

SECURITIES TRADING POLICY

Pengana Investment Management Limited

ABN 69 063 081 612, AFSL 219 462

as the Responsible Entity for **Pengana Private Equity Trust**

ARSN 630 923 643

Approved by the Pengana Investment Management Limited Board on 11 February 2019

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1 PURPOSE

Pengana Investment Management Limited (**'Responsible Entity'**, or 'PIML') is the responsible entity for the Pengana Private Equity Trust (ASX: PE1) ('Trust' or 'PE1'), a registered managed investment scheme that is listed on the Australian Securities Exchange ('ASX').

The **Responsible Entity** is a wholly owned subsidiary of Pengana Capital Group Limited (ASX: PCG) ('Pengana' or 'PCG'). PIML is the holder of an Australian Financial Securities Licence (AFSL Licence: 219 462) ('AFSL'). Pengana Capital Limited (**'Manager'** or 'PCL') is the manager of PE1 and is a wholly owned subsidiary of PCG. The Manager has engaged Grosvenor Capital Management, L.P. ('GCM' or **'Investment Manager'**) as the investment manager of PE1 pursuant to the Investment Management Agreement.

This policy aims to ensure that personal trading in **PE1 securities** is conducted lawfully and appropriately and that legal, regulatory and reputational risk to **Pengana**, its **directors** and employees is minimised.

Expressions in bold are defined in Section 9 of this policy.

2 SCOPE

This policy applies to each of the **directors** of PIML, PCL and PCG and all their employees (including key management personnel as defined in the **ASX listing rules**) when trading in **PE1 securities** in a **personal capacity**. This will include situations where the director or employee exercises control over the investment decision of another person, legal entity or structure.

Any references to a director in this policy will be interpreted as including a reference to the **directors** of PIML, PCL or PCG. Any reference to an employee in this policy will be interpreted as including a reference to an employee of PIML, PCL or PCG.

All temporary staff and contractors of PIML, PCL and PCG, regardless of the period of their engagement, are also required to comply with this policy as it applies to PIML, PCL and PCG employees generally.

The ultimate responsibility for adherence to this policy and any other rules governing securities trading lies with the individual.

3 POLICY

3.1 PROHIBITION ON INSIDER TRADING

Directors and employees must not **trade** in **PE1 securities** when they are in possession of **inside information**. This prohibition applies even if there is no trading blackout in existence and / or the director or employee has been given approval to **trade**.

3.2 PROHIBITION ON PROCURING OR ENCOURAGING THIRD PARTIES TO TRADE

Directors and employees must not:

- procure a third party to **trade** in **PE1 securities** on their behalf which could result in circumventing the application of this policy; or

- encourage third parties to **trade**, if the director or employee has **inside information** regarding **PE1 securities**

3.3 PROHIBITION ON SPECULATIVE TRADING, LENDING, SHORT SELLING OR TRADING IN ASSOCIATED PRODUCTS

Directors and employees must not **trade** in **PE1 securities** for short term or speculative gain. All positions (with the exception of units acquired as the result of exercising options under incentive plans) must be held for a minimum period of one month.

Short selling or taking short positions in or lending **PE1 securities** is not permitted.

Entering into arrangements and/or trading in financial products issued over **PE1 securities** by third parties or trading in associated products which operate to limit the economic risk of holding **PE1 securities** is also prohibited.

3.4 PROHIBITION ON DIRECTORS AND EMPLOYEES TAKING, ARRANGING OR FACILITATING MARGIN LOANS OVER THEIR PE1 UNITS

Directors and employees must not take or otherwise facilitate margin loans over their PE1 securities without prior **Board** approval.

3.5 PERSONAL TRADING NOT PERMITTED DURING PROHIBITED PERIODS

Directors and employees must not **trade** during Prohibited Periods, which means any period where a trading blackout applies. Further details on the procedure for trading are set out at Attachment A.

3.6 PERSONAL TRADING NOT TO ADVERSELY IMPACT PE1'S REPUTATION, AND THE INDIVIDUAL'S PROFESSIONAL REPUTATION AND ABILITY TO PERFORM DUTIES

Directors and employees should ensure that personal trading in **PE1 securities**:

- does not interfere with their responsibilities as an **officer** or employee; and
- is on a scale consistent with their financial capacity.

Directors and employees should be mindful of the way in which any personal trading in **PE1 securities** could be perceived by the market and the significant reputational damage to themselves and to PE1 that could be caused by the appearance of **insider trading**. If **directors** and employees are unsure about whether reputational damage could be caused to themselves or PE1 through particular trading activity they should discuss this with the PCG Lawyer and / or PIML **Chairman**.

3.7 NO PREFERENTIAL TREATMENT

Directors and employees may participate in new unit issues, rights issues and distribution reinvestment plans related to **PE1 securities**, provided that they are treated the same as other unitholders and do not obtain any advantage over other unitholders.

3.8 PRE-CLEARANCE FOR DIRECTORS AND EMPLOYEES

Trading by **directors** is subject to pre-clearance by the PIML **Chairman** and **Company Secretary**. In addition, trading by employees is subject to pre-clearance by the PCG Operations Team. All trading in **PE1 securities** by **directors** and employees (except for **Permitted Trading**) is to be notified and

approved in accordance with the procedures for Trading in **PE1 securities** before a **trade** is placed (Attachment A). This requirement applies even where there is no trading blackout in existence.

Pre-clearance is not required for participating in PE1 distribution reinvestment plans, rights issues, new unit issues or where securities are issued pursuant to employee incentive plans.

4 PROCEDURES

The procedures for trading in **PE1 securities** (Attachment A) set out the process for implementing and complying with this policy. All **directors** and employees must be familiar with these procedures and the personal obligations that arise from them.

5 MONITORING COMPLIANCE

An audit of trading activity may be conducted by the PCG Operations Team at any time to assess whether **directors** and employees are complying with the requirements of this policy.

6 CONSEQUENCES OF NON-COMPLIANCE WITH POLICY

A breach of the **insider trading laws** is a serious offence that may attract both civil and criminal penalties under the Corporations Act.

Compliance with this policy is mandatory and a breach is considered to be a serious matter that will result in disciplinary action, including possible immediate dismissal.

Directors and employees must ensure that they not only comply with the letter of this policy but also the spirit, and at all times consider the risk to both PE1's and their own reputation when conducting their personal trading activities. They must not structure arrangements or procure third parties to **trade** to circumvent the operation of this policy.

7 ADDITIONAL INFORMATION

This policy is administered by the PIML **Company Secretary** and the PCG Lawyer. Should you have a query in relation to the policy please contact the PIML **Company Secretary** or PCG Lawyer.

8 REVIEW AND ASSESSMENT

The policy will be reviewed and updated from time to time to ensure that it remains relevant, current and compliant with all applicable **laws**, and guidance notes. Any material changes will be notified to **directors**, employees, contractors and all temporary staff and placed on the PE1 website.

9 DEFINITIONS AND INTERPRETATIONS

9.1 DEFINITIONS

In this Policy, the following words and expressions have the meanings indicated unless the context otherwise requires

ASX LISTING RULES

The listing rules of the ASX Limited.

BOARD

The full board of **directors** of Pengana Investment Management Limited.

CHAIRMAN

The chair of the **Board**, as appointed by the **Board**.

COMPANY SECRETARY

The company secretary of Pengana Investment Management Limited from time to time.

DIRECTOR

A member of the **Board** of Pengana Investment Management Limited.

EXCEPTIONAL CIRCUMSTANCES

Circumstances which may give rise to an exemption from the prohibition against trading within a Prohibited Period. Such circumstances will generally be limited to cases of severe financial hardship of the applicant but may include any circumstances that the person or people assessing an application to **trade** during a Prohibited Period deems to be of sufficient gravity to warrant the granting of an exemption from the prohibition against trading within a Prohibited Period. In assessing severe financial hardship, the assessor will have reference to, but not be limited by, both the definition and applicable guidance applied by the Australian Prudential Regulation Authority in assessing claims for the early release of superannuation on similar grounds.

INSIDE INFORMATION

Information concerning PE1's financial position, strategy or operations which if made public would be likely to have a material impact on the price of **PE1 securities**. Refer to Attachment B for details of the Corporations Act definition.

INSIDER TRADING

The trading of securities based on price sensitive information that is not generally available.

INVESTMENT MANAGER

Grosvenor Capital Management, L.P

LAWS

All applicable laws in place in the relevant jurisdiction including but not limited to regulatory guides and the **ASX Listing Rules**.

MANAGER

Pengana Capital Limited ABN 30 103 800 568.

OFFICER

Has the meaning set out in the Corporations Act and includes a director, secretary or senior manager of Pengana Capital Group Limited, of Pengana Investment Management Limited or of Pengana Capital Limited

PERSONAL CAPACITY

A person will be deemed to be acting in a personal capacity in respect of personal trading, where the person:

- exercises control over the trading; or
- substantially influences the investment decision.

A person may be acting in a personal capacity even though the **trade** is conducted in the name of another person (including spouses, partners and other family members) or legal entity, including a corporation, trust or personal superannuation fund.

PE1 SECURITIES

- Means:
- units in PE1 issued by the **Responsible Entity** (ordinary, preference, contributing, non-voting);
- options or performance rights granted by the **Responsible Entity** to acquire units in PE1.

PERMITTED TRADING

- participation in any director or employee incentive plan operated by the Responsible Entity pursuant to which a director or employee may obtain an interest in PE1 securities, including:
 - accepting an offer under an employee or director incentive plan and the subsequent grant of units, options or performance rights pursuant to such an offer; and
 - vesting of any units, options or performance rights under an employee or director incentive plan,
- the following categories of passive **trades**:
 - acquisition of **PE1 securities** through a distribution reinvestment plan;
 - acquisition of **PE1 securities** through a unit purchase plan available to all retail unitholders;
 - acquisition of **PE1 securities** through a rights issue; and
 - the disposal of **PE1 securities** through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of **PE1 securities** already held into a superannuation fund or trust of which the person is a beneficiary).

PROHIBITED PERIODS

Means any period during which there is a trading blackout. The dates of trading blackouts may vary from year to year depending on the timing of the release of information. Further details on the procedure for trading is set out at Attachment A.

RESPONSIBLE ENTITY

Pengana Investment Management Limited ABN 69 063 081 612.

TRADE/TRADING

Includes, relevantly:

- buying or selling **PE1 securities**;
- granting, acquiring or disposing of any beneficial interest in **PE1 securities** (or any option or other right to acquire or dispose of PE1 units);
- acquiring, transferring or exercising options or performance rights over PE1 units;
- trading in **PE1 securities** acquired as a result of exercising options or as a result of the vesting or transfer of performance rights or units under any director or employee incentive plans;
- acquiring PE1 units under any PE1 employee unit plan, including acquiring PE1 units after the exercise of options or performance rights;
- applying to participate, or varying participation, in the PE1 Distribution Reinvestment Plan;
- agreeing to do any of the above things.

9.2 INTERPRETATIONS

- a. Words importing gender include the masculine, feminine and neuter genders and the singular includes the plural and vice versa.
- b. Headings are included for convenience only and will not affect the construction or interpretation of the Policy.

10 ATTACHMENTS

Attachment A - Procedure – Personal Trading in **PE1 securities**

Attachment B - Summary of Legal Prohibition on **Insider Trading**

ATTACHMENT A: PROCEDURE FOR TRADING IN PE1 SECURITIES

1 TRADING BLACKOUTS

PE1 permits personal trading in **PE1 securities** by **directors** and employees during periods when there is no trading blackout. However, **directors** and employees who **trade** during these periods still have a legal obligation to satisfy themselves that they are not in possession of **inside information**.

REMEMBER: Whenever a person is in possession of **inside information**, trading is prohibited - even during periods where there is no trading blackout.

TRADING BLACKOUTS APPLYING TO ALL DIRECTORS AND EMPLOYEES *		
Public Announcements	Trading Blackout Starts	Trading Blackout Closes
Half year results	31 December	At the close of trading on the day of the announcement of PE1's half year results to the market
Full year results	30 June	At the close of trading on the day of the announcement of PE1's annual results to the market
Other	At any other time when a trading blackout is declared by the PIML Chairman	At any other time when a trading blackout is declared by the PIML Chairman

* Trading blackout periods may be subject to change. The exact timing of the periods will depend on the date of the ASX announcement. **Directors** and employees are required to ensure that there is no trading blackout in existence and to obtain pre-**trade** approval prior to notifying or placing a personal **trade** in **PE1 securities**.

The open and close of trading blackout periods will be advised to all **directors** and employees by email, by PIML's **Company Secretary** or PCG Lawyer. A trading blackout period may be declared for all or particular **directors** and employees, at any time where this is necessary to manage a potential **insider trading** risk, or the appearance of **insider trading**, as detailed in Section 3 of these Procedures.

Directors and employees subject to this policy are required to familiarise themselves with the timing of the trading blackout periods and are responsible for ensuring their compliance.

Trades must be executed by the close of the ASX before the trading blackout applies. Settlement may occur afterwards.

2 PRE-CLEARANCE PROCEDURE FOR DIRECTORS AND EMPLOYEES

2.1 NOTIFICATION OF INTENTION TO TRADE

Directors are to provide email notification of intended trading (except for any **Permitted Trading**) to PE1's **Chairman** and **Company Secretary** (copy in the PCG Lawyer).

Employees (other than **directors**) are to provide email notification of intended trading (except for any **Permitted Trading**) to PCG's Operations Team.

Notification of an intended **trade** must be given in writing and may be provided by email or memorandum. The following information regarding the **PE1 securities** to be **traded** must be included in the communication:

- type of **PE1 security**, e.g. ordinary units, options;
- number of **PE1 securities**;
- whether the **trade** is a sale or purchase;
- name of person/entity intending to **trade**;
- how long the **trade** is expected to take.

There is no requirement to obtain pre-clearance in respect of any **Permitted Trading**.

2.2 APPROVAL OF TRADES

The PIML **Chairman** and the **Company Secretary** are both required to approve the proposed **trades** by **directors**, except for **Permitted Trading**.

In the absence of the PIML **Chairman**, the PCG Chief Executive Officer is required to approve the proposed **trade** or in their absence, any other director may approve the proposed **trade** (apart from the director wanting to **trade**).

In the absence of the PIML **Company Secretary**, the PCG Lawyer is required to approve the proposed **trade**.

In the event that the **Chairman** wants to **trade PE1 securities** the **trade** must be approved by the PIML **Company Secretary** (or in their absence, the PCG Lawyer) and the PCG Chief Executive Officer or, in their absence, any other director.

Employees (other than **directors**) are required to have their **trades** approved by the PCG Operations Team except for **Permitted Trading** and should use the "Staff Pre-Trade Advice Form". The PCG Operations Team will advise the PIML **Company Secretary** of any requests for pre-trade approval in respect of **PE1 securities** before the **trades** are approved.

Requests to **trade** will be considered as soon as possible, in order of receipt. It is the responsibility of the director or employee to follow-up a response to their request to **trade** with the PIML **Company Secretary** or the PCG Operations Team as relevant. The PIML **Company Secretary** and the PCG Operations Team will maintain a record of all written approvals or denials to **trade**.

Approvals to **trade** will be valid for five business days following the day on which approval was granted. Approval to **trade** is not an endorsement of the proposed **trade** and director and employees are responsible for their compliance with **insider trading laws**. Provided the **trade** is made within the five business days, settlement may occur afterwards.

Directors must provide the PIML **Company Secretary** with a copy of the broker's **trade** confirmation immediately once the **trade** has been executed so that the PIML **Company Secretary** can attend to the required ASX notifications.

Approvals may be withdrawn, varied or the period of approval shortened where:

- the power of veto has been exercised and communicated to the director or employee in accordance with Section 3 of these procedures;
- approval is granted within five business days of a **trading** blackout coming into effect, in which case the approval will expire once the **trading** blackout comes into effect.

Approval to **trade** may be denied at the absolute discretion of the persons charged with approving the **trade**. The persons approving the **trade** may consider any reasons they consider appropriate, including the appearance of **insider trading** and the significant reputational damage that may cause PE1 and the director or employee.

The director or employee is not entitled to receive any reasons for why the **trade** is denied. If approval is denied, the director or employee must keep that information confidential and not disclose it to anyone.

Where approval to **trade** is denied, or the approval period has expired, the director or employee may reapply. If a director or employee wants to reapply, it is their responsibility to make further requests to **trade** until such time as a **trade** is permitted.

3 POWER OF VETO

Despite the fact that a **trading** blackout is not in existence, or that an individual director or employee has been given approval for an intended **trade**, it may be necessary to veto **trading** for legal or perception reasons. The veto may apply to an individual, group, division or all **directors** or employees.

The power of veto is reserved to the **Chairman** and any other director. Acting jointly the **Chairman** and any other director can:

- overturn any approval to a director or employee to **trade**; or
- declare a **trading** blackout period without prior notice.

This power of veto may be exercised where a matter has arisen which renders it inappropriate for personal **trading** in **PE1 securities** to be conducted by an individual, group, division or all **directors** and employees. This may occur in the following situations:

- considerable **trading** has occurred in **PE1 securities** at a significant discount to NTA;
- a takeover or merger approach is made;
- other significant corporate actions.

Where the **Chairman** is not available, or the veto involves the **Chairman** personally (e.g. overturning the **Chairman's** approval to **trade**) the veto decision should be considered by the Chair of the Audit Committee and any other director acting jointly or in the absence of the Chair of the Audit Committee, by any two **directors** acting jointly.

Where the power of veto has been exercised this will be immediately communicated in writing to the individual or group affected.

4 EXEMPTIONS

Requests for exemption from the requirements of these procedures should be directed in writing to the **Company Secretary**. Exemptions will only be granted in **Exceptional Circumstances** and only where:

- there is no legal risk of **insider trading** and no risk of the appearance of **insider trading**;
- **trading** is not prohibited by virtue of Section 3 of these procedures; and
- person requesting the exemption has certified, in such form as is required, that they are not in possession of **inside information** regarding PE1.

Exemptions will be considered by the PIML **Chairman** and **Company Secretary** (or by their alternates as set out in “Approval of **Trades**” in Section 2 of these procedures).

5 FURTHER DISCLOSURE REQUIREMENTS

Trading in PE1 securities in a personal capacity may result in disclosure obligations to regulators. These include notification to the ASX of:

- any **trading** in PE1’s securities by PIML **directors** (within five business days of the **trade**);
- changes to substantial unitholdings as a result of **trading** by **directors** and executive **officers** in a **personal capacity**.

The **Company Secretary** will attend to any such disclosures.

ATTACHMENT B: SUMMARY OF LEGAL PROHIBITIONS ON INSIDER TRADING

This description of the legal prohibition on **insider trading** is provided for information purposes only and is not intended as legal advice and is not to be relied upon as such. **Directors** and employees are responsible for ensuring their actions comply with relevant legal and regulatory requirements.

Part 7.10 (Division 3) of the Corporations Act, 2001 ('Act') regulates the prohibition on **insider trading**. Generally, **insider trading** refers to **trading** of financial products that can be **traded** on a financial market, based on price sensitive information that is not generally available.

1 INFORMATION

Information is defined in Section 1042A of the Act. It may be obtained verbally or in writing.

Information includes:

- matters of supposition and other matters that are insufficiently definite to warrant being made known to the public (that is, inferences or conclusions drawn from potential outcomes); and
- matters relating to the intentions, or likely intentions of a person.

Examples include:

- merger and takeover discussions;
- possible profit warnings;
- possible departure of key personnel.

2 INFORMATION WHICH IS NOT GENERALLY AVAILABLE

Section 1042C of the Act provides that information is generally available when:

- it consists of a readily observable matter; or
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in financial products whose price might be affected by the information (and deductions, conclusions or inferences made or drawn as a result of such), and since it has been made known, a reasonable period for it to be disseminated among such persons has elapsed.

Accordingly, information will be not generally available where it does not satisfy either of the above criteria. Employees are likely to have access to information that is not generally available during the course of their employment.

Examples include:

- the financial performance of the Fund;
- changes in the capital structure of the Fund, including proposals to raise additional equity or borrowings;
- changes to the board of directors of the Responsible Entity or significant changes in key management personnel; or
- removal or replacement of the Investment Manager.

3 PRICE SENSITIVE

Information is price sensitive if a reasonable person would expect the information to have a 'material effect' on the price or value of the financial product. Under Section 1042D of the Act, this will be the case if the information would, or would be likely to, influence people who commonly acquire financial products in deciding whether or not to subscribe for, buy or sell the financial product.

4 PROHIBITED CONDUCT BY A PERSON IN POSSESSION OF PRICE SENSITIVE INFORMATION

Directors or employees who possess price sensitive information in relation to financial products that is not generally available must not:

- subscribe for, purchase or sell (or agree to subscribe for, purchase or sell) those financial products;
- procure another person to do so; or
- directly or indirectly, communicate the information or cause the information to be communicated to another person if the employee knows, or ought reasonably to know, that the other person would or would be likely to:
 - subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such financial products; or
 - procure a third person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such financial products