

RESPONSIBLE INVESTING

Pengana Capital Group is committed to best practices in Responsible Investing. We are a member of the Responsible Investment Association Australasia (RIAA), and a signatory to the UN's Principles for Responsible Investment (PRI). We source ESG company research from a specialist provider, and the various ESG frameworks utilised by our strategies are subject to review by a number of independent organisations. We are also committed to sound corporate governance, voting on behalf of investors, and engaging with companies on issues such as board composition, remuneration, corporate accountability, and shareholder rights.



BELIEFS AND COMMITMENTS



Pengana Capital Group ('Pengana') is a diversified funds management group, with distinct investment strategies that aim to deliver superior long-term risk-adjusted returns to investors. Awareness and management of issues that impact the well-being of people and the environment is central to our funds' objectives and Pengana's responsibilities to its shareholders.

Our merger with Hunter Hall in 2017 introduced a range of ethically and sustainably driven funds to Pengana and an appreciation of the virtues of Responsible Investing that has subsequently spread throughout our broader business. We recognise the importance of environmental, social and governance ("ESG") factors and we embrace the current and ongoing advancements in awareness, transparency, and reporting.

OUR BUSINESS

Pengana Capital Group is committed to:

- Ensuring appropriate governance, data security and disclosure of policies
- Providing a flexible and supportive work environment
- Reducing our carbon footprint
- Recognising our community responsibilities and improving our positive impact

OUR VALUES

Do the right thing...

Acting with integrity and honesty all the time

Talk straight...

Communicating openly and frankly with empathy and respect

Make it happen...

Taking the initiative and getting things done

Smarter together...

Taking the initiative and getting things done



ESG

Assessment of material ESG factors is an inherent part of our funds' investment processes, and we have a dedicated ESG policy for each of our main investment strategies. As long-term investors, assessment of non-financial risks and opportunities through a robust ESG framework is essential when assessing a potential investment. We invest under the premise that companies with strong environmental, social, and governance practices prove to be the best long-term investments.



OUR APPROACH

We believe ESG factors are long term value drivers and risk mitigants, and we are committed to their integration into our funds' investment processes. We believe this is consistent with our duty to act in the best interests of investors and maximise value for them.

Pengana offers a wide range of funds and strategies, and we believe the best framework is for each investment team to develop its own distinct approach to responsible investing that is tailored to their asset class and client base.

[ESG POLICY →](#)

STEWARDSHIP

Pengana considers engagement with investee companies as an important aspect of the investment decision-making process. We recognise that we have the potential to influence investee company practices by virtue of significant holdings in those companies, which are held on behalf of our clients. We take a thoughtful and deliberate approach to asset stewardship, voting on behalf of investors and engaging with companies on issues such as board composition, remuneration, corporate accountability, and shareholder rights.

OUR FUNDS

Pengana offers a broad range of investment solutions that allow investors to align their portfolios with their principles without compromising their investment returns.

Whilst all [our funds](#) have defined ESG policies, the funds listed below also have additional ethical or sustainable screens applied across their portfolios.

[Axiom International Ethical Funds](#)

[High Conviction Equities Fund](#)

[High Conviction Property Securities Fund](#)

[Pengana International Equities Limited \(ASX:PIA\)](#)

[WHEB Sustainable Impact Fund](#)

Our negatively screened Funds exclude companies that cause harm to people, animals, or the environment from their investment universe. These include sectors such as weapons manufacturing, tobacco, gambling, uranium mining, and fossil fuel exploration and production.

We offer a Sustainable Impact Fund, managed by WHEB Asset Management out of the UK. WHEB is a highly experienced and respected sustainable investment manager, and this Fund only invests in companies that create a positive social or environmental impact or produce goods and services to address the challenges of sustainability.

Our range of funds also includes Australia's only high conviction AREIT fund with an ESG focus. The Pengana High Conviction Property Securities Fund believes that responsible investing is important to generate long-term sustainable returns. Incorporating ESG factors alongside financial measures provides a complete view of the risk/return characteristics of our property investments.

OVERSIGHT AND REPORTING

Pengana's Risk Team, including Pengana's Chief Investment Officer, provides oversight of each strategy's compliance with their respective ethical and ESG mandates. The ESG Committee, comprising senior members of Pengana's executive team, meets monthly to monitor ESG and carbon risk exposures, ESG integration within the internally managed funds, voting and engagement activity, and manage external reporting requirements.



LEADERSHIP

In 2022 Pengana established a flagship event series titled Conscious Capitalism, hosted across 3 major cities. The adviser-only events host 3 keynote speakers from around the world, and serve as an educational forum for financial planners to grow their knowledge and understanding of responsible investing in order to facilitate better, more informed conversations with their clients, which we believe will contribute to the shift to more 'conscious capital' as more investors build greater understanding of the need, as well as opportunities, for a responsible approach to investing. The Conscious Capitalism series is accredited by the Financial Planners Association of Australia.

OUR COMMUNITY

To February 2023, over \$ 2.1 million has been donated to registered community organisations from a charitable investment fund for which we are the investment manager and the trustee on a pro-bono basis.

[PCG MODERN SLAVERY POLICY →](#)

[CODE OF CONDUCT POLICY →](#)

[WHISTLEBLOWER POLICY →](#)

Acknowledgement of Country

In the spirit of reconciliation Pengana acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea, and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

