4 March 2019

Dear investor

Proposed change of Responsible Entity from Pengana Investment Management Limited to Pengana Capital Limited (both part of the Pengana Capital Group Limited (ACN 059 300 426, ASX: PCG) (PCG))

Proposed change of responsible entity

Pengana Investment Management Limited (PIML) is currently the responsible entity (RE) of the following Funds:

1. Pengana Australian Equities Income Fund (ARSN 098 586 586)
2. Pengana WHEB Sustainable Impact Fund (ARSN 121 915 526)
3. Pengana International Fund – Ethical (ARSN 093 079 906)
4. Pengana International Fund – Ethical Opportunity (ARSN 098 586 282)
5. Pengana High Conviction Equities Fund (ARSN 602 546 332)

As an investor in one or more of these Funds, we are writing to advise you of our intention to retire as responsible entity of the Funds and for Pengana Capital Limited (PCL) to be appointed as RE in our place.

PIML and PCL are related companies, both being wholly owned subsidiaries of the PCG.

Our reason for wanting to retire as responsible entity of the Funds

PCG intend to implement a structure where PIML is the RE or manager of all the listed products within the PCG group while PCL is the RE or manager for all the unlisted products to ensure clear demarcation of responsibilities between the two REs. PCG has therefore asked PIML to retire as RE of the Funds (all of which are unlisted) and that PCL be appointed as RE in PIML’s place.

What PIML is required to do in order to retire as responsible entity of the Funds and for PCL to be appointed as responsible entity in PIML’s place

Given that the change involves two REs which are wholly owned by PCG, the Australian Securities and Investments Commission (ASIC) has granted PIML relief from the requirement to hold members’ meetings to vote on a new RE. The relief requires that PIML:

(a) notify members of the proposed change of RE and include in the notice all the information that members would reasonably need to make an informed assessment as to whether to request an all-member vote to choose a new RE;

(b) give members 21 days from the date of the notice to request that the RE hold an all-member vote to choose a new RE; and

(c) conduct a vote if (i) members holding at least 5% of the total value of interests held by members in a Fund; or (ii) 100 members in a Fund, who are eligible to vote request such a vote (Member Request for Vote).
Information relevant to your decision regarding the proposed change of responsible entity

The proposed change of RE will not have any adverse impact on the administrative, custodial or asset management of the Funds or give rise to any significant changes in the manner in which the Funds operate.

Both PIML and PCL have exactly the same:

(a) resources (including key staff);
(b) corporate governance arrangements (including exactly the same compliance committee members); and
(c) control structures (including exactly the same reporting lines, compliance systems, custodians and procedures for monitoring service providers and accounting, computer and IT systems).

Up until recently PIML and PCL also had the same directors (being Russel Pillemer, Katrina Glendinning and Nick Griffiths). In preparation for PIML being the responsible entity for PCG’s new listed fund (Pengana Private Equity Fund), two independent directors have been appointed to PIML and Nick Griffiths has resigned as a director of PIML. We have enclosed brief biographies for the PCL directors (being Russel Pillemer, Katrina Glendinning and Nick Griffiths) in this letter.

While PCL does not have any independent directors on the board it does have a compliance committee with a majority of independent members.

We note that PCG is paying the costs of this proposed change of RE itself. These costs will not be paid by the Funds or passed on to investors.

Information regarding the proposed timing of the change of responsible entity and the manner in which the retirement will occur

We are proposing that the change of responsible entity will take effect on or about Tuesday 26 March 2019. If there is no “Member Request for Vote” as outlined above by 5pm on Monday 25 March the change of responsible entity will proceed. We will notify the change of RE to ASIC and as soon as ASIC update their record of registration the change of responsible entity will be deemed to have taken place.

You will be able to access information regarding the proposed timing of the change of responsible entity and the manner in which that change will occur on the Pengana website (www.pengana.com) at the “investor notification” section of each Fund’s webpage (scroll down to the bottom of each Fund’s webpage to see the “investor notification” section).

Your decision

You have 21 days from the date of this notice to request that the responsible entity hold an all-member vote (either by way of a postal vote or a vote held at a meeting of members) to choose a new RE. Any such request must be received by PIML by no later than 5pm on Monday 25 March 2019.

If:

1. members who together hold at least 5% of the total value of interests held by members in a Fund; or
2. 100 members in a Fund,
who would be entitled to vote if the proposal was put as a proposed resolution to a meeting of members (under section 601FL of the Corporations Act), ask for a vote on the choice of proposed RE by providing written notice to
PIML by 5pm on Monday 25 March 2019, then PIML will either arrange a postal vote or convene a meeting of members to vote on a resolution for the choice of the proposed RE.

We have enclosed a form which you can complete and return to PIML by 5pm on Monday 25 March 2019 if you wish to request a vote. The form includes a reply paid address to which the form can be sent. If you do not want to request such a vote then no further action is required.

If you require further information

If you have any questions, please contact us at clientservice@pengana.com or +61-2-8524-9900.

Yours faithfully

Damian Crowley
Director of Distribution
Pengana Capital Limited Directors

Russel Pillemer
Executive Director (CEO, Pengana Capital Group Limited)
Russel Pillemer co-founded Pengana in 2003. He has been Pengana's Chief Executive Officer since inception. Prior to founding Pengana, Russel worked in the Investment Banking Division of Goldman Sachs in New York where he specialised in providing advice to funds management businesses. Before moving to New York, he was responsible for leading Goldman Sachs’ Australian Financial Institutions Group. Russel was previously Chairman of Centric Wealth Group and a Principal of Turnbull Pillemer Capital. He is a member of the Institute of Chartered Accountants in Australia and has a Bachelor of Commerce (Hons) from the University of New South Wales.

Katrina Glendinning
Executive Director (CFO, Pengana Capital Group Limited)
Katrina is the Chief Financial Officer of Pengana and has held this role since inception in 2003. She is also an Executive Director of Pengana Capital Limited and is a member of Pengana’s Compliance and Risk Management Committees. Katrina is a financial services executive with over 25 years’ experience across a diverse range of products, investors and regulatory regimes. Prior to joining Pengana, Katrina was an Executive Vice President at BT Funds Management where she held a number of roles in the nine year period. Prior to that she worked for Price Waterhouse specialising in banking and financial services audit. Katrina has a Bachelor of Economics from the University of Sydney, is an Australian Chartered Accountant, a Fellow of FINSIA and a Graduate of the Australian Institute of Company Directors.

Nick Griffiths
Executive Director (CIO, Pengana Capital Group Limited)
As Chief Investment Officer, Nick is responsible for manager monitoring, performance analysis and risk management across PCG’s investment strategies. He also chairs Pengana's Risk Management Committee. Nick has more than 20 years’ experience in the actuarial and investment industries in the UK and Australia. Prior to his current role, Nick was Head of Investment Research within Aon’s Investment Consulting Practice in Sydney. Nick is a qualified Actuary and CFA Charterholder. He was educated in England and holds a Law and Economics degree from the University of Durham.
Form to Request an All-Members Vote to Choose a New RE

Please complete this form if you wish to request an all-members vote to choose a new RE. If you do not wish to request such a vote then this form does not need to be completed.

Investor Name (must be the name in which the investment is held): ________________________________

Investor Number: ________________________________

Investor Email address: ________________________________

Investor Mobile number: ________________________________

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Investor to mark the box with an x if they wish to request an all-members vote to choose a new RE</th>
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<tbody>
<tr>
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</tbody>
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Signature of investor 1, director or authorised signatory:

________________________________________________________________________

Signature of investor 2, director or authorised signatory (if relevant):

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Post this form to

Pengana Capital Group
Client Service
Reply Paid 89832
SYDNEY NSW 2001