

AUDIT AND RISK CHARTER



Pengana Investment Management Limited

ABN 69 063 081 612 , AFSL 219 462

**11 FEBRUARY
2019**

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AUDIT AND RISK CHARTER

1 PURPOSE

Pengana Investment Management Limited ('PIML' or 'Responsible Entity') is the Responsible Entity for the Pengana Private Equity Trust (ASX: PE1) ('Trust' or 'PE1'), a registered managed investment scheme, and is the investment manager for Pengana International Equities Limited (ASX: PIA) ('PIA'), a listed investment company. Both PE1 and PIA are listed on the Australian Securities Exchange ('ASX').

PIML 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').

The purpose of the Audit and Risk Charter is to assist and advise the Responsible Entity's Board in fulfilling its corporate governance and oversight responsibility in relation to the integrity of financial reporting and internal control structure and reviewing the compliance, risk management systems and external audit functions of the Trust and of the Responsible Entity.

2 ROLE OF THE BOARD

The responsibilities and duties of the Responsible Entity's Board in meeting its purpose as set out in section 1 are as follows:

2.1 Financial reporting

For the Trust and Responsible Entity:

- Review financial reports and financial information prepared by management and understanding the impact of significant accounting and reporting issues, including recent pronouncements, on the financial reports.
- Assess the appropriateness of accounting policies and principles and any changes to them, in order to maintain the compliance of the financial reporting framework.
- Obtain an independent opinion from the external auditor (as required) about the appropriateness of accounting policies and principles and the clarity of current or proposed financial disclosures put forward by management.
- Review and discuss with management and the external auditor (as required) the areas of significant estimates or judgments, non-compliance with laws and regulations, accounting and tax matters and risks, and the management of those risks.
- Receive from management confirmation that the integrity of financial reports is founded on a sound system of risk management and internal control which is operating effectively.
- Report to the Pengana Board matters which may significantly impact the financial condition of the Responsible Entity and/or the Trust.

2.2 External audit

- Review the annual audit plan including the scope of the external audit and identified risk areas.
- Review the reports of the external auditor so that significant findings and recommendations made, along with the responses of management, are appropriately acted on.
- Report to the Pengana Board any significant findings arising out of the reports of the external auditor.
- Assess the performance and independence of external auditor.
- Report to the Pengana Board any audit quality concerns that are not satisfactorily resolved with the external auditor

2.3 Risk management

- Assess the effectiveness of the Responsible Entity's risk management framework, including compliance and internal controls practices and policies.
- Oversee and monitor the Responsible Entity's effectiveness in managing its key risks and internal controls.

2.4 General

- Report to the Pengana Board any updates regarding the operations of the Responsible Entity's Audit and Risk framework
- Report to the Pengana Board minutes and matters arising from each meeting of the Board of the Responsible Entity

3 REVIEW AND ASSESSMENT

The Charter 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.

4 DEFINITIONS

4.1 Definitions

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

TERM	DEFINITION
ASX	means ASX Limited ABN 98 008 624 691 or, as the context requires, the securities market conducted by ASX.
Board	means the full board of directors of Pengana Investment Management Limited.
Chairman	means the chair of the Board, as appointed by the Board.
Director	means a member of the Board of Pengana Capital Group Limited, of Pengana Investment Management Limited or of Pengana Capital Limited.
Investment Manager	means Grosvenor Capital Management, L.P.
Laws	means all applicable laws in place in the relevant jurisdiction including but not limited to regulatory guides and the ASX Listing Rules.
Pengana Group	means Pengana Capital Group Limited ABN 43 059 300 426 and each of its related bodies corporate.
Responsible Entity	means Pengana Investment Management Limited ABN 69 063 081 612.

4.1 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 Charter.