

**PRODUCT  
GUIDE**

# **PENGANA WHEB SUSTAINABLE IMPACT FUND**



**PENGANA**  
CAPITAL

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This Pengana WHEB Sustainable Impact Fund Product Guide (**Fund Product Guide**) provides additional information about topics under the prescribed sections of the Pengana WHEB Sustainable Impact Fund Product Disclosure Statement dated 1 October 2021 (**PDS**). The information in this Fund Product Guide forms part of the PDS. Words defined in the PDS have the same meaning in this Fund Product Guide.

This Fund Product Guide and the PDS contain important information you should consider before making an investment decision in relation to the Pengana WHEB Sustainable Impact Fund (**the Fund**). The information provided in this Fund Product Guide and the PDS is general information only and does not take into account your personal financial situation, needs or objectives. We recommend you obtain financial advice for your own personal circumstances before making any investment decision.

These documents are available from [www.pengana.com](http://www.pengana.com) or you can request a copy free of charge by calling us or your investor directed portfolio service, master trust or wrap operator (collectively referred to as an **IDPS** in this Fund Product Guide and the PDS). The content in these documents may change from time to time.

Pengana Capital Limited (**Pengana**) is a subsidiary of Pengana Capital Group Limited (**PCG**). No company in the PCG group of companies (**PCG Group**), nor WHEB Asset Management LLP (**WHEB**), nor any other party, guarantees the capital value, payment of income or performance of the Fund. An investment in the Fund does not represent a deposit with or liability of the PCG Group and is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

## 1. ABOUT PENGANA INVESTMENT MANAGEMENT

Pengana Capital Limited (**Pengana, we, our, us**) (ABN 30 103 800 568) (AFSL 226566) is the responsible entity of the Pengana WHEB Sustainable Impact Fund (**the Fund**). Pengana is wholly owned by Pengana Capital Group Limited (**PCG**).

## 2. HOW THE PENGANA WHEB SUSTAINABLE IMPACT FUND WORKS

### ISSUE OF UNITS

The number of units issued to an investor is dependent on the Entry Price of the Fund for that particular day.

Units are generally allotted on the business day that Pengana receives a valid Application Form or Additional Investment Form, provided that the relevant form is received and identified by 2pm Sydney time on that business day. Any such form received and identified by Pengana after 2pm Sydney time on a business day is deemed to have been received on the next business day. Units will be issued at the Entry Price applicable for that day.

Note that an application is not considered to be valid until the application monies have been cleared. Any interest earned on application monies will not be paid to you – rather it will become an asset of the Fund.

An application for Units may not be withdrawn once submitted without Pengana's consent.

Pengana has the discretion to refuse an application. Interest is not payable on rejected application monies.

Upon receiving and accepting an application for units, Pengana will issue a transaction confirmation statement setting out the number of units issued. The confirmation statement may be issued via email and/or post.

The allocation of additional units by way of the automatic reinvestment of income is free of the buy spread.

Unitholders investing from outside Australia may experience a delay in the processing of applications due to international funds clearance.

Pengana may issue fractions of units.

### ENTRY PRICE

The PDS relates to the offer of one Class of units in the Fund. Units in the Fund are issued at the Entry Price (also known as the Application Price) which is calculated as follows:

- the net asset value (NAV) of a Class reflects the value of the assets attributable to that Class at the close of business in each market in which the Fund invests less all liabilities attributable to that Class,
- the Unit Value is calculated by dividing the NAV of the Class by the number of units on issue at the close of each business day, and
- the Entry Price is calculated by adding to the Unit Value an amount equal to an estimate of the transaction cost per unit of acquiring Authorised Investments (i.e. brokerage). This transaction cost is also referred to as a buy spread.

For unitholders electing to have income automatically reinvested, the Entry Price for those units is equal to the Unit Value and does not include the buy spread.

### EXIT PRICE

The Exit Price (also known as the Redemption Price) of units in the Fund is calculated as follows:

- the net asset value (NAV) of a Class reflects the value of the assets attributable to the Class at the close of business in each market in which the Fund invests less all liabilities attributable to the Class,
- the Unit Value is calculated by dividing the NAV of the Class by the number of units on issue at the close of each business day, and
- the Exit Price is calculated by subtracting from the Unit Value an amount equal to an estimate of the transaction cost per unit of disposing of Authorised Investments (i.e. brokerage). This transaction cost is also referred to as a sell spread.

### UNIT PRICING DISCRETIONARY POLICY

Pengana has adopted a Unit Pricing Discretionary Policy that sets out the rules and guidelines it follows when valuing the Funds' assets. Unitholders can request a copy of the policy document by contacting Pengana.

### MAKING AN INITIAL INVESTMENT

The minimum initial application amount is \$10,000.

An Application Form accompanies the current PDS and is also available on our website at [www.pengana.com](http://www.pengana.com).

Investors can make initial investments by sending a duly completed Application Form and any requisite documentation in accordance with the form's instructions.

### MAKING AN ADDITIONAL INVESTMENT

Existing unitholders in the Fund may invest further amounts in that Fund of \$2,000 or more at any time.

An Additional Investment Form is available on our website at [www.pengana.com](http://www.pengana.com).

Investors can make additional investments by sending a duly completed Additional Investment Form and any requisite documentation in accordance with the form's instructions.

Additional units may also be acquired through the reinvestment of income distributions or via the Regular Savings Plan, which has a minimum monthly contribution amount of \$500.

If you are an existing unitholder, but wish to invest in another Pengana Fund you must complete a new application form.

### DISTRIBUTION PAYMENTS

Unitholders can request to have income distributions reinvested in the Fund or paid into their bank account. Where no selection is made, we will reinvest any income back into the Fund. Payments will not be made to bank accounts in foreign countries. New Zealand investors who do not have an Australian bank account will have their distributions reinvested.

### REINVESTMENT IN ADDITIONAL UNITS

Unitholders may elect to have income distributions automatically reinvested in additional units. In this case:

- additional units are issued using the post distribution Entry Price and processed on the transaction date of 30 June, and
- the Entry Price for those units is equal to the Unit Value and does not include the buy spread.

### REGULAR SAVINGS PLAN

The Regular Savings Plan (**RSP**) provides an opportunity to save and accumulate long term wealth. It also allows you to benefit from averaging the cost of your units through periods of fluctuating market prices. To start a Regular Savings Plan you will need to:

- make an initial investment of \$10,000 or more,
- nominate a monthly investment amount of \$500 or more,
- complete the Regular Savings Plan section of the Application Form or the Change of Details Form.

We will debit your account on the 15<sup>th</sup> calendar day of each month or the following business day if the 15<sup>th</sup> falls on a weekend or public holiday.

Normal transaction costs apply to monthly investments. Your financial institution may charge you a fee on the monthly debit to your account.

#### **MAKING CHANGES TO AN ACCOUNT**

A Change of Details Form is available from our website [www.pengana.com](http://www.pengana.com).

#### **SWITCHING BETWEEN PCG FUNDS**

All or part of an investment can be switched between PCG funds that use the same external fund administrator and unit registry.

Transaction costs will apply for the redemption and application components of each switch. Further, other fees such as management fees or performance fees may change as a result of a switch to another Fund as detailed in the relevant PCG fund's product disclosure statement.

To use the switching facility, please contact us via phone (+61 2 8524 9900) or email ([clientservice@pengana.com](mailto:clientservice@pengana.com)).

Switching involves a disposal of the original units, which may realise a capital gain or loss for the unitholder.

If switching into a different PCG fund, the minimum initial investment amounts, for the relevant fund, will still apply.

You should consult your financial or taxation adviser before you switch your investments between PCG funds.

#### **REDEEMING AN INVESTMENT**

The minimum redemption amount is \$2,000 or the entire investment balance if the redemption would cause the unitholder's account balance to fall below \$10,000. Pengana has the right to waive the minimum redemption amount at its discretion.

A Redemption Request Form is available on our website at [www.pengana.com](http://www.pengana.com).

Investors can make redemption requests by sending a duly completed Redemption Request Form and any requisite documentation in accordance with the form's instructions.

Where a duly completed Redemption Request Form and any requisite documentation is received and identified by Pengana by 2pm Sydney time it will be processed using the Exit Price at the close of business that day. If it is received and identified after 2pm Sydney time it will be processed using the Exit Price at the close of business on the following business day.

Once lodged, redemption requests may not be withdrawn except with our consent.

Withdrawals will generally be effected by way of redemption. Please refer to section 9 of this Fund Product Guide for further information.

Redemption payments will generally be made within 5 Business Days although the Fund's Constitution allows up to 30 days for payment to be made.

Withdrawal payments will only be made payable to the Investor and directed to the account nominated on the Investor's Initial Application Form (as updated by the Investor from time to time).

Withdrawal payments will not be made to bank accounts in foreign countries (other than New Zealand).

#### **REDEMPTION SUSPENSIONS**

We may suspend redemptions if we believe it is in the best interests of unitholders as a whole to do so or if it is not possible to calculate an Exit Price due to circumstances outside our control, e.g. market disruption.

Any redemption requests received during a period of suspension will receive the Exit Price applicable to the Business Day immediately following the end of the suspension period.

#### **DEDUCTING AMOUNTS OR REDEEMING UNITS IN CERTAIN CIRCUMSTANCES**

We may deduct from a withdrawal payment any amount owed under the Fund's Constitution, including taxes.

We may also redeem some or all of an investor's unitholding in the Fund to satisfy any such amounts or if we form the opinion that the unitholding is prejudicial to the interests of other investors.

### **3. BENEFITS OF INVESTING IN THE PENGANA WHEB SUSTAINABLE IMPACT FUND**

#### **KEEPING YOU INFORMED**

If you invest directly into the Fund, we will keep you up to date on your investment by providing or making available:

- transaction confirmations
- transaction statements at least annually
- distribution statements
- an annual tax statement for Australian resident investors to assist in completing tax returns, and
- an annual financial report.

Our website has additional information about the Fund including unit prices, performance and performance reports.

You can obtain information on your account and update your details by contacting our Client Services team.

If you invest via an IDPS you can obtain information on your investment in the Fund by contacting your IDPS operator.

#### **4. RISKS OF MANAGED INVESTMENT SCHEMES**

There is no additional information for this section.

### **5. HOW WE INVEST YOUR MONEY**

#### **AUTHORISED INVESTMENTS**

The Fund invests predominantly in global listed equities and in particular will invest in such equities in those sectors identified by the investment manager as providing solutions to the challenges of sustainability. Investments may however also be made in other transferable securities, money market instruments and near cash. The Fund may also invest in derivatives.

#### **DERIVATIVES**

Derivatives may be used to for efficient portfolio management, i.e. techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

- a) they are economically appropriate in that they are realised in a cost effective way;
- b) they are entered into for one or more of the following specific aims:
  - i) reduction of risk;
  - ii) reduction of cost;
  - iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and risk diversification rules laid down by the UK Financial Conduct Authority (FCA).

Derivatives will not be used for the purposes of leverage and the Fund's net exposure will never be short.

#### **BORROWING POWER**

Short term overdrafts (for less than one month and less than 10% of the NAV of the Fund) are allowed provided that the Fund is not overall leveraged.

The Fund's Constitution allows an amount not exceeding 30% of the value of the Fund to be borrowed, however, it is not envisaged that this level will be required.

## ETHICAL INVESTMENTS

WHEB believes that sustainable investment and the integration of ESG issues can have a material impact on the future success and profitability of businesses. WHEB's investment strategy is focused on identifying companies that provide products and services that help to solve challenging social and environmental issues, and that are also able to manage ESG issues effectively as part of running a high quality business. WHEB's approach to sustainability and ESG issues in their investment process is to consider these issues as an integral part of an assessment of the quality of the business overall.

## CHANGES TO THE FUND

Information in the PDS is up to date at the time of preparation but is subject to change from time to time. We may make changes to the Fund (and the information in the PDS) without prior notice to you where such changes are not materially adverse. This may include, but is not limited to, closing the Fund to new applications, changes to the Fund's investment objective (including benchmark), investment strategy, asset allocation and service providers. If a change is considered materially adverse, we will issue a replacement PDS.

Information that is not materially adverse and material information that is subject to

the continuous disclosure requirements of the Corporations Act may be obtained in a number of ways. You should check our website [www.pengana.com](http://www.pengana.com) for the latest information or you can obtain a copy of any updated information free of charge by calling Client Service on +61 2 8524 9900. If you invest via an IDPS and you would like to receive notices of any changes to the Fund or PDS you should request this from your IDPS operator.

## 6. FEES AND COSTS

The fees and costs outlined in the PDS and this Guide are for the Fund only.

If you are investing in the Fund via an IDPS, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

This section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Termination fee</b> The fee to close your investment	Nil	Not applicable
<b>Management costs<sup>1</sup></b> The fees and costs for managing your investment		
<b>Management Fee</b>	1.35% p.a.	Paid to Pengana for investing the assets of the Fund, represented as a percentage of the net asset value of the relevant Class of units in the Fund. Accrued daily and paid monthly from the Fund and reflected in the unit price.
<b>Estimated Indirect Costs</b>	0.00%	Calculated on the basis of Pengana's reasonable estimate of such costs attributable to the Class or interposed vehicle's assets once the cost is incurred and reflected in the unit price.
<b>Service Fees</b>		
<b>Investment switching fee</b> The fee for changing investment options.	Nil	There is no investment switching fee

<sup>1</sup> See 'Additional explanation of fees and costs' paragraphs later in this section for further details. The management costs are quoted inclusive of Goods and Services Tax ('GST') and net of any reduced input tax credits ('RITC') at the prescribed rates.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

You should read all of the information about fees and costs, as it is important to understand their impact on your investment in the Fund.

### Indirect Costs

Indirect costs are any amount that Pengana knows or estimates will reduce the Class' return that are paid from the Fund or the assets of an interposed vehicle where the Class has an investment.

An interposed vehicle is a body, partnership or trust that Pengana reasonably believes has more than 70% of its assets by value invested in securities or other financial products. For example, an interposed entity includes an underlying fund.

Indirect costs include management costs of an interposed vehicle (such as performance fees, reimbursable expenses and indirect costs of the interposed vehicle) and a reasonable estimate of the costs of investing in over-the-counter (OTC) derivatives (either at the Fund's level or in interposed vehicles), which may be used by the Fund to gain exposure to the underlying assets.

The amount of indirect costs set out in the fees and costs template above is based on Pengana's knowledge of or reasonable estimate of such costs. Indirect costs may differ from the amount set out above. Indirect costs are deducted from the returns on investors' investment in the Fund or the Fund's assets as a whole. They are reflected in the unit price of the Fund and are not an additional cost to you.

### Reimbursable expenses

The Constitution entitles Pengana to be reimbursed from the Fund for all costs and expenses properly incurred in acting as responsible entity or in relation to the administration and management of the Fund. The expenses may include, but are not limited to, audit fees, PDS preparation and printing costs, and custodian and registry services. However, for the life of the PDS Pengana has determined that the management fee will cover all fees and expenses of the Fund excluding transaction costs and abnormal expenses such as the cost of holding an investor meeting.

### Transaction and operational costs

The Fund will incur transactional and operational costs when dealing with the assets of the Fund, including transactional brokerage, clearing costs, the buy/sell spreads of any underlying funds and/or derivatives.

Transactional and operational costs associated with dealing with assets of the Fund may be recovered by Pengana and paid out of the Fund's assets. We estimate the Fund's transactional and operational costs to be approximately 0.319% p.a. The net transactional and operational costs not recovered through the buy/sell spread are estimated to be 0.012% p.a.

Based on a buy spread of 0.30%, an investment of \$50,000 will incur a transaction cost of \$150. Based on a sell spread of 0.30%, a withdrawal of \$50,000 would also incur a transaction cost of \$150.

### Payments to IDPS operators

These are commercial payments made by Pengana to IDPS operators. If you invest via an IDPS these payments may be rebated to you or may be retained by the IDPS operator.

How and when these payments are made vary between Pengana and IDPS operators. They are paid by Pengana out of the management costs that it receives from the Fund and are not additional costs to you.

### Management fee may be negotiated with direct wholesale clients

Wholesale clients who invest directly in the Fund may be able to negotiate a rebate of part or all of the management fee by contacting Pengana. We suggest that you consult your tax adviser in regard to the tax treatment of any fee rebates.

## 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

### US FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")

Pengana may be required under Australian tax legislation to request investors to provide additional information in order to comply with US FATCA compliance obligations. FATCA is a US tax law that requires Foreign Financial Institutions (FFIs) to comply with a number of additional compliance obligations in order to ensure that 30% FATCA withholding tax is not deducted from certain US sourced income, gross proceeds from the sale of securities giving rise to such income and 'pass thru' payments.

### OECD COMMON REPORTING STANDARD

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (known as Common Reporting Standard or CRS) requires certain financial institutions to report information regarding certain financial accounts to their local tax authority and also requires certain due diligence procedures to be followed.

Generally speaking, the responsible entity of the Fund will be required to report information under the CRS. We may therefore request that investors and prospective investors provide certain information in order to comply with the requirements. A jurisdiction that has signed the CRS Multilateral Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Multilateral Competent Authority Agreement. Australia is a signatory of the CRS Multilateral Competent Authority Agreement and the Australian Government has enacted legislation to give effect to the CRS.

## 8. HOW TO APPLY

There is no additional information for this section.

## 9. OTHER INFORMATION

### ADMINISTRATOR AND CUSTODIAN

The administrator and custodian of the assets of the Fund is BNP Paribas.

### IMPORTANT INFORMATION FOR NEW ZEALAND INVESTORS IN THE PENGANA WHEB SUSTAINABLE IMPACT FUND

This Important Information for New Zealand Investors in the Pengana WHEB Sustainable Impact Fund (Fund) must be read together with the current Australian Product Disclosure Statement and Product Guide relating to the Fund. Words defined in the Product Disclosure Statement or Product Guide have the same meaning in this document.

### Warning statement for New Zealand Investors in the Pengana WHEB Sustainable Impact Fund

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

#### **Distribution reinvestment scheme**

Units in the Fund allotted under the distribution reinvestment scheme will be allotted in accordance with the current Australian Product Disclosure Statement, Product Guide and the Constitution for the Fund.

Within 30 days of the day on which the units in the Fund are allotted to a person under the distribution reinvestment scheme, the person will be sent a statement of the amount of the distribution and the number of securities that have been allotted to that person.

Pengana may suspend the distribution reinvestment scheme at any time including for the purpose of controlling the size of the Fund and protecting investors' interests.

The distribution reinvestment scheme contains provisions requiring that:

- a) at the time the price of the specified financial products is set, the issuer has no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the financial products if the information were publicly available;
- b) the right to acquire, or require the issuer to issue, specified financial products is offered to all holders of financial products of the issuer of the same class, other than product holders who are resident outside Australia or New Zealand and who are excluded by the issuer to avoid a risk of breaching the laws of the relevant overseas country;
- c) every product holder to whom the right is offered is given a reasonable opportunity to accept it;
- d) the specified financial products issued to a product holder are issued on the terms disclosed to the holder; and
- e) the specified financial products issued to a product holder are subject to the same rights as the financial products issued to all holders of financial products of the same class who agree to receive the financial products.

The following documents are available from Pengana, on request and free of charge:

- the most recent annual report of the Fund (if any);
- the most recent financial statements of the Fund (if any), including the auditor's report in respect of those financial statements (if any); and
- the current Australian Product Disclosure Statement and Product Guide relating to the Fund.

These documents may be obtained by electronic means at [www.pengana.com](http://www.pengana.com)

#### **Withdrawals by New Zealand Investors**

Withdrawals from the Fund are normally effected by way of redemption.