PENGANA CAPITAL GROUP LIMITED

30 JUNE 2023

ANNUAL REPORT

PENGANA CAPITAL GROUP LIMITED
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ANNUAL REPORT

PENGANA CAPITAL GROUP LIMITED

TABLE OF CONTENTS

ANNUAL REPORT

PENGANA CAPITAL GROUP LIMITED

CORPORATE **DIRECTORY**

Directors	David Groves - Non-Executive Independent Chairman Russel Pillemer - Managing Director and Chief Executive Officer Jeremy Dunkel - Non-Executive Independent Director Kevin Eley - Non-Executive Independent Director Brendan O'Dea - Non-Executive Director
Company secretary	Paula Ferrao
Registered office	Suite 27.1, Level 27 Governor Phillip Tower 1 Farrer Place Tel: +61 2 8524 9900
Share register	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000 Tel: 1300 787 272
Auditor	Grant Thornton Audit Pty Ltd Level 17, 383 Kent Street Sydney NSW 2000
Stock exchange listing	Pengana Capital Group Limited shares are listed on the Australian Securities Exchange (ASX: PCG)
Website	www.pengana.com
Corporate Governance Statement	The directors and management are committed to conducting the business of Pengana Capital Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Pengana Capital Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement can be found on the company's website at www.pengana.com.

LETTER FROM THE CHAIRMAN

Dear fellow Pengana shareholders,

Pengana Capital Group Limited ("Pengana" or "the Company") delivered an underlying profit before tax of $6.0 million for the year ended 30 June 2023, representing a material decrease from the $29.2 million earned in the preceding fiscal year. Key reasons for this included: zero performance fees earned in the year to 30 June 2023, lower average FUM, and increased operating expenses related to the establishment of the Private Credit business.

While our strategies delivered strong absolute performance, key strategies fell just short of reaching performance fee high watermarks. Although this outcome is disappointing, it's important to note that while performance fees are inherently variable within short timeframes, over extended periods, they tend to regress toward the mean.

Over the year we invested significant time and capital to advance our key strategic endeavour - the Private Credit business. Increased operating expenses reflect this investment, as well as increases in costs 'post-covid', with expenses relating to premises and sales activities normalising.

The financial results enabled your Board today to declare a 1 cent per share final dividend. Together with the 2 cents per share declared for the interim, this brings the total dividends declared out of the 2023 financial year to 3 cents per share. Since June 2017, the Company has paid over 65 cents per share in dividends, largely fully franked.

Pengana's Balance Sheet is strong, with net tangible underlying assets of $57 million or 51 cents per share. While we believe that the best use of capital is to expand our business, we recognise that the Company's current share price does not reflect the underlying value of the Company. In the financial year, the Company invested $0.4 million to acquire 0.3 million shares. The Board intends to renew the buyback facility for a further twelve months.

In previous Annual Reports, both Russel Pillemer and my predecessor, Warwick Negus, discussed Pengana's progress on its strategic intent to diversify (and hence, de-risk) its revenue base by extending its product offering beyond listed equities into private assets. Leveraging off the successful launch of the Pengana Private Equity Trust in 2019, over the last twelve months, management has been developing investment and operational infrastructure for Pengana's Private Credit business.

In the financial year, significant progress was made – in April this year we announced the establishment of the joint venture with Washington H. Soul Pattinson ("WHSP", ASX: SOL), who allocated $200 million in seed funding to establish a portfolio of private credit investments; in June we announced the appointment of veteran banker Nehemiah Richardson as the joint venture's Chief Executive, and of Charles Finkelstein, Citi Australia's former treasurer, to take on the job of Chief Investment Officer; and finally in July we announced the appointment of Mercer Consulting (Australia) Pty Ltd ('Mercer'), in one of the first of its kind appointment for Mercer in Australia, leveraging Mercer's scale and access to private credit opportunities locally and across the globe. We expect that in time, the Private Credit business will become a major source of Pengana's long-term profitability.

Our balance sheet remains strong, and the company has no debt which gives us the flexibility to invest in growth as well as support our share buyback program. Statutory Net Tangible Assets were 31.73 cents per share, and, when considering the off-balance sheet loans funding our Employee Loan Share Plan ("ELSP"), this increases to 51.34 cents per share.

Equity is a key component of Penganga's remuneration and incentive structure, aligning the interests of employees, investors, and shareholders. During the year we granted 0.8 million service rights convertible into PCG shares over 3 years and allocated a further 1.7 million Pengana shares under the ELSP.

During the year, 6.7 million ELSP shares vested. Under the terms of the ELSP, dividends paid on ELSP shares are applied to reduce the loan balance and employees have two years from vesting to repay the remaining loan balance.

At 30 June 2023, 3.9 million unvested ELSP shares remain, with vesting dates stretching out to September 2027.

Included in the net tangible underlying assets of $57 million or 51.34 cents per share, are loans of $30 million pertaining to our ELSP of which the majority pertain to ELSP shares issued in June 2017, in connection with the merger of Hunter Hall and Pengana. These shares were issued with a five-year vesting period (that is, through to 2022), with loans due two years following the last vesting date (that is, through to 2024). Having sought your approval for this plan back in 2017, we are seeking your approval to extend the loan repayment date by 8 months, through to October 2024.

In addition, our Non-executive Directors (NEDs) elected to salary sacrifice their directors' fees into Pengana shares, with 243,071 shares issued in the financial year. At the upcoming AGM, we will again be seeking your approval to grant our NEDs new Pengana shares in place of their directors' fees. The NED Equity Plan operates on a fee-sacrifice basis, it does not involve additional cost to Pengana and enhances the alignment between the NEDs and our Shareholders.

Our Board plays an important role in Pengana's long-term success, and we have been very fortunate to have had Warwick Negus serve as a non-executive Chairman since 2017. In April, Warwick thought it appropriate to step down given other competing responsibilities. It has been an immense pleasure serving on this Board with Warwick and being the beneficiary of his exceptional contribution, guidance, and experience.

Also in April, we welcomed Brendan O'Dea, currently the Chief Investment Officer at WHSP, who as a Non-Executive Director will bring his extensive business management and investing experience. At this coming AGM, we will have a resolution for our shareholders to formally approve Brendan's appointment to the Board.

Early in the financial year, the Responsible Investment Association of Australasia (‘RIAA’) recognised Pengana as a Responsible Investment Leader. According to RIAA, Responsible Investment Leaders “demonstrate strong governance by publishing responsible investment policies and processes and inviting stakeholders to hold them to account for their performance against targets which they set and report against. In addition, we successfully applied for, and received, RIAA’s certification for our High Conviction Property Securities Fund, joining five other Pengana strategies currently certified by RIAA.

The backbone of Pengana is our employees, and we recognise that the last few years have been challenging on many levels, personally and professionally. During the pandemic and associated lockdowns, an extraordinary amount of team effort went into ensuring that our corporate culture was maintained. In October 2022 we welcomed back our staff to our new Sydney offices at Governor Phillip Tower in Sydney, in an environment specifically designed for a new way of working, enhancing collaboration, and maintaining flexibility.

We also undertook our first employee engagement survey, to gauge the overall sentiment and engagement, with a view to making informed decisions that lead to a more positive work environment, increased productivity, higher retention rates, and ultimately, the cultivation of a motivated and loyal workforce.

We acknowledge that we do not exist in isolation from the community we work and live in, and to date, $2.2 million has been donated to community charitable organisations from management fees Pengana has rebated back to a charitable investment fund for which we are the investment manager and the trustee on a pro-bono basis.

It is clear that the 2023 financial year was difficult, and that the strategies that helped deliver Pengana’s strong results in the 2022 financial year faced significant challenges. During the financial year, we continued to invest in product development, technology, and people, and while these investments impacted this year’s results, the aim is to further diversify the asset mix that underpins our performance and in doing so, increase both the quantum and the reliability of Pengana’s profitability.

More importantly, further extending Pengana’s product offering assists our clients in further diversifying their portfolio by offering private asset solutions that are unique in the Australian market. We see this as a democratisation of choice, giving retail clients access to investments normally only available to large institutional investors.

I’ll close by thanking our shareholders and investors for their continued support and to our staff for their continued commitment. I look forward to seeing you at our Annual General Meeting which will be held in our Sydney offices on November 9, 2023.

David Groves
Chairman
Pengana Capital Group Limited
24 August 2023

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LETTER FROM THE CEO

In May 2023 Pengana marked its 20-year anniversary, and while we have experienced challenging periods since our inception in 2003, the 2023 financial year brought a unique amalgam of circumstances that kept equity markets volatile. All of Pengana's retail strategies delivered strong absolute returns but key strategies finished the year shy of reaching their performance fee high watermarks. While lack of performance fees was the key driver of the financial result, Pengana made substantial inroads into its strategic objectives, launching its Capital Markets and Private Credit businesses.

KEY HIGHLIGHTS OF 2023

Financial highlights

- 30 June 2023 FUM at $3.05 billion
- Operating EBITDA of $3.7 million
- Underlying Profit before tax of $6.0 million
- EPS on Underlying Profit after tax of 4.11 cents
- Underlying NTA per share of 51.34 cents
- Final dividend per share of 1 cents
- Total dividend per share for 12 months of 3 cents

Operational highlights

- First half of year saw continuation of weak investment performance in investment markets;
- Second half of year macro-outlook improved, and equity strategies performed strongly;
- Focused on delivering major initiatives in the private markets businesses;
- Established the private credit joint venture

FUNDS UNDER MANAGEMENT (FUM)[1]

FUM growth was flat during the year, as overall strong absolute performance of $338 million was offset by $173 million in distributions to investors and by net outflows of $152 million, with 30 June 2023 FUM closing at $3.05 billion. While global equity markets roared ahead in the second half of the financial year, the mood was more subdued in domestic equity markets, with domestic investor sentiment manifesting underwhelming net flows.

[1] Due to the divestment of PCG's 65% direct equity stake in Lizard Investors LLC ('Lizard'), all FUM commentary excludes the FUM attributable to Lizard, unless otherwise specified.

During July, our range of equity strategies participated in the continued upward trajectory of equity markets, however investors in Australia remain cautious - FUM decreased marginally to $3.03 billion, as the payment of distributions of $63 million offset performance gains and negligible flows.

FINANCIAL RESULTS

Pengana generated Underlying Profit before tax of $6.0 million which represents 4.11 cents per share after normalised tax.

Pengana Capital Group **Operating EBITDA and underlying profit**	**June 2023** **$'000**	**June 2022** **$'000**
Management fee revenue	35,973	41,768
Performance fee revenue	-	32,727
Net fund direct expenses	(2,919)	(3,097)
Operating expenses	(18,226)	(16,329)
Team profit share	(11,125)	(23,242)
Operating EBITDA[2]	**3,703**	**31,827**
Interest and investment income distributions	681	487
Interest on loan funded share plan	1,802	1,388
Financing costs	(42)	(96)
Gain/(loss) on investments and other non-recurring items	(116)	(4,396)
Underlying profit before tax[3]	**6,028**	**29,210**
Basic EPS on underlying profit after normalised tax[4]	*4.11 cps*	*18.79 cps*

Lower average FUM for the financial year resulted in gross management fee revenues decreasing by 14 % to $36.0 million, down on the $41.8 million posted in the prior comparable period (the year ended 30 June 2022). Importantly, despite pressures faced by active managers, we have maintained healthy margins across all our listed equity strategies and are in the process of further increasing FUM in private assets.

This financial year was unique in that it was the first time in over 9 years where Pengana did not earn performance fees across any of its strategies. We consider this highly unusual, and the outcome of a difficult period for many active managers who, like Pengana, have an overall style tilt towards growth stocks. We remain confident that the further diversification of strategies and fee structures across the business will provide a degree of long-term stability to this income stream.

At the time of writing FUM was on par with that of the average for the 2023 financial year, with Pengana the beneficiary of approximately 62% of the average management fee rate of 1.19%. We expect to maintain these levels in this key metric, as we strategically shift our FUM growth plans towards higher margin products.

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[2] Source: Pengana Management Accounts

[3] Underlying profit before tax attributable to Pengana Shareholders

[4] Calculated on 109,880,991 weighted average number of shares (i.e., including treasury shares) (2022: 108,822961), applying normalised 25% tax rate (2022: 30%)

Operating expenses increased from $16.3 million to $18.2 million. The increase in operational expenses this year fully reflects the world opening-up post Covid, with occupancy costs normalising as well as $665,000 in costs associated with the establishment of our newly created Pengana Private Credit and Pengana Capital Markets businesses.

Unrealised gains on investments were offset by product development costs and a one-off loss on discontinued US operations. At $6.0 million, underlying profit before tax delivered 4.11 cents per share after normalised tax.

BALANCE SHEET

Our Underlying Net Tangible Assets at $56.5 million represents 51.3 cents per share. During the year we paid $8.5 million or 10 cents per share in dividends, repaid our borrowings and ended the period with $28 million in net liquid assets .

Our Board today declared a 1 cent per share dividend, fully franked at 25% tax rate. This brings the total dividends declared for the 2023 financial year to 3 cents per share.

Although Pengana does not have intensive capital requirements, the management of our balance sheet is critically important to our business and the returns we deliver to shareholders in the long term, as it allows us to take advantage of strategic opportunities as they arise.

STRATEGIC UPDATE

Pengana's driving purpose is to devise innovative investment products that address specific challenges faced by Australian investors aiming to diversify their portfolios. We seek to identify asset allocation gaps within our clients' portfolios and develop optimised product structures that prioritise the needs of the end investor.

The successful launch of the Pengana Private Equity Trust ("PE1") in 2019 demonstrates Pengana's ability to democratise the Australian investment landscape. PE1 gave Australian retail investors access to a highly diversified portfolio of global private equity through a suitable investment vehicle managed by leading global private equity investment manager, Grosvenor Capital Management, L.P. – formerly the sole remit of sophisticated institutional investors.

Since the launch of PE1, there has been a notable escalation in retail investor interest towards private equity and given current market dynamics, we see expect continued increased demand for private assets among investors.

In the last twelve months Pengana has been working on offering retail clients the same opportunity in the private credit space. Many private credit products available to Australian retail investors lack sufficient diversification of underlying investments or are offered in unsuitable structures.

Corporate credit had historically been the exclusive domain of the banking sector, but the events of the 2007/08 Global Financial Crisis ('GFC') significantly changed the corporate financing landscape. Post the GFC, regulatory reforms were introduced to prevent the recurrence of another systemic liquidity and credit crisis, increasing bank capital and liquidity requirements and decreasing leverage. This caused banks to retreat from many types of corporate lending, and many companies increasingly looked to private markets for alternatives. As a result, the growth of private credit provided by professional managers accelerated significantly.

Given recent events in the US it seems likely that regulators there may look to further calibrate banking regulations, and banks look to further curtail their lending activities in order to fortify their balance sheets. This will only serve to compound the above trajectory and continue to drive demand for private credit.

At the same time, the confluence of events that have impacted financial markets since the outset of the pandemic has increased investor appetite for income and uncorrelated returns.

Against this backdrop Pengana has established a Private Credit joint venture with Washington H Soul Pattinson and Company Limited ('WHSP', ASX: SOL). With a seed investment by WHSP, Pengana Credit has built a diversified, multi-manager, multi-strategy portfolio designed to deliver both higher yields and a stable capital base, in vehicles created to match a range of investment requirements of Australian investors.

Pengana Credit appointed Mercer Consulting (Australia) Pty Ltd ('Mercer'), leveraging Mercer's local and global footprint, access and investment expertise and benefiting from Mercer's scale and access to private credit opportunities locally and across the globe. Mercer is a global investments and retirement leader with US$16.45 trillion[5] in assets under advisement, and with 240 investment professionals dedicated to alternative asset classes in its alternative investments practice.

The business is headed up by Nehemiah Richardson as the joint venture's Chief Executive, and of Charles Finkelstein, as its Chief Investment Officer. Both bring a wealth of experience to the joint venture, each with over 30 years of financial services experience - Nehemiah at NAB, Latitude Financial Services, JP Morgan and Credit Suisse while Charles as fixed income/foreign exchange trader and later, Treasurer at Citi Australia.

Since 30 June, we have fully committed the $200 million of seed capital provided by our major shareholder WHSP and established our investment vehicle. We are excited to be launching the first of several private credit products in our pipeline in the coming months.

Pengana is well positioned to deliver highly attractive private asset strategies. Over the last three years Pengana has demonstrated an ability to deliver innovative products and has developed a deep understanding of the private markets sector. Pengana's executive team have gained experience and expertise in structuring, marketing and distributing private asset products.

Expansion of Pengana's product offerings into private markets is expected to deliver not only FUM growth, but also management and performance fee diversification and stability, and overall higher net margins to Pengana. We expect the Pengana Private Credit offering to be a major growth engine for Pengana in the coming years.

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[5] As at 30 June 2022

In February we also announced the establishment of a capital markets business that will advise smaller companies and offer a more regular stream of investments to Pengana clients. Headed by former Goldman Sachs and Patersons Securities executive Phil Schofield, the business is a natural extension of Pengana's move into private markets, offering Pengana's high-net-worth client base a range of bespoke offers ranging from private or public equity to debt raisings.

OUTLOOK

Pengana remains strategically well positioned due to our breadth of strategies with solid long term track records, highly scalable infrastructure, and our marketing and distribution capabilities.

Our equity strategies remain well positioned. Speculation regarding inflation and interest rates remains the key driver of sentiment and equity market performance. Opinion appears to be split in to two camps: the higher for longer camp who believe that core inflation will remain elevated and that interest rates will need to remain higher for longer to address this, and the camp that believes interest rates will subside as rapidly as they rose. What appears certain is that while recession fears have eased here and in the US, and in aggregate company fundamentals may appear resilient (if not healthy), sectoral differences are likely to be marked, with interest rate sensitive and cyclical industries exposed, and particularly those companies that loaded up with cheap debt in the days of zero interest rates and are now facing much higher debt costs. Fortunately, these risks are known and unlikely to take the market or our mangers by surprise. It is the threat of the unknown that is the greater risk, and the recent confluence of events has sharpened investor concerns, and we are seeing caution across the board as a result. Given the tension in markets and the uncertain future path of interest rates, our strategies remain cautiously positioned within the context of their mandates.

The timing and magnitude of our return to performance fees will, to a certain extent, be dependent upon various market factors. We do expect these factors to normalise in the future and combined with alpha generation in our various strategies will return Pengana to normalised levels of profitability over the short to medium term.

Pengana's strategic initiatives are aimed at delivering long term value creation, and our growth in the coming years will be driven by focusing resources and capabilities on meeting client demand with innovative products.

As always, I thank our shareholders for the trust in placing their savings with Pengana and I look forward to once again meeting many of you at our Annual General Meeting, to be held in November at Pengana's Sydney offices

Russel Pillemer

Managing Director and Chief Executive Officer
Pengana Capital Group Limited
24 August 2023

Pengana Capital Group Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Pengana Capital Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors
The following persons were directors of Pengana Capital Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

David Groves - Non-Executive Chairman (effective 1 April 2023); Non-Executive Independent Director (until 31 March 2023)
Russel Pillemer - Managing Director and Chief Executive Officer
Jeremy Dunkel - Non-Executive Independent Director
Kevin Eley - Non-Executive Independent Director
Brendan O'Dea - Non-Executive Director (appointed on 1 April 2023)
Warwick Negus - Non-Executive Chairman (resigned on 1 April 2023)

Principal activities
The principal activity of the group is funds management with the objective of increasing investor wealth by developing, offering and managing investment funds in Australia and globally as opportunities arise.

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2023 $'000	2022 $'000
On 24 August 2022, a fully franked final dividend of 8.0 cents per ordinary share was declared for the year ended 30 June 2022 and paid on 13 September 2022 to the shareholders registered on 30 August 2022 (2022: fully franked final dividend of 8.0 cents per ordinary share for the year ended 30 June 2021)	6,812	6,705
On 24 February 2023, a fully franked interim dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2023 and paid on 16 March 2023 to the shareholders registered on 2 March 2023 (2022: fully franked interim dividend of 12.0 cents per ordinary share for the year ended 30 June 2022)	1,673	10,049
	8,485	16,754

On 24 August 2023, the directors declared a final dividend for the year ended 30 June 2023 of 1.0 cent per ordinary share. The dividend is fully franked and will be paid on 13 September 2023 to eligible shareholders on the register on 30 August 2023.

Significant changes in the state of affairs
On 30 March 2022, a five-year lease for new business premises at Governor Philip Tower, Level 27, 1 Farrer Place, Sydney was signed. The lease commenced on 8 July 2022 at which time a lease asset of $3,446,000 and a lease liability of $3,340,000 was recognised.

Discontinued operations
Effective 1 January 2023, the group divested its 65% direct equity stake in Lizard Investors LLC ('Lizard') to facilitate a restructure that was recommended following a strategic review that recognised the group is better placed to focus on significant growth opportunities in the Australian market, whilst Lizard would be better positioned to grow under full employee ownership. Refer to note 6 of notes to the financial statements for further details.

There were no other significant changes in the state of affairs of the group during the financial year.

Review of operations
The loss for the group after providing for income tax and non-controlling interest amounted to $489,000 (30 June 2022: profit of $18,652,000).

Pengana Capital Group Limited
Directors' report
30 June 2023

Please refer to the Chief Executive Officer's Report for further information on the results and future outlook.

Matters subsequent to the end of the financial year
Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations
Refer to the Chief Executive Officer's Report for information on likely developments and future outlook.

Material business risks
Material business risks that could adversely affect the group's future financial performance are listed below.

Market risk
The group's funds under management and associated fee income are exposed to movements in market volatility. Whilst the impact of market fluctuations can be both positive and negative, diversification strategies are used to reduce the magnitude of the effects associated with market volatility.

Environmental and social sustainability risks
The group may have material indirect exposure to environmental and social sustainability risks through the investment portfolios of the various investment strategies it manages that could lead to loss of reputation and funds under management. To mitigate this risk the group has adopted a Sustainability and Responsible Investment Policy covering its product offerings.

Cyber security risk
The risk of cyber-attacks that could result in a loss of data, networks, money, reputation, or the inability to operate are managed in accordance with the group's cyber security strategy which includes an internal framework, outsourced components and regular monitoring and testing.

Environmental regulation
The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	David Groves
Title:	Non-Executive Chairman (effective 1 April 2023); Non-Executive Independent Director (until 31 March 2023)
Experience and expertise:	David has over 25 years' experience as a company director. He is Chairman of H&G High Conviction Limited (ASX:HCF) and is a non-executive director of Pengana International Equities Limited and Redcape Hotel Group Management Ltd as responsible entity of the Redcape Hotel Group. He is a former director of EQT Holdings Ltd, Tassal Group Ltd and GrainCorp Ltd and a former executive with Macquarie Bank Limited and its antecedent, Hill Samuel Australia. David is a member of the Council of Wollongong University. He is a member of Chartered Accountants Australia and New Zealand.
Other current directorships:	Pengana International Equities Limited (ASX: PIA) and H&G High Conviction Limited (ASX:HCF)
Former directorships (last 3 years):	Redcape Hotel Group (ASX: RDC) - delisted on 2 November 2021
Special responsibilities:	Chairman of the Audit and Risk Committee (until 31 March 2023); member of the Audit and Risk Committee (effective 1 April 2023) and member of the Nomination and Remuneration Committee (until 31 March 2023)
Interests in shares:	947,133 ordinary shares

Name:	Russel Pillemer
Title:	Managing Director and Chief Executive Officer
Experience and expertise:	Russel co-founded Pengana in 2003 and has been its Chief Executive Officer since its 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. He was previously Chairman of Centric Wealth Group and a Principal of Turnbull Pillemer Capital. Russel is a member of Chartered Accountants Australia and New Zealand and has a Bachelor of Commerce (Hons) from the University of New South Wales.
Other current directorships:	Pengana International Equities Limited (ASX: PIA)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	10,100,081 ordinary shares and 16,843,528 ordinary shares (treasury shares held under the loan share plan)

Name:	Jeremy Dunkel
Title:	Non-Executive Independent Director
Experience and expertise:	Jeremy is a director of Taurus Capital, a family office investment consultancy specialising in philanthropy. His accounting and finance experience includes working for Chemical Bank, Chase Manhattan and Price Waterhouse. He is a director of Education Heritage Foundation and the Moriah College Foundation, as well as being the Chair of Y2i.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Committee
Interests in shares:	1,996,121 ordinary shares

Name:	Kevin Eley
Title:	Non-Executive Independent Director
Experience and expertise:	Kevin has over 30 years' experience in management in a broad range of industries including manufacturing, mining, retail, finance and funds management. He has worked for a major international accounting firm, two investment banks and was CEO of HGL Limited.
Other current directorships:	EQT Holdings Ltd (ASX: EQT) and Hancock & Gore Ltd (formerly HGL Limited (ASX: HNG))
Former directorships (last 3 years):	Milton Corporation Limited (ASX: MLT) - retired on 6 October 2021
Special responsibilities:	Chairman of the Audit and Risk Committee (effective 1 April 2023) and member of the Nomination and Remuneration Committee
Interests in shares:	472,329 ordinary shares

Name:	Brendan O'Dea
Title:	Non-Executive Director (appointed on 1 April 2023)
Experience and expertise:	Brendan is currently the Chief Investment Officer of Washington H. Soul Pattinson and Company (ASX: SOL) and was appointed to the role in October 2021 having previously been the Managing Director and CEO of Milton Corporation for 3 years. Brendan is an experienced global equity markets executive with extensive business management and investing experience having spent 22 years with Citigroup in Sydney, Hong Kong, New York and Tokyo as a Managing Director. Brendan holds a Bachelor of Economics from the University of Sydney and a Master's Degree in Business Finance from the University of Technology, Sydney. Brendan is Member of Chartered Accountants Australia and New Zealand and a Member of the Institute of Company Directors.
Other current directorships:	None
Former directorships (last 3 years):	Milton Corporation Limited (ASX:MLT)
Special responsibilities:	Member of the Nomination and Remuneration Committee (effective 1 April 2023)
Interests in shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Pengana Capital Group Limited
Directors' report
30 June 2023

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Ms Paula Ferrao has held the role of Company Secretary since 4 January 2017. Paula is an executive of the group and was previously interim CEO of Hunter Hall International Limited, having previously held the position of Chief Financial Officer since 2010. Paula has over 20 years' experience in the funds management industry with strong expertise in financial reporting and tax for corporate entities, listed investment companies, managed investment schemes and public offer superannuation funds and in all aspects of funds operations.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
David Groves	10	10	1	1	4	4
Russel Pillemer	10	10	2	2	-	-
Jeremy Dunkel	10	10	2	2	4	4
Kevin Eley	10	10	2	2	1	1
Brendan O'Dea	1	1	1	1	-	-
Warwick Negus	9	9	-	-	3	3

Held: represents the number of meetings held during the time the director held office and was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel ('KMP') remuneration arrangements for the group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Principles used to determine the nature and amount of remuneration
The objective of the group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee ('NRC') is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
Non-executive directors each have a letter of appointment with the company. Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the NRC. The NRC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

On 6 April 2020, the company announced the implementation of a Non-Executive director equity plan (‘NED Plan’) that operates on a fee sacrifice basis. Under the plan Non-Executive directors are annually given the opportunity to sacrifice up to 100% of fees (excluding compulsory superannuation contribution) in return for a grant of Restricted Rights to acquire shares in the company at an equivalent market value. Restricted Rights are exercisable following the elapsing of 60 days after the grant date. Shares acquired as a result of the exercise of Restricted Rights are subject to a disposal restriction such that they may not be disposed of until the earlier of the elapse of 15 years from the grant date or the participant ceases to hold the office of a Non-Executive director. Effective from 1 July 2020, annual shareholder approval is sought to grant these rights.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 28 November 2017, where the shareholders approved a maximum annual aggregate remuneration of $750,000.

Executive remuneration
The group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has the following components:
- fixed remuneration, including superannuation and long service leave;
- Short term incentives ('STI') in the form of a discretionary cash bonus; and
- Long term incentives ('LTI') in the form of share-based payments.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and long service leave, will be reviewed annually by the NRC based on individual and business unit performance, the overall performance of the group and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the group and provides additional value to the executive.

Short term incentives are payable to KMP and other executives at the discretion of the Board and are not directly linked to the group's profitability, however, the profitability of the group is taken into consideration when determining bonuses. During the years ended 30 June 2023 and 30 June 2022, discretionary cash bonuses were determined by reference to both the performance of the individual and performance of the group.

Long term incentives
The long-term incentives include equity settled share-based payments.

The group operates a Loan Share Plan ('LSP') which is outlined below in the section 'Share-based compensation'.

A condition of the Hunter Hall merger in the year ended 30 June 2017 was a voluntary escrow of equity owned by KMP and other executives. The escrow periods range from one to six years, with all escrow periods being finalised by 30 June 2023.

Use of remuneration consultants
During the financial year ended 30 June 2023, the group did not engage any remuneration consultants.

Voting and comments made at the company's 2022 Annual General Meeting ('AGM')
At the 2022 AGM, shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of KMP of the group are set out in this section.

The KMP of the group consisted of the directors of Pengana Capital Group Limited and the following persons:
- Katrina Glendinning - Chief Financial Officer
- Adam Myers - Executive Director, Strategy and Distribution

Pengana Capital Group Limited
Directors' report
30 June 2023

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Groves*	9,774	-	-	11,307	-	97,919	119,000
Jeremy Dunkel	-	-	-	9,246	-	88,054	97,300
Kevin Eley	4,909	-	-	8,735	-	78,281	91,925
Brendan O'Dea**	19,570	-	-	2,055	-	-	21,625
Warwick Negus	-	-	-	-	-	151,400	151,400
Executive Directors:							
Russel Pillemer	644,208	-	-	25,292	15,165	104,240	788,905
Other KMP:							
Katrina Glendinning	374,404	35,000	-	27,498	8,015	15,042	459,959
Adam Myers	374,404	70,000	-	27,498	7,729	60,003	539,634
	1,427,269	105,000	-	111,631	30,909	594,939	2,269,748

* Represents remuneration as Non-Executive Chairman (from 1 April 2023) and as Non-Executive Independent Director (until 31 March 2023).

** Represents remuneration from 1 April 2023 to 30 June 2023.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Groves	-	-	-	9,545	-	95,455	105,000
Jeremy Dunkel	-	-	-	8,591	-	85,909	94,500
Kevin Eley	-	-	-	7,636	-	76,364	84,000
Warwick Negus	-	-	-	3,341	-	143,659	147,000
Executive Directors:							
Russel Pillemer	625,287	150,000	-	23,568	15,441	37,583	851,879
Other KMP:							
Katrina Glendinning	362,697	75,000	-	27,499	6,991	30,279	502,466
Adam Myers	362,698	180,000	-	27,498	6,847	106,854	683,897
	1,350,682	405,000	-	107,678	29,279	576,103	2,468,742

The share-based payments represent amortisation of the notional options arising from the accounting treatment of the LSP, as described below under 'Share-based compensation' for executive directors and other KMP, and fees sacrificed into the NED Plan for non-executive directors.

Non-executive directors' remuneration is 100% fixed. The fixed proportion and the proportion of remuneration linked to the performance of Executive Directors and KMP are as follows:

	Fixed remuneration		STI		LTI	
Name	2023	2022	2023	2022	2023	2022
Executive Directors:						
Russel Pillemer	87%	78%	-	18%	13%	4%
Other KMP:						
Katrina Glendinning	89%	79%	8%	15%	3%	6%
Adam Myers	76%	58%	13%	26%	11%	16%

Service agreements
Remuneration and other terms of employment for group executives are formalised in employment agreements. Details of the employment agreements with KMP are as follows:

Name:	Russel Pillemer
Title:	Managing Director and Chief Executive Officer
Term of agreement:	Ongoing - no fixed minimum term
Details:	A total fixed salary of $699,628 per annum, which includes statutory superannuation contributions and any salary sacrifice arrangements. Russel participates in the loan share plan. Either party may terminate the employment agreement by providing six months’ notice.

Name:	Katrina Glendinning
Title:	Chief Financial Officer
Term of agreement:	Ongoing - no fixed minimum term
Details:	A total fixed salary of $419,988 per annum, which includes statutory superannuation contributions and any salary sacrifice arrangements. Katrina participates in the loan share plan. Either party may terminate the employment agreement by providing six months’ notice.

Name:	Adam Myers
Title:	Executive Director, Strategy and Distribution
Term of agreement:	Ongoing - no fixed minimum term
Details:	A total fixed salary of $419,988 per annum, which includes statutory superannuation contributions and any salary sacrifice arrangements. Adam participates in the loan share plan. Either party may terminate the employment agreement by providing one months’ notice.

In addition to the fixed salary, KMP are entitled to any discretionary bonus approved by NRC. KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares under the Loan Share Plan ('LSP')
The group operates a LSP whereby limited recourse loans are provided to employees and fund managers to acquire shares in the company. As the share acquisitions are funded by limited recourse loans, and whilst those loans remain outstanding, the shares are referred to as treasury shares and not recognised in equity nor are the associated loans recognised as a receivable. As at 30 June 2023, loans outstanding under the LSP totalled $30,060,185 (2022: $28,195,000) and represent the value of both receivables and contributed equity not recognised on the statement of financial position.

Treasury shares for accounting purposes are treated similar to a grant of options and accounted for as equity-settled share-based payments. Treasury shares are fair valued using an option pricing model on the date they are granted and amortised as an expense in profit or loss over the vesting period. A share-based payment expense of $752,000 has been recognised in the statement of profit or loss for the year ended 30 June 2023 (2022: $619,000).

Pengana Capital Group Limited
Directors' report
30 June 2023

The loans are interest bearing and have a maximum term of up to seven years. Recourse on the loans (including associated interest) is limited to the associated shares and any dividend amounts applied to the loan balance. The shares granted under the LSP are subject to a vesting condition, that the employees must remain continuously employed for a period of three to five years from the grant date, except for shares associated with the LSP granted to the CEO which are not subject to a vesting condition and vested on the date the shares were granted.

Treasury shares issued prior to 20 December 2019 were all vested at 30 June 2022. For treasury shares issued on or after 20 December 2019, a third of each grant vests annually in the third, fourth and fifth year following the grant date. Loans associated with the treasury shares are due to be repaid 7 years after the grant date which is represented by the expiry date of the notional options recognised in the financial statements.

Outstanding loan payable under LSP by each KMP is provided below:
- Russel Pillemer $17,412,038 (2022: $17,000,975)
- Katrina Glendinning $711,174 (2022: $581,858)
- Adam Myers $2,345,609 (2022: $1,999,879).

The terms and conditions of each grant of shares under the LSP affecting remuneration of KMP in this financial year or future reporting years are as follows:

Grant date	Expiry date	Name	Number of loan shares	Exercise price	Fair value per loan share at grant date
14/09/2021	12/09/2028	Russel Pillemer	400,000	$1.58	$0.455
30/06/2021	28/06/2028	Katrina Glendinning	76,103	$1.31	$0.382
20/12/2019	18/12/2026	Adam Myers	250,000	$1.50	$0.372
30/06/2021	28/06/2028	Adam Myers	127,995	$1.31	$0.382
14/09/2021	12/09/2028	Adam Myers	72,005	$1.58	$0.455
08/09/2022	06/09/2029	Katrina Glendinning	75,000	$1.35	$0.472
08/09/2022	06/09/2029	Adam Myers	200,000	$1.35	$0.472
25/10/2022	06/09/2029	Russel Pillemer	571,000	$1.35	$0.472

Performance/service rights
There were no performance/service rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

Additional disclosures relating to KMP

Shareholding
The number of shares in the company, excluding shares under the LSP, held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Additions via NED plan	Other *	Balance at the end of the year
Ordinary shares						
David Groves	889,871	-	-	57,262	-	947,133
Jeremy Dunkel	1,944,628	-	-	51,493	-	1,996,121
Kevin Eley	426,551	-	-	45,778	-	472,329
Brendan O'Dea	-	-	-	-	-	-
Warwick Negus	3,681,763	-	-	88,538	(3,770,301)	-
Russel Pillemer	10,100,081	-	-	-	-	10,100,081
Katrina Glendinning	2,159,530	-	-	-	-	2,159,530
Adam Myers	166,250	-	-	-	-	166,250
	19,368,674	-	-	243,071	(3,770,301)	15,841,444

* Other represents 3,770,301 shares held at resignation date.

Shares under the loan share plan
The number of shares under the LSP in the company held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Shares under the loan share plan (vested and unvested)					
Russel Pillemer	16,272,528	571,000	-	-	16,843,528
Katrina Glendinning	499,002	75,000	-	-	574,002
Adam Myers	1,625,654	200,000	-	-	1,825,654
	18,397,184	846,000	-	-	19,243,184

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
Shares under the loan share plan (vested)			
Russel Pillemer	15,872,528	-	15,872,528
Katrina Glendinning	422,899	-	422,899
Adam Myers	1,175,654	-	1,175,654
	17,471,081	-	17,471,081

This concludes the remuneration report, which has been audited.

Shares under the loan share plan and shares under options
Shares under the LSP in Pengana Capital Group Limited and reported as treasury shares at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of loan shares
01/03/2017	28/02/2024	$1.49	5,149,796
01/03/2017	28/02/2024	$1.20	10,722,732
03/03/2017	01/03/2024	$1.49	6,622,683
20/12/2019	18/12/2026	$1.50	788,000
30/06/2021	28/06/2028	$1.31	651,998
14/09/2021	12/09/2028	$1.58	1,054,105
08/09/2022	06/09/2029	$1.35	1,706,000
			26,695,314

The value of loans issued under the LSP total $34,025,000 (2022: $31,617,000). Due to the limited recourse nature of the loans and whilst the loans remain outstanding the value of the loans is not recognised as a receivable and issued capital is reduced by both the value of the initial loans and the number of associated treasury shares. Refer to note 23 and note 38 of the notes to the financial statements for further details.

There were no unissued ordinary shares of Pengana Capital Group Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Pengana Capital Group Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Shares issued on the exercise of service rights
There were no ordinary shares of Pengana Capital Group Limited issued on the exercise of service rights during the year ended 30 June 2023 and up to the date of this report.

Pengana Capital Group Limited
Directors' report
30 June 2023

Shares under service rights

Unissued ordinary shares of Pengana Capital Group Limited under service rights at the date of this report are as follows:

Grant date	Vesting date	Exercise price	Number under rights
27/09/2022	30/06/2024	$0.00	216,050
27/09/2022	30/06/2025	$0.00	302,469
27/09/2022	30/06/2026	$0.00	345,679
			864,198

No person entitled to exercise the service rights had or has any right by virtue of the service right to participate in any share issue of the company or of any other body corporate.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where the indemnity is not permitted by law.

During the financial year the group paid premiums in respect of contracts to insure the directors and executives of the company and group. The contract of insurance prohibits disclosure of the nature of the risks insured and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

PENGANA
CAPITAL GROUP

Pengana Capital Group Limited
Directors' report
30 June 2023

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

David Groves	Russel Pillemer
Non-Executive Chairman	Chief Executive Officer

24 August 2023
Sydney

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230

T +61 2 8297 2400

Auditor's Independence Declaration

To the Directors of Pengana Capital Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Pengana Capital Group Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Nicole Gonzalez

N M Gonzalez
Partner – Audit & Assurance

Sydney, 24 August 2023

Pengana Capital Group Limited
Statement of profit or loss
For the year ended 30 June 2023

	Note	Consolidated 2023 $'000	2022 $'000
Revenue			
Management fees		36,519	42,460
Performance fees		-	32,850
Total revenue	2	36,519	75,310
Share of profits of associates accounted for using the equity method		341	93
Interest revenue calculated using the effective interest method		170	40
Other income and gains	3	1,049	1,188
Total revenue and income		38,079	76,631
Expenses			
Human resources expenses		(13,808)	(13,377)
Fund manager profit share expenses		(10,841)	(22,000)
Fund operating expenses		(3,314)	(3,538)
Occupancy expenses		(291)	(315)
Capital raising and product development expenses		(1,124)	(1,227)
Technology and telecommunications expenses		(1,065)	(1,086)
Marketing and investment research expenses		(1,130)	(612)
Insurance expenses		(1,272)	(1,199)
Professional, registry and listing related expenses		(773)	(586)
Depreciation and amortisation expenses	4	(3,501)	(2,722)
Finance costs	4	(190)	(104)
Other operating expenses		(380)	(430)
Total expenses		(37,689)	(47,196)
Profit before income tax expense from continuing operations		390	29,435
Income tax expense	5	(140)	(9,100)
Profit after income tax expense from continuing operations		250	20,335
Loss after income tax expense from discontinued operations	6	(852)	(1,954)
Profit/(loss) after income tax expense for the year		(602)	18,381
Profit/(loss) for the year is attributable to:			
Non-controlling interest		(113)	(271)
Owners of Pengana Capital Group Limited		(489)	18,652
		(602)	18,381

The above statement of profit or loss should be read in conjunction with the accompanying notes

Pengana Capital Group Limited
Statement of profit or loss
For the year ended 30 June 2023

	Note	Consolidated 2023	2022
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the owners of Pengana Capital Group Limited			
Basic earnings per share	39	0.30	24.31
Diluted earnings per share	39	0.29	22.35
Earnings per share for loss from discontinued operations attributable to the owners of Pengana Capital Group Limited			
Basic earnings per share	39	(0.89)	(2.01)
Diluted earnings per share	39	(0.89)	(2.01)
Earnings per share for profit/(loss) attributable to the owners of Pengana Capital Group Limited			
Basic earnings per share	39	(0.59)	22.30
Diluted earnings per share	39	(0.59)	20.50

The above statement of profit or loss should be read in conjunction with the accompanying notes

Pengana Capital Group Limited
Statement of other comprehensive income
For the year ended 30 June 2023

	Consolidated 2023 $'000	Consolidated 2022 $'000
Profit/(loss) after income tax expense for the year	(602)	18,381
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Gain or loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	692	(1,936)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	52	(48)
Foreign currency translation on minority interest	-	(27)
Other comprehensive income for the year, net of tax	744	(2,011)
Total comprehensive income for the year	142	16,370
Total comprehensive income for the year is attributable to:		
Continuing operations	-	-
Discontinued operations	(113)	(298)
Non-controlling interest	(113)	(298)
Continuing operations	994	18,351
Discontinued operations	(739)	(1,683)
Owners of Pengana Capital Group Limited	255	16,668
	142	16,370

The above statement of other comprehensive income should be read in conjunction with the accompanying notes

Pengana Capital Group Limited
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $'000	Consolidated 2022 $'000
Assets			
Current assets			
Cash and cash equivalents	7	14,180	25,656
Trade and other receivables	8	1,086	623
Contract assets	9	3,032	7,588
Investments in financial assets at fair value through profit or loss	10	-	1,420
Prepayments and deposits	12	682	965
Income tax refund due	5	1,519	-
Total current assets		20,499	36,252
Non-current assets			
Trade and other receivables	8	351	387
Financial instrument at fair value through profit or loss	11	1,583	-
Investments accounted using the equity method	13	2,755	4,016
Financial assets at fair value through other comprehensive income	14	7,082	6,046
Property, plant and equipment	15	1,092	209
Intangibles	16	53,339	58,473
Right-of-use assets	17	3,608	287
Prepayments and deposits	12	585	573
Total non-current assets		70,395	69,991
Total assets		90,894	106,243
Liabilities			
Current liabilities			
Trade and other payables	18	5,725	8,657
Employee benefits	19	1,333	1,297
Bank loan	20	-	1,250
Lease liabilities	21	678	234
Income tax liability	5	-	4,504
Total current liabilities		7,736	15,942
Non-current liabilities			
Employee benefits	19	247	213
Provisions	22	186	-
Lease liabilities	21	2,932	52
Deferred tax	5	2,080	2,656
Total non-current liabilities		5,445	2,921
Total liabilities		13,181	18,863
Net assets		77,713	87,380
Equity			
Contributed equity	23	98,969	98,859
Reserves	24	26,169	35,867
Accumulated losses		(47,425)	(46,933)
Equity attributable to the owners of Pengana Capital Group Limited		77,713	87,793
Non-controlling interest		-	(413)
Total equity		77,713	87,380

The above statement of financial position should be read in conjunction with the accompanying notes

Pengana Capital Group Limited
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2021	99,804	34,854	(46,453)	(115)	88,090
Profit/(loss) after income tax expense for the year	-	-	18,652	(271)	18,381
Other comprehensive income for the year, net of tax	-	(1,984)	-	(27)	(2,011)
Total comprehensive income for the year	-	(1,984)	18,652	(298)	16,370
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 23)	401	-	-	-	401
Share-based payments (note 38)	-	619	-	-	619
Transfer from accumulated losses to profits reserve (note 24)	-	19,653	(19,653)	-	-
Reclassify gain or loss on disposal of equity instruments net of tax to accumulated losses	-	(521)	521	-	-
Share buy-back (note 23)	(1,542)	-	-	-	(1,542)
Loan repayment on treasury shares (note 23)	196	-	-	-	196
Dividends paid (note 25)	-	(16,754)	-	-	(16,754)
Balance at 30 June 2022	98,859	35,867	(46,933)	(413)	87,380

Consolidated	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2022	98,859	35,867	(46,933)	(413)	87,380
Loss after income tax expense for the year	-	-	(489)	(113)	(602)
Other comprehensive income for the year, net of tax	-	744	-	-	744
Total comprehensive income for the year	-	744	(489)	(113)	142
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 23)	416	-	-	-	416
Share buy-back (note 23)	(789)	-	-	-	(789)
Loan repayment on treasury shares (note 23)	483	-	-	-	483
Share-based payments (note 38)	-	752	-	-	752
Adjustments to acquisition reserve (note 24)	-	(2,712)	-	-	(2,712)
Adjustment to non-controlling interest on disposal	-	-	-	526	526
Dividends paid (note 25)	-	(8,485)	-	-	(8,485)
Other changes	-	3	(3)	-	-
Balance at 30 June 2023	98,969	26,169	(47,425)	-	77,713

The above statement of changes in equity should be read in conjunction with the accompanying notes

Pengana Capital Group Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		43,927	102,307
Payments to suppliers, customers and employees (inclusive of GST)		(38,992)	(67,898)
Dividends received		509	389
Interest received		170	41
Other revenue		1,600	407
Finance costs		(42)	(96)
Income taxes paid		(7,084)	(9,996)
Net cash from operating activities	37	88	25,154
Cash flows from investing activities			
Proceeds from return of capital on investments in subsidiaries		1,019	2,207
Cash disposed of on disposal of subsidiaries		(2,916)	-
Payments for purchase of investments in associates		(44)	(4,012)
Payments for term deposits		(200)	-
Payments for property, plant and equipment		(619)	(98)
Proceeds from shareholder loan repayments		35	70
Payments for purchase of financial instruments held at fair value through profit or loss		(2,195)	-
Proceeds from disposal of investments in associates		251	1,533
Proceeds from disposal of investments in financial instruments held at fair value through profit or loss		3,567	1,736
Proceeds from disposal of other investments		-	421
Proceeds from security deposits		40	45
Payments for purchase of other investments		-	(2,190)
Payments for security deposits		(10)	-
Net cash used in investing activities		(1,072)	(288)
Cash flows from financing activities			
Proceeds from issue of shares	23	416	401
Repayment of borrowings	37	(1,250)	(1,250)
Repayment of lease liabilities	37	(875)	(291)
Payments for share buy-backs		(358)	(1,346)
Dividends paid	25	(8,485)	(16,754)
Proceeds from loan repayment on treasury shares		53	-
Net cash used in financing activities		(10,499)	(19,240)
Net (decrease)/increase in cash and cash equivalents		(11,483)	5,626
Cash and cash equivalents at the beginning of the financial year		25,656	19,900
Effects of exchange rate changes on cash and cash equivalents		7	130
Cash and cash equivalents at the end of the financial year	7	14,180	25,656

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Operating segments

Identification of reportable operating segments
The main business activities of the group are the provision of funds management services. The Board of Directors and the Chief Executive Officer are identified as the Chief Operating Decision Makers ('CODM'), and they consider the performance of the main business activities on an aggregated basis to determine the allocation of resources.

Other activities undertaken by the group, including investing activities, are incidental to the main business activities.

Based on the internal reports that are used by the CODM, the group has one operating segment being development, offering of, and management of investment funds. The operating segment information is the same information as provided throughout the financial statements and is therefore not duplicated.

The information reported to the CODM is on a regular basis.

Major customers
During the year ended 30 June 2023, approximately 59% (2022: 75%) of the group's external revenue was derived from three (2022: three) Funds.

Note 2. Disaggregation of revenue

Revenue is substantially generated in Australia and is recognised over time. Revenue is categorised as either management or performance fees in the statement of profit or loss. Refer to note 40 for accounting policies associated with each category.

Note 3. Other income and gains

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Dividends and distributions	373	373
Rental income	82	72
Loss on disposal of subsidiary	(266)	-
Reversal of impairment on disposal of subsidiary	-	533
Other income	860	210
	1,049	1,188

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 4. Expenses

	Consolidated 2023 $'000	2022 $'000
Profit before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Leasehold improvements	14	5
Furniture and fittings	48	5
Plant and equipment	167	68
Right-of-use assets	923	258
Total depreciation	1,152	336
Amortisation		
Acquired relationships	2,441	2,380
Other intangible assets	-	127
Depreciation and amortisation included in discontinued operations (note 6)	(92)	(121)
Total amortisation	2,349	2,386
Total depreciation and amortisation	3,501	2,722
Finance costs		
Interest and finance charges paid/payable on borrowings	42	96
Interest and finance charges paid/payable on lease liabilities	148	8
Finance costs expensed	190	104
Net foreign exchange loss/(gain)		
Net foreign exchange loss/(gain)	4	(232)
Defined contribution superannuation expense	805	720
Share-based payments expense - included in human resources expenses		
Share-based payments expense	752	619

Note 5. Income tax

	Consolidated 2023 $'000	Consolidated 2022 $'000
Income tax expense		
Current tax	371	11,186
Deferred tax - origination and reversal of temporary differences	(231)	(2,086)
Aggregate income tax expense	140	9,100
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax liabilities	(231)	(2,086)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense from continuing operations	390	29,435
Loss before income tax expense from discontinued operations	(852)	(1,954)
	(462)	27,481
Tax at the statutory tax rate of 25% (2022: 30%)	(116)	8,244
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	115	(84)
Non-deductible expenses	228	230
Assessable income not in profit or loss	450	417
Deductible expenses not in profit or loss	-	(389)
	677	8,418
Adjustment to tax balances as a result of change in statutory tax rate	(398)	-
Prior period adjustments	(11)	5
(Recognise)/derecognise tax asset related to capital losses	(128)	677
Income tax expense	140	9,100

	Consolidated 2023 $'000	Consolidated 2022 $'000
Amounts charged/(credited) directly to equity		
Deferred tax liabilities	(345)	830
Tax losses not recognised		
Capital tax losses for which no deferred tax asset has been recognised	2,576	2,797
Potential tax benefit at statutory tax rates	644	839

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 5. Income tax (continued)

	Consolidated 2023 $'000	Consolidated 2022 $'000
Deferred tax liability/(asset)		
Deferred tax liability/(asset) comprises temporary differences attributable to:		
Amounts recognised:		
Identifiable intangibles	3,120	4,476
Unrealised gains/losses	(168)	(565)
Provisions	(825)	(1,258)
Property, plant and equipment	-	1
Right of return assets	(47)	2
Deferred tax liability	2,080	2,656
Movements:		
Opening balance	2,656	3,912
Credited to profit or loss	(231)	(2,086)
Charged/(credited) to equity	(345)	830
Closing balance	2,080	2,656

	Consolidated 2023 $'000	Consolidated 2022 $'000
Income tax refund due		
Income tax refund due	1,519	-

	Consolidated 2023 $'000	Consolidated 2022 $'000
Provision for income tax		
Provision for income tax	-	4,504

Note 6. Discontinued operations

Effective 1 January 2023, the group divested its 65% direct equity stake in Lizard Investors LLC ('Lizard') to facilitate a restructure that was recommended following a strategic review that recognised the group is better placed to focus on significant growth opportunities in the Australian market, whilst Lizard would be better positioned to grow under full employee ownership.

Arrangements between the group and Lizard for management of the Pengana Global Small Companies Fund, that predate the group's investment in Lizard on 1 January 2020 by nearly 5 years remain in place, and the successful growth of the Pengana Global Small Companies Fund will remain a key focus for both businesses.

The restructure involves the group fully withdrawing as a member of Lizard and receiving an option to acquire a 6.5% stake in Lizard at a future date which is determined by an order of events. The fair value of consideration for withdrawing as a member is $1.7 million representing a future reduction in management fees payable to Lizard for Lizard’s management of Pengana Global Small Companies Fund. Loss on divestment of Lizard amounting to $266,000 is included in note 3.

As a result of the restructuring, the financial results, of the discontinued operations have been separately disclosed within the statement of profit or loss and other comprehensive income. Refer to below for the financial performance of the discontinued operation.

Note 6. Discontinued operations (continued)

Financial performance information

	Consolidated	
	2023 $'000	2022 $'000
Revenue		
Management fees	702	2,366
Performance fees	-	447
Total revenue	702	2,813
Share of profit - associates	-	6
Realised and unrealised gains/(losses) on financial instruments	370	(439)
Other income	50	248
Total other income	420	(185)
Expenses		
Human resources expenses	(839)	(2,663)
Fund manager profit share expense	-	(539)
Fund operating expenses	(49)	(106)
Occupancy expenses	(5)	(74)
Technology and telecommunications expenses	(313)	(664)
Marketing and investment research expenses	(41)	(72)
Insurance expenses	(23)	(50)
Professional, registry and listing related expenses	(151)	(253)
Depreciation and amortisation expenses	(92)	(121)
Finance costs	(5)	(8)
Other operating expenses	(456)	(32)
Total expenses	(1,974)	(4,582)
Loss before income tax expense	(852)	(1,954)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	(852)	(1,954)

Cash flow information

	Consolidated	
	2023 $'000	2022 $'000
Net cash (used in)/from operating activities	(403)	2,425
Net cash from/(used in) investing activities	1,372	(1,202)
Net cash used in financing activities	(84)	(124)
Net increase in cash and cash equivalents from discontinued operations	885	1,099

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 7. Cash and cash equivalents

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current assets		
Cash on hand and at bank	14,039	19,561
Cash on deposit	141	6,095
	14,180	25,656

Note 8. Trade and other receivables

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current assets		
Trade receivables	198	5
Other receivables	888	618
	1,086	623
Non-current assets		
Other loans	351	387
	1,437	1,010

Allowance for expected credit losses
The group has recognised a loss of $nil (2022: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2023 %	Expected credit loss rate 2022 %	Carrying amount 2023 $'000	Carrying amount 2022 $'000	Allowance for expected credit losses 2023 $'000	Allowance for expected credit losses 2022 $'000
Not overdue	-	-	198	5	-	-

Note 9. Contract assets

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current assets		
Contract assets - accrued management and performance fees	3,032	7,588

Management and performance fees are invoiced monthly in arrears and received within the following month. Significant changes in contract assets are attributable to the volatile nature of performance fee revenue.

Allowance for expected credit losses:
The group has recognised a loss of $nil (2022: $nil) in profit or loss in respect of the non-recoverability of contract assets for the year ended 30 June 2023.

Note 10. Investments in financial assets at fair value through profit or loss

	Consolidated	
	2023	2022
	$'000	$'000
Current assets		
Investments in listed equity securities	-	1,420

Refer to note 27 for further information on fair value measurement.

Note 11. Financial instrument at fair value through profit or loss

	Consolidated	
	2023	2022
	$'000	$'000
Non-current assets		
Financial assets at fair value through profit or loss (note 27)	1,583	-

Note 12. Prepayments and deposits

	Consolidated	
	2023	2022
	$'000	$'000
Current assets		
Prepayments	479	871
Security deposits	3	94
Term deposits	200	-
	682	965
Non-current assets		
Prepayments	14	50
Security deposits	571	523
	585	573
	1,267	1,538

Note 13. Investments accounted using the equity method

	Consolidated	
	2023	2022
	$'000	$'000
Non-current assets		
Investments in associates	2,755	4,016

Refer to note 35 for further information on interests in associates.

Refer to note 36 for further information on interests in joint ventures.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 14. Financial assets at fair value through other comprehensive income

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Investments in listed equity securities	7,082	6,046

Refer to note 27 for further information on fair value measurement.

Note 15. Property, plant and equipment

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Leasehold improvements - at cost	298	250
Less: Accumulated depreciation	(36)	(161)
	262	89
Furniture and fittings - at cost	506	126
Less: Accumulated depreciation	(54)	(124)
	452	2
Plant and equipment - at cost	606	977
Less: Accumulated depreciation	(228)	(859)
	378	118
	1,092	209

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $'000	Furniture and fittings $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2021	41	11	134	186
Additions	53	-	78	131
Write-off of assets	-	(4)	(26)	(30)
Depreciation expense	(5)	(5)	(68)	(78)
Balance at 30 June 2022	89	2	118	209
Additions	226	497	422	1,145
Disposals	(39)	-	-	(39)
Depreciation expense	(14)	(47)	(162)	(223)
Balance at 30 June 2023	262	452	378	1,092

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 16. Intangibles

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Goodwill - at cost	40,860	43,553
Acquired relationships - at cost	26,768	26,768
Less: Accumulated amortisation	(14,289)	(11,848)
	12,479	14,920
	53,339	58,473

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000	Acquired relationships $'000	Other intangible assets $'000	Total $'000
Balance at 1 July 2021	43,553	17,300	127	60,980
Amortisation expense	-	(2,380)	(127)	(2,507)
Balance at 30 June 2022	43,553	14,920	-	58,473
Amortisation expense	-	(2,441)	-	(2,441)
Lizard Investors LLC (note 24)	(2,693)	-	-	(2,693)
Balance at 30 June 2023	40,860	12,479	-	53,339

The group identifies a single cash-generating unit ('CGU') and, therefore, the recoverable amount has been determined at the group level.

The recoverable amount of the group’s goodwill has been determined by value-in-use ('VIU') calculations. The calculations use cash flow projections based on the business plan approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below.

The following key assumptions were used in the VIU model:
a. Pre-tax discount rate of 17.0% (2022: 15.6%);
b. Projected growth rate of 2.25% (2022: 2.25%) beyond five year period for the CGU; and
c. Increase in operating costs and overheads based on current expenditure levels adjusted for inflationary increases.

Sensitivity analysis:
Management estimates that any reasonable changes in the key assumptions would not have a significant impact on the value-in-use of goodwill that would require the assets to be impaired.

The remaining amortisation period for the acquired relationships is between 1 and 17 years.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 17. Right-of-use assets

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Right-of-use assets	5,930	1,686
Less: Accumulated depreciation	(2,322)	(1,399)
	3,608	287

The group leases office premises and office equipment (e.g. photocopier) under agreements expiring between one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated and a new lease entered into.

On 30 March 2022, a five-year lease for new business premises at Governor Philip Tower, Level 27, 1 Farrer Place, Sydney was signed. The lease commenced on 8 July 2022 at which time a lease asset of $3,446,000 and a lease liability of $3,340,000 was recognised.

On 8 December 2022, a new five-year lease for existing business premises at Level 7, 100 Collins Street, Melbourne commenced at which time a lease asset of $934,000 and a lease liability of $854,000 was recognised.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Office premises $'000	Others $'000	Total $'000
Balance at 1 July 2021	201	8	209
Additions	325	-	325
Exchange differences on consolidation	(3)	14	11
Depreciation expense	(245)	(13)	(258)
Balance at 30 June 2022	278	9	287
Additions	4,380	-	4,380
Transfer of assets related to Lizard Investors LLC (note 6)	(136)	-	(136)
Depreciation expense	(917)	(6)	(923)
Balance at 30 June 2023	3,605	3	3,608

For other AASB 16 lease-related disclosures:
- Refer note 4 for details of interest on lease liabilities;
- Refer note 21 and note 37 for details of lease liabilities at the beginning and end of the reporting period;
- Refer note 26 for the maturity analysis of lease liabilities; and
- Refer statement of cash flows for repayment of lease liabilities.

Note 18. Trade and other payables

	Consolidated 2023 $'000	2022 $'000
Current liabilities		
Trade payables	-	12
Accrued expenses	3,027	4,496
Fund manager profit share	2,354	2,005
Payable to non-controlling interests	-	1,861
Other payables	344	283
	5,725	8,657

Refer to note 26 for further information on financial instruments.

Note 19. Employee benefits

	Consolidated 2023 $'000	2022 $'000
Current liabilities		
Annual leave	614	636
Long service leave	719	661
	1,333	1,297
Non-current liabilities		
Long service leave	247	213
	1,580	1,510

Note 20. Bank loan

	Consolidated 2023 $'000	2022 $'000
Current liabilities		
Bank loan	-	1,250

Refer to note 26 for further information on financial instruments.

Total secured liabilities
The total secured liabilities are as follows:

	Consolidated 2023 $'000	2022 $'000
Bank loan	-	1,250

The bank loan facility with the lender Metrics Credit Partners Pty Ltd matured and was settled during the current financial year.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 20. Bank loan (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Total facilities		
Bank loan	-	1,250
Used at the reporting date		
Bank loan	-	1,250
Unused at the reporting date		
Bank loan	-	-

Note 21. Lease liabilities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current liabilities		
Lease liability	678	234
Non-current liabilities		
Lease liability	2,932	52
	3,610	286

Refer to note 26 for maturity analysis of lease liabilities.

Note 22. Provisions

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current liabilities		
Lease make good	186	-

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the group at the end of the respective lease terms.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2023	**Lease make good** $'000
Carrying amount at the start of the year	-
Additional provisions recognised on leases entered during the current financial year	186
Carrying amount at the end of the year	186

Note 23. Contributed equity

	Consolidated			
	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Ordinary shares - fully paid	110,076,680	108,748,050	132,994	130,476
Less: Treasury shares	(26,695,314)	(25,379,961)	(34,025)	(31,617)
	83,381,366	83,368,089	98,969	98,859

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2021	103,184,673	118,998
Issue of shares under the Pengana Capital Group Loan Share Plan	14 September 2021	814,105	1,588
Conversion of fully paid preference shares to ordinary shares	29 September 2021	4,909,228	10,260
Issue of shares under the Pengana Capital Group Loan Share Plan	27 October 2021	400,000	780
Share buy-back	November 2021	(288,201)	(615)
Issue of shares under non-executive directors plan ('NED Plan')	2 March 2022	205,839	401
Share buy-back	March 2022	(205,094)	(431)
Share buy-back	May 2022	(137,500)	(258)
Share buy-back	June 2022	(25,000)	(42)
Recognise loss on loan repayment on treasury shares	30 June 2022	-	(9)
Share buy-back	30 June 2022	(110,000)	(196)
Balance	30 June 2022	108,748,050	130,476
Share buy-back	1 July 2022	(1,047)	(2)
Issue of shares under the Pengana Capital Group Loan Share Plan	8 September 2022	1,165,000	1,992
Issue of shares under the Pengana Capital Group Loan Share Plan	25 October 2022	571,000	976
Share buy-back	28 October 2022	(373,645)	(430)
Issue of shares under non-executive directors plan ('NED Plan')	28 February 2023	243,071	416
Share buy-back	April 2023	(21,665)	(28)
Share buy-back	May 2023	(170,101)	(223)
Share buy-back	June 2023	(83,983)	(105)
Recognise loss on compulsory divestiture of treasury shares		-	(78)
Balance	30 June 2023	110,076,680	132,994

Movements in treasury shares

Details	Date	Shares	$'000
Balance	1 July 2021	(24,275,856)	(29,454)
Issue of shares under the Pengana Capital Group Loan Share Plan	14 September 2021	(814,105)	(1,588)
Issue of shares under the Pengana Capital Group Loan Share Plan	27 October 2021	(400,000)	(780)
Derecognise treasury shares on loan repayment	30 June 2022	110,000	205
Balance	30 June 2022	(25,379,961)	(31,617)
Derecognise treasury shares on loan repayment	1 July 2022	47,002	55
Issue of shares under the Pengana Capital Group Loan Share Plan	8 September 2022	(1,165,000)	(1,992)
Issue of shares under the Pengana Capital Group Loan Share Plan	25 October 2022	(571,000)	(976)
Derecognise treasury shares on compulsory divestiture	28 October 2022	373,645	505
Balance	30 June 2023	(26,695,314)	(34,025)

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 23. Contributed equity (continued)

Movements in convertible preference share capital

Details	Date	Shares	$'000
Balance	1 July 2021	4,909,228	10,260
Conversion of fully paid preference shares to ordinary shares	29 September 2021	(4,909,228)	(10,260)
Balance	30 June 2022	-	-
Balance	30 June 2023	-	-

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Treasury shares
The group operates a loan share plan ('LSP') pursuant to which limited recourse loans are granted to certain employees and fund managers to fully fund the acquisition of shares in the company. LSP shares, also known as treasury shares, are subject to vesting conditions and transfer is restricted until the associated loans have been fully repaid. Due to the limited recourse nature of the loans and whilst the loans remain outstanding, the issued capital is reduced by both the value of the initial loans and the number of associated treasury shares. When the loans are repaid, issued capital will be increased by both the amount of the loan repayment and the number of associated treasury shares. Refer to note 38 for further details.

Share buy-back
During the year, in order to effect a compulsory divestiture of a participants loan plan shares, the company bought back 373,645 unvested loan share plan shares for $430,000, being an amount equal to that part of the participants loan balance attributable to those plan shares.

During the year, the company bought back 276,796 shares at the cost of $358,000. The buy-back program expires on 14 September 2023 and allows a maximum of 10,318,467 shares to be bought back.

Capital risk management
The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Two wholly-owned subsidiaries of the group, Pengana Capital Limited ('PCL') and Pengana Investment Management Ltd ('PIML'), hold an Australian Financial Services Licence and are subject to regulatory financial requirements that include maintaining a minimum level of net tangible assets. As at 30 June 2023, PCL and PIML were required to maintain $5,000,000 and $2,281,000 (2022: $5,000,000 and $2,333,000) respectively in liquid assets, of which 50% (2022: 50%) is held in cash or cash equivalents.

The directors believe the group has adequate capital at 30 June 2023 to maintain the groups existing business activities and facilitate growth.

The capital risk management policy remains unchanged from the 2022 Annual Report.

Note 24. Reserves

	Consolidated 2023 $'000	Consolidated 2022 $'000
Profits reserve	18,419	26,766
Foreign currency reserve	86	31
Share-based payments reserve	8,171	7,557
Financial assets at fair value through other comprehensive income (OCI) reserve	(507)	(1,199)
Acquisition reserve	-	2,712
	26,169	35,867

Profits reserve
The reserve records profits not offset against accumulated losses and is available to fund dividend payments.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and fund managers as part of their remuneration, and other parties as part of their compensation for services.

Financial assets at fair value through other comprehensive income ('OCI') reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Acquisition reserve
The reserve is used to recognise contributions arising from business combinations.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 24. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Profits reserve $'000	Foreign currency reserve $'000	Share-based payments reserve $'000	Financial assets at fair value through OCI reserve $'000	Acquisition reserve $'000	Total $'000
Balance at 1 July 2021	23,867	79	6,938	1,258	2,712	34,854
Revaluation, net of tax	-	-	-	(1,936)	-	(1,936)
Foreign currency translation	-	(48)	-	-	-	(48)
Transfer from accumulated losses	19,653	-	-	-	-	19,653
Reclassification to accumulated losses on disposal of investments	-	-	-	(521)	-	(521)
Share-based payments	-	-	619	-	-	619
Dividend paid from profits reserve	(16,754)	-	-	-	-	(16,754)
Balance at 30 June 2022	26,766	31	7,557	(1,199)	2,712	35,867
Revaluation, net of tax	-	-	-	692	-	692
Foreign currency translation	-	52	-	-	-	52
Share-based payments	-	-	752	-	-	752
Dividend paid	(8,347)	-	(138)	-	-	(8,485)
Lizard Investors LLC	-	-	-	-	(2,712)	(2,712)
Other changes	-	3	-	-	-	3
Balance at 30 June 2023	18,419	86	8,171	(507)	-	26,169

Note 25. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated 2023 $'000	Consolidated 2022 $'000
On 24 August 2022, a fully franked final dividend of 8.0 cents per ordinary share was declared for the year ended 30 June 2022 and paid on 13 September 2022 to the shareholders registered on 30 August 2022 (2022: fully franked final dividend of 8.0 cents per ordinary share for the year ended 30 June 2021)	6,812	6,705
On 24 February 2023, a fully franked interim dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2023 and paid on 16 March 2023 to the shareholders registered on 2 March 2023 (2022: fully franked interim dividend of 12.0 cents per ordinary share for the year ended 30 June 2022)	1,673	10,049
	8,485	16,754

On 24 August 2023, the directors declared a final dividend for the year ended 30 June 2023 of 1.0 cent per ordinary share. The dividend is fully franked and will be paid on 13 September 2023 to eligible shareholders on the register on 30 August 2023.

Note 25. Dividends (continued)

Franking credits

	Consolidated	
	2023	2022
	$'000	$'000
Franking credits available for subsequent financial years	3,439	7,601

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 26. Financial instruments

Financial risk management objectives

The group's activities expose it to a variety of financial risks: market risk (including foreign currency, interest rate and price risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed, including sensitivity analysis.

In particular, the group manages the investments of certain funds and clients where it is entitled to receive management fees and fees contingent upon performance of the portfolio managed, on an annual basis or longer. All fees are exposed to significant risk associated with the funds' performance, including market risks and liquidity risk as detailed below.

Risk management is carried out by the Board of Directors and discussed at board meetings. Management identifies and evaluates financial risks.

Market risk

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The group is not exposed to any significant foreign currency risk, except for translation of financial assets and liabilities of foreign subsidiaries into presentation currency.

Price risk

The group is not exposed to any significant price risk.

Interest rate risk

The group's main interest rate risk arises from its cash at bank. Cash at bank issued at variable rates expose the group to interest rate risk.

As at the reporting date, the group had the following variable rate bank accounts and borrowings:

	2023		2022	
Consolidated	Weighted average interest rate	Balance $'000	Weighted average interest rate	Balance $'000
Cash at bank	1.13%	14,039	0.09%	19,561
Cash on deposit	3.48%	341	0.20%	6,095
Bank loan	-	-	4.39%	(1,250)
Net exposure to cash flow interest rate risk		14,380		24,406

The table below summarises the impact of a 50 basis point movement in interest rates:

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 26. Financial instruments (continued)

Consolidated - 2023	Basis points increase: Basis points change	Basis points increase: Effect on profit/loss before tax $'000	Basis points increase: Effect on equity $'000	Basis points decrease: Basis points change	Basis points decrease: Effect on profit/loss before tax $'000	Basis points decrease: Effect on equity $'000
Net exposure to cash flow interest rate risk	50	72	50	(50)	(72)	(50)

Consolidated - 2022	Basis points increase: Basis points change	Basis points increase: Effect on profit/loss before tax $'000	Basis points increase: Effect on equity $'000	Basis points decrease: Basis points change	Basis points decrease: Effect on profit/loss before tax $'000	Basis points decrease: Effect on equity $'000
Net exposure to cash flow interest rate risk	50	122	85	(50)	(122)	(85)

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any expected credit loss allowance of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

The group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables and contract assets through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the group based on recent sales experience, historical collection rates and forward-looking information that is available.

The group has a credit risk exposure with the cash at bank, loans to shareholders and funds under management. The funds under management as at 30 June 2023 owed the group 100% (2022: 100%) of trade receivables and contract assets. The balance was within its terms of trade and no expected credit loss allowance was made as at the reporting date. These receivables represent management fees that are accrued daily and paid monthly by the Funds.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Other loans receivables amount to $351,000 as at 30 June 2023 (2022: $387,000). The loans were made to shareholders and used to fund the purchase of shares in Pengana Capital Group Limited. The loans are interest-free and secured against the purchased shares in Pengana Capital Group Limited. The timing of these amounts due under these agreements are at the discretion of the group.

Liquidity risk

Managing liquidity risk requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents and listed investments) to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves by monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 26. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Other payables	344	-	-	-	344
Fund manager profit share	2,354	-	-	-	2,354
Interest-bearing - fixed rate					
Lease liability	825	931	2,224	-	3,980
Total non-derivatives	3,523	931	2,224	-	6,678

Consolidated - 2022	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	12	-	-	-	12
Other payables	283	-	-	-	283
Fund manager profit share	2,005	-	-	-	2,005
Payable to LLC members	1,861	-	-	-	1,861
Interest-bearing - variable					
Bank loans	1,292	-	-	-	1,292
Interest-bearing - fixed rate					
Lease liability	257	51	-	-	308
Total non-derivatives	5,710	51	-	-	5,761

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 27. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Observable market data used in valuation techniques to determine the fair value. Level 2 instruments are not traded in an active market
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial instrument at fair value through profit or loss	-	-	1,583	1,583
Financial assets at fair value through other comprehensive income	7,082	-	-	7,082
Total assets	7,082	-	1,583	8,665

Consolidated - 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investments in financial assets at fair value through profit or loss	1,420	-	-	1,420
Financial assets at fair value through other comprehensive income	6,046	-	-	6,046
Total assets	7,466	-	-	7,466

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Financial instrument at fair value through profit or loss (level 3)
Financial instrument at fair value through profit or loss represents a future reduction in management fees payable to Lizard for Lizard's management of Pengana Global Small Companies Fund, received as consideration for divestment from Lizard Investors LLC. The fair value of financial instrument at fair value through profit or loss has been calculated using a discounted cash flow model with key valuation inputs being estimated funds under management for Pengana Global Small Companies Fund and a cost of equity discount rate.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Financial assets at fair value through profit or loss $'000
Balance at 1 July 2021	-
Balance at 30 June 2022	-
Receivable recognised on disposal of Lizard Investors LLC (note 8) (note 6)	1,700
Fair value adjustment	(117)
Balance at 30 June 2023	1,583

Note 27. Fair value measurement (continued)

Sensitivity disclosure for level 3
A 10% increase in funds under management would result in an increase in the fair value of financial instrument at fair value through profit or loss of $71,000, whilst a 10% decrease in funds under management would result in a decrease in the fair value by $247,000.

A 1% change in the discount rate changes the fair value of the financial instrument at fair value through profit or loss on average by approximately 3.4%.

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	Consolidated	
	2023	2022
	$	$
Short-term employee benefits	1,532,269	1,755,682
Post-employment benefits	111,631	107,678
Long-term benefits	30,909	29,279
Share-based payments	594,939	576,103
	2,269,748	2,468,742

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2023	2022
	$	$
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	199,800	210,200

Fees disclosed above include audit of Australian Financial Services Licences amounting to $11,000 (2022: $ 11,700).

Note 30. Contingent liabilities

The group had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 31. Commitments

	Consolidated	
	2023	2022
	$'000	$'000
Capital commitments		
Property, plant and equipment	-	1,153
Lease commitments	-	3,356

Note 32. Related party transactions

Parent entity
Pengana Capital Group Limited is the parent entity.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 32. Related party transactions (continued)

Subsidiaries
Interests in subsidiaries are set out in note 34.

Associates
Interests in associates are set out in note 35.

Joint ventures
Interests in joint ventures are set out in note 36.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Transactions with related parties:
The following transactions occurred in Funds where the group is a responsible entity or Trustee:

	Consolidated	
	2023	**2022**
	$	**$**
Sale of goods and services:		
Management fees	36,481,888	42,459,567
Performance fees	-	32,850,190

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2023	**2022**
	$	**$**
Current receivables:		
Trade receivables and contract assets from Funds	3,031,523	7,588,009

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023 **$'000**	**2022** **$'000**
Profit/(loss) after income tax	24,313	(28,549)
Total comprehensive income	24,313	(28,549)

Statement of financial position

	Parent	
	2023 **$'000**	**2022** **$'000**
Total current assets	29,648	18,712
Total assets	234,449	223,513
Total current liabilities	-	5,754
Total liabilities	-	5,754
Equity		
Contributed equity	223,152	223,042
Profits reserve	18,419	26,766
Share-based payments reserve	8,171	7,557
Accumulated losses	(15,293)	(39,606)
Total equity	234,449	217,759

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 40, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates and joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 40:

		Parent		Non-controlling interest	
Name	Principal place of business/Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %	Ownership interest 2023 %	Ownership interest 2022 %
Pengana Holdings Pty Ltd	Australia	100.00%	100.00%	-	-
Pengana Capital Ltd	Australia	100.00%	100.00%	-	-
Pengana Investment Management Ltd	Australia	100.00%	100.00%	-	-
Pengana Credit Pty Ltd	Australia	-	99.00%	-	1.00%
Pengana USA Holdings Inc.	United States of America	100.00%	100.00%	-	-
Lizard Investors LLC	United States of America	-	65.00%	-	35.00%
Lizard Overseas Fund LP	United States of America	-	65.96%	-	34.04%

Principal activities of the subsidiaries listed above are provision of Investment Management Services.

Summarised financial information for subsidiaries that have non-controlling interests, has not been provided as they are not material to the group.

Note 35. Interests in associates

The following interests in associates are accounted for using the equity method of accounting:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2023 %	2022 %
Lizard International Master Fund LP	Cayman Islands	-	1.20%
High Conviction Property Securities Fund	Australia	1.29%	1.86%
Pengana Private Equity Trust	Australia	0.66%	0.62%

Summarised financial information relating to associates is not included as they are not material to the group.

Note 36. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the group are set out below:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2023 %	2022 %
Pengana Credit Pty Ltd	Australia	50.10%	-

Pengana Credit Pty Ltd is jointly owned and operated by the Group and Washington H. Soul Pattinson (ASX: SOL) to offer Australian Investors access to institutional grade global private credit investments. In the coming months the Group expects to announce details of global private credit vehicles to be managed by Pengana Credit Pty Ltd for offer to Australian investors.

Note 37. Cash flow information

Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Profit/(loss) after income tax expense for the year	(602)	18,381
Adjustments for:		
Depreciation and amortisation	3,501	2,843
Net fair value gain on investments	-	(439)
Share of profit - associates	(341)	(99)
Share-based payments	752	619
Other non-cash items	(561)	(350)
Impairment reversal of assets	-	(533)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(622)	66
Decrease in contract assets	4,556	13,937
Increase in income tax refund due	(1,519)	-
Decrease in prepayments	428	114
Decrease in trade and other payables	(2,931)	(14,819)
Decrease in provision for income tax	(4,504)	(470)
Increase in employee benefits	70	183
Decrease in liability to LLC unitholders	1,861	5,721
Net cash from operating activities	88	25,154

Non-cash investing and financing activities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Additions to the right-of-use assets and lease liabilities	4,194	325
Right-of-use assets - lease make good	186	-
Shares issued under loan share plan	2,969	2,386
Loans granted under loan share plan	(2,969)	(2,386)
Dividends withheld from company shareholders with outstanding loans under loan share plan	(2,561)	(5,001)
Dividends applied on outstanding loans under loan share plan	2,561	5,001
Dividends withheld from company shareholders with outstanding other loans	(47)	(93)
Dividends applied on outstanding other loans	47	93
Share buy-back of treasury shares	(430)	196
	3,950	521

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 37. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Bank loan $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2021	2,500	226	2,726
Net cash used in financing activities	(1,250)	(291)	(1,541)
Acquisition of leases	-	325	325
Other changes	-	26	26
Balance at 30 June 2022	1,250	286	1,536
Net cash used in financing activities	(1,250)	(875)	(2,125)
Acquisition of leases (excluding lease make good)	-	4,194	4,194
Other changes	-	5	5
Balance at 30 June 2023	-	3,610	3,610

Note 38. Share-based payments

Loan Funded Share Plan ('LSP')
The group operates a LSP, whereby limited recourse loans totalling $34,025,000 (2022: $31,617,000) were provided to employees and fund managers to acquire shares in the company. Under the plan the CEO has 16,843,528 (2022: 16,272,528) shares, employees and fund managers have 9,851,786 (2022: 9,107,433) shares.

The loans are interest bearing and have a maximum term of up to seven years. Recourse on the loans (including associated interest) is limited to the associated shares and any dividend amounts applied to the loan balance. The shares granted under the LSP are subject to a vesting condition, that the employees and fund managers must remain continuously employed for a period of three to five years from the grant date, except for shares associated with the LSP granted to the CEO prior to September 2021 which are not subject to a vesting condition and vested on the date the shares were granted.

As the share purchases are funded by limited recourse loans, they are treated for accounting purposes as grants of share options and accounted for as equity-settled share-based payments. The share options deemed to be issued under the LSP are fair valued on the date they are granted and amortised as an expense in profit or loss over the vesting period.

As the loans and associated shares issued are not recorded on the statement of financial position on the grant date, there are no transactions in the statement of financial position relating to the issue of shares under the LSP other than a share-based payment expense of $752,000 which has been recognised in profit or loss for the year ended 30 June 2023 (2022: $619,000).

Interest accruing on the loans and dividends applied to the loans are not recorded in the financial statements but do impact the outstanding loan balance. As at 30 June 2023, total outstanding loans related to treasury shares were $30,060,185 (2022: $28,195,000).

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 38. Share-based payments (continued)

Set out below are summaries of shares granted under the LSP:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/03/2017	28/02/2024	$1.49	5,149,796	-	-	-	5,149,796
01/03/2017	28/02/2024	$1.20	10,722,732	-	-	-	10,722,732
03/03/2017	01/03/2024	$1.49	6,669,685	-	-	(47,002)	6,622,683
20/12/2019	18/12/2026	$1.50	818,000	-	-	(30,000)	788,000
05/06/2020	04/06/2027	$0.86	233,645	-	-	(233,645)	-
30/06/2021	28/06/2028	$1.31	651,998	-	-	-	651,998
14/09/2021	12/09/2028	$1.58	1,134,105	-	-	(80,000)	1,054,105
08/09/2022	06/09/2029	$1.35	-	1,165,000	-	(30,000)	1,135,000
25/10/2022	06/09/2029	$1.35	-	571,000	-	-	571,000
			25,379,961	1,736,000	-	(420,647)	26,695,314
Weighted average exercise price			$1.36	$1.35	$0.00	$1.15	$1.36

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/03/2017	28/02/2024	$1.49	5,149,796	-	-	-	5,149,796
01/03/2017	28/02/2024	$1.20	10,722,732	-	-	-	10,722,732
03/03/2017	01/03/2024	$1.49	6,669,685	-	-	-	6,669,685
20/12/2019	18/12/2026	$1.50	848,000	-	-	(30,000)	818,000
05/06/2020	04/06/2027	$0.86	233,645	-	-	-	233,645
30/06/2021	28/06/2028	$1.31	651,998	-	-	-	651,998
14/09/2021	12/09/2028	$1.58	-	1,214,105	-	(80,000)	1,134,105
			24,275,856	1,214,105	-	(110,000)	25,379,961
Weighted average exercise price			$1.35	$1.58	$0.00	$1.56	$1.36

Set out below are the shares granted under the LSP vested and exercisable at the end of the financial year:

Grant date	Expiry date	2023 Number	2022 Number
01/03/2017	28/02/2024	5,149,796	5,149,796
01/03/2017	28/02/2024	10,722,732	10,722,732
03/03/2017	01/03/2024	6,669,685	6,669,685
		22,542,213	22,542,213

The weighted average share price during the financial year was $1.51 (2022: $1.96) per ordinary share.

The weighted average remaining contractual life of shares granted under the LSP outstanding at the end of the financial year was 1.39 years (2022: 2.1 years).

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 38. Share-based payments (continued)

For the shares granted under the LSP during the current financial year, the Black-Scholes valuation model inputs used to determine the fair value at the grant date were as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Estimated volatility*	Dividend yield	Risk-free interest rate	Fair value at grant date
08/09/2022	06/09/2029	$1.56	$1.35	44.80%	6.78%	3.26%	$0.472
25/10/2022	06/09/2029	$1.62	$1.35	44.80%	6.78%	3.26%	$0.472

* The expected price volatility is based on the Company's shares.

Service rights
Effective 1 July 2022, to facilitate the retention of key employees, the company has adopted a plan called the Pengana Capital Group Limited Rights Plan (Rights Plan) whereby, subject to board approval, rights are granted to key employees. Each right has a 15 year term, a service vesting condition of between two to four years and an exercise price of $nil. Dividend equivalents are payable in respect of vested rights for so long as the participant remains an employee. Issued rights may be settled in the form of cash or shares at the Boards sole discretion. On 27 September 2022, 864,198 rights were issued (2022: none).

For the service rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, were as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Fair value at grant date
27/09/2022	30/06/2024	1.56	-	1.41
27/09/2022	30/06/2025	1.56	-	1.32
27/09/2022	30/06/2026	1.56	-	1.24

Note 39. Earnings per share

	Consolidated 2023 $'000	Consolidated 2022 $'000
Earnings per share for profit from continuing operations		
Profit after income tax	250	20,335
Non-controlling interest	-	-
Profit after income tax attributable to the owners of Pengana Capital Group Limited	250	20,335

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	83,469,163	83,632,923
Adjustments for calculation of diluted earnings per share:		
Dilutive impact of treasury shares accounted for as options	2,303,711	7,333,192
Dilutive impact of service rights	260,527	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	86,033,401	90,966,115

	Cents	Cents
Basic earnings per share	0.30	24.31
Diluted earnings per share	0.29	22.35

Note 39. Earnings per share (continued)

	Consolidated 2023 $'000	Consolidated 2022 $'000
Earnings per share for loss from discontinued operations		
Loss after income tax	(852)	(1,954)
Non-controlling interest	113	271
Loss after income tax attributable to the owners of Pengana Capital Group Limited	(739)	(1,683)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	83,469,163	83,632,923
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,469,163	83,632,923
	Cents	**Cents**
Basic earnings per share	(0.89)	(2.01)
Diluted earnings per share	(0.89)	(2.01)

	Consolidated 2023 $'000	Consolidated 2022 $'000
Earnings per share for profit/(loss)		
Profit/(loss) after income tax	(602)	18,381
Non-controlling interest	113	271
Profit/(loss) after income tax attributable to the owners of Pengana Capital Group Limited	(489)	18,652
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	83,469,163	83,632,923
Adjustments for calculation of diluted earnings per share:		
Dilutive impact of treasury shares accounted for as options	-	7,333,192
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,469,163	90,966,115
	Cents	**Cents**
Basic earnings per share	(0.59)	22.30
Diluted earnings per share	(0.59)	20.50

The weighted average number of ordinary shares to calculate basic earnings per share excludes 26,695,314 (30 June 2022: 25,379,961) treasury shares.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 40. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 41.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pengana Capital Group Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Pengana Capital Group Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Note 40. Significant accounting policies (continued)

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Pengana Capital Group Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The group recognises revenue as follows:

Revenue from contracts with customers
Revenues are derived from the provision of investment management services to customers and are measured based on the amounts to which the group expects to be entitled based on the services delivered. This revenue is variable in nature and is measured by reference to management fees and performance fees. Revenue is recognised over-time, by reference to the ongoing delivery of investment management services. The delivery of performance obligations (investment management services) is best represented by the passage of time as an ongoing service.

Management fees
Management fees are based on a percentage of the portfolio value of the fund and are calculated in accordance with the Investment Management Agreement or Constitution. Management fees are invoiced monthly in arrears and received within the following month.

Performance fees
Performance fees may be earned from funds. The group’s entitlement to a performance fee for any given performance period is dependent on outperforming certain benchmarks.

Performance fee arrangements give risk to the element of variable consideration for the investment management services. Revenue from performance fees is not recognised while constrained. An estimate of the variable consideration is recorded when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved (that is, the constraint is removed). The performance fee revenue is recognised to the extent the revenue is no longer constrained. Performance fees are invoiced in arrears at the end of a performance period and received within the following month.

Dividends and distributions
Dividends and distributions are recognised when received or when the right to receive payment is established.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 40. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other fee revenue is recognised over time.

Fund manager profit share expense
Fund manager profit share expense represents a 'shadow equity' program for fund managers under which the fund managers receive an agreed percentage of the profits of their respective fund and/or strategy ensuring alignment of interests between shareholders, fund managers and fund investors.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxable authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis or to realise the asset and settle the liabilities simultaneously in future periods.

Tax consolidated group
Pengana Capital Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries formed an income tax consolidated group under the tax consolidation regime.

The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Discontinued operations
A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss.

Note 40. Significant accounting policies (continued)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. These receivables represent management fees that are accrued daily and paid monthly by the funds. They are usually recoverable within 20 business days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets
Contract assets are recognised when the group has transferred goods or services to the customer but where the group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Associates
Associates are entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 40. Significant accounting policies (continued)

Joint ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income ('FVTOCI') are equity investments including equity investments which the group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition. Fair value movements are recognised in other comprehensive income. On disposal of these equity investments, any related balance within the FVTOCI reserve is reclassified to retained earnings.

Impairment of financial assets at amortised cost
The group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income, other than equity investments measured at fair value through other comprehensive income. The measurement of the loss allowance depends upon the group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income (other than equity investments), the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 40. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	over lease term
Furniture and fittings	5-10 years
Plant and equipment	2-4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Acquired relationships
Relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of between 2 and 20 years.

Impairment of non-financial assets
Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 40. Significant accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs are expensed in the period in which they are incurred based on the effective interest method.

Provisions
Provisions are recognised when the group has a present (legal or constructive) obligation as a result of a past event, it is probable the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave, long service leave and other long term employee benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 40. Significant accounting policies (continued)

Share-based payments
Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. The group operates a loan share plan that is accounted for as equity-settled share-based payments similar to options.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option/share under the loan share plan, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option/share under the loan share plan, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification had not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

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. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure 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.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Pengana Capital Group Limited
Notes to the financial statements
30 June 2023

Note 40. Significant accounting policies (continued)

Contributed equity
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Pengana Capital Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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.

All other receivables and payables are stated exclusive of GST recoverable or payable.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2023. The adoption of these Accounting Standards and Interpretations is not expected to have any significant impact on the group’s financial statements.

Note 41. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 41. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions
The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy
The group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Goodwill
The group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 40. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Note 42. Events after the reporting period

Apart from the dividend declared as disclosed in note 25, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 43. General information

Pengana Capital Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 27.01
Level 27, Governor Philip Tower
1 Farrer Place
Sydney, NSW, 2000

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2023. The directors have the power to amend and reissue the financial statements.

Pengana Capital Group Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 40 to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

David Groves
Non-Executive Chairman

Russel Pillemer
Chief Executive Officer

24 August 2023
Sydney

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230

T +61 2 8297 2400

Independent Auditor's Report

To the Members of Pengana Capital Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Pengana Capital Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Goodwill & Other intangibles – Note 16</td></tr>
<tr><td>As at 30 June 2023, the Group had goodwill of $40.860m and acquired relationships and other intangibles of $12.479m.

Goodwill has been recognised as a result of the Group's historical acquisitions, representing the excess of the purchase consideration over the fair value of net assets acquired. The goodwill is allocated to the applicable Cash Generating Units (CGUs) on the acquisition date.

Under AASB 136 Impairment of Assets, goodwill must be tested for impairment annually. Impairment is recognised when the carrying amount of a CGU exceeds its recoverable amount.

Determining the recoverable amount requires significant management judgment and estimation, including the growth rate of funds under management, the timing of future operating expenditure, and the most appropriate discount rate and long-term growth rates.

Due to the significant estimation in calculating the recoverable amount, we have determined this as a Key Audit Matter.</td><td>Our procedures included, amongst others:
• Assessing the determination of the CGU based on our understanding of how management monitors the entity's operations and makes decisions about groups of assets that generate independent cash inflows as well as changes to operations during the period;
• Assessing the competence and objectivity of managements expert utilised in calculating the impairment model; and
• Verifying the mathematical accuracy of the underlying impairment model;
• In consultation with an auditors' expert, evaluating the significant assumptions utilised in the impairment model and the process by which they were developed including;
– Assessing the methodology and evaluating its compliance with AASB 136;
– Agreeing the projected cash flows to the Board approved plan of the Group and comparing to historical cash flows to evaluate their appropriateness;
- Comparing the inputs used in the discount rate to source documentation and where appropriate comparable companies;
- Comparing the Group's growth rate assumption to historic averages, comparable companies and industry trends;
• Considering the Group's sensitivity analysis and evaluating whether any reasonable foreseeable change in assumptions could lead to a material impairment;
• Performing independent sensitivity analysis in relation to key assumptions utilised in the impairment model; and
• Assessing the adequacy of disclosures in accordance with Australian Accounting Standards.</td></tr>
<tr><td colspan="2">Divestment of Lizard Investors LLC ("Lizard") – Note 6, Note 11 and Note 27</td></tr>
<tr><td>Effective 1 January 2023, the Group divested its 65% direct equity stake in Lizard Investors LLC ("Lizard") to facilitate a restructure that was recommended following a strategic review.

The units in Lizard were disposed of on 1 January 2023 with a full withdrawal as member and an option to acquire a 6.5% stake in Lizard at a future date.

Due to the material amount of the investment and the complex accounting treatment associated with this disposal, including</td><td>Our procedures included, amongst others:
Discontinued operation:
• Inquiring with management as to the nature of the investment divestment;
• Reviewing management's accounting memorandums and accounting consideration for the discontinued operation;
• Consulting with internal specialists regarding the accounting treatment for the discontinued operation;
• Reviewing the sale agreement between Pengana and Lizard;</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
consideration of a discontinued operation, and subsequent accounting treatment of the financial instrument this has been considered a key audit matter.	• Recalculating management fees, on a sample basis, in accordance with contractual agreement; • Agreeing a sample of employees to contract and completing a proof in total over the human resource expenses; **Financial instrument at fair value through profit or loss** • Inquiring with management as to the nature of the investment divestment; • Reviewing the sale agreement between Pengana and Lizard, including reviewing management's accounting memorandums and accounting consideration for the disposal group, discontinued operation and the consequent divestment and financial instrument recognition; • Consulting with our internal specialist regarding the accounting treatment for the disposal group, discontinued operation and the consequent divestment and financial instrument recognition; • Assessing the methodology used in the fair value model and compliance with AASB 13 *Fair Value Measurement* ("AASB 13"); • Reviewing management's expert's calculation for the fair value calculation of the financial instrument and testing the inputs of this calculation; • Verifying the mathematical accuracy of the underlying impairment model • Assessing the competence and objectivity of managements expert utilised in calculating the impairment model; • In consultation with an auditors' expert, evaluating the significant assumptions utilised in the impairment model and the process by which they were developed; • Considering the Group's sensitivity analysis and evaluating whether any reasonable foreseeable change in assumptions could lead to a material impairment; • Performing independent sensitivity analysis in relation to key assumptions utilised in the impairment model; and • Assessing the adequacy of disclosures in accordance with Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 14 to 19 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Pengana Capital Group Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Nicole Gonzalez

N M Gonzalez
Partner – Audit & Assurance

Sydney, 24 August 2023

Pengana Capital Group Limited
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 1 August 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	1,643	0.59
1,001 to 5,000	754	1.69
5,001 to 10,000	269	1.85
10,001 to 100,000	292	7.40
100,001 and over	66	88.47
	3,024	100.00
Holding less than a marketable parcel	1,062	

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Washington H Soul Pattinson and Company Limited	40,249,904	36.58
RC Pillemer Pty Ltd (RC Pillemer Family A/C)	16,843,528	15.31
RC Pillemer Pty Ltd (RC Pillemer Family A/C)	6,665,049	6.06
Pretage Pty Ltd	2,130,051	1.94
RC Pillemer Pty Ltd (RC Pillemer Family A/C)	2,007,827	1.82
Radd Holdings Pty Limited (Myers Family A/C)	1,825,654	1.66
Roxtrus Pty Limited (Roxanne Dunkel No. 2 A/C)	1,803,150	1.64
HSBC Custody Nominees (Australia) Limited - A/C 2	1,705,813	1.55
DJG Services Pty Limited (DKI Account)	1,657,095	1.51
National Nominees Limited	1,635,377	1.49
Farnworth House Pty Ltd	1,228,256	1.12
Tark Family Holdings Pty Ltd (Tark Family A/C)	1,100,162	1.00
Ed Prendergast	973,701	0.89
J P Morgan Nominees Australia Pty Limited	947,852	0.86
Russel Craig Pillemer	925,701	0.84
Mr Damian Crowley and Mrs Julie Crowley (Damian Crowley Family A/C)	894,143	0.81
DBR Corporation Pty Ltd	685,906	0.62
Steve Black (Black Family A/C)	672,335	0.61
Meg O'hanlon (O'hanlon Family A/C)	672,335	0.61
Fisher Place Pty Ltd (Fisher Place A/C)	577,106	0.52
	85,200,945	77.44

Unquoted equity securities

	Number on issue	Number of holders
Service rights	864,198	8

Pengana Capital Group Limited
Shareholder information
30 June 2023

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Washington H Soul Pattinson and Company, WHSP Hunter Hall Pty Ltd and WHSP	40,249,904	36.58
Russel Craig Pillemer *	30,476,749	27.69

* The substantial notice lodged for Russel Pillemer discloses that he has a relevant interest in 30,476,749 ordinary shares in the company. These relevant interests are as follows:

- 1,262,205 shares held by Russel Pillemer
- 25,516,404 shares held by RC Pillemer Pty Ltd (which Russel Pillemer controls)
- 165,000 shares held by MRJ Capital Pty Limited (which Russel Pillemer controls)

30,476,749 shares are held by Pengana staff or their related parties (including the 26,943,609 shares referred to above held by Russel Pillemer, RC Pillemer Pty Ltd and MRJ Capital Pty Limited). As Russel Pillemer has voting power in the company above 20% pursuant to section 608(3)(a) of the Corporations Act 2001 he is deemed to have a relevant interest in these shares as the company has the power to prevent the disposal of each of these shares pursuant to a voluntary escrow agreement between the company and the relevant holder.

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
Each ordinary share has one vote.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary Shares	20 December 2023	262,662
Ordinary Shares	30 June 2024	217,334
Ordinary Shares	14 September 2024	351,368
Ordinary Shares	20 December 2024	262,676
Ordinary Shares	30 June 2025	217,334
Ordinary Shares	14 September 2025	351,368
Ordinary Shares	30 June 2026	217,330
Ordinary Shares	14 September 2026	351,369
Ordinary Shares	8 September 2025	568,666
Ordinary Shares	8 September 2026	568,666
Ordinary Shares	8 September 2027	568,668
Ordinary Shares	22 June 2035	75,479
Ordinary Shares	1 December 2035	204,519
Ordinary Shares	9 November 2036	132,168
Ordinary Shares	31 October 2037	154,533
		4,504,140

PENGANA
CAPITAL GROUP

PENGANA
CAPITAL GROUP
LIMITED

PENGANA

CAPITAL GROUP

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