fee in Section 12.3.3.

9. This is not a forecast. The numbers have been chosen solely to illustrate the Performance Fee calculation methodology. The Trust's future performance and returns will differ from the performance numbers used in this solely illustrative example of the Performance Fee calculation methodology.

10. The illustrative example return of the Trust is net of all fees and costs except for the Performance Fee.

OFFER SUMMARY CONTINUED

What are the key terms of the Management Agreement?	<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>	17.2
What are the key terms of the Investment Management Agreement?	<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>	17.3
Who is the Custodian?	BNP Paribas Securities Services 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.	7.4
What is the benefit of a listed investment trust compared to a listed investment company?	Under a trust structure, all earnings, when ultimately distributed, are distributed to investors on a pre-tax basis. This is similar to most managed fund or exchange traded fund structures. Under a company structure, as in a listed investment company, earnings would typically be taxed at the company tax rate and resulting franking credits may be distributed to investors via dividends.	
Why are private market investments suited to a listed investment trust?	Private markets investments can be difficult to access for individual investors and typically involve the investors' capital being locked up for a number of years. The structure of the Trust allows the Investment Manager to make long-term investment decisions without being affected by considerations of cash reserves for the purpose of funding redemptions requests, while at the same time offering Unitholders liquidity via the ASX so long as an active market for Units exists. Further, the Investment Manager will not be required to sell down positions in the Portfolio under disadvantageous market conditions for that purpose.	
What is the financial position of the Trust?	While the Trust is yet to commence trading, unaudited pro forma financial statements of its anticipated financial position on listing are set out in Section 14.	14
Information on the Constitution	The Constitution is the document which governs the relationship between the Responsible Entity and Unitholders, the key terms of which are summarised in Section 17.1 of the Replacement PDS.	17.1
What are the Trust's material contracts?	<p>The Management Agreement and the Investment Management Agreement are material contracts. In addition, the Responsible Entity, on behalf of the Trust, has entered into the Offer Management Agreement.</p> <p>For more information on these agreements and the full terms and conditions of the Alignment Shares please refer to Sections 17.2 to 17.5.</p>	17.2 to 17.5

OFFER SUMMARY CONTINUED

What will be the Trust's valuation policy?	<p>The Responsible Entity has outsourced the valuation of the Trust and the preparation of statutory financial reports to the Administrator who is reliant in turn on valuations from third parties. These third parties may include the Investment Manager, Underlying Investment Managers, Underlying Fund administrators or third party valuation agents.</p> <p>Typically, valuation of the Trust's assets will utilise the most recent net asset value provided for the Underlying Funds by Underlying Investment Managers and/or third party administrators and, to the extent it is determined to be appropriate, will be adjusted for subsequent cash flow activity (i.e., contributions and distributions) through the date of any particular report.</p> <p>The Responsible Entity will seek 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 will generally be 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>As of the date of this Replacement PDS, there is no secondary market in the Alignment Shares (being a new class of convertible preference shares in PCG that will be issued to the Trust). Due to the nature of Alignment Shares, they will be valued in line with the ordinary shares trading on the ASX in accordance with the Administrator's securities pricing policy. Refer to Section 9 for more information on Alignment Shares.</p>	8.11
What information will be provided to Unitholders after the listing on the ASX?	<p>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. Pengana will:</p> <ul style="list-style-type: none"> (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 (including the value of the Alignment Shares) monthly to the ASX and its 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. <p>Pengana may also release to the ASX and publish on its website certain reports prepared by Pengana from time to time, to keep Unitholders informed about the current activities of the Trust and the performance of the Portfolio.</p>	8.18

OFFER SUMMARY CONTINUED

4.2 ABOUT THE OFFER

TOPIC	SUMMARY	SECTION REFERENCE
Who is the Issuer of Units in the Replacement PDS?	Pengana Investment Management Limited in its capacity as the responsible entity of the Trust.	
What is the Offer?	An offer to subscribe for Units at the Subscription Price on the conditions set out in this Replacement PDS. The Offer comprises the Priority Offer, the Broker Firm Offer and the General Offer.	5
What do Applicants pay when applying under the Offer?	All Applicants under the Offer will pay a Subscription Price of \$1.25 per Unit.	5.1
What is the expected NAV per Unit on Allotment Date?	The NAV per Unit on the Allotment Date is expected to be \$1.3125. The expected NAV per Unit exceeds the Subscription Price because, and to the extent, of the expected value (on a per Unit basis) of the shares in Pengana Capital Group issued to the Trust for a nominal amount ("Alignment Shares"), as well as because the upfront costs associated with the Offer will be funded by Pengana.	14
Details of the Alignment Shares	<p>A core tenet of Pengana's philosophy is to continually strive to align Pengana's interests with those of its investors. This alignment is sought in a number of ways and is enhanced in the Trust through the issue of convertible preference shares ("Alignment Shares") in Pengana Capital Group Limited (ASX: PCG) ("PCG") to the Trust. The value of the Alignment Shares issued will equal 5% of the total amount raised under the Offer. The effect of this issue is that Investors:</p> <ul style="list-style-type: none"> • who subscribe for Units under the Offer at the Subscription Price of \$1.25 are expected to receive a 5% uplift on their investment as the NAV per Unit on Allotment Date is expected to be \$1.3125. The uplift in NAV to initial subscribers assists in the mitigation of the J-curve. See Section 6.2 for more information on the J-curve, and Section 14 for financial information on the Trust; and • will have a materially similar economic interest in PCG to ordinary shareholders in PCG and could benefit from any increase in corporate profitability which may result from their subscription for Units. See Section 10 for more information on PCG. <p>Approximately two years after the commencement of trading of the Units on the ASX, the Responsible Entity intends to distribute the Alignment Shares to Unitholders in proportion to the size of their Unitholding, subject to a determination by the Responsible Entity to distribute. Alignment Shares will convert into ordinary shares in PCG on such distribution.</p>	9
Is there a minimum value of units I must apply for under the offer?	<p>Yes. Each Applicant must subscribe for a minimum of 8,000 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 200 Units.</p>	5.6.2
Who are the Joint Lead Managers?	Bell Potter, Shaw and Partners and Taylor Collison.	5.4

OFFER SUMMARY CONTINUED

Who are the Co-Managers?	Baillieu, FinEx and Patersons Securities.	5.4
Who can participate in the General Offer?	The General Offer (which does not include the Broker Firm Offer or the Priority Offer) is open to Retail Applicants and Institutional Applicants resident in Australia or New Zealand.	5.5.1
Who can participate in the Broker Offer?	The Broker Firm Offer is open to Retail Applicants resident in Australia or New Zealand and Institutional Applicants resident in Australia or New Zealand who have received a firm allocation from their broker.	5.5.2
Who can participate in the Priority Offer?	<p>Qualifying Applicants under the Priority Offer will be given a preferential allocation of Units which have been set aside by Pengana ("Priority Allocation"). This Priority Allocation will be capped at the cumulative Application Amount received on the day that a cumulative Application Amount equal to \$125 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. 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 resident in Australia or New Zealand and who, as at 5:00pm (Sydney time) on 25 January 2019 ("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 International Equities Limited (ASX: PIA); and (d) Washington H. Soul Pattinson and Co. Limited (ASX: SOL), being Pengana Capital Group's largest shareholder. <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"). 	5.5.3
Is there a minimum subscription amount for the offer to proceed?	The Minimum Subscription required for the Offer to proceed is \$100 million.	5.2

OFFER SUMMARY CONTINUED

What happens if the minimum subscription amount is not achieved?	If the Minimum Subscription is not obtained within three months after the date of this Replacement 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.	5.2									
Is the Offer underwritten?	The Offer is not underwritten.	5.4									
What will the capital structure be following the completion of the Offer and as at the Allotment Date?	<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> <tr> <th></th><th>Minimum Subscription \$100 million</th><th>Maximum Subscription \$600 million</th></tr> <tr> <td>Units</td><td>80,000,000</td><td>480,000,000</td></tr> <tr> <td>NAV per Unit</td><td>\$1.3125</td><td>\$1.3125</td></tr> </table>		Minimum Subscription \$100 million	Maximum Subscription \$600 million	Units	80,000,000	480,000,000	NAV per Unit	\$1.3125	\$1.3125	14.2
	Minimum Subscription \$100 million	Maximum Subscription \$600 million									
Units	80,000,000	480,000,000									
NAV per Unit	\$1.3125	\$1.3125									
Is there a cooling-off period?	A cooling-off period does not apply to the Offer.										
How can I obtain further information?	If you would like more information or have any questions relating to the Offer, please go to the Trust's website www.pengana.com , or call the Offer Information Line on 1800 291 041 (within Australia) or +61 3 9415 4019 (outside Australia) between 8:30am and 5:30pm (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.	5.6.12									

5

DETAILS OF THE OFFER

5.1. WHAT IS THE OFFER?

5.1.1. THE OFFER

The Offer comprises an offer of Units at a Subscription Price of \$1.25 per Unit to raise up to \$600 million. The rights attached to the Units are summarised in Section 17 and set out in the Constitution.

The Offer comprises a:

- (a) **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 \$125 million for Units is received in respect of the Priority Offer.
- (b) **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.
- (c) **General Offer** – open to persons who have a registered address in Australia or New Zealand.

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

Further information about the Priority Offer, the Broker Firm Offer and the General Offer is set out below in Section 5.5.

5.1.2. DISCRETION UNDER THE OFFER

Early lodgement of Applications is recommended, as Pengana may close the Offer at any time after the expiry of the Exposure Period without prior notice. Pengana 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. Pengana may extend the Offer Period at any time after the expiry of the Exposure Period without prior notice, in accordance with the Corporations Act.

5.2. 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 Replacement PDS, then Pengana 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.

5.3. MAXIMUM SUBSCRIPTION

The Maximum Subscription amount under the Offer is \$600 million. Pengana 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.

5.4. 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. Bell Potter and Shaw and Partners are acting as a Joint Lead Managers to the Offer. Baillieu, FinEx and Patersons Securities are acting as the Co-Managers to the Offer. Pengana 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 17.5.

DETAILS OF THE OFFER CONTINUED

5.5. WHO IS ELIGIBLE TO PARTICIPATE IN THE OFFER?

5.5.1. GENERAL OFFER

The General Offer (which does not include the Broker Firm Offer or the Priority Offer) is open to Retail Applicants and Institutional Applicants resident in Australia or New Zealand. Pengana 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.

5.5.2. BROKER FIRM OFFER

The Broker Firm Offer is open to Retail Applicants resident in Australia or New Zealand and Institutional Applicants resident in Australia or New Zealand who have received a firm allocation from their broker.

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.

5.5.3. PRIORITY OFFER

The Priority Offer is open to "Qualifying Applicants", being Retail Applicants and Institutional Applicants resident in Australia or New Zealand and who, as at 5:00pm (Sydney time) on 25 January 2019 ("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 International Equities Limited (ASX: PIA); and
- (d) Washington H. Soul Pattinson and Co. Limited (ASX: SOL), being Pengana Capital Group's largest shareholder.

Investors included as Qualifying Applicants include both:

- 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").

Qualifying Applicants under the Priority Offer will be given a preferential allocation of Units which have been set aside by Pengana ("Priority Allocation"). This Priority Allocation will be capped at the cumulative Application Amount received on the day that a cumulative Application Amount equal to \$125 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. 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.

5.6. HOW DO I APPLY UNDER THE OFFER?

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

The minimum Application Amount under the Offer is 8,000 Units at a Subscription Price of \$1.25 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 200 Units.

Pengana 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.

DETAILS OF THE OFFER CONTINUED

5.6.2. HOW DO I APPLY UNDER THE PRIORITY OFFER?

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 1800 291 041 (within Australia) and +61 3 9415 4019 (outside Australia), between 8:30am and 5:30pm (Sydney time) on a Business Day.

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 1800 291 041 (within Australia) and +61 3 9415 4019 (outside Australia), between 8:30am and 5:30pm (Sydney time) on a Business Day. All Indirect Qualifying Applicants who can provide evidence of their beneficial holding will be eligible to apply directly under the Priority Offer.

5.6.3. 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 Pengana 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 Pengana nor the Joint Lead Managers) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Units.

Pengana, 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.

5.6.4. HOW DO I APPLY UNDER THE GENERAL OFFER?

In order to apply for Units under the General Offer, please complete the Application Form. The Application Form must be completed in accordance with the instructions on the reverse side of the Application Form or on the online Application Form.

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

DETAILS OF THE OFFER CONTINUED

5.6.5. HOW DO I PAY THE APPLICATION AMOUNT?

Applicants under the General Offer or the Priority Offer may pay their Application Amount by cheque or 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 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 Replacement PDS and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number ("CRN")).

You do not need to complete and return a paper Application Form if you complete the online Application Form. 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.

Pengana 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.

Applying by post

If you are applying by post, Applications under the Offer must be made and will only be accepted on the applicable paper Application Form that accompanies this Replacement PDS.

Cheque(s) or bank draft(s) must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed "Not Negotiable"; and
- made payable:
 - for Applicants in the General Offer and Priority Offer: to "Pengana Investment Management Limited"; or
 - for Applicants in the Broker Firm Offer: in accordance with the directions of the Broker from whom you received a firm allocation.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) or bank draft(s) for the Application Amount (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Amount will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Completed Application Forms and accompanying cheques may be lodged by post:

Pengana Private Equity Trust
c/o Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3000

5.6.6. WHEN DOES THE OFFER OPEN?

The Offer is expected to open for Applications on 4 March 2019.

DETAILS OF THE OFFER CONTINUED

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

General Offer Applicants and Priority 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 and the Priority Offer which is 10 April 2019.

Broker Firm Offer Applicants should return their applications in accordance with the deadline set out to them by their Broker. Pengana 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.

5.6.8. 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.

5.6.9. WHAT ARE THE COSTS OF THE OFFER AND WHO IS PAYING THEM?

The costs of 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 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.

Pengana will pay the fees and costs of the Offer. The fees and costs are not paid out of the proceeds of the Offer.

5.6.10. 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 24 April 2019.

5.6.11. 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 Pengana.

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 Priority Offer, the Broker Firm Offer and General Public Offer will take place on 23 April 2019.

An Application constitutes an offer by the Applicant to subscribe for Units on the terms and subject to the conditions set out in this Replacement 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.

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.

5.6.12. 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 Replacement PDS, please call the Offer Information Line on 1800 291 041 (within Australia) and +61 3 9415 4019 (outside Australia), between 8:30am and 5:30pm (Sydney time) on a Business Day.

5.7. ALLOCATION POLICY

The basis of allocating Units under the Offer will be determined by Pengana and the Joint Lead Managers, subject to any firm allocations under the Broker Firm Offer and any allocations under the Priority Offer. Certain Applicants nominated by Pengana 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.

DETAILS OF THE OFFER CONTINUED

Pengana 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.

5.8. APPLICATION AMOUNT

All Application Amounts will be held on trust in a separate bank account until the Units are issued to Unitholders. Any interest earned on Application Money will form part of the assets of the Trust. The Responsible Entity has applied for relief to 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).

5.9. ASX LISTING AND ISSUE OF UNITS

Within seven days of the date of this Replacement 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. Pengana 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 23 April 2019. Trading of Units on the ASX is then expected to commence on 30 April 2019 on a normal T+2 settlement basis.

Pengana 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.

5.10. OVERSEAS DISTRIBUTION

No action has been taken to register or qualify the Offer under this Replacement PDS, or to otherwise permit a public offering of Units, in any jurisdiction outside Australia and New Zealand.

5.10.1. OFFER ONLY MADE WHERE LAWFUL TO DO SO

The distribution of this Replacement PDS in jurisdictions outside Australia and New Zealand may be restricted by law. This Replacement 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 Replacement PDS. Any failure to comply with these restrictions may constitute a violation of securities laws.

5.10.2. 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 Replacement 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.

DETAILS OF THE OFFER CONTINUED

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products 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 financial products 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.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products 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 financial products and trading may differ from financial product markets that operate in New Zealand.

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

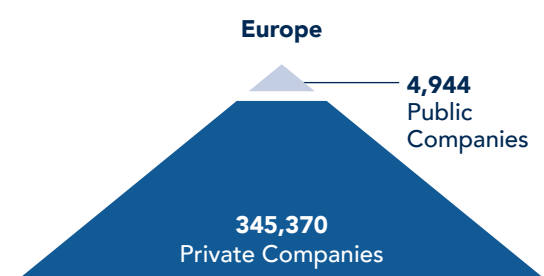
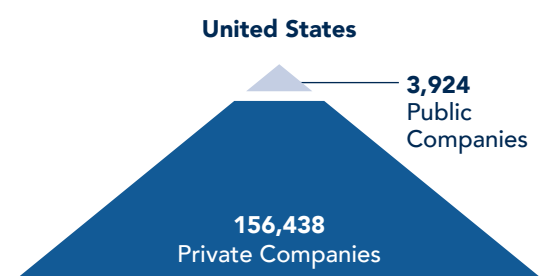


OVERVIEW OF PRIVATE MARKETS

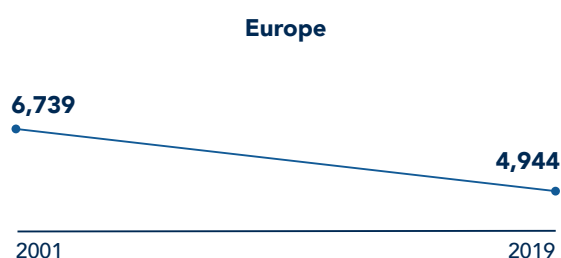
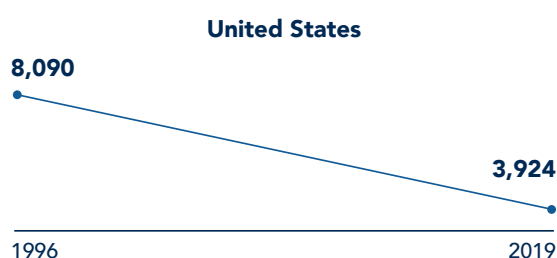
6.1. INTRODUCTION

Private markets include a broad spectrum of investments with a focus on longer-term exposures (typically greater than 3-7 years) in less liquid underlying assets. Private markets are typically less efficient than public markets and rely on brokers to arrange transactions as there is no established market for private markets interests. The universe of private companies is significantly larger than that of public companies (as shown in the diagram below). This share has been growing (possibly in response to regulations introduced during the period around the 2000s), and as the capital markets have increasingly opened to private companies, many have become less inclined to seek public market listings. In recent decades, the number of listed companies has been steadily decreasing. Private markets are generally thought to include private equity, private credit and real assets, such as infrastructure and real estate. They are often considered a subset of the broader alternative investment universe.

Size of Private Markets Relative to Public Markets



Number of Listed Companies Over Time



Sources: S&P Capital IQ (utilising certain information obtained from its database) for public and private company data as of 22 January 2019. Includes all private companies with revenues \geq US\$10 million. The World Bank, <https://data.worldbank.org/indicator/cm.mkt.lcom.no>, for historical listed company data (31 December 1996 for the U.S.; 31 December 2001 for Europe). Neither S&P Capital IQ nor the World Bank has provided consent to the inclusion of references to their databases and publications or material drawn from the databases and publications in this Replacement PDS.

Within private markets investments, private equity investments represent a broad range of opportunistic and company-specific exposures that, historically, have tended to exhibit somewhat lower correlation with traditional stock and bond markets. As such, these investments may be useful in helping to diversify an investor's overall portfolio risk.

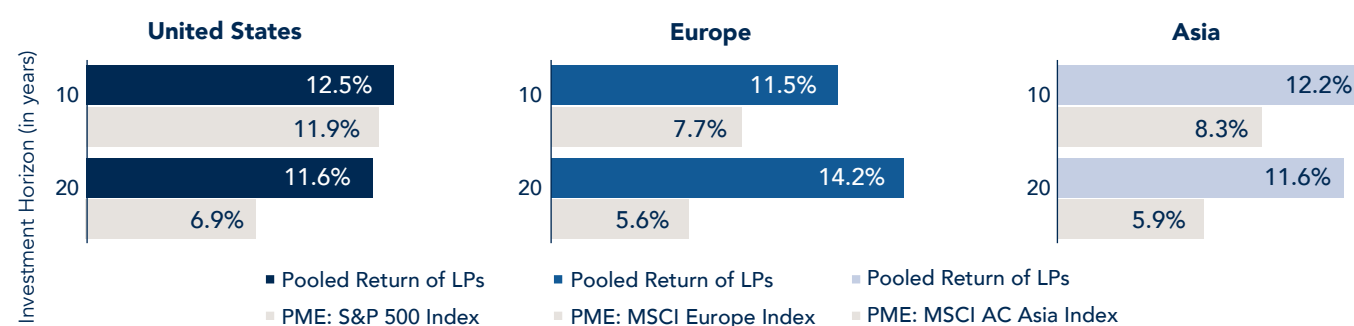
While the particular strategies and type of underlying assets may differ, the following attributes are generally consistent across the spectrum of private investments:

- **Long-term value creation:** lack of short-term, public pressure allows for a long-term investment orientation.
- **Market cycle resilience:** historical performance resilient across various investment environments.
- **Illiquidity premium:** seek to capture illiquidity premiums associated with long-term investments.

OVERVIEW OF PRIVATE MARKETS CONTINUED

These attributes have often resulted in compelling returns for private equity assets. For example, as shown in the chart below, global private equity has outperformed public market equivalents (“PME”) across time horizons (10 and 20 years) as well as geographic regions. As buyout funds represent a majority of the global private equity fund universe, and a majority of the Investment Manager’s historical Commitments to private equity, these charts examine how buyout funds have performed in comparison to a PME.

Annualised Performance (IRR) of Private Equity versus Public Equity across Time Horizons and Geographic Regions



The PME concept allows investors to compare the performance of private equity and other private markets investments (Private Equity) to other types of investments, such as public market indices (Public Equity). The methodology assumes buying and selling a given index according to the timing and size of the cash flows between the investor and the private investment. Performing this comparison requires the construction of a hypothetical investment fund that mimics private equity cash flows. This hypothetical fund purchases and sells shares of the index at the same time the private equity vehicle calls and distributes cash. The net asset value of the hypothetical fund, called the public net asset value, depends on the number of shares and the share price (i.e., the index value) as of the report date.

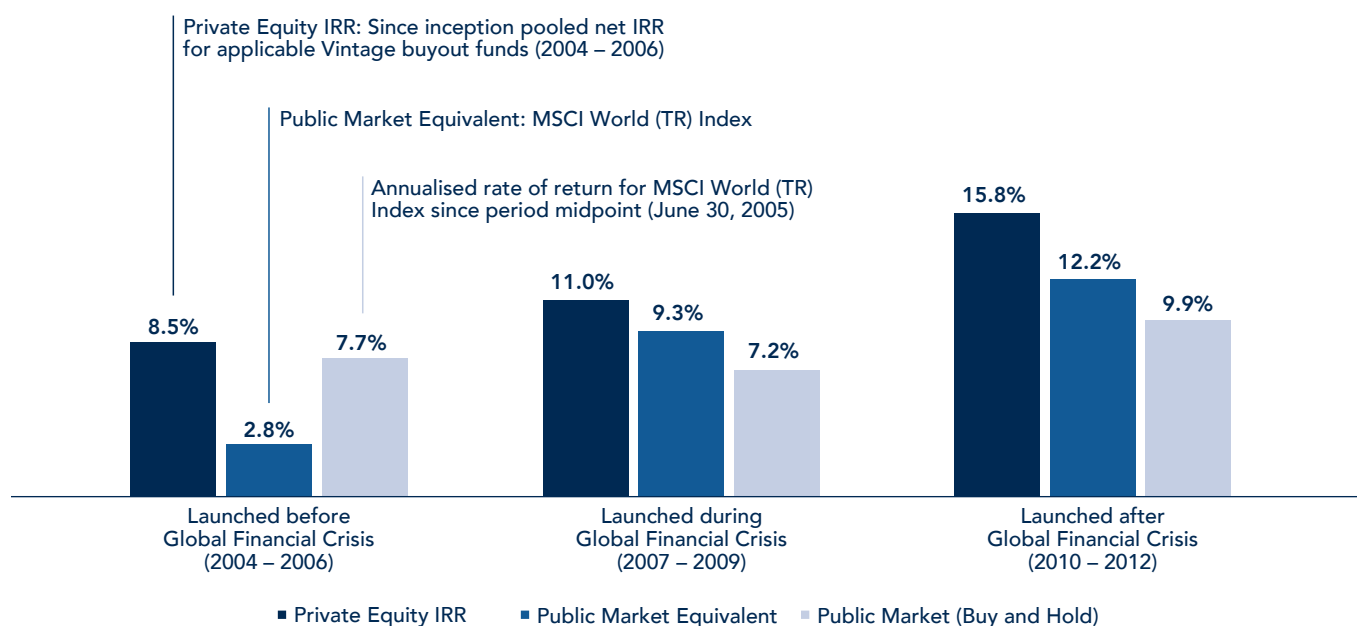
Source: The above graphs were prepared by GCM utilising certain information obtained from the Burgiss Group (“Burgiss”). Burgiss is an independent subscription-based data provider, which calculates and publishes quarterly performance information from cash flows and valuations collected from a sample of private equity firms worldwide (the “Burgiss Manager Universe”). The Burgiss Manager Universe includes data from 8,250 global private funds. The graphs are based on published 3Q 2018 industry data as of January 2019. “Pooled Return of LPs” represents pooled IRR since inception through to 30 September 2018 for all buyout funds in the Burgiss Manager Universe. United States returns are stated in USD. Europe returns include investments with a focus on the developed world and are stated in EUR. Asia returns include private equity expansion capital investments and are stated in USD. All “Public Market Equivalent” returns were calculated using the Long-Nickels methodology and were obtained from Burgiss. All data shown as net return of Limited Partners (“LPs”).

Burgiss sources their data from MSCI, S&P and private equity funds worldwide. GCM uploads data into its system used to prepare the above graphs one-time each quarter, however, the data service may continue to update its information thereafter. Therefore, information in GCM’s system may not always agree with the most current information available from the data service. Additional information available upon request. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. These graphs are not approved or produced by MSCI. S&P and their third-party information providers do not accept liability for the information and the context from which it is drawn. Burgiss, MSCI and S&P 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.**

OVERVIEW OF PRIVATE MARKETS CONTINUED

Global private equity has also outperformed PME's across Vintages and in particular, and as shown in the chart below, during periods of economic stress such as the global financial crisis of 2008. The chart below also refers to buyout funds as a representation of the larger private equity fund universe.

Annualised Performance of Private Equity versus Public Equity Across Vintages



Source: The above graphs were prepared by GCM utilising certain information obtained from The Burgiss Group ("Burgiss"). Burgiss is an independent subscription-based data provider, which calculates and publishes quarterly performance information from cash flows and valuations collected from a sample of private equity firms worldwide (the "Burgiss Manager Universe"). The Burgiss Manager Universe includes data from 8,250 global private funds. The graphs are based on published 3Q 2018 industry data as of January 2019. "Private Equity IRR" represents pooled IRR since inception through to 30 September 2018 for all buyout funds in the Burgiss Manager Universe with Vintages 2004-2006, 2007-2009 and 2010-2012. "Public Market Equivalent" returns reflect the MSCI World (TR) Index using the Long-Nickels methodology and were obtained from Burgiss. "Public Market (Buy and Hold)" represents annualised rate of return for the MSCI World (TR) Index (Ticker: GDDUWI) from the midpoint of each time period through to 30 September 2018.

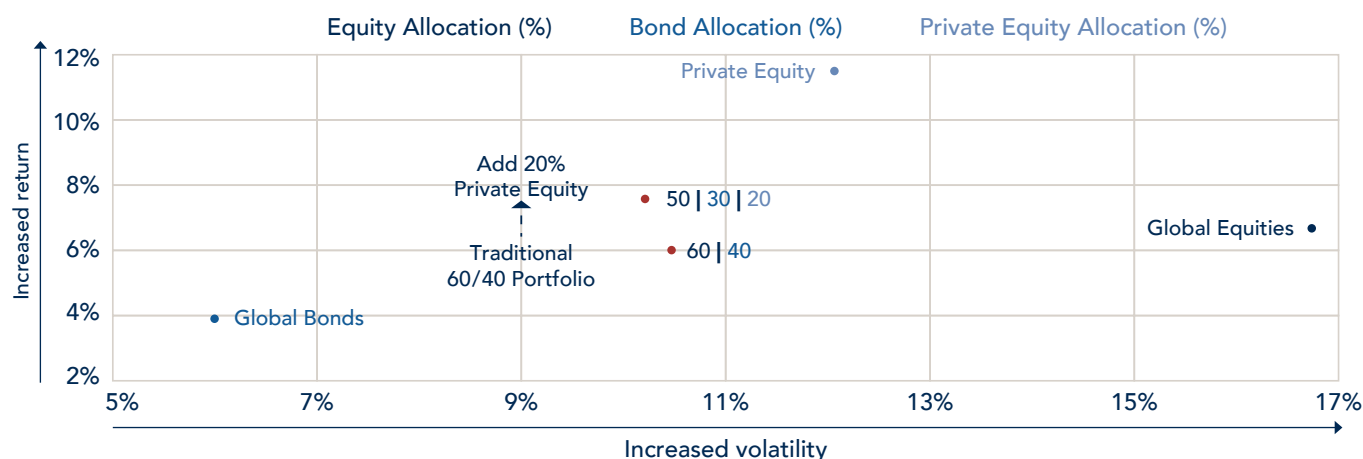
Burgiss sources their data from MSCI and private equity funds worldwide. GCM uploads data into its system used to prepare the above graphs one-time each quarter, however, the data service may continue to update its information thereafter. Therefore, information in GCM's system may not always agree with the most current information available from the data service. Additional information available upon request. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. These graphs are not approved or produced by MSCI. Burgiss and MSCI 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.**

OVERVIEW OF PRIVATE MARKETS CONTINUED

Based on historical returns and correlations between public and private equity, private equity has the potential to deliver investors with diversification benefits when combined with their existing investments. For example, as shown in the chart below, in moving from a traditional 60/40 equities/bond portfolio and adding a 20% allocation to global private equity, the resulting portfolio generated higher returns with lower risk (as measured by volatility).

Risk vs Return

Annualised return (%) (the vertical axis) versus annualised standard deviation (%) (the horizontal axis), 20 years ending 30 September 2018. Annualised Standard Deviation¹¹ is a measure of risk of investing in the portfolio of assets.



Portfolio calculation assumes quarterly rebalancing of stock and bond allocations. Index returns assume reinvestment of coupons. "Global Equity Allocation" represented by MSCI World Index, "Global Bond Allocation" represented by Bloomberg Barclays Global Aggregate Bond Index, "Private Equity Allocation" represented by Burgiss private equity pooled time-weighted returns.

Source: The above graph was prepared by GCM utilising certain information obtained from Burgiss. The graph is based on published 3Q 2018 benchmark data as of January 2019.

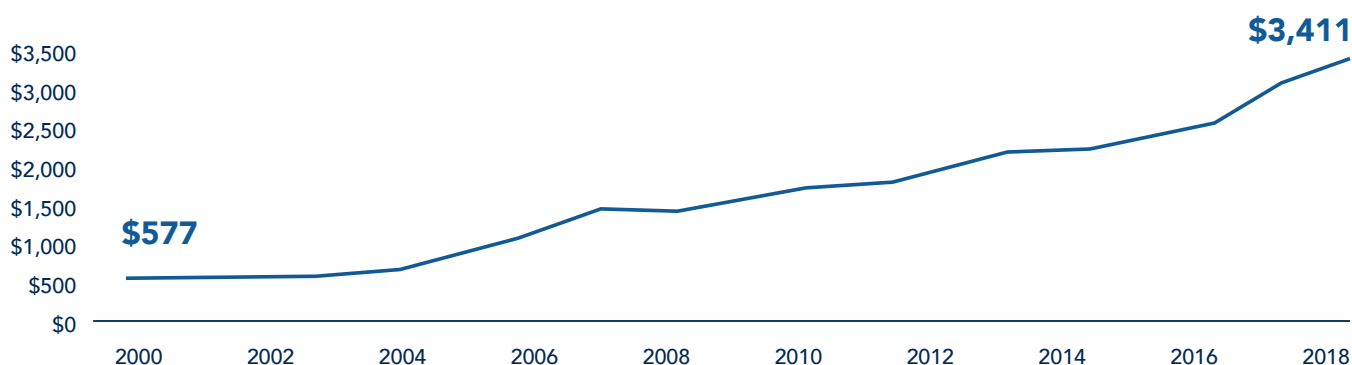
Burgiss sources their data from MSCI, Bloomberg Barclays and private equity funds worldwide (the "Burgiss Manager Universe"). The Burgiss Manager Universe includes data from 8,250 global private funds. GCM uploads data into its system used to prepare the above graph one-time each quarter; however, the data service may continue to update its information thereafter. Therefore, information in GCM's system may not always agree with the most current information available from the data service. Additional information is available upon request. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This graph is not approved or produced by MSCI. Burgiss, MSCI, and Bloomberg Barclays have not provided consent to the inclusion of statements utilising their data. **Past performance is not necessarily a guide to future performance. No assurance can be given that any investment will achieve its objective or avoid losses.**

11. "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 a portfolio of assets has a high Annualised Standard Deviation, the return of the portfolio of assets has historically fluctuated vigorously. If a portfolio of assets has a low Annualised Standard Deviation, the return of the portfolio of assets has historically moved at a steady pace over a period of time.

OVERVIEW OF PRIVATE MARKETS CONTINUED

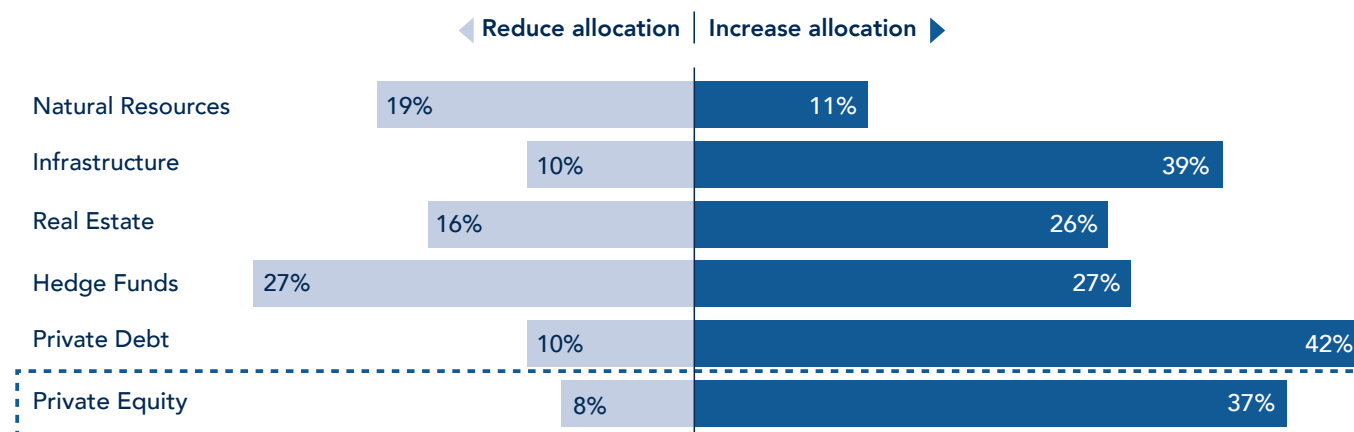
Many investors who have had the ability to access private equity have been steadily increasing their allocations, and a recent survey indicates that about 40% have an intention to continue to do so (as illustrated below):

Global Private Equity Assets Under Management (US\$billion)



Source: As of June 2018. The above graph was prepared by GCM utilising certain information obtained from the database of Preqin Ltd. Assets under management represents the sum of available Committed Capital and unrealised value. Preqin Ltd. has not provided consent for the use of its data.

Institutional Investors' Plans for the Longer-Term

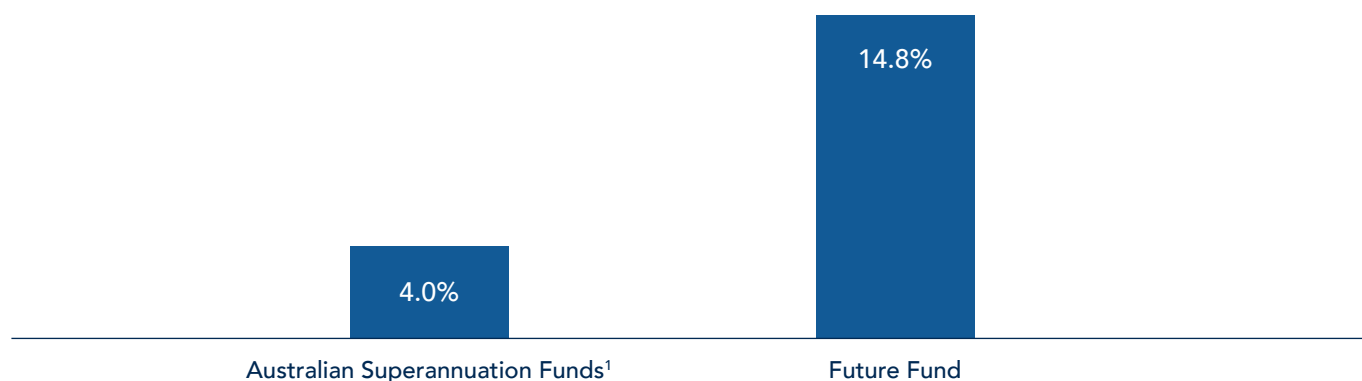


Source: Preqin, Ltd. November 2018, Q3 Quarterly Updates Webinar. Preqin Ltd has not provided consent for the use of this data and diagram in the Replacement PDS.

OVERVIEW OF PRIVATE MARKETS CONTINUED

While Australian investors continue to find significant barriers to accessing private equity (as illustrated by the superannuation statistic in the chart below), the Future Fund, Australia's sovereign wealth fund, has 14.8% invested in private equity.

Portfolio Allocation to Private Equity for Australian Investors



¹ Includes funds with more than 4 members. Sources: The Association of Superannuation Funds of Australia's September 2018 Superannuation Statistics (<https://www.superannuation.asn.au/resources/superannuation-statistics>). Future Fund's quarterly portfolio update at 30 September 2018 (<https://www.futurefund.gov.au/investment/investment-performance/portfolio-updates>). The authors of these publications have not provided consent to the inclusion of references to these publications and material drawn from these publications.

There are a number of reasons that may contribute to the lack of private equity exposure in Australian retail and superannuation portfolios. These may include:

- a scarcity of suitable investment vehicles which would enable investors to obtain meaningful and diversified access,
- minimum equity Commitments into private equity funds are typically well in excess of the Trust's minimum Application Amount,
- complicated capital management requirements with capital calls, uncertain distributions, and long-term lock ups, and
- a general lack of familiarity with the space and a lack of specific investment expertise.

6.2. CHARACTERISTICS OF PRIVATE EQUITY INVESTMENTS

Despite nuances between different private equity asset classes, there are a few common characteristics:

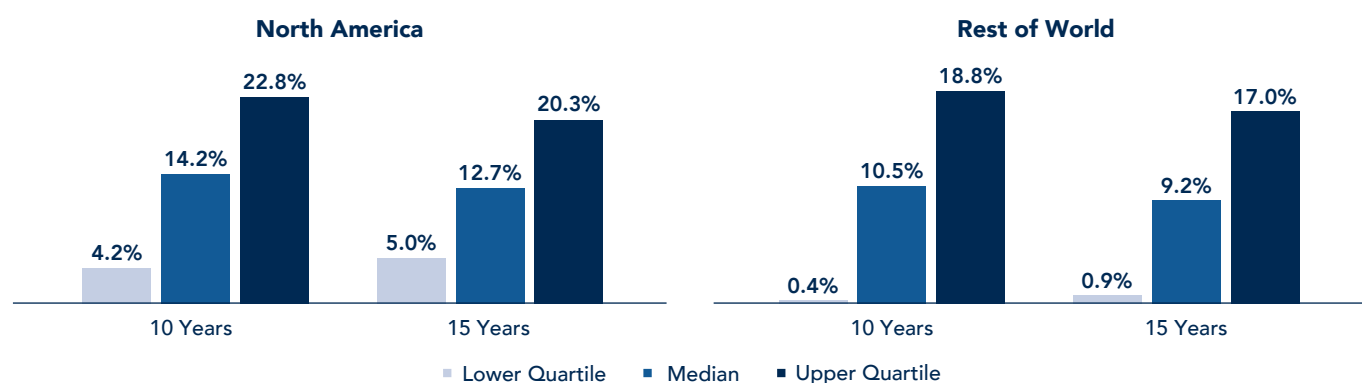
Illiquidity – Unlisted private equity investments are typically illiquid, which makes them best suited for investors able to commit their funds for an extended period of time.

Investment implementation – Private equity investors typically have multiple ways to access their desired exposures. This may include investments in Primary fund investments, acquiring fund interests in Secondary transactions, Co-investing alongside managers or through direct investments. Each of these implementation methods and their benefits are described in Section 6.4.

OVERVIEW OF PRIVATE MARKETS CONTINUED

Performance dispersion – Performance dispersion in the private equity tends to be greater than in the public markets. For example, as shown in the accompanying chart, the performance differential between top Quartile, median and lower Quartile private equity buyout funds may be substantial. *Past performance — particularly general industry performance spanning materially different market periods — is not necessarily a guide to future performance.*

Quartile Annualised Performance (IRR) of Private Equity Buyout Funds



For illustrative purposes only. Source: The above graphs were prepared by GCM utilising certain information is obtained from The Burgiss Group ("Burgiss"). Burgiss is an independent subscription-based data provider, which calculates and publishes quarterly performance information from cash flows and valuations collected from of a sample of private equity firms worldwide (the "Burgiss Manager Universe"). The Burgiss Manager Universe includes data from 8,250 global private funds. The graphs are based on published 3Q 2018 industry data as of January 2019. "North America" represents North American buyout funds in the Burgiss Manager Universe. "Rest of World" represents non-North American buyout funds in the Burgiss Manager Universe. Returns represent pooled IRRs of a broad selection of buyout private equity funds formed since the beginning of each illustrated period and thereafter. Ten-year returns are for funds formed in Vintages 2009 to 3Q 2018 and fifteen-year returns are for funds formed in Vintages 2004 to 3Q 2018. GCM uploads data into its system used to prepare the above graphs one-time each quarter, however, the data service may continue to update its information thereafter. Therefore, information in GCM's system may not always agree with the most current information available from the data service. Additional information available upon request.

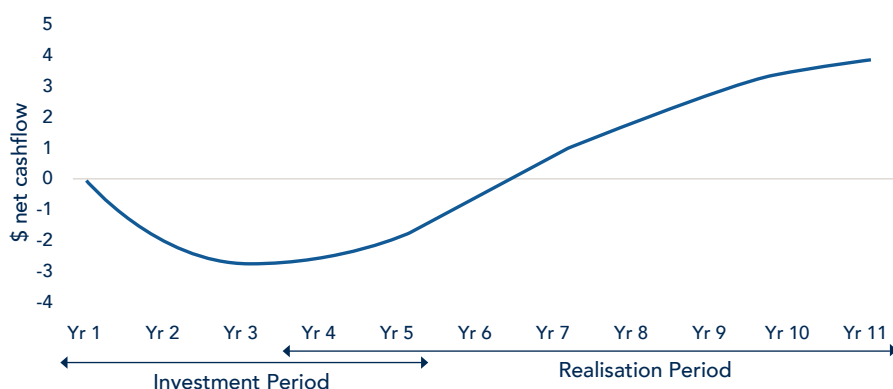
Burgiss has not provided consent to the inclusion of statements utilising its data. **No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performance.**

OVERVIEW OF PRIVATE MARKETS CONTINUED

J-curve effect – Most private equity investments, including Private Investment Funds through which such investments are commonly made, involve an investor committing to invest a specified amount of capital (“Committed Capital” or “Commitment”). However, only a small percentage of the Committed Capital is generally required at the start. As a Private Investment Fund identifies and invests in opportunities, the manager of the fund will ‘call’ or ‘drawdown’ the Committed Capital, as needed. It can take up to five years for a fund to fully invest its Commitments (“Investment Period”) and most Private Investment Funds have an investment term of around 10 to 12 years. Because Private Investment Funds begin incurring expenses at inception and generally levy management fees based on the amount of Committed Capital, investors are typically confronted with negative IRRs in the early years of a fund’s life. This return profile is referred to as the “J-curve” effect, shown below, and is a common characteristic of Primary fund investments. GCM employs a number of techniques in an effort to mitigate it. *The below chart is intended only to illustrate the “J-curve” effect. There can be no assurance that an Underlying Fund will, in fact, recover from its expected initial losses.*

Grosvenor employs the following strategies to mitigate the J-curve

- ✓ Secondary transaction fund investments
- ✓ Credit investments
- ✓ Co-investments generally
- ✓ Partially invested PE portfolios



Source: GCM. Please also note that the sample investment J-curve shown above is for illustrative purposes only, and may vary substantially from one investment to another. **No assurance can be given that any investment will achieve its objectives or avoid losses.**

Vintage benchmarking – For purposes of performance measurement, private equity investments are typically grouped by Vintage, representing the year in which a fund allocated capital to its first investment. Obtaining exposure to different Vintages can be an important source of diversification.

Investment structure – Private Investment Funds are generally only offered to wholesale investors; involve an investment in the fund for a fixed term and are structured to offer limited liability to investors (“Private Investment Funds”). These funds are most often structured as limited partnerships.

Limited partnerships will usually have a general partner (“GP”) and limited partners (“LPs”). The GP is responsible for managing the affairs of the partnership; typically, the private equity manager (or an affiliated company) acts as GP. LPs are investors whose liability in relation to the affairs of the partnership is limited to the amount of their investment in the partnership. Typically, LPs’ control in the business operations of the partnership is limited.

Note that GCM Group’s primary Investment Strategy for the Trust involves allocating to Private Investment Funds (on a Primary and Secondary basis) and to Co-invest alongside GPs in a single Portfolio Company.

Access to information – There is generally less information available about private companies than their listed peers. Investors with higher quality information are often able to make the better investment decisions. Extensive due diligence and careful monitoring are often essential safeguards when constructing private equity portfolios.

6.3. INVESTMENT STRATEGY TYPES

In seeking to achieve the Trust’s Investment Objectives, and consistent with the Trust’s Investment Strategy, GCM will construct a Portfolio primarily investing in Private Investment Funds that pursue the following strategy types:

OVERVIEW OF PRIVATE MARKETS CONTINUED

6.3.1. PRIVATE EQUITY

Private equity typically involves taking ownership interests in private businesses or assets ("Portfolio Companies"). Private equity investments may be structured using a range of financial instruments, including common and preferred equity, convertible securities, subordinated debt and warrants or other derivatives, depending on the strategy of the investor and the financing requirements of the company. Private equity managers seek to generate superior returns by pursuing an active role in monitoring and advising companies through restructuring, refocusing and revitalising tactics in order to sell the investment at a premium.

Within private equity, there are several strategy types which are typically distinguished by the growth stage or lifecycle of the underlying Portfolio Companies. Primary strategies include:

- **Buyouts** – Refer to the acquisition of larger, more mature companies with established cash flows. The purchase is often leveraged through loan financing. The assets of the company being acquired are put up as collateral to secure the loan. Buyout managers seek to utilise financial structuring and operating expertise to improve company financials and position the company for a strategic sale. In order to execute their strategy, buyout managers typically require a control position in the underlying company.
- **Special Situations** – Typically include distressed debt and other credit investments. The strategy of investing in distressed debt generally involves first becoming a major creditor of the target company by acquiring its bonds at a discount, then forcing a change of control through reorganisation or liquidation. Distressed debt and credit investments often provide current yield and assist in mitigating the J-curve. The reduced correlation between distressed debt and other types of private equity investments may help to facilitate a well-diversified private equity portfolio.
- **Growth Equity** – Utilised for starting and building companies. Within the Growth Equity sector, GCM specifically seeks out managers that invest in faster growing companies in need of development capital.

6.3.2. PRIVATE CREDIT

Private credit provides investors with exposure that may be complementary to traditional fixed income and other liquid credit investments. Private credit investments often provide additional yield in exchange for less liquidity. In addition, private credit investments may generate cash flows to generate current income and help mitigate the J-curve.

Private credit investments include a wide variety of fixed income instruments that seek to capitalise on dislocations in credit markets and mispriced/misunderstood credits. Primary strategies include: structured credit, distressed credit, mezzanine debt and direct lending as well as other niche strategies such as litigation finance.

- **Structured credit:** Structured credit generally involves the pooling of debt in order to create packages of credit-related securities, or bonds with values that are linked to the performance of underlying assets. Types of structured credit include residential mortgage-backed securities (RMBS), agency mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS), asset-backed securities (ABS), collateralised debt obligations (CDOs), and collateralised loan obligations (CLOs). Structured credit may also include regulatory capital solutions and portfolio asset sales from financial institutions, especially in Europe.
- **Distressed credit:** Distressed credit may also include turnaround/restructuring investing and investing in the debt of an issuer so as to control the bankruptcy process (often receiving substantial equity in the reorganization).
- **Mezzanine capital:** Mezzanine refers to the middle layer of financing (between pure debt and equity) in leveraged buyouts and growth investments. Mezzanine securities are structurally subordinate to a company's senior debt, but rank higher in priority of payment than common equity. Mezzanine debt often takes the form of bonds with attached warrants that can be converted into stock under certain circumstances. Mezzanine debt can offer yields higher than those of conventional bank loans because it includes certain additional risks. Mezzanine funds typically pay out current income to investors, as debtors pay interest on their outstanding loans.
- **Direct lending:** Direct lending involves areas of credit such as first lien financing (i.e., first to be paid against a specific security interest), unitranche financing (i.e., a hybrid loan structure that combines senior and subordinated debt into one instrument), and rescue financing (i.e., financing to prevent imminent failure).

Private credit tends to have an intermediate or long-term liquidity profile. It offers potential for excess returns relative to traditional credit. The lack of correlation between private credit and traditional credit, along with the protection of covenants in the loan documents, may help to mitigate downside risk in a well-diversified portfolio.

OVERVIEW OF PRIVATE MARKETS CONTINUED

6.3.3. OPPORTUNISTIC INVESTING

The opportunistic investment strategies implemented in the Portfolio have the flexibility to invest across illiquid asset classes, strategies, sectors, regions and capital structure. The objective of these strategies is to invest in compelling risk-adjusted return opportunities across GCM Group's global alternatives platform.

Investments are made dynamically and are implemented primarily through Co-investments and direct investments. GCM generally seeks to deploy capital into the following scenarios:

- **Dislocations:** opportunities in which macro and/or industry-level events combine with shifting market conditions to create what GCM considers to be irrational securities pricing. Dislocations often represent opportunities to purchase high-quality cash flows at a discount to fundamental value.
- **Fundamental Thematic:** periods of significant change in the markets when macroeconomic events are confirmed by security-level fundamental analysis. These may include political transitions in an economy or major changes in an industry or sector.
- **Orphaned Assets:** securities that are "in transition" for which there is no current investor demand but can be valued through comprehensive fundamental analysis. The lack of competition to purchase these assets can provide attractive entry points.
- **Complex Situations:** opportunities where many investors are unwilling or unable to conduct in-depth analysis or develop sufficient expertise.
- **Partnerships:** partnerships with third-party managers and specialists to access attractive, difficult-to-replicate exposure and expertise. GCM also invests in partnerships with external managers where additional scale and industry operating relationships enhance the value proposition.
- **Structured Transactions:** opportunities to partner directly with companies as providers of financing, focusing on compelling risk/return profiles.

6.4. IMPLEMENTATION OPTIONS

In accordance with the Trust's investment strategy and investment objectives, the Investment Manager will seek to implement each investment through what it believes to be the optimal structure. Private equity investment exposure may be obtained through several different structures, each of which has its own set of characteristics and potential benefits as well as risks, as described below.

6.4.1. PRIMARY FUND INVESTMENTS ("PRIMARIES")

Primaries are investments in newly established private equity funds, which invest directly into underlying Portfolio Companies. Primary investors subscribe for interests in private equity funds during an initial fundraising period, and their capital Commitments are then used to fund investments in several individual Portfolio Companies during a defined Investment Period. The investments of the Primary fund are usually unknown at the time of Commitment and investors typically have little or no ability to influence the investments that are made during the fund's life. Because primary investors must rely on the expertise of the fund manager, an accurate assessment of the manager's capabilities is essential for investment success. The life cycle of Primaries is typically 10-12 years.

Potential Benefits of Primaries

Core Allocation – Represents a base allocation for a private equity portfolio.

Long-Term Value Creation – Private equity assets represent long duration investments. Private equity funds typically invest capital across multiple years and Portfolio Companies.

Develop Manager Relationships – Investing in Primary funds allows investors to establish long-term partnerships with managers and increases the likelihood of obtaining access to subsequent funds.

Diversification Benefits – Investors can achieve diversification of risk across Portfolio Companies, industry sectors, geographies and Vintage years. The Underlying Investment Managers with which the Trust will indirectly invest are collectively broadly diversified. *However, the Trust's management is concentrated with GCM, which will allocate the Trust assets among Underlying Funds, act as the manager of GCM Funds, and provide cash management services for the Trust's potentially substantial cash balances. There can be no assurance that the Trust will achieve the potentially valuable benefits of portfolio diversification. There can be no assurance that the Trust will have access to an adequate supply of Primaries or to any of the most desirable Primaries. The Trust's ability to participate in Primaries will often be dependent on timing as Primaries are only available for a limited period of time.*

OVERVIEW OF PRIVATE MARKETS CONTINUED

6.4.2. CO-INVESTMENTS

A Co-investment is a single investment made directly or indirectly in a Portfolio Company alongside a private equity fund.

GCM intends to leverage its relationships, which have been developed over many years, to source attractive opportunities from what it believes to be high-quality managers.

Private equity fund managers frequently turn to their LPs as sources of additional capital for their Portfolio Companies. They often provide these Co-investment opportunities on a no-fee/no-carry basis.

The Investment Manager will invest in Co-investment opportunities globally, with an emphasis on established North American and Western European private equity markets and with opportunistic exposures to other geographies. GCM aims to construct a Co-investment portfolio that is diversified across higher quality managers, sectors and different Vintages, but that remains concentrated enough to generate potential outperformance.

Within the buyout Co-investment sector, the Investment Manager will target transactions in middle market Portfolio Companies, focusing on cash-flow positive companies with established revenue models. For these purposes, middle market Co-investments are defined as transactions in companies with total enterprise values less than or equal to US\$1.5 billion at entry.

Co-investments are highly concentrated investments in a single investment opportunity. The performance of the Trust's Co-investments can be expected to be highly volatile as well as subject to substantial risks. There is no guarantee that the Trust will invest in Co-investment opportunities on a no-fee/no-carry basis.

Potential Benefits of Co-investments

Ability to select best opportunities and targeted exposures – Co-investments can allow investors to gain direct exposure to potentially high-performing companies or transactions. Co-investments also provide investors with the ability to invest alongside high-quality managers in opportunities that may otherwise be unavailable to them.

Fees – Investors have the potential to access high-quality deal flow at substantially reduced fees. This is due to the Trust investing in commingled funds managed by GCM Group focussed on Co-investments, thereby enhancing the potential overall return of a private equity portfolio. GCM Funds focussed on Co-investments are intended to offer a diversified and cost-efficient solution through a single Commitment. They will seek to invest in transactions on a no-fee/no-carry basis.

J-curve Mitigation – Co-investments may help mitigate the J-curve of a private equity program as capital may be drawn down and returned faster than is the case with Primary fund investments.

Manager and sector diversification – Co-investments represent an attractive method to add tactical industry and Portfolio Company exposure to a diversified private equity portfolio. Co-investments provide investors the ability to selectively invest in best opportunities from a broad universe of managers and can allow investors to gain exposure to, and invest alongside, high-quality fund managers with which they otherwise may not have the opportunity to invest (for example, the manager may not be raising a fund at the time of investment).

6.4.3. SECONDARY TRANSACTION FUND INVESTMENTS ("SECONDARIES")

Secondaries represent interests acquired in an existing private equity fund from a third party (rather than an interest in a newly established fund acquired from the operator of the fund) after the fund's assets have been at least partially deployed in underlying Portfolio Companies.

As a substantial Primary fund investor and Co-investment partner, the Investment Manager has close relationships with GPs that may help provide it with preferred access to Secondary deals. Since 2000, GCM Group has committed more than US\$9.9 billion to MMBO Primaries and over US\$2.1 billion to MMBO Co-investments. These relationships with fund managers have provided what GCM Group believes is differentiated deal flow and established GCM Group as a source of Secondary fund investment capital.

GCM invests in a broad range of Secondary transactions of various scales but has found significant opportunity in small to mid-sized transactions where it believes information may be less readily available and pricing may be less efficient. The Investment Manager believes these transactions are typically not identified or followed by many Secondary investors and less likely to garner significant time and attention from intermediaries.

OVERVIEW OF PRIVATE MARKETS CONTINUED

Potential benefits of Secondaries

Reduced Blind Pool Risk – Investors in newly-formed private equity funds (i.e., Primaries) are subject to the inherent risk and uncertainty associated with a blind pool investment. That is, at inception, there are no Underlying Investments on which to base one's investment decision. Prospective investors must base their analysis upon other less tangible factors, including one's assessment of whether the manager is going to execute its strategy as outlined in the offering documents. The purchase of Secondary private equity interests removes some inherent uncertainties associated with Primary funds. The further into a fund's Investment Period (as is the case for Secondaries), the greater visibility buyers have into the underlying Portfolio Companies and whether the management team has effectively executed its strategy.

J-curve Mitigation – Secondary transactions help mitigate the J-curve effect commonly associated with acquiring interests in Primary funds, as underlying investments are more likely to be in the cash-generative stage of the investment (i.e., their capital has already been deployed into investments) when the fund interests are acquired on the Secondary market. As such, investors in Secondaries are better able to mitigate the fee drag that exists in these first few years of a fund's term.

Secondaries also generally return capital at a faster rate than Primary funds. This dynamic is often important to new investors in private equity who do not wish to wait four to five years, the duration of a typical private equity fund Investment Period, before receiving their first distribution. In addition, assets in a secondary transaction are frequently purchased at a discount and subsequently revalued by the buyer to net asset value, producing an initial valuation increase for the buyer.

The collective impact of this reduced fee drag, accelerated return of capital and increase in recorded net asset value often results in a markedly different return profile for Secondary transactions as compared with Primary fund investments. These J-curve mitigation possibilities are an important consideration.

Backward Vintage Diversification – Investment in a Primary fund gives an investor exposure to a single Vintage. Secondaries allow investors to broaden their portfolio's exposure to more Vintages and, as such, may provide investors with a degree of diversification across historical Vintages. Alternatively, Secondaries also permit more tactical precision by allowing investors to rebalance their portfolios by proactively increasing or reducing their exposure to a particular Vintage.

Asset Revaluation – Assets in the Secondary market are often purchased at a discount to the latest reported valuation from the Underlying Investment Manager. Such discounts may reflect a range of factors including, but not limited to, the illiquid nature of the assets, the higher cost of capital of the seller relative to the buyer, or the fact that the buyer believes the assets are under-valued relative to the last reported value. Because valuations are typically reported on a quarterly or semi-annual basis and are often based on trailing information for the underlying Portfolio Companies, a Secondary buyer is typically able to revalue the assets based on the latest macro and microeconomic information available.

Accelerated Cash Flows – Often, funds acquired in Secondary transactions are well into their realisation period and the timeline to distributions can be shortened.

Secondaries often must be acquired on an expedited schedule and on the basis of incomplete information. By investing in Secondaries, the Trust will be subject to the potentially material legacy risks of private equity funds which have already been operating for some time.

6.4.4. DIRECT AND OPPORTUNISTIC INVESTMENTS

GCM may make direct allocations to private markets investment instruments and other investment classes without allocating to Underlying Funds.

Potential benefits to direct / opportunistic investments include:

- High conviction investment ideas across GCM Group's investment platform.
- Prioritising a swift, agile approach around dislocations.
- Specialised team that has the ability to invest across asset classes and the liquidity spectrum globally.
- J-curve risk mitigation through flexible mandate and trade implementation seeking to mitigate negative returns early.
- A willingness to embrace and capitalise on complexity and misunderstood situations.
- In-depth valuation analysis.
- Maximisation of sourcing channels.
- Ability to actively hedge undesired risk factors.

GCM Group sees a wide spectrum of opportunities in the alternative investment universe. GCM seeks to use its knowledge, contacts and experience to select, structure and execute attractive direct/opportunistic investment opportunities.



THE MANAGEMENT AND SERVICE PROVIDERS TO THE TRUST

7.1. THE INVESTMENT MANAGER

Pengana has appointed Grosvenor Capital Management, L.P. ("GCM" or "Investment Manager") as the investment manager of the Trust.

GCM, in combination with its affiliate, GCM Customized Fund Investment Group, L.P. ("GCM CFGI" and together with GCM and their respective affiliates and predecessor firms, "GCM Group"), is a global alternative asset management firm with assets under management in excess of US\$52 billion. GCM Group invests across a broad range of alternative strategies and asset classes including private equity, infrastructure, real estate, hedge funds and strategic investments. In providing investment management services to the Trust, GCM will utilise resources across the GCM Group. GCM possesses a track record in private markets investing dating back to 1999.

GCM is principally focused on offering customised investment solutions to its global client base of institutional and high-net-worth investors which accounts for approximately 76% of assets under management. Customised investment programs (which this Trust employs) allow GCM to offer portfolios designed to meet clients' specific investment objectives and which can evolve as market and general economic conditions change. GCM began investing in hedge funds in 1971 with its track record managing customised alternative investment solutions dating back to 1996.

Pengana believes that GCM's experience in middle market deals, focus on smaller and emerging managers, industry relationships with in excess of 500 managers, and experience in identifying, selecting, structuring, and executing individual investment opportunities can add value to the Trust over time.

GCM employs 512 people globally including 162 investment professionals of which 64 are dedicated to its private equity, real estate and infrastructure strategies. GCM is headquartered in Chicago, with offices in New York, Los Angeles, London, Tokyo, Hong Kong and Seoul. 95% of GCM's client base is institutional. GCM is management controlled and majority owned, and has been registered as an investment adviser with the United States Securities Exchange Commission under the U.S. Investment Advisers Act of 1940 since 1997. GCM is also registered as a "commodity trading advisor" and a "commodity pool operator" with the U.S. Commodity Futures Trading Commission and is a member of the U.S. National Futures Association in such capacities. *Such registrations and membership in no respects indicate any level of qualification or expertise. No U.S. regulatory or self-regulatory authority has reviewed or approved GCM, the Offer or the terms of the Trust.*

To date there have not been any adverse regulatory findings against GCM that GCM believes could reasonably be considered to be materially adverse to GCM's ability to serve as Investment Manager.

The appointment of GCM 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 17.3.

GCM's past performance is not necessarily a guide to how GCM will perform managing the Trust or of the performance results the Trust may achieve.

7.1.1. KEY PERSONNEL

The key personnel for the Investment Manager spend a majority of their time on the investment strategies to be implemented for the Trust and other similar strategies. To date there have not been any adverse regulatory findings against any of the key personnel.

The Investment Manager's Investment Committee for the Trust will include senior-level representation from all investment sub-strategies relevant to the Trust's mandate and shall initially consist of Messrs. Jonathan R. Levin, Jason L. Metakis, Bradley H. Meyers, Frederick E. Pollock, and Brian W. Sullivan.

The Investment Manager will designate a portfolio manager for the Trust. The portfolio manager will primarily be responsible for managing the Trust's investments on a day-to-day basis, sourcing funds and deals from the broader GCM platform, and making recommendations to the Investment Committee for its approval or disapproval. Frederick Pollock will be the Trust's initial portfolio manager.

THE MANAGEMENT AND SERVICE PROVIDERS TO THE TRUST CONTINUED

GCM's key personnel are subject to change at any time.

Jonathan R. Levin
President
Office of the Chairman
GCM Private Markets Investment Committee Member
Member of Strategic Investments Group Investment Committee
Chair of the Global Investment Council

Mr. Levin is President and is responsible for the day-to-day management of the firm. Mr. Levin is Chair of GCM's Global Investment Council and a member of the Investment Committees for GCM Private Markets, Hedge Fund Strategies Seeding and the Strategic Investments Group. He holds an A.B. in Economics from Harvard College. Mr. Levin is a member of the Board of Directors of the Ann & Robert H. Lurie Children's Hospital of Chicago.

Jason L. Metakis
Managing Director
GCM Private Markets Investment Committee Member
Member of the Global Investment Council

Mr. Metakis is a member of the GCM Private Markets Investment Committee and serves on GCM's Global Investment Council. He focuses on private equity Co-investments and direct investments and is responsible for deal sourcing, due diligence, and managing client relationships. Mr. Metakis received an A.B. with honours in Economics from Harvard College in 1999 and a Master of Business Administration from Harvard Business School in 2004.

Bradley H. Meyers, CPA
Managing Director
Head of Portfolio Management
GCM Hedge Fund Strategies Investment Committee Member
Member of the Global Investment Council

Mr. Meyers is Head of GCM Portfolio Management, a member of the GCM Hedge Fund Strategies Investment Committee, and serves on GCM's Global Investment Council. Mr. Meyers is also a member of the GCM Seeding and Special Opportunities Investment Committees. Mr. Meyers is responsible for overseeing certain portfolio management processes. Mr. Meyers received his Bachelor of Science in Accountancy from the University of Illinois at Urbana-Champaign in 1997 and his Master of Business Administration from the University of Chicago Booth School of Business, with a concentration in Finance, in 2003. Mr. Meyers is a Certified Public Accountant.

Frederick E. Pollock, J.D.
Managing Director
GCM Private Markets Investment Committee Member
GCM Hedge Fund Strategies Investment Committee Member
Head of the Strategic Investments Group
Member of the Global Investment Council

Mr. Pollock is the Head of the Strategic Investments Group (SIG), a member of the GCM Private Markets and Hedge Fund Strategies Investment Committees, Co-Head of GCM Research and serves on GCM's Global Investment Council. He received his Bachelor of Science summa cum laude in Economics from the University of Nevada in 2001 and his Juris Doctor magna cum laude from Harvard Law School in 2004.

Brian W. Sullivan, CFA
Managing Director
Head of GCM Private Equity Secondaries

Mr. Sullivan leads the Secondaries practice and is focused on deal sourcing and executing secondary fund investments. He received his Bachelor of Science in Mechanical Engineering from the United States Naval Academy and his Master of Business Administration from the Wharton School at the University of Pennsylvania. Mr. Sullivan holds the Chartered Financial Analyst® designation.

THE MANAGEMENT AND SERVICE PROVIDERS TO THE TRUST CONTINUED

7.2. THE 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 experience in managing outsourced investment management relationships with U.S. based fund managers having entered into investment management agreements with Lizard Investors LLC in March 2015 (which manages the investments of the Pengana Global Small Companies Fund) and PanAgora Asset Management Inc. in November 2015 (which manages the investments of the Pengana PanAgora Absolute Return Global Equities 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 Manager has appointed GCM as the investment manager of the Portfolio of the Trust with responsibility for making investment decisions in respect of the Portfolio.

The Responsible Entity and the Manager are both members of the Pengana Group of Companies which consists of Pengana Capital Group Limited (ASX: PCG) ("PCG") and its wholly-owned 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. For more information on PCG, refer to Section 10.2.

7.2.1. 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:

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. Currently Ellis is a director of Equity Trustees Superannuation Limited, and consults to the financial services sector. He was for over a decade until 2017 the chief operating officer of Abacus Property Group (ASX: ABP). 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).

Ilan Zimerman

Non-Executive Director

Ilan Zimerman is a solicitor of over 30 years standing. He is currently the principal of Sapient Legal, a law practice that he founded in 2015. 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.

Russel Pillemer

Executive Director (CEO, Pengana Capital Group Limited)

Russel Pillemer co-founded Pengana in 2003. He has been Pengana's Chief Executive Officer since inception. 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.

Katrina Glendinning

Executive Director (CFO, Pengana Capital Group Limited)

Katrina is the Chief Financial Officer of Pengana and has held this role since inception in 2003. She is also an Executive Director of Pengana Capital Limited and is a member of Pengana's Compliance and Risk Management Committees. Katrina is a financial services executive with over 25 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 has a Bachelor of Economics from the University of Sydney, is an Australian Chartered Accountant, a Fellow of FINSIA and a Graduate of the Australian Institute of Company Directors.

THE MANAGEMENT AND SERVICE PROVIDERS TO THE TRUST CONTINUED

7.2.2. 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:

Russel Pillemer

Executive Director (CEO, Pengana Capital Group Limited)

Refer to Section 7.2.1 for Russel's biography.

Katrina Glendinning

Executive Director (CFO, Pengana Capital Group Limited)

Refer to Section 7.2.1 for Katrina's biography.

Nick Griffiths

Executive Director (CIO, Pengana Capital Group Limited)

As Chief Investment Officer, Nick is responsible for monitoring, performance analysis and risk management across PCG's investment strategies. He also chairs Pengana's Risk Management Committee. Nick has more than 20 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. He was educated in England and holds a Law and Economics degree from the University of Durham.

7.3. THE ADMINISTRATOR

The Responsible Entity has outsourced the Trust's valuation and accounting to BNP Paribas Securities Services ("Administrator"). The Administrator will perform certain administrative and accounting services for the Trust, subject to the overall supervision of Pengana. The Administrator will calculate the NAV at each month-end and will, as soon as it is practical, provide these calculations to the Responsible Entity. Pengana will publish the monthly NAV per Unit on Pengana's website (www.pengana.com) and notify ASX of the monthly NAV per Unit for release by the ASX on the ASX website.

7.4. THE CUSTODIAN

BNP Paribas Securities Services ("Custodian") will provide 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. Cash may also be held on deposit with one or more Australian authorised deposit-taking institutions. The Responsible Entity may change the appointed custodian from time to time, without prior notice.

7.5. THE REGISTRY PROVIDER

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.

7.6. THE AUDITOR

Ernst & Young is the independent auditor of the Trust.

8

HOW THE TRUST INVESTS

8.1. INVESTMENT OBJECTIVE

The Trust will seek to generate, over an investment horizon of at least 10 years, attractive returns and capital growth through a selective and diversified approach to private markets investments, including private equity, private credit, and other opportunistic investments.

The total return of the Trust may rise or fall based on, amongst other things, the performance of the underlying Trust investments. Investors should read Section 11 which sets out some of the key risks and conflicts of interest of an investment in the Trust. Investors should be aware that because the Trust is listed on the ASX, the market price of Units on the ASX may be greater or less than the NAV per Unit, and as such the performance of the market price of Units on the ASX may differ from the performance of the NAV per Unit. In addition, 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.

The Investment Objective is not guaranteed and is not a forecast, and may not be achieved. Investors should also note that it may take 3 to 4 years following the listing of Units until the Portfolio is invested in accordance with the long-term guidelines of the target Portfolio by the Investment Manager.

None of the Responsible Entity, the Manager or the Investment Manager guarantees the performance of the Trust. Investors' capital is not guaranteed. Like all investments, the Trust's investments carry risks, and if these risks eventuate, you may lose some or all of your capital invested in the Trust.

8.2. INVESTMENT STRATEGY

In seeking to achieve the Trust's Investment Objective, GCM will construct a customised portfolio consisting of Primaries, Co-investments, Secondaries and direct investments. The Trust may invest either directly or indirectly through investments in one or more GCM Funds or other Underlying Funds. Such a strategy can allow for flexible implementation across private equity and private credit asset classes while helping to mitigate the J-curve impact – see Section 6.2 for an explanation of the J-curve.

The Trust will utilise strategies employed across GCM Group's investment platform and will seek to provide diversification across Underlying Investment Managers, Vintages, geographies, sectors, and strategies. GCM will generally seek to invest with Underlying Investment Managers who have historically managed investment vehicles which have generated upper Quartile returns, and whom GCM believes have the potential to continue to do so due to strong deal sourcing capabilities, superior structuring and execution skills, and the ability to add value at an operating level. GCM believes that these factors may contribute to attractive investment returns. The Investment Manager expects to leverage its extensive network of relationships with private equity fund managers as well as its knowledge of the underlying investments through existing fund and co-investing activities. As a global leader in private equity investing, GCM employs a comprehensive and proactive deal sourcing process that provides the firm with access to deal flow in key areas of the private equity industry, leveraging its information and relationship advantages for superior sourcing and market intelligence. With multiple investment offices located in the U.S., Europe and Asia, GCM maintains a global footprint and perspective, allowing GCM to source deal flow from local markets. GCM will focus on opportunities involving managers (and/or management teams) with whom it has already invested or with whom it is otherwise familiar.

GCM is an active investor across the spectrum of both market size and fund manager size. GCM maintains an extensive network of relationships and is able to gain access to many of the industry's well-known, oversubscribed, and difficult-to-access private equity managers, as well as compelling emerging managers and spin-offs.

HOW THE TRUST INVESTS CONTINUED

GCM seeks investment exposure to middle market Portfolio Companies, which GCM believes are generally more attractive because they represent a larger set of opportunities, lower entry valuations, and more conservative capital structures. In addition, middle market Portfolio Company investments can offer fund managers more opportunity for organic value creation and increased exit opportunities, resulting in the potential for higher returns. GCM's approach to the middle market seeks to provide investors with superior, risk-adjusted returns.

GCM, GCM CFG and potentially other members of the GCM Group are the managers of the GCM Funds in which the Trust will invest. Although GCM is not limited to investing Trust capital in GCM Funds, GCM expects that a significant portion of the Portfolio not invested in cash management accounts will be invested in such GCM Funds. GCM has an inherent conflict of interest in doing so, as it receives management fees and/or incentive compensation from the GCM Funds in which the Trust invests and, accordingly, incentives to over allocate to GCM Funds. Refer to Section 18.3 of this Replacement PDS for information on how GCM, the Responsible Entity and the Manager will manage conflicts of interest.

8.3. INVESTMENT CONSIDERATIONS AND KEY BENEFITS

The Trust seeks to provide Investors with a diversified set of exposures to private equity, including private credit, and opportunistic strategies. In constructing and monitoring the Portfolio, the Investment Manager will utilise a flexible approach that can adapt to evolving market and general economic conditions. *There can be no assurance that the Trust will achieve its objectives.*

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

Simplicity – The Trust serves as a single point of entry to a well-diversified portfolio of private equity investments in accordance with the long-term target guidelines for the Portfolio.

Institutional investment management – The Trust allows the Responsible Entity to deliver an investment management capability typically accessed by institutional clients.

Liquidity – Private equity investments typically involve the Investors' capital being locked up for a number of years. The structure of the to-be-listed Trust will allow small and large Investors to gain exposure to private equity with the flexibility to buy and sell Units on the ASX so long as an active market exists.

Bespoke solution – GCM will create a solution tailored specifically to the requirements and objectives of the Trust.

Experienced team – The Trust's investments will be sourced and due diligence conducted by professionals across GCM Group, an experienced and major allocator to global private equity investments, with 30 senior professionals devoted to private equity.

Differentiated deal flow – GCM Group's established and extensive network of relationships with managers can lead to differentiated deal flow across private equity Co-investments and Secondaries.

Access – Private equity investments can be difficult to access for individual Investors. The Trust will seek to provide Investors with direct exposure to oversubscribed and difficult-to-access middle market managers globally via the GCM Group platform.

Middle market focus – GCM Group believes that Middle Market Buyouts (MMBOs) represent an area with compelling investment opportunities due in part to potentially attractive investment entry valuations and capital structures.

J-curve mitigation – The Trust will be managed with the specific goal to mitigate the J-curve with an accelerated deployment of capital through Co-investments, Secondaries, short duration credit strategies, investments into partially invested private equity Co-investment and opportunistic commingled funds (i.e., those that have had initial Closes, but which are still accepting subscriptions and have already deployed initial capital), and the issue of Alignment Shares to the Trust.

Preferred economics – GCM will seek to leverage GCM Group's size, scale, and reputation in the industry in an effort to negotiate preferred economics for investments made by the Trust.

Fee efficiency – In constructing the Portfolio, one of GCM's objectives is to achieve a competitive total fee cost by incorporating Co-investments, Secondaries and opportunistic implementation styles, which generally are more fee efficient private equity strategies when compared to Primary fund investments. The Trust will be subject to the Trust level and Underlying Fund level fees as described in Section 12.

Global presence with local knowledge – GCM will seek to source deal flow for the Trust from GCM Group's local investment presence across the world.

HOW THE TRUST INVESTS CONTINUED

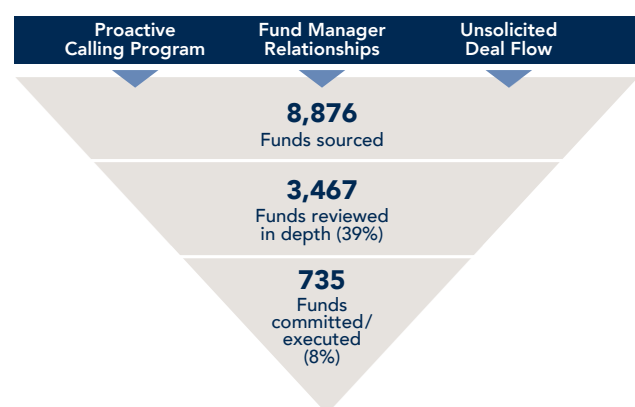
Comprehensive due diligence and monitoring – GCM will perform independent investment and operational due diligence processes in selecting investments for the Trust. GCM will monitor and manage investments in the Trust from inception through exit.

8.4. INVESTMENT PHILOSOPHY

The cornerstone of GCM's investment philosophy is the sourcing of, and investment with, fund managers that it believes have an identifiable competitive advantage to execute and exit successful investments. As a global leader in private markets investing, GCM leverages its information and relationship advantage for sourcing and market intelligence to screen and select investments for the Trust. The data below illustrates the number of GCM Group's private equity, real estate and infrastructure fund investments and Co-investments sourced, reviewed and executed since 2000.

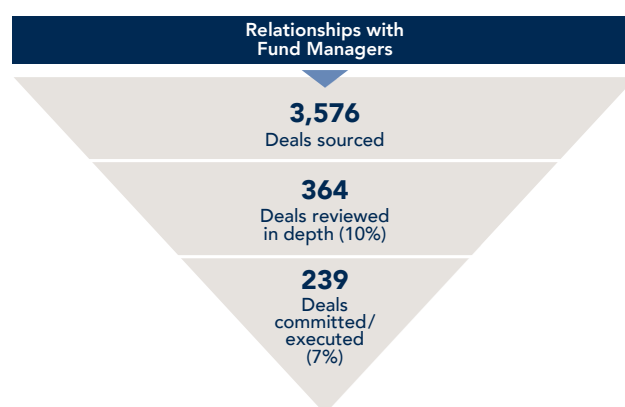
Fund Investments

January 1, 2000 – December 31, 2017



Direct and Co-investments

January 1, 2000 – December 31, 2017



Key tenets of GCM's private equity philosophy include:

Research based approach

- An integrated top-down, bottom-up research approach to GCM's investment activities.
- Extensive analysis of target industries, sectors and regions, including economic conditions, investment environment and the state of private equity.
- Focus on factors particularly significant to private equity investments, such as investment opportunities in private companies, growth rates and the exit market.
- Comprehensive bottom-up due diligence on potential investments and managers to evaluate the merits of a manager's value creation in sourcing, valuation and exit.

Focus on fewer, better external managers

- Seek to enhance returns by investing in a portfolio of fund managers identified by GCM as top-tier.
- Source managers which GCM believes have an identifiable competitive advantage in their target markets in executing and exiting successful investments.
- Target managers that GCM believes have strong deal sourcing capabilities, superior structuring and execution skills, and the ability to add value at an operating level that is likely to generate strong investment returns.
- Rigorous, dual-track due diligence of both operational and investment capabilities leads to Commitments to managers in whom GCM has high conviction.

Diversification

- Seek an appropriate level of diversification across investment type, strategy, stage, Vintage, industry, sector and geography.
- Diversification can help mitigate the risks to a portfolio, as lower performance of one investment can be offset by superior performance in others.

HOW THE TRUST INVESTS CONTINUED

8.5. INVESTMENT PROCESS

8.5.1. OVERVIEW

The Investment Manager believes its structured and rigorous investment process represents a core strength and competitive advantage. GCM has developed a multi-stage process that draws upon its extensive resources in sourcing, analysing and ultimately investing in a fund or direct investment. By leveraging the experience within its Investment and Operational Due Diligence Teams, GCM seeks to assess each manager's potential for value creation at different stages of the investment process (i.e., sourcing, due diligence, structuring, execution, monitoring, and exit) in an attempt to gain an in-depth understanding of the opportunities and risks associated with each investment.

GCM's due diligence process for Underlying Funds utilises a bottom-up approach involving multiple teams seeking to maximise efficiencies and ensure appropriate checks and balances in order to select and approve investments. All potential Underlying Fund investments undergo an initial screening process to determine whether the transaction warrants additional analysis. If a decision is made to move forward, the deal team proceeds with due diligence and conducts detailed analysis of the key risks, merits and suitability of the proposed investment. GCM relies on a dual track approval process for Underlying Fund investments that requires approval from both the Investment Committee and Operations Committee which both have the ability to veto an investment independently.

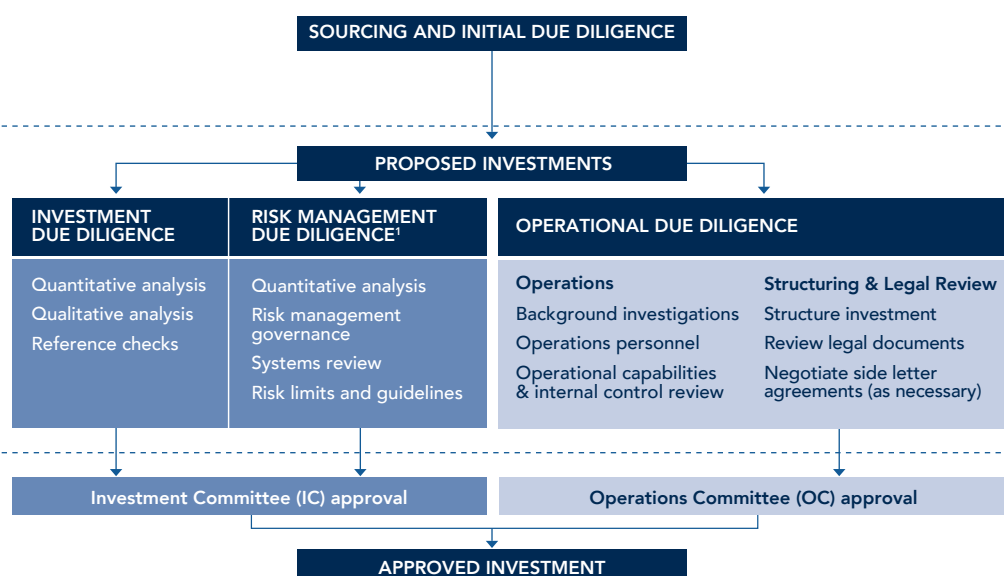
Initial due diligence

Investment Committee decides on whether to initiate full due diligence

Full due diligence

Approval

Dual – track process
Must pass both
CEO has veto authority



1. Risk management due diligence is separate and distinct from investment due diligence in Public Markets. Certain investments are made directly, not through a third-party investment manager and may not be subject to Operational Due Diligence or require Operations Committee Approval.

For illustrative purposes only. Due diligence seeks to mitigate, but cannot eliminate, risk. No assurance can be given that any investment will achieve its objectives or avoid losses.

8.5.2. PORTFOLIO CONSTRUCTION PROCESS

For the Trust, GCM seeks to construct a private equity portfolio that it believes will generate early cash flows and mitigate the J-curve, provide downside risk mitigation, and commit to investments with appropriate risk/return profiles for their respective sub-asset classes.

While there can be no assurance as to which specific factors will be considered in evaluating an investment for the Trust, the portfolio construction process incorporates both top-down and bottom-up elements. As part of GCM's portfolio construction process, GCM conducts extensive analysis of target industries, sectors and regions, including an analysis of the economic conditions, investment environment, and the state of the private equity markets. These top-down analyses guide the team's sourcing, due diligence and portfolio construction decisions. This approach takes into consideration a number of factors, such as deal flow, team expertise, market conditions, long-term value creation opportunities, and risk mitigation.

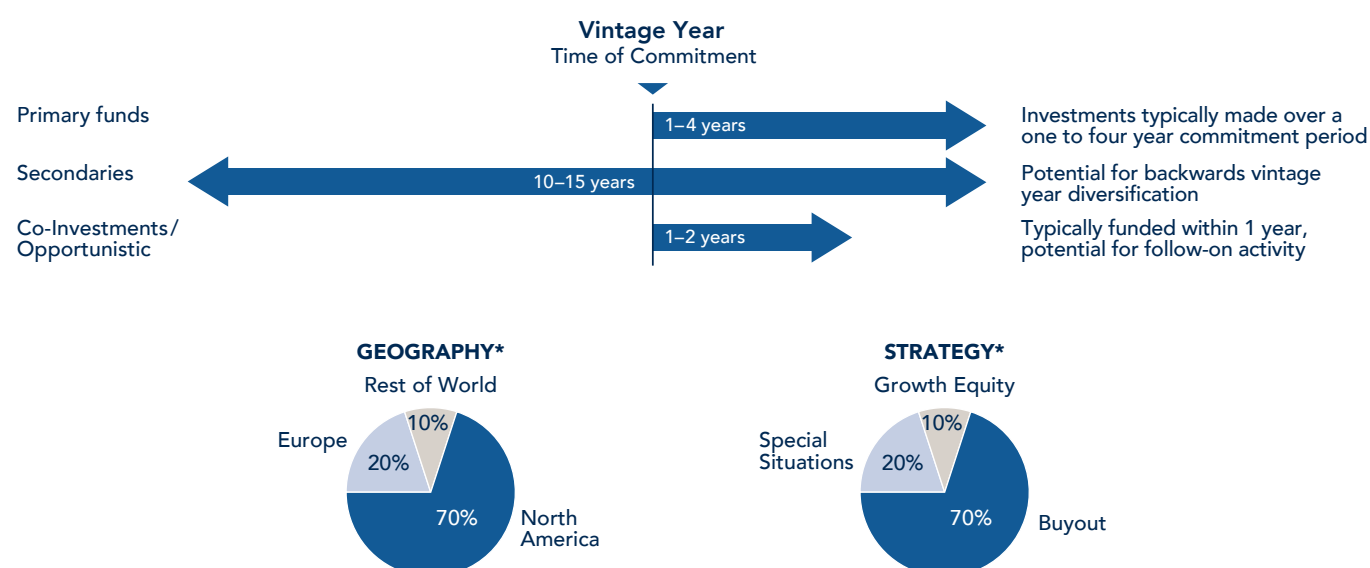
HOW THE TRUST INVESTS CONTINUED

Diversification

GCM's approach is to enhance returns by investing in a portfolio diversified by investment type, strategy, stage, Vintage, industry, sector and geography.

- **Investment type diversification** – The Investment Manager believes that it is important to diversify a private equity portfolio across Primaries, Secondaries, and Co-investments in seeking to mitigate the J-curve and enhance returns. Primary fund investments are long-term and enable forward-looking diversification by time (Vintage), manager and sector. Capital is called down over time by managers as Portfolio Companies are selected and capital is deployed. Exits are typically through an initial public offering ("IPO") or sale process. Co-investments provide the opportunity for out-performance through more concentrated positions, reduced costs and potentially more efficient fee structures. Capital invested in Co-investments and Secondaries is deployed and returned over a shorter timeframe, potentially mitigating the J-curve effect of the Portfolio.
- **Strategy diversification** – Within the private equity Primaries and Co-investments allocation, the Investment Manager favours a focus on buyout investment transactions, with additional exposure to special situations and growth equity opportunities. A focus of the allocation will be on Middle Market Buyouts ("MMBO"), which GCM believes are generally more attractive because they make up a large set of opportunities with lower entry valuations, more conservative capital structures, and a greater ability for the fund managers to add value through pursuing an active role in Portfolio Companies.
- **Sector diversification** – The Investment Manager typically constructs portfolios by investing with fund managers that represent 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.
- **Geographic diversification** – The Investment Manager seeks geographic diversification with the majority of capital allocated to the most developed and established private equity in North America and Western Europe. The Investment Manager may enhance diversification with opportunistic exposures to other geographies.
- **Vintage diversification** – The Investment Manager seeks to pace the deployment of new capital to funds in roughly equal proportions to help ensure that the portfolio achieves appropriate Vintage exposure. The Investment Manager seeks to invest with a diversified set of managers that have experiences and expertise in various investment types and sectors.

Example Long-Term Target Portfolio Diversification Characteristics



* Represents diversification only for PE Primaries and PE Co-Investments.

For illustrative purposes only. No assurance can be given that any investment will achieve its objectives or avoid losses.

HOW THE TRUST INVESTS CONTINUED

Focus on downside mitigation

GCM's focus on downside protection is reflected in GCM's risk mitigation approach to sourcing investments and constructing portfolios. GCM seeks to identify, evaluate and mitigate material risks of Underlying Funds prior to making a Commitment by, among other things:

- Conducting due diligence and confirming facts about the manager – team, strategy, track record, benchmarking, fundraising status and legal terms
- Understanding the manager's value add and differentiation relative to the market
- Understanding the manager's competitive advantage and ability to generate returns over various market cycles
- Assessing the manager's operational risks
- Assessing the manager's organisational stability
- Assessing strategy relative to market opportunity
- Assessing competitive dynamics
- Determining portfolio fit relative to strategy

Actions such as those listed below seek to address these issues:

- Evaluating risks and exploring competing fund offerings/comparable transactions
- Reviewing performance – benchmark analysis, attribution analysis, covenant analysis, value creation breakdown, cash flow analysis, cash burn rate analysis, loss analysis
- Revaluation of unrealised investments
- Reference calls and background investigations
- Conducting on-site visits to managers
- Evaluating portfolio asset performance from multiple sources (co-investors, limited partners, portfolio assets)
- Reviewing potential for counterparty risk and FX risk
- Reviewing legal and economic terms
- Evaluating operational capabilities and internal control environment
- Obtaining approval for investment from Investment Committee and Operations Committee independently

U.S. middle market

Capital is abundant in the current market environment, however it has not been raised evenly across the private equity landscape. Although a record amount of capital was raised in 2017, 322 fewer funds reached final Close than in 2016, resulting in the average fund size increasing to US\$535 million from US\$384 million. 28% of the total capital raised was secured by the ten largest funds, up from 23% in 2015.¹² These mega funds are now competing for assets at the larger end of the capitalisation spectrum resulting in less competition for investors investing in mid-sized companies, namely for those investing in the middle market. Company valuation and fund leverage multiples when investing in the middle market can accordingly be lower than those investing in larger companies.¹³

GCM believes middle market Portfolio Companies are well positioned in this environment to benefit from pro-business regulation in the U.S. Boosts from tax reform also disproportionately benefit companies of this scale, given their higher effective corporate tax rates as compared to larger companies. U.S. middle market Portfolio Companies are often more insulated from volatility caused by USD currency movements, as production and sales tend to be domestically-focused. Within the middle market, GCM seeks quality sector specialists, particularly within industries with major cyclical and secular influences, including financials, healthcare, and aerospace and defence. The criticism against sector specialists has always been that they are less nimble than generalists to move across sectors opportunistically. However, GCM's view is that access and industry expertise offer outsized benefits in particularly competitive environments.

12. Source: Preqin Ltd, Private Equity and Venture Capital Spotlight, September 2018. The author of this publication has not provided consent to the inclusion of references to this publication and material drawn from this publication.

13. Source: S&P European Leveraged Buyout Review, 3Q 2018. Middle Market Buyouts: Total Enterprise Value €250mm-€499mm; Large Buyouts: Total Enterprise Value ≥ €500mm.

HOW THE TRUST INVESTS CONTINUED

8.5.3. PORTFOLIO CONSTRUCTION IMPLEMENTATION

The Investment Manager's Investment Committee for the Trust will include senior-level representation from all investment verticals relevant to the Trust's mandate. Members of the Investment Committee will guide the overall investment management of the Trust. This may entail responsibilities such as:

- Reviewing and approving Investments for the Trust, and
- Making decisions with respect to the Trust's portfolio construction

The Investment Manager will designate a portfolio manager for the Trust. The portfolio manager will primarily be responsible for managing the Trust's investments on a day-to-day basis, sourcing funds and deals from the broader GCM platform, and making recommendations to the Investment Committee for its approval or disapproval. Frederick Pollock will be the Trust's initial portfolio manager.

Members of the Trust Investment Committee (including the Trust's portfolio manager) have an average tenure at the GCM Group of 8 years and average investment experience of 19 years (see 7.1.1).

GCM's Legal and Compliance Department is responsible for providing independent governance to GCM's investment allocation policy. The Legal and Compliance Department's oversight involves, among other things:

- Periodic review of documentation supporting allocation decisions;
- Regular discussions with the operational teams on allocation issues and questions;
- Escalation of unusual matters to senior legal and compliance professionals;
- Administration of allocation conflicts protocol; and
- Annual testing of allocations, including testing for favouritism of certain funds or clients, as part of the annual compliance review.

8.5.4. LIQUIDITY MANAGEMENT PROTOCOLS

Through GCM's system, GCM monitors investments and capital calls on a "real time" basis. GCM determines a prudent plan for pacing Commitments utilising cash flow modelling that reflects the desirability of liquidity. Drawing from its experience in hedge fund and private equity strategies, GCM will actively manage unfunded Commitments and direct/Co-investment reserve obligations.

As the Trust becomes fully invested in more illiquid investments, GCM will monitor distributions from the Underlying Funds to effectively recycle and rebalance capital. GCM will model and track the cash flow requirements of the underlying Commitments to seek to ensure that the Trust has ample flexibility to fund capital calls.

The liquidity of the individual Underlying Funds and investments will be monitored as well as the aggregate liquidity of the total Portfolio.

8.5.5. PORTFOLIO COMPOSITION

The nature of private equity – sourcing appropriate opportunities and the gradual draw down of capital – means that the Portfolio will be developed over time. The Trust will have an initial focus on funding and liquidity management with an emphasis on low volatility, yield generation and J-curve mitigation that will enable capital to be deployed quickly and efficiently to construct a Portfolio that generates income, while at the same time facilitating a progressive transition to a Portfolio that seeks higher returns in the long term.

In the early stage of the Trust, rather than holding amounts the Trust has committed to invest in private equity investments in cash until the capital is called, the Investment Manager will allocate to short duration credit fund investments to seek to produce a return and mitigate the J-curve. The strategy for the short duration credit allocation will be to partner with one or more large, experienced third-party managers with demonstrable track records of strong, uncorrelated performance through different market cycles to create a custom credit portfolio (with monthly liquidity) for the Trust. The majority of assets will focus on investment grade credit. Capital preservation will be prioritised as the Trust will to the extent practicable seek to redeem its short duration credit investments as needed in order to fund the investment Commitments of the Trust in private equity investments as capital is called. The customised portfolios also seek to produce return and mitigate the J-curve. Allocations will be across credit assets and the risk spectrum, as demonstrated in the illustrative example below.

HOW THE TRUST INVESTS CONTINUED

Illustrative Characteristics of the Trust's Short Duration Credit Exposure

ASSET CLASS / SECTOR	ILLUSTRATIVE EXPOSURE	AVERAGE RATING	ESTIMATED DURATION (YEARS)
Investment Grade	80%	A/BBB	2.1
Corporate Credit & US Gov't Bonds	54%	A/BBB	2.3
Commercial Mortgage-Backed Securities	13%	AAA	3.1
Asset-Backed Securities	13%	AAA	0.3
Non-Agency Mortgage-Backed Securities	15%	BB	1.0
High Yield	5%	BB/B	2.0
Total Short Duration Credit Portfolio	100%		3.1

For illustrative purposes only. No assurance can be given that any investment will achieve its objectives or avoid losses. Characteristics are based on a 50/50 illustrative portfolio comprised of the PIMCO Investment Grade Credit Fund and the TCW MetWest Unconstrained Bond Fund. The composition and characteristics of the Trust's short duration exposure may differ. Changes in the assumptions may have a material impact on the information presented.

In the early stage, the Investment Manager will also accelerate the Trust's exposure to private equity by committing to partially invested private equity Co-investment and opportunistic commingled funds (i.e., those that have had initial closes, but which are still accepting subscriptions and have already deployed initial capital), as well as investing in Secondaries. This strategy has the potential to allow capital to continue to be deployed quickly and efficiently, facilitating a progression into the higher returning long-term target Portfolio.

Diversification is critical to any portfolio. Thus, GCM will seek to implement a portfolio that blends different private equity implementation styles so that the Trust's performance is not concentrated in any single fund, manager or underlying Portfolio Company. It is estimated, based on \$600m being raised under the Offer, that the long-term target Portfolio may contain over 600 Portfolio Companies at any time as illustrated below.

STRATEGY	LONG TERM TARGET ALLOCATION RANGE OF PORTFOLIO	ILLUSTRATIVE NUMBER OF UNDERLYING FUNDS	ILLUSTRATIVE NUMBER OF UNDERLYING PORTFOLIO COMPANIES
Private equity Co-investments	15% – 30%	2 [†]	25
Private equity Primaries	15% – 30%	32	184
Private equity Secondaries	15% – 30%	77	274
Opportunistic	10% – 25%	2 [†]	26
Private credit	5% – 15%	14	120
Cash ¹⁴	2% – 10%	n/a	n/a
Total		127	629

[†] Figures represent the number of GCM Funds the Trust is estimated to invest in; they do not reflect underlying investments in sub-portfolios.

Based on \$600 million raised under the Offer. The actual composition of the Portfolio may differ from expectations based on factors including, but not limited to, the total amount raised under the Offer, the availability of investment opportunities over the life of the Trust, the performance of the Trust's investments and their lifecycles. **Changes in the assumptions may have a material impact on the information presented.**

14. GCM may utilise short duration credit as a cash management tool in the long-term target Portfolio.

HOW THE TRUST INVESTS CONTINUED

The long-term target asset allocation of the Portfolio has been designed by GCM in an effort to meet the objectives of the Trust, including income and capital growth, while simultaneously providing a diversified risk-controlled private equity portfolio. GCM's long-term objective is for more than 70% of the NAV to be invested in private equity and the remainder in opportunistic credit investments and cash.

Consistent with the Trust's stated Investment Strategy and Investment Objectives, GCM will seek diversification for the Portfolio by strategy, manager, sector, geography and Vintage, primarily in the established markets of North America and Western Europe, with opportunistic exposure to other regions.

GCM intends to invest the subscription proceeds as quickly as reasonably practicable in order to avoid a cash drag on the Portfolio, including, for example, in short duration credit fund investments that have the potential to earn higher returns than cash but retain the flexibility to redeploy the assets as needed for private equity fund capital calls. However, there may be periods, particularly at the earlier stages of operations, where the Trust will hold a substantial portion of its assets in cash.

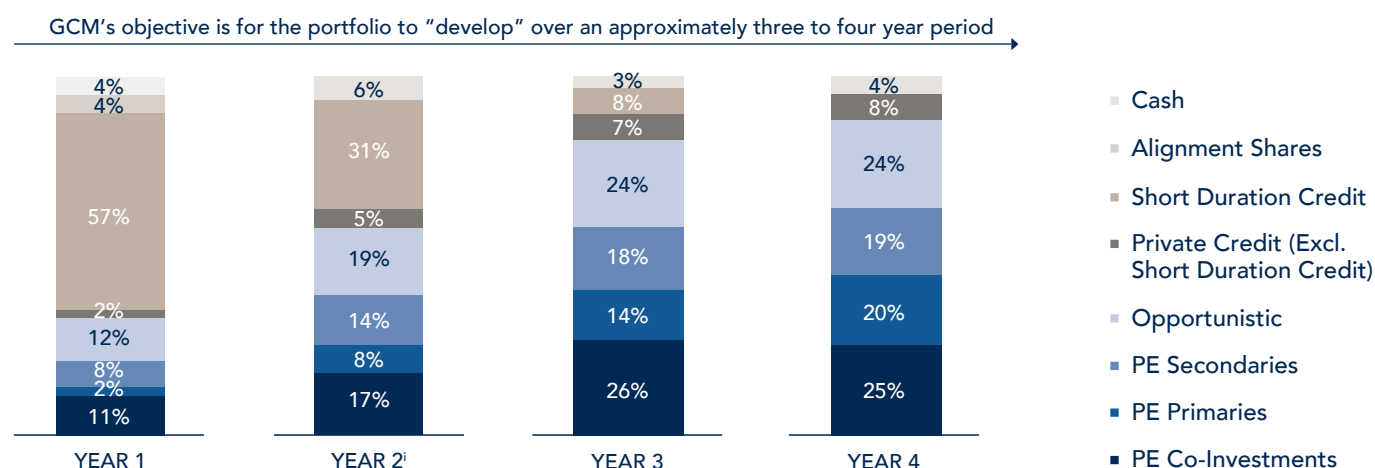
Cash may also be held to facilitate capital calls to Underlying Investments and pending reinvestment. Cash management of this nature is regarded as incidental to the management of the Trust. GCM has long provided "incidental" cash management service to its fund-of-funds' portfolios, however GCM's expertise is in the management of private equity investments, not in cash management.

The Trust is denominated in Australian dollars. The investments of the Trust may be denominated in any currency although they will be predominantly denominated in U.S. dollars. In certain limited circumstances the Trust may engage in foreign exchange hedging transactions, primarily to hedge capital calls or known Commitments. The hedging activity, if any, will be implemented by GCM. To the extent GCM engages in any currency hedging activities, it generally will adjust hedging positions only once a month and ordinarily will not attempt to hedge the exchange-rate risk attributable to intra-month profit and loss. Consequently, while the Trust may incur potentially material exchange-rate hedging costs, it will nevertheless be subject to potentially material exchange-rate risk. Further, to the extent any currency hedging activities are undertaken, GCM also anticipates there will be "tracking error" between any hedge and the currency exposure due to, among other things, the use of estimates to adjust hedging positions and unhedged intra-month profit and loss in respect of the relevant position. Assets of the Trust used for exchange-rate hedging purposes will not be available for investment.

HOW THE TRUST INVESTS CONTINUED

8.5.6 PORTFOLIO PROGRESSION (ILLUSTRATIVE EXAMPLE)

Below is an example of the potential progression of the Portfolio, from its initial composition to the long-term target Portfolio.



i. The above illustrative percentage allocations of the Portfolio are as at the end of each 12 month period from the listing of the Trust. The end of Year 2 allocation is listed on the assumption that the Alignment Shares have been distributed by the end of Year 2.

Rather than holding amounts the Trust has committed to invest in private equity investments in cash until the capital is called, the Investment Manager will construct customised short duration credit portfolios with third-party managers to seek to produce returns and mitigate the J-curve. The Trust will redeem its short duration credit investments as needed in order to fund the private equity Commitments of the Trust as capital is called. Below is an example of private equity Commitments that are expected to begin immediately, as well as Commitments expected to be funded by redemptions from short duration credit investments as needed.



The charts shown above are for illustrative purposes only. The actual composition of the Portfolio may differ from expectations based on factors including, but not limited to, the total amount raised under the Offer, the availability of investment opportunities over the life of the Trust, the performance of the Trust's investments and their lifecycles. The Portfolio may "develop" to its long-term target asset allocation over a period that is shorter or longer than has been assumed, and GCM may change such long-term target asset allocation in response to changes in market conditions. **No assurance can be given that any investment will achieve its objective or avoid losses.**

HOW THE TRUST INVESTS CONTINUED

8.6. INVESTMENT GUIDELINES

GCM aims to invest the Portfolio within the following guidelines:

GUIDELINES																	
Permitted investments	<p>The Trust may invest in the following: private equity, private credit, opportunistic investments and cash.</p> <p>The Trust may invest either directly or indirectly through investments in one or more vehicles either managed by the Investment Manager ("GCM Funds") or managed by third-party investment managers.</p> <p>Investments may be in Private Investment Funds on a Primary basis or Secondary basis, as well as Co-investments and direct investments.</p>																
Allocation ranges	<p>The allocation ranges for the long-term target Portfolio are:</p> <table> <tr> <td>Minimum aggregate allocation to private equity</td><td>70%</td></tr> <tr> <td>Private equity Primaries</td><td>15% to 30%</td></tr> <tr> <td>Private equity Co-investments</td><td>15% to 30%</td></tr> <tr> <td>Private equity Secondaries</td><td>15% to 30%</td></tr> <tr> <td>Opportunistic investments</td><td>10% to 25%</td></tr> <tr> <td>Private credit</td><td>5% to 15%</td></tr> <tr> <td>Cash¹⁵</td><td>2% to 10%</td></tr> <tr> <td>Maximum Commitment to any single Underlying Fund</td><td>20%</td></tr> </table>	Minimum aggregate allocation to private equity	70%	Private equity Primaries	15% to 30%	Private equity Co-investments	15% to 30%	Private equity Secondaries	15% to 30%	Opportunistic investments	10% to 25%	Private credit	5% to 15%	Cash ¹⁵	2% to 10%	Maximum Commitment to any single Underlying Fund	20%
Minimum aggregate allocation to private equity	70%																
Private equity Primaries	15% to 30%																
Private equity Co-investments	15% to 30%																
Private equity Secondaries	15% to 30%																
Opportunistic investments	10% to 25%																
Private credit	5% to 15%																
Cash ¹⁵	2% to 10%																
Maximum Commitment to any single Underlying Fund	20%																
Geography	Globally, with an emphasis on established North American and Western European private equity markets and with opportunistic exposures to other geographies.																
Borrowing policy	The Trust may borrow directly or through an intermediate entity to fund investments or pay fees and expenses or to address the timing issues associated with the acquisition of investments and re-investment of proceeds. The Trust will not borrow in excess of 25% of the NAV, calculated at the time of borrowing. See Section 8.14 for further information.																

Each of the foregoing guidelines or limitations 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, an Underlying Fund. Market movements, distributions and mandatory redemptions will not result in non-conformity with any of the above guidelines or limitations even if as a result the Portfolio no longer conforms to certain of the foregoing guidelines or limitations.

In the event that the Portfolio no longer conforms to one of the above guidelines or limitations in any material respect, then the Investment Manager shall use reasonable best endeavours to attempt to bring the Portfolio back into material conformity with the guidelines or limitations within a reasonable period following the Investment Manager becoming aware of such nonconformity. The Investment Manager's ability to do so will be subject to the limited liquidity of the Portfolio's investment in Underlying Funds.

8.7. GCM COMMINGLED FUND INVESTMENTS

The Trust will invest in GCM Funds and GCM Group will receive advisory fees from these GCM Funds. Section 17.3.11 contains further information on the minimum requirements before an investment in a GCM Fund is permitted.

It is envisaged that the Trust will initially invest (either directly or indirectly) in GCM Grosvenor Co-Investment Opportunities Fund II, L.P. ("GCF II") and GCM Grosvenor Multi-Asset Class Fund II, L.P. ("MAC II"), which are detailed in Sections 8.7.2 and 8.7.3 respectively.

15. GCM may also utilise short duration credit investments as a cash management tool in the long-term target portfolio.

HOW THE TRUST INVESTS CONTINUED

Investments in GCM Funds typically involve long-term Commitments of between 8 and 10 years (or longer). However, in certain circumstances the Trust may be excused or excluded from new investments made by GCM Funds (see Section 17.3.11), and/or secondary sale procedures may be undertaken to dispose of the Trust's interest in one or more GCM Funds (see Section 8.7.4).

8.7.1. INVESTMENT RATIONALE

In private equity investing, scale generally provides significant advantages. Investing in commingled GCM Funds (in which Trust capital is invested together with the capital of other investors) may provide Investors with numerous scale-related advantages:

- **Efficiency** – GCM Funds provide a single point of entry and accelerated speed of capital deployment to access a particular strategy or ideas generated across the GCM Group platform, implemented by dedicated teams with flexible mandates.
- **Costs** – In addition to the reduction in operational, investment and administrative costs per dollar invested, GCM Funds may benefit from preferential fee arrangements with underlying third party managers – particularly where underlying managers structure fees on a tiered-basis that favours larger investments by granting them lower fee rates. Any cost savings will result in reduced costs to the Trust.
- **Diversification** – By pooling investor capital, GCM Funds are able to consider and potentially participate in a wider range of opportunities. Diversification has the potential to reduce risk without necessarily compromising investment returns. When considering private equity investments, diversification relates not only to the number of deals in which an investor may participate but also to the geographical diversification of such, industry diversification, underlying manager diversification, and the Vintage.
- **Access to larger deals** – GCM Funds are able to consider and potentially participate in larger transactions which for various reasons may be unavailable to smaller investors without sufficient scale.

In addition to the above advantages that may apply to GCM Funds generally, GCF II and MAC II have already received capital Commitments from early investors and have commenced investment activities. By investing in these vehicles the Trust will gain access to Underlying Funds whose assets have been at least partially deployed in Portfolio Companies. This has the potential of providing private equity exposure from inception as well as helping to mitigate the J-curve via reduced fee drags and an accelerated return of capital.

8.7.2. GCM GROSVENOR CO-INVESTMENT OPPORTUNITIES FUND II, L.P. ("GCF II")

Description

GCM expects that Co-investments for the Trust will initially be implemented through an allocation to GCF II, GCM's second institutional commingled private equity Co-investment fund. GCF II will seek to generate compelling, risk-adjusted returns by investing in a diversified portfolio of Middle Market Buyout Co-investments and select structured equity transactions. GCF II is intended to offer a diversified and cost-efficient solution through a single Commitment. GCF II will seek to invest in transactions on a no-fee / no-carry basis.

GCF II will target investments in middle market Portfolio Companies, focusing on cash-flow positive companies with established revenue models. GCM defines middle market Co-investments as transactions in companies with total enterprise values less than or equal to US\$1.5 billion (often having US\$20 million to US\$100 million of EBITDA¹⁶) at entry. GCM intends to leverage its platform of relationships in the middle market – developed over many years and fund Vintages – to source attractive opportunities from what it believes to be high-quality, difficult-to-access managers.

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.

Term

GCF II, which recently began raising capital and as of 31 December 2018 had approximately US\$257 million in investor Commitments, will dissolve 10 years after the final Closing date. The term may be extended in the sole discretion of the GP for up to two successive one-year periods, and thereafter with the consent of the fund's advisory committee or a majority in interest of the investors.

16. "EBITDA" means earnings before interest, tax, depreciation and amortisation.

HOW THE TRUST INVESTS CONTINUED

Fees

Management Fee payable to the GCM Group	Management fees are charged on cost basis of investments then held by GCF II and specified investment reserves based on the following: Commitments of US\$50 million or greater: 0.95% per annum
Carried Interest payable to the GCM Group	10.0% of the return on the fund where the return exceeds the Preferred Return, with full return of fees and expenses
Preferred Return	8.0% per annum, compounded annually on all capital contributions (including fees and expenses of the fund)
Transaction, Monitoring and Other Fees	100% of GCF II's share of any fees received by the GCM Group from Portfolio Companies, if any, will be applied to offset the management fee payable to the GCM Group.

8.7.3. GCM GROSVENOR MULTI-ASSET CLASS FUND II, L.P. ("MAC II")

Description

GCM anticipates that opportunistic investments of the Trust will initially be implemented through an allocation to MAC II, the second fund in a series managed internally by GCM. The objective of MAC II is to deploy capital tactically, seeking to exploit the most compelling risk-adjusted return opportunities across less liquid asset classes, primarily using Co-investments and direct investments.

MAC II will target a limited number of investments and will seek to be diversified across asset classes, strategies, sectors and regions. The portfolio will be managed to avoid reliance on any single factor in an attempt to generate returns. MAC II will seek to mitigate the J-curve typically associated with private markets investment vehicles. MAC II leverages GCM's open architecture, global alternative investment platform and over 500 manager relationships to source high conviction investment opportunities.

No assurance can be given that any investment will achieve its objectives or avoid losses. Past performance is not necessarily a guide to future performances.

Term

MAC II, which recently began raising capital and as of 31 December 2018 had approximately \$668 million in investor Commitments, will dissolve eight years after the first Closing date (which occurred on May 8, 2018). The MAC II investment period may be extended in the sole discretion of the general partner for one additional one-year period and thereafter with the consent of the advisory committee or a majority-in-interest of the LPs.

Fees

Management Fee payable to the GCM Group	Assessed on the aggregate Commitment through the investment period and on invested and reserved capital thereafter. Commitments of US\$25 million or greater: 1.00% per annum
Carried Interest payable to the GCM Group	15.0% of the return on the fund where the return exceeds the Preferred Return, with full return of fees and expenses
Preferred Return	8.0% per annum, compounded annually on all capital contributions
Transaction, Monitoring and Other Fees	100% of MAC II's share of any fees received by the GCM Group from Portfolio Companies, if any, will be applied to offset the management fee payable to the GCM Group.

HOW THE TRUST INVESTS CONTINUED

8.7.4. SECONDARY SALE PROCEDURE FOR GCM FUNDS IF GCM IS TERMINATED AS INVESTMENT MANAGER OF THE TRUST

Private Investment Funds commonly do not provide investors with voluntarily liquidity in respect of their investments. However, as detailed in Section 17.3.11, in the event GCM is terminated as Investment Manager of the Trust:

- after the initial term pursuant to Unitholders passing an ordinary resolution to terminate the Investment Manager; or
- pursuant to default by the Investment Manager as described in Section 17.3.9.2,

GCM agrees to introduce the Manager to Secondary investment firms and/or other potential parties (including affiliates of GCM) that are in the market to purchase Secondary interests in GCM Funds and to facilitate sharing of information relating to the Trust's interests in the GCM Funds with suitable parties on a confidential basis. This Secondary sale assistance, combined with the requirement that any GCM Fund investment by the Trust must have a mechanism to permit the transfer of such interests held by the Trust in a GCM Fund with the consent of any applicable GCM Party, such consent not to be unreasonably withheld, delayed or conditioned, provides the Trust with a potential liquidity opportunity in the event the Trust wants to dispose of any of its interests in any GCM Funds upon the Investment Manager being terminated.

8.8. THE INVESTMENT MANAGER'S RELEVANT EXPERIENCE IN THE INVESTMENT STRATEGY

Founded in 1971, GCM Group is one of the longest continuously operational alternative asset managers globally and possesses a track record in private equity, real estate and infrastructure investing dating back to 1999.

A summary of GCM Group's private equity experience in respect of the various underlying investment strategies to be employed by the Trust is illustrated below.

INVESTMENTS ¹⁷ AS OF 30 JUNE 2018 (IN USD MILLIONS)	NUMBER OF UNDERLYING INVESTMENTS	YEAR OF INITIAL INVESTMENT	COMMITMENT AMOUNT
Private Equity			
Core Primary Funds ¹⁸	477	2000	\$15,754.5
Secondaries ¹⁹	121	2003	\$2,655.1
Buyout Co-Investments Total	137	2003	\$2,949.6
Credit			
GCM Credit Opportunities Investments	102	2009	\$5,953.4

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

- Established presence in industry** – GCM Group has been investing in alternatives since 1971, and has been a capital partner to leading private equity managers since 1999. GCM Group is a globally recognised alternative asset manager with more than US\$52 billion of AUM and over US\$24 billion in private equity, real estate and infrastructure AUM.
- Manager relationships** – GCM Group has in excess of 500 underlying investment manager relationships with Commitments in over 800 underlying funds and investments in over 200 Co-investment opportunities.
- Customised solutions** – GCM Group has been providing customised portfolios since 1996, and has the industry knowledge and relationships to deliver a customised solution. Approximately 88% of GCM Group's private equity, real estate and infrastructure AUM is managed through customised mandates.
- Due diligence** – GCM Group employs a rigorous manager screening, selection, and monitoring process to invest in underlying funds and Co-investment opportunities alongside top-tier private equity managers. Investors in the Trust benefit from the Investment Manager's investment and operational due diligence processes.

17. Includes active investments and investments that were transferred at the request of investors prior to liquidation and are no longer managed by GCM Group. **No assurance can be given that any investment will achieve its objectives or avoid losses.**

18. GCM Group's "Core" products include GCM Group's diversified investment programs as well as strategies with broad enough focus, such as middle-market buyouts, small and emerging managers, seasoned primaries, European-focused funds, etc. Data does not include investments made by non-core programs where GCM Group's investment decisions are limited by specific client-imposed restrictions, special strategy focus, narrow geographic region, or target industry sector.

19. Includes private equity and infrastructure Secondaries.

HOW THE TRUST INVESTS CONTINUED

Investors should note that while the Investment Manager has significant experience in respect of the various underlying investment strategies for its institutional clients, the Investment Manager has not acted as investment manager of a managed fund available to retail investors. The Trust is the first private equity-focused fund managed by GCM that invests for an indefinite period of time.

8.9. DISTRIBUTION POLICY

Pengana intends that the Trust will make distributions to Investors semi-annually (as at 30 June and 31 December of each year) but it may do so more or less frequently at Pengana's discretion. The Trust is expected to make its first distribution no sooner than 31 December 2019.

Pengana intends that the first four cash distributions after the Trust's listing be the following amounts:

- \$0.025 per Unit for the period ending 31 December 2019;
- \$0.025 per Unit for the six month period ending 30 June 2020;
- \$0.025 per Unit for the six month period ending 31 December 2020;
- \$0.025 per Unit for the six month period ending 30 June 2021,

referred to as the "Early Years Intended Cash Distribution".

From 1 July 2021, Pengana intends to target a cash distribution yield equal to 4% p.a. (prorated on a non-compounded basis) of the NAV (excluding the total value of the Alignment Shares but including the cash distribution amount payable) as at the end of the period that a distribution is paid (the "Target Cash Distribution").

The Trust will have an initial focus on funding and liquidity management with an emphasis on yield generation through investments in short duration credit. The Trust will also provide early exposure to private equity by investing in partially invested private equity, Co-investments, opportunistic investments and Secondaries (all of which generally involve an accelerated deployment of capital). Notwithstanding, any shortfall in net income generated or shortfall in net capital gains may result in a distribution payment made out of the capital invested.

Even where the income of the Trust earned in a particular year for tax purposes exceeds, for income years commencing from 1 July 2021, the Target Cash Distribution, Pengana may determine to only make a cash distribution for the particular year equal to the Target Cash Distribution. Likewise, even where the income of the Trust earned in a particular year for tax purposes exceeds, for earlier income years, the cash distributions based on \$0.025 per Unit for each relevant period up to 30 June 2021 (the "Early Years Intended Cash Distribution"), Pengana may determine to only make a cash distribution for the particular year equal to the Early Years Intended Cash Distribution. In both events, the distribution a Unitholder receives in cash may or may not be sufficient to meet their tax obligation.

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 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.

The targeted distributions are only targets and may not be achieved. Investors should review the Risks summary set out in Section 11 of this Replacement PDS.

Pengana 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 to Unitholders and can be found at www.pengana.com. 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.

HOW THE TRUST INVESTS CONTINUED

- 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 at any time.

A DRP election form will be sent to successful Applicants on or around 24 April 2019. An election to participate in the DRP in respect of the distributions must be made by the election date announced by Pengana in respect of each relevant distribution.

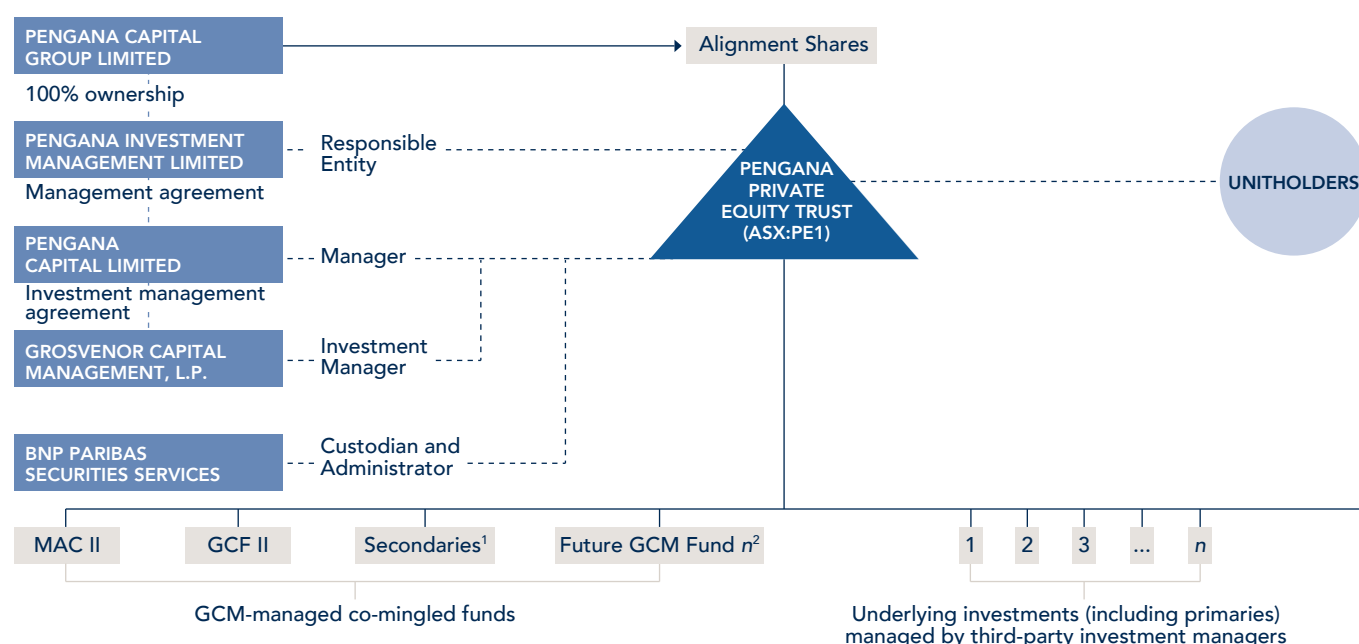
8.10. TRUST STRUCTURE

The Trust is an Australian registered managed investment scheme structured as a unit trust and governed by its Constitution, which has been registered with ASIC and is expected to be admitted to the official list of ASX on or around 30 April 2019.

Pengana Investment Management Limited is the responsible entity of the Trust. The Responsible Entity has appointed Pengana Capital Limited, also a member of the Pengana Group of Companies, as the manager of the Trust. The Manager has appointed GCM as the investment manager of the Portfolio of the Trust:

- GCM invests the Trust's capital primarily by allocating capital through GCM Funds and Underlying Funds managed by third-party managers who invest in a wide range of different Portfolio Companies.
- GCM also makes investments directly on behalf of the Trust.

On the Allotment Date, Pengana Capital Group Limited (ASX: PCG) ("PCG"), of which Pengana Investment Management Limited and Pengana Capital Limited are wholly owned subsidiaries, will issue convertible preference shares in PCG ("Alignment Shares") to the Trust. Refer to Section 9 for more information.



(1) The Trust's initial allocation to Secondaries will be executed directly since the GCM Grosvenor Secondary Opportunities Fund II, L.P. ("GSF II") is Closed to new investors. Once GCM's next Vintage Secondaries fund launches, allocations to Secondaries will be made through such GCM Fund.

(2) As GCM launches next generation and new multi-investor funds that conform to the Trust's Investment Guidelines (i.e., GSF III, MAC III, GCF III, etc.), the Trust will invest in such GCM Funds.

HOW THE TRUST INVESTS CONTINUED

Pengana has engaged a number of professional service providers to provide a range of services to the Trust including Unit registry, custody, administration and audit. Pengana has entered into service agreements with the service providers and will, with the assistance of GCM as applicable, regularly monitor the performance of the service providers against the service standards set out in the relevant agreements. Service providers to the Trust may change without prior notice to Investors. Refer to Section 7 for a detailed description of the Trust's key service providers.

8.11. VALUATION, LOCATION AND CUSTODY OF ASSETS

The Responsible Entity has outsourced the valuation of the Trust and the preparation of statutory financial reports to the Administrator who is reliant in turn on valuations from third parties. These third parties may include the Investment Manager, Underlying Investment Managers, Underlying Fund administrators or third party valuation agents.

Typically, valuation of the Trust's assets will utilise the most recent net asset value provided for the Underlying Funds by Underlying Investment Managers and/or third party administrators and, to the extent it is determined to be appropriate, will be adjusted for subsequent cash flow activity (i.e., contributions and distributions) through the date of any particular report.

The Responsible Entity will seek 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 will generally be 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.

As of the date of this Replacement PDS, there is no Secondary market in Alignment Shares (being a new class of convertible preference shares in PCG that will be issued to the Trust). Due to the nature of Alignment Shares, they will be valued in line with the ordinary shares trading on the ASX in accordance with the Administrator's securities pricing policy. Refer to Section 9 for more information on Alignment Shares.

The assets of the Trust are held by a custodian. Pengana has appointed BNP Paribas Securities Services as the initial custodian of the Trust.

8.12. LIQUIDITY

Whilst the Trust is listed on the ASX, Units are not able to be redeemed. However, the Responsible Entity may undertake a buyback of Units provided such buyback is estimated so as to satisfy the requirements of the Corporations Act and the ASX Listing Rules.

As at the date of this Replacement PDS, the Responsible Entity does not offer a liquidity facility to Unitholders. 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.

8.13. FURTHER ISSUE OF 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.

8.14. LEVERAGE

The Trust may borrow directly or through an intermediate entity to fund investments or pay fees and expenses or to address the timing issues associated with the acquisition of investments and re-investment of proceeds. The Trust will not borrow in excess of 25% of the NAV, calculated at the time of borrowing, excluding short-term borrowing, deferred purchase price obligations (i.e., when a portion of the purchase price for an investment is paid after closing rather than up-front) and guarantees. The Trust does not currently expect to borrow in excess of 15% of NAV and requires the consent of the Manager to do so. Any such borrowing may be secured by the assets of the Trust.

It is anticipated that the Underlying Funds will from time to time employ leverage in a wide variety of ways. Furthermore, there generally will be no formal limitation on the amount of leverage that an Underlying Fund may use.

HOW THE TRUST INVESTS CONTINUED

8.15. DERIVATIVES

The Trust is denominated in Australian dollars. The Trust will make investments that are predominantly denominated in U.S. dollars, but may make investments denominated in other currencies as well. In certain limited circumstances, the Trust may engage in foreign exchange hedging transactions intended to reduce foreign exchange exposure.

In addition to the use of derivatives related to the Trust's foreign exchange exposure, the Trust and the Underlying Funds may invest in derivatives such as options, swaps, futures and warrants in an effort to effectively execute their investment strategies. Use of derivatives is not expected to be a significant component of the Trust's direct investments. Use of derivatives by an Underlying Fund will be subject to agreed guidelines and restrictions applicable to the particular Underlying Fund.

8.16. SHORT SELLING

The Trust does not engage in short selling as part of its Investment Strategy. However, there is no prohibition on short sales and the Underlying Funds may use short selling in an effort to effectively execute their investment strategy within the agreed guidelines and restrictions applicable to the particular Underlying Fund.

8.17. LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

The Trust's investment criteria does not include giving additional weight to labour standards, environmental, social or ethical considerations when making or realising an investment of the Trust. However, the Investment Manager views labour standards, environmental, social and ethical issues as key elements of investment return, volatility, and risk mitigation. The Investment Manager therefore considers these factors in its investment process generally to the extent it believes such factors may have a material impact on investment performance.

8.18. 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.

Pengana 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 (including the value of the Alignment Shares) monthly to the ASX and its 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.

Pengana may also release to the ASX and publish on its website certain reports prepared by Pengana from time to time, to keep Unitholders informed about the current activities of the Trust and the performance of the Portfolio.

9

ALIGNMENT SHARES

9.1. BACKGROUND

A core tenet of Pengana's philosophy is to continually strive to align Pengana's interests with those of its investors. This alignment is sought in a number of ways and is enhanced in the Trust through the issue, by Pengana Capital Group Limited (ASX: PCG) ("PCG"), of convertible preference shares in PCG ("Alignment Shares") to the Trust. The value of the Alignment Shares issued will equal 5% of the total amount raised under the Offer. The effect of this issue is that Investors:

- who subscribe for Units under the Offer at the Subscription Price of \$1.25 are expected to receive a 5% uplift on their investment as the NAV per Unit on the Allotment Date is expected to be \$1.3125. The uplift in NAV to initial subscribers assists in the mitigation of the J-curve. See Section 6.2 for more information on the J-curve, and Section 14 for financial information on the Trust; and
- will have a materially similar economic interest in PCG to ordinary shareholders in PCG and could benefit from any increase in corporate profitability which may result from their subscription for Units. See Section 10 for more information on PCG.

Approximately two years after the commencement of trading of the Units on the ASX, the Responsible Entity intends to distribute the Alignment Shares to Unitholders in proportion to the size of their Unitholding, subject to a determination by the Responsible Entity to distribute. Alignment Shares will convert into ordinary shares in PCG on such distribution.

9.2. ABOUT THE ALIGNMENT SHARES

A new class of convertible preference shares in PCG will be created and issued to the Trust as Alignment Shares. These preference shares will have the same characteristics as ordinary shares in PCG except that:

- they would rank in priority to ordinary shares upon a wind-up of PCG in respect of a return of capital;
- they have no voting rights except a right to vote in each of the following circumstances:
 - during a period which a dividend (or part of a dividend) in respect of the Alignment Shares is in arrears;
 - on a proposal to reduce the PCG's share capital;
 - on a resolution to approve the terms of a buy-back agreement;
 - on a proposal that affects rights attached to the Alignment Share;
 - on a proposal to wind up PCG;
 - on a proposal for the disposal of the whole of PCG's property, business and undertaking;
 - during the winding up of PCG; and
 - in any other circumstances in which the Listing Rules requires holders of the Alignment Shares to be entitled to vote.
- they will not be quoted or tradeable on the ASX;
- they will convert into ordinary shares on being distributed to Unitholders,

and approximately 2 years after the Units commence trading on the ASX, the Responsible Entity intends to distribute the Alignment Shares to the Unitholders, subject to a determination by the Responsible Entity to distribute.

ALIGNMENT SHARES CONTINUED

If any of:

- a takeover bid is made for ordinary shares of PCG, the Board of PCG recommends acceptance of the takeover bid, the bid has become unconditional, and a single person (or a group of persons acting in concert) has acquired a relevant interest in more than 50% of the ordinary shares in PCG (calculated as if the Alignment Shares had converted to ordinary shares); or
- the Board of PCG recommends a scheme of arrangement in respect of the ordinary shares in PCG which will result in a single person (or a group of persons acting in concert) acquiring 100% of the ordinary shares in PCG, and a court of competent jurisdiction has made orders directing PCG to convene a meeting of shareholders to consider the scheme; or
- a person or entity (other than a person or entity who, together with their associates, has a relevant interest in more than 20% of the ordinary shares in PCG as at the date of issue of the Alignment Shares to the Trust) has otherwise acquired a relevant interest in more than 50% of the ordinary shares in PCG (calculated as if the Alignment Shares had converted into ordinary shares),

then the Trust will use all reasonable endeavours to procure that all of the Alignment Shares are converted into ordinary shares in PCG as soon as possible.

Due to the nature of these Alignment Shares they will be valued at parity with the ordinary shares on the ASX. The different characteristics of the Alignment Shares compared to ordinary shares have been considered as valuation factors and any impact been deemed as immaterial.

On the Allotment Date, PCG will issue Alignment Shares to the Trust equal to 5% of the total amount raised under the Offer determined as follows:

- The number of shares to be issued is equal to 5% of the total amount raised under the Offer divided by the PCG VWAP.
- The "PCG VWAP" is equal to the Volume Weighted Average Market Price of ordinary shares in PCG (as traded on the ASX) over the five trading days prior to the Allotment Date of the Units. The "Volume Weighted Average Market Price", as defined in the Listing Rules, in relation to the ordinary shares in PCG, is the volume weighted average price of trading in the ordinary shares in PCG on the ASX market and Chi-X market over that period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

The issue of Alignment Shares to the Trust will be at a nominal cost, being an aggregate price of \$1.00 for all Alignment Shares issued.

Following the Trust's listing, it is expected that the proportion of the Trust's capital attributable to the total amount raised under the Offer and the Alignment Shares will vary on an ongoing basis.

Pengana's and the Investment Manager's fees are not payable on, or determined with reference to, the total value and Price Return of the Alignment Shares. Refer to Section 12.3 for more information.

The NAV per Unit reported to the ASX on a monthly basis will include the value of the Alignment Shares.

The full terms and conditions of the Alignment Shares are listed in Section 17.4 of this Replacement PDS.

9.3. DISTRIBUTION OF THE ALIGNMENT SHARES

Approximately two years after the commencement of trading of the Units on the ASX, Pengana intends to distribute the Alignment Shares to Unitholders at that time in proportion to the size of their Unitholding, subject to determination by the Responsible Entity to distribute. Alignment Shares will convert into ordinary shares in PCG on such distribution.

10

ABOUT PENGANA CAPITAL GROUP

10.1. INDUSTRY OVERVIEW

Financial services is Australia's largest industry. Australia's funds management industry is the largest in the Asia-Pacific region and the 6th largest in the world.²⁰ Australia, already the fourth largest pension ("Superannuation") market also experienced one of the highest rates of growth in pension fund assets in the world in 2017,²¹ growing at a compound annual growth rate ("CAGR") of 9.8% p.a. for the two years ending 30 September 2018.²²

Fund managers invest money on behalf of clients through collective investment vehicles or separate accounts. These investment services are provided to clients for a fee. As at 30 September 2018, Australia's managed funds industry had \$3.55 trillion of FUM, an increase of \$271 billion (+8.3%) on 30 September 2017, with the following categories accounting for the vast majority of this FUM:²³

- Superannuation funds – 78.4% of the total
- Public Offer (retail) unit trusts – 10.8% of the total
- Life insurance corporations – 6.8% of the total

The industry is comprised of a range of participants from large institutional fund managers to smaller boutique managers.

10.1.1. KEY FACTORS FOR SUCCESS

Some of the key success factors for funds management businesses are summarised below:

- Historical returns – Fund managers with strong historical returns are more likely to attract investors.
- Investment team – An experienced and qualified investment team with suitable retention incentives and a history of working together.
- Ratings – Investors often consider the research house ratings when making fund investments.
- Size – The amount of FUM may influence investment decisions with some investors preferring to invest with smaller managers, however managers may be considered too small if the level of funds is not sufficient to cover operating costs.
- Access to technology – As with any industry, systems and technology are vital to reduce the operational costs and those associated with building and maintaining portfolios as well as delivering services to clients.

10.1.2. INDUSTRY OPPORTUNITIES

It is likely that the industry will continue to perform strongly for the foreseeable future, primarily supported by inflows from Australia's compulsory superannuation guarantee scheme. This scheme, introduced in 1992 and part of Australian government policy, now incentivises employers to pay a minimum of 9.5% of an employee's salary into a superannuation account. The superannuation contribution rate is expected to increase in the future. Various taxation and other incentives have periodically been brought into effect to further encourage individuals to save for their retirement. Collectively, these policies all support the growth in the industry.

20. Source: Australian Trade and Investment Commission, *Australia's Managed Funds 2017 Update*

21. Source: Willis Towers Watson, *Global pension assets study 2018*. The author of this publication has not provided consent to the inclusion of references to this publication and material drawn from this publication in the Replacement PDS.

22. Source: Australian Bureau of Statistics, *5655.0 – Managed Funds, Australia, Sep 2018*

23. Source: Australian Bureau of Statistics, *5655.0 – Managed Funds, Australia, Sep 2018*

ABOUT PENGANA CAPITAL GROUP CONTINUED

The table below summarises various projections for superannuation assets from government and private sector sources.²⁴

	BASE YEAR	BASE VALUE (\$TRILLION)	END YEAR	END VALUE (REAL \$TRILLION) ²⁵	END VALUE (NOMINAL \$TRILLION) ²⁵
KPMG	2014	1.9	2025		3.5
Actuaries Institute	2014	1.8	2029	3.7	5.4*
Cooper Review	2009	1.1	2035		6.1
Deloitte	2015	2.0	2035		9.5
Rice Warner	2013	1.6	2043	5.1	10.6*

* AFSA calculations. Assumed inflation rate of 2.5% p.a.

10.1.3. INDUSTRY RISKS

Superannuation inflows are expected to form the backbone of the continued growth and performance of the funds management industry. It therefore makes sense that anything that causes these inflows to reduce would have the opposite effect. KPMG has highlighted a number of challenges including:²⁶

- Governance – The financial services industry continues to struggle to build trust, particularly in light of the Royal Commission focussed on existing poor practices.
- Regulation – The Royal Commission into banking and financial services coupled with the Productivity Commission's inquiry into the superannuation system's efficiency and competitiveness may lead to short-term and ad-hoc policy changes. These may reduce citizens' willingness to make voluntary contributions.
- Member engagement – Investors have increased expectations in respect of the service they receive throughout the life of their investment.
- Technology – Effective use of technology and data is required to improve member engagement, understanding managing risks in a timelier manner, and improving operational efficiency.

Additional risks that may be faced by industry participants include:

- Competition – Funds management is a highly competitive industry and participant numbers have declined in recent years, primarily due to consolidation.
- Fee compression – fees payable to investment managers both domestically and abroad have been declining for many years.
- Trend towards passive investment – passive investments are increasingly viewed as attractive options for investors seeking low cost benchmark relative returns.

10.2. BUSINESS OVERVIEW OF THE PENGANA GROUP OF COMPANIES

10.2.1. HISTORY AND BUSINESS MODEL OF THE PENGANA GROUP OF COMPANIES

The Pengana Group of Companies consists of diversified funds management businesses, the oldest of which was incorporated in March 1993, which provide premium investment solutions in Australian equities, international equities, and hedge fund and alternative strategies. Following a merger between Pengana Holdings Pty Ltd and Hunter Hall International Limited in June 2017, the latter of which was renamed Pengana Capital Group Limited (ASX: PCG) ("PCG"), the Pengana Group of Companies today consists of PCG and its wholly owned subsidiaries – refer to the Pengana Group of Companies structure diagram in Section 10.2.2.

24. Source: The Association of Superannuation Funds of Australia ("ASFA"), March 2017, *The Australian superannuation industry*. The author of this publication has not provided consent to the inclusion of references to this publication and material drawn from this publication in the Replacement PDS.

25. Real values have been adjusted for inflation enabling comparisons as if prices had not changed. Nominal values have not been adjusted and so changes in nominal values, partially reflect the effect of inflation.

26. Source: KPMG, Super Insights Report 2018. The author of this publication has not provided consent to the inclusion of references to this publication and material drawn from this publication in the Replacement PDS.

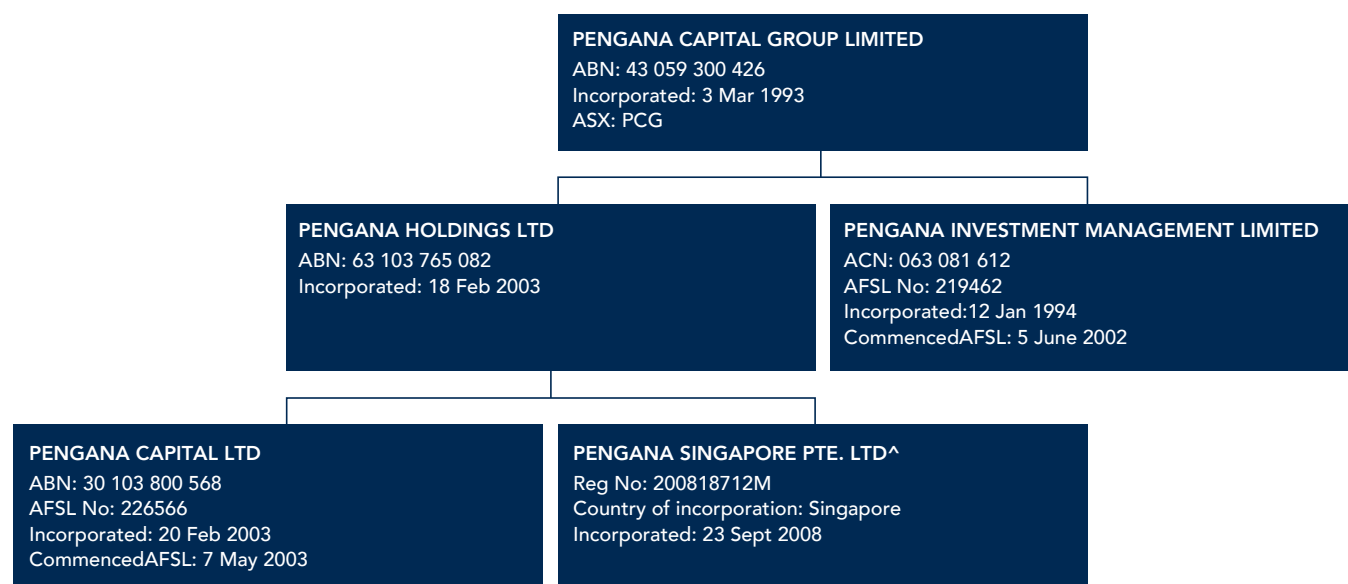
ABOUT PENGANA CAPITAL GROUP CONTINUED

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. The Pengana Group of Companies are 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.

PCG's revenue is derived from Pengana Capital Limited and Pengana Investment Management Limited charging management fees as a percentage of funds managed on behalf of clients, as well as performance-based fees on certain funds.

10.2.2. ORGANISATIONAL CHART

Pengana Group of Companies structure diagram



^ In the process of being wound up.

Functional structure diagram

RUSSEL PILLEMER CHIEF EXECUTIVE OFFICER			
FUNDS MANAGEMENT	RISK MANAGEMENT	FINANCE AND OPERATIONS	DISTRIBUTION AND CLIENT SERVICE
IN-HOUSE Australian Equities Australian Equities Income Emerging Companies High Conviction International Equities International Equities Ethical SUB-ADVISORY ARRANGEMENTS Global Small Companies PanAgora AR Global Equities Pengana Private Equity Trust WHEB Sustainable Impact	Nick Griffiths <i>Chief Investment Officer</i> KEY FUNCTIONS Risk Management Performance Reporting	Katrina Glendinning <i>Chief Financial Officer</i> KEY FUNCTIONS Financial Control Operations Legal & Compliance Information Technology	Damian Crowley <i>Director of Distribution</i> KEY FUNCTIONS Relationship Management Client Service Distribution Marketing

ABOUT PENGANA CAPITAL GROUP CONTINUED

10.2.3. FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2018

For the financial year ending 30 June 2018, PCG generated an underlying net profit after tax of \$12.4 million which represents 12.19 cents per share.

30 JUNE 2018	(\$'000)
Management fee revenue	38,450
Performance fee revenue	11,580
Operating expenses	(19,440)
Team profit share	(18,750)
Operating EBITDA²⁷	11,840
Other income	1,921
Amortisation	(3,140)
Other non-operating expenses	(560)
Profit before tax	10,061
Income tax expense	(3,081)
Statutory profit after tax attributable to PCG shareholders²⁸	6,980
Basic earnings per share on statutory profit – cents per share ²⁹	8.86
Add back: ³⁰	
Amortisation	3,140
Unrealised investment gains	170
Interest on Loan Funded Share Plan	2,110
Underlying profit	12,400
Basic earnings per share on underlying profit – cents per share ³¹	12.19

Further information is contained in PCG's Annual Report for the financial year ending 30 June 2018, which includes the annual financial statements, directors' statement and report and audit report – refer to Section 10.4 for guidance on how to obtain a copy, or access a copy.

27. Source: Pengana Management Accounts.

28. As per Pengana Capital Group Limited 30 June 2018 Financial Statements.

29. Calculated on 78,835,294 ordinary shares (i.e., excluding 22,853,722 treasury shares, which are the ordinary shares in PCG issued to employees and fund managers under a corporate loan share plan). These shares were valued at fair value at the date of granting and under the accounting standards are amortised as an expense until the shares vest with the employees and fund managers.

PCG extended loans to employees to acquire these shares and interest is payable on the loans to PCG by the borrower. Under the accounting standards these loans are off balance sheet, the respective interest amount is reflected in the table. The shares issued under the loan share plan also receive dividends which are equivalent to those payable on all other shares however the dividends paid on these share are retained by PCG in order to service the interest on the loan. The effect of excluding the treasury shares from this calculation is that the value will be higher as the denominator (or the number of shares by which the earnings are divided) is lower.

30. Source: Pengana Management Accounts.

31. Calculated on 101,689,016 ordinary shares (i.e. including 22,853,722 treasury shares, refer to footnote 29 above, regarding applying a larger denominator than in the basic earnings per share on statutory profit).

ABOUT PENGANA CAPITAL GROUP CONTINUED

10.2.4. INVESTMENT BUSINESS ANALYSIS WITH REFERENCE TO THE FINANCIAL YEAR ENDING 30 JUNE 2018

PCG derives revenue through the management and performance-based fees of its funds. Accordingly, growth in FUM, through investment performance and fund inflows, is the key metric that drives the long-term profitability of PCG. PCG's FUM increased from \$3,127 million to \$3,519 million over the financial year ending 30 June 2018, with investment performance of \$378 million and net inflows of \$189 million offsetting distributions of \$175 million paid in the period. \$50 million in gross management and performance fee revenue was generated for the financial year ending 30 June 2018, of which \$19 million was shared with PCG's fund manager partners.

At 30 June 2018, PCG's annualised management fee was 1.15% of firm FUM, having remained steady over the last 4 years to 30 June 2018. Total fee margin for the financial year ending 30 June 2018 was 1.49% of FUM on a per annum basis, which is below the historical 4-year average of 2.15% p.a. as at 30 June 2018. It is important to note that performance fees will fluctuate, especially over relatively short periods.

10.2.5. FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

For the six months ending 31 December 2018, PCG generated an underlying net profit after tax of \$4.2 million which represents 4.06 cents per share. The key factor driving this result was performance fee revenue being lower than historical averages.

ABOUT PENGANA CAPITAL GROUP CONTINUED

31 DECEMBER 2018	(\$'000)
Management fee revenue	19,370
Performance fee revenue	3,199
Operating expenses	-10,877
Team profit share	-7,552
Operating EBITDA³²	4,140
Other income	262
Amortisation	-1,604
Product development and other non-operating expenses	-1,085
Profit before tax	1,713
Income tax expense	-778
Statutory profit after tax attributable to PCG shareholders³³	935
Basic earnings per share on statutory profit – cents per share ³⁴	1.18
Add back: ³²	
Amortisation	1,604
Unrealised investment losses	-525
Interest on Loan Funded Share Plan	1,090
Product development and other non-operating expenses ³⁵	1,085
Underlying profit	4,189
Basic earnings per share on underlying profit – cents per share ³⁶	4.06

Further information is contained in PCG's Interim Report for the six months ending 31 December 2018, which includes the directors' report, the half-year financial report and auditor's review report - refer to Section 10.4 for guidance on how to obtain or access a copy.

32. Source: Pengana Management Accounts.

33. As per Pengana Capital Group Limited 31 December 2018 Financial Statements.

34. Calculated on 79,818,440 ordinary shares (i.e., excluding 23,458,720 treasury shares, which are the ordinary shares in PCG issued to employees and fund managers under a corporate loan share plan). These shares were valued at fair value at the date of granting and under the accounting standards are amortised as an expense until the shares vest with the employees and fund managers.

PCG extended loans to employees to acquire these shares and interest is payable on the loans to PCG by the borrower. Under the accounting standards these loans are off balance sheet, the respective interest amount is reflected in the table. The shares issued under the loan share plan also receive dividends which are equivalent to those payable on all other shares however the dividends paid on these share are retained by PCG in order to service the interest on the loan. The effect of excluding the treasury shares from this calculation is that the value will be higher as the denominator (or the number of shares by which the earnings are divided) is lower.

35. Product development costs, loan impairments and cost of evaluating acquisition opportunities.

36. Calculated on 103,277,160 shares (i.e. including 23,458,720 treasury shares, refer to footnote 34 above regarding applying a larger denominator than in the basic earnings per share on statutory profit).

ABOUT PENGANA CAPITAL GROUP CONTINUED

10.2.6. INVESTMENT BUSINESS ANALYSIS WITH REFERENCE TO HALF-YEAR ENDING 31 DECEMBER 2018

As at 31 December 2018, PCG's FUM had decreased (in comparison to PCG's FUM as at 30 June 2018) to \$3,011.8 million. The six month period saw slightly positive net inflows, although this did not outweigh the decline in FUM which was due to falling equity markets (which accounted for \$299 million), and distributions of \$221 million.

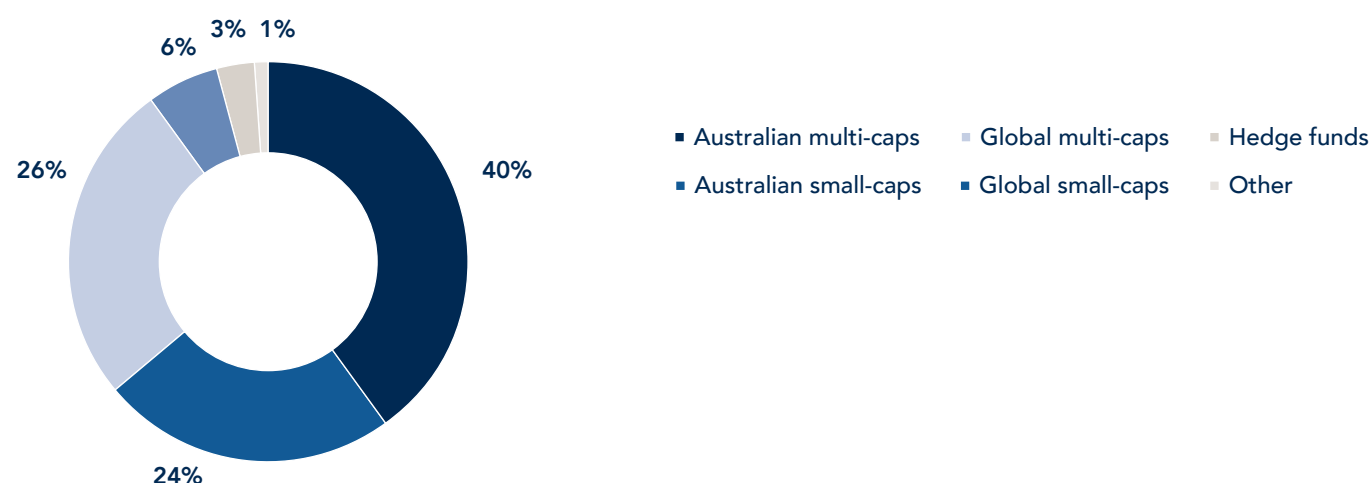
PCG generated \$23 million in gross management and performance fee revenue for the six months ending 31 December 2018, of which \$8 million was shared with PCG's fund manager partners.

At 31 December 2018, PCG's annualised management fee was 1.18% of firm FUM, remaining steady over the last 4.5 years to 31 December 2018. Total fee margin was 1.38% of FUM on a per annum basis, which is below the historical 4-year average of 2.15% p.a. as at 30 June 2018. It is important to note that performance fees will fluctuate, especially over relatively short periods.

As at 31 January FUM remained steady at \$3010.1 million, after additional outflows of \$79.4 million due to half yearly fund distributions of \$39.7 million and the return of \$39.7 million of capital to investors in the Pengana Absolute Return Asia Pacific strategy which was closed in December 2018.

The closure of the Pengana Absolute Return Asia Pacific strategy will result in revenue reductions of circa \$0.5 million per annum, which are more than offset by direct expense reductions resulting from ceasing this activity of circa \$1.3 million per annum.

The following chart breaks down PCG's FUM by investment focus as at 31 December 2018. While the majority of FUM is currently in Australian-focused funds, over time PCG expects its international funds to grow to become the dominant segment of PCG's business.



10.2.7. STRATEGY FOR GROWTH

On 19 June 2018, PCG made a strategic investment by taking a minority stake in a boutique credit fund manager, Global Credit Investments Pty Ltd. The most significant new initiative undertaken by PCG since the financial year ended 30 June 2018 has been the establishment of the Pengana Private Equity Trust. An ongoing medium term goal for PCG is to increase growth in its international equities strategies by leveraging its growing infrastructure and distribution capabilities, while simultaneously nurturing the Australian and absolute return strategies in order to retain investments, attract inflows, and deliver the best possible investment outcomes for our clients. On 21 August 2018, PCG acquired a 100% of PT Private Capital Pty Ltd ("PT Private"). PT Private provides portfolio management services to high net worth clients. Finally, PCG will continue to seek new investment opportunities for the Australian retail market to further increase shareholder value.

ABOUT PENGANA CAPITAL GROUP CONTINUED

10.3. CONTINUOUS DISCLOSURE AND DOCUMENTS IN RESPECT OF PCG AVAILABLE FOR INSPECTION

Pengana Capital Group Limited ("PCG") is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and is listed on the ASX and as such is subject to regular reporting and disclosure obligations. Broadly, these obligations require PCG to:

- (a) prepare and lodge with ASIC and ASX both annual and half-yearly financial statements accompanied by a directors' statement and report and an audit or review report; and
- (b) immediately notify the ASX of any information concerning the company of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in PCG, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged with the ASX in relation to PCG may be obtained from the Shareholders section of Pengana website on www.pengana.com or from the ASX website on www.asx.com.au/asx/statistics/announcements.do. You can locate copies of documents lodged with ASX by effecting a search using PCG's ASX Code of 'PCG'. The Responsible Entity will also provide a copy of any of the announcements free of charge to any person who requests a copy.

10.4. INCORPORATION BY REFERENCE

Regulation 7.9.15DA of the Corporations Regulations provides that this Replacement PDS need not include information if that information is in writing and is publicly available in a document other than this Replacement PDS, and this Replacement PDS refers to the information and provides sufficient details to identify, locate and obtain a copy of that information.

The following documents are incorporated by reference in this Replacement PDS and are taken to be included in it:

- (a) the annual financial statements for Pengana Capital Group Limited for the financial year ending 30 June 2018, as well as the directors' report, auditor's report, and the Appendix 4E preliminary final report for PCG for the year ending 30 June 2018, but excluding the CEO's Report, as lodged with ASX on 28 August 2018 (contained within 'PCG Appendix 4E and Annual Report 30 June 2018' on the ASX announcements search results for PCG on the ASX website);
- (b) the notification of dividend announcement for PCG lodged with ASX on 28 August 2018 (called 'Dividend/ Distribution - PCG' on the ASX announcements search results for PCG on the ASX website);
- (c) the notice of extraordinary general meeting of PCG, and explanatory notes, to obtain approval for the issue of the Alignment Shares to the Trust to be held on 31 January 2019 and lodged with ASX on 31 December 2018 (called 'Notice of Extraordinary General Meeting/Proxy Form' on the ASX announcements search results for PCG on the ASX website);
- (d) the Monthly FUM report as at 31 December 2018 for PCG lodged with ASX on 10 January 2019 (called 'Monthly Funds Under Management - 31 December 2018' on the ASX announcements search results for PCG on the ASX website);
- (e) the chairman's address and managing director's presentation to the extraordinary general meeting of PCG on 31 January 2019 to approve the issue of the Alignment Shares to the Trust lodged with the ASX on 31 January 2019 (called 'EGM Chairman's Address to Shareholders' on the ASX announcements search results for PCG on the ASX website);
- (f) the results of the extraordinary general meeting of PCG on 31 January 2019 approving the issue of the Alignment Shares to the Trust lodged with the ASX on 31 January 2019 (called 'Results of Extraordinary General Meeting held 31 Jan 2019' on the ASX announcements search results for PCG on the ASX website);
- (g) the Monthly FUM report as at 31 January 2018 for PCG lodged with ASX on 11 February 2019 (called 'Monthly Funds Under Management - 31 January 2019' on the ASX announcements search results for PCG on the ASX website);
- (h) the Pengana Capital Group Limited Appendix 4D half-year report for the six months ending 31 December 2018 lodged with ASX on 22 February 2019 (called 'Appendix 4D' on the ASX announcements search results for PCG on the ASX website);

ABOUT PENGANA CAPITAL GROUP CONTINUED

- (i) the Pengana Capital Group Limited Interim Report for the half-year ended 31 December 2018, including the directors' report, the half-year financial report and auditor's review report, lodged with ASX on 22 February 2019 (called 'PCG Interim Report 31 December 2018 - updated version' on the ASX announcements search results for PCG on the ASX website);
- (j) the shareholder presentation of the interim results of Pengana Capital Group Limited for the six month period to 31 December 2018 lodged with ASX on 22 February 2019 (called 'Shareholder Presentation Results 31 December 2018' on the ASX announcements search results for PCG on the ASX website); and
- (k) the notification of dividend announcement for PCG lodged with ASX on 22 February 2019 (called 'Dividend/ Distribution - PCG' on the ASX announcements search results for PCG on the ASX website).

A copy of these documents listed above may be obtained from the Responsible Entity on request at no charge. These documents set out important information relevant to your decision whether to invest in Units. You should read these documents as well as this Replacement PDS before deciding to invest in Units under this Replacement PDS. To obtain a copy please call +61 2 8524 9900. You can also download a copy from the ASX website on www.asx.com.au/asx/statistics/announcements.do by effecting a search using PCG's ASX Code of 'PCG'.

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RISKS

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

This Replacement PDS contains forward-looking statements based on certain assumptions that are inherently uncertain. Actual events and results of the Trust's operations could differ materially from those anticipated. Some of the risks may be mitigated by the use of safeguards and appropriate systems and actions, but some are outside the control of Pengana and the Investment Manager and cannot be mitigated.

Although Pengana and the Investment Manager believe the expectations reflected in any forward-looking statements are reasonable, neither Pengana nor the Investment Manager can guarantee any rate of return in terms of income or capital or the investment performance of the Trust, nor that historic results are representative of future performance. The value of the Units will reflect the performance of the investments made by the Trust and current market conditions. There can be no certainty that the Trust will generate returns or distributions to your satisfaction.

The Trust should not be seen as a predictable, low risk investment. The Trust will be investing in private market investments, which should be considered a higher risk asset class than traditional listed equities.

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 advisor.

This section describes certain areas the Responsible Entity believes represent risks associated with an investment 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.

11.1. RISKS RELATING TO THE PRIVATE MARKETS INVESTMENT STRATEGY

Risks Associated with Portfolio Companies – The Portfolio Companies in which the Trust or the Underlying Funds may invest may involve a high degree of business and financial risk. These companies may be in an early stage of development, may not have a proven operating history, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, may have a high level of leverage, or may otherwise have a weak financial condition. In addition, these Portfolio Companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel.

Lack of Portfolio Liquidity – The Underlying Funds are not expected to provide any voluntary liquidity to their investors (including the Trust and the GCM Funds) and may, at any given time, hold significant amounts of securities and other assets issued by Portfolio Companies 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 Portfolio Company, changes in national or international economic conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which the Portfolio Companies' investments are made.

Market Risk – During periods of difficult market conditions or slowdowns in a particular investment category, industry, or region, Portfolio Companies may experience decreased revenues, financial losses, difficulty in obtaining access to financing, and increased costs. During these periods, these Portfolio Companies may also have difficulty in expanding their businesses and operations and may be unable to pay their expenses as they become due. A general market downturn or a specific market dislocation may result in lower investment returns for an Underlying Fund or a Portfolio Company in which the Trust is invested directly. The market's behaviour is unpredictable, and it is impossible to predict whether or for how long adverse conditions could continue. Therefore, it is important to understand that the value of the Trust may fall, sometimes sharply, and Investors could lose money.

RISKS CONTINUED

Currency Risk – Investments will predominantly be made in U.S. dollars (as well as multiple other foreign currencies), and if these currencies change in value relative to the Australian dollar (being the functional currency of the Trust) the value of these investments can change and accordingly can negatively affect the value of the Portfolio. The Investment Manager has no obligations or duty to hedge the Trust's currency risk, however, in certain limited circumstances, the Trust may engage in foreign exchange hedging transactions intended to reduce foreign exchange exposure, primarily to hedge capital calls or known Commitments. To the extent GCM engages in any currency hedging activities, it generally will adjust hedging positions only once a month and ordinarily will not attempt to hedge the exchange-rate risk attributable to intra-month profit and loss. Consequently, while the Trust may incur potentially material exchange-rate hedging costs, it will nevertheless be subject to potentially material exchange-rate risk. Further, to the extent any currency hedging activities are undertaken, GCM also anticipates there will be "tracking error" between any hedge and the currency exposure due to, among other things, the use of estimates to adjust hedging positions and unhedged intra-month profit and loss in respect of the relevant position. Assets of the Trust used for exchange-rate hedging purposes will not be available for investment.

Long-Term Time Horizon – Even if the Trust's investments prove successful, they are unlikely to produce a realised return for a number of years.

Reliance on Third-Party Underlying Investment Managers – The Trust invests in Underlying Funds and Portfolio Companies managed by third parties. GCM, as Investment Manager of the Trust, generally does not have an active role in the management of the assets of the third-party managed Underlying Funds or Portfolio Companies, including in the valuation of investments by the third-party managed Underlying Funds. Although the Investment Manager will monitor the performance of Underlying Funds and Co-investments, GCM relies upon third-party Underlying Investment Managers to operate the third-party managed Underlying Funds and Co-investments on a day-to-day basis. GCM's ability to withdraw from or transfer interests in such funds and Co-investments is strictly limited. Further, the performance of each investment made by GCM 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 managed Underlying Funds or Portfolio Companies, and such decisions, if unsuccessful, will directly adversely, perhaps materially adversely, affect the returns achieved by the Trust. GCM will often not be aware of the particular Portfolio Companies in which a third-party managed Underlying Fund is invested, and Investors themselves will have no direct dealings or contract relationship at the third-party managed Underlying Fund or Portfolio Company level.

Substantial Costs – The Trust is subject to substantial costs, as well as to a "layering" of fees and expenses including at the level of the Trust, the GCM Funds and at the level of the Underlying Funds. These substantial costs must be offset by Portfolio gains (after reduction for incentive compensation and other advisory fees) for the Trust's net asset value not to be depleted.

Debt and Leverage Risk – The Underlying Funds will employ leverage from time to time in a variety of ways. The Trust may borrow directly or through an intermediate entity to fund investments, pay fees and expenses or to address the timing issues associated with the acquisition of investments and re-investment of proceeds and as otherwise set forth in the Management Agreement and the Investment Management Agreement. The use of leverage may magnify the potential gains and losses achieved by the Trust or an Underlying Fund, thus impacting on the value of the Units. The use of leverage will diminish the returns to the Trust if the overall returns are less than the Trust's cost of borrowing. The utilisation of leverage will also result in fees, expenses and interest costs to the Trust. In addition, the borrowings may be secured by the assets of the Trust.

Highly Competitive Market for Investment Opportunities – The activity of identifying, completing and realising on attractive Primary and Secondary private equity investments is highly competitive and involves a high degree of uncertainty. The Trust will be competing for investments with other investment vehicles, as well as with major financial institutions and investors.

Third-Party Underlying Investment Manager Misconduct – The Trust will depend on the integrity and good faith of the third-party Underlying Investment Managers with which GCM places the Trust's capital. GCM will have no control over, and a strictly limited ability even to monitor, the third-party Underlying Investment Managers. Misconduct, conflicts of interest and/or simple bad judgment on the part of a single or only a very small number of third-party Underlying Investment Managers could materially adversely affect the Trust.

Interest Rate Risk – Changes in official interest rates can directly and indirectly have an impact on investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and the valuation of securities. For example, rising interest rates can have a negative impact on a Portfolio Company's value as increased borrowing costs may cause earnings to decline. As a result, the company's value may fall and therefore the value of an investment of the Trust may fall.

RISKS CONTINUED

Foreign Investment Risk – The Trust or Underlying Funds may invest in Portfolio Companies domiciled or operating in multiple countries. Certain risks may differ from country to country. Managing these risks may increase transaction costs and adversely impact the value of the Trust's and/or such Underlying Funds' investments in certain jurisdictions. To the extent that the Trust or an Underlying Fund invests in Co-investments that operate in emerging market countries, those investments involve certain risks not typically associated with investments in the securities of companies in more developed markets, including the direct and indirect consequences of potential political, economic, social, and diplomatic changes in those countries.

Portfolio Valuation – Valuations of the underlying investments are expected to involve uncertainties and discretionary determinations. Third-party pricing information may not be available regarding a significant portion of investments in certain asset classes, and in some circumstances may rely on valuation models that GCM has created in order to value the assets and calculate the account value. In addition, to the extent third-party pricing information is available, a disruption in the secondary markets for investments in Underlying Funds and Co-investments 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 (as may the market price of the Units on the ASX from the NAV per Unit).

Dependence on Key Personnel – The performance of the Portfolio may depend in substantial part on the skill and expertise of GCM and GCM's personnel, as well as the skill and expertise of the personnel of Underlying Funds. There can be no assurance that GCM or any Underlying Fund will always be in a position to continue to employ skilled and experienced personnel. The loss of key personnel by GCM or an Underlying Fund could have a material adverse effect on the Trust.

Identification and Availability of Investment Opportunities – The performance of the Portfolio depends on the availability of, and GCM's ability to identify, suitable investment opportunities. The availability of investment opportunities may be affected by market conditions and other factors outside the control of GCM. GCM's past returns have benefited from investment opportunities and general market conditions that may not recur, including favourable borrowing conditions in the debt markets, and there can be no assurance that Underlying Funds will be able to avail themselves of comparable opportunities and conditions. There can be no assurance that the Underlying Funds will be able to identify sufficient attractive investment opportunities to meet their investment objectives.

Risks associated in investing with other third parties – GCM will primarily invest the Trust's capital by investing in Underlying Funds in which third parties also invest. The Trust as one of multiple participants in Underlying Funds is subject to the risk of the Trust's investments being materially adversely affected by the conduct, including possible default, of other investors in such Underlying Funds, certain of which investors may have different, if not actually opposing, interests with respect to their investments in such Underlying Funds than does GCM in acting on behalf of the Trust.

Legal, Tax and Regulatory Risk – Legal, tax and regulatory developments may adversely affect the Trust, Underlying Funds or Co-investments during the term of the investment. The regulatory environment for private funds is evolving, and currently there are numerous legislative and regulatory proposals in the United States, Europe and other countries that could affect an Underlying Fund and its trading activities, and therefore could affect the investments of the Trust.

Access to Information from Underlying Funds – GCM may not always receive full information from third-party managed Underlying Funds for a variety of reasons, including that certain of this information may be considered proprietary by the Underlying Investment Manager of such Underlying Fund. This lack of access to information may make it more difficult for GCM to select and evaluate Underlying Fund investments, in particular Secondaries investments.

Follow-On Investments – The Trust or an Underlying Fund may be called upon to provide additional funding for Co-investments in which it has an investment, or may have the opportunity to increase its investment in such Co-investments. There can be no assurance that the Trust or an Underlying Fund will wish to make additional investments or that it will have sufficient available capital or funds to do so. Any decision by the Trust not to make additional investments or its inability to make them may have a substantial negative impact on a Co-investment in need of such an investment, may diminish GCM's ability to influence the Co-investment's future development, and/or may result in substantially reduced returns from the Co-investment – even if successful – due to dilution.

Risks Upon Disposal of Investments – In connection with the disposal of an investment in a Co-investment company, the Trust or an Underlying Fund may be required to make representations about the business and financial affairs of the Co-investment of a type typically made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The Trust or an Underlying Fund may also be required to indemnify the purchasers of such investment or the underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate, or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Trust.

RISKS CONTINUED

Inside Information – From time to time, GCM or its affiliates or an Underlying Investment Manager or its affiliates may come into possession of material, non-public information concerning an entity in which the Trust and/or an Underlying Fund has invested, or proposes to invest, and the possession of such information may limit the ability of the Trust or such Underlying Fund, as the case may be, to manage its investment in such entity as the Trust or such Underlying Fund otherwise would.

Derivatives Risk – Derivatives may be used by the Underlying Funds or the Trust in the attempt to efficiently execute their strategies. The value of derivatives can change in response to a range of unpredictable factors such as changes in interest rates, volatility in the value of the underlying asset, foreign exchange rates or credit rating. Since a small investment in derivatives' controls a much greater value of underlying assets, investments in derivatives can involve much greater risk than buying the derivative's underlying asset directly. This magnifies both profits and losses, as measured against the outlay. Losses from derivatives transactions can be substantial and can exceed the original amount invested. The Trust and Underlying Funds may also be exposed to counterparty risk i.e., risk in connection with the parties on the other side of derivatives contracts entered into for the Trust. Other derivatives risks include the value of the derivatives failing to move in line with the underlying asset and the potential illiquidity of the derivatives.

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. Pengana's, GCM's, the respective Underlying Investment Managers' 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 Pengana's, GCM's, the respective Underlying Investment Managers' – and, accordingly – the Trust's and/or Underlying Funds' operations.

Short Selling Risk – Short selling is not part of the Trust's Investment Strategy. However, Underlying Funds may use short selling in order to more effectively execute their investment strategies. The maximum profit from a short position is equal to the value of the asset sold short minus lending fees incurred in borrowing the asset. However, the potential loss on a short position is unlimited. Where the market price of the asset sold short rises, the costs of covering the short position also rise, theoretically without limit, although in practice the position would normally be closed out — if possible — through buying the shorted asset at some predetermined price to cap the level of potential loss. The risk of loss from short selling is greater than from holding a long position.

11.2. RISKS RELATED TO THE ALIGNMENT SHARES

The following risks relate to the Trust's investment in the Alignment Shares and may impact the performance of the Trust:

Market Factors – The performance of the Alignment Shares is strongly linked to the amount of FUM of the Pengana Group of Companies, which is subject to net fund flows and market performance. Market volatility can potentially diminish FUM and therefore fee income. A decline in any investment market in which the Pengana Group of Companies manages funds, or related to any asset class in which the Pengana Group of Companies manages assets, may reduce the FUM and may have a material adverse effect on the financial performance of the Pengana Group of Companies, and accordingly the value of the Alignment Shares.

Investment Performance Risk – A key driver of the financial performance and future growth of the Pengana Group of Companies is achieving strong investment performance for the funds managed by the Pengana Group of Companies. Any sustained period of poor investment performance (absolute, or relative to benchmarks and/or competitors) or failure to meet investment objectives for a fund could lead to a reduction in the amount of FUM and/or could lead to lower management fees, which would have a material adverse effect on the value of the Alignment Shares.

Ability to attract new clients and retain existing clients – The future growth prospects of the Pengana Group of Companies are determined in part by its ability to develop and launch new funds and products and retain existing clients. A reduction in the performance of its management service or appeal of its existing and future products may result in lower financial performance, which will affect the value of the Alignment Shares. The ability of the Pengana Group of Companies to successfully retain current clients and to attract new clients and grow funds under management is dependent on a number of factors including, support from investors, the success or otherwise of recently established funds and new funds and products that are launched by the Pengana Group of Companies, demand for professional funds management services, the level of competition in the market for funds management services and the quality of the customer service and administration of the Pengana Group of Companies.

RISKS CONTINUED

Loss of key personnel – The investment performance, and therefore financial, performance of the Pengana Group of Companies and the value of the Alignment Shares, is highly dependent on a small number of highly skilled personnel. The future growth of the Pengana Group of Companies is also dependent on its ability to attract and retain additional skilled employees. The loss or departure of one or more key personnel, and/or the inability to hire new employees to underpin the growth of the Pengana Group of Companies, may have a material adverse effect on the performance of the Pengana Group of Companies and could result in the loss of existing clients and an inability to attract new clients.

Compliance with and changes to legislation and regulation – The financial services industry is highly regulated in Australia. If the Pengana Group of Companies does not or cannot comply with the necessary laws and regulations it may be exposed to fines, penalties or loss of the AFSLs held by the members of the Pengana Group of Companies, namely Pengana Investment Management Limited and Pengana Capital Limited, who are the Responsible Entity and Manager of the Trust respectively, and are the responsible entities and managers of the other managed investment schemes operated by the Pengana Group of Companies. These may have a material adverse effect on the ability of the Pengana Group of Companies to operate as a fund manager and on its financial performance and reputation. These factors, as a consequence, may have a material adverse effect on the value of the Alignment Shares.

The financial services industry has undergone significant legislative change in recent years. Legislation or regulation restricting the operations of the Pengana Group of Companies, or increasing the compliance and reporting obligations of the Pengana Group of Companies, and therefore increasing its compliance costs and its risk of non-compliance, may have a material adverse effect on the financial performance and growth prospects of the Pengana Group of Companies and hence the value of the Alignment Shares.

Competitive environment – The Australian funds management industry is highly competitive, with a significant number of fund managers and new entrants regularly developing new products and establishing funds management businesses. Actions of current or future competitors may result in loss of FUM, fee reductions, reduced margins or lower market share, and may have a material adverse effect on the financial performance and growth prospects of the Pengana Group of Companies. In addition to actions of competitors, the growing influence of certain clients (including portfolio administration services, master trusts and other distribution platforms) may exert commercial pressure to reduce fees, which would have an adverse effect on the financial performance of the Pengana Group of Companies and hence the value of the Alignment Shares.

Volatility and Illiquidity of the Alignment Shares – The Alignment Shares will not be transferable on issue to the Trust. Approximately two years after the commencement of trading of the Units on the ASX, the Responsible Entity intends to distribute the Alignment Shares to Unitholders in proportion to the size of their unitholding, subject to determination by the Responsible Entity to distribute. The Alignment Shares will convert into ordinary shares in PCG on such distribution and be listed on the ASX. It is expected the Alignment Shares will be valued in parity with the PCG ordinary shares.

There is no guarantee that there will be an active market in the PCG ordinary shares. There may be few potential buyers and sellers of the PCG ordinary shares at any point in time. This may increase the volatility of the market price of PCG ordinary shares and value of the Alignment Shares.

11.3. RISKS RELATING TO THE TRUST

Conflicts of Interest Risk – GCM, its affiliated entities, and its related persons are subject to certain actual or potential conflicts of interest in making investment decisions. Because GCM has different financial services businesses and manages and/or advises multiple funds, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than those to which it would otherwise be subject if it had only one line of business or managed and/or advised only a single fund. GCM maintains policies and procedures that attempt to address actual and potential conflicts of interest. Refer to Section 18.3 of this Replacement PDS for information on how the Investment Manager will manage potential conflicts of interest. In the event that a conflict of interest arises, GCM will generally attempt to resolve such conflict according to its policies and procedures and in a fair and equitable manner, on a case-by-case basis. However, GCM will not be able to resolve all conflicts of interest in a manner that is equitable or favourable to all Investors. By investing in the Trust, each Investor will be deemed to have acknowledged and consented specifically to: (i) the existence of such actual, apparent and potential conflicts of interest, including, without limitations, those described herein; and (ii) the actions taken by GCM to address such conflicts and to the extent permitted by applicable law, to have waived any claims with respect to the existence of any conflicts of interest. It's a fundamental conflict of interest that GCM will allocate Trust capital to GCM Funds from which the GCM Group receives advisory fees including incentive compensation.

RISKS CONTINUED

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.

Distribution Risk – There may be circumstances when the Target Cash Distribution or Early Years Intended 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 – Pengana and GCM may each receive a performance fee in circumstances outlined in Section 12. These arrangements may create an incentive for Pengana and GCM to take more risk with investing the Trust's capital than may otherwise be the case. In addition, GCM and its affiliates are eligible to receive or share in the performance fees paid by certain of the GCM Funds. The performance 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.

Trust Risk – Trust 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 a Unitholder'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 Replacement PDS. The Trust is also governed by the ASX Listing Rules, and is exposed to the risks of listing on that platform, including such risks as the platform or settlements process being delayed or failing. ASX may suspend trading in the Units, or remove the Units from listing on the ASX. The Responsible Entity may elect, in accordance with the Constitution and the Corporations Act, to terminate the Trust for any reason.

11.4. 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 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.

RISKS CONTINUED

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.

ASX Counterparty Risk – ASX counterparty risk is the risk that when a Unitholder sells their Units on market they are relying on CHESS, the central system for clearing and settling trades on the ASX, to ensure they receive their settlement proceeds as well as the risk that arises as a result of the Unitholders relying on the creditworthiness of their broker when making trades on the ASX.

11.5. INHERENT LIMITATIONS OF RISK DISCLOSURES

The discussion and summary of certain risk factors in this Replacement PDS does 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 Units.

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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 Replacement PDS. The example given in the warning does not relate to any investment described within this Replacement 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 contribution fees and management costs where applicable. 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.

12.1. WHAT ARE THE FEES AND COSTS OF THE TRUST?

This Section 12 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 Trust as a whole. Taxation information is set out in Section 16 of this Replacement PDS. You should read all of the information about fees and costs because it is important to understand their impact on your prospective investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Trust		
Establishment fee		
The fee to open your investment	Nil	Not applicable
Contribution fee		
The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee		
The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee		
The fee to close your investment	Nil	Not applicable

FEES AND OTHER COSTS CONTINUED

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Management Costs[†] The fees and costs for managing your investment Total Management Costs consist of the following:		
Responsible Entity Fee and Management Fee	1.25% p.a. of NAV (in aggregate)	The Responsible Entity Fee and Management Fee are payable to Pengana for the management and operational oversight of the Trust. Pengana will pay a portion of the Management Fee to GCM pursuant to the Investment Management Agreement. The total value and Price Return of the Alignment Shares is not included when calculating the Responsible Entity Fee and Management Fee payable by the Trust. These fees are calculated and payable monthly in arrears from the Trust. The fees are paid directly from the Trust and reflected in the NAV per Unit.
Performance Fee	20%	A performance fee is potentially payable by the Trust equal to 20% of the Trust Outperformance, namely of the Trust Total Return in excess of the Hurdle Return (being 8% p.a.) and subject to the NAV being greater than the Trust's HWM. The Performance Fee is calculated and accrued monthly and payable to Pengana from the Trust each half-year period ending 30 June or 31 December (however the first payment period ends 31 December 2019). The total value and Price Return of the Alignment Shares are not included when calculating the Performance Fee payable.
Estimated Secondaries Management and Carried Interest Fees ^{††}	0.02% p.a. of NAV	It is proposed that the Trust's initial allocation to Secondaries will be effected directly within the Trust ("Secondaries Sub-Portfolio"). In the future, it is expected that the Trust will seek Secondaries exposure through a GCM Fund, however, the current GCM Fund focused on Secondaries is Closed to new investors. It is estimated as of the date of the Replacement PDS that the Trust's exposure to Secondaries that are directly held will be approximately 1.0% by the end of the current financial year ending 30 June 2019. The Secondaries Management Fee is payable to the Investment Manager quarterly in advance from the Trust and reflected in the NAV per Unit.
Estimated Indirect Costs ^{†††}	1.15% p.a. of NAV	As the Trust is newly-established, this figure is calculated on the basis of Pengana's reasonable estimate of such costs attributable to the Trust or interposed vehicle's assets once the cost is incurred and reflected in the NAV per Unit.
Service Fees		
Investment switching fee The fee for changing investment options	Nil	Not applicable

†. See 'Additional explanation of fees and costs' paragraphs later in Section 12.3 of this Replacement PDS for further details. The management costs are quoted inclusive of Goods and Services Tax ('GST') and net of any reduced input tax credits ('RITC') at the prescribed rates.

††. As the Trust is newly-established, the quoted amount reflects Pengana's reasonable estimate at the date of the Replacement PDS for the current financial year ending 30 June 2019 (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.

†††. This estimated amount is Pengana's reasonable estimate of the indirect costs for the financial year ending 30 June 2019 (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.

FEES AND OTHER COSTS CONTINUED

12.2. EXAMPLE OF ANNUAL FEES AND COSTS

The following table gives an example of how the fees and costs applicable to Units can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE		
Balance of \$50,000 with a contribution of \$5,000 during the year ¹		
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs comprising:		And, for every \$50,000 you have in the Trust you will be charged \$1,180 each year:
- Estimated Responsible Entity and Management Fees payable to Pengana ²	1.19% p.a.	\$595
- Estimated Performance Fee ³	0% p.a.	\$0
- Estimated Secondaries Management Fee and Carried Interest ⁴	0.02% p.a.	\$10
- Estimated Indirect Costs ⁵	1.15% p.a.	\$575
EQUALS Cost of Trust		If you had an investment of \$50,000 at the beginning of the year and you invested an additional \$5,000 during that year, you would be charged fees of: \$1,180 ⁶ What it costs you will depend on the fees you negotiate.

12.3. ADDITIONAL EXPLANATION OF FEES AND COSTS

12.3.1. MANAGEMENT COSTS

The management costs of the Trust as set out in the Replacement PDS are comprised of the Responsible Entity Fee, Management Fee, Performance Fee, expenses and indirect costs. The management costs do not include transactional and operational costs or any abnormal expenses (such as defending or bringing litigation proceedings).

Pengana will pay a portion of the Management Fee it receives to GCM. GCM also receives management fees and/or incentive compensation from the GCM Funds in which the Trust invests (but will not receive fees from both sources with respect to the same investment).

1. This example assumes the Management Costs are calculated using the \$50,000 balance only. It does not take account of the Management Costs that would be charged on the additional \$5,000 contributed during the year nor any movements in the value of an Investor's Units that may occur over the course of the year. If you had invested the additional \$5,000 for the full 12 months, the additional management costs would be \$119 (comprising \$60 Responsible Entity and Management Fee, \$0 estimated Performance Fee, \$1 estimated Secondaries Management and Carried Interest Fees, and \$58 estimated indirect costs).

2. In the first financial year following the Trust's listing and ending on 30 June 2019, the Trust includes Alignment Shares on which the Responsible Entity and Management Fees are not charged. This causes the Responsible Entity and Management Fee rate to be lower than 1.25% p.a. of the NAV. The fee amount is an estimate only and is not a forecast. The fee may be higher or lower.

3. The Trust does not have a performance history. In the first financial year of the Trust ending on 30 June 2019, the Trust is not expected to accrue a Performance Fee and the first date on which a Performance Fee could be payable is 31 December 2019. The Performance Fee amount is an estimate only and is not a forecast. The Performance Fee may be higher.

4. As the Trust is newly established, the quoted amount reflects Pengana's reasonable estimate at the date of the Replacement PDS for the first financial year of the Trust ending on 30 June 2019 (adjusted to reflect a 12 month period).

5. Indirect costs include an estimate of the management fees and incentive fees paid in the first financial year of the Trust ending on 30 June 2019 (adjusted to reflect a 12 month period) to either GCM as manager of GCM Funds or the Underlying Investment Managers of other Underlying Funds. The indirect costs amount is an estimate only and is not a forecast. The indirect costs may be higher or lower.

6. Additional fees may apply. Please refer to Section 12.3 on "Additional explanation of fees and costs".

FEES AND OTHER COSTS CONTINUED

12.3.2. RESPONSIBLE ENTITY 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, 2. is before the Management Fee and Responsible Entity Fee being calculated and any accrued and unpaid Performance Fee, and 3. excludes the total value of the Alignment Shares).

The Responsible Entity and Management Fee are calculated and payable monthly in arrears by the Trust. The Responsible Entity 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.

12.3.3. PERFORMANCE FEE

Depending on the Trust's performance, a performance fee may be payable to the Manager ("Performance Fee"). The total value and Price Return of the Alignment Shares are not included when calculating the Performance Fee payable.

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

12.3.3.1. Performance Fee Calculation Methodology

The Performance Fee is 20% of the Trust Outperformance (in excess of the Hurdle Return of 8% 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, 2. is before any accrued and unpaid Performance Fee but after the Management Fee and Responsible Entity Fee, and 3. excludes the total value of the Alignment Shares) over a Performance Fee Payment Period.
- The "Hurdle Return" is equal to 8% 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, 2. is before any accrued and unpaid Performance Fee but after the Management Fee and Responsible Entity Fee, and 3. excludes the value of Alignment Shares) 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 2019.

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 pay a Performance Fee to the extent that the NAV less the value of the Alignment Shares at the end of a Performance Fee Payment Period is greater, after accruing such Performance Fee, than the high-water mark ("HWM"). The HWM is equal to the NAV less the value of the Alignment Shares 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 less the initial value of the Alignment Shares. 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.

The Responsible Entity does not consider there is any reasonable basis on which it can forecast future performance related fees because it would involve speculation about the future performance of the Trust. The Responsible Entity therefore considers providing an estimate solely of performance fees may potentially be misleading.

FEES AND OTHER COSTS CONTINUED

12.3.4. FEES IN RESPECT OF DIRECTLY HELD SECONDARIES

It is proposed that the Trust's initial allocation to Secondaries will be effected directly within the Trust ("Secondaries Sub-Portfolio") since the GCM Grosvenor Secondary Opportunities Fund II, L.P. is Closed to new investors. Once GCM's next vintage Secondaries fund launches, allocations to Secondaries will be made through such GCM Fund. Two types of fees are payable from the Trust to the Investment Manager in respect of the Investment Manager's investment management of this Secondaries Sub-Portfolio, namely the Secondaries Management Fee and the Secondaries Carried Interest Fee.

12.3.4.1. Secondaries Management Fee

Until 31 May 2022, the Secondaries Management Fee is 1.0% p.a. of the Secondaries Management Fee Base. The "Secondaries Management Fee Base" is the sum of the aggregate purchase price (including any deferred purchase obligations) of all investments in the Secondaries Sub-Portfolio plus the aggregate unpaid capital commitments with respect to all investments in the Secondaries Sub-Portfolio calculated at the time of investment and not subsequently adjusted.

After 31 May 2022, the Secondaries Management Fee for each twelve month period ending 31 May is 90% of the Secondaries Management Fee paid for the immediately preceding twelve month period.

Investment banking fees, consulting or management fees, monitoring fees, break-up fees or transaction fees received by the Investment Manager from an external source in respect of investments in the Secondaries Sub-Portfolio is offset by reductions of future payments of the Secondaries Management Fee.

Following the liquidation (or permanent write down to zero) of all investments in the Secondaries Sub-Portfolio, the Secondaries Management Fee is no longer payable.

The Secondaries Management Fee is payable quarterly in advance.

12.3.4.2. Secondaries Carried Interest Fee

Proceeds attributable to the disposition of investments in the Secondaries Sub-Portfolio together with any current income earned on investments in the Secondaries Sub-Portfolio available for distribution (together, the "Secondaries Proceeds") will either (i) be retained by the Trust; or (ii) paid to the Investment Manager (or its designee) in accordance with the following order:

- Firstly, 100% of the Secondaries Proceeds will be retained by the Trust until the cumulative amount retained by the Trust is equal to the aggregate capital contributions of the Trust in respect of investments in the Secondaries Sub-Portfolio ("Secondaries Return of Capital").
- Secondly, 100% of the Secondaries Proceeds (after the retention of the Secondaries Return of Capital) is retained by the Trust until the Trust has retained a preferred return of 8% p.a. of the Secondaries Return of Capital Retention ("Secondaries Preferred Return").
- Thirdly, 100% of the Secondaries Proceeds (after the retention of the Secondaries Return of Capital and the Secondaries Preferred Return) is paid to the Investment Manager until the Investment Manager has received amounts equal to 10% of the aggregate of the Secondaries Preferred Return retained by the Trust and the amounts paid to the Investment Manager under this paragraph ("Secondaries Catch Up").
- Lastly, after the retention of the Secondaries Return of Capital and the Secondaries Preferred Return, and payment of the Secondaries Catch Up to the Investment Manager, 90% of the Secondaries Proceeds is retained by the Trust, while the remaining 10% is paid to the Investment Manager ("Secondaries Excess Proceeds Payment").

The "Secondaries Carried Interest Fee" is made up of the Secondaries Catch Up and the Secondaries Excess Proceeds Payment.

If, upon the completion of the liquidation of all of the investments in the Secondaries Sub-Portfolio, either:

- (i) the aggregate amount of Secondaries Carried Interest Fee received by the Investment Manager (or its designee) exceeds an amount equal to 10% of the difference of the aggregate amount of Secondaries Proceeds less the amount of the Secondaries Return of Capital Retention; or
- (ii) the Investment Manager (or its designee) has received any amount of the Secondaries Carried Interest Fee, but the Trust did not retain a portion of the Secondaries Proceeds equal to the sum of the Secondaries Return of Capital Retention and the Secondaries Preferred Return (computed by treating all investments in the Secondaries Sub-Portfolio as a single investment),

FEES AND OTHER COSTS CONTINUED

then the Investment Manager has to pay the Trust an amount equal to the greater of the excess described in (i) or the shortfall described in (ii) ("Secondaries Clawback"), provided that the Secondaries Clawback does not exceed the amount of Secondaries Carried Interest Fee received by the Investment Manager, net of assumed income taxes with respect to allocations of income representing the Secondaries Carried Interest Fee or payments of the Secondaries Carried Interest Fee.

12.3.5. MORE THAN ONE LEVEL OF FEES

The Trust will be subject to more than one level of fees:

1. The Responsible Entity Fee, the Management Fee, the Performance Fee, the Secondaries Management Fee and the Secondaries Carried Interest Fee paid at the Trust level, and
2. The management fees and incentive fees paid at the level of the Underlying Funds invested in by the Trust and payable by such Underlying Funds to the Underlying Investment Managers, and, in respect of GCM Funds, to the GCM Group.

Underlying Funds

The actual fees paid to Underlying Investment Managers in respect of Underlying Funds invested in by the Trust will be affected by factors including, but not limited to, the Underlying Funds and direct investments that the Trust holds, the size of their allocations or Commitments, their actual fee structures, and their actual performances, and stage in the investment lifecycle.

The ongoing management fees charged by Underlying Investment Managers varies depending on the investment strategy deployed by the manager and other factors. It is expected that such management fees will range from approximately 0.45% to 2.00% per annum of net asset value of an Underlying Fund.

The performance compensation paid to Underlying Investment Managers varies depending on the investment strategy of the manager and other factors and will be paid on the basis of the performance of the individual Underlying Funds regardless of the overall performance of the Trust. The performance compensation rate varies however the performance rate is expected to vary between 0% to 20% of profits by the Underlying Fund, in excess of an annualised internal rate of return, which is commonly 8%, on the investment.

The fees incurred in the Underlying Fund level are indirect costs. These indirect costs are reflected in the Estimated Indirect Costs listed in Sections 12.1 and 12.2.

12.3.6. INDIRECT COSTS

In general, indirect costs are any amounts that directly or indirectly reduce the returns on the Units that are paid from the Trust, or the amount or value of the income or assets of the Trust (including any underlying investment of the Trust). The amount of indirect costs set out in the fees and costs table are an estimate in respect of the financial year ended 30 June 2019 (adjusted to reflect a 12 month period). Indirect costs may differ from the amount set out in the table.

Indirect costs are deducted from the returns on Investors' investment in the Trust or the Trust's assets as a whole. They are reflected in the NAV per Unit and are not an additional cost to you.

Indirect costs include advisory compensation paid to the GCM Group as manager of GCM Funds and the Underlying Investment Managers of other Underlying Funds. The total indirect costs that are paid from the income or assets of the Trust will be affected by the composition of the Portfolio including the amount allocated between the various asset types, and the selection, allocation and performance of the Underlying Funds and direct investments. For more information on the Trust's two levels of expenses refer to Section 12.3.5.

12.3.7. REIMBURSABLE EXPENSES

Pengana Investment Management Limited is entitled to be reimbursed from the Trust for all costs and expenses incurred in acting as responsible entity or in relation to the administration and management of the Trust. The expenses may include, but are not limited to, audit fees, Replacement PDS preparation and printing costs, and registry services. While as at the date of this Replacement PDS Pengana does not intend to recover any such costs from the Trust (except for transactional and operational costs, indirect costs and potentially any abnormal expenses that may arise), Pengana may do so in the future, in which case Pengana will give Investors 90 days' notice. Examples of abnormal expenses could include termination of the Trust or defending or bringing litigation proceedings.

FEES AND OTHER COSTS CONTINUED

12.3.8. TRANSACTIONAL AND OPERATIONAL COSTS

Transactional and operational costs are a broad category of costs incurred by the Trust that relate to managing the assets of the Trust including buying and selling Trust investments. Some of these costs are brokerage, settlement costs, settlement charges and clearing costs.

As the Trust is newly established, the Trust does not have historical transactional and operational costs. The Responsible Entity estimates the Trust's transaction and operational costs to be approximately 0.34% of the Trust's NAV for the current financial year ending 30 June 2019 (adjusted to reflect a 12 month period). This estimate of transactional and operation costs would translate to \$170 per annum incurred within the Trust and the Underlying Funds for every \$50,000 you have invested in the Trust.

Transactional and operational costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change. Further, there are highly variable drivers upon which such transactional and operational costs are dependent.

12.3.9. ALTERATION OF FEES

All fees in this Replacement PDS can change. Reasons might include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the Trust. Furthermore, as the Trust is newly established, any estimates of fees and costs in this Replacement PDS are based on information available as at the date of this Replacement PDS. As such, the actual fees and costs may differ and are subject to change from time to time. The Constitution sets the maximum amount the Responsible Entity can charge. The Responsible Entity is not currently permitted under the Trust's Constitution to charge a higher fee than provided for in this Replacement PDS, namely 0.05% p.a. of NAV. If the Responsible Entity wishes to raise its fee, the Responsible Entity would need to amend the Constitution in accordance with the Corporations Act and the relevant provisions in the Constitution. The Responsible Entity will give Unitholders at least 30 days' advanced notice of any proposed change to the fees detailed in this Replacement PDS where practicable.

12.3.10. TAXATION

For further information, refer to Section 16.

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

The fees and expenses set out in this 'Additional Explanation of Fees and Costs' Section are paid out of the Trust's assets. 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.

12.3.11. COMMISSION SHARING

GCM does not currently participate in "commission sharing" arrangements. However, GCM may in the future select service providers, including affiliates of GCM, that furnish GCM with proprietary or third-party brokerage and research services that provide, in GCM's view, appropriate assistance to GCM in its investment advisory process. As a result, GCM may pay for such brokerage and research services with "soft" or commission dollars.

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

12.3.12. 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).

13

GOVERNANCE

13.1. 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.

13.2. 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, 3rd 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 – Sets out the procedures for the Responsible Entity to comply with the Corporations Act and the Constitution. The Responsible Entity's compliance with the Compliance Plan is audited annually.

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 wholly owned subsidiaries in the provision of financial services as part of the financial services business of PCG and its wholly owned 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.

GOVERNANCE CONTINUED

13.3. 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 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 Board has adopted appropriate corporate governance policies and practices to lay solid foundations for management and oversight. The Board has formalised its role and responsibilities into a Board Charter, which is available in the Responsible Entity's Corporate Governance section of Pengana's website: www.pengana.com.

The Board delegates to the Responsible Entity's management team all matters not reserved to the 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.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The Board consists of two independent non-executive directors (one of which is the chair) and two directors who are executives of Pengana. The chair has the casting vote. 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 7.2.1 for brief biographies for each of the directors.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

PCG has a Code of Conduct which 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 Pengana. 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".

GOVERNANCE CONTINUED

The declarations under section 295A of the Corporations Act provide formal statements to the Board in relation to the Trust (refer to Principle 7). The declarations confirm the matters required by the Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Trust, including the Manager, which assist the Responsible Entity's Chief Executive Officer and Chief Financial Officer in making the declarations provided under section 295A of the Corporations Act.

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

In relation to recommendation 4.3 (External Auditor Attends AGM), the Trust does not intend to hold an annual general meeting and accordingly this recommendation is not applicable. If the Trust were to hold an annual general meeting this recommendation would be followed.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Responsible Entity has in place 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 requires service providers, including the Manager and the Investment Manager, to comply with its policy in relation to continuous disclosure for the Trust.

PRINCIPLE 6: RESPECT THE RIGHTS OF UNITHOLDERS

The Responsible Entity is committed to ensuring timely and accurate 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 receives and responds to communications from Unitholders and convenes formal and informal meetings of Unitholders, as required. The Responsible Entity handles any complaints received from Unitholders in accordance with the Pengana Group of Companies' Complaints Handling Policy. The Responsible Entity is a member of Australian Financial Complaints Authority, an independent dispute resolution body, which is available to Unitholders.

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 Group of Companies' formal risk management program which encompasses governance, compliance and risk systems designed to understand, quantify and mitigate risks. 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 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 Pengana. This is also in line with ASX's position (explained in the ASX Principles) which recognises that "ultimate responsibility for a listed entity's risk management framework rests with the full board".

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Trust does not have any employees. The directors and management of the Responsible Entity involved with the management of the Trust are remunerated by the Responsible Entity.

The fees and expenses which the Responsible Entity is permitted to pay out of the assets of the Trust are set out in the Constitution. The Trust's financial statements will provide details of all fees and expenses paid by the Trust during a financial period.

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FINANCIAL INFORMATION OF THE TRUST

14.1. 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 8.

14.2. UNAUDITED 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 22 February 2019 based on the minimum subscription of \$100 million; and
- the pro forma historical statement of financial position as at 22 February 2019 based on the maximum subscription of \$600 million.

The Financial Information (as defined above) has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Section 15. Investors should note the scope and limitations of the Independent Limited Assurance Report.

14.2.1. BASIS OF PREPARATION

The Directors of Pengana 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 18 January 2019 and has no trading history.

The Pro Forma Historical Statements of Financial Position have been derived from the unaudited historical statement of financial position of the Trust as at 22 February 2019 and adjusted for the effects of pro forma adjustments described in Section 14.6 of the Replacement PDS.

It is intended to be illustrative only and it neither reflects the actual position of the Trust as at the date of this Replacement 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 22 February 2019.

Significant accounting policies in respect of the Financial Information are set out in Section 14.7 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 11 and other information contained in this Replacement PDS.

FINANCIAL INFORMATION OF THE TRUST CONTINUED

14.2.2 UNAUDITED PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION (AS AT 22 FEBRUARY 2019)

	SECTION REF.	MINIMUM SUBSCRIPTION \$100 MILLION (\$)	MAXIMUM SUBSCRIPTION \$600 MILLION (\$)
Assets			
Cash	14.4	100,000,000	600,000,000
Financial Assets (Alignment Shares)	14.5	5,000,000	30,000,000
Total Assets		105,000,000	630,000,000
Total Liabilities		–	–
Net Assets		105,000,000	630,000,000
Equity			
Contributed Equity	14.3	100,000,000	600,000,000
Other Equity Reserve		5,000,000	30,000,000
Total Equity		105,000,000	630,000,000
Pro forma NAV backing per Unit (\$)		1.3125	1.3125

14.3. CAPITAL STRUCTURE

The anticipated capital structure of the Trust on completion of the Offer is set out below:

	MINIMUM SUBSCRIPTION \$100 MILLION	MAXIMUM SUBSCRIPTION \$600 MILLION
Units on Issue	80,000,000	480,000,000

The Trust was established through the issuance of 10 Units which will be automatically redeemed upon the allotment of Units pursuant to this Offer.

14.4. 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 \$600 MILLION
Proceeds of Offer	100,000,000	600,000,000
Pro forma historical cash	100,000,000	600,000,000

14.5. FINANCIAL ASSETS (ALIGNMENT SHARES)

On the Allotment Date, PCG will issue Alignment Shares to the Trust equal to 5% of the total amount raised under the Offer.

	MINIMUM SUBSCRIPTION \$100 MILLION	MAXIMUM SUBSCRIPTION \$600 MILLION
Alignment Shares	5,000,000	30,000,000

FINANCIAL INFORMATION OF THE TRUST CONTINUED

The issue of Alignment Shares to the Trust will be at a nominal cost, being an aggregate price of \$1.00 for all Alignment Shares issued.

The Alignment Shares will be recognised as a financial asset on the statement on financial position and will be subsequently measured at fair value through profit or loss at the end of each reporting period.

Due to the nature of these Alignment Shares they will be valued at parity with the PCG ordinary shares on the ASX. The different characteristics of the Alignment Shares compared to ordinary shares have been considered as valuation factors and any impact deemed immaterial.

Approximately two years after the commencement of trading of the Units on the ASX, the Responsible Entity intends to distribute the Alignment Shares to Unitholders in proportion to the size of their Unitholding, subject to determination by the Responsible Entity to distribute. Alignment Shares will convert into ordinary shares in PCG on such distribution.

Refer to Section 9 of this Replacement PDS for further details on the Alignment Shares and Section 16 for taxation implications of the Trust.

14.6. ASSUMPTIONS

The Pro Forma Historical Statements of Financial Position have been prepared on the basis of the following assumptions:

- (a) Application of the proposed accounting policies set out in Section 14.7.
- (b) The column "Minimum Subscription \$100,000,000" is based on the subscription of 80,000,000 Units by Applicants under this Replacement PDS.
- (c) The column "Maximum Subscription \$600,000,000" is based on the subscription of 480,000,000 Units by Applicants under this Replacement PDS.
- (d) 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
- (e) The Trust was established through the issuance of 10 units which will be automatically redeemed upon the allotment of Units pursuant to this Offer.

14.7. 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:

14.7.1. BASIS OF PREPARATION

The Financial Information has been prepared on an accrual basis.

14.7.2. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into Australian Dollars using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net foreign exchange gains/(losses) in the statement of 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.

14.7.3. INVESTMENTS

14.7.3.1. 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:

FINANCIAL INFORMATION OF THE TRUST CONTINUED

- (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.

14.7.3.2. 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 time frame generally established by regulation or convention in the market place.

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.

FINANCIAL INFORMATION OF THE TRUST CONTINUED

14.7.3.3. Measurement

At initial recognition, the Trust measures its financial assets and liabilities at fair value, excluding 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.

14.7.3.4. 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.

14.7.4. 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 amount remains unpaid at reporting date.

14.7.5. 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.

FINANCIAL INFORMATION OF THE TRUST CONTINUED

14.7.6. 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.

14.7.7. 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.

14.7.8. UNITS

The Units will be classified as equity. Costs directly attributable to the issue of the Units will be recognised as a deduction from equity, net of any tax effects.

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INDEPENDENT LIMITED ASSURANCE REPORT





Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

22 February 2019

The Board of Directors
Pengana Investment Management Limited
as Responsible Entity of Pengana Private Equity Trust
Level 12, 167 Macquarie Street
Sydney NSW 2000

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 Private Equity Trust (the "Trust"), to report on the pro forma historical statements of financial position of the Trust for inclusion in the replacement product disclosure statement to be dated on or about 22 February 2019 ("Replacement PDS"), and to be issued by the Responsible Entity, in respect of the offer of up to 480,000,000 fully paid ordinary units in the Trust at a subscription price of \$1.25 per unit (the "Offer").

Expressions and terms defined in the Replacement 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 22 February 2019 based on the minimum subscription of \$100 million, as set out in section 14.2.2 of the Replacement PDS; and
- ▶ The pro forma historical statement of financial position as at 22 February 2019 based on the maximum subscription of \$600 million, as set out in section 14.2.2 of the Replacement 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 22 February 2019 adjusted for the effects of pro forma adjustments described in Section 14.6 of the Replacement 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 22 February 2019.

Due to its 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 Replacement 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 and included in 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 pro forma historical financial information of the Trust comprising:

- ▶ The pro forma historical statement of financial position as at 22 February 2019 based on the minimum subscription of \$100 million, as set out in section 14.2.2 of the Replacement PDS; and
- ▶ The pro forma historical statement of financial position as at 22 February 2019 based on the maximum subscription of \$600 million, as set out in section 14.2.2 of the Replacement PDS

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 14.2.1 of the Replacement PDS.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 14.2 of the Replacement 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 Replacement PDS in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

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TAXATION

This section provides an overview of the likely Australian income tax, Goods and Services 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 Replacement PDS. These laws are subject to reform/change periodically as are 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 as long term investments 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 overview is of a general nature and is not intended to be legal advice. Potential Investors should obtain their own independent professional advice on the tax implications of holding or disposing of Units based on their own specific circumstances.

16.1. TAXATION OF THE TRUST

The Trust will generally be treated as a "flow-through" entity for Australian income tax purposes and will 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 may include:

- Distributions paid to the Trust or credited to the account of the Trust;
- Foreign exchange gains and losses attributable to Australian currency exchange rate movements in respect of assets of the Trust;
- Interest income on deposits and cash equivalent investments held by the Trust; and
- Net capital gains.

In the event the Alignment Shares are distributed in-specie to Unitholders, a taxable disposal event will arise for the Trust for capital gains tax purposes. Any capital gain arising from such distribution will also be included in the calculation of the taxable income of the Trust for the financial year in which the disposal occurs.

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. Similarly, any net capital losses can be carried forward by the Trust to be utilised to offset future capital gains.

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.

16.1.1. MANAGED INVESTMENT TRUST STATUS

If the Trust qualifies as a managed investment trust ("MIT") for Australian income tax purposes it will be able to make an irrevocable election to apply deemed capital account treatment (referred to as the 'capital account election') to the extent it derives any gains and losses on the disposal of certain eligible assets (such as shares in companies and units in unit trusts but excluding assets that are derivatives, foreign exchange or any other investments that are subject to the Taxation of Financial Arrangements ("TOFA") provisions). In this case, any capital gains derived by the Trust from the disposal of such eligible assets that have been held for at least 12 months should qualify for the discount CGT concession. The capital account election does not apply to dividends, interest or gains derived from non-eligible assets. The Responsible Entity expects the Trust, as a listed fund, to qualify as a MIT and intends for the Trust to make the capital account election if eligible to do so.

16.1.2. ATTRIBUTION MANAGED INVESTMENT TRUST STATUS

The Responsible Entity expects that the Trust will be able to make an irrevocable election to apply the Attribution Managed Investment Trust ("AMIT") provisions and that the Responsible Entity intends to make such an election. In this case, the Responsible Entity intends to attribute the taxable income of the Trust to the Investors in accordance

TAXATION CONTINUED

with the AMIT rules 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. As discussed in Section 8.9, the Trust may determine to only make a cash distribution for each financial year equal to the Target Cash Distribution or Early Years Intended Cash Distribution, as the case may be. To that end, the Trust may determine to accumulate or defer part of the Trust's income in the Trust. In this case, the taxable income of the Trust that is attributed to an Investor (and which must be included in an Investor's income tax return) may be more than the total cash distribution received in respect of the relevant financial year.

If the Trust cannot or does not elect into the AMIT provisions, the general taxation rules on trusts will continue to apply to the Trust. If this is the case, it is intended that Investors will be presently entitled to all of the income of the Trust for each financial year such that no taxation will accrue to the Trust.

16.1.3. 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. In the event that the CFC rules applied to the Trust, the taxable income of the Trust may include its share of the taxable income of the CFC calculated as if the CFC were a resident taxpayer, less any assessable interim distributions paid by the CFC.

16.2. TAXATION OF AUSTRALIAN RESIDENT INVESTORS

Investors will include in their assessable income their share of the taxable income of the Trust that is attributed to them each financial year. The various components of the taxable income of the Trust should retain their character in the hands of the Investors for Australian tax purposes.

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.

The amount of taxable income attributed to an Investor for a financial year under the AMIT rules may be more or less than the amount of cash distributed to the Investor for the financial year. In this case, an Investor's cost base in their Units held will be adjusted by the net difference between the taxable income attributed to them (inclusive of any tax free component of a discount capital gain) and the cash distributions made to the Investor in respect of their Units (also taking into account certain tax offsets that are attributed to an Investor by the Trust). If the tax cost base of a Unit is reduced to nil, the Investor should derive a capital gain on any further cash distributions that would otherwise require a reduction of cost base. Any net annual tax cost base adjustment amount will be detailed in the AMMA Statement provided to Investors.

16.2.1. CAPITAL GAINS

If an Investor's share of the taxable income of the Trust includes discount capital gains derived by the Trust, the Investor will need to first "gross up" the discount capital gain (i.e., by multiplying it by 2). However, after the gross up, the Investor may be able to reduce their capital gains by any capital losses which are available to the Investor. In addition, after applying any capital loss, Investors that are an Australian resident individual, trust or complying superannuation fund, may then be entitled to apply a capital gains discount of 50% (for individuals and trusts) or 33.3% (for complying superannuation funds). Companies are not entitled to the capital gains discount.

16.2.2. FOREIGN INCOME TAX OFFSET

The Trust may derive foreign source income that may be subject to taxation in a foreign jurisdiction (for example, withholding tax), which is then attributed to Investors.

Investors are required to include in their assessable income their share of any foreign taxes paid by the Trust. Provided the relevant requirements are satisfied, Investors should be entitled to claim a foreign income tax offset ("FITO") in respect of the foreign taxes paid, which can be used to reduce the Australian tax payable on their share of the foreign source income of the Trust. The amount of the FITO for each financial year is generally capped at the greater of \$1,000 and the Australian tax payable by the Investor on its share of the foreign source income of the Trust (and any other assessable foreign source income derived by the Investor).

To the extent that an Investor has excess FITOs in a particular financial year (e.g., has insufficient foreign source income to utilise all of its FITOs) the excess is lost and cannot be carried forward to be utilised in future financial years.

TAXATION CONTINUED

16.2.3. DISPOSAL OF UNITS

Capital gains tax may arise to Investors upon a disposal of units. A capital gain will arise to an Investor where the capital proceeds from the disposal exceeds the cost base of the Units. A capital loss will arise to an Investor where the capital proceeds from the disposal is less than the reduced cost base of the Units.

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 33.3%. Companies are not entitled to the capital gains discount.

16.3. 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 distribution of capital gains by the Trust (including in respect of a distribution in-specie of the Alignment Shares) or on a disposal of Units on the basis that the Trust is not expected to hold material interests in Australian real estate.

16.4. 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 will be required to deduct tax from distributions to such Investor at the highest personal marginal rate plus the Medicare levy and any other applicable levies.

16.5. GOODS AND SERVICES TAX

The issue or disposal of Units, and the receipt of distributions, will not trigger a GST liability for Investors. However, GST is 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 of its 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).

16.6. STAMP DUTY

The issue or disposal of Units, and the receipt of distributions will not be subject to stamp duty.

16.7. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

In compliance with the US income tax laws commonly referred to as the FATCA and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Trust will be required to provide 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 will also be required to report such accounts to the ATO.

16.8. COMMON REPORTING STANDARD (CRS)

The 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.

16.9. ANNUAL INVESTMENT INCOME REPORT (AIIR)

The Responsible Entity is required to lodge annually an AIIR to the ATO containing Investor identity details and investment income paid to Investors for the relevant financial year.

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MATERIAL CONTRACTS

17.1. 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.

17.1.1. 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.

17.1.2. INCOME AND DISTRIBUTIONS

The Responsible Entity will generally determine the distributable income of the Trust for each tax year as set out in Section 8.9. 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.

17.1.3. LIABILITY OF UNITHOLDERS

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.

MATERIAL CONTRACTS CONTINUED

17.1.4. 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 Fund, 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.

17.1.5. IN-SPECIE DISTRIBUTION OF ASSETS THAT ARE SHARES

If the Responsible Entity transfers any assets of the Trust that are shares in a company in lieu of paying cash in satisfaction of all or part of a redemption request, in payment of a distribution of income or capital, amounts owing under a buyback or as part of the winding up of the Trust or any other amounts owing to a Unitholder of the Trust, the Unitholder who is the transferee of the shares in a company is deemed to have agreed to becoming a member of the company.

17.2. 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.

17.2.1. 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 private market investments, with a focus on private equity, private credit and opportunistic strategies; and
- subscribe for the Alignment Shares to the value of 5% of the amount raised under the Offer for nominal cash consideration on listing.

17.2.2. 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.

17.2.3. 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:
 - (i) assets of the kind required to be delivered under the derivative contract;
 - (ii) other derivative contracts or assets which substantially offset the underlying liability under the derivative contract; and/or
 - (iii) cash or immediately realisable assets of sufficient value either to discharge the maximum contingent liability or effect an offset as described in (ii);

MATERIAL CONTRACTS CONTINUED

- (b) delegate any of its discretionary management powers under the Management Agreement;
- (c) 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;
- (d) 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;
- (e) 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
- (f) 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).

17.2.4. 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 17.3 below).

17.2.5. FEES

The Responsible Entity and the Manager are each entitled to the fees set out in Section 12 of this Replacement PDS pursuant to the Management Agreement.

17.2.6. 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.

17.2.7. EXCLUSIVITY

The Manager may not perform similar investment and management services to the services performed for the Responsible Entity under the Management Agreement in respect of the Trust for any other listed investment trusts or other commingled product that utilises the same or substantially similar investment strategy as the Trust, and are registered, listed or otherwise domiciled in Australia, or are offered to retail clients in Australia. The Management Agreement does not prevent the Manager from performing similar investment and management services for itself or any managed accounts or "funds of one", or any other commingled product that are not offered to retail clients in Australia.

The Responsible Entity may not market another product that is the same or substantially similar to the Trust.

MATERIAL CONTRACTS CONTINUED

17.2.8. TERM

The initial term of the Management Agreement commences as at and from the date the Trust was commenced 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).

17.2.9. TERMINATION

17.2.9.1. 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.

17.2.9.2. 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) the Manager ceases to be a member of the Pengana Group of Companies;
- (g) relevant law requires the Management Agreement to terminate.

17.2.9.3. Termination by the Manager

The Management Agreement gives the Manager the right to terminate the Management Agreement by 3 months' written notice 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).

MATERIAL CONTRACTS CONTINUED

17.2.10.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, after consultation with the Responsible Entity, pay or cause to be paid to the Responsible Entity (or as the Responsible Entity otherwise directs) the net realisable value of any shares listed on a foreign exchange or any prescribed interest in a scheme or any interest in a managed investment scheme promoted by the Manager or the proportion of any asset which is held jointly and is indivisible; and
- (f) 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.

17.2.11.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.

17.2.12.AMENDMENT

The Management Agreement may only be altered by the agreement of the parties to the Management Agreement, and the Investment Manager is also party 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.

17.2.13.CHANGE OF CONTROL PROVISIONS

The Manager has no right to terminate the Management Agreement in the event of a change of control of the Responsible Entity. The Responsible Entity has a right to terminate the Management Agreement in the event the Manager ceases to be a member of Pengana Group of Companies.

17.2.14.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. The Responsible Entity must not fail to exercise its rights of indemnity against the Trust to meet its liabilities.

MATERIAL CONTRACTS CONTINUED

17.2.15. 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.

17.3. 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.

17.3.1. 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 Portfolio is to invest in a diversified portfolio of private market investments, with a focus on private equity, private credit and opportunistic strategies. Section 8 of this Replacement PDS outlines how the Investment Manager will invest and manage the Portfolio.

17.3.2. 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 Portfolio and to do all things and execute all documents necessary for the purpose of managing the Portfolio.

The Manager may, at any time, instruct the Investment Manager or vary the guidelines applicable to the Portfolio and the Investment Manager in the performance of the Investment Manager's functions from that time, provided that:

- (a) the Manager may not instruct the Investment Manager to deviate from the Investment Strategy or manage the Portfolio in a manner which the Investment Manager believes not in the best interests of Investors; and
- (b) the Manager may not instruct the Investment Manager concerning investments in and/or redemptions/reallocations from any specific Underlying Funds.

The Manager has sole responsibility for the consequences of that instruction or variation. However, the Investment Manager need not comply with any such instruction which the Investment Manager reasonably believes would violate any relevant law, require the Investment Manager to unreasonably obtain any additional registration or approval, make any additional filing or be subject to any additional tax, or result in the Investment Manager deviating from the Investment Strategy or managing the Portfolio in a manner which the Investment Manager believes is not in the best interests of Investors, or acting on any of the Manager's instructions concerning investments in and/or redemptions/reallocations from any specific Underlying Funds. The Investment Manager may complete any transaction already commenced provided it does not act contrary to any reasonable direction by the Manager.

17.3.3. POWERS AND DISCRETIONS OF THE MANAGER

The Investment Manager must not without the prior consent of the Manager:

- (a) enter into derivative contracts unless the Investment Manager reasonably believes there are sufficient assets in the Portfolio to support the underlying liability of the Responsible Entity under every derivative contract under normal market conditions in the form of one or more of the following:
 - (i) assets of the kind required to be delivered under the derivative contract;
 - (ii) other derivative contracts or assets which substantially offset the underlying liability under the derivative contract;
 - (iii) extension of credit from one or more lenders; and/or
 - (iv) cash or immediately realisable assets of sufficient value either to discharge the maximum contingent liability or effect an offset as described in (ii);
- (b) delegate any of its discretionary management powers under the Investment Management Agreement;
- (c) charge or encumber in any way (other than as arises by lien in the ordinary course of business, the management of the Portfolio, or by statutory charge) any asset in the Portfolio;

MATERIAL CONTRACTS CONTINUED

- (d) perform any broking function in relation to the Portfolio, but the Investment 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 Portfolio, 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 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 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 Responsible Entity's liability to the broker in respect of such transaction;
- (e) enter into any derivative contract or any transaction involving leverage on behalf of the Responsible Entity or the Trust unless the Investment Manager has customary assurances that the counterparty to such derivative contract or transaction is aware that 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
- (f) engage in securities lending in relation to the Portfolio (in which case the Investment Manager shall first agree to a securities lending policy for the Portfolio with the Responsible Entity).

17.3.4. DELEGATION

The Investment Manager may not delegate any of its discretionary management powers without the prior written consent of the Manager.

17.3.5. FEES

Section 12 sets out the Investment Manager's fees for which the Trust is liable pursuant to the Investment Management Agreement.

17.3.6. EXPENSES

The Responsible Entity must pay, or reimburse the Investment Manager for, all taxes, costs, charges and expenses properly incurred in connection with the investment and management of the Portfolio or the acquisition, disposal or maintenance of any investment of the Portfolio (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 Portfolio.

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 in accordance with the Investment Manager's compliance policies concerning allocation of expenses.

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 this Agreement (if any) and like expenses, costs incurred by the Investment Manager's employees in the course of providing assistance with the Responsible Entity's marketing activities, and any investment-related expenses (excluding any extraordinary expenses and any expenses that are capitalised into a particular investment cost), such as payments made to independent third-party vendors, consultants or professional advisers, relating to the Investment Manager making investments for the Portfolio under the Investment Management Agreement.

The Responsible Entity must pay, or reimburse, the Investment Manager for the reasonable costs associated with independent third-party vendor support used by the Investment Manager in connection with:

- (a) the calculation of the Investment Manager's Secondaries Management Fee and Secondaries Carried Interest Fee (refer to Sections 12.3.4.1 and 12.3.4.2 for a detailed explanation of these fees); and
- (b) the collection and aggregate of information which is required for reporting to the Manager and/or the Responsible Entity and cannot practically be performed by the Administrator,

subject to the appointment of the independent third-party vendor by the Responsible Entity or where otherwise appointed with the prior consent of the Responsible Entity. The Responsible Entity retains the right to appoint the Administrator to perform the above tasks at any time should this be possible.

MATERIAL CONTRACTS CONTINUED

17.3.7. EXCLUSIVITY

Provided that the net tangible assets of the Portfolio exceed \$100 million, the Investment Manager may not perform similar investment and management services to the services performed under the Investment Management Agreement in respect of the Trust for any other listed investment trusts or other commingled product that utilises the same or substantially similar investment strategy as the Trust, and are registered, listed or otherwise domiciled in Australia, and are offered to retail clients in Australia. The Investment Management Agreement does not prevent the Investment Manager from performing similar investment and management services for itself or any managed accounts or “funds of one”, or any other commingled product that is not offered to retail clients in Australia.

The Responsible Entity or the Manager may not market another product that is the same or substantially similar to the Trust.

17.3.8. TERM

The initial term of the Investment Management Agreement commences as at and from the date the Trust was commenced 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).

17.3.9. TERMINATION

17.3.9.1. Termination by the Unitholders

After the expiry of the initial term, the Investment Management Agreement will terminate three months after an ordinary resolution of the Trust is passed to end the Investment Management Agreement.

17.3.9.2. Termination by the Manager

The Investment Management Agreement gives the Manager the right to terminate the Investment Management Agreement and remove the Investment Manager by three months' 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 knowingly and materially breaches any provisions of the Investment Management Agreement, or knowingly and materially fails to observe or perform any representation, warranty or undertaking given by the Investment Manager under the Investment Management Agreement, and such breach or failure materially adversely affects the Trust, the Manager and/or the Responsible Entity, and is incapable of being remedied or where 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) is finally determined by any court to have engaged in gross negligence, wilful misconduct, wilful malfeasance or criminal conduct constituting a felony, that is reasonably material to the ability of the Manager to perform its responsibilities under the Investment Management Agreement as certified to the Investment Manager by the chief executive officer of the Responsible Entity;
- (e) a change in control of the Investment Manager occurs within the meaning and for purposes of the U.S. Investment Advisers Act of 1940;
- (f) the Investment Manager unreasonably withholds, delays or conditions its consent to any investment instruction provided by the Manager; provided, however, that any request for consent by the Manager to any investment instruction that could reasonably be expected to have a materially negative impact on the Investment Manager's anticipated economics under this Agreement shall be presumed to be unreasonable;
- (g) the performance of the Portfolio (excluding any investments made by the Portfolio for which the Manager provided investment instructions) materially and persistently underperforms the performance of an appropriate peer group of similarly constructed investment portfolios implementing substantially similar investment strategies and subject to substantially similar legal, regulatory or other similar restrictions or requirements that are managed by other managers, considered on a rolling 10 year basis (the first window of which begins with the commencement of the initial term), it being understood that performance shall be considered in the context of changing laws and other factors that may indicate that such investment objectives were no longer realistic; or

MATERIAL CONTRACTS CONTINUED

- (h) relevant law requires the Investment Management Agreement to terminate, despite the parties using reasonable best efforts (including negotiating in good faith to amend the Investment Management Agreement to the minimum extent necessary to eliminate such requirement of termination).

The Manager must exercise its termination right with respect to any given occurrence of any one or more of the circumstances described above within 10 business days of the day on which the Manager knew, or reasonably should have known, of such occurrence or the Manager's termination right with respect to that occurrence (but not any other occurrence of any of such circumstances) will conclusively be deemed to have been waived and no longer of any force or effect.

17.3.9.3. Termination by the Investment Manager

The Investment Management Agreement gives the Investment Manager the right to immediately terminate the Investment Management Agreement with at least three months' 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 knowingly and materially breaches any provisions of the Investment Management Agreement, or knowing and 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) relevant law requires the Investment Management Agreement to terminate, despite the parties using reasonable best efforts (including negotiating in good faith to amend the Investment Management Agreement to the minimum extent necessary to eliminate such requirement of termination).

The Investment Manager may also terminate the Investment Management Agreement by giving to the Manager no less than three months' notice of termination (or such lesser period as may in the future be required by relevant law) in the event that the Manager instructs the Investment Manager in such manner that the Investment Manager need not comply with such instruction (for the reasons described in Section 17.3.2 above) and the Manager persists in such instruction despite the objections of the Investment Manager.

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, or such lesser period as may in the future be required by relevant law). If the Investment Manager terminates the Investment Management Agreement without cause, the exclusivity restriction (described in Section 17.3.7 above) survives the termination of the Investment Management Agreement for 24 months from the date of termination.

17.3.9.4. Termination on termination of the Management Agreement

The Investment Management Agreement terminates on the termination of the Management Agreement. The Manager will immediately notify the Investment Manager in the event that the Management Agreement terminates; provided that the Manager and the Responsible Entity may only terminate the Management Agreement under circumstances which would also permit termination of the Investment Management Agreement, and not as a means of indirectly terminating the Investment Management Agreement under circumstances in which it could not otherwise be terminated.

17.3.10. INVESTMENT MANAGEMENT AFTER TERMINATION

The Investment Manager may deal with the Portfolio for up to 60 business days from the effective date of termination of the Investment Management Agreement in order to vest control of it in the Responsible Entity (or as the Responsible Entity or the Manager may otherwise direct in writing) and shall continue to receive its fees to the extent they relate to the portion of the Portfolio the Investment Manager is still dealing with for providing such services. During that time, the Investment Manager:

- (a) subject to the consent of the Responsible Entity or the Manager (such consent not to be unreasonably withheld, delayed or conditioned), may enter transactions to settle or otherwise extinguish or offset obligations incurred by the Investment Manager in relation to the Portfolio before that date;

MATERIAL CONTRACTS CONTINUED

- (b) shall use reasonable endeavours, with respect to obligations not capable of settlement before transfer of the Portfolio, to identify for the Responsible Entity and the Manager such contingent liabilities as the Investment Manager believes may reasonably be expected to arise, and notify the Responsible Entity and the Manager of the applicable provision — the Responsible Entity and the Manager being required to procure that the Custodian holds sufficient assets of the Portfolio to satisfy that contingent liability (assuming such liability, in fact, arises in full);
- (c) may instruct the Custodian to deduct from the Portfolio the fees, charges and expenses due to the date on which the transfer of the Portfolio is effected if, after giving 10 business days' notice to the Responsible Entity and the Manager of its intention to so direct the Custodian, the Responsible Entity or the Manager has not objected, and all charges and expenses incurred in such actions;
- (d) shall use commercially reasonable endeavours to deliver to the Responsible Entity (or as the Responsible Entity or the Manager reasonably directs) all records which may reasonably be requested by the Responsible Entity or the Manager in respect of the Portfolio;
- (e) may, after consultation with the Responsible Entity and the Manager, pay or cause to be paid to the Responsible Entity (or as the Responsible Entity and the Manager otherwise directs) the net realisable value of any shares listed on a foreign exchange or any prescribed interest in a scheme or an interest in a managed investment scheme promoted by a GCM Party or an interest in an Underlying Fund or the proportion of any asset which is held jointly and is indivisible; and
- (f) may deal with the Portfolio in accordance with instructions from the Responsible Entity or from a new investment manager appointed by the Responsible Entity or the Manager.

The Manager shall take all necessary steps to facilitate the transfer of the Portfolio from the Investment Manager.

17.3.11. INVESTMENT IN GCM FUNDS

The Investment Manager will invest the Portfolio in GCM Funds. To be eligible for investment by the Portfolio, the GCM Fund must meet the following minimum requirements:

- (a) it must be established as an entity in which Investors have limited liability;
- (b) it must have a finite investment term, which will typically be between eight and ten years (but may be longer) following the final closing of the GCM Fund with the rights from the general partner to extend the term for up to two successive one-year periods;
- (c) it must have a mechanism to dissolve and liquidate the GCM Fund;
- (d) it must have a mechanism for the limited partners to remove and replace the general partner of the GCM Fund, or to dissolve the GCM Fund, at least for cause (which shall be at a level no greater than 66 2/3% of the investors (by size of investment) in the GCM Fund);
- (e) it must grant the general partner of the GCM Fund the right to terminate the investment manager;
- (f) it must have a mechanism to suspend the Commitment period of the GCM Fund, if applicable;
- (g) it must have a mechanism to permit the transfer of interests in the GCM Fund (namely to permit the interest in such GCM Fund held by the Trust to be sold/disposed of). If approval from the applicable GCM Party manager is required in order to transfer the Trust's interest in such GCM Fund, this approval shall not be unreasonably withheld, delayed or conditioned in respect of such interests.

In connection with any investment in a GCM Fund, the Investment Manager agrees that:

- (a) if the Investment Management Agreement is terminated pursuant to an ordinary resolution of the Trust (as described in Section 17.3.9.1 above), upon a termination of the Investment Management Agreement, each GCM Fund in which the Portfolio invests will excuse or exclude the Portfolio from any new investments made by such GCM Fund following such termination.
- (b) if the Investment Management Agreement is terminated pursuant to an ordinary resolution of the Trust (as described in Section 17.3.9.1 above), or is terminated by the Manager because of the default of the Investment Manager (as described in Section 17.3.9.2 above), following the termination of the Investment Management Agreement, the Investment Manager agrees to use its reasonable best endeavours: (a) to introduce the Manager to secondary investment firms and/or other potential parties (including affiliates of the Investment Manager) that are in the market to purchase secondary interests in the GCM Funds; and (b) to facilitate the sharing of information relating to the Portfolio's interests in the GCM Funds with suitable parties on a confidential basis.

MATERIAL CONTRACTS CONTINUED

The Investment Manager and its affiliates may receive fees, carried interest and expense reimbursements from the respective GCM Funds. The Investment Manager agrees that investments by the Portfolio in a GCM Fund will be subject to fees, carried interest and expense reimbursement terms generally applicable to other institutional investors in such GCM Funds on such terms (including specifically the calculation methodology) as are set forth in such GCM Fund's private placement memorandum or similar offering document or prospectus.

17.3.12. AMENDMENT

The Investment Management Agreement (except in relation to investment instructions) may only be altered by the agreement of the parties to the agreement, and PCG is also party to the Investment Management Agreement. However, material changes to the Investment Management Agreement will only be made if the Responsible Entity has obtained Unitholder approval to these material changes.

17.3.13. CHANGE OF CONTROL PROVISIONS

The Investment Manager has no right to terminate the Investment Management Agreement in the event of a change of control of the Manager. The Manager has a right to terminate the Investment Management Agreement in the event a change in control of the Investment Manager occurs within the meaning and for purposes of the Advisers Act.

17.3.14. MANAGER INDEMNITY

The Manager shall indemnify the GCM Parties against any losses or liabilities reasonably incurred by the GCM Parties arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any GCM Party acting under the Investment Management Agreement or on account of any investment decision made by any GCM Party except insofar as any loss, liability, cost, charge or expense is finally determined to be directly caused by the negligence, fraud or dishonesty of such GCM Party or a supervised agent of such GCM Party. This obligation continues after the termination of the Investment Management Agreement.

17.3.15. INVESTMENT MANAGER INDEMNITY

The Investment Manager shall indemnify the Manager against any losses or liabilities reasonably incurred by the Manager or the Responsible Entity arising out of, or in connection with, and any costs, charges and expenses incurred directly as a result of conduct of a GCM Party finally determined to constitute negligence, fraud or dishonesty of the GCM Party or its supervised agents, provided that none of the Manager, the Responsible Entity or any of their respective affiliates shall itself have been negligent, fraudulent or dishonest in connection with the circumstances giving rise to such claim for indemnification. This obligation continues after the termination of the Investment Management Agreement.

The Investment Manager is only required to pay any amount under this indemnity once it has been finally determined that, or the Investment Manager has agreed that, the relevant cost, charge or expense was incurred directly as a result of the negligence, fraud or dishonesty of a GCM Party or its supervised agents.

17.4. ALIGNMENT SHARE TERMS

17.4.1. ISSUE OF ALIGNMENT SHARES

17.4.1.1. Terms of issue

This section sets out the terms of the non-transferable, non-redeemable converting preference shares ("Alignment Shares") to be issued by Pengana Capital Group Limited ACN 059 300 426 ("PCG") to the custodian of the Pengana Private Equity Trust ("Holder") ("Alignment Share Terms").

17.4.1.2. Separate class

The Alignment Shares are a separate class of shares in PCG.

17.4.1.3. Listing

The Alignment Shares will not be quoted on any stock exchange.

17.4.1.4. Issue price

The Alignment Shares will be issued as fully paid at an aggregate issue price of A\$1.00.

MATERIAL CONTRACTS CONTINUED

17.4.2. RIGHTS AND RESTRICTIONS

17.4.2.1. Notice, reports, audited accounts and meeting

Each Alignment Share gives the Holder the same rights as those conferred by PCG's constitution on the holder of a fully paid ordinary share in the capital of PCG ("Ordinary Share") to receive notices, reports and audited accounts and to attend general meetings of PCG.

17.4.2.2. Voting

An Alignment Share does not give the Holder any right to vote at any general meeting of PCG except:

- (a) during the period in which a dividend or part of a dividend in respect of the Alignment Share is in arrears;
- (b) on a proposal to reduce PCG's share capital;
- (c) on a resolution to approve the terms of a buy-back agreement;
- (d) on a proposal to affects rights attached to an Alignment Share;
- (e) on a proposal to wind up PCG;
- (f) on a proposal for the disposal of the whole of PCG's property, business and undertaking;
- (g) during the winding up of PCG; and
- (h) in any other circumstances in which the Listing Rules requires holders of Alignment Shares to be entitled to vote.

In the circumstances contemplated in the above paragraph, the Holder will be entitled:

- (a) on a show of hands, to one vote; and
 - (b) on a poll, to one vote for each Alignment Share held by the Holder,
- on each applicable resolution.

17.4.2.3. Dividends and distributions

On each occasion on which a dividend is paid by PCG to the holders of Ordinary Shares, a dividend must also be paid to the Holder so that the Holder receives the same amount as it would have received had its Alignment Shares been converted into Ordinary Shares on the record date of the applicable dividend.

Each dividend on an Alignment Share is to rank for payment equally with the rights in respect of dividends of the holders of Ordinary Shares and behind any other classes of shares that by their terms rank in priority to Alignment Shares.

17.4.2.4. Right to participate in capital and profits on winding up

The Holder of Alignment Shares has the right, on liquidation or a winding up of PCG, in respect of each Alignment Share held by it, to payment of an amount in priority to all holders of other classes of shares in the capital of PCG, equal to the aggregate of the following:

- (a) the amount paid up on the Alignment Share; and
- (b) the amount of all dividends declared but unpaid in respect of the Alignment Share at the date of commencement of the liquidation or winding up.

The Holder of the Alignment Shares will otherwise not have the right to participate in any surplus assets or profits of PCG on the liquidation or winding up of PCG in respect of those Alignment Shares.

17.4.2.5. Conversion

Each Alignment Share automatically converts into an Ordinary Share in accordance with section 17.4.3 below.

17.4.2.6. Redemption

An Alignment Share is not redeemable.

17.4.2.7. Transferability

An Alignment Share is not transferable (other than as may be required in connection with section 17.4.3.1 below).

MATERIAL CONTRACTS CONTINUED

17.4.3. CONVERSION

17.4.3.1. In-specie distribution

Subject to the Corporations Act and the Listing Rules and a determination by the Responsible Entity of the Holder, the Holder may effect an in-specie distribution of the Alignment Shares to Unitholders on or about the date that is two years after the date on which the Alignment Shares are issued by PCG to the Holder ("Issue Date") on a date to be determined by the Holder.

17.4.3.2. Automatic conversion

On the date on which a particular Alignment Share is transferred from the Trust under section 17.4.3.1 above, immediately on an Alignment Share ceasing to be registered in the name of the custodian of the Holder, that Alignment Share will automatically, and without any further act required by PCG or the Holder, convert into Ordinary Shares on a one for one basis (subject to any adjustment in accordance with section 17.4.3.3 below) ("Conversion").

17.4.3.3. Subdivision or consolidation

If the Ordinary Shares are subdivided or consolidated the number of Ordinary Shares into which each Alignment Share converts will be increased or decreased to reflect the effect of that subdivision or consolidation.

17.4.3.4. Status on conversion

The Ordinary Shares resulting from Conversion of Alignment Shares:

- (a) have the same rights as all other fully paid Ordinary Shares; and
- (b) rank equally with all other fully paid Ordinary Shares on issue.

The Conversion of Alignment Shares into Ordinary Shares does not constitute cancellation, redemption or termination of an Alignment Share or an issue, allotment or creation of a new Ordinary Share, but has the effect of varying the status of, and the rights attaching to, the applicable Alignment Shares so that they become Ordinary Shares.

17.4.3.5. Registering Conversion

PCG must use all reasonable endeavours to procure the quotation on ASX of the Ordinary Shares created by and issued pursuant to Conversion (including, if applicable, by deliverable a completed notice to ASX in the form of Appendix 3B to the Listing Rules in relation to PCG).

17.4.4. AMENDMENT

An amendment to these Alignment Share Terms may only be made if it has been approved by the Holder unless PCG is of the genuine and reasonable opinion that the amendment is:

- (a) of a formal, technical or minor nature;
- (b) made to cure any ambiguity or correct any manifest error; or
- (c) necessary to comply with the provisions of any law or the Listing Rules.

17.4.5. TAKEOVERS AND SCHEMES OF ARRANGEMENT

If:

- (a) (i) a takeover bid is made for Ordinary Shares, acceptance of which is recommended by some or all of the directors of PCG acting as a board ("PCG Directors"); (ii) the bid has become unconditional; and (iii) a single person (or a group of persons acting in concert) has acquired a relevant interest in more than 50% of the Ordinary Shares (calculated as if Alignment Shares had converted into Ordinary Shares); or
- (b) the PCG Directors recommend a scheme of arrangement in respect of the Ordinary Shares which will result in a single person (or a group of persons acting in concert) acquiring 100% of the Ordinary Shares, and which a court of competent jurisdiction has made orders under section 411(1) of the Corporations Act directing PCG to convene a meeting of shareholders of PCG to consider the scheme; or
- (c) a person or entity (other than a person or entity who, together with their associates, has a relevant interest in more than 20% of the Ordinary Shares as at the Issue Date) has otherwise acquired a relevant interest in more than 50% of the Ordinary Shares (calculated as if Alignment Shares had converted into Ordinary Shares),

MATERIAL CONTRACTS CONTINUED

the Holder will use all reasonable endeavours to procure that all of the Alignment Shares are Converted into Ordinary Shares in accordance with the mechanism contemplated in sections 17.4.3.1 and 17.4.3.2 above as soon as possible, notwithstanding that it does not coincide with a date that is on or about the date that is two years after the Issue Date.

17.5. OFFER MANAGEMENT AGREEMENT

The Responsible Entity and the Manager have entered into an Offer Management Agreement with the Joint Lead Managers with respect to management of the Offer. Under the Offer Management Agreement, the Joint Lead Managers have agreed to, among other things, use their reasonable endeavours to procure Applications under the Offer. A summary of the key terms of the Offer Management Agreement is set out below.

17.5.1. FEES AND EXPENSES

The Joint Lead Managers will be entitled to up to the following fees set out in the Offer Management Agreement:

- (a) an arranger fee to the Lead Arranger, Taylor Collison, of 0.10% (inclusive of GST) of the total amount raised under the Offer; and
- (b) a management fee to the Joint Lead Managers of 1.00% (exclusive of GST) of the total amount raised under the Broker Firm Offer and the General Offer;
- (c) a broker firm fee of 1.5% (inclusive of GST) of the total amount raised under the Broker Firm Offer; and
- (d) an early commitment fee of 0.25% (inclusive of GST) of the total amount raised under the Offer subject to written binding commitments made prior to 1 March 2019 or such later date as agreed with the Responsible Entity.

In addition, each Co-Manager is entitled to a fee up to 0.25% (inclusive of GST) of its allocation of Units under the Offer.

The Joint Lead Managers will be reimbursed by the Responsible Entity for all reasonable costs (including any applicable GST) incurred by them of and incidental to the Offer.

17.5.2. WARRANTIES AND REPRESENTATIONS

The Offer Management Agreement contains representations, warranties and undertakings provided by the Responsible Entity and the Manager to the Joint Lead Managers. The representations and warranties relate to matters such as their powers and capacities, their conduct (including in respect of compliance with applicable laws and the ASX Listing Rules, including in foreign jurisdictions in which this Offer is available), the offer documents, the information provided (including the financial information), insolvency, the conduct of the Offer, litigation and insurance.

The Responsible Entity and the Manager must not:

- (a) without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or refused) at any time after the date of the Offer Management Agreement and before the expiration of 180 days after the Allotment Date issue or agree to issue any units (including Units), options to acquire units, or other interests or securities in the Trust, other than pursuant to the Offer;
- (b) in any way reduce, reorganise, or otherwise alter the Trust's capital structure or agree or announce an intention to do any of those things, without the prior written consent of the Joint Lead Managers at any time after the date of the Offer Management Agreement and before the expiration of 180 days after the Units are issued pursuant to the Offer.

17.5.3. INDEMNITY BY THE RESPONSIBLE ENTITY AND MANAGER

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct or gross negligence, The Responsible Entity and Manager indemnify the Joint Lead Managers and certain affiliated parties against certain liabilities and losses incurred or sustained directly or indirectly as a result of the appointment of the Joint Lead Managers pursuant to the Offer Management Agreement.

MATERIAL CONTRACTS CONTINUED

17.5.4. TERMINATION EVENTS

17.5.4.1. Termination events not subject to materiality

A Joint Lead Manager may terminate its appointment under the Offer Management Agreement without cost or liability to that Joint Lead Manager at any time before the issue of Units under the Offer by written notice to the other parties if any of the following occurs:

- (a) **(compliance with law)** Any of the offer documents, any public and other media statements made by, or on behalf of, the Responsible Entity, the Manager or their related body corporates with their consent in relation to the affairs of the Responsible Entity, the Manager, the Trust or the Offer ("Public Information") or any aspect of the Offer does not comply with the Corporations Act (including if a statement in any of the offer documents or Public Information is or becomes materially misleading or deceptive, or a matter required to be included is omitted from an offer document or the Public Information), the ASX Listing Rules or any other applicable law or regulation;
- (b) **(supplementary product disclosure statement)** The Responsible Entity issues or, in the reasonable opinion of the Joint Lead Manager seeking to terminate, becomes required to issue a supplementary product disclosure statement to comply with section 1016E of the Corporations Act; or the Responsible Entity lodges a supplementary product disclosure statement with ASIC in a form that has not been approved by the Joint Lead Managers;
- (c) **(material adverse effect)** In the reasonable opinion of a Joint Lead Manager, a matter giving rise to a material adverse change or effect, or any development involving a prospective material adverse change or effect, in or affecting:
 - a. the general affairs, business, operations, assets, liabilities, financial position or performance, profits, losses, prospects, earnings position, equity, or results of operations of any of the Responsible Entity, the Trust, the Manager, the Investment Manager; or
 - b. the success, marketing, outcome or settlement of the Offer,when compared to the position disclosed in the offer documents or the Public Information, occurs or is likely to occur;
- (d) **(minimum subscription amount)** The Responsible Entity has not received valid Applications for at least the Minimum Subscription amount by 5:00 pm on the date that the Offer (other than the Broker Firm Offer) closes;
- (e) **(market fall)** The S&P/ASX All Ordinaries Index at any time falls to a level which is 90% or less than the level at the close of trading on the date of the Offer Management Agreement and remains below that level for a period of two consecutive business days or closes at that 90% level on the business day immediately prior to the Settlement Date;
- (f) **(listing and quotation)** ASX approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to
 - a. the Trust's admission to the official list of ASX on or before the date by which ASX confirms that it will grant quotation of the Units;
 - b. the quotation of the Units on ASX or for the Units to be cleared through CHESS on or before the quotation date,or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- (g) **(mutual recognition)** The Responsible Entity fails to comply with the requirements of the regulations in Part 9 of the *Financial Markets Conduct Regulations 2014* (New Zealand) made under section 576 of the *Financial Markets Conduct Act 2013* (New Zealand) for the purposes of implementing a recognition regime for Australia to enable the Offer to proceed on the basis of the Replacement PDS, under those regulations;
- (h) **(notifications)**:
 - a. ASIC issues an order (including an interim order) under section 1020E of the Corporations Act;
 - b. ASIC holds a hearing under section 1020E(4) of the Corporations Act;
 - c. an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an offer document;

MATERIAL CONTRACTS CONTINUED

- d. any person (other than the Joint Lead Manager seeking to Terminate) who has previously consented to the inclusion of its name in any offer document withdraws that consent; or
- e. any person gives a notice under section 1021J(3) or 1021L(2) in relation to the offer documents;
- (i) **(certificate)** The Responsible Entity or the Manager does not provide the confirmation certificates confirming certain representations in the Offer Management Agreement in the manner required by that agreement or a statement in a confirmation certificate is false, misleading or deceptive;
- (j) **(withdrawal)** The Responsible Entity withdraws the Offer or an offer document for the Offer, unless a replacement product disclosure statement is lodged with ASIC in a form and substance acceptable to the Joint Lead Managers on its date of lodgement and the provision to the Joint Lead Managers of a copy of the lodged replacement product disclosure statement as soon as practicable after lodgement;
- (k) **(repayment of application money)** Any circumstance arising after lodgement of the Replacement PDS that results in the Responsible Entity being required, by ASIC or under any applicable law, to either:
 - a. repay the funds received from applicants for Units under the Offer; or
 - b. give applicants under the Offer an opportunity to withdraw their applications for Units and be repaid their application monies;
- (l) **(applications and proceedings)** Any person makes an application for an order under Part 9.5 of the Corporations Act, or to any government agency, in relation to the Replacement PDS or the Offer or ASIC commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or the Replacement PDS or any government agency commences or gives notice of an intention to hold, any enquiry;
- (m) **(unable to issue)** The Responsible Entity is prevented from allotting or issuing the Units within the time required by the timetable of the Offer, the offer documents, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, an order of a court of competent jurisdiction or a government agency;
- (n) **(force majeure)** There is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Offer Management Agreement, or to market, promote or settle the Offer;
- (o) **(insolvency event)** The Responsible Entity, the Trust or the Manager is or becomes insolvent or there is an act or omission which may result in the Responsible Entity, the Trust or the Manager becoming insolvent;
- (p) **(timetable)** The Offer is not conducted in accordance with its timetable or any event specified in the timetable is delayed for more than 3 business days without the prior written consent of the Joint Lead Managers;
- (q) **(change in responsible entity)** The Responsible Entity is replaced as the responsible entity of the Trust;
- (r) **(change or directors/management)** A change in the board of directors of the Responsible Entity or Manager;
- (s) **(change of control of Manager/Investment Manager)** There is a change in ownership of the Manager, or a "change in control" of the Investment Manager occurs within the meaning of and for the purposes of the U.S. Investment Advisers Act of 1940; or
- (t) **(key personnel of the Investment Manager)** Any of the key personnel of the Investment Manager (listed in Section 7.1.1 of this Replacement PDS) resigns from office, or is replaced, terminated or made redundant.

17.5.4.2. Termination events subject to materiality

In addition, if any of the following events detailed below in (i) to (xii) occur at any time before the Allotment Date or such other time as specified below, and such event:

- (a) has had or is likely to have a materially adverse effect on:
 - a. the marketing, outcome, success or settlement of the Offer or the ability of the Joint Lead Managers to market, promote or settle the Offer;
 - b. the willingness of investors to subscribe for the Units; or
 - c. the likely price at which the Units will trade on ASX; or

MATERIAL CONTRACTS CONTINUED

(b) has given or would be likely to give rise to a liability for the Joint Lead Manager under, or a contravention by the Joint Lead Manager, of the Corporations Act or any applicable laws,

then each Joint Lead Manager may at any time by notice in writing to the Responsible Entity and the other Joint Lead Managers, terminate all further obligations of that Joint Lead Manager under the Offer Management Agreement without cost or liability.

- (i) **(due diligence report)** The report of the due diligence committee for the Offer or verification material or any other information supplied by or on behalf of the Responsible Entity or the Manager to the Joint Lead Managers in relation to the Responsible Entity or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission;
- (ii) **(new circumstances)** there occurs a new circumstance that arises after the Replacement PDS is lodged, that would have been required to be included in the Replacement PDS if it had arisen before lodgement (as applicable);
- (iii) **(prosecution)** Any of the following occur:
 - a. a director or officer of the Responsible Entity, the Manager or the Investment Manager is charged with an indictable offence;
 - b. any government agency commences any public action against the Responsible Entity or the Manager or any of their directors or officers or announces that it intends to take such action;
 - c. any director or officer of the Responsible Entity or the Manager is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
 - d. the Responsible Entity or the Manager or any of their directors or officers engage, or are alleged to have been engaged in, any fraudulent conduct or activity, whether or not in connection with the Offer;
- (iv) **(compliance)** a contravention by the Responsible Entity or the Manager of the Corporations Act, the Competition and Consumer Act 2010 (Cth), the ASIC Act, the New Zealand securities laws, the Constitution, the company constitution of the Responsible Entity or any of the Listing Rules;
- (v) **(default)** a default by the Responsible Entity in the performance of any of its obligations under the Offer Management Agreement occurs;
- (vi) **(representations and warranties)** A warranty or representation contained in the Offer Management Agreement is breached, becomes not true or correct or is not performed;
- (vii) **(material contracts)** If any contract summarised in this Section 17 of this Replacement PDS is varied, terminated, rescinded or altered or amended without the prior consent of the Joint Lead Managers or any contract summarised in Section 17 is breached or is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;
- (viii) **(AFSL)** any Australian financial services licence, or other licence, approval or permit required by the Responsible Entity to perform its business as responsible entity of the Trust is terminated, rescinded or withdrawn or otherwise amended or varied in manner that impedes the Responsible Entity's ability to discharge its obligations under the Offer Management Agreement and/or to the Trust;
- (ix) **(regulatory approvals)** if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Responsible Entity to perform its obligations under the Offer Management Agreement;
- (x) **(hostilities)** Hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, the People's Republic of China, Hong Kong, Singapore and South Korea or any member state of the European Union or any diplomatic, military, commercial or political establishment of any of those countries or a major terrorist act is perpetrated anywhere in the world;
- (xi) **(change in law)** There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand, or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Offer Management Agreement);

MATERIAL CONTRACTS CONTINUED

(xii)(**disruption of financial markets**) Any of the following occurs:

- a. a general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any member state of the European Union is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- b. any adverse effect on the financial markets in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any member state of the European Union or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
- c. trading in all securities quoted or listed on the ASX, the NZX Main Board, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect.

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ADDITIONAL INFORMATION

18.1. CURRENT CAPITAL STRUCTURE

The issued capital of the Trust as at the date of this Replacement 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

18.2. PROPOSED CAPITAL STRUCTURE ON ALLOTMENT OF UNITS PURSUANT TO THIS OFFER

	MINIMUM SUBSCRIPTION \$100 MILLION	MAXIMUM SUBSCRIPTION \$600 MILLION
Units	80,000,000	480,000,000
NAV per Unit	\$1.3125	\$1.3125

18.3. CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

The Responsible Entity, the Manager and the Investment Manager may from time-to-time face conflicts between their duties to the Trust as the Responsible Entity, the Manager or the Investment Manager, their duties to other funds they manage (if applicable) and their own interests.

Pursuant to the Management Agreement and the Investment Management Agreement, the Responsible Entity, the Manager and the Investment Manager have agreed for the investment management function in respect of the Portfolio to be delegated to the Investment Manager. As such, the discretionary investment management powers reside with the Investment Manager and the Investment Manager shall seek to invest the Portfolio in accordance with the Investment Strategy. The Responsible Entity retains the discretion to determine to distribute the Alignment Shares to Unitholders.

While the Responsible Entity and Manager are related bodies corporate, the Responsible Entity believes the terms of the Management Agreement are nonetheless consistent with terms that would be negotiated on an arm's length basis. Neither the Responsible Entity nor the Manager will be performing any broking function nor engage any brokers in respect of the Portfolio. Neither the Responsible Entity nor the Manager proposes to engage the services of another related body corporate in respect of the Trust. However, if they do propose to 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 and the Manager which are entitled to charge fees provided that they are in the ordinary course of business and on arm's length terms.

The Trust will not acquire, dispose of, transfer or effect any other dealing of any part of the portfolio of the Trust from, to or with (as the case may be) an associate of the Responsible Entity or the Manager, with the potential exception of the Alignment Shares (which are intended to be distributed to Unitholders in accordance with the terms of the Alignment Shares, refer to Section 17.4 of this Replacement PDS for the terms and conditions of the Alignment Shares).

The Investment Manager currently holds mandates for institutional clients to invest funds held in separately managed accounts. It is possible some of the mandates for institutional clients will be similar to the investment mandate of the Trust.

While many investment opportunities presented to the Investment Manager are either not subject to capacity constraints, the Investment Manager will, from time to time, be presented with investment opportunities appropriate for multiple client accounts. The Investment Manager maintains a 'Global Investment Allocation Policy' that seeks to allocate investments among eligible Investment Manager accounts on a basis that it believes to be fair and equitable.

ADDITIONAL INFORMATION CONTINUED

In general, investment capacity in a particular investment opportunity is allocated on a pro rata basis among eligible Investment Manager accounts. In making allocation determinations, the Investment Manager may take a variety of factors into account, including the following:

Each Investment Manager account's:

- investment objectives, constraints, limitations, and restrictions;
- contractual obligations or restrictions in applicable governing documents;
- specific nature of the investment focus;
- applicable legal and regulatory requirements;
- portfolio diversification and concentration considerations based on the specific investment, issuer, sector, industry, geography, or markets; and
- duration of the investment period, target investment pacing, ability to make follow-on investments, and term.

Each investment opportunity's:

- size, amount and other terms, including, without limitation, investment time horizon and anticipated holding period/maturity and liquidity;
- risk and return profile;
- anticipated legal and regulatory issues; and
- anticipated tax treatment.

The Investment Manager may also take into any other relevant good faith factors and considerations, including:

- firm-wide investment goals applicable to a particular investment opportunity;
- the nature and extent of involvement in the due diligence and investment execution of the respective Investment Manager investment teams with respect to the investment opportunity; and
- whether a pro rata allocation may result in a de minimis or odd lot allocation of the investment opportunity to an Investment Manager account.

The Investment Manager does not allocate investment capacity for investment opportunities on the basis of the Investment Manager's anticipated economics.

With the exception of investing in GCM Funds as provided for in the Replacement PDS, the Investment Manager will not without the prior consent of the Manager acquire, dispose of, transfer or effect any other dealing of any part of the Portfolio from, to or with (as the case may be) an associate of the Investment Manager. Any consent provided by the Manager would only be provided after considering the Manager's duties under the Corporations Act and the best interests of Unitholders.

It is expected, and provided for in the Investment Management Agreement, that a significant portion of the Portfolio will be invested in GCM Funds. The Investment Manager, GCM CFG and potentially other members of the GCM Group will be managers of the GCM Funds in which the Trust will invest. The Investment Manager has an inherent conflict of interest in investing the Portfolio in GCM Funds, as the GCM Group receives management fees and/or incentive compensation from the GCM Funds in which the Trust invests. The Investment Manager has agreed that investments by the Portfolio in a GCM Fund will be subject to fees, carried interest and expense reimbursement terms generally applicable to other institutional investors in such GCM Funds on such terms (including specifically the calculation methodology) as are set forth in such GCM Fund's private placement memorandum or similar offering document or prospectus.

The Investment Manager will invest in GCM Funds in accordance with the terms and guidelines detailed in this Replacement PDS, in particular in accordance with the Investment Strategy detailed in Section 8 of this Replacement PDS. Further, the Investment Management Agreement provides that:

- the maximum Commitment (calculated as a percentage of the NAV of the Portfolio on the date of the Commitment) to any single Underlying Fund (including GCM Funds) is 20%; and
- to be eligible for investment in by the Trust, a GCM Fund must meet the minimum requirements set out in Section 17.3.11 of this Replacement PDS.

ADDITIONAL INFORMATION CONTINUED

The Investment Manager is not permitted to delegate its discretionary management powers without the prior consent of the Manager and the Investment Manager does not currently intend to delegate its discretionary management powers.

The Investment Manager is not permitted to perform any broking function in relation to the Portfolio without the prior consent of the Manager, except that the Investment Manager may, using reasonable care and diligence, appoint any broker to act on behalf of the Responsible Entity in relation to the Portfolio, subject to reasonable monitoring of capacity and performance of the broker by the Investment Manager.

The Investment Manager does not intend to engage affiliated parties to provide ancillary services in respect of the Trust. If the Investment Manager were to engage an affiliated party it would only do so on arm's length terms.

By investing in the Trust, to the maximum extent permitted by law, Unitholders will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived any claim with respect to the existence of any such conflict of interest.

18.4. OFFER EXPENSES

Pengana Capital Group Limited will incur the costs and expenses associated with the Offer (not the Trust or Investors).

18.5. CONSENTS

Each of the parties referred below has given and has not, before the issue of this Replacement PDS, withdrawn its written consent to be named in the in the Replacement 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 Replacement 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 Replacement PDS, nor is any statement in this Replacement PDS based on any statement by Taylor Collison Limited;
- **Bell Potter Securities Limited** and **Shaw and Partners Limited** have each consented to being named as Joint Lead Managers to the Offer, but they do not make any statement in this Replacement PDS, nor is any statement in this Replacement PDS based on any statement by Bell Potter Securities Limited or Shaw and Partners Limited;
- **Baillieu Limited, FinClear Execution Ltd** and **Patersons Securities Limited** have each consented to being named as Co-Manager to the Offer, but they do not make any other statement in this Replacement PDS, nor is any statement in this Replacement PDS based on any other statement by Baillieu Limited, FinClear Execution Ltd or Patersons Securities 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 Replacement PDS, nor is any other statement in this Replacement PDS based on any statement by the Manager;
- **Grosvenor Capital Management, L.P.**, 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) to the statements in Sections 6.3 to 6.4 and Sections 8.2 to 8.8;
 - (c) to the statements in Section 18.3 in respect of the Investment Manager's conflict of interests and related party transactions; and
 - (d) to the following graphs and tables (including their notes) in the form and context in which they are included:
 - (i) 'Quartile Annualised Performance (IRR) of Private Equity Buyout Funds' in the letter to Investors and Section 6.2;
 - (ii) 'Annualised Performance (IRR) of Private Equity versus Public Equity across Time Horizons and Geographic Regions' in Section 6.1;
 - (iii) 'Annualised Performance of Private Equity versus Public Equity Across Vintages' in Section 6.1;
 - (iv) 'Risk vs Return' in Section 6.1;
 - (v) 'Global Private Equity Assets Under Management (US\$billions)' in Section 6.1;
 - (vi) the J-curve diagram in Section 6.2,

ADDITIONAL INFORMATION CONTINUED

but it does not make any other statement in the Replacement PDS, nor is any other statement in this Replacement PDS based on any statement by the Investment Manager;

- **Computershare Investor Services Pty Limited** has consented to being named in the Directory and elsewhere in this Replacement PDS as Unit Registry for the Trust, but it does not make any statement in this Replacement PDS, nor is any statement in this Replacement 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 of this Replacement PDS as the Australian legal and tax adviser to the Responsible Entity and to the inclusion of the taxation report set out in Section 16, but it does not make any other statement in this Replacement PDS, nor is any statement in this Replacement PDS based on any other statement by DLA Piper Australia;
- **DLA Piper New Zealand** has consented to being named in the Directory of this Replacement PDS as the New Zealand legal adviser to the Responsible Entity, but it does not make any statement in this Replacement PDS, nor is any statement in this Replacement PDS based on any statement by DLA Piper New Zealand;
- **Ernst & Young** has consented to being named in the Directory and elsewhere in this Replacement 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 15 in the form and context in which it appears, but it does not make any other statement in the Replacement PDS, nor is any statement in this Replacement 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 Replacement PDS with their consent as having made a statement in this Replacement PDS and persons involved in a contravention in relation to this Replacement PDS with regard to misleading or deceptive statements made in the Replacement PDS. Although the Responsible Entity bears primary responsibility for this Replacement PDS, other parties involved in the preparation of this Replacement 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 Replacement PDS other than the reference to its name and any statement or report included in this Replacement PDS with the consent of that party as described above.

18.6. LEGAL PROCEEDINGS

As at the date of this Replacement 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.

18.7. ASIC RELIEF

The Responsible Entity has applied for relief under section 1020F of the Corporations Act from section 1017E(4) 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 Replacement PDS. This relief will allow the Responsible Entity to hold Application Amounts under the Offer for a period of up to 60 days.

18.8. 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 on which the Units in the Trust commence trading on ASX; 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 on which the Units in the Trust commence trading on ASX.

ADDITIONAL INFORMATION CONTINUED

18.9. 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
167 Macquarie Street
Level 12
Sydney NSW 2000

Post Complaints Officer
Pengana Investment Management Limited
167 Macquarie Street
Level 12
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

18.10. YOUR PRIVACY

In applying to invest and completing an 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.

ADDITIONAL INFORMATION CONTINUED

18.11. ANTI-MONEY LAUNDERING LAW 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.

18.12. 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.

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GLOSSARY OF INDUSTRY TERMS, DEFINED TERMS AND ABBREVIATIONS

TERM	DEFINITION AND MEANINGS
\$	Australian dollars. All amounts in this Replacement PDS are in Australian dollars unless otherwise stated.
ABN	Australian business number.
Administrator	BNP Paribas Securities Services.
AFSL	Australian Financial Services Licence.
Alignment Shares	Has the meaning given to that term in Section 9.
Allotment Date	The relevant dates on which the Units are allotted under each of the Priority Offer, the Broker Firm Offer and the General Offer.
AMIT	Means the Australian Attribution Managed Investment Trust tax provisions. Refer to Section 16 of this Replacement PDS for an explanation of AMIT.
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.
Applicant	A person who submits a valid Application Form and Application Amounts under this Replacement PDS.
Application	An application for Units under this Replacement PDS.
Application Amount	Subscription monies submitted by Applicants under the Offer.
Application Form	The application form attached to or accompanying this Replacement PDS (including the electronic form provided by an online application facility).
ARSN	Australian registered scheme number.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the market it operates (Australian Securities Exchange), as the context requires.
ASX Principles	The ASX Corporate Governance Principles and Recommendations 3rd Edition (2014) of the ASX Corporate Governance Council as at the date of this Replacement PDS.
ATO	Australian Taxation Office
AUM	Assets under management.
AUSTRAC	The Australian Transaction Reports and Analysis Centre.
Baillieu	Baillieu Limited (ABN 74 006 519 393, AFSL 245 421)
Bell Potter	Bell Potter Securities Limited (ABN 25 006 390 772, AFSL 243 480).
Board	The Board of Directors of the Responsible Entity.

GLOSSARY OF INDUSTRY TERMS, DEFINED TERMS AND ABBREVIATIONS CONTINUED

TERM	DEFINITION AND MEANINGS
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 5.
Broker Firm Offer Closing Date	The date that the Broker Firm Offer closes.
Business Day	A day other than Saturday, Sunday, a bank holiday or public holiday in Sydney.
CHESS	Clearing House Electronic Sub-register System which is the Australian settlement system for equities and other issued products traded on the ASX.
Close or Closed	A private equity fund can have multiple "closings" prior to the "final close", upon which date the fund ceases accepting capital from new investors.
Closing Date	The Priority Offer Closing Date, the Broker Firm Offer Closing Date and the General Offer Closing Date, as applicable.
Co-investment	Has the meaning given to that term in Section 6.4.2.
Co-Managers	Baillieu, FinEx and Patersons Securities.
Commitments	Has the meaning given to that term in Section 6.2.
Committed Capital	Has the meaning given to that term in Section 6.2.
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 document as amended from time to time which, together with the Corporations Act and other applicable laws, governs the Trust's operation.
Corporations Act	Corporations Act 2001 (Cth).
Custodian	BNP Paribas Securities Services.
DRP	The distribution reinvestment plan established by Pengana for the Trust.
DRP Rules	The rules of the DRP as varied from time to time.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Exposure Period	The seven day period after the date of lodgement of the Replacement PDS with ASIC (as extended by ASIC (if applicable)).
FinEx	FinClear Execution Ltd (ABN 56 061 751 102, AFSL 246 842)
FUM	Funds under management.
General Offer	Has the meaning given to that term in Section 5.
General Offer Closing Date	The date that the General Offer closes.
GCM	Grosvenor Capital Management, L.P.
GCM CFG	GCM Customized Fund Investment Group, L.P., an affiliate of GCM.
GCM Fund	An Underlying Fund which is managed by a member of GCM Group.

GLOSSARY OF INDUSTRY TERMS, DEFINED TERMS AND ABBREVIATIONS CONTINUED

TERM	DEFINITION AND MEANINGS
GCM Group	Grosvenor Capital Management, L.P. together with GCM CFG and their respective affiliates and predecessor firms.
GCM Party	The Investment Manager, an affiliate of the Investment Manager, or any member, partner, shareholder, director, officer or employee of the Investment Manager or any of the Investment Manager's affiliates, as well as (if the Investment Manager so determines) any agent of the Investment Manager or any of the Investment Manager's affiliate.
GP	Has the meaning given to that term in Section 6.2.
GST	Goods and Services Tax.
High Yield	The Trust's short duration credit portfolio is likely to have exposure to 'High Yield' credit as detailed in Section 8.5.5. The reference to 'High Yield' credit in this context is a current pay, fixed income instrument with a credit rating below investment grade. These instruments generally offer a higher yield than investment grade rated securities due to a higher risk of default.
Hurdle Return	Has the meaning given to that term in Section 12.3.3.1.
HWM	Has the meaning given to that term in Section 12.3.3.1.
Independent Limited Assurance Report	The report by the Investigating Accountant in Section 15.
Institutional Applicant	An Applicant to whom offers or invitations in respect of Units can be made without the need for a product disclosure statement (or other formality, other than a formality which the Responsible Entity is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a product disclosure statement under section 1012D of the Corporations Act (disregarding section 1012DAA), and excluding a retail client within the meaning of section 761G of the Corporations Act.
Intermediary	An Investor Directed Portfolio Service ("IDPS"), IDPS-like scheme or a nominee or custody service.
Investment Management Agreement	The investment management agreement that appoints Grosvenor Capital Management L.P. as the investment manager of the Portfolio, as summarised in Section 17.3. Also referred to as "IMA".
Investment Manager	Grosvenor Capital Management, L.P.
Investment Objective	Has the meaning given to that term in Section 8.1.
Investment Period	Has the meaning given to that term in Section 6.2.
Investment Strategy	Means the investment strategy of the Trust detailed in Section 8.2 and the remainder of Section 8.
Investor	A person investing in the Trust. Also referred to as a "Unitholder".
IPO	Initial public offering.

GLOSSARY OF INDUSTRY TERMS, DEFINED TERMS AND ABBREVIATIONS CONTINUED

TERM	DEFINITION AND MEANINGS
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 Replacement PDS are expressed as an annualised rate.
Joint Lead Managers	Bell Potter, Shaw and Partners and Taylor Collison, each individually a Joint Lead Manager
J-Curve	The meaning of the term 'J-Curve' effect is explained in Section 6.2.
Last Payment Period	Has the meaning given to that term in Section 12.3.3.1.
Limited Partner or LP	Has the meaning given to that term in Section 6.2.
Listing Rules	The official Listing Rules of the ASX as amended or waived from time to time.
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 that appoints Pengana Capital Limited (ABN 30 103 800 568, AFSL 226 566) as the manager of the Trust, as summarised in Section 17.2.
Management Fee	Has the meaning given to that term in Section 12.3.2.
Manager	Pengana Capital Limited (ABN 30 103 800 568, AFSL 226 566).
Maximum Subscription	\$600 million
Minimum Subscription	\$100 million
Middle Market Buyouts or MMBO	The acquisition of interests in middle market companies (being companies with a total enterprise value of typically less than or equal to US\$1.5billion).
Net Asset Value	The value of the Trust's total assets reduced by the Trust's intangible assets and the Trust's total liabilities, which includes declared but unpaid distributions, unpaid management fees earned, and accrued but unpaid performance fees, as calculated in accordance with the Listing Rules. Also known as "NAV".
Net Asset Value per Unit	The NAV per Unit is equal to the NAV of the Trust divided by the number of units on issue. Also known as "NAV per Unit".
Non-Agency Mortgage-Backed Securities	The Trust's short duration credit portfolio is likely to have exposure to 'Non-Agency Mortgage-Backed Securities' as detailed in Section 8.5.5. The reference to 'Non-Agency Mortgage-Back Securities' in this context is to securities comprised of a pool of mortgage loans which are not backed / insured by governmental organisations and are issued privately by banks and other financial institutions.
Offer	The offer to subscribe for Units under the 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 17.5.

GLOSSARY OF INDUSTRY TERMS, DEFINED TERMS AND ABBREVIATIONS CONTINUED

TERM	DEFINITION AND MEANINGS
Offer Opening Date	The date the Offer is expected to open, which is expected to be 4 March 2019.
Offer Period	The period during which investors may subscribe for Units under the Offer.
PCG	Pengana Capital Group Limited (ABN 43 059 300 426).
PCG VWAP	Has the meaning given to that term in Section 9.2.
PE	Private equity
Patersons Securities	Patersons Securities Limited (ABN 69 008 896 311, AFSL 239 052)
Pengana	Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219 462), Pengana Capital Limited (ABN 30 103 800 568, AFSL 226 566) and/or Pengana Capital Group Limited (ABN 43 059 300 426), as applicable.
Pengana Capital Group	Pengana Capital Group Limited (ABN 43 059 300 426).
Pengana Group of Companies	Pengana Capital Group Limited (ABN 43 059 300 426) and its wholly owned subsidiaries.
Performance Fee	Has the meaning given to that term in Section 12.3.3.
Performance Fee Payment Period	Has the meaning given to that term in Section 12.3.3.1.
Portfolio	The portfolio of investments of the Trust from time to time (except for the Alignment Shares).
Portfolio Companies	Has the meaning given to that term in Section 6.3.1.
Price Return	The term "Price Return" is the rate of return on an asset, where the return takes into account only the capital appreciation of the asset, while the income generated (namely dividends in the case of the Alignment Shares) is ignored.
Primaries	Has the meaning given to that term in Section 6.4.1.
Priority Allocation	Has the meaning given to that term in Section 5.5.3.
Priority Determination Date	Has the meaning given to that term in Section 5.5.3.
Priority Offer	Has the meaning given to that term in Section 5.
Priority Offer Closing Date	The date that the Priority Offer closes.
Private Investment Fund	Has the meaning given to that term in Section 6.2.
Qualifying Applicant	Has the meaning given to that term in Section 5.5.3.
Qualifying Vehicle	Has the meaning given to that term in Section 5.5.3.
Quartile	In a sorted list of numbers: <ul style="list-style-type: none"> • the 'lower quartile' is the number below which lies 25% of the numbers; • the 'median' is the middle number; • the 'upper quartile' or 'top quartile' is the number below which lies 75% of the numbers.
Replacement PDS	This replacement product disclosure statement.

GLOSSARY OF INDUSTRY TERMS, DEFINED TERMS AND ABBREVIATIONS CONTINUED

TERM	DEFINITION AND MEANINGS
Responsible Entity	Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219 462).
Responsible Entity Fee	Has the meaning given to that term in Section 12.3.2.
Responsible Entity's Investigating Accountant	Ernst & Young
Retail Applicant	An Applicant who is not an Institutional Applicant.
Retail Client	Has the meaning set forth under the definition of "Institutional Applicant."
RITC	Reduced input tax credits.
Secondaries	Has the meaning given to that term in Section 6.4.3.
Secondaries Carried Interest Fee	Has the meaning given to that term in Section 12.3.4.2.
Secondaries Catch Up	Has the meaning given to that term in Section 12.3.4.2.
Secondaries Clawback	Has the meaning given to that term in Section 12.3.4.2.
Secondaries Excess Proceeds Payment	Has the meaning given to that term in Section 12.3.4.2.
Secondaries Management Fee	Has the meaning given to that term in Section 12.3.4.1.
Secondaries Management Fee Base	Has the meaning given to that term in Section 12.3.4.1.
Secondaries Preferred Return	Has the meaning given to that term in Section 12.3.4.2.
Secondaries Proceeds	Has the meaning given to that term in Section 12.3.4.2.
Secondaries Return of Capital	Has the meaning given to that term in Section 12.3.4.2.
Secondaries Sub-Portfolio	Has the meaning given to that term in Section 12.1.
Settlement Date	The date the Offer is expected to settle.
Shaw and Partners	Shaw and Partners Limited (ABN 24 003 221 583, AFSL 236 048)
Subscription Price	The amount payable by Applicants for the issue of Units under the Offer being \$1.25 per Unit.
Target Cash Distribution	A cash distribution yield of 4% p.a. (prorated on a non-compounded basis) of the NAV (which excludes the total value of the Alignment Shares but includes the cash distribution payable) as at the end of the period that a distribution is paid.
Taylor Collison	Taylor Collison Limited (ABN 53 008 172 450, AFSL 247 083).
TFN	Tax file number.
Trust	Pengana Private Equity Trust (ARSN 630 923 643).

GLOSSARY OF INDUSTRY TERMS, DEFINED TERMS AND ABBREVIATIONS CONTINUED

TERM	DEFINITION AND MEANINGS
Trust Outperformance	Has the meaning given to that term in Section 12.3.3.1.
Trust Total Return	Has the meaning given to that term in Section 12.3.3.1.
Underlying Fund	A fund or account (including, if the context suggests, a GCM Fund) in which the Trust invests under the direction of the Investment Manager. The Underlying Funds will, in turn, invest in Portfolio Companies under the direction of their respective Underlying Investment Manager or in other Underlying Funds which do so.
Underlying Investment Manager	The person managing the portfolio of an Underlying Fund.
Unit	A unit in the capital of the Trust.
Unitholder	A holder of a Unit. Also referred to as an "Investor".
Unitholding	The Units held by a Unitholder.
Unit Registry	Computershare Investor Services Pty Limited.
US\$ or USD	United States of America dollars.
Vintage	The Vintage of a Private Investment Fund represents the year in which the fund was launched as typically determined by the year of the fund's first Portfolio Company investment.
Volume Weighted Average Market Price	Has the meaning given to that term in Section 9.2.

Return your form to your broker:



Broker Firm Offer Applicants must contact their broker for information on how to submit this Application Form and Application Payment.

For all enquiries:



1800 291 041 (within Australia)
+61 3 9415 4019 (outside Australia)
Monday to Friday 8.30am to 5.00pm
(Sydney time)



www.pengana.com/PE1

BROKER FIRM OFFER APPLICATION FORM

Broker Firm Offer closes 5.00pm (Sydney time) on 3 April 2019

This Broker Firm Offer Application Form relates to the Broker Firm Offer by the responsible entity Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219 462) ("Responsible Entity") for the Pengana Private Equity Trust ARSN 630 923 643 ("Pengana") of units ("Units") made under the Replacement Product Disclosure Statement dated 22 February 2019 (and any supplementary or replacement PDS) ("PDS") and lodged with the Australian Securities and Investments Commission. To meet the requirements of the Corporations Act 2001 (Cth), this Broker Firm Application Form must not be distributed unless included in, or accompanied by, the PDS. Capitalised terms in this Broker Firm Offer Application Form have the meaning given to them in the PDS.

If you need any assistance in deciding whether to apply for Units under the Broker Firm Offer, please contact your broker or other professional adviser without delay. You should read the entire PDS carefully before completing this Application Form.

Your Application may not be accepted in full and Pengana reserves the right to scale back your Application.

By applying under the Broker Firm Offer, you confirm that you are over 18 years of age and you agree to be bound by the PDS and Pengana's Constitution.

STEP 1 › UNITS APPLIED FOR

Enter the number of Units you wish to apply for. Applications must be for a minimum of 8,000 Units (A\$10,000). Applications for greater than 8,000 Units must be in multiples of 200 Units (A\$250). Enter the amount of the Application Payment. To calculate this amount, multiply the number of Units applied for by the issue price which is A\$1.25.

STEP 2 › APPLICANT NAME(S) AND POSTAL ADDRESS

Enter the full name you wish to appear on the Units register. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table at the bottom of the Application Form for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. CHESS participants should complete their name identically to that presently registered in CHESS. Enter your postal address for all correspondence. All communications to you from the Unit Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered. Enter your contact name and telephone number. This information may be used to communicate other matters to you subject to Pengana's privacy statement. This is not compulsory but will assist us if we need to contact you.

STEP 3 › CHESS HOLDINGS ONLY

Pengana will apply to ASX for Units to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX. In CHESS, Pengana will operate an electronic CHESS subregister of Units holdings and an electronic issuer sponsored subregister of Units holdings.

Together, the two subregisters will make up Pengana's principal register of Units. Pengana will not be issuing certificates to Applicants in respect of Units allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Units allotted to you under this Application on the CHESS subregister, enter your CHESS Holder Identification Number (HIN). Otherwise, leave the section blank and on allotment you will be sponsored by Pengana and a Securityholder Reference Number (SRN) will be allocated to you.

Privacy statement

The personal information you provide on this Broker Firm Application Form is collected by Computershare Investor Services Pty Limited (CIS), as Unit Registry for the Units issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided for enquiries at the top of this page or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers, or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

*This date is indicative only. Pengana reserves the right to change it without prior notice. You are encouraged to lodge an Application as soon as possible.

Please note that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any Units issued will be held on the issuer sponsored subregister.

STEP 4 › APPLICATION PAYMENT

Applicants under the Broker Firm Offer must lodge their Application Form and Application Payment with the relevant broker in accordance with the relevant broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not return this Application Form or Application Amount to Computershare Investor Services Pty Limited (Computershare).

Application Amounts for the Broker Firm Offer must be made payable in accordance with the directions of the broker firm from whom the Applicant received a firm allocation. Cheque(s) must be crossed 'Not Negotiable' and made payable in accordance with the directions of your broker. Complete the cheque details in the boxes provided.

Lodgement instructions

Applications must be received by brokers no later than 5.00pm (Sydney time) on the Closing Date for the Broker Firm Offer, which is expected to be on 3 April 2019. Pengana and the Joint Lead Managers may elect to extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without prior notice. Your broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your broker for instructions.

STEP 1 › ENTER THE NUMBER OF UNITS YOU WISH TO APPLY FOR

[illegible]



PRIORITY OFFER AND GENERAL OFFER APPLICATION FORM

Priority Offer and General Offer closes 5.00pm (Sydney time) on Wednesday, 10 April 2019

This Priority Offer and General Offer Application Form relates to the Priority Offer and General Offer by the responsible entity Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219 462) ("Responsible Entity") for the Pengana Private Equity Trust ARSN 630 923 643 ("Pengana") of units ("Units") made under the Replacement Product Disclosure Statement dated 22 February 2019 (and any supplementary or replacement PDS) ("PDS") and lodged with the Australian Securities and Investments Commission. To meet the requirements of the Corporations Act 2001 (Cth), this Priority Offer and General Offer Application Form must not be distributed unless included in, or accompanied by, the PDS. Capitalised terms in this Priority Offer and General Offer Application Form have the meaning given to them in the PDS.

If you need any assistance in deciding whether to apply for Units under the Priority Offer and General Offer, please contact your broker or other professional adviser without delay. You should read the entire PDS carefully before completing this Application Form.

By applying under the Priority Offer and General Offer, you confirm that you are over 18 years of age and you agree to be bound by the PDS and Pengana's Constitution.

Important: Your application form must be accompanied by the **Tax Residency Self-Certification** form to be validly accepted.

STEP 1 › UNITS APPLIED FOR

Enter the number of Units you wish to apply for. Applications must be for a minimum of 8,000 Units (A\$10,000). Applications for greater than 8,000 Units must be in multiples of 200 Units (A\$250). Enter the amount of the Application Payment. To calculate this amount, multiply the number of Units applied for by the issue price which is A\$1.25.

STEP 2 › PRIORITY OFFER APPLICANTS

A valid Priority Offer Code (POC) must be supplied for Priority Offer Applications. If a valid POC is not supplied the application will be deemed to be made under the General Offer.

Priority Offer applicants should read section 5.5.3 of the PDS for details of the Priority Offer.

Financial Adviser details:

If you were introduced to this Offer by a Financial Adviser please provide their details.

STEP 3 › APPLICANT NAME(S) AND POSTAL ADDRESS

Enter the full name you wish to appear on the Units register. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table at the bottom of the Application Form for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. CHESS participants should complete their name identically to that presently registered in CHESS. Enter your postal address for all correspondence. All communications to you from the Unit Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered. Enter your contact name and telephone number. This information may be used to communicate other matters to you subject to Pengana's privacy statement. This is not compulsory but will assist us if we need to contact you.

STEP 4 › CHESS HOLDINGS ONLY

Pengana will apply to ASX for Units to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX.

In CHESS, Pengana will operate an electronic CHESS subregister of Units holdings and an electronic issuer sponsored subregister of Units holdings.

Privacy statement

The personal information you provide on this Priority Offer and General Application Form is collected by Computershare Investor Services Pty Limited (CIS), as Unit Registry for the Units issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided for enquiries at the top of this page or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers, or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

*This date is indicative only. Pengana reserves the right to change it without prior notice. You are encouraged to lodge an Application as soon as possible.

Together, the two subregisters will make up Pengana's principal register of Units. Pengana will not be issuing certificates to Applicants in respect of Units allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Units allotted to you under this Application on the CHESS subregister, enter your CHESS Holder Identification Number (HIN). Otherwise, leave the section blank and on allotment you will be sponsored by Pengana and a Securityholder Reference Number (SRN) will be allocated to you. Please note that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any Units issued will be held on the issuer sponsored subregister.

STEP 5 › APPLICATION PAYMENT

Applicants under the Priority Offer and General Offer must lodge their Application Form and Application Payment with the Unit Registry. Applicants under the Priority Offer and General Offer should return this Application Form and Application Amount to Computershare Investor Services Pty Limited (Computershare).

Application Amounts for the Priority Offer and General Offer must be made payable to Pengana Investment Management Limited. Cheque(s) must be crossed 'Not Negotiable'. Complete the cheque details in the boxes provided.

Lodgement instructions

Application Forms must be received by the Unit Registry no later than 5.00pm (Sydney time) on Wednesday, 10 April 2019. You should allow sufficient time for this to occur. Return the Application Form with cheque, bank draft or money order attached to:

Computershare Investor Services
GPO Box 52
MELBOURNE VIC 3001

Pengana and the Joint Lead Managers may elect to extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without prior notice. Applicants are therefore encouraged to submit their Applications as early as possible.

Your Application may not be accepted in full and Pengana reserves the right to scale back your Application.

STEP 1 › ENTER THE NUMBER OF UNITS YOU WISH TO APPLY FOR

A\$

Adviser Dealer Group: _____

Amount of payment

TAX RESIDENCY SELF-CERTIFICATION FORM

Applicant names(s) and postal address

These details should match the Application Form completed

For office use only

1 > AUSTRALIAN RETIREMENT FUND

Complete this section if the Entity is an **Australian Retirement Fund (including an Australian Self-Managed Superannuation Fund)** where the registered securityholder is **NOT** a Financial Institution.

- a. YES ☐ If you are an Australian Retirement Fund and the registered securityholder of the Retirement Fund is NOT a Financial Institution, tick YES.

Go to Section 7.

2 > INDIVIDUAL OR JOINT INDIVIDUAL

If the investment is held by individuals jointly, a separate form is required for each individual. Please copy this form, contact us or go online to obtain additional forms.

- a. Enter your **Residence Address** if it is **not** the same as the address entered on the Application Form. This cannot be a GPO Box or a care of address. The address entered will not change the registered address for your Unit Holding

City or town, state or province, include postal code where appropriate.

Country (in full)

- b. Please write you Date of Birth / / Day / Month / Year

- c. If you are a Joint Individual, write the name of the person completing this form.

3 > JURISDICTION OF TAX RESIDENCY

- a. **U.S. Only** - Are you a U.S. citizen or resident of the U.S. for tax purposes or if your organization a corporation or partnership incorporated or organized in the United States or a trust considered a Specified U.S. Person, is the entity a Specified U.S. Person for U.S. tax purposes? YES ☐ NO ☐

If YES, provide the U.S. Taxpayer Identification Number (TIN):

- b. Please indicate the jurisdiction of tax residence (other than the U.S. identified above). If a tax resident in more than one jurisdiction, please detail all jurisdictions of tax residence in the table below. If you are a tax resident in Australia, write Australia in the table below, but do not provide your Australian Tax File Number in this form.

	Jurisdiction of tax residence (country)	Tax Identification Number (TIN) or equivalent (do not provide your Australian Tax File Number in this form)	*Reason Code if no TIN provided
1			
2			
3			

* If a Taxpayer Identification Number (TIN) or equivalent is not provided, please provide the appropriate reason:

Reason A - The jurisdiction of tax residence does NOT issue TINs to its residents.

Reason B - The jurisdiction of tax residence DOES issue TINs, however my tax status enables me to NOT obtain a TIN.

(Please explain in the table below the reason you are not required to obtain a TIN).

Reason C - No TIN is required. (Only select this reason if the domestic law of the relevant jurisdiction does not require the TIN to be disclosed).

- c. **If Reason B has been selected above, explain why the entity is not required to obtain a TIN**
- | | |
|---|--|
| 1 | |
| 2 | |
| 3 | |

Individual or Joint Individuals go to Section 7

Financial Institutions go to Section 4 and Non-Financial Institutions go to Section 5

4 > FINANCIAL INSTITUTION UNDER FATCA AND CRS Complete this section if the Entity is a Financial Institution.

Select either a or b and then answer c if the Entity is a Financial Institution for FATCA and CRS purposes.

- a. ☐ A Financial Institution **with** a GIIN (a custodial or depository institution, an investment entity or a specified insurance company)

Provide the entity's Global Intermediary Identification Number (GIIN):

- b. ☐ A Financial Institution **without** a GIIN, select one appropriate FATCA status from the following:
- Deemed Compliant Foreign Financial Institution ☐ Non-Participating Foreign Financial Institution ☐ Excepted Financial Institution ☐ Exempt Beneficial Owner ☐
- c. Is the Financial Institution an Investment Entity located in a non-participating CRS jurisdiction and managed by another Financial Institution?
- YES ☐ If YES, **go to Section 6**
- NO ☐ If NO, is the Financial Institution a Reporting Financial Institution for CRS purposes? YES ☐ NO ☐
- Go to Section 7.**

5 > ACTIVE OR PASSIVE NON-FINANCIAL ENTITY Complete this section if the Entity is **NOT** a Financial Institution.

Select either a or b to identify the type of Non-Financial Institution.

- a. ☐ An **Active Non-Financial Entity that is NOT a Financial Institution**
- ☐ A Corporation the stock of which is regularly traded on an established securities market or a Related Entity of such a Corporation ☐ An International Organisation
- ☐ A Governmental Entity or Central Bank ☐ Other Active Non-Financial Entity
- If you have selected Active Non-Financial Entity, go to Section 7.**
- b. ☐ A **Passive Non-Financial Entity - Other entity** (an entity that has not been previously listed)
- If you have selected Passive Non-Financial Entity, go to Section 6.**

6 > FOREIGN CONTROLLING PERSONS

Complete this section if the Entity is a **Passive Non-Financial Entity OR an Investment Entity located in a non-participating CRS jurisdiction and managed by another Financial Institution.**

- a. **Trusts:** Are any of the trustees, beneficiaries, appointors, settlors or any other persons exercising ultimate effective control over the trust U.S. citizens or residents of the U.S for tax purposes, **OR** tax residents outside of Australia?
- Companies or other entities:** Are any of the directors, beneficial owners (who own 25% or more controlling interest) or persons who exercise control over the entity U.S. citizens or residents of the U.S. for tax purposes, **OR** tax residents outside of Australia?
- YES ☐ If YES complete the table below NO ☐ If 'NO', go to Section 7.

No.	Name	Date Of Birth (Day/Month/Year)	Residential Address	Jurisdiction of Tax residence	Taxpayer Identification Number (TIN or equivalent)	*Reason Code if no TIN provided
1						
2						
3						

* If a Taxpayer Identification Number (TIN) or equivalent is not provided, please provide the appropriate reason:

Reason A - The jurisdiction of the securityholder's tax residence does NOT issue TINs to its residents.

Reason B - The jurisdiction of the securityholder's tax residence DOES issue TINs, however my tax status enables me to NOT obtain a TIN. (Please explain in the table below the reason you are not required to obtain a TIN).

Reason C - No TIN is required. (Only select this reason if the domestic law of the relevant jurisdiction does not require the TIN to be disclosed).

If Reason B has been selected above, explain why the securityholder is not required to obtain a TIN						
1						
2						
3						

Go to Section 7.

7 > CERTIFICATION

- a. **Individuals or Joint Individuals** - Individuals must sign the declaration. Joint individuals must complete a separate form for each individual.
- Entities** - To be completed by an authorised representative of the entity, such as a Director or Trustee.
- I acknowledge that the information contained in this form may be reported to the Australian Taxation Office and exchanged with tax authorities of another jurisdiction or jurisdictions in which the entity may be a tax resident where those jurisdictions have entered into Agreements to exchange Financial Account information.
- I undertake to provide Computershare (on behalf of the Financial Institution) with a suitably updated self-certification within 30 days of any change in circumstances, which causes the information contained herein to become incorrect.
- I declare that I am authorized to make this Certification and I have examined the information on this form and to the best of my knowledge and belief it is true, correct and complete. **This form must be signed and dated for us to accept as proper certification.**

Authorised Signatory

Name (of attorney if applicable)

Please Note: If you are signing this form on behalf of the entity or individual as their attorney under a Power of Attorney, you confirm that you have not been advised that the power of Attorney has been revoked. A certified copy of the Power of Attorney, if not already noted by Computershare, must be lodged with this form to allow processing.

- b.
-
-

Contact Name

Contact Telephone Number

Day / Month / Year

If you need help in completing this form we recommend you consult with your professional advisor.

GUIDE FOR COMPLETING THE TAX RESIDENCY SELF-CERTIFICATION FORM

As a result of the Australian Government agreeing to participate in the exchange of information with other jurisdictions under the Foreign Account Tax Compliance Act (FATCA)¹ and Common Reporting Standard (CRS)², Financial Institutions are required to undertake due diligence to determine account holders' jurisdiction of tax residence. You can provide this information by completing this form.

It is important the account holder's jurisdiction of tax residence is certified. If not certified, the Financial Institution in which you are a securityholder may be required to report the securityholder's name, address, amounts paid to the account and value of securities to the Australian Taxation Office who may report those details to the Internal Revenue Service of the United States and possibly other tax authorities.

If the entity certifies they are a tax resident outside of Australia or in the case of a Passive Non-Financial Entity, any of their controlling persons are certified as a tax resident outside of Australia, the Financial Institution in which you are a securityholder may be required to report the securityholder's name, address, amounts paid to the securityholder and value of securities to the Australian Taxation Office who may report those details to the tax authority in which you are a tax resident.

1 a. Australian Retirement Fund. Trusts (including Australian Self-Managed Superannuation Funds) cannot appear on the register as a Trust. Accordingly, it is industry practice to register Trusts in the name of the Trustees or a Financial Institution. If the securityholding is for an Australian Retirement Fund where the registered securityholder is **NOT** a Financial Institution, tick the 'YES' box then go to Section 7.

2 a. Individual and Joint Individual. For holders of Units in their own right and not as a Retirement Fund or Self Managed Super Fund. Please indicate your Residence Address, this cannot be a GPO Box or a care of address. The address entered will not change the registered address for your Unit Holding.

b. Write your date of birth

c. If the investment is held by individuals jointly write the name of the individual completing the form.

3 Individual and Joint Individuals.

a. If you are a U.S. citizen or resident of the U.S. for tax purposes, tick the 'YES' box, otherwise tick the 'NO' box. If you ticked the 'YES' box, write your U.S. Taxpayer Identification Number.

b. Please indicate all jurisdictions you are a tax resident in (i.e. where you are treated as a resident of the jurisdiction for the purposes of its income tax). If you are a tax resident in more than 3 jurisdictions, write additional information on a copy of this form or on a separate statement. If you are a tax resident in Australia, **do not** provide your Australian Tax File Number in this form.

Entities.

a. If the entity is a U.S. Entity and is a Specified U.S. Person tick the 'YES' box and provide the entity's U.S. Taxpayer Identification Number.

b. Entities outside of the U.S. Please indicate the entity's jurisdiction of tax residence (other than the U.S. identified above). If a tax resident in more than one jurisdiction, please detail all jurisdictions of tax residence in the table below. If the entity is not a tax resident in any jurisdiction, (e.g. because it is fiscally transparent), please provide, in the table, its place of effective management or the jurisdiction in which its principal office is located.

If the entity is a tax resident in more than 3 jurisdictions, write additional information on a copy of this form or on a separate statement.

c. If you completed the table in 3b and did not provide a TIN for one of those jurisdictions and you selected reason code B for not having a TIN, write the reason you do not have a TIN here.

Upon completing Section 3, proceed to section 7 if you are an Individual or Joint Individual. Proceed to section 4 if you are a Financial Institution, or Section 5 if **not** a Financial Institution.

4 a. If the entity is a Financial Institution under FATCA and CRS and has a Global Intermediary Identification Number (GIIN) tick box 4a to indicate this and write the GIIN. Also Answer 4c to indicate if the entity is an Investment Entity located in a non-participating CRS jurisdiction and managed by another Financial Institution.

b. If the entity is a Financial Institution under FATCA and CRS **without** a Global Intermediary Identification Number (GIIN) tick box 4b to indicate this and then tick the box that identifies the type of Financial Institution. Also answer 4c to indicate if the entity is an Investment Entity located in a non-participating CRS jurisdiction and managed by another Financial Institution.

c. If the entity is a Financial Institution under CRS that is an Investment Entity located in a non-participating CRS jurisdiction and managed by another Financial Institution tick the 'YES' box, otherwise tick the 'NO' box. If you ticked the 'YES' box the entity is considered a Passive Non-Financial Entity for CRS purposes so go to Section 6. If you ticked the 'NO' box, tick the box to indicate whether the Financial Institution is a Reporting Financial Institution for CRS purposes and then go to Section 7.

5 a. If the entity is an Active Non-Financial Entity that is **NOT** a Financial Institution tick the box to indicate the type of Active Non-Financial Entity then go to Section 7.

b. If the entity is a Passive Non-Financial Entity that is **NOT** a Financial Institution tick the box to indicate this and then go to Section 6.

¹ Further information about the requirement to collect this information is available from www.ato.gov (enter in search 'guidance FATCA')

² Further information about the requirement to collect this information is available from www.ato.gov (enter in search 'guidance CRS')

- 6** a. If the Securityholding is in respect of a Trust (other than an Australian Retirement Fund or Financial Institution), tick the box to indicate whether any of the trustees, beneficiaries, appointors, settlors or any other persons exercising ultimate effective control over the trust are U.S. citizens or residents of the U.S. for tax purposes **OR** tax residents outside of Australia. If you ticked the 'YES' box complete the details in 6b. If you ticked the 'NO' box go to Section 7.

If the Securityholding is in respect of a Company or other entity (other than an Australian Retirement Fund or Financial Institution), tick the box to indicate whether any of the directors, beneficial owners (who own 25% or more controlling interest) or persons who exercise control over the entity are U.S. citizens or residents of the U.S. for tax purposes **OR** tax residents outside of Australia. If you ticked the 'YES' box complete the details in 6b). If you ticked the 'NO' box go to Section 7.

- b. If you ticked the 'YES' box in 6a, complete the details in this table.
- c. If you completed the table in 6b and did not provide a TIN for one of those jurisdictions and you selected reason code B for not having a TIN, write the reason the person does not have a TIN here.

- 7** a. By signing this form, the securityholder (or their attorney) agrees to the certification acknowledgement, undertaking and declaration in Section 7. If the form is signed by an Entity the signatory to the form must be an authorised representative of the entity and agrees to the certification acknowledgement, undertaking and authorisation by signing the form. Write the name of the person signing the form.

- b. Write the contact name, telephone number and date the form was executed.

Privacy notice

Personal information is collected by Computershare for the purpose of maintaining registers of securityholders as required or permitted by the Corporations Act 2001 and other legislation. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. It may also be disclosed to third parties including the Australian Taxation Office and regulatory bodies located in the United States. If you would like details of your personal information held by Computershare, or would like to correct information that is inaccurate, incorrect or out of date, please contact Computershare using the details provided on the front of this form or email privacy@computershare.com.au



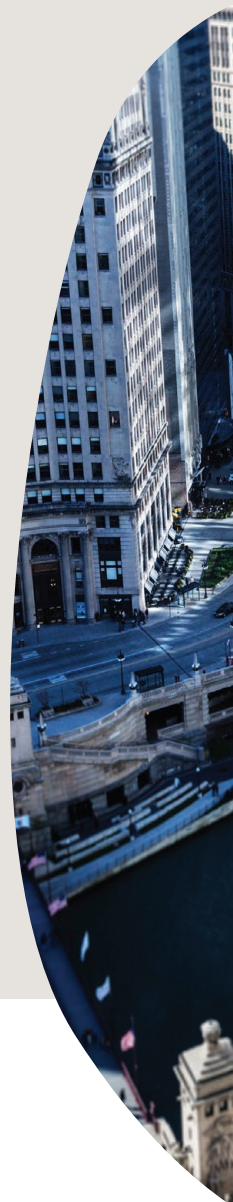
Important Note:

Individual or Joint Individuals If you certify you are a tax resident in Australia whereas our records show you have an address or bank account outside of Australia, you will need to send documentation supporting your tax residency in Australia. If that is the case, please send a certified copy of one of the following supporting documents with this self-certification form:

Passport / Drivers licence / Australian Medicare card / Council rates in the name of the individual / Certificate of residency / Australian Seniors card / Veterans card / Armed Forces identification card.

Entities If you certify the entity is a tax resident in Australia whereas our records show it has an address or bank account outside of Australia, you will need to send documentation supporting the entity's tax residency in Australia. If that is the case, please send a certified copy of one of the following documents with this self-certification form.

Certification of Incorporation / Audited Annual Report / Audited Financial Statement / Council rates in the name of the entity / Certificate of residency.



**INVESTMENT
MANAGER**

Grosvenor Capital
Management, L.P.

**RESPONSIBLE ENTITY
AND ISSUER**

Pengana Investment
Management Limited
ABN 69 063 081 612
AFSL 219 462

CONTACT

T: 1800 291 041
(within Australia)
T: +61 3 9415 4019
(outside Australia)

[PENGANA.COM/PE1](https://www.pengana.com/pe1)