



CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of Pengana International Equities Limited (**PIA**), I am pleased to invite you to attend the Company's 2025 Annual General Meeting (**AGM**), which will be held at 10:30am (Sydney time) on Tuesday, 21 October 2025, at Cliftons Sydney, Level 13, 60 Margaret St, Sydney, NSW, 2000.

The business of the AGM is set out on page 1 of the Notice of Meeting.

At the AGM this year shareholders will consider important additional proposals that will have a significant bearing on the future direction of PIA.

Portfolio Enhancement Proposal

The first of these proposals is the Portfolio Enhancement Proposal. Your Directors, in conjunction with Pengana Capital Group Limited (**Pengana**), have developed the proposal with the objectives to increase returns for shareholders, attract new shareholders and ultimately reduce the discount at which the shares trade relative to net asset backing.

This will be achieved through a loan-funded investment in a global private credit fund managed by Pengana Credit Pty Ltd, a subsidiary of Pengana. Pengana Credit has appointed Mercer as investment consultant.

To lower the risk associated with the loan-funded investment, PIA will enter into a Risk Sharing Agreement with Pengana which will provide income support to PIA if the income from the private credit investment is less than the cost of the debt. In return, Pengana will be entitled to returns that are in excess of the Target Return of 4.5% above the cost of debt. Pengana will receive no fees for the management of the global private credit investment.

PIA will continue to be an investor in global businesses with total investments comprising the existing global equities portfolio, which will remain intact, and the new global private credit investment.

If approved, the Portfolio Enhancement Proposal is expected to:

- **Enhance asset diversification** through an investment in global private credit which has little correlation with the equity markets. The new investment will not affect the size or management of the equity portfolio.
- **Enhance earnings** per share with a new steady income stream that is not reliant on equity market movements.
- **Increase fully franked dividends**, which will be paid monthly. Once fully implemented, the Directors intend to target a fully franked dividend of 8.4 cents per share, an increase of 56%.

The Independent Directors engaged an **Independent Expert, Lonergan Edwards & Associates, to assess the merits of the Portfolio Enhancement Proposal**. The Independent Expert's Report, which accompanies the Notice of Meeting, provides a detailed analysis of the advantages and disadvantages of the Portfolio Enhancement Proposal, and concluded that it is **fair and reasonable to Non-Associated Shareholders in the absence of a superior proposal**.

Shareholders should read the entire Notice of Meeting, Explanatory Notes and Independent Expert's Report before making a decision on how to vote on the resolution.

The Independent Directors unanimously recommend that shareholders vote in FAVOUR of Item 3, the Portfolio Enhancement Proposal.

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Portfolio Enhancement Proposal Highlights

The Independent Directors of PIA are proposing to enhance PIA's existing investment strategy by adding diverse and reliable income from global private credit without reducing the size or composition of its existing global equities exposure.

This is a summary only of the key highlights of the proposal and shareholders should read the entire Notice of Meeting, Explanatory Notes and Independent Expert Report before deciding on how to vote on the resolution.

Overview of the Portfolio Enhancement Proposal

- Adds global private credit exposure to PIA's investment strategy, alongside existing global equities.
- Loan-funded structure, no change to size or composition of global equities exposure.
- Designed to enhance risk-adjusted portfolio returns, increase earnings per share and enable higher fully-franked dividends.
- Proposed Investment Target Return of 4.5% p.a. above cost of debt after all costs and fees. No management fee paid to Pengana on the private credit investment.
- Risk Sharing Agreement, with Pengana to compensate PIA if the private credit return falls below cost of debt and Pengana to receive returns above the Target Return.
- Conservative level of leverage and secured against high-quality global equities.
- Implementation subject to shareholder approval.

Key Potential Advantages, Disadvantages and Risks to Shareholders

The Portfolio Enhancement Proposal is expected to provide the following key potential benefits for shareholders:

- **Diversification into Global Private Credit with No Change to Equities Portfolio:**
 - Introduces new steady income stream from global private credit without change to equities portfolio.
 - Combines steady credit income with existing equities growth potential, reducing reliance on any one market condition.
- **Enhanced Fully Franked Dividend Return (Based on Achieving Target Return):**
 - Uplift in earnings per share.
 - Targets a 56% increase in fully franked annual dividends to 8.4 cps.
 - Dividends to be paid monthly.
- **Diversified and Uncorrelated Income:**
 - Global private credit has low correlation with equities markets.
- **Strong Risk Management and Alignment:**
 - Targets a conservative loan-to-value ratio of approximately 31%¹.
 - Pengana charges no management fees, covers debt costs if returns fall short of debt costs, and only participates in returns above the Target Return.

In relation to the potential disadvantages and risks of the Portfolio Enhancement Proposal:

- Change in PIA's investment profile: There will be no reduction in the value of the global equities exposure.
- Leverage risk with the introduction of the debt facility: Long-term LVR target of approximately 31%¹ of total assets, provides a significant buffer in the event of an equity market downturn.
- Return shortfall risk: If private credit returns fall below the loan cost, Pengana will cover the shortfall up to the cost of debt, aligning interests and shielding shareholders.
- Interest rate risk: Both the loan and credit assets are floating rate, preserving the potential pre-tax earnings uplift in different rate environments.
- Liquidity: While private credit is illiquid by nature, the global private credit portfolio will offer a diversified liquidity profile, with Mercer assisting with liquidity planning. In addition, the Listed Investment Company (LIC) structure avoids daily redemptions, enabling efficient long-term holding through market cycles.

The Independent Directors unanimously recommend that shareholders vote in FAVOUR of Item 3, the Portfolio Enhancement Proposal.

¹Based on 45% target leverage ratio of global equities portfolio, which translates to a 31% target LVR of the total asset portfolio (incl. global equities and global private credit portfolios).

The Requisitioned Resolutions

Shareholders are also being asked to consider a number of resolutions requisitioned by WAM Strategic Value Limited (**WSV**). These resolutions (**WSV Resolutions**) seek to change the composition of your Board. WSV has proposed four individuals for election to the PIA Board (**WSV Candidates**) and has proposed the removal of three current Directors.

WSV is a listed investment company that, together with its associates, competes in the same investment sector as PIA. WSV holds an interest of 8.54% in PIA, according to WSV's Notice of Change of Interests of Substantial Holder dated 20 June 2025.

The Board respects each shareholder's right to put forward resolutions, and we take seriously our duty to act in the best interests of our shareholders. That said, the Board is concerned that WSV is making assertions of fact in relation to the Portfolio Enhancement Proposal that are misleading and incorrect. For example, in the statement provided by WSV and set out in Appendix B (**WSV Statement**), WSV claims that the Board is seeking to change the investment mandate of PIA "without shareholder consultation".

As we announced to the market on 21 August 2025, the Portfolio Enhancement Proposal has always been subject to the receipt of an independent expert's report and shareholder approval – that is why Resolution 3 is being put to you at this AGM.

But while the Board is putting forward a detailed plan for PIA shareholders to consider and vote upon, the WAM Statements, as well as written correspondences between PIA and WSV, have made clear that WSV's intended plan, should the WSV Candidates be elected, is simply to undertake a strategic review of PIA.

In the Board's view, the only reasonable conclusion that it can take from WSV's response is that WSV does not have any meaningful plan for PIA.

As we set out under Item 3 of the Explanatory Notes, and in contrast to WSV, the Independent Directors have conducted a careful review in formulating the Portfolio Enhancement Proposal, which according to the Independent Expert is fair and reasonable to Non-Associated Shareholders in the absence of a superior proposal. The Portfolio Enhancement Proposal would be at risk if the WSV Candidates are elected.

In addition, the Board has several concerns with the potential impacts of the WSV Resolutions for PIA shareholders:

- **No clear plan:** WSV's stated plan is to conduct a strategic review. It has not outlined any alternative plan nor explained how it intends to give effect to such plans given that PIA's investment management agreement with Pengana may only be terminated before 2029 in very limited circumstances.
- **Disruption without benefit:** The WSV Resolutions risk destabilising the Board and interrupting the newly announced Portfolio Enhancement Proposal, which has been independently assessed as fair and reasonable to Non-Associated Shareholders in the absence of a superior proposal.
- **Conflicts of interest:** The presence of the WSV Candidates on the PIA Board would introduce a significant risk of conflicts of interest. WSV and its associated listed investment companies compete with PIA. Two of the four WSV Candidates hold executive and board positions in those competing entities, including the Chairman of WSV, who is also the sole Director of WSV's investment manager, Wilson Asset Management (International) Pty Limited (**WAM**).
- **Weaken independence of the Board:** In relation to the WSV Candidates, as Mr Wilson is the non-Independent Chairman of WSV and Mr Hamilton is its Company Secretary, they cannot be considered independent. Further, the Board has not yet been convinced of the independence of Mr Martin and Mr Caldwell. Should WSV be successful, the WSV Candidates would constitute a majority of the Board and 50% of your Independent Directors would be removed from the Board. In the Board's view, the introduction of the WSV Candidates could weaken the independence of the Board as a whole.
- **No identified skills gap:** WSV has not demonstrated that the current Board lacks the necessary skills or experience, nor that the WSV Candidates bring capabilities not already present.
- **Capacity of WSV Candidates:** Two of the WSV Candidates already hold extensive commitments: Mr Wilson serves on 11 ASX-listed Boards, and Mr Hamilton is WAM's Chief Financial Officer and is the company secretary for eight WAM vehicles and two other listed companies. The Board has concerns about their capacity to devote sufficient time to PIA.

For these reasons, we have serious concerns about the WSV Resolutions, and their potential to create uncertainty for PIA – at a time that your Board is implementing a considered plan to enhance shareholder returns and diversification, deliver higher dividends, narrow the discount to NTA, and strengthen the governance of PIA.

That is why, **the Directors unanimously recommend that you vote AGAINST each of the WSV Resolutions**, though for the avoidance of doubt, no recommendation is made by Mr Groves in respect of Item 5, Mr Pillemer in respect of Item 6 nor Ms Orleow in respect of Item 7.

Your Vote Matters

The Board is presenting a clear pathway forward – and the Independent Directors believe that the Portfolio Enhancement Proposal is a compelling opportunity to deliver stronger dividends and more reliable income, while preserving PIA's global equities mandate. Further, the Independent Expert Report concluded that the Portfolio Enhancement Proposal is fair and reasonable to Non-Associated Shareholders in the absence of a superior proposal. In contrast, WSV is not articulating a plan for PIA that has any substantial definition – for that reason, and the reasons I set out above, the Directors believe the WSV Resolutions risk producing uncertainty for PIA moving forward.

I encourage you to read the Notice of Meeting and the Independent Expert's Report carefully, and to cast your vote – either in person or by proxy.

On behalf of the Board, I thank you for your continued support and look forward to your participation at the AGM.

Yours sincerely,



Frank Gooch
Non-Executive Independent Chairman
Pengana International Equities Limited

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PENGANA INTERNATIONAL EQUITIES LIMITED

ACN 107 462 966

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the 2025 Annual General Meeting (Meeting) of Shareholders of Pengana International Equities Limited ACN 107 462 966 (PIA or Company) will be held on Tuesday 21 October 2025 at 10:30 am (Sydney time) at Cliftons Sydney, Level 13, 60 Margaret St, Sydney, NSW, 2000.

Shareholders unable to attend the Meeting are invited to vote by proxy on the resolutions to be considered at the Meeting.

You can access all information, documentation and instructions relevant to the Meeting in our online Annual General Meeting portal at **PENGANA.COM/PIAAGM**.

PIA AGM Information Line, open between 8:30am and 5:00pm (Sydney time) on a Business Day:

1300 150 530 (within Australia)

+61 2 9066 4054 (outside Australia)

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report which accompanies this Notice of Meeting. The Independent Expert's Report comments on the fairness and reasonableness of the proposed investment in the profit participation notes issued by the Pengana Private Credit Feeder Fund and entry into (and the transactions contemplated by) an ancillary risk sharing agreement with Pengana Capital Group Limited, and contains an assessment of the potential advantages and disadvantages of the proposal.

The Independent Expert has concluded that the proposed investment in the profit participation notes issued by the Pengana Private Credit Feeder Fund and the entry into (and the transactions contemplated by) the ancillary risk sharing agreement with Pengana Capital Group Limited is fair and reasonable in the absence of a superior proposal to Non-Associated Shareholders.

PENGANA.COM/PIA

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AGENDA

ITEM 1. FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

To receive and consider the Financial Report of the Company, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2025.

Please note, neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on such reports.

ITEM 2. REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report of the Company as set out in the Company's Annual Report (as part of the Directors' Report) for the financial year ended 30 June 2025 be adopted".

Please note that in accordance with section 250R of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement – Item 2

The Company will disregard any votes cast on this resolution:

- by, or on behalf of a member of the Company's Key Management Personnel (**KMP**) whose remuneration is disclosed in the Remuneration Report or any of their closely related parties (such as close family members and any controlled companies); or
- as a proxy by a member of the KMP or a KMP's closely related party, unless the vote is cast as proxy for a person entitled to vote:
 - directed proxies, in accordance with the direction on the proxy form specifying how the proxy is to vote; or
 - for undirected proxies, by the Chairman pursuant to an express authorisation in the proxy form to vote undirected proxies as the Chairman sees fit even if that resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

Note: The Chairman will vote all undirected proxies in **FAVOUR** of this resolution.

ITEM 3. APPROVAL OF INVESTMENT IN THE PROFIT PARTICIPATION NOTES ISSUED BY THE PENGANA PRIVATE CREDIT FEEDER FUND AND ENTRY INTO AN ANCILLARY RISK SHARING AGREEMENT WITH PENGANA CAPITAL GROUP LIMITED

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for the Company to invest in profit participation notes in the Pengana Private Credit Feeder Fund and enter into and undertake the transactions contemplated by the risk sharing agreement with Pengana Capital Group Limited on the terms and conditions outlined in the Explanatory Notes."

Voting Exclusion Statement – Item 3

The Company will disregard any votes cast in **FAVOUR** of this Item 3 by or on behalf of:

- Pengana Private Credit Feeder Fund, Pengana Capital Group Limited and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary shares in the Company);
- an associate of that person or those persons.

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However, this does not apply to a vote cast in **FAVOUR** of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ITEM 4. RE-ELECTION OF DIRECTOR: MS SANDI ORLEOW

To consider and, if thought fit, with or without amendment, pass the following resolution as an ordinary resolution:

“That Ms Sandi Orleow, who retires by rotation in accordance with article 11.2 of the Company’s Constitution and Listing Rule 14.4, being eligible, is re-elected as a Director of the Company”.

Proposed Removal and Appointment of Directors Proposed by Requisitioning Shareholder

ITEM 5. REMOVAL OF MR DAVID FREDERICK GROVES AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr David Frederick Groves be removed as a Director of the Company with immediate effect”.

ITEM 6. REMOVAL OF MR RUSSEL CRAIG PILLEMER AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Russel Craig Pillemer be removed as a Director of the Company with immediate effect”.

ITEM 7. REMOVAL OF MS SANDI BELINDA ORLEOW AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Ms Sandi Belinda Orleow be removed as a Director of the Company with immediate effect”.

ITEM 8. APPOINTMENT OF MR GEOFFREY JAMES WILSON AO AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Geoffrey James Wilson AO be appointed as a Director of the Company with immediate effect”.

ITEM 9. APPOINTMENT OF MR RICHARD ALEXANDER CALDWELL AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Richard Alexander Caldwell be appointed as a Director of the Company with immediate effect”.

ITEM 10. APPOINTMENT OF MR JULIAN MARTIN AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Julian Martin be appointed as a Director of the Company with immediate effect”.

ITEM 11. APPOINTMENT OF MR JESSE MICHAEL HAMILTON AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Jesse Michael Hamilton be appointed as a Director of the Company with immediate effect”.

By Order of the Board of Directors



Paula Ferrao

Company Secretary
Pengana International Equities Limited
19 September 2025

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Explanatory Notes

ITEM 1. FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

In accordance with section 317 of the Corporations Act, the Financial Report and the reports of the Directors and the auditor for the financial year ended 30 June 2025 will be presented for consideration by Shareholders at the Meeting. Shareholders will be given a reasonable opportunity to ask questions and to make comments in relation to these reports.

Shareholders will also be given the opportunity to ask a representative of the Company's Auditor, Ernst & Young, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

Neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on such reports. The Directors', Auditor's and Financial Reports can be found in the Company's 2025 Annual Report, which is available on the Company's website at pengana.com/pia. Shareholders who have specifically requested a hard copy of the Annual Report will receive it by mail.

ITEM 2. REMUNERATION REPORT

The Remuneration Report can be found in the Company's 2025 Annual Report, which is available on the Company's website at pengana.com/pia. The Remuneration Report sets out the Company's remuneration information in relation to the Non-executive Directors, who are the paid officers of the Company.

The Company has no employees. All operational and administrative duties are performed by the Company's Investment Manager. No employees of the Investment Manager are remunerated by the Company. In accordance with section 250R of the Corporations Act, the Company is required to put to the vote a resolution that the Remuneration Report be adopted. Shareholders should note that this resolution is an 'advisory only' resolution and does not bind the Directors or the Company, but the outcome of the vote could have consequences for the Board. In any case the Directors will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

In accordance with the Corporations Act, the Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

Directors' Recommendation

The Directors note that each Director has a personal interest in their own remuneration and therefore they do not consider it is appropriate to make a voting recommendation in relation to this resolution. The Chairman intends to vote all available undirected proxies in **FAVOUR** of the adoption of the Remuneration Report. A voting exclusion statement with regard to Item 2 is set out on page 1 of this Notice.

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Proposed Portfolio Enhancement

ITEM 3. APPROVAL OF INVESTMENT IN THE PENGANA PRIVATE CREDIT FEEDER FUND AND ANCILLARY RISK SHARING AGREEMENT WITH PENGANA CAPITAL GROUP LIMITED

The Independent Directors appointed Lonergan Edwards & Associates as Independent Expert to assess the merits of the Portfolio Enhancement Proposal. The Independent Expert has concluded that the proposed investment in the profit participation notes issued by the Pengana Private Credit Feeder Fund and the entry into (and the transactions contemplated by) the Risk Sharing Agreement is fair and reasonable in the absence of a superior proposal to Non-Associated Shareholders. The Independent Directors recommend that Shareholders vote in FAVOUR of the Proposed Portfolio Enhancement Proposal (Item 3).

1. Overview of Global Private Credit

Global private credit refers to individually negotiated loans made by specialist asset managers to global mid-market companies, or to the global owners and managers of valuable assets. These loans typically carry seniority and are secured against the borrower's assets. Unlike many other forms of debt, they are not widely syndicated to other lenders, nor are they traded on secondary markets. Instead, they are held to maturity, which means the lender remains involved for the life of the loan. This structure creates strong alignment of incentives at every stage – from origination and pricing through to risk assessment and ongoing monitoring – and is a key reason why private credit has such compelling risk-return characteristics.

Importantly, global private credit instruments typically feature floating interest rates, which means that income increases in line with rising base rates, providing a natural hedge against inflation and interest rate volatility. The structural protections embedded in these investments, such as collateral, covenants, and seniority in the capital structure, further enhance capital stability. These features have contributed to global private credit's strong historical performance, characterised by low default rates, high recovery rates, and reduced volatility compared to publicly traded credit instruments.

The unlisted global private credit market has grown substantially over the last 15 years and has delivered strong returns with very low volatility to mainly institutional investors. It continues to demonstrate its value as a source of reliable, resilient returns in a range of market conditions.

Investors in this asset class benefit from a meaningful yield premium relative to traditional fixed income, reflecting the illiquidity and complexity of private lending arrangements. Borrowers are willing to pay a premium for the certainty, speed, and flexibility offered by private lenders, particularly in an environment where access to traditional bank credit remains constrained.

Why Add Global Credit Exposure?

The Independent Directors are proposing to increase and diversify the company's assets by investing in a highly diversified global private credit portfolio.

With falling deposit rates and the phasing out of bank hybrids, many investors are seeking alternatives that provide reliable income streams as well as capital growth.

Many traditional Australian dividend and income sources are exposed to similar economic forces. This lack of diversification means they can fall in value at the same time.

The Portfolio Enhancement Proposal seeks to create an additional, steady income stream that is largely independent of equity market movements, improving the reliability of shareholder returns and reducing reliance on global share market performance.

With PIA investing in both global private credit and global equities, its shareholders will benefit from the diversified asset and income streams through increased reliable fully franked dividends and the potential for capital growth.

Furthermore, as PIA's investments are in global businesses, its income and dividends should have minimal correlation with changes in Australian interest rates. This characteristic provides investors with an added incentive to include PIA in their portfolios, and even more so in a reducing rate environment.

The new private credit strategy will be managed by Pengana Credit Pty Ltd (**Pengana Credit**) on behalf of by PIA's investment manager, Pengana Investment Management Limited (**PIML**). Pengana Credit and PIML are wholly owned subsidiaries of Pengana specialising in the management of private credit investments. Pengana Credit are supported by Mercer who has been appointed as investment consultant. Mercer is one of the largest

asset allocators in the world with over 20 years of experience in private credit investing and brings institutional-level expertise in manager sourcing, due diligence, and portfolio construction.

Pengana and Mercer have built Australia's most comprehensive and diversified multi-manager, multi-channel global private credit capability offering Australian investors unparalleled access to a highly attractive and sought after sector previously only available to large institutional investors.

2. Overview of the Portfolio Enhancement Proposal

The Portfolio Enhancement Proposal involves adding global private credit exposure to PIA's investment strategy, alongside existing global equities. Key features include:

- Loan-funded structure, no change to size or composition of global equities exposure.
- Designed to enhance risk-adjusted portfolio returns, increase earnings per share and enable higher fully-franked dividends.
- Proposed Investment Target Return of 4.5% p.a. above cost of debt after all costs and fees. No management fee paid to Pengana on the private credit investment.
- Risk Sharing Agreement with Pengana to compensate PIA if the private credit return falls below cost of debt and Pengana to receive returns above the Target Return.
- Conservative level of leverage and secured against high-quality global equities.

The Portfolio Enhancement Proposal involves enhancing the Company's existing investment strategy by investing in private credit via profit participation notes (**PPNs**) issued by the Pengana Private Credit Feeder Fund (**Feeder Fund**) and entering into an ancillary risk sharing agreement (**Risk Sharing Agreement**) with Pengana (**Proposed Investment**).

The aim is to provide the Company with exposure to a portfolio of high-quality funds investing in private credit assets that are managed by underlying managers with complementary strategies that provide attractive returns with diversification from individual fund, manager and strategy risk.

The value of the Company's investment into PPNs, the Risk Sharing Agreement and associated hedging (all collectively referred to as the **Private Credit Portfolio**) will be limited to 55% of the value of the Company's listed equity portfolio (in normal market conditions) and will be funded by a USD denominated finance facility provided by a major international bank. (**Debt**). It is proposed that existing assets in the Company's listed equity portfolio will be used as collateral for the Debt, and the Company does not intend to decrease its listed equity portfolio.

The Company will invest in the USD denominated PIA (Hedged) USD Class of the PPNs. The PIA (Hedged) USD Class invests principally in North American and European funds which will be exposed to foreign exchange fluctuations, principally in USD and EUR. The PIA (Hedged) USD Class will be fully hedged to USD. The Company will have a natural hedge for most of this USD exposure via the USD denominated Debt, however the Company will hedge any return on the PPN (in USD terms) between the cost of the Debt and the Target Rate to AUD.

Pengana Credit Pty will manage the Private Credit Portfolio on behalf of by PIA's investment manager, PIML. PIML will manage the Debt facility. Cash held in the Private Credit Portfolio, plus any undrawn amount under the Debt facility, will be equal to at least 5% of the value of the Private Credit Portfolio.

PIML will not receive management fees for its services and Pengana has agreed to enter into a Risk Sharing Agreement with PIA. The Risk Sharing Agreement provides significant downside protection by mitigating return shortfall risk for the loan funded investment, under which:

- if the annual return from the PPNs is less than the cost of the Debt, Pengana will pay the difference to the Company, up to the cost of the Debt;
- if the annual return from the PPNs is greater than the cost of the Debt, the Company will retain the return up to its target return of 4.5% p.a. above the cost of the Debt (Target Rate); and
- any annual return in excess of the Target Rate will be paid by the Company to Pengana.

Once the investment is fully implemented, the Company intends to target a dividend increase of 56% (up 3 cents per share to 8.4 cents per share p.a.).

To further enhance cashflow for shareholders, if the Proposed Investment is approved by shareholders, the Company will transition to monthly dividend payments.

3. Key Potential Advantages, Disadvantages and Risks

The Portfolio Enhancement Proposal is expected to provide the following Key Potential Benefits for Shareholders:

- **Diversification into Global Private Credit with no Change to Equities Portfolio:**
 - Introduces new steady income stream from global private credit without change to equities portfolio.
 - Combines steady credit income with existing equities growth potential, reducing reliance on any one market condition.
- **Enhanced Fully Franked Dividend Return (Based on Achieving Target Return):**
 - Uplift in earnings per share.
 - Targets a 56% increase in fully franked annual dividends to 8.4 cps.
 - Dividends to be paid monthly.
- **Diversified and Uncorrelated Income:**
 - Global private credit has low correlation with equities markets.
- **Strong Risk Management and Alignment:**
 - Targets a conservative loan-to-value ratio of approximately 31%¹.
 - Pengana charges no management fees, cover debt costs if returns fall short of debt costs, and only participates in returns above the Target Return.

In relation to the potential disadvantages and risks of the Portfolio Enhancement Proposal:

- Change in PIA's investment profile. There will be no reduction in the value of the global equities exposure.
- Leverage risk with the introduction of the debt facility. Long-term LVR target of approximately 31%¹ of total assets, provides a significant buffer in the event of an equity market downturn.
- Return Shortfall Risk: If private credit returns fall below the loan cost, Pengana will cover the shortfall up to the cost of debt, aligning interests and shielding shareholders.
- Interest Rate Risk: Both the loan and credit assets are floating rate, preserving the potential pre-tax earnings uplift in different rate environments.
- Liquidity: While private credit is illiquid by nature, the global private credit portfolio will offer a diversified liquidity profile, with Mercer assisting with liquidity planning. In addition, the Listed Investment Company (LIC) structure avoids daily redemptions, enabling efficient long-term holding through market cycles.

4. Feeder Fund and Master Fund

Overview

The Company intends to invest in a newly established exclusive class of PPN developed solely for the Company, the PIA (Hedged) USD Class (**Feeder Class**). The Feeder Class is a debt security, and the Feeder Fund will invest the assets attributable to the Feeder Class in various classes of non-voting participating shares of the Pengana Private Credit Master Fund (**Master Fund**) offering the Company exposure to a diversified mix of private credit funds optimal to give effect to the investment objective of the Feeder Class.

The Feeder Fund has appointed Pengana Credit to execute the individual investment strategies of each of the Feeder Fund's classes of PPNs. The Master Fund has also appointed Pengana Credit to execute the investment strategy of the Master Fund.

Pengana Credit has entered into an investment management agreement with the Feeder Fund and Master Fund to manage the Feeder Fund and Master Fund within certain guidelines and parameters.

Pengana Credit has engaged Mercer Consulting (Australia) Pty Ltd (**Mercer**, a third-party external investment adviser) to provide investment advisory services in respect of the Feeder Fund and Master Fund. Mercer is primarily responsible for underlying private credit funds investment manager sourcing, research, due diligence and portfolio construction. All underlying private credit funds investment managers and their funds are approved by Mercer's investment and operational due diligence teams. Mercer also provides assistance with underlying private credit funds investment manager monitoring, valuation, performance measurement and reporting, liquidity planning and asset and liability modelling.

¹ Based on 45% target leverage ratio of global equities portfolio, which translates to a 31% target LVR of the total asset portfolio (incl. global equities and global private credit portfolios).

Citco, a leading global third-party specialist administrative and custodial service provider, is the independent administrator of the Feeder Fund and the Master Fund. Citco's role includes calculating the values, subscription and redemption prices of the PPNs. Citco is also the custodian of the assets of the Master Fund. Ernst & Young are the independent auditors of the Feeder Fund and Master Fund.

Valuation

The value of a PPN in the Feeder Class is determined with reference to the net asset value of the portfolio of assets and liabilities held by the Feeder Fund that is attributable to the Feeder Class, divided by the number of Feeder Class PPNs. Citco is responsible for determining the net asset value of the portfolio of assets and liabilities held by the Feeder Fund attributable to the Feeder Class, and the valuation of the PPNs.

The value of the various classes of non-voting participating shares in the Master Fund is determined with reference to the net asset value of the portfolio of assets and liabilities held by the Master Fund that is attributable to the relevant class divided by the number of shares in that class. Citco is responsible for determining the net asset value of the portfolio of assets and liabilities held by the Master Fund that is attributable to a share, and the valuation of the shares.

Subscriptions for, and redemptions of, Feeder Class PPNs and shares in the Master Fund may be subject to a subscription or redemption spread, as applicable. The subscription and redemption spread are equal and positive. The purpose of the spread is to adjust the net asset value used for transactions for income that it is not yet recognised by underlying managers that invest in private credit assets but is not intended to provide exact recognition of unrecognised income. The spread is approved by the board of the Feeder Fund or the Master Fund, as applicable, and is reviewed on a regular basis.

Ethical investment policy

The Company's global equity portfolio utilises a negative screening process which seeks to avoid investment in companies that derive operating revenues from direct and material business involvement in sectors that PIML, the Company's investment manager, considers unethical.

It is impractical to apply a similar screen to the global private credit portfolio as the underlying funds are pooled investment vehicles that do not typically apply such screens.

However, Mercer, as the investment consultant in respect of the Private Credit portfolio, has integrated Environmental, Social and Governance (**ESG**) considerations into its due diligence process on underlying managers.

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

5. Key terms of the Proposed Investment

The key terms of the material transaction documents are set out below:

PPN Deed Poll and Subscription Agreement

Parties	Feeder Fund, the issuer of the PPNs Company, the PPN subscriber/holder
Initial subscription	The Company intends to subscribe for USD100m PPNs by 1 December 2025. The Company will not subscribe for PPNs until such time as shareholder approval has been obtained and the Debt is available.
Additional subscriptions	The Company may subscribe for additional PPNs on a weekly basis by written notice to the Feeder Fund. Additional PPNs will be issued at the then current net asset value of the PPNs in that class, plus a subscription spread.
Redemptions	The Company may redeem PPNs on a weekly basis by written notice to the Feeder Fund. The PPN redemption amount is equal to the net asset value of the assets and liabilities attributable to the class of PPNs plus a redemption spread.

	<p>The Feeder Fund may suspend the redemption of PPNs and/or the payment of any redemption amount upon the occurrence of certain circumstances which include:</p> <ul style="list-style-type: none"> • if the disposal of investments held by the Feeder Fund would not be reasonably practicable or might prejudice the non-redeeming noteholders; • if the calculation of the net asset value, the redemption or the payment of the redemption amount is impracticable or undesirable; • if the Feeder Fund determines that such limitation or suspension is in the best interests of the noteholders; or • any of the above applying to the Master Fund or if the Master Fund has effected a similar suspension.
Investment	The Feeder Fund agrees to apply the PPN subscription proceeds towards meeting the investment objectives of the relevant class of PPNs.
Fees	No fees payable to any member of Pengana.
Amendment	<p>The Feeder Fund and each affected PPN noteholder may amend the PPN Deed Poll and the PPN terms by agreement.</p> <p>The Feeder Fund may from time to time amend the PPN Deed Poll in order to issue additional classes of PPNs in the Feeder Fund.</p>
Governing law	New South Wales.

Risk Sharing Agreement

Parties	Company PCG
Key terms	<p>The key terms are as follows:</p> <ul style="list-style-type: none"> • if the annual return from the PPNs is less than the cost of the Debt, Pengana will pay the difference to the Company, up to a maximum of the cost of the Debt; • if the annual return from the PPNs is greater than the cost of the Debt, the Company will retain the return up to its Target Rate; and <p>any annual return in excess of the Target Rate will be paid by the Company to Pengana.</p>
Term	The Risk Sharing Agreement commences on the execution of the agreement and ends on 30 June 2026 and automatically renews for additional one-year terms unless terminated, provided that the Company holds PPNs.
Termination	<p>The Company may terminate by giving at least 30 days notice in writing prior to the end of the applicable term.</p> <p>Pengana may terminate if the Company ceases to hold PPNs or if the investment management agreement with PIML is terminated.</p> <p>Either party can terminate for material breaches of the Risk Sharing Agreement or if the other party suffers an insolvency event.</p>
Governing law	New South Wales.

Investment Management Agreement in respect of the Feeder Fund and the Master Fund

Parties	Master Fund, Feeder Fund, Pengana Credit
Investment objective of the Feeder Fund	To seek to generate returns that exceed the SOFR (Secured Overnight Financing Rate) as plus 80 basis points margin plus 25 basis points uncalled commitment fee per annum through a diversified investment exposure to private credit assets.
Investment Guidelines of the Feeder Fund	<ul style="list-style-type: none"> • Private Credit Income Class Shares: 30-50% • Private Credit Balanced Class Shares: 10-30% • Private Credit Total Return Class Shares: 25-45% • Private Credit Enhanced Cash Class Shares/Cash: 0-10% • Derivatives: 0%-100% of outstanding foreign currency exposure <p>Each of the above guidelines is to be applied only at the time that a new investment is made in, or in certain limited circumstances, a voluntary redemption is made from, a Master Fund share class. Market movements, distributions and mandatory redemptions will not result in non-conformity with any of the above guidelines.</p>
Fees	None are payable to any member of Pengana.
Term	The term of the agreement ends on 31 July 2033 and automatically renews for additional one year terms unless terminated.

Termination	The Master Fund and the Feeder Fund may terminate the agreement if Pengana Credit has acted with fraud, wilful misconduct, dishonesty or negligence or if core members of the investment management team of Pengana Credit are no longer involved in managing the Master Fund and the Feeder Fund. Pengana Credit may terminate the agreement with 120 days prior written notice to the Master Fund and the Feeder Fund.
Representations and warranties	Each party under the agreement provides customary representations and warranties with regard to its ability to enter into the agreement, and to perform its obligations under the agreement.
Governing law	Cayman Islands.

Debt

Parties	Company, the borrower A major international bank, the lender, security agent and calculation agent
Conditions precedent	<ul style="list-style-type: none"> • Execution of definitive documentation • Approval by the Company's Board of Directors • Satisfactory completion of KYC
Committed amount	USD120,000,000.
Security	Company's listed equity portfolio plus associated cash
Key terms	<ul style="list-style-type: none"> • Revolving credit facility: funds may be used for working capital, investment, repayment of maturing loans and fees. • Subject to conditions precedent, utilisation limits, and compliance with financial covenants (e.g., LTV Ratio, Leverage Ratio). • SOFR (Secured Overnight Financing Rate) as plus 80 basis points margin plus 25 basis points uncalled commitment fee per annum.
Term	One year from the Effective Date, extendable by up to six months upon request and lender approval.
Termination	Facility terminates at the end of the term unless extended. Early termination for customary reasons.
Representations and warranties	Company provides customary representations and warranties regarding its ability to enter into the facility.
Governing law	Financing Agreement: English law. Security Agreement: New South Wales law

6. Relationship between the Company, the Feeder Fund and Pengana

The Company's investment manager, PIML, is a subsidiary of Pengana.

Pengana is an ASX listed funds management group and is a 2.69% shareholder of the Company via investments held by its subsidiaries Pengana Capital Limited and PIML.

PIML holds an Australian Financial Services Licence. PIML provides the Company with investment management, financial management and marketing support, and the Company pays PIML management fees and performance fees under an investment management agreement. The management fees and performance fees are calculated based on the Company's gross assets. While the Proposed Investment will increase the Company's gross assets, PIML has agreed to waive its management fee in relation to this increase. The Proposed Investment will however, form part of the gross asset base on which PIML's performance fees are assessed. PIML has appointed New Jersey based Harding Loevner LP as the investment team of PIA in respect of its global equities portfolio.

Pengana Credit, another subsidiary of Pengana, is the investment manager of the Feeder Fund and the Master Fund. Pengana Credit will not be paid a management fee in relation to the Proposed Investment.

The Managing Director of the Company, Russel Pillemer, is also the Managing Director of Pengana, PIML and Pengana Credit. Mr Pillemer was excluded from voting on the Proposed Investment at meetings of the Board. A Director of the Company, David Groves, is also a Director of Pengana. Mr Groves was excluded from voting on the Proposed Investment at meetings of the Board.

7. Listing Rule 10.1

Overview of ASX Listing Rule 10.1

Under Listing Rule 10.1, a company must not, without shareholder approval, acquire a substantial asset from, or dispose of a substantial asset to:

- a related party;
- a child entity;
- a person who is, or was at any time in the 6 months before the transaction, a substantial (10%+) holding the company;
- an associate of a person referred to above; or
- a person whose relationship to the company or certain other persons referred to in Listing Rule 10.1 is such that, in ASX's opinion, the transaction should be approved by shareholders.

Listing Rule 10.2 provides that a substantial asset is one where the value or consideration equals or exceeds 5% or more of the equity interests of the company as set out in the most recent accounts released to ASX.

ASX has advised the Company that, as the investment managers of the Company and the Feeder Fund are wholly owned subsidiaries of the same entity, the relationship is such that in ASX's opinion, the Proposed Investment (including the Risk Sharing Agreement and the transactions contemplated by it) should be approved by shareholders.

As the total equity interests of the Company as of 30 June 2025 were \$352.8 million, 5% of the total equity interests of the Company is \$17.6 million. Accordingly, the Proposed Investment will be a substantial asset. Future acquisitions and disposals of the PPNs (in line with new share issuances or share buy-backs by the Company), and the transactions contemplated by the Risk Sharing Agreement, alone or in aggregate, may also constitute the acquisition or disposal of a substantial asset.

The Company seeks shareholder approval for the initial investment in PPNs, additional subscriptions for and redemptions of PPNs, and the transactions contemplated by the Risk Sharing Agreement, as outlined in these Explanatory Notes.

Information required to be provided to Shareholders under ASX Listing Rule 10.5

In addition to the information provided above, for the purposes of ASX Listing Rule 10.5, the following information is provided in relation to Item 3:

PPNs

The name of the person from whom the entity is acquiring the substantial asset or to whom the entity is disposing of the substantial asset	Pengana Private Credit Feeder Fund
Which category in Listing Rules 10.1.1 – 10.1.5 the person falls within and why	Listing Rule 10.1.5. ASX has advised the Company that, as the investment managers of the Company and the Feeder Fund are wholly owned subsidiaries of the same entity, the Feeder Fund's relationship to the Company is such that, in ASX's opinion, the proposed investment in the PPNs should be approved by Shareholders.
Details of the asset being acquired	The Company will invest in PPNs. Refer to Section 4 (Key terms of the Proposed Investment) for details.
Consideration for the PPNs	The issue price of the PPNs is determined having regard to the value of the Master Fund's holdings in underlying funds managed by the external third-party private credit managers. The Company's proposed investment in the Private Credit Portfolio will be limited to 55% of the value of its listed equity portfolio (in normal market conditions).
Timetable for completion of the subscription into the PPNs	Initial subscription into the PPNs is expected to be completed by 1 December 2025.
Additional investments and redemptions	Refer to Section 4 (Key terms of the PPN Deed Poll & Subscription Agreement, Additional subscriptions/redemptions) for details on additional investments and redemptions.

Summary of material terms of the PPNs	Refer to Sections 2 and 4 for a summary of the material terms of the PPNs.
The intended source of funds for the PPNs	The investment in PPNs will be debt funded, refer to Section 2 for further information.

Risk Sharing Agreement

The name of the person from whom the entity is acquiring the substantial asset or to whom the entity is disposing of the substantial asset	PCG
Which category in Listing Rules 10.1.1 – 10.1.5 the person falls within and why	Listing Rule 10.1.5. ASX has advised the Company that, as Pengana is the parent entity of PIML, the investment manager of the Company, Pengana's relationship to the Company is such that, in ASX's opinion, entry into the Risk Sharing Agreement should be approved by Shareholders.
Details of the asset being acquired	The Company will enter into the Risk Sharing Agreement with Pengana on the terms and conditions summarised in the Explanatory Notes. Refer to Section 4 (Key terms of the Proposed Investment, PPN Deed Poll & Subscription Agreement, Investments / Risk Sharing Agreement) for details of the asset being acquired.
Consideration for the Risk Sharing Agreement	The payments made under the Risk Sharing Agreement, refer to Section 2.
Timetable for completion of the Risk Sharing Agreement	The Risk Sharing Agreement will be executed concurrently to the Financing Agreement.
Summary of material terms of the Risk Sharing Agreement	Refer to Section 2 for a summary of the material terms of the Risk Sharing Agreement.
The intended source of funds for the Risk Sharing Agreement	Any payment made by the Company to Pengana will be made from the annual return in excess of the Target Rate.

8. Independent Expert's Report

Listing Rule 10.5.10 requires that the Notice of Meeting to obtain Shareholder approval for the purposes of Listing Rule 10.1 must be accompanied by a report by an Independent Expert expressing their opinion as to whether the transaction is fair and reasonable to Shareholders.

The Independent Expert's Report prepared by Loneragan Edwards & Associates Limited sets out a detailed examination of the Proposed Investment to enable Shareholders to assess its merits.

The Independent Expert has concluded that the proposed investment in the profit participation notes issued by the Pengana Private Credit Feeder Fund and the entry into (and the transactions contemplated by) the Risk Sharing Agreement is fair and reasonable in the absence of a superior proposal to Non-Associated Shareholders. Shareholders are encouraged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

9. Consequences of Item 3

If Item 3 is passed, the Company will proceed with the Proposed Investment. If Item 3 is not passed, the Company will not proceed with the Proposed Investment.

Independent Directors' Recommendation

The Independent Directors recommend that Shareholders vote in **FAVOUR** of Item 3. The Chair intends to vote undirected proxies in **FAVOUR** of Item 3.

ITEM 4. RE-ELECTION OF DIRECTOR – MS SANDI ORLEOW

In accordance with ASX Listing Rule 14.4 and article 11.2 of the Constitution Ms Sandi Orleow is retiring at this meeting and being eligible, offers herself for re-election.

Ms Orleow was appointed as a Non-executive Director of the Company on 1 September 2019, and she is the Chair of the Company's Audit, Risk and Compliance Committee.

Ms Orleow is an experienced non-executive Director with deep expertise in financial services, superannuation, investments and business transformation. She has worked across multiple geographies and has proven success in leveraging established processes into new markets and building new profit centres, including setting up the South African office of a large Canadian consulting business and setting up the specialist private markets consulting proposition for a large global consultant in Australia.

Ms Orleow has served and continues to serve on a range of boards and committees including those of government entities, private and listed companies, superannuation, and member-based organisations. Her current roles include; Director Sydney Financial Forum, Non-Executive Director ECP Asset Management; and is the Chair of the CFA (Chartered Financial Analyst) Australia Diversity Council.

Ms Orleow is a CFA Charterholder, a graduate of the Australian Institute of Company Directors and a Banking and Finance Oath Signatory.

Directors' Recommendation

On the basis of Ms Orleow's skills, qualifications and experience, and her contribution to the Board's activities, the Directors (other than Ms Orleow) recommend that Shareholders vote in **FAVOUR** of the re-election of Ms Orleow. The Chairman intends to vote undirected proxies in **FAVOUR** of the re-election of Ms Orleow.

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Removal and Appointment of Directors Proposed By Requisitioning Shareholder

Your current Board unanimously
recommend that you vote AGAINST
each of the requisitioned resolutions

Background to Items 5 to 11

The Company received notices from WAM Strategic Value Limited (**WSV**):

- proposing resolutions for the removal of David Groves, Russel Pillemer and Sandi Orleow as Directors;
- proposing resolutions for the election of four new Directors, being, Geoffrey Wilson AO, Richard Caldwell, Julian Martin and Jesse Hamilton; and
- requisitioning a meeting of the shareholders of PIA to consider each of these resolutions.

WSV is entitled to give these notices under the Corporations Act, as a member with at least 5% of the votes that may be cast at a general meeting. The WSV Resolutions have been duly included in the business to be considered at this Annual General Meeting.

The Directors have carefully considered the WSV Resolutions, and for the reasons set out below, **the Directors unanimously recommend that you vote AGAINST each of the WSV Resolutions**, though for the avoidance of doubt, no recommendation is made by Mr Groves in respect of Item 5, Mr Pillemer in respect of Item 6 nor Ms Orleow in respect of Item 7.

The Board respects each shareholder's right to put forward resolutions, and the Directors take their duties seriously to act in the best interests of PIA shareholders. That said, the Board is concerned that WSV is making assertions of fact in relation to the Portfolio Enhancement Proposal that are misleading and incorrect. For example, in the WAM Statement, WSV claims that the Board is seeking to change the investment mandate of PIA "without shareholder consultation".

As PIA announced to the market on 21 August 2025, the Portfolio Enhancement Proposal has always been subject to the receipt of an independent expert's report and shareholder approval – that is why Resolution 3 is being put to you at this AGM.

But while the Board is putting forward a detailed plan for PIA moving forward for PIA shareholders to consider and vote upon, the WSV Statement, as well as written correspondences between PIA and WSV, have made clear that WSV's intended plan, should the WSV Candidates be elected, is simply to undertake a strategic review of PIA.

In the Board's view, the only reasonable conclusion it can take from WSV's response is that WSV does not have any meaningful plan for PIA.

In addition, the Board has several concerns with the potential impacts of the WSV Resolutions for PIA shareholders:

- **No clear plan:** WSV's stated plan is to conduct a strategic review. It has not outlined any alternative plan nor explained how it intends to give effect to such plans given that PIA's investment management agreement with Pengana may only be terminated before 2029 in very limited circumstances.
- **Disruption without benefit:** The WSV Resolutions risk destabilising the Board and interrupting the newly announced Portfolio Enhancement Proposal, which has been independently assessed as fair and reasonable to Non-Associated Shareholders in the absence of a superior proposal.
- **Conflicts of interest:** The presence of the WSV Candidates on the PIA Board would introduce a significant risk of conflicts of interest. WSV and its associated listed funds compete with PIA. Two of the four WSV Candidates hold executive and board positions in those competing entities, including the Chairman of WSV, who is also the sole Director of WSV's investment manager, WAM.
- **Weaken independence of the Board:** In relation to the WSV Candidates, as Mr Wilson is the non-Independent Chairman of WSV and Mr Hamilton is its Company Secretary they cannot be considered independent. Further, the Board has not yet been convinced of the independence of Mr Martin and Mr Caldwell. Should WSV be successful, the WSV Candidates would constitute a majority of the Board and 50% of your Independent Directors would be removed from the Board. In the Board's view, the introduction of the WSV Candidates could weaken the independence of the Board as a whole.
- **No identified skills gap:** WSV has not demonstrated that the current Board lacks the necessary skills or experience, nor that the WSV Candidates bring capabilities not already present.

- **Capacity of WSV Candidates:** Two of the WSV Candidates already hold extensive commitments: Mr Wilson serves on 11 ASX-listed Boards, and Mr Hamilton is WAM's Chief Financial Officer and is the company secretary for eight WAM vehicles and two other listed companies. The Board has concerns about their capacity to devote sufficient time to PIA.

For these reasons, the Directors have serious concerns about the WSV Resolutions, and their potential to create uncertainty for PIA – at a time that your Board is implementing a considered plan to enhance shareholder returns and diversification, deliver higher dividends, narrow the discount to NTA, and strengthen the governance of PIA.

In the Directors' view, this is a clear choice:

- **Clear plan:** Between supporting WSV, which has no clear and meaningful plan for PIA – and supporting your current Board, which has a plan to increase dividends and close the discount to NTA responsibly that the Independent Expert has said is fair and reasonable to Non-Associated Shareholders in the absence of a superior proposal.
- **Strong governance:** Between supporting WSV, whose resolutions come with a serious risk of creating uncertainty for PIA – and supporting your current Board, which has a balance of Independent Directors, with an Independent Chair, whose good governance ensures decisions are made in the best interests of all shareholders.
- **Alignment with shareholders:** Between supporting WSV, when the presence of the WSV Candidates on the PIA Board introduces a significant risk of conflicts of interest – and supporting your current Board and its Independent Directors, who are presenting a proposal in which Pengana earns no management fees from the private credit portfolio and covers any downside risk.

The Directors unanimously recommend that you vote AGAINST each of the requisitioned resolutions, though for the avoidance of doubt, no recommendation is made by Mr Groves in respect of Item 5, Mr Pillemer in respect of Item 6 nor Ms Orleow in respect of Item 7.

ITEM 5. REMOVAL OF DIRECTOR – MR DAVID FREDERICK GROVES

David Groves was appointed a Director of the Company on 27 May 2016.

Mr Groves is a Non-executive Director of the Company. He is also a member of the Company's Audit, Risk and Compliance Committee.

Mr Groves has over 25 years' experience as a company Director. He is the Non-executive Independent Chair of Pengana Capital Group Limited (ASX:PCG) and was Non-executive Independent Chair of H&G High Conviction Limited (ASX:HCF) until May 2025. He is also a non-executive Director of MA Redcape Hotel Fund RE Limited as responsible entity of the MA Redcape Hotel Fund. 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. Mr Groves is a member of the Council of Wollongong University. He is a member of Chartered Accountants Australia and New Zealand.

As set out above, the Company received notice from the Requisitioning Shareholder requiring the inclusion of Item 5.

Directors' Recommendation

The Directors (other than Mr Groves) recommend that Shareholders vote **AGAINST** the removal of Mr Groves. The Chairman intends to vote undirected proxies **AGAINST** the resolution.

ITEM 6. REMOVAL OF DIRECTOR – MR RUSSEL CRAIG PILLEMER

Russel Pillemer was appointed a Director of the Company on 5 June 2017.

Mr Pillemer is the Managing Director of the Company. Mr Pillemer is also a Director and Chief Executive Officer of Pengana Capital Group Limited.

Mr Pillemer co-founded Pengana in 2003 and has been its Chief Executive Officer since inception. Prior to founding Pengana, Mr Pillemer 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. Mr Pillemer was previously Chair of Centric Wealth Group and a Principal of Turnbull Pillemer Capital.

He is a Chartered Accountants Australia and New Zealand member and has a Bachelor of Commerce (Hons) from the University of New South Wales.

As set out above, the Company received notice from the Requisitioning Shareholder requiring the inclusion of Item 6.

Directors' Recommendation

The Directors (other than Mr Pillemer) recommend that Shareholders vote **AGAINST** the removal of Mr Pillemer. The Chairman intends to vote undirected proxies **AGAINST** the resolution.

ITEM 7. REMOVAL OF DIRECTOR – MS SANDI BELINDA ORLEOW

Sandi Orleow was appointed a Director of the Company on 1 September 2019 and she is the Chair of the Company's Audit, Risk and Compliance Committee.

Ms Orleow is an experienced non-executive Director with deep expertise in financial services, superannuation, investments and business transformation. She has worked across multiple geographies and has proven success in leveraging established processes into new markets and building new profit centres, including setting up the South African office of a large Canadian consulting business and setting up the specialist private markets consulting proposition for a large global consultant in Australia.

Ms Orleow has served and continues to serve on a range of boards and committees including those of government entities, private and listed companies, superannuation, and member-based organisations. Her current roles include; Director Sydney Financial Forum, non-executive Director ECP Asset Management; and is the Chair of the CFA (Chartered Financial Analyst) Australia Diversity Council.

Ms Orleow is a CFA Charterholder, a graduate of the Australian Institute of Company Directors and a Banking and Finance Oath Signatory.

As set out above, the Company received notice from the Requisitioning Shareholder requiring the inclusion of Item 7.

Directors' Recommendation

The Directors (other than Ms Orleow) recommend that Shareholders vote **AGAINST** the removal of Ms Orleow. The Chairman intends to vote undirected proxies **AGAINST** the resolution.

ITEM 8. APPOINTMENT OF DIRECTOR – MR GEOFFREY JAMES WILSON AO

Please refer to Annexure B to this notice for information regarding Mr Wilson which was provided by the Requisitioning Shareholder.

Directors' Recommendation

The Directors recommend voting **AGAINST** the Resolution to elect Mr Wilson. The Chair intends to vote all undirected proxies **AGAINST** the resolution.

ITEM 9. APPOINTMENT OF DIRECTOR – MR RICHARD ALEXANDER CALDWELL

Please refer to Annexure B to this notice for information regarding Mr Caldwell which was provided by the Requisitioning Shareholder.

Directors' Recommendation

The Directors recommend voting **AGAINST** the Resolution to elect Mr Caldwell. The Chair intends to vote all undirected proxies **AGAINST** the resolution.

ITEM 10. APPOINTMENT OF DIRECTOR – MR JULIAN MARTIN

Please refer to Annexure B to this notice for information regarding Mr Martin which was provided by the Requisitioning Shareholder.

Directors' Recommendation

The Directors recommend voting **AGAINST** the Resolution to elect Mr Martin. The Chair intends to vote all undirected proxies **AGAINST** the resolution.

ITEM 11. APPOINTMENT OF DIRECTOR – MR JESSE MICHAEL HAMILTON

Please refer to Annexure B to this notice for information regarding Mr Hamilton which was provided by the Requisitioning Shareholder.

Directors' Recommendation

The Directors recommend voting **AGAINST** the Resolution to elect Mr Hamilton. The Chair intends to vote all undirected proxies **AGAINST** the resolution.

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Appendices

Appendix A: Independent Expert's Report

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The Independent Directors
Pengana International Equities Limited
Suite 1 Level 27 Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

12 September 2025

Subject: Independent expert's report – Proposed Portfolio Enhancements

Dear Independent Directors

Introduction

- 1 On 21 August 2025, Pengana International Equities Limited (PIA or the Company) announced that it proposed to enhance its existing investment strategy by investing in global private credit via the investment in Profit Participation Notes (PPNs).
- 2 The proposed investment of approximately US\$100 million in PPNs in the Pengana Private Credit Feeder Fund (Feeder Fund), a fund managed by Pengana Credit Pty Ltd (Pengana Credit) is to be funded by drawdowns from a loan facility (Facility) secured against PIA's existing share and cash portfolio (together the Proposed Investment). The Proposed Investment is (inter alia) intended to diversify PIA's asset base and is expected to provide PIA shareholders with increased returns from the net earnings¹ generated from the investment in the Feeder Fund.
- 3 At the request of the Independent Directors of PIA, the Proposed Investment has been formulated by Pengana Capital Group Limited (PCG) (including related entities Pengana Investment Management Limited (PIML), which is PIA's Investment Manager, and Pengana Credit). In implementing the Proposed Investment, the Independent Directors have negotiated with PCG, and PCG has agreed to enter into an ancillary risk sharing arrangement with PIA to limit PIA's risk with respect of the Proposed Investment. The risk sharing arrangements are as follows:
 - (a) if the return generated by PIA from the investment in PPNs is less than the cost of debt on the funds borrowed, PCG will fund the shortfall up to the cost of debt
 - (b) if the return generated by PIA from the investment in PPNs is greater than the cost of debt, PIA retains the return up to a targeted return of 4.5% per annum above the cost of debt (Target Return)
 - (c) if the Target Return is exceeded, the excess over the Target Return is payable to PCG.

¹ Net earnings are explained in paragraph 3.

Authorised Representatives:

Wayne Lonerган • Julie Planinic* • Nathan Toscan • Hung Chu • Grant Kepler* • Martin Hall • Jorge Resende • Brett Aalders • Craig Edwards

* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.
Liability limited by a scheme approved under Professional Standards Legislation

- 4 Pengana Credit will not receive any management fees with respect to the proposed investment by PIA in the Feeder Fund. Similarly, PIML will forgo management fees that it could charge PIA on the PPNs (noting that the PPNs will increase PIA's gross asset base). The PPNs will however form part of the gross asset base on which PCG's performance fees are assessed. In summary, the Proposed Investment will only result in an additional potential benefit for PCG if PIA's investment in the PPNs generate a return above the Target Return.

PIA

- 5 PIA is a listed investment company (LIC) that commenced trading on the Australian Securities Exchange (ASX) on 19 March 2004 and had a market capitalisation of A\$319.9 million as at 31 August 2025. Investment management for the Company is undertaken by PIML, a wholly owned subsidiary of PCG. PIML in turn has appointed Harding Loevner, a New Jersey-based global equity fund manager formed in 1989, as the investment team for PIA.
- 6 PIA seeks to provide shareholders with regular, reliable and fully franked dividends as well as capital growth over the long term from investing in an ethically screened and actively managed portfolio of global businesses. The Company aims to achieve after-fee returns over a five-year-plus investment period higher than the Morgan Stanley Capital Index (MSCI) World Total Return Index (net of dividends).

Purpose of report

- 7 The Proposed Investment is to be implemented by:
- (a) obtaining loan funding secured against the Company's existing share and cash portfolio
 - (b) investing the loan funds in the PPNs issued by the Feeder Fund
 - (c) entering into the risk sharing arrangements with PCG.
- 8 As the investment managers of PIA and the Feeder Fund are wholly owned subsidiaries of PCG, the ASX has advised PIA that the Feeder Fund's relationship to PIA is such that, in the ASX's opinion, ASX Listing Rule 10.1.5 applies and the Proposed Investment should be approved by PIA's shareholders for the purposes of ASX Listing Rule 10.1. Under this listing rule, an entity must ensure that it does not acquire a substantial asset (comprising 5% or more of the "equity interests of the entity") from a "person whose relationship to the entity" is such that, in the ASX's opinion, the transaction should be approved by security holders.
- 9 Further, as PCG is the parent entity of PIML, the investment manager of PIA, PCG's relationship to PIA is such that, in the ASX's opinion, ASX Listing Rule 10.1.5 applies and the proposed risk sharing agreements should be approved by PIA's shareholders for the purposes of ASX Listing Rule 10.1. Under this listing rule, an entity must ensure that it does not dispose or agree to dispose of a substantial asset to a "person whose relationship to the entity" is such that, in the ASX's opinion, the transaction should be approved by security holders.
- 10 ASX Listing Rule 10.5.10 requires the notice of meeting sent to shareholders to include an independent expert's report (IER), stating whether the transaction is "fair and reasonable" to

the non-associated shareholders². Accordingly, the Independent Directors of PIA have requested Lonerган Edwards & Associates Limited (LEA) to prepare an IER to accompany the notice of meeting to be sent to shareholders of PIA stating whether, in LEA's opinion, the Proposed Investment and the proposed risk sharing arrangements are "fair and reasonable"³ to the PIA non-associated shareholders (PIA Shareholders⁴), together with the reasons for this opinion.

- 11 LEA is independent of PIA and PCG and has no other involvement or interest in the Proposed Investment and/or the proposed risk sharing arrangements.

Summary of opinion

- 12 In our opinion, the Proposed Investment and proposed risk sharing arrangements are fair and reasonable to PIA Shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.
- 13 Pursuant to RG 111 a related party transaction is "fair" if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired.

Assessment of "fairness"

- 14 As the investment in the Feeder Fund is to be undertaken at prices which are determined consistently with other PPNs issued by the Feeder Fund to arm's length parties, the price of the proposed investment is considered to be fair.
- 15 In our opinion, the risk sharing arrangements are favourable to the Company (particularly in respect of the management fees foregone by PCG) and would not be available to PIA from a third party investment manager. Accordingly, the proposed risk sharing arrangements are considered to be fair.

Assessment of "reasonableness"

- 16 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Proposed Investment and risk sharing arrangements are both "fair" and "reasonable".

Other factors

- 17 Whilst we have concluded that the Proposed Investment and risk sharing arrangements are "fair" and "reasonable" to PIA Shareholders (under the requirements of RG 111), we have also had regard to the advantages and disadvantages of the Proposed Investment from the perspective of PIA Shareholders.

Advantages

- 18 In our opinion, the Proposed Investment and risk sharing arrangements have the following benefits for PIA Shareholders:

² PCG holds a 2.69% interest in PIA via investments held by PCG and PIML.

³ Noting that Australian Securities & Investments Commission (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) states that there should be a separate assessment of whether the transaction is "fair" and "reasonable".

⁴ Being shareholders in PIA other than PCG (and PIML).

- (a) the Proposal Investment will diversify PIA into global private credit investments. Importantly, returns for global private credit have historically had a low correlation to equity returns
- (b) the Proposed Investment is expected to provide increased returns for the Company and if implemented, PIA Shareholders will have the opportunity to receive increased fully franked dividends
- (c) the Proposed Investment is expected to provide a higher investment return in comparison to the additional risk assumed (which provides an improvement in the PIA Sharpe ratio⁵)
- (d) the ancillary risk sharing arrangements provide PIA shareholders with downside protection in the event that the returns from the Proposed Investment are less than the cost of debt (however, PIA Shareholders should note that the returns on the Proposed Investment are limited to the Target Return).

Disadvantages

- 19 The Proposed Investment will introduce debt into PIA, which exposes the Company to leverage risk from entering into the Facility (i.e. borrowing to fund the investment in PIA PPNs). Whilst introducing leverage creates opportunity and the ability to increase returns, it also amplifies losses in downturns. The ancillary risk sharing arrangements seek to mitigate this risk, however, PIA will still be exposed to leverage risk with respect to:
- (a) any downturn in equity values⁶ and the impact on the security under the Facility; and
 - (b) any absolute loss incurred on the private credit portfolio underlying the PPNs, net of income earned (PIA expects any credit losses to be nominal).

Other factors

- 20 PIA's investment strategy has historically focused on investments in shares in global high-quality, growing businesses to deliver superior risk-adjusted returns. PIA Shareholders should note that the Proposed Investment represents a change in investment strategy for the Company. However, PIA Shareholders should note that the Proposed Investment does not change or reduce PIA's exposure to global equities.
- 21 The Proposed Investment and risk sharing arrangements seek to narrow the discount to net tangible assets (NTA) at which shares in PIA have been trading.
- 22 The Independent Directors of PIA unanimously recommend that PIA Shareholders vote in favour of the Proposed Investment.

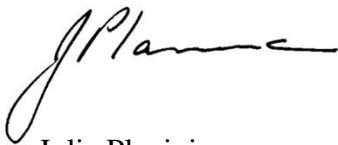
⁵ The Sharpe ratio expresses how much excess return is received for each additional unit of risk assumed. A higher Sharpe ratio implies a higher investment return compared to the amount of risk attaching to the investment.

⁶ Based on the terms of the Facility, a margin call would not be made until the loan to value ratio (LVR) increased to in excess of 65%. Given that the amount drawdown will be a target LVR of 45% of the equity portfolio, the equity portfolio would need to fall by more than 31% to trigger a margin call.

General

- 23 This report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual PIA Shareholders. Accordingly, before acting in relation to the Proposed Investment, PIA Shareholders should have regard to their own objectives, financial situation and needs. PIA Shareholders should also read the Explanatory Notes that have been issued by PIA in relation to the Proposed Investment and the risk sharing arrangements.
- 24 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether PIA Shareholders should vote for, or against the Proposed Investment and the risk sharing arrangements. This is a matter for individual PIA Shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If PIA Shareholders are in doubt about the action they should take in relation to the Proposed Investment and the risk sharing arrangements or matters dealt with in our report, shareholders should seek independent professional advice.
- 25 For our full opinion on the Proposed Investment and the risk sharing arrangements, and the reasoning behind our opinion, we recommend that PIA Shareholders read the remainder of our report.

Yours faithfully



Julie Planinic
Authorised Representative



Jorge Resende
Authorised Representative

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Appendices

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B	Qualifications, declarations and consents
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I Background of the Proposed Investment and risk sharing arrangements

- 26 An overview of the Proposed Investment and risk sharing arrangements is set out at paragraphs 1 to 4.

Objective

- 27 The Proposed Investment (being the proposed investment in private credit via an acquisition of PPNs issued by the Feeder Fund and an ancillary risk sharing agreement negotiated by the Independent Directors of PIA with PCG on the terms and conditions summarised in the Explanatory Notes), which is a strategy formulated by PIA in consultation with PCG and Pengana Credit, aims to enhance PIA's existing investment strategy by:
- (a) increasing PIA's risk-adjusted returns
 - (b) increasing the level of fully franked dividends paid to PIA shareholders, with the Company targeting a dividend increase of 56% (an increase of \$0.03 per share to \$0.084 per share per annum)
 - (c) providing a unique hybrid investment offering whilst adding diversification via a private credit portfolio to PIA's investment base
 - (d) seeking to reduce the discount to NTA at which PIA shares have traded.

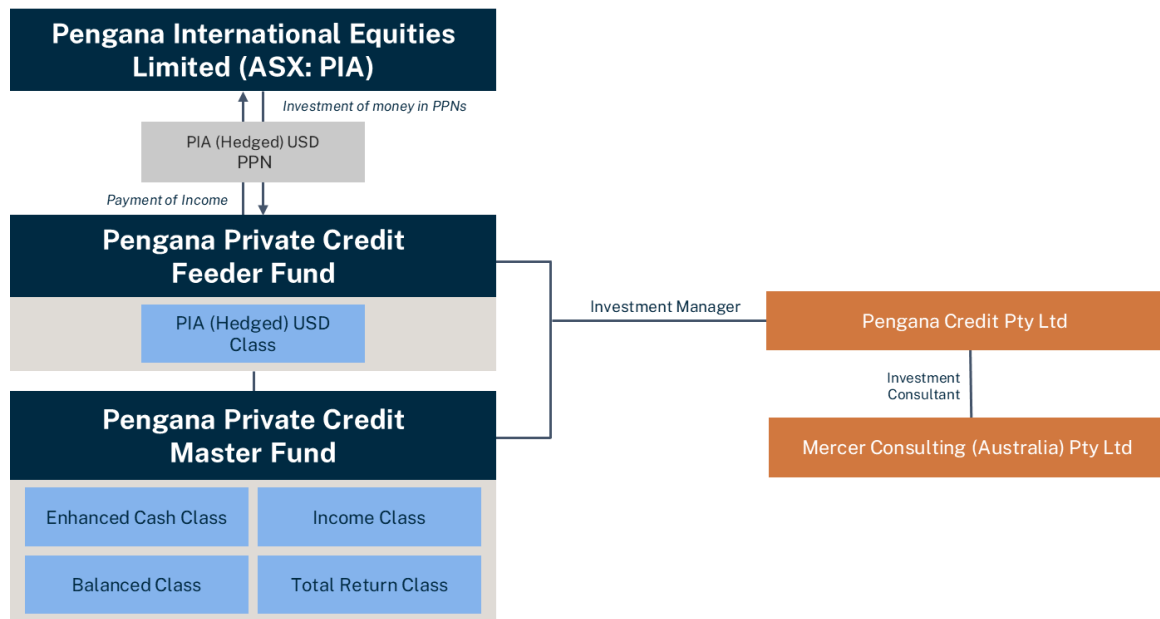
Investment in Feeder Fund PPNs

- 28 PIA proposes to diversify its current investment strategy by adding investment in global private credit to its investment portfolio. This will be achieved by investing US\$120 million (less an allowance for cash requirements)⁷ in the Pengana Private Credit Master Fund (Master Fund) via PPNs issued by the Feeder Fund⁸. The subscription for PPNs will be made under the PPN Deed Poll and Subscription Agreement.
- 29 The structure of the Proposed Investment is set out in the diagram below:

⁷ It is currently anticipated that the amount to be invested in PPNs will be approximately US\$100 million (which equates to some A\$155 million at an exchange rate of AUD:USD 0.65 and approximately 44% of NAV as at 31 August 2025).

⁸ A PPN is a debt security which provides an economic exposure to a diversified range of private credit funds managed by underlying managers.

Pengana Private Credit Structure



Source: PCG.

- 30 The Feeder Fund has a number of different classes of PPNs on issue, each representing a different investment strategy for its predominantly Australian investors. Each Feeder Fund PPN class invests in a customised mix of Master Fund private credit investments (Feeder Class) tailored to the risk / return profile of the class. The value of a PPN in the Feeder Class is determined by reference to the NAV of the portfolio of assets and liabilities held by the Feeder Fund that is attributable to the Feeder Class divided by the number of PPNs issued in respect of that Feeder Class.
- 31 The Proposed Investment will be facilitated by the Feeder Fund issuing PIA with a specifically created, dedicated class of PPNs which will be known as "PIA (Hedged) USD Class" (PIA PPNs). The funds invested in the PIA PPNs will in turn be invested into various classes of non-voting participating shares in the Master Fund (Master Classes) as follows:

PIA PPNs – Master Fund investment		Proposed Investment
Master Class	Description of class	%
1 Income Class	Stable, yield focused assets	30 – 50
2 Balanced Class	Blend of income and growth	10 – 30
3 Total Return Class	Opportunistic, higher yield private credit	25 – 45
4 Enhanced Cash Class / Cash	Short duration, liquid credit / Cash	0 – 10
Derivatives ⁽¹⁾		0 – 100

Note:

- 1 The PIA PPNs will principally invest in North American and European private credit funds which are exposed to foreign currency fluctuations. The Feeder Fund will hedge any EUR / non-USD exposure, and PIA will also have a natural hedge on any return on the PIA PPNs (in USD terms) between the cost of debt and the Target Return.

Source: Investment Agreement in respect of the Feeder Fund and the Master Fund.

- 32 The aim of the proposed investment in the PIA PPNs is to provide PIA with exposure to a portfolio of high-quality funds investing in global private credit assets. The various funds are managed by fund managers with complementary strategies that seek to provide attractive returns. The proposed global private portfolio seeks to provide PIA with diversification from individual fund, manager, geography and strategy risk.
- 33 The issue price of the PIA PPNs by the Feeder Fund will ultimately be based on valuations of the Master Fund's holdings in the underlying funds managed by the external third-party private credit managers comprising the Proposed Investment. The issue price will be independently calculated by Citco⁹ as the specialist administrative and custodial service provider to the Feeder Fund and Master Fund.
- 34 The initial subscription into the PIA PPNs is expected to be completed by 1 December 2025.
- 35 The Feeder Fund and the Master Fund are managed by Pengana Credit. Pengana Credit is:
- (a) an investment manager, established by PCG to manage the group's private credit products. The Feeder Fund and the Master Fund, both Cayman Islands exempted companies, have appointed Pengana Credit as their investment manager
 - (b) the investment manager for a range of Australian managed investment schemes which invest into the Feeder Fund and the Master Fund. Pengana Credit has appointed Mercer Private Debt (Mercer)¹⁰ as an investment consultant to act on behalf of the funds. Mercer has access to in excess of 3,500 underlying loans via 24 highly rated private credit managers.
- 36 Based on historic returns and target allocations, the estimated performance of the PIA PPNs is 10.0% to 10.5% per annum¹¹. PCG (or any member of the Group) will not receive any management fees for managing the Proposed Investment for PIA (notwithstanding that in accordance with the Investment Management Agreement between PIA and PIML (the investment manager), the investment manager is entitled to a management fee of 1.2% per annum (excluding GST and reduced input tax credits) based on the gross value of the investments portfolio). However, PIA shareholders should note that PCG will continue to be entitled to management fees on the equity portfolio and performance fees in respect of any outperformance generated by PIA on the Company's total asset portfolio, in addition to any potential benefit under the risk sharing arrangements described below.

Loan funding

- 37 PIA will raise the US\$120 million required to implement the Proposed Investment from a major international bank under a Single Currency Revolving Credit Facility Agreement (Facility). The terms of the Facility are as follows:

⁹ Citco, being The Citco Group Limited, is a privately owned global hedge fund administrator founded in 1948 and headquartered in the British Virgin Islands.

¹⁰ Mercer Private Debt has 12 years' experience in private debt portfolio management with US\$17.3 billion of assets under advice and US\$9.0 billion of assets under management.

¹¹ As estimated by Pengana Credit. PIA Shareholders should note that due to interest rate volatility, annual returns may vary.

- (a) **term** – one year, extendable by up to six months upon request and lender approval. The Facility terminates at the end of the term unless extended
- (b) **cost of debt** – secured overnight financing rate (SOFR) + 80 basis points (bp) + 25 bp on any unused part of the Facility. As at 2 September 2025, the SOFR was 4.39%¹² with a total cost of debt of 5.19% assuming the Facility is fully drawn
- (c) **security** – secured against PIA’s equity portfolio (circa A\$350 million as at 30 June 2025) plus associated cash. The target is a loan to value ratio of 45%.

Risk sharing arrangements

- 38 The underlying diversification across credit managers, investment strategies and geographies is designed to minimise the volatility of returns generated by the PIA PPNs, and therefore, reduce the likelihood of PIA earning less than the Targeted Return¹³ of 4.5% net of the cost of debt.
- 39 However, to provide “insurance” to PIA Shareholders, PIA and PCG will enter into an ancillary risk sharing agreement which seeks to reduce volatility associated with the Proposed Investment (i.e. to reduce the volatility of returns received by PIA).
- 40 Under the proposed risk sharing arrangements:
- (a) if PIA’s annual return from the PIA PPNs is less than the cost of debt, PCG will pay the difference to the Company, up to a maximum of the cost of the debt (being the interest cost on the Facility plus associated fees on a per annum basis, denominated in USD)
 - (b) if the annual return from the PIA PPNs is greater than the cost of debt, PIA will retain the return up to the Target Return
 - (c) any annual return in excess of the Target Return will be paid by the Company to PCG.
- 41 The term of the risk sharing agreement is, initially, from commencement to 30 June 2026. The agreement will automatically renew for a further 12 months, as long as PIA still holds the PIA PPNs.
- 42 Under the proposed risk sharing arrangements, PCG is effectively covering the cost of debt incurred by PIA and as such PIA’s downside risk from the Proposed Investment is limited to any absolute loss on the private credit portfolio, net of income earned. PCG / Pengana Credit have considered the credit management policies and credit losses historically experienced by the funds in which the Master Fund invests and consider the risk of an absolute loss from the investment in the Feeder Fund PPNs to be low.

Anticipated outcome for PIA

- 43 The Target Return on the Proposed Investment of approximately US\$100 million (some A\$155 million¹⁴) equates to some A\$7.0 million. The Target Return represents a pre-tax earnings increase of circa 2.0% of NAV. The net return generated from the PIA PPNs will be

¹² Source: Federal Reserve Bank of New York.

¹³ Return means return on the investment in PPNs for the period on a per annum basis expressed in USD, net of Cayman Islands fund expenses and costs. Return includes realised and unrealised income for the period.

¹⁴ Adopting an exchange rate of AUD:USD 0.65.

available to increase the franked dividends payable by PIA. Further, PIA is proposing to pay dividends to shareholders on a monthly basis from November 2025.

Resolution

- 44 PIA Shareholders will be asked to vote on the Proposed Investment in accordance with the ordinary resolution contained in the Notice of Annual General Meeting accompanying the Explanatory Notes:

“That, for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for the Company to invest in profit participation notes in the Pengana Private Credit Feeder Fund and enter into and undertake the transactions contemplated by the risk sharing agreement with Pengana Capital Group Limited on the terms and conditions outlined in the Explanatory Notes.”

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II Scope of our report

Purpose

- 45 As the investment managers of PIA and the Feeder Fund are wholly owned subsidiaries of PCG, the ASX has advised PIA that the Feeder Fund's relationship to PIA is such that, in the ASX's opinion, ASX Listing Rule 10.1.5 applies and the Proposed Investment should be approved by PIA's shareholders for the purposes of ASX Listing Rule 10.1. Under this listing rule, an entity must ensure that it does not acquire a substantial asset (comprising 5% or more of the "equity interests of the entity") from a "person whose relationship to the entity" is such that, in the ASX's opinion, the transaction should be approved by security holders.
- 46 Further, as PCG is the parent entity of PIML, the investment manager of PIA, PCG's relationship to PIA is such that, in the ASX's opinion, ASX Listing Rule 10.1.5 applies and the proposed risk sharing agreements should be approved by PIA's shareholders for the purposes of ASX Listing Rule 10.1. Under this listing rule, an entity must ensure that it does not dispose or agree to dispose of a substantial asset to a "person whose relationship to the entity" is such that, in the ASX's opinion, the transaction should be approved by security holders.
- 47 ASX Listing Rule 10.5.10 requires the notice of meeting sent to shareholders to include an independent expert's report (IER), stating whether the transaction is "fair and reasonable" to the non-associated shareholders¹⁵. Accordingly, the Independent Directors of PIA have requested LEA to prepare an IER to accompany the notice of meeting to be sent to shareholders of PIA stating whether, in LEA's opinion, the Proposed Investment and the proposed risk sharing arrangements are "fair and reasonable"¹⁶ to the PIA non-associated shareholders, together with the reasons for this opinion.
- 48 Our report will accompany the meeting documents sent by PIA to its shareholders for the purpose of the Company's Annual General Meeting including a resolution seeking to approve the Proposed Investment and risk sharing arrangements.
- 49 It should be noted that this report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual PIA Shareholders. Accordingly, before acting in relation to the Proposed Investment, PIA Shareholders should have regard to their own objectives, financial situation and needs. PIA Shareholders should also read the Explanatory Notes that have been issued by PIA in relation to the Proposed Investment.
- 50 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether PIA Shareholders should vote for, or against the Proposed Investment. This is a matter for individual PIA Shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If PIA Shareholders are in doubt about the action they

¹⁵ PCG holds a 2.69% interest in PIA via investments held by PCG and PIML.

¹⁶ Noting that Australian Securities & Investments Commission (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) states that there should be a separate assessment of whether the transaction is "fair" and "reasonable".

should take in relation to the Proposed Investment or matters dealt with in this report, shareholders should seek independent professional advice.

Basis of assessment

- 51 In preparing our report we have given due consideration to the ASX Listing Rules and Regulatory Guides issued by ASIC including, in particular, RG 111, which sets out the assessment framework to which an expert must adhere in evaluating the merits of a transaction, and Regulatory Guide 76 – *Related party transactions* (RG 76).
- 52 ASX Listing Rule 10.1 states that an entity must ensure that it does not acquire a substantial asset from, or dispose of a substantial asset to, a related party or an associate of a related party without the approval of holders of the entity's ordinary securities. Approval is required by resolution at a general meeting.
- 53 The ASX Listing Rules does not define "fair and reasonable" in the context of a related party transaction (that is not also considered to be a control transaction). However, RG 111 states that "fair and reasonable" should not be applied as a composite test and states there should be a separate assessment of "fairness" and "reasonableness". RG 111 provides that a proposed related party transaction:
 - (a) is "fair" if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity by the related party. This comparison is required to be made assuming an arm's length transaction between knowledgeable and willing, but not anxious parties
 - (b) is "reasonable" if it is "fair". A related party transaction may also be "reasonable" despite being "not fair," if the expert believes there are other reasons for non-associated securityholders to vote for the proposal.
- 54 RG 111.53 states that when analysing related party transactions, it is important that an expert focuses on the substance of the related party transaction, rather than the legal mechanism. For example, where a related party transaction is made up of a number of separate components, the expert should consider the overall effect of the related party transaction.
- 55 In preparing our report we have proceeded on the basis that:
 - (a) the decision of the Directors of PIA to invest more than 5% of PIA's equity interests in PPNs in the Feeder Fund, to add diversification, improve returns and narrow the gap between the listed share price and underlying NAV per share, will constitute the acquisition of a "substantial asset" from a party whose relationship with the entity is such that under Listing Rule 10.1.5 requires shareholder approval
 - (b) the decision as to how PCG (including PIML and Pengana Credit) is remunerated under the risk sharing arrangements that are being put in place also requires shareholder approval.
- 56 In LEA's opinion, the most appropriate basis upon which to evaluate the Proposed Investment and the associated financial benefit provided to PCG is to consider all the circumstances of the investment and the consideration to be received by PCG under the Proposed Investment strategy.

- 57 Given the above, in our opinion, the most appropriate basis upon which to evaluate whether the Proposed Investment strategy is “fair and reasonable” to PIA Shareholders is to consider:

Fairness

- (a) the fairness of the investment in the Feeder Fund is dependent upon the difference between:
 - (i) the price at which a market participant can acquire PPNs (or equivalent) in the Feeder Fund and the prospective returns available to those participants
 - (ii) the price at which PIA will acquire PPNs in the Feeder Fund and the prospective returns available to PIA
- (b) the monetary impact of the risk sharing arrangements between PIA and PCG under the Proposed Investment strategy is dependent upon the difference between:
 - (i) the value of the downside protection plus the savings in management fees; versus
 - (ii) the costs of paying away the excess returns above the Target Return; plus any other cost to be incurred by PIA
- (c) given the nature of the arrangements, the impact of (b) is difficult to quantify. However, for the purposes of assessing fairness, we have considered:
 - (i) the terms of the consideration being paid to PCG under the Proposed Investment strategy (quantified to the extent possible based on available historical data)
 - (ii) the management fee that would be payable to PCG upon the increased asset base but for the terms of the risk sharing arrangements
 - (iii) a qualitative assessment of how the consideration payable to PCG under the Proposed Investment strategy will impact PIA and returns to PIA Shareholders

Reasonableness

- (d) the ability of individual PIA Shareholders to independently implement a similar investment strategy and the costs and risks associated with such a strategy
- (e) the ability of PIA to implement the investment strategy with another fund manager
- (f) other qualitative and strategic issues associated with the Proposed Investment strategy and the extent to which they may advantage or disadvantage PIA Shareholders if the Proposed Investment is approved or rejected
- (g) the implications for PIA Shareholders if the Proposed Investment strategy is not implemented
- (h) the advantages and disadvantages of the Proposed Investment strategy from the perspective of PIA Shareholders.

Limitations and reliance on information

- 58 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 59 Our report is also based upon financial and other information provided by PIA, PCG and its advisers. We understand the accounting and other financial information that was provided to

us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

- 60 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming our opinion on the Proposed Investment. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 61 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.
- 62 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 63 We in no way guarantee the achievability of future returns. Forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts with consequential valuation impacts.
- 64 In forming our opinion, we have also assumed that:
- (a) the information set out in the Explanatory Notes is complete, accurate and fairly presented in all material respects
 - (b) if the Proposed Investment strategy is approved by PIA Shareholders, it will be implemented in accordance with the terms set out in the Explanatory Notes.

III Profile of PIA

Overview

- 65 PIA is a LIC that commenced trading on the ASX on 19 March 2004 and had a market capitalisation of A\$319.9 million as at 31 August 2025. Investment management for the Company is undertaken by PIML, a wholly owned subsidiary of PCG. PIML, in turn has appointed Harding Loevner, a New Jersey-based global equity fund manager formed in 1989, as the investment team for PIA.
- 66 PIA seeks to provide shareholders with regular, reliable and fully franked dividends as well as capital growth over the long term, from investing in an ethically screened and actively managed portfolio of global businesses. The Company aims to achieve after-fee returns over a five-year-plus investment period higher than the MSCI World Total Return Index (net of dividends).

Portfolio

- 67 PIA's portfolio typically holds between 35 and 75 stocks. As at 30 June 2025, PIA held 58 stocks with the top 20 equity holdings as follows:

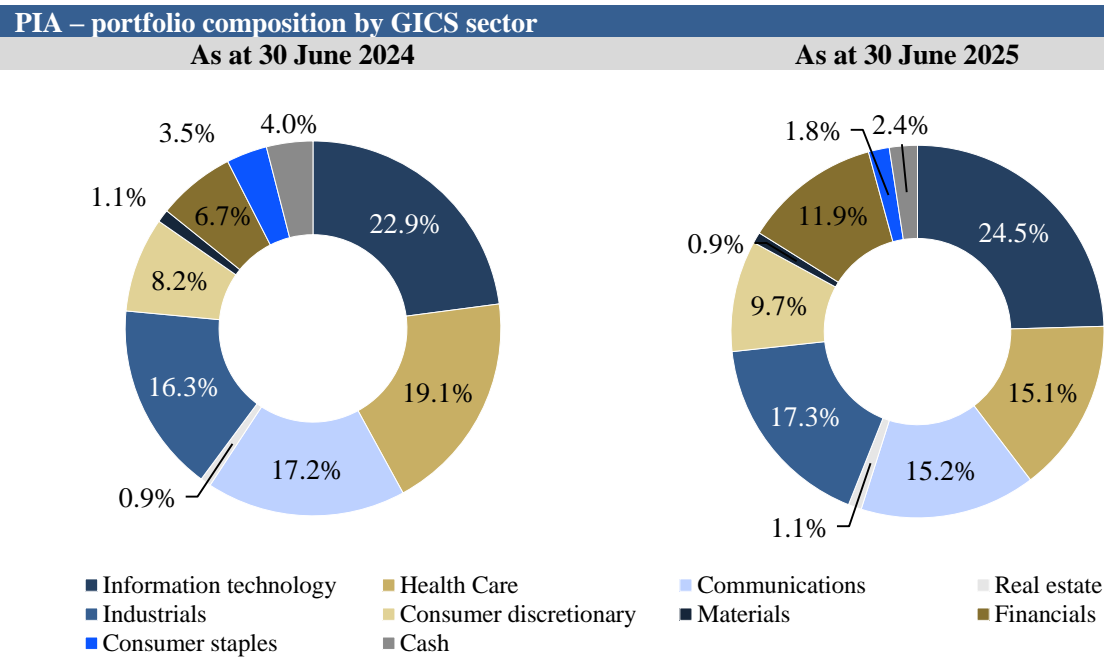
PIA – portfolio composition as at 30 June 2025 ⁽¹⁾			
No.	Company	Market value A\$000	% total
1	Microsoft Corp	17,066	4.8
2	Alphabet Inc	14,555	4.1
3	Netflix Inc	14,353	4.0
4	Amazon.Com Inc	14,227	4.0
5	Meta Platforms Inc	12,605	3.5
6	Schneider Electric S	12,018	3.3
7	Vertex Pharmaceutica	11,166	3.1
8	Deere & Co	9,654	2.7
9	Tradeweb Market Inc	9,222	2.6
10	CME Group Inc	8,958	2.5
11	Tencent Holdings Ltd	8,780	2.4
12	Sony Corp	8,633	2.4
13	Heico Corp	7,985	2.2
14	Broadcom Inc	7,508	2.1
15	Booking Holdings Inc	7,385	2.1
16	Ametek Inc	6,442	1.8
17	Chugai Pharmaceutica	6,399	1.8
18	Haleon Plc	6,014	1.7
19	ASML Holding NV	5,845	1.6
20	Nvidia Corp	5,747	1.6
Top 20 equity holdings			54.2
All other equity investments (a further 38 equity positions)			43.4
Total listed equities			97.6
Cash and cash equivalents			2.4
Total portfolio including cash and cash equivalents			100.0

Note:

1 Rounding differences may exist.

Source: PIA FY25 Annual Report.

- 68 The following charts show the composition of PIA's listed equity investment portfolio (based on GICS¹⁷ sector classifications) as at 30 June 2024 and 30 June 2025:



Source: PIA FY24 and FY25 Annual Reports.

Investment management

- 69 As indicated above, PIA has outsourced its investment management function to PIML, who in turn has appointed Harding Loevner as the investment team. In consideration for investment management of the Company, PIML is paid a management fee of 1.2% (excluding GST net of reduced input tax credits) per annum based on the gross value of the portfolio payable on a monthly basis (Harding Loevner are paid out of the management fees paid to PIML).
- 70 Additionally, the Investment Manager is entitled to a performance fee of 15% for any outperformance of the investment portfolio compared to its benchmark the MSCI World Total Return Index (net of dividends). The fee is aggregated daily and paid annually, subject to the following:
- if the aggregate performance fee for a financial year is a positive amount but the investment return of the investment portfolio is not greater than zero, then that performance fee shall be carried forward (as an accrual) to the following financial year
 - if the aggregate performance fee for a financial year is a positive amount but the payment of the accrued performance fee would cause the adjusted investment return of the investment portfolio for the year to be negative, that portion of the performance fee that would cause the investment return of the investment portfolio to be negative shall be carried forward (as an accrual) to the following financial year

¹⁷ Global Industry Classification Standard (GICS).

- (c) if the aggregate performance fee for a financial year is a negative amount, no management fee shall be payable to the manager in respect of that financial year, and the negative amount shall be added to the performance fee of the succeeding year.

71 The PIA Investment Management Agreement was entered into on 29 January 2004 for an initial period of 25 years commencing on the date the Company listed on the ASX (16 March 2004), unless terminated earlier in accordance with terms of the Investment Management Agreement.

Current investment strategy

- 72 PIA's investment strategy is run by the investment team, Harding Loevner. The strategy is to invest in shares in global high-quality, growing businesses to deliver superior risk-adjusted returns. Companies are identified through the conduct of fundamental research, with a long-term, global perspective, and must exhibit the following four key investment criteria: competitive advantages, quality management, financial strength, and sustainable growth potential.
- 73 PIA has adopted a Responsible Investment policy, implemented by the investment team with oversight by the Investment Manager. The Investment Manager utilises a negative screening process which seeks to avoid investment in companies that derive operating revenues from direct and material business involvement in sectors that the Investment Manager considers unethical¹⁸.

Investment guidelines

- 74 The following investment guidelines apply to the PIA's investments to ensure diversification and limit risk:

PIA – allowable investments			
General	Limits %	Geographic	Limits %
Number of holdings	35 – 75	United States	25 – 65
Min number of securities	7	France, Germany, Japan, Switzerland and UK	0 – 20 ⁽²⁾
Max in one sector	25	China	0 – 15
Max one industry	15	China and Hong Kong in aggregate	0 – 15
Min number of markets	15	Australia, Canada, Hong Kong and Netherlands	0 – 10 ⁽²⁾
Max in one security	5	Brazil, India, South Korea and Taiwan	0 – 7 ⁽²⁾
Max cash	10 ⁽¹⁾	Other single developed or emerging markets	0 – 5
		Single frontier markets	0 – 3
		Emerging and frontier markets in aggregate	0 – 25
		Emerging markets in aggregate	0 – 25
		Frontier markets in aggregate	0 – 10

Note:

- 1 Normally approximately 3%.
2 Each.

¹⁸ Sectors considered unethical include adult content, alcohol, non-medical, non-regulatory animal testing, fossil fuels, gambling, genetically modified organisms (agriculture), human right abuses and exploitation, mining, nuclear, severe impact on the ecosystem and securities on the sanctions list of the United States of America (US), such as tobacco and weapons.

Investment returns

- 75 PIA aims to generate after-fee returns that are higher than the MSCI World Total Return Index (net of dividends), over a five-year-plus investment horizon. The historical reported performance of PIA's portfolio after fees and before taxes in comparison to the MSCI World Total Return Index (net of dividends) (i.e. its benchmark index) up to 31 July 2025 is set out below:

PIA – performance to 31 July 2025					
	1 month ⁽¹⁾	1 year	5 years ⁽¹⁾	15 years ⁽¹⁾	20 years ⁽¹⁾
	%	%	%	%	%
PIA shareholder return ⁽²⁾	3.1	13.0	9.3	9.9	8.2
MSCI World Total Return Index	3.1	17.4	16.3	13.5	9.3
Out / (under) performance	-	(4.4)	(7.0)	(3.6)	(0.9)

Note:

1 Performance per annum.

Source: PIA Monthly NTA announcement, as at 31 July 2025.

- 76 As shown above, aside from the period up to one year, PIA's portfolio has generally underperformed the MSCI World Total Return Index (net of dividends) since inception. In this regard we note that PIA reports its performance after all costs, including investment management fees, whereas the returns for the MSCI World Total Return Index (net of dividends) do not include such a cost deduction.

Financial performance

- 77 The financial performance of PIA for the three years to 30 June 2025 (FY25) is set out below:

PIA – statement of financial performance ⁽¹⁾			
	FY23	FY24	FY25
	A\$000	A\$000	A\$000
Net gains on financial instruments ⁽²⁾	53,117	50,141	45,994
Dividend received	2,329	2,821	3,268
Interest received	292	395	438
Foreign exchange gains	(8)	6	(15)
Other income	1	-	2
Total investment income	55,731	53,363	49,687
Management fees	(3,556)	(4,025)	(4,460)
Brokerage fees	(155)	(161)	(162)
Audit and insurance fees	(70)	(70)	(73)
Brokerage expenses	(77)	(283)	(136)
Share registry fees	(104)	(102)	(80)
ASX listing fees	(100)	(95)	(101)
Custody and admin fees	(84)	(101)	(101)
Other expenses	(323)	(304)	(315)
Total expenses	(4,469)	(5,141)	(5,428)
Profit before tax	51,262	48,222	44,259
Income tax expense	(12,906)	(14,597)	(10,498)
Profit after tax	38,356	33,625	33,761

Note:

- 1 Rounding differences may exist.
2 Measured at fair value through profit and loss.
Source: PIA Annual Reports for FY23, FY24 and FY25.

78 Regarding PIA's statement of financial performance, we note the following:

- (a) gains and losses on investments are recognised at fair value in the Statement of Profit or Loss and Other Comprehensive Income
(b) dividend income is recognised on the date shares are quoted ex-dividend. Interest income is recognised on an accruals basis.

Financial position

79 The financial position of PIA as at 30 June 2024, 31 December 2024 and 30 June 2025 is set out below:

PIA – statement of financial position ⁽¹⁾			
	30 Jun 24 A\$000	31 Dec 24 A\$000	30 Jun 25 A\$000
Cash and cash equivalents	14,042	11,280	8,710
Receivables	279	584	6,064
Listed equities	337,501	369,666	350,503
Tax assets	34	557	654
Total assets	351,856	382,087	365,931
Trade and other payables	(2,097)	(478)	(2,096)
Current tax liabilities	(15,614)	(15,614)	-
Deferred tax liabilities	(1,210)	(13,061)	(11,036)
Total liabilities	(18,921)	(29,153)	(13,132)
Net assets	332,935	352,934	352,799
<i>Number of shares outstanding at period end (000s)</i>	<i>257,173</i>	<i>257,173</i>	<i>257,173</i>
<i>NTA pre-tax ex-dividend (A\$ per PIA share)</i>	<i>1.30</i>	<i>1.42</i>	<i>1.41</i>
<i>NTA post-tax ex-dividend (A\$ per PIA share)</i>	<i>1.29</i>	<i>1.37</i>	<i>1.37</i>

Note:

- 1 Rounding differences may exist.
Source: PIA FY24 and FY25 Annual Reports and 1H25 Interim Financial Report.

Dividends and franking credits

- 80 PIA allows eligible shareholders to take part in a dividend reinvestment plan to reinvest their dividend payments as a method to reduce brokerage fees and grow holdings by compounding.
- 81 As at 30 June 2025, PIA's franking credit balance was A\$14.4 million, which was equivalent to \$0.056 per PIA share and equates to \$0.1684 per PIA share in fully franked dividends (franked at 25%).

Share capital and performance

82 As at 31 August 2025, PIA had 257.1 million shares on issue. There are no other PIA options, rights or other equity securities.

Substantial shareholders

83 Based on the FY25 Annual Report, there are three substantial shareholders in the PIA, being:

PIA – substantial shareholders		
Shareholder	Shares held 000	Interest %
Washington H Soul Pattinson and Company	30,734	12.0
Saba Capital Management GP, L.L.C	25,612	10.0
Wilson Asset Management Group	21,971	8.5

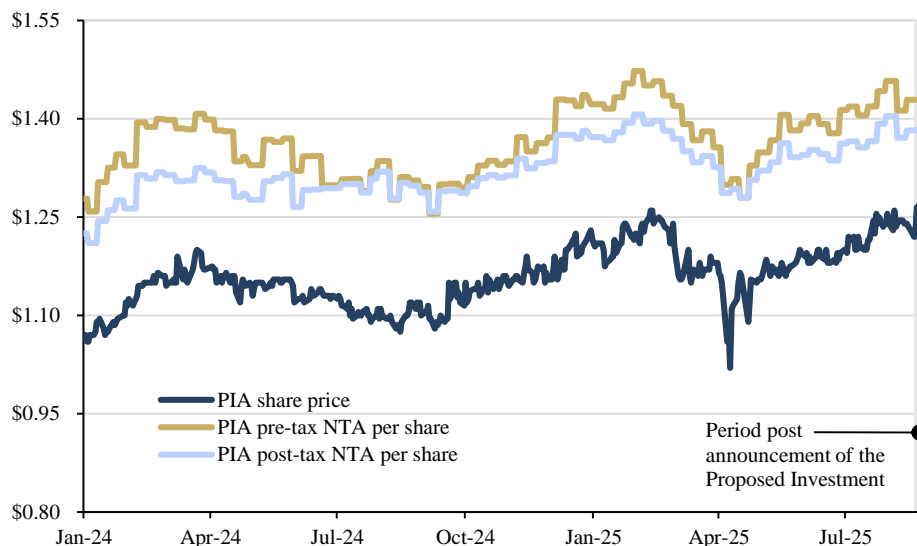
Source: PIA FY25 Annual Report.

Share price performance

84 The following chart demonstrates the share performance of PIA from 1 January 2024 to 31 August 2025 relative to PIA's respective pre-tax and post-tax NTA:

PIA – share price history⁽¹⁾

1 January 2024 to 31 August 2025



Note:

1 Based on closing prices.

Source: PIA ASX NTA announcements, FactSet, and LEA analysis.

85 As indicated above, PIA has consistently traded at a discount to its reported pre and post-tax NTA. This discount has averaged 15.0% (to pre-tax NTA) and 12.3% (to post-tax NTA) during the period 1 January 2024 to 31 August 2025.

Liquidity in PIA shares

- 86 The liquidity in PIA shares based on trading on the ASX over the 12 month period prior to 31 August 2025 is set out below:

PIA – liquidity in shares						
Period	Start date	End date	WANOS ⁽¹⁾ outstanding 000	No of shares traded 000	Implied level of liquidity Period ⁽²⁾ %	Annualised ⁽³⁾ %
1 month	30 Jul 25	29 Aug 25 ⁽⁴⁾	257,173	4,708	1.8	22.0
3 months	30 May 25	29 Aug 25 ⁽⁴⁾	257,176	12,389	4.8	19.3
6 months	27 Feb 25	29 Aug 25 ⁽⁴⁾	257,201	23,741	9.2	18.5
1 year	30 Aug 24	29 Aug 25 ⁽⁴⁾	257,187	46,011	17.9	17.9

Note:

- 1 Weighted average number of shares outstanding (WANOS) during relevant period.
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.
- 4 This is the last trading day of the month.

Source: FactSet and LEA analysis.

- 87 As indicated above, the liquidity in PIA shares (on an annualised basis) has been relatively consistent in recent periods, with the level of shares traded indicating a reasonable level of liquidity over the year to 31 August 2025.

IV Industry overview

LICs

- 88 LICs¹⁹ are a type of investment vehicle that pool investor funds to invest in a portfolio of assets, typically shares but potentially including other asset classes. They offer investors exposure to a diversified range of assets through a single investment, similar to managed funds, with the key difference being their structure. LICs are “closed-end” structures²⁰ and issue a fixed number of shares through an initial public offering. These shares are then traded on a stock exchange. New shares are not created or redeemed based on investor inflows and outflows (subject to entitlement issues, dividend reinvestment plans, etc.).
- 89 Investors are attracted to LICs for a number of reasons:
- (a) **professional management** – LICs have a board of directors and benefit from the expertise of professional fund managers responsible for setting the investment strategy and conducting in-depth research and analysis to select investments. Many LICs (such as PIA) employ active management strategies, aiming to outperform a certain benchmark index
 - (b) **distributions** – LICs typically distribute a portion of their investment income to shareholders as dividends, which may include franking credits depending on the underlying investments and realisation of profits²¹. Many LICs focus on delivering consistent and franked dividend income, making them attractive for income-oriented investors, particularly superannuation funds and retirees
 - (c) **diversification** – LICs offer diversified portfolios that are managed by experienced fund managers, which reduces individual stock specific risk
 - (d) **permanent capital** – listed closed-end investment structures are the ideal structures to house long term illiquid investments, which provides investors access to investments that were previously only available to larger institutional investors
 - (e) **liquidity** – as listed entities, LICs provide liquidity through trading on a stock exchange, allowing investors to buy and sell shares easily (as opposed to open-end funds which can have less liquidity)
 - (f) **scale** – the pooled capital structure of LICs generates scale. This provides a number of benefits that may not be available to smaller funds or individual investors, including:
 - (i) reduced costs per investor

¹⁹ A manager may choose to structure the listed vehicle as either a LIC or a listed investment trust (LIT), noting that the same style of listed investment vehicle can be set up under either legal form. LICs behave more like traditional companies, in that they benefit those preferring consistent dividends and franking credits, whilst LITs behave like pass-through funds, in that they benefit those who prefer maximum income flow-through (especially self-managed superannuation funds in pension phase).

²⁰ A closed-end structure fund is one where the number of units or shares is fixed (subject to entitlement issues, distribution reinvestment plans etc.), meaning that because supply is limited investors trade with each other to set the price of the unit or share. An open-end structure is one where new units can be created in the fund as investors buy in or units can be cancelled when investors exit the fund. For open-end structures, liquidity is provided by the fund and the entry and exit price of a unit is based on the net asset value of the fund.

²¹ As PIA does not invest in Australian equities it does not receive franking credits from dividends from its underlying investments. All of its franking credits are therefore from paying Australian corporate tax.

- (ii) access to high-quality investment expertise and strategies
- (iii) access to a wider range of investment opportunities
- (g) **access to specialist strategies** – specialised LICs provide exposure to niche sectors or investment themes that may be challenging (for example due to the illiquid nature of some assets) for individual investors to access directly.

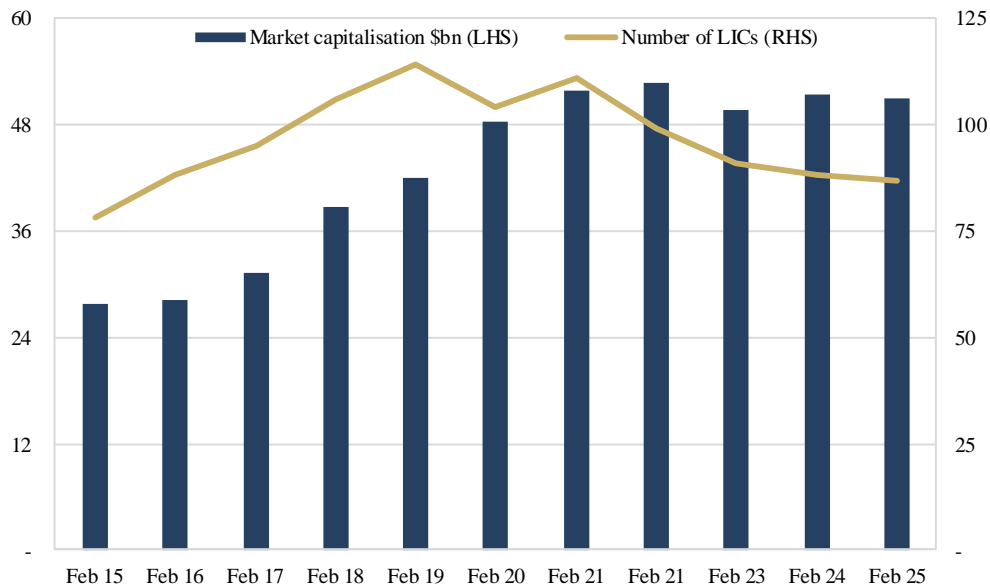
90 Notwithstanding their advantages, LICs face some challenges:

- (a) **discounts / premiums** – LICs often trade at a discount or premium to their NAV, influenced by a range of factors (refer to paragraph 101)
- (b) **fee levels** – LICs may have higher management fees compared to other investment vehicles (such as passive exchange traded funds (ETFs)), which can impact overall returns
- (c) **market volatility** – LICs, like other listed securities, are subject to market fluctuations, which can affect share prices and NAV (noting that portfolio diversification will tend to reduce this volatility in comparison to stock specific volatility)
- (d) **regulatory environment** – changes in regulatory requirements or tax laws can impact the attractiveness of LICs as investment vehicles.

ASX LIC performance

- 91 The performance of ASX LICs is influenced by a number of variables including macro-economic factors (such as economic growth and the level of interest rates), asset allocation and investment strategy (i.e. value versus growth, Australian versus international shares etc.), stock selection and portfolio management, and the level of management or performance fees. In general, bullish markets (i.e. when stock prices are generally increasing) typically drive up the value of ASX LIC portfolios, while bearish markets (i.e. when stock prices are generally decreasing) tend to lead to declines in portfolio values.
- 92 LICs in Australia employ various investment strategies, ranging from actively managed funds to index-tracking portfolios, Australian focused share investments to international focused share investments. Some LICs focus on providing consistent income through investment in dividend-paying stocks, while others target capital growth through diversified growth-focused equity investments. Additionally, thematic LICs targeting sectors such as technology, healthcare, and sustainable investing have also gained popularity more recently.
- 93 As shown in the following chart, the number of Australian LICs on the ASX peaked in 2019 and has since reduced, primarily due to industry consolidation, whilst the market capitalisation of Australian LICs has remained at similar levels since 2020:

Australian LICs – market capitalisation and number



Source: ASX Investment Product Summary – Listed Managed Investments, mFunds and ETPs, dated February 2015 to February 2025, and LEA analysis.

- 94 The growing popularity of LICs up to 2019 (as shown by the increasing number of ASX LICs) can be attributed to, inter alia:
- (a) outperformance of a number of LICs. These companies demonstrated resilience during challenging economic times, consistently delivering growth in NAV and income for investors
 - (b) the implementation of the Future of Financial Advice reforms in 2014. These reforms banned commissions paid to financial planners by managed funds (LICs typically did not receive such commissions). This created a level playing field for LICs to compete with managed funds, as the incentive for financial advisers to favour managed funds over LICs due to commissions was removed.
- 95 However, the banning of stamping fees²² in 2020 had a significant impact on the new issue market for LICs, leading to a decline in new LIC offerings. During 2019 a record high of \$4 billion was invested in LICs, which dropped significantly after the ban.
- 96 The increasing number, range and popularity of passive ETFs has also had an impact on LICs, due to:
- (a) **fee compression** – passive ETFs typically have lower management fees compared to actively managed investments. As a result, the rise of passive ETFs has exerted downward pressure on management fees across the investment management industry,

²² Stamping fees were upfront, one-off commissions paid to financial advisers or brokers. These fees were tied to successfully placing investments with retail investors, specifically in relation to new offerings of LICs and listed investment trusts.

including LICs. In response, some LICs have lowered their fees to remain competitive with passive ETFs

- (b) **investor preference for low-cost options** – the popularity of passive ETFs among investors seeking low-cost investment options has grown significantly. Many investors, particularly retail investors and self-managed superannuation funds, are drawn to the cost-effectiveness of passive ETFs over actively managed LICs. This shift in investor preferences has led to increased competition for capital amongst LICs.

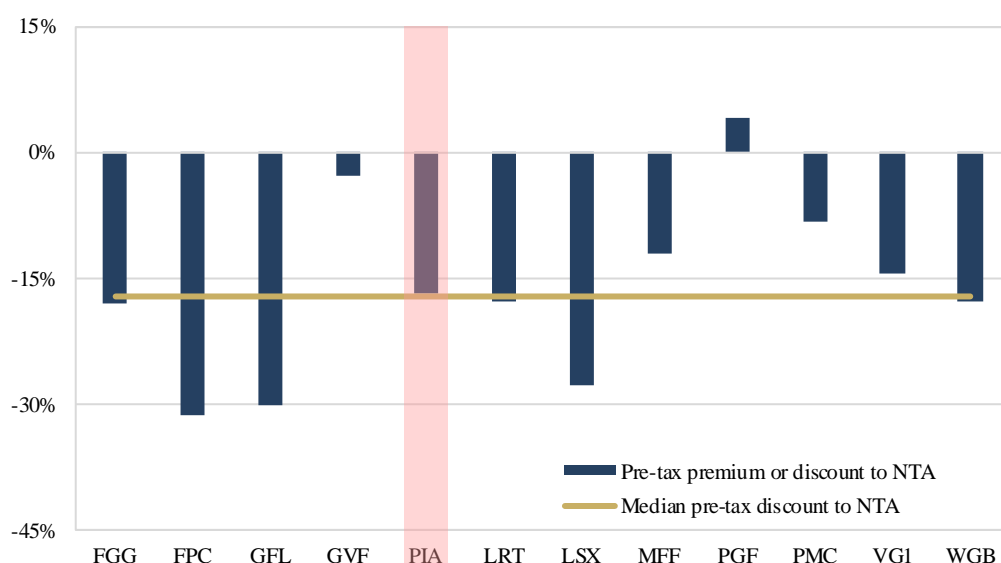
97 Competition from passive ETFs has prompted some LICs to innovate and introduce new products or investment strategies to differentiate themselves and attract investors. This includes thematic LICs, alternative investment strategies, and multi-manager approaches designed to offer unique value propositions beyond passive index tracking.

98 More recently, the rise of private credit as an asset class has opened another avenue for innovation. Some managers are exploring listed fund-of-fund structures that provide investors with access to diversified private credit opportunities, which are typically difficult for individuals to access directly. These vehicles seek to combine the yield and diversification benefits of private credit with the liquidity and transparency of a LIC, positioning themselves as a differentiated alternative to both traditional LICs and passive ETFs.

NTA premium or discount to share price

99 A LIC's underlying NTA per share is a regularly reported metric that provides key information about the entity's underlying value. This metric can be reported on a pre or post-tax basis. A summary of the pre-tax NTA premium or discount to share price for ASX global equity LICs (including PIA) is shown below:

ASX global equity LICs – pre-tax NTA premium or discount to share price⁽¹⁾



Note:

1 Based on disclosure by the reporting entity.

Source: ASX Investment Product Summary – Listed Managed Investments, mFunds and ETPs, dated February 2025, and LEA analysis.

- 100 As shown above, as at February 2025, ASX global equity LICs had discounts / premiums to pre-tax NTA in the range of circa negative 31% up to (positive) 4%. However, the vast majority of LICs tend to trade at a discount, with the median discount to pre-tax NTA being 17.3%.
- 101 A LIC's share price reflects investor perceptions, market dynamics, performance expectations, and other factors influencing demand and supply for the LIC's shares and therefore the share price does not always trade at its NTA value. There are several reasons why a LIC's share price might trade at a discount or, conversely, at a premium to its NTA:
- (a) reasons for trading at a discount:
 - (i) closed-end structure – unlike open-end managed funds, LICs have a fixed number of shares outstanding. This means their supply and demand are determined solely by market forces, not by the underlying value of the assets. If there are more sellers than buyers, the price can fall below the NTA (and vice versa)
 - (ii) market sentiment – negative market sentiment towards the LIC's specific investment strategy, sector focus, or overall market conditions can lead investors to be less willing to pay the full NTA value for the LIC's shares
 - (iii) liquidity concerns – smaller or less well-known LICs might face lower liquidity, meaning it can be harder for investors to buy or sell shares quickly. This can lead to an NTA discount as investors may be willing to pay less to compensate for the potential difficulty in exiting their investment
 - (iv) high fees and costs – if the LIC's ongoing fees and expenses are deemed high by investors, it can make the overall investment proposition less attractive, potentially leading to a discount to the NTA
 - (b) reasons for trading at a premium:
 - (i) strong track record and performance – LICs with a history of consistent and superior performance compared to their benchmarks or the broader market can attract a premium due to investor confidence in their ability to generate strong returns
 - (ii) limited availability of shares – in some cases, if the LIC has a limited number of shares outstanding and there is high demand from investors, the competition to buy shares can drive the share price above the NTA
 - (iii) attractive dividend yield – LICs known for consistently distributing high and reliable dividends, potentially including franking credits for Australian investors, can be more appealing to income-seeking investors
 - (iv) perceived hidden value – if investors believe the LIC's portfolio is undervalued or has the potential for significant future appreciation, they might be willing to pay a premium above the current NTA in anticipation of future growth.

Private credit

- 102 Private credit refers to lending by non-bank institutions, where the debt is not traded on public markets. Typically, asset managers act as intermediaries between investors and borrowers, with investors earning returns through interest payments. The decision to invest in private credit, whether via a managed fund, LIC (or LIT), or ETF, largely depends on assessing the credit quality of the underlying assets.
- 103 Private credit arrangements can range from bilateral loans, involving a single lender and borrower, to syndicated deals with multiple lenders. Historically, this market was concentrated in riskier lending segments, offering financing that traditional banks were unwilling to provide. However, the private credit market has expanded into lending which was historically undertaken by traditional banks, particularly in the US and Europe, which represent the largest and most mature markets for private credit. In these markets, private credit managers have replaced traditional bank lending in many segments for structural reasons since the global financial crisis (GFC). Private credit managers are now well accepted by borrowers and investors in these markets, offering access to a wide selection of experienced managers across varied strategies. By contrast, the Australian private credit market is predominantly concentrated in segments where traditional banks are unwilling to provide funding, and so is concentrated in commercial real estate lending, mezzanine lending and highly leveraged event driven loans.
- 104 According to Preqin²³, the amount of private credit borrowing globally increased to US\$1.7 trillion (A\$2.6 trillion) as of December 2024²⁴, whilst in Australia, the Reserve Bank of Australia (RBA) has estimated that the private credit market is around A\$40 billion²⁵.

Global private credit

- 105 Global private credit focuses predominantly on individually negotiated loans made by specialist asset managers to global mid-market companies, or to the global owners and managers of valuable assets. These loans typically carry seniority and are secured against the borrower's assets and are not traded on secondary markets. Instead, they are held to maturity, which means the lender remains involved for the life of the loan. This structure creates strong alignment of incentives at every stage, from origination and pricing through to risk assessment, ongoing monitoring and, if necessary, loan remediation. This is a key reason why private credit has strong risk-return characteristics with low historic loss rates.
- 106 As shown in the first chart, banks have been scaling back lending to the US and European middle market corporate loan sectors due to increasing levels of regulation. As a result, private lenders' share of these markets has increased significantly as shown in the second chart:

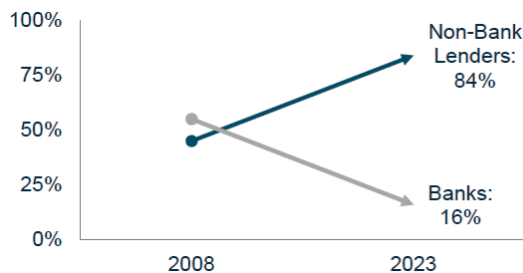
²³ A subsidiary of BlackRock, Inc. and a provider of financial data and information to the alternative assets industry.

²⁴ Source: Preqin, *2025 Global Report: Private Debt*, dated 11 December 2024.

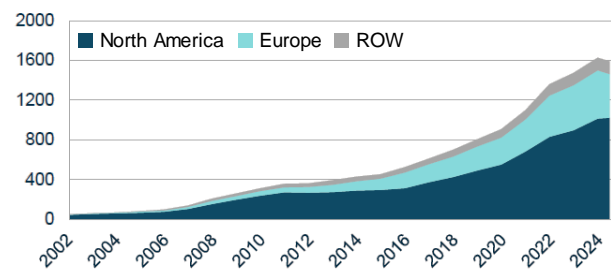
²⁵ Source: RBA, *Growth in Global Private Credit*, dated 17 October 2024.

Bank share of US and European middle market corporate loans

Bank share of US and European Middle Market Corporate Loans



Global Private Credit Growth in AUM



Source: PIA ASX announcement titled *Proposed Portfolio Enhancements*, dated August 2025 (page 26), noting that this data is based on LCD Global Leveraged Lending Review Q3 2023 and Mercer analysis. Calculated as an average between US and European markets.

- 107 While an investment in the fund or LIC investing in the corporate loans may be traded on a listed market, the underlying private credit products are inherently illiquid. However, the permanent capital base of LICs ensures there is no liquidity mismatch risk when investing in illiquid assets.
- 108 High-quality, proven private credit managers typically underwrite loans with strong covenant protections and large equity buffers and have well-resourced workout teams. As a consequence, these managers have established track records of low credit losses, as demonstrated through economic cycles including the GFC and COVID-19 pandemic outbreak. As a result, manager selection is a critical capability in global private credit investing.

Outlook

- 109 Notwithstanding headwinds such as fee pressure and competition from alternative structures, ASX LICs remain a vehicle through which investors can access diversified portfolios, professional management, and specialised strategies. The future success of LICs, however, will hinge on how effectively managers adapt to evolving market conditions, whether through innovation in product design, integration of alternative asset classes (e.g. private credit), or by delivering consistent value and alignment with shareholder expectations.

V Evaluation of the Proposed Investment and risk sharing arrangements

- 110 In our opinion, the Proposed Investment and risk sharing arrangements are “fair” and “reasonable” to PIA Shareholders. We have formed this opinion for the following reasons.

Assessment of “fairness” of the Proposed Investment and risk sharing arrangements

Investment in PIA PPNs

- 111 LEA has assessed the value of the PIA PPNs using the concept of market value. For the purposes of our assessment we have adopted the following definition:

“Market value is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length within a reasonable timeframe.”

- 112 With respect to the fairness of the PPNs, RG 111 requires the independent expert to compare the value of the financial benefit being offered by the entity to the related party to the value of the assets being acquired. In this instance, LEA has compared the value of the financial benefit being provided by PIA to the Feeder Fund (via the application price for investment in PIA PPNs) with the value of the PIA PPNs.
- 113 The Feeder Fund and the Master Fund are independently administered by Citco, a global third-party specialist administrative and custodial service provider. The administrator’s role includes the calculation of values, including the application and redemption prices of PPNs. Citco is also the custodian of the assets in the Master Fund.
- 114 The application and redemption price of the PIA PPNs, consistent with other PPNs issued by the Feeder Fund, will be based on valuations of the Master Fund’s holdings in underlying funds managed by external third party credit managers and as such represent arm’s length pricing supported by independent valuation reports.
- 115 The Feeder Fund and the Master Fund are also independently audited by Ernst & Young.
- 116 As the investment in the PIA PPNs are at prices which are determined consistently with other PPNs issued by the Feeder Fund to arm’s length parties, the price of the proposed investment is considered to be fair.

Risk sharing arrangements

- 117 In our opinion, the ancillary risk sharing arrangements associated with the Proposed Investment provide PIA shareholders with downside protection such that the Company is not at risk of loss of income from entering into the Proposed Investment. However, the risk sharing arrangements limit the returns that may be available to the Company.
- 118 The estimated returns for the PIA PPNs under the Proposed Investment are set out below:

PIA PPNs estimated returns			
		Low	High
Estimated returns (per annum)			
Estimated return for PIA PPNs ⁽¹⁾	%	10.0	10.5
Cost of debt ⁽²⁾	%	(5.3)	(5.3)
Net return	%	4.8	5.3
Target Return	%	4.5	4.5
Excess return	%	0.3	0.8
Investment in PIA PPNs	US\$m	100.0	100.0
Estimated return for PIA PPNs			
Estimated return for PIA PPNs	US\$m	10.0	10.5
Cost of debt	US\$m	(5.3)	(5.3)
Net return	US\$m	4.8	5.3
Target Return	US\$m	4.5	4.5
Excess return	US\$m	0.3	0.8
Net return comprises (US\$)			
Returns to PIA (Target Return)	US\$m	4.5	4.5
Returns to PCG	US\$m	0.3	0.8
Total	US\$m	4.8	5.3
Assumed AUD:USD rate ⁽³⁾		0.65	0.65
Net return comprises (US\$)			
Returns to PIA (Target Return)	A\$m	6.9	6.9
Returns to PCG	A\$m	0.4	1.2
Total	A\$m	7.3	8.1

Note:

1 As provided by PIA.

2 Based upon the SOFR rate plus allowance for associated loan fees as at or around 31 August 2025.

3 Based upon the AUD:USD exchange rate as at or around 31 August 2025.

Source: PIA, FactSet and LEA analysis.

- 119 As shown above, on the basis that the expected returns for the PIA PPNs are 10.0% to 10.5% per annum, PIA would potentially receive additional income of US\$4.5 million per annum or A\$6.9 million per annum (as shown above).
- 120 Replicating the above calculation for sensitivities of plus and minus 0.5% and 1.0% per annum, the expected returns results in the following:

PIA PPNs estimated returns (sensitivities)							
Estimated returns (per annum)		9.0%	9.5%	10.0%	10.5%	11.0%	11.5%
Returns to PIA							
(Target Return)	US\$m	3.8	4.3	4.5	4.5	4.5	4.5
Returns to PCG	US\$m	-	-	0.3	0.8	1.3	1.8
Total	US\$m	3.8	4.3	4.8	5.3	5.8	6.3
Assumed AUD:USD rate ⁽¹⁾		0.65	0.65	0.65	0.65	0.65	0.65
Returns to PIA							
(Target Return)	A\$m	5.8	6.5	6.9	6.9	6.9	6.9
Returns to PCG	A\$m	-	-	0.4	1.2	1.9	2.7
Total	A\$m	5.8	6.5	7.3	8.1	8.8	9.6

Note:

1 Based upon the AUD:USD exchange rate as at or around 31 August 2025.

Source: PIA, FactSet and LEA analysis.

- 121 We note that there is a historic relationship between credit investment returns and the cost of debt (as they are both relate to interest rates). As a result, should the returns be more positive or negative than expected, the cost of debt could be expected to move in a similar fashion. This provides a natural hedge for the Company.
- 122 In addition to the above we have considered the historic returns of similar PPNs to the PIA PPNs. For the year to 31 March 2025 (the latest available information), these PPNs returned 14.4%. Prior to this period directly comparable information is not available for these PPNs, and as such PIA has undertaken a theoretical comparison of broadly similar portfolio constructions for the three years to 30 June 2025. A summary of this information is as follows:

Historic Feeder Fund PPN returns⁽¹⁾

Period	Returns %	Cost of debt⁽²⁾ %	Net return %
Year to 30 June 2022	7.5	1.3	6.3
Year to 30 June 2023	11.8	4.8	7.0
Year to 30 June 2024	14.4	6.4	8.0
Year to 31 March 2025	14.4	5.7	8.7

Note:

1 Historical returns are not a guarantee of future results.

2 Calculated on a basis consistent with the terms of the Facility (i.e. SOFR plus 80 bp).

Source: PIA and FactSet.

- 123 As evident from the above, the historic returns for PPNs that are broadly similar to the PIA PPNs net of the theoretical cost of debt have provided net returns that are above the Target Rate (i.e. PIA would, prima facie, have received the full Target Rate in each of these years if the Proposed Investment had been in place). However, it should be noted that the Target Rate has been set based on the expected future return of the PIA PPNs.
- 124 It should also be noted that PCG has agreed to forgo the management fee that it would otherwise earn on the enlarged gross asset base of the Company. Under the terms of the investment Management Agreement with PIML, a fee of 1.2% per annum would be payable on the enlarged asset base. The difference between the excess returns payable to PCG under the risk sharing arrangements and the foregone management fee of 1.2% per annum on the increased investment base is as follows:

Comparison of returns to PCG from risk sharing arrangements versus management fees

Estimated returns (p.a.)		9.0%	9.5%	10.0%	10.5%	11.0%	11.5%
Potential returns to PCG	A\$m	-	-	0.4	1.2	1.9	2.7
Management fee foregone	A\$m	1.8	1.8	1.8	1.8	1.8	1.8
Net benefit / (deficit) to PCG	A\$m	(1.8)	(1.8)	(1.5)	(0.7)	0.1	0.8

Source: PIA and LEA analysis.

- 125 As shown above, under the risk sharing arrangements under the Proposed Investment, PCG:
- (a) is foregoing the benefit of the management fees that could be charged to PIA under the Investment Management Agreement to the extent that the return on the PIA PPNs generate an annual return of up to 11.0%
 - (b) would be receiving a benefit that has some characteristics akin to a performance fee when annual returns exceed 11.0%.
- 126 Further, in the event that returns on the PIA PPNs fall below the cost of debt on the Facility, PCG is required to cover any shortfall.
- 127 Having regard to the above, in our opinion, the risk sharing arrangements are favourable to the Company (particularly in respect of the management fees foregone by PCG) and would not be available to PIA from a third party investment manager.
- 128 Having regard to the above, the proposed risk sharing arrangements are considered to be fair.

Overall “fairness” conclusion

- 129 As both the investment in PIA PPNs and the risk sharing arrangements are considered to be fair, the Proposed Investment and the risk sharing arrangements are considered to be fair.

Assessment of reasonableness

- 130 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Proposed Investment and the risk sharing arrangements are also “reasonable”.

Other considerations

- 131 Whilst we have assessed the Proposed Investment and risk sharing arrangements as “fair” and therefore “reasonable” (under the requirements of RG 111), we have also considered a number of factors which are relevant for PIA Shareholders in deciding whether to approve the Proposed Investment and risk sharing arrangements, including:
- (a) the ability of individual PIA Shareholders to independently implement a similar investment strategy and the costs and risks associated with such a strategy
 - (b) the ability of PIA to implement the Proposed Investment and risk sharing arrangements with another fund manager
 - (c) the implications for PIA Shareholders if the Proposed Investment and risk sharing arrangements are not implemented
 - (d) other qualitative and strategic issues associated with the Proposed Investment and the risk sharing arrangements, and the extent to which they may advantage or disadvantage PIA Shareholders if the Proposed Investment and risk sharing arrangements are approved or rejected
 - (e) the advantages and disadvantages of the Proposed Investment and risk sharing arrangements from the perspective of PIA Shareholders.

Ability of PIA shareholders to replicate the Proposed Investment

- 132 Individual investors can gain exposure to global private credit by investment in listed funds such as the Pengana Global Private Credit Trust. Whilst PIA Shareholders may individually choose to invest in private credit, additional funds would need to be invested by individual shareholders. In the event that these investments were debt funded, absent high quality security such as the PIA equity portfolio, the rate at which individuals could borrow funds would likely be much higher than the cost of debt available to PIA.
- 133 However, large scale investments in private credit are typically limited to wholesale investors and the minimum initial investment is substantial (for example, a minimum initial investment of A\$500,000 and minimum additional contribution of A\$100,000 is required to invest in the Pengana Diversified Private Credit Fund).
- 134 The Proposed Investment (in the PIA PPNs) provides PIA Shareholders with the opportunity to gain exposure to the private credit asset class with no additional cash being outlaid by individual shareholders.

Ability of PIA to implement the Proposed Investment with another fund manager

- 135 Whilst PIA could make the investment in global private credit via another fund manager, in our opinion, it is highly unlikely that the management fee / risk sharing arrangements would be available to PIA from PCG if it invested with another fund manager.

Implications if the Proposed Investment Strategy does not proceed

- 136 If the required approval to proceed with the Proposed Investment is not obtained and the Proposed Investment strategy is not implemented, absent any alternate proposal by the PIA Board, PIA shares are expected to continue to trade at a discount to NTA.
- 137 Further, the distributable earnings of PIA will continue to be dependent upon the level of retained profits and realised gains generated from its global equities portfolio and it is unlikely that monthly dividends will be paid.

Summary of advantages and disadvantages of the Proposed Investment

- 138 We summarise below the likely advantages and disadvantages of the Proposed Investment for PIA Shareholders.

Advantages

- 139 The Proposed Investment and risk sharing arrangements have the following advantages:
- (a) the Proposed Investment will diversify PIA into global private credit investments. Importantly, returns for global private credit have historically had a low correlation to equity returns
 - (b) the Proposed Investment is expected to provide increased returns for the Company and if implemented, PIA Shareholders will have the opportunity to receive increased fully-franked dividends

- (c) the Proposed Investment is expected to provide a higher investment return in comparison to the additional risk assumed (which provides an improvement in the PIA Sharpe ratio²⁶)
- (d) the ancillary risk sharing arrangements provide PIA Shareholders with downside protection in the event that the returns from the Proposed Investment are less than the cost of debt (however, PIA Shareholders should note that the returns on the Proposed Investment are limited to the Target Return).

Disadvantages

- 140 The Proposed Investment will introduce debt into PIA, which exposes the Company to leverage risk from entering into the Facility (i.e. borrowing to fund the investment in PIA PPNs). Whilst introducing leverage creates opportunity and the ability to increase returns, it also amplifies losses in downturns. The ancillary risk sharing arrangements seek to mitigate this risk, however PIA will still be exposed to leverage risk with respect to:
- (a) any downturn in equity values²⁷ and the impact on the security under the Facility; and
 - (b) any absolute loss incurred on the private credit portfolio underlying the PPNs, net of income earned (PIA expect any credit losses to be nominal).

Other factors

- 141 PIA's investment strategy has historically focused on investments in shares in global high-quality, growing businesses to deliver superior risk-adjusted returns. PIA Shareholders should note that the Proposed Investment represents a change in investment strategy for the Company. However, PIA Shareholders should note that the proposed Investment does not change or reduce PIA's exposure to global equities.
- 142 The Proposed Investment and risk sharing arrangements seek to narrow the discount to NTA at which shares in PIA have been trading.
- 143 The Independent Directors of PIA unanimously recommend that PIA Shareholders vote in favour of the Proposed Investment.

²⁶ The Sharpe ratio expresses how much excess return is received for each additional unit of risk assumed. A higher Sharpe ratio implies a higher investment return compared to the amount of risk attaching to the investment.

²⁷ Based on the terms of the Facility, a margin call would not be made until the LVR increased to in excess of 65%. Given that the amount drawdown will be a target LVR of 45% of the equity portfolio, the equity portfolio would need to fall by more than 31% to trigger a margin call.

Appendix A

A Financial Services Guide

Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532, which authorises it to provide a broad range of financial services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

Financial Services Guide

- 3 LEA has been engaged by the Independent Directors of PIA to provide general financial product advice in the form of an IER in relation to the Scheme. The *Corporations Act 2001 (Cth)* (Corporations Act) requires that LEA include this Financial Services Guide (FSG) with our IER.
- 4 This FSG is designed to assist retail clients in their use of the general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

General financial product advice

- 5 The IER contains general financial product advice only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

- 6 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$75,000 plus GST.
- 7 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.
- 8 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of

Appendix A

performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

- 9 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

- 10 If you have a complaint, please raise it with us first. LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000

- 11 We will endeavour to satisfactorily resolve your complaint in a timely manner. Please note that LEA is only responsible for the preparation of this IER. Complaints or questions about the Scheme Booklet should not be directed toward LEA as it is not responsible for the preparation of this document.
- 12 If we are not able to resolve your complaint to your satisfaction within 30 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Compensation arrangements

- 13 LEA has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of the Corporations Act.

Appendix B

B Qualifications, declarations and consents

Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Ms Julie Planinic and Mr Jorge Resende, who are each authorised representatives of LEA. Ms Planinic and Mr Resende have over 25 years' and 24 years' experience respectively in the provision of valuation advice (and related advisory services).

Declarations

- 3 This report has been prepared at the request of the Independent Directors of PIA to accompany the Explanatory Notes to be sent to PIA Shareholders. It is not intended that this report serve any purpose other than as an expression of our opinion as to whether or not the Proposed Investment and risk sharing arrangements are fair and reasonable and in the best interests of PIA Shareholders.
- 4 LEA expressly disclaims any liability to any PIA Shareholder who relies or purports to rely on our report for any other purpose and to any other party who relies or purports to rely on our report for any purpose whatsoever.

Interests

- 5 At the date of this report, neither LEA, Ms Planinic nor Mr Resende have any interest in the outcome of the Proposed Investment strategy. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 6 LEA has not had within the previous two years, any business or professional relationship with PIA or PCG or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Investment and risk sharing arrangements.
- 7 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.
- 8 LEA has had no part in the formulation of the Proposed Investment and/or the proposed risk sharing arrangements. Its only role has been the preparation of this report.

Indemnification

- 9 As a condition of LEA's agreement to prepare this report, PIA has agreed to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of PIA which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Appendix B

Consents

- 10 LEA consents to the inclusion of this report in the form and context in which it is included in the Notice of Meeting.

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Appendix C

C Glossary

Term	Meaning
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
AUD / A\$	Australian dollar
bp	Basis point
Citco	The Citco Group Limited
Corporations Act	<i>Corporations Act 2001</i> (Cth)
ETF	Exchange traded fund
EUR / €	Euro
Facility	Single Currency Revolving Credit Facility Agreement from BNP Paribas S.A. to fund the Proposed Investment
Feeder Class	Feeder Fund PPN class
Feeder Fund	Pengana Private Credit Feeder Fund
FSG	Financial Services Guide
FY	Financial year
GFC	Global financial crisis
GICS	Global Industry Classification Standard
IER	Independent expert's report
LEA	LonerGAN Edwards & Associates Limited
LIC	Listed investment company
LIT	Listed investment trust
LVR	Loan to value ratio
Master Classes	Various classes of non-voting participating shares in the Master Fund
Master Fund	Pengana Private Credit Master Fund
Mercer	Mercer Private Debt
MSCI	Morgan Stanley Capital Index
NAV	Net asset value
NTA	Net tangible assets
PCG	Pengana Capital Group Limited
Pengana Credit	Pengana Credit Pty Ltd
PIA / the Company	Pengana International Equities Limited
PIA PPNs	PIA (Hedged) USD Class PPNs
PIA Shareholders	Shareholders in PIA other than PCG and PIML
PIML	Pengana Investment Management Limited
PPN	Profit Participation Note
Proposed Investment	Proposed investment by PIA of some US\$120 million in PPNs in the Feeder Fund funded by drawdowns from a matching loan facility secured against PIA's existing share and cash portfolio
RBA	Reserve Bank of Australia
RG 76	ASIC Regulatory Guide 76 – <i>Related party transactions</i>
RG 111	ASIC Regulatory Guide 111 – <i>Content of expert reports</i>
SOFR	Secured overnight financing rate
Targeted Return	Up to 4.5% per annum above the cost of debt to be retained by PIA if the return generated by PIA from the investment in PPNs is greater than the cost of debt
US	United States of America
USD / US\$	US dollar
WANOS	Weighted average number of shares outstanding

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Appendix B: WSV Statement – Information Provided By Requisitioning Shareholder

WSV has requested that the statement in relation to the WSV Resolutions in this Annexure B be given to all members, pursuant to section 249P of the Corporations Act.

PIA is legally required to circulate this statement to PIA shareholders. However, the Board and PIA are not responsible for the contents of the statement or for any inaccurate or misleading information contained therein. The statement has not been independently verified by PIA and is not supported by the Board.

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Notice pursuant to s249P of the *Corporations Act* 2001 (Cth)

Dear Fellow Shareholders,

I am writing to ask you to vote **FOR** the Wilson Asset Management nominees at the upcoming annual general meeting (AGM) of Pengana International Equities Limited (ASX: PIA) on 21 October 2025.

We believe the current PIA Board has failed PIA shareholders, repeatedly changing PIA's investment mandate without giving shareholders any opportunity to exit at, or close to, the Company's net tangible asset (NTA) value. The Company has consistently underperformed its global benchmark, with the PIA portfolio returning 8.1% less than the MSCI World Total Return Index (AUD) over the last 12 months and 7.8% p.a. less over the last five years, as at 31 August 2025. Despite the many changes to the investment mandate, PIA continues to trade at a share price discount to NTA. PIA's long-suffering shareholders can no longer tolerate this treatment. It is incumbent on the Board of PIA to provide an exit at close to NTA parity before proposing fundamental change to shareholders.

Appoint a Board that will act in your best interests

The Wilson Asset Management Nominees have a proven track record of building shareholder wealth and acting in the best interests of shareholders. At the upcoming AGM on 21 October 2025:

- Vote to **APPOINT** Mr Geoffrey Wilson, Mr Richard Caldwell, Mr Julian Martin and Mr Jesse Hamilton (Wilson Asset Management Nominees), who will act in the best interests of all PIA shareholders and;
- Vote to **REMOVE** PIA directors Mr David Groves, Mr Russel Pillemer and Ms Sandi Orleow.

How to vote

- Vote **FOR** Resolutions 5, 6, 7, 8, 9, 10 and 11; and
- Vote **AGAINST** Resolutions 2, 3 and 4.

PIA's proposal

On 21 August 2025, the PIA Board announced a proposal for PIA to take on a debt facility of approximately 33% of total fund assets, to be invested in global private credit (PIA Proposal). PIA's Board and Investment Manager have been unable to close the share price discount to NTA and are now seeking to again change the investment mandate without shareholder consultation.

We view these changes, adding significant leverage and an illiquid asset class, as incapable of resolving the issue. In our view, the actions of the PIA Board to date represent a failure in good corporate governance.

Why your vote matters

We believe PIA's Proposal is not in the best interests of PIA shareholders:

- **Change in mandate:** PIA's proposed introduction of significant leverage and an illiquid asset class is not the basis on which PIA shareholders invested.
- **Lack of confidence in PIA's Investment Manager (Harding Loevner):** In our view, PIA's Proposal fails to address the consistent underperformance of PIA's global equities strategy managed by Harding Loevner.
- **Debt covenants:** Leverage taken by PIA will be secured against the portfolio of global equities, which is likely to impair the current investment strategy and impose debt covenants and constraints.
- **Ethical screening:** We question PIA's ability to maintain an ethically screened portfolio when adding over 3,500 individual loans through 20 underlying managers and an external asset consultant.

Every vote counts. Please ensure your proxy is lodged by Thursday 16 October 2025.

Upon their appointment, the new PIA board will conduct a strategic review to determine the best outcome for all PIA shareholders.

If you have any questions, please do not hesitate to contact me on 9247 6755 or 0412 242 712, Investment Specialist Martyn McCathie on 0433 312 603 or Senior Investor Relations Advisor April Lewis on (02) 9258 4915.

Yours sincerely,

Executed by WAM Strategic Value Limited (ACN 649 096 220) in accordance with section 127 of the *Corporations Act 2001*(Cth):



Chairman

Geoffrey James Wilson AO

Full Name



Company Secretary

Jesse Michael Hamilton

Full Name

Appendix C: Voting Information

INFORMATION LINE

PIA AGM Information Line open between 8:30am and 5:00pm (Sydney time) on a Business Day:
1300 150 530 (within Australia)
+61 2 9066 4054 (outside Australia)

VOTING ENTITLEMENTS

Persons holding Shares in the Company at 7:00 pm (Sydney time) on Sunday 19 October 2025 shall, for the purposes of ascertaining entitlements to attend and vote at the Meeting, be taken to be Shareholders of the Company.

Shareholders entitled to vote at the Meeting can do so by attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by corporate representative OR by appointing a proxy to attend the Meeting and vote on their behalf.

ALL RESOLUTIONS WILL BE BY POLL

The Chairman intends to demand a poll on each of the Resolutions proposed at the AGM. Each Resolution considered at the AGM will therefore be conducted by a poll. This will mean that the decision on each Resolution is determined by counting the actual votes (i.e., number of shares) – for and against – held by Shareholders present and entitled to vote at the meeting and represented by proxies present at the meeting. The Chairman considers voting by poll to be in the interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the Meeting. Voting by poll is also consistent with the ASX's Guidance Note 35 which states that "for an entity to determine with any confidence that the votes that should have been disregarded under a voting exclusion statement were in fact disregarded, it is essential that the vote on the resolution is conducted by a poll rather than by a show of hands".

APPOINTMENT OF A PROXY

A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on the Shareholder's behalf. A proxy may be an individual or body corporate and is not required to be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes at the Meeting may appoint two proxies and may specify the percentage or number of votes each proxy is appointed to exercise. Where a Shareholder appoints two proxies but does not specify the percentage or number of votes each proxy may exercise, each proxy may exercise half of the appointing Shareholder's votes. Fractions of votes will be disregarded.

Corporate Shareholders must provide the Company with satisfactory evidence of the appointment of any corporate representative, prior to the commencement of the Meeting. A proxy can be either an individual or a body corporate.

Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act; and
- provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

UNDIRECTED PROXIES

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each Resolution by marking either “For”, “Against” or “Abstain” against each item of business on the Proxy Form.

It is important that you direct your proxy how to vote on each item of business. If, however, you appoint the Chairman as your proxy, he will vote undirected proxies in **FAVOUR** of Items 2 to 4 (inclusive) and **AGAINST** Items 5 to 11 (inclusive).

If you do not want the Chairman to cast your vote in **FAVOUR** of a Resolution, then you must direct him to vote **AGAINST** the relevant Resolution or to abstain from voting on the relevant Resolution. If you do not want the Chairman to cast your vote **AGAINST** a Resolution, then you must direct him to vote in **FAVOUR** of the relevant Resolution or to abstain from voting on the relevant Resolution.

If you have appointed a member of the key management personnel (other than the Chairman) for the Company or any of their closely related parties as your proxy, you must direct that person how to vote on Item 2 otherwise they will not be able to cast a vote as your proxy on those resolutions.

VOTING PRIOR TO THE MEETING VIA THE ONLINE PROXY VOTING FACILITY

An online proxy voting facility is available at investorvote.com.au. To access the online proxy voting facility shareholders will need to either use the personalised link received in the AGM invitation email, or use their SRN/HIN, the postcode registered on their holding and the control number located in their personalised AGM invitation mailed to their registered address. Shareholders with overseas addresses will require the country registered on their holding.

Alternatively, a Shareholder can request a printed copy of the Notice of Meeting and Proxy Form by contacting Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Monday to Friday 8:30am to 7:00 pm (Sydney time). A Shareholder may direct a proxy on how to vote on the proposed resolutions by following the instructions on the Proxy Form.

PROXY DEADLINE

To be valid, online proxy voting or completed Proxy Forms must be received by Computershare Investor Services no later than 10:30 am (Sydney time) on Sunday 19 October 2025. Completed Proxy Forms can be lodged:

- Online: at investorvote.com.au
- By mail: GPO Box 242, Melbourne VIC 3001
- By facsimile: 1800 783 447 (inside Australia), +61 3 9473 2555 (outside Australia)

Appendix D: Glossary

AGM or Meeting means the annual general meeting of Shareholders of the Company.

Annual Report means the Company's Annual Report for the year ended 30 June 2025, comprising the Financial Report, the Director's Report, the Remuneration Report and the Auditor's Report.

ASX means ASX Limited (ACN 008 624 591) trading as the Australian Securities Exchange.

ASX Listing Rules or Listing Rules means the official Listing Rules of the ASX, as amended or waived from time to time.

Board means the board of Directors of the Company.

Company or PIA means Pengana International Equities Limited ACN 107 462 966.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Debt means US\$120m secured 12 month revolving facility provided by a major international bank.

Director means a Director of the Company.

Explanatory Notes means the explanatory notes which form part of the Notice.

Feeder Fund means the Pengana Private Credit Feeder Fund.

Independent Directors means Ms Sandi Orleow and Mr Frank Gooch

Independent Expert means Lonergan Edwards & Associates Limited.

Independent Expert's Report means the Independent Expert's report set out in Annexure A.

Investment Manager means PIML.

Key Management Personnel or KMP means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or non-executive) of the Company.

Master Fund means the Pengana Private Credit Master Fund.

Mercer means Mercer Consulting (Australia) Pty Ltd.

Non-Associated Shareholders means all Shareholders not associated with the Feeder Fund.

Notice or Notice of Meeting or NOM means this notice of annual general meeting.

Ordinary Resolution means a resolution passed by more than 50% of the Shareholders eligible to vote on the relevant resolution and present at the Meeting, either in person or by proxy.

PCG means Pengana Capital Group Limited ACN 059 300 426.

Pengana Credit means Pengana Credit Pty Ltd ACN 659 608 849.

PIML means Pengana Investment Management Limited ACN 063 081 612.

PPN means profit participation note.

Private Credit Portfolio means the PPNs, the Risk Sharing Agreement and associated hedging.

Proposed Investment or Portfolio Enhancement Proposal means the proposed investment in private credit via an acquisition of PPNs in the Feeder Fund and an ancillary risk sharing agreement with Pengana on the terms and conditions summarised in the Explanatory Notes.

Proxy Form means the proxy form that accompanies the Explanatory Notes or is available from the Company.

Remuneration Report means the section of the Directors' Report in the Annual Report.

Reports means the Financial Report (which includes the Directors' Declaration), Directors' Report, the Remuneration Report and Auditor's Report.

Resolution means a resolution to be put to Shareholders at the Meeting as set out in the Notice.

Risk Sharing Agreement means the risk sharing agreement to be entered into between the Company and Pengana.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WAM means Wilson Asset Management (International) Pty Limited.

WSV means WAM Strategic Value Limited.

WSV Candidates means Mr Geoffrey James Wilson AO, Mr Richard Alexander Caldwell, Mr Julian Martin, Mr Jesse Michael Hamilton.

WSV Resolutions means Items 5 to Items 11.

WSV Statement means Appendix B.

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Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact

PIA

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (AEDT) on Sunday, 19 October 2025.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

■ **Proxy Form**

Please mark ☒ to indicate your directions

Step 1 **Appoint a Proxy to Vote on Your Behalf**

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I/We being a member/s of Pengana International Equities Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pengana International Equities Limited to be held at Cliftons Sydney, Level 13, 60 Margaret St, Sydney NSW 2000 on Tuesday, 21 October 2025 at 10:30am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 2 (except where I/we have indicated a different voting intention in step 2) even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 2 by marking the appropriate box in step 2.

Step 2 **Items of Business**

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Item 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 5	Removal of Mr David Frederick Groves as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Approval of investment in the profit participation notes issued by the Pengana Private Credit Feeder Fund and entry into an ancillary risk sharing agreement with Pengana Capital Group Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 6	Removal of Mr Russel Craig Pillemer as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Director: Ms Sandi Orleow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 7	Removal of Ms Sandi Belinda Orleow as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					Item 8	Appointment of Mr Geoffrey James Wilson AO as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					Item 9	Appointment of Mr Richard Alexander Caldwell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					Item 10	Appointment of Mr Julian Martin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					Item 11	Appointment of Mr Jesse Michael Hamilton as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of Item 2 to 4 (inclusive) and against Item 5 to 11 (inclusive). In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 **Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3	/ /
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date
Update your communication details (Optional)			
Mobile Number	Email Address	By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically	
<input type="text"/>	<input type="text"/>		