

1 September 2026

Investing for growth

Pengana's FY26 underlying base fee performance remained robust as private credit continued to grow, lifting average base fee revenue margins. **We lift our valuation to A\$1.98 per share reflecting changes to forecasts and primary valuation methodology to a residual income model.**

Key Messages

FY26 a transition year: FuM saw continued growth momentum (+11.8% pcp to A\$4.07bn) due to the strong inflows from private credit and private equity, which more than offset the outflows in listed funds. Base fee revenues and margins strongly improved too. However, total revenues and profitability missed our estimates, mainly due to lower-than-expected performance fees and higher-than-expected product/marketing expenses (with the launch of the AI Private Opportunities Trust).

Optimistic on Private Markets: Pengana is positive on the outlook for its business, especially for the private markets side which continues to attract flows and contribute an increasing percentage of management fees or net base revenues (41% in 1H26 to 51% in FY26). They are keen to launch more products in the near term and see potential upside for private credit (changes in CGT) and private equity (AI Opportunities fund; exposure to an AI provider nearing IPO).

Lifting Valuation, Trimming Estimates

Downward estimate revisions: We lower our cash EPS estimates by -29% for FY27E and -2% for FY28E due to weakness in listed equities and increased product/marketing expenses for expected product/fund launches.

Change in valuation approach: We change our primary valuation model from a P/E multiple method to the General Residual Income model since the prior method fails to capture the multi-year growth trajectory that PCG is currently in and actively building. Our model produces an estimate of A\$1.98/share, +34.6% higher from the prior valuation estimate of A\$1.47/share.

Investment Thesis

Pivot to private markets will accelerate growth and long-term re-rating: The proportion of FuM in private market strategies is set to increase, which should support FuM growth, fee margin growth and in time, a valuation re-rating. This is in addition to favourable superannuation tailwinds and new product launches.

Catalysts and Risks

Next key catalysts: FuM updates provided monthly should provide an of the effectiveness of Pengana's initiatives, particularly shift to private markets.

Risk to investment thesis: With many of Pengana's funds featuring performance fees, adverse markets or investment performance will impact Pengana's performance fee earnings, and hence its profitability. Refer page 8 for more risks.



Pengana Capital Group is a leading Australian provider of premium, value added fund management products focused on the higher-end retail market (advisors and self managed superannuation funds) and high net worth individuals operating for over 20 years with around A\$3.8bn of funds under management.

www.pengana.com

Key Data

Valuation (A\$)	1.98
Current Price (A\$)	0.685
Market Cap (A\$m)	67.0
30 Day Average Turnover (A\$)	12,145

Trim Capital estimates

FY Year End	26A	27E	28E	29E
Adj NPAT (m)	-5.4	9.9	15.2	17.1
EPS adj (c)	-5.1	10.7	16.3	17.3
EPS gwth (%)	-168	-299	54	6
PE adj (x)	-13.4	6.4	4.2	4.0
DPS (c)	2.5	6.0	8.0	10.0
Div yield (%)	3.6	8.8	11.7	14.6
ROE (%)	-6.7	12.6	17.9	21.9
PB (x)	0.84	0.79	0.72	0.95

12- Month Share Price Performance



Source: LSEG

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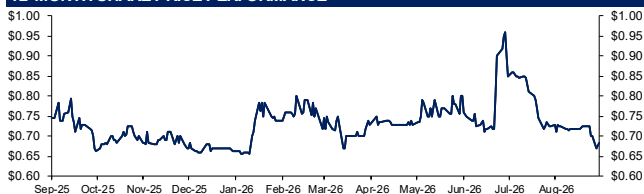
Financial Summary

PENGANA CAPITAL GROUP LIMITED

PCG-AX

Year end 30 June, A\$

12-MONTH SHARE PRICE PERFORMANCE



MARKET DATA

Price	A\$	\$0.685
Valuation	A\$	\$1.98
52 week low - high	A\$	0.65 - 1.01
Market capitalisation	A\$m	67.0
Shares on issue (ordinary)	m	97.8
Options / rights (currently antidilutive)	m	0.0
Other equity (treasury shares)	m	-4.8
Shares on issue (basic)	m	93.1

INCOME STATEMENT		FY25A	FY26A	FY27E	FY28E	FY29E
Gross base revenue	A\$m	40.5	41.9	54.9	62.4	71.7
Profit share on base revenue	A\$m	-10.4	-10.6	-13.7	-15.1	-16.9
Net base revenue	A\$m	30.1	31.3	41.2	47.2	54.8
Operating expenses	A\$m	-24.7	-25.6	-26.9	-28.4	-30.9
Base operating EBITDA	A\$m	5.3	5.7	14.3	18.9	23.9
Performance fees	A\$m	16.0	5.7	17.3	24.3	20.0
Profit share on performance fees	A\$m	-8.0	-2.9	-7.8	-10.9	-10.0
Market development expenses	A\$m	-2.3	-4.3	-4.3	-4.3	-4.3
Product and brand development	A\$m	-1.1	-9.8	-5.5	-5.5	-5.5
Operating EBITDA	A\$m	9.9	-5.5	14.0	22.5	24.2
Underlying profit before income tax	A\$m	9.8	-6.5	13.1	21.5	23.2
Underlying profit after tax	A\$m	6.8	-4.8	9.9	15.2	16.1
Reported NPAT	A\$m	1.7	-9.9	7.9	15.2	17.1
Cash NPAT	A\$m	6.8	-5.4	9.9	15.2	17.1
Weighted average ordinary shares	m	101.6	98.4	97.8	97.8	97.8
Weighted average diluted shares	m	90.6	95.8	97.8	97.8	97.8

BALANCE SHEET

		FY25A	FY26A	FY27E	FY28E	FY29E
Cash and cash equivalents	A\$m	20.4	14.0	23.5	33.9	43.6
Receivables	A\$m	6.9	17.9	20.2	23.3	27.2
Property, plant and equipment	A\$m	0.7	0.7	0.6	0.7	0.8
Goodwill and other intangibles	A\$m	49.2	47.0	47.0	47.0	47.0
Other assets	A\$m	58.6	294.2	328.2	372.2	397.4
Total Assets	A\$m	135.9	373.8	419.6	477.2	516.0
Trade and other liabilities	A\$m	9.7	12.8	54.0	103.4	163.8
Borrowings	A\$m	0.0	2.8	2.8	2.8	2.8
Other liabilities	A\$m	41.6	281.9	281.9	282.0	281.9
Total Liabilities	A\$m	51.3	297.5	338.7	388.2	448.5
Net assets	A\$m	84.6	76.3	80.8	88.9	67.5
Net tangible assets	A\$m	35.4	29.3	33.9	42.0	20.5
Invested capital	A\$m	64.2	68.5	63.5	61.2	30.1
Tangible invested capital	A\$m	15.0	21.5	16.5	14.3	-16.9

Contributed equity	A\$m	117.3	116.6	116.6	116.6	116.6
Treasury shares	A\$m	-7.8	-7.6	-7.6	-7.6	-7.6
Reserves	A\$m	48.6	46.4	46.4	46.4	46.4
Accumulated losses	A\$m	-73.5	-79.1	-74.5	-66.4	-58.3
Non-controlling interests	A\$m	0.0	0.0	0.0	0.0	0.0
Total equity	A\$m	84.6	76.3	80.8	88.9	97.1
Basic shares on issue	m	94.0	93.2	93.2	93.2	93.2

CASH FLOW

		FY25A	FY26A	FY27E	FY28E	FY29E
Operating						
Net operating cashflow	A\$m	12.7	-7.1	6.9	11.5	12.7
Investment						
Capital expenditure	A\$m	-0.2	-0.3	-0.1	-0.1	-0.1
Financial instruments at fair value	A\$m	-36.8	-234.7	-39.3	-52.0	-68.8
Acquisitions and divestments	A\$m	1.0	2.5	-6.0	-6.0	-6.0
Net investment cashflow	A\$m	-36.0	-232.6	-45.4	-58.1	-74.9
Financing						
Equity	A\$m	-3.8	-4.8	-2.8	-6.5	-8.4
Debt	A\$m	10.7	6.2	12.5	12.5	12.5
Unitholders	A\$m	28.6	232.8	39.3	52.0	68.8
Leases	A\$m	-0.9	-1.0	-1.0	-1.0	-1.0
Net financing cashflow	A\$m	34.6	233.3	48.0	57.0	71.9
Net cash flow	A\$m	11.3	-6.3	9.5	10.4	9.7
Free cash flow to equity	A\$m	15.1	-1.6	12.3	16.9	18.1

INVESTMENT FUNDAMENTALS		FY25A	FY26A	FY27E	FY28E	FY29E
EPS - underlying	cps	7.6	-5.1	10.7	16.3	17.3
EPS - basic	cps	1.9	-10.6	8.5	16.3	18.4
EPS - diluted reported	cps	1.9	-10.6	8.1	15.6	17.5
EPS - diluted cash	cps	7.5	-5.8	10.1	15.6	17.5
EPS growth	%	large	-177%	-275%	54%	12%
PE underlying	x	9.0	-13.4	6.4	4.2	4.0
PE cash	x	9.1	-11.8	6.8	4.4	3.9
DPS	cps	4.0	2.5	6.0	8.0	10.0
Franking	%	100%	100%	100%	100%	100%
Dividend yield	%	6%	4%	9%	12%	15%
Payout ratio on cash profit	%	55%	-43%	56%	49%	54%
Operating cash flow per share	cps	14.0	-7.4	7.1	11.8	13.0
Free cash flow to equity per share	cps	16.6	-1.7	12.6	17.3	18.5
FCF yield	%	24.3%	-2.4%	18.4%	25.2%	27.0%

Enterprise value	\$m	51	64	55	44	35
EV/Total Revenue	x	0.91	1.35	0.76	0.51	0.38
EV/EBITDA	x	6.75	-6.54	5.62	2.44	1.74

NAV per share	A\$	0.90	0.82	0.87	0.95	0.72
Price / NAV	x	0.76	0.84	0.79	0.72	0.95
NTA per share	A\$	0.38	0.31	0.36	0.45	0.22
Price / NTA	x	1.82	2.18	1.89	1.52	3.11

DUPONT ANALYSIS		FY25A	FY26A	FY27E	FY28E	FY29E
Net Profit Margin	%	1%	-21%	10%	17%	18%
Asset Turnover	x	2.18	1.03	0.94	0.71	0.52
Return on Assets	%	1%	-22%	10%	12%	9%
Financial Leverage	x	0.33	0.57	0.97	1.44	2.26
Return on Equity	%	0%	-12%	9%	17%	21%

KEY RATIOS		FY25A	FY26A	FY27E	FY28E	FY29E
FuM	A\$m	3,639	4,069	4,611	5,315	6,189
Listed equities	A\$m	2,681	2,470	2,585	2,741	2,990
Private equity	A\$m	458	786	952	1,152	1,318
Private credit	A\$m	500	813	1,075	1,422	1,881
Management fees / FuM	%	1.16%	1.09%	1.19%	1.26%	1.25%
Performance fees / FuM	%	0.46%	0.15%	0.38%	0.49%	0.35%
Revenue / FuM	%	1.62%	1.24%	1.57%	1.75%	1.59%
Operating EBITDA margin	%	13%	-21%	13%	21%	22%
ROE - reported	%	2%	-12%	10%	18%	22%
ROE - cash	%	9%	-7%	13%	18%	22%
Net debt	A\$m	-15.7	-2.8	-12.3	-22.7	-32.4
Gearing (net debt / EBITDA)	x	-2.06	0.28	-1.27	-1.25	-1.63
Leverage (net debt / invested capital)	x	-0.24	-0.04	-0.19	-0.37	-1.08

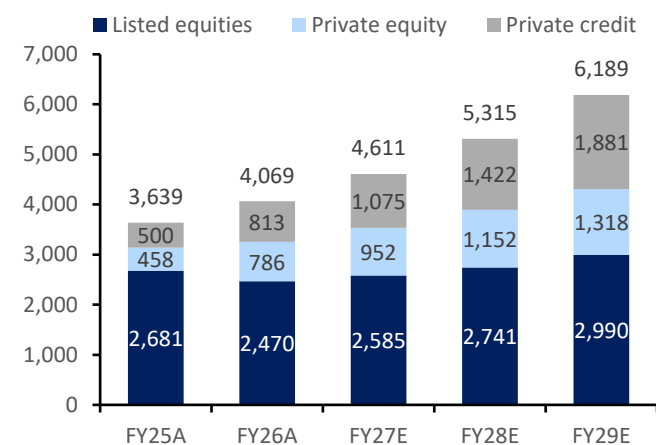
HALF YEARLY DATA

		1H26A	2H26A	1H27E	2H27E	1H28E
Gross base revenue	A\$m	23.1	18.8	26.9	28.0	30.3
Profit share on base revenue	A\$m	-5.5	-5.1	-6.7	-7.0	-7.4
Net base revenue	A\$m	17.6	13.7	20.1	21.0	22.9
Operating expenses	A\$m	-11.2	-14.5	-12.6	-14.3	-13.3
Base operating EBITDA	A\$m	6.5	-0.7	7.6	6.7	9.6
Performance fees	A\$m	5.7	0.0	7.9	9.5	11.2
Profit share on performance fees	A\$m	-2.8	0.0	-3.5	-4.3	-5.0
Market development expenses	A\$m	-2.2	-2.2	-2.2	-2.2	-2.2
Product and brand development	A\$m	-2.5	-7.3	-2.7	-2.7	-2.7
Operating EBITDA	A\$m	4.6	-10.1	7.0	7.0	10.9
Underlying profit before income tax	A\$m	3.7	-10.1	6.5	6.5	10.4
Underlying profit after tax	A\$m	2.4	-7.2	5.3	4.7	7.4
Reported NPAT	A\$m	-0.4	-9.5	3.0	4.4	7.1
Cash NPAT	A\$m	2.1	-7.5	5.0	4.4	7.1
EPS - diluted cash	cps	2.1	-8.0	5.1	4.5	7.2
EPS - diluted reported	cps	-0.5	-10.1	3.0	4.5	7.2
DPS	cps	2.5	0.0	3.0	3.0	4.0

Source: PCG reports, Trim estimates

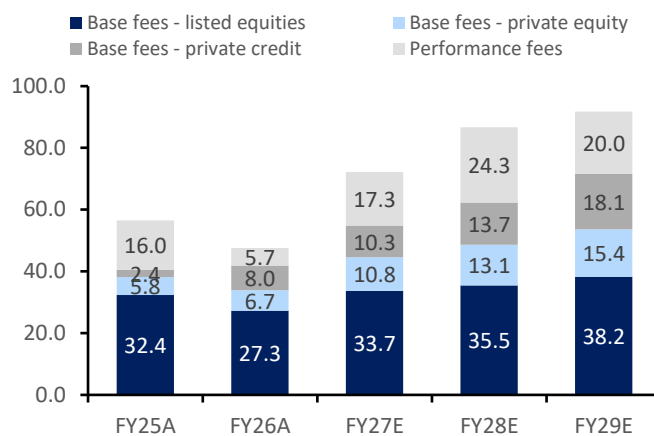
Key Charts

Figure 1: Funds Under Management (A\$m)



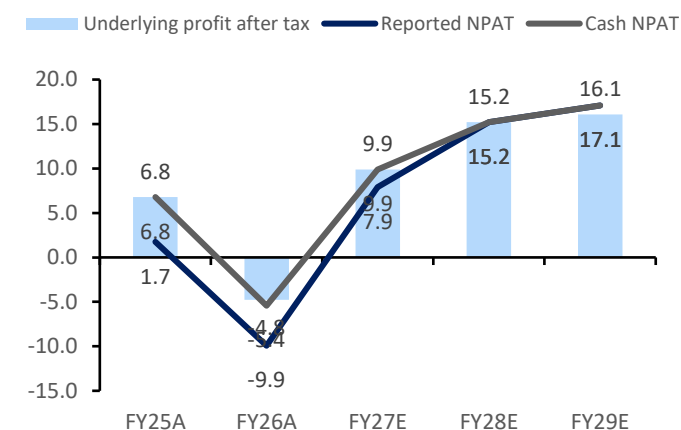
Source: Company reports, Trim Capital estimates

Figure 2: Base fees and performance fees (A\$m)



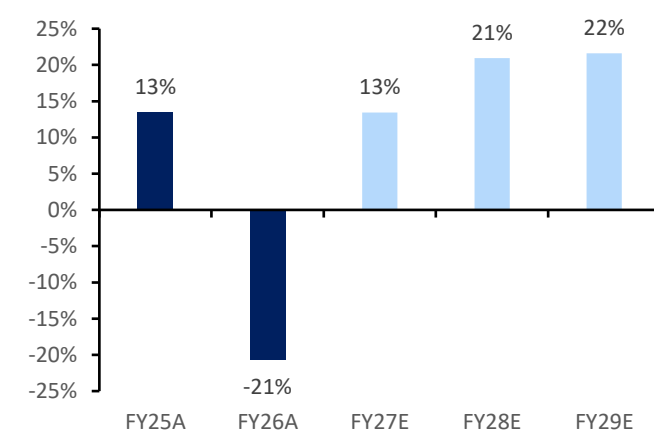
Source: Company reports, Trim Capital estimates

Figure 3: Net Profit After Tax (A\$m)



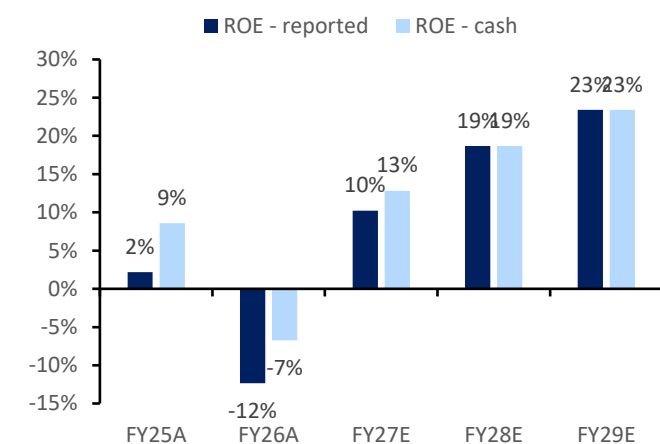
Source: Company reports, Trim Capital estimates

Figure 4: Operating EBITDA margins (%)



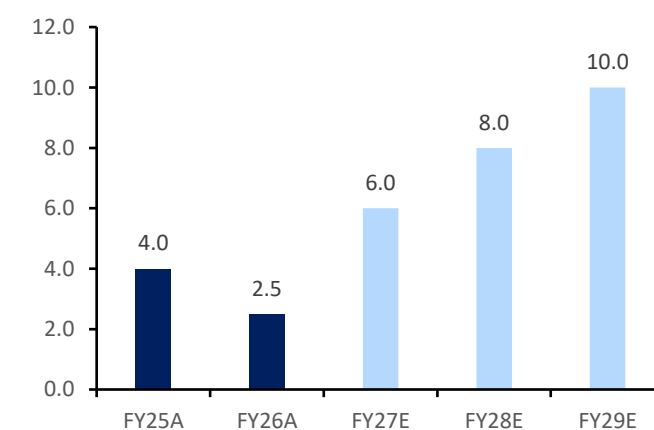
Source: Company reports, Trim Capital estimates

Figure 5: Return on Equity (%)



Source: Company reports, Trim Capital estimates

Figure 6: Dividends (cps)



Source: Company reports, Trim Capital estimates

What's changed

FY26 was a tale of two businesses – private markets are experiencing the best of times

Funds Under Management (FuM) saw continued growth momentum (+11.8% pcp to A\$4.07bn) due to the strong inflows from private credit (~\$395m) and private equity (~\$329m, benefitting from the SpaceX IPO and AI Private Opportunities Trust), which more than offset the outflows (~\$232m) in listed funds (60% of total FuM). Base fee revenues and margins strongly improved too. However, total revenues and profitability (operating EBITDA, Cash NPAT) missed our expectations, mainly due to lower-than-expected performance fees and higher-than-expected product/marketing expenses (relating to the launch of the AI Private Opportunities Trust). The weakness in performance fees could be partly attributed to asset class cyclicalities (particularly gold) and market-wide headwinds, which also impacted other asset managers such as GQG and Regal Partners.

Optimistic despite some challenges

Pengana retains a positive outlook for its business, especially for the private markets side which continues to attract flows and contribute an increasing percentage of management fees or net base revenues (41% in 1H26 to 51% in FY26). With the success of the AI Private Opportunities launch, management is keen to launch more/similar products in the near term. They are also seeing potential upside for the private credit side (given changes in CGT) and the private equity side (such as the return prospects of AI Opportunities fund, upside from IPO of a well-known LLM provider where they have exposure to). Overall, we see no major changes to its business outlook across different segments, aside from a relatively pedestrian tone for its listed equities relative to the more optimistic view for its global private equity offering.

Forecast revisions

Given 2H26 performance, latest FuM data (31 July 2026), and recent market developments (local property development private credit concerns – which should work in Pengana's private credit favour), we have revised our forecasts for FY27-FY28 and introduce our forecasts for FY29 for the first time.

Figure 7: Summary of forecast revisions for FY27 and FY28

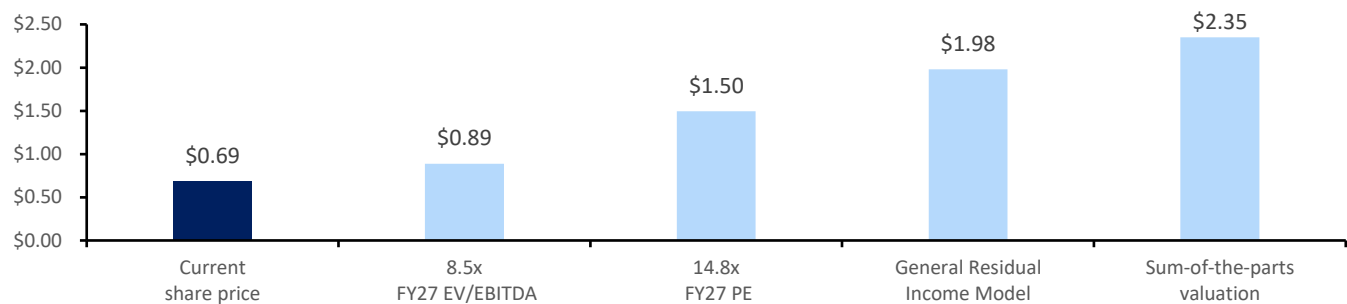
		FY26A			FY27E			FY28E		
		Forecast	Actual	% diff	Old	New	% chg	Old	New	% chg
FuM	A\$m	4,148.5	4,069.3	-2%	4,701.3	4,611.5	-2%	5,188.5	5,314.9	2%
Gross base revenue	A\$m	47.3	41.9	-11%	53.9	54.9	2%	60.3	62.4	3%
Profit share on base revenue	A\$m	-10.9	-10.6	3%	-11.2	-13.7	-23%	-11.8	-15.1	-28%
Net base revenue	A\$m	36.4	31.3	-14%	42.7	41.2	-4%	48.5	47.2	-3%
Operating expenses	A\$m	-26.4	-25.6	3%	-27.4	-26.9	2%	-28.4	-28.4	0%
Base operating EBITDA	A\$m	10.0	5.7	-43%	15.3	14.3	-7%	20.1	18.9	-6%
Performance fees	A\$m	14.2	5.7	-60%	10.6	17.3	64%	7.9	24.3	208%
Profit share on performance fees	A\$m	-6.9	-2.9	58%	-4.8	-7.8	-64%	-3.6	-10.9	-208%
Product and brand development	A\$m	-4.0	-4.3	-9%	-2.8	-4.3	-52%	-2.8	-4.3	-52%
Market development expenses	A\$m	0.0	-9.8	n.a.	0.0	-5.5	n.a.	0.0	-5.5	n.a.
Operating EBITDA	A\$m	13.5	-5.5	-141%	18.3	14.0	-23%	21.6	22.5	4%
Underlying profit before income tax	A\$m	15.4	-6.5	-142%	19.7	13.1	-34%	23.0	21.5	-7%
Underlying profit after tax	A\$m	12.1	-4.8	-140%	14.7	9.9	-33%	16.3	15.2	-7%
Reported NPAT	A\$m	6.4	-9.9	-254%	11.6	7.9	-32%	15.6	15.2	-2%
Cash NPAT	A\$m	11.4	-5.4	-148%	14.0	9.9	-29%	15.6	15.2	-2%
EPS diluted reported	cps	6.6	-10.6	-261%	11.8	8.1	-31%	15.9	15.6	-2%
EPS diluted cash	cps	11.6	-5.8	-150%	14.2	10.1	-29%	15.9	15.6	-2%
DPS	cps	5.0	2.5	-50%	7.0	6.0	-14%	10.0	8.0	-20%

Source: Company Reports, Trim Capital estimates

Valuation

We value Pengana at A\$1.98, using the general residual income model. This is 34.6% higher from prior estimate of A\$1.47, which was derived using the P/E multiple method (from peer comparables). The prior method fails to capture the multi-year growth trajectory that PCG is currently in and actively building. At the current share price, we estimate PCG is trading at 0.84x FY26 book, 2.2x FY26 NTA, and a forward dividend yield of 8.8%.

Figure 8: Trim Capital valuation approaches (A\$ per share)



Source: Company reports, Trim Capital estimates

Primary valuation: General Residual Income Model

In this valuation model, we use a two-stage model, using our explicit EPS and BVPS forecasts over the next five years, followed by a terminal value based upon a 3.0% growth rate. We assume a risk-free rate of 5.0% (increased from 4.0%) and an equity risk premium of 5.0% with a beta of 1x to derive a cost of equity ("COE") of 10.0%. Our general residual income model includes the return of performance fees for Pengana. Our model produces a valuation of A\$1.98 per share, -22% lower from our prior estimate of A\$2.53 per share. This valuation estimate presents a 189% upside to current share price.

Figure 9: Trim Capital General Residual Income Model of Pengana Capital Group Ltd

Current date		1-Sep-26										
Last balance date		30-Jun-26										
		Jun-26	Dec-26	Jun-27	Dec-27	Jun-28	Dec-28	Jun-29	Dec-29	Jun-30	Dec-30	Jun-31
Book value per share	A\$	0.82	0.85	0.87	0.91	0.95	1.00	1.04	1.09	1.13	1.20	1.25
Equity charge	A\$		-0.04	-0.04	-0.04	-0.05	-0.05	-0.05	-0.05	-0.05	-0.06	-0.06
Cash EPS	A\$	-0.08	0.05	0.04	0.07	0.08	0.08	0.08	0.09	0.09	0.11	0.11
Residual income	A\$	-0.08	0.01	0.00	0.03	0.03	0.03	0.03	0.04	0.03	0.05	0.05
Discounted cash flow	A\$	0.00	0.01	0.00	0.03	0.03	0.03	0.03	0.03	0.02	0.04	0.03
Sum of discount streams	A\$	0.23	CAPM									
Future value into perpetuity	A\$	1.47	Risk free rate				5.0%					
NPV of terminal value	A\$	0.93	Equity beta				1					
add net assets	A\$	0.82	Equity risk premium				5.0%					
Residual income value per share	A\$	1.98	Cost of equity				10.0%					
P/B multiple implied by GRIM valuation	x	2.42	Terminal growth				3.0%					
Upside/downside	%	189%										

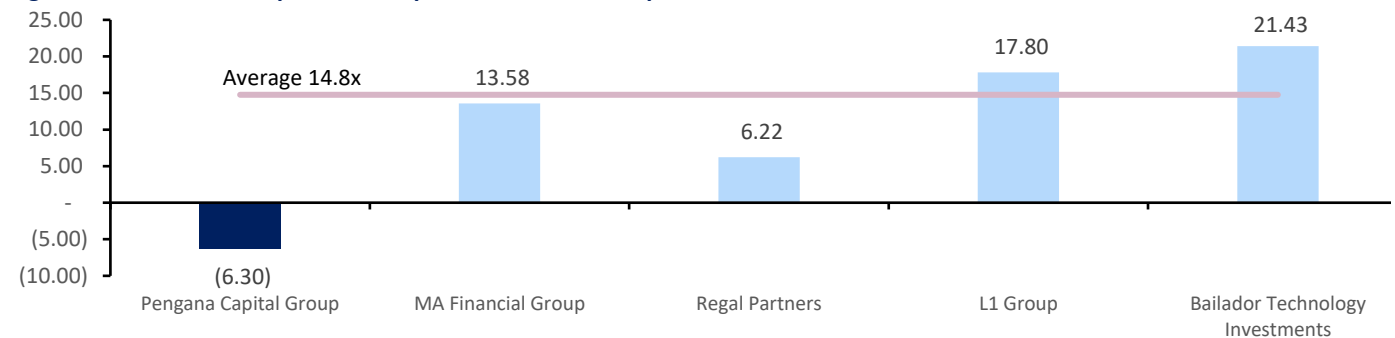
Source: Company reports, Trim Capital estimates

Alternative methods

Peer multiples: There are several listed Australian asset managers in the ASX but due to corporate developments (PCG pivoting to private markets, PPT's takeover, MFG's pivot to investment banking, GQG's focus on low-fee quant strategies), we deem that they are not the appropriate peers for doing our comparison. We came up with a new set of peers (as seen below) and calculated the LTM multiples for P/E and EBITDA, along with averages across the comp set (excluding PCG).

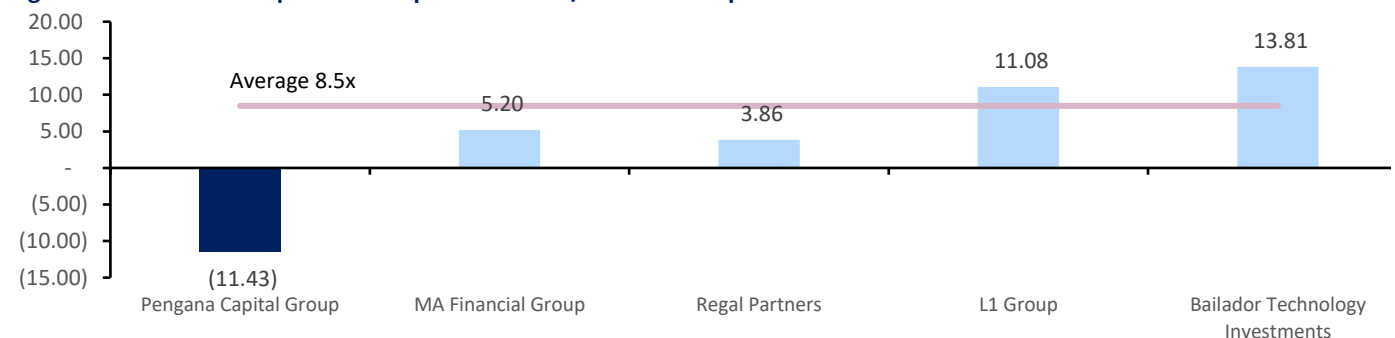
If we place Pengana's FY27E diluted cash EPS of A\$0.101/share on a multiple of 14.8x (peer average), the valuation is at A\$1.50/share, which presents a +119% upside and is not much different from our prior estimate of A\$1.47/share. Meanwhile, if we use EV/EBITDA multiple of 8.5x on PCG's EBITDA, then it produces a valuation of A\$0.89/share, which presents a +30% upside.

Figure 11: Selected comparable companies LTM P/E multiples



Source: FactSet consensus estimates, Trim Capital estimates

Figure 12: Selected comparable companies LTM EV/EBITDA multiples



Source: FactSet consensus estimates, Trim Capital estimates

Sum-of-the-Parts (SOTP): We followed the company's valuation framework, as outlined in its latest presentation. It provided investors of how management views the business and its perception of value, along with general guidelines for multiples. Note that we used our own forecasts vs the company's guidance for figures regarding base operating EBITDA and performance fees. We then applied the average from peer multiples (11.6x EV/EBITDA) to these metrics, resulting to a valuation of A\$2.38 per share, presenting a 243% upside from current price.

Figure 10: Sum-of-the-parts (SOTP) valuation

Shares outstanding (m)						97.84
	Metric	Period	Amount (A\$m)	Multiple (x)	Valuation (A\$m)	per share (A\$)
Underlying business (recurring)	Base operating EBITDA	FY27E	14.3	11.6	165.3	1.69
Non-recurring business	Net performance fees	FY27E	9.5	5.8	55.2	0.56
Other costs	Product development, corporate costs	FY27E	(8.6)	1.0	(8.6)	(0.09)
Assets held	Investible assets	FY26A	21.0	1.0	21.0	0.21
Group enterprise value					232.9	2.38
Less: Net debt					(2.8)	(0.03)
Equity value					230.1	2.4
Upside/downside						243%

Source: Company reports, Trim Capital estimates

Investment Thesis

Pengana Capital Group (“Pengana”) is currently trading on low multiples relative to peers despite a recovery in FuM and the return of performance fees, driving a turnaround in profitability. FuM, which bottomed in October 2023 and has risen almost every month since, seems to have escaped the market given the fall in Pengana’s share price over the same period.

We believe that the following factors will drive improved share price performance:

- **Pivot to private markets (credit, equity)** will provide diversification, drive FuM growth, and improve margins;
- **Performance fees** should improve as more funds exceed their prior high watermarks;
- **Trading at cheap valuation multiples** despite sustained growth in FuM and revenues;

With two large substantial strategic shareholders - its CEO & co-founder and Soul Patts – there is minimal liquidity in the stock, potentially positioning it for a squeeze should another investor seek to build a sizeable position in the company.

Catalysts

	Expectation		Timing
Sustained FuM growth	• Pengana continues to launch new products to capitalise on the demand for private credit and private equity.	➔	• FuM updates provided monthly should be an indicator of the effectiveness of Pengana’s initiatives (shift to private markets, new product launches).
Private Credit growth lifting average base fees	• As the mix of Pengana’s FuM in private credit increases, this is set to lift its average base fee.	➔	• We expect this trend to continue for the foreseeable future with the increasing traction that Pengana is gaining in Private Credit.
Recovery in Private Equity	• The global PE industry had weak returns and inflows over the last few years but there are signs of a potential upside on the horizon, especially as super funds (i.e. AustralianSuper) look to increase their allocation to this asset class.	➔	• We expect to see some traction on this over the next 12 months, especially with its holdings on LLMs that are looking to IPO in the near term.

Risks

As with any investment, there are certain risks associated with operations as well as the surrounding economic and regulatory environments common to the industry. The Australian Institute of Company Directors encourages directors to think about risks under a strategic, financial and operational category framework.

Figure 13: Risks

Strategic	Financial	Operational
Dynamic and changing market	Macroeconomic conditions	Governance
New and innovative offerings	Liquidity and funding risks	Key personnel
Initiatives to capture market share	Credit risk	Information technology
Capabilities and culture	Fraud	Cybersecurity and data protection
Reputation		Force majeure events
Obsolescence		Litigation, claims and disputes

Source: Company reports, Trim Capital estimates

Furthermore, there are significant compliance risks. Given regulators' powers these can become strategic, financial and/or operational risks. The recent move by the Australian Treasurer to advance a "financial sector regulatory initiatives grid" to push regulators to consider how changes are introduced to avoid overburdening financial institutions, based on a similar policy used in the UK, should assist in managing the risk around implementing changes in compliance requirements.

Figure 14: Regulatory compliance matrix

Regulator	Regulates
AUSTRAC	Anti-money laundering and counter terrorist financing requirements
Office of the Australian Information Commissioner (OAIC)	Australian Privacy Principles
Australian Prudential Regulatory Authority (APRA)	Prudential regulation
Australian Securities and Investments Commission (ASIC)	Financial Service licencing and Credit licencing administered by the Australian Securities and Investments Commission (ASIC);
Australian Competition and Consumer Commission (ACCC)	Australian Consumer Law and unfair contract terms contained in the Corporations Act
Australian Taxation Office (ATO)	Taxation legislation
Australian Accounting Standards Board (AASB) and ASIC	Accounting standards required under the Corporations Act

Source: Company reports, Trim Capital estimates

Since 2018 APRA has had the power to regulate non-APRA regulated lenders should APRA determine that those lenders are materially contributing to financial stability risks. Pengana's Private debt funds might qualify as a non-bank lender (but highly unlikely given the way these funds have been structured) and while they wouldn't normally be regulated by APRA, could in extreme circumstances if APRA seeks implement regulations to address systemic risks.

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