



PENGANA
INTERNATIONAL
EQUITIES LIMITED

PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

30 June 2023 Investor Presentation



Zenith
Recommended



Independent Investment Research
Recommended



Lonsec
Investment Grade



CERTIFIED BY RIAA



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Pengana has appointed Harding Loevner as Pengana's corporate authorised representative under Pengana's AFSL.

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Pengana International Equities Limited has been certified by the Responsible Investment Association Australasia (RIAA) according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details. RIAA's RI Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance, or ethical considerations. The Symbol also signifies that Pengana International Equities Limited adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Registered Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Pengana International Equities Limited's methodology, performance, and stock holdings can be found at www.responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

AGENDA

- I **Corporate overview**
- II Highlights for the year ending 30 June 2023
- III Portfolio update
- IV Harding Loevner overview

CORPORATE OVERVIEW

RESPONSIBLE INVESTING – CAPITAL GROWTH – RELIABLE INCOME

PIA's objective is to provide shareholders with:

- **capital growth** from investing in an ethically screened and actively managed portfolio of international businesses, and
- regular, reliable and **fully franked dividends**, paid quarterly.

PIA is managed by Pengana Capital Group (PCG), a listed diversified funds management group, offering distinct investment strategies, that aim to deliver superior long-term risk-adjusted returns to investors, with a focus on capital preservation.

Harding Loevner, a highly regarded global institutional fund manager, is the investment team responsible for the investment of PIA's portfolio.

PIA has a “Recommended” rating from Zenith and Independent Investment Research (IIR), “investment Grade” from Lonsec and is certified by the RIAA.

RESPONSIBLE INVESTING: THE LARGEST INTERNATIONAL ETHICAL LIC ON THE ASX



Ethical Screens

- Pre trade application of Pengana's Ethical Screens that seek to avoid investment in companies that derive operating revenues from direct and material business involvement¹ in the following:
 - Adult content, alcohol, non-regulatory testing on animals, fossil fuels, gambling, GMOs in agriculture, human right abuses, mining, nuclear, severe impact on ecosystems, tobacco, weapons



Sustainable Investing

- ESG risks and opportunities examined in each stage of our investment process.
- ESG scorecard considers consequences of ESG-related concerns for business's sustainability.



Responsible Engagement

- Engage regularly with company management over the potential impact of ESG risks on long-term returns.
- Encourage adoption of practices that foster sustainable growth.
- Promote high standards of behavior and disclosure in every proxy vote.



Responsible Investment

- PIA has been continuously certified by Responsible Investment Association of Australasia ('RIAA') since 2006
- Harding Loevner is a signatory to the UN Principles for Responsible Investment ('UNPRI') and the UK Stewardship Code
- Pengana Capital Group is a signatory to the UNPRI and member of RIAA

1. *Material business involvement is generally considered to be over 5% of production of, or 15% aggregate revenue from, the production, distribution and retail of the screened product/service. For thresholds on each specific screen please refer to the Responsible Investment Policy located [here](#).

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FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDING 30 JUNE 2023

Final quarter dividend	1.35 cps to be paid on 15 September 2023, fully franked at 25% tax rate	Annual dividend	5.4 cps paid quarterly, yield of 5.2% or 7.0% grossed up for franking ¹
Net Assets 30 June 2023	\$313 million or \$1.22 per share (post-tax)	Net Assets 11 August 2023	\$315 million or \$1.23 per share (post-tax)
Net profit after tax	\$38 million	Earnings per share	14.96 cents per share
Portfolio return since inception²	7.9%	Buy back	423,797 shares were acquired at an average discount of 20.4% Buyback extended through to 22 August 2024
Profit reserves	\$188 million or over 13 years dividend cover	Franking reserves	\$8.4 million, equivalent to a fully franked dividend of 8.42 cps, franked at 25%

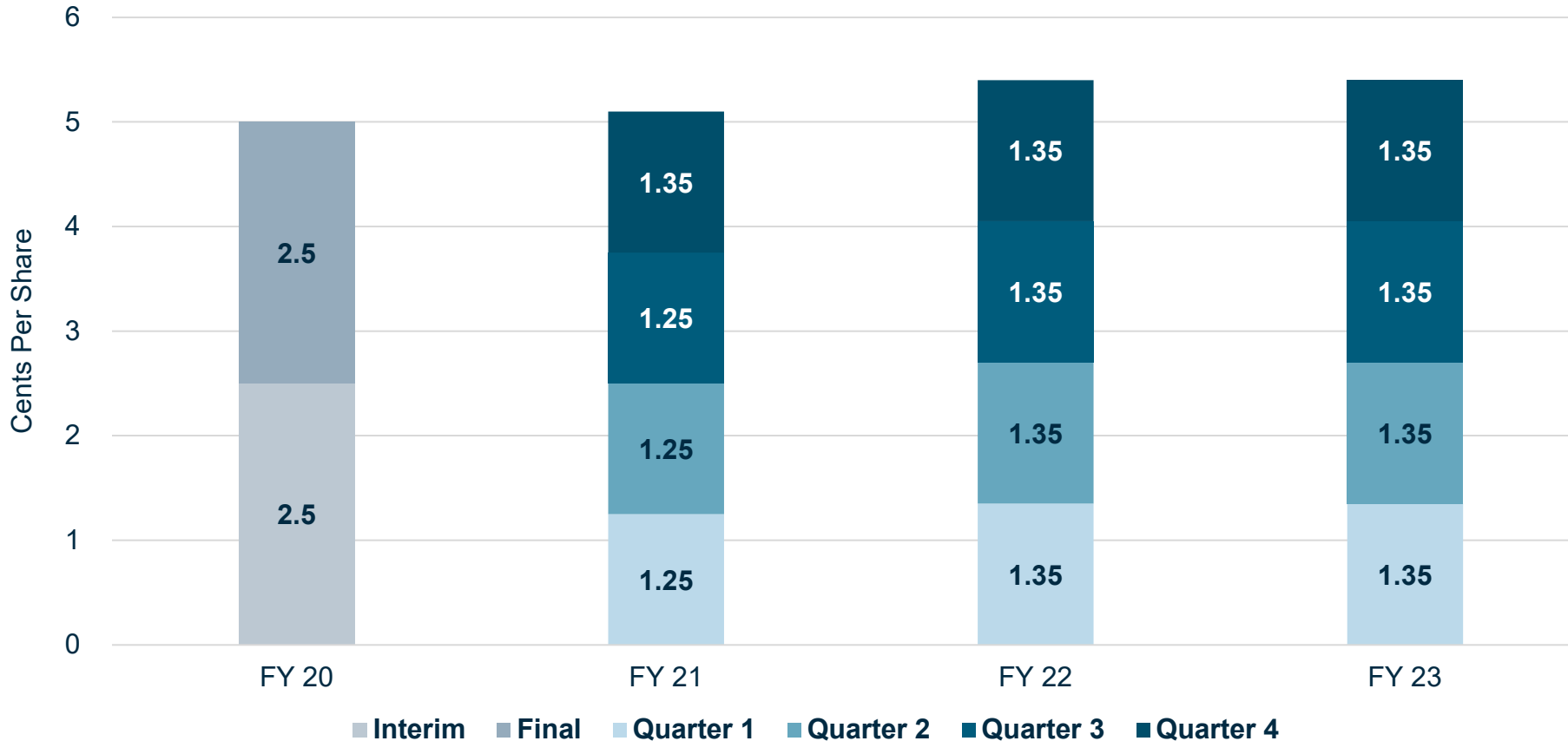
Annual General Meeting 9 November 2023

1. Based on \$1.03 share price at 18 August 2023 and a 25% company tax rate 2. To 30 June 2023. Pengana inception as the Investment Manager July 2017, Source: Pengana Capital. Performance figures refer to the movement in net assets per share, reversing out the impact of movements in capital and payments of dividends, before tax paid or accrued on realised and unrealised gains. Past performance is not a reliable indicator of future performance, the value of investments can go up and down

SUSTAINABLE FULLY FRANKED DIVIDENDS

PIA's objective is to provide shareholders with capital growth from investing in an ethically screened and actively managed portfolio of global businesses, in addition to providing shareholders with regular, reliable and fully franked dividends

FULLY FRANKED DIVIDEND HISTORY



Annual Dividend Target
5.4c per share
 Fully Franked

Upcoming Quarterly Dividend
1.35c per share
 Fully franked at 25% tax rate

Ex date:
 31 August 2023

Record date:
 1 September 2023

Payment date:
 15 September 2023

AGM:
 9 November 2023


DIVIDEND YIELD

Quarterly Fully Franked Dividends

quarterly dividend

$$\frac{1.35c}{\$1.03} = \sim 5.2\% \text{ p.a. yield (cash basis)}$$

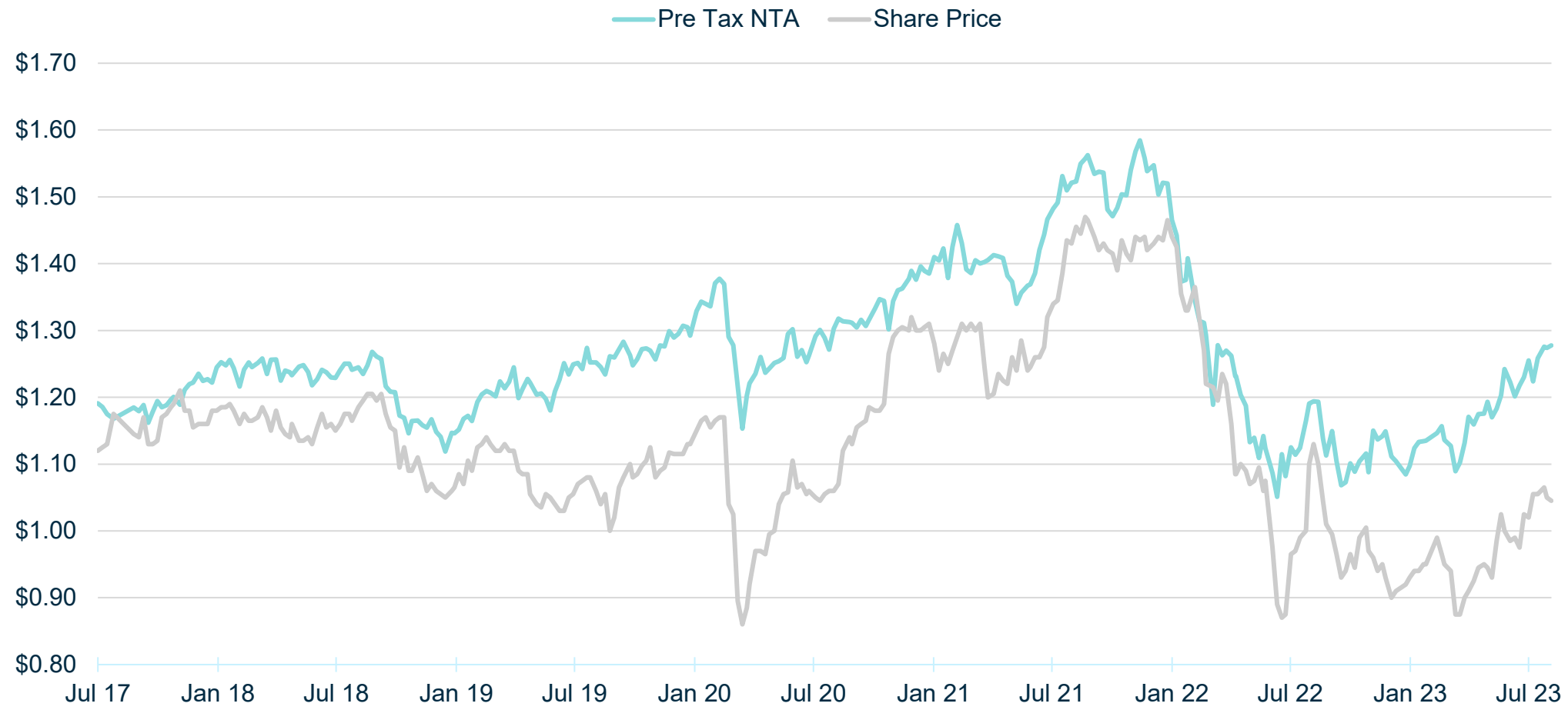
share price

7.0% p.a. yield 

when grossed-up for franking credits

The current profit reserves & franking balance are able to sustain fully franked quarterly dividends into FY2025

NTA AND SHARE PRICE MOVEMENTS OVER 5 YEARS TO 11 AUGUST 2023



As at 18 August 2023. Source: Bloomberg and Pengana Capital. Performance figures refer to the movement in net assets per share, reversing out the impact of movements in capital and payments of dividends, before tax paid or accrued on realised and unrealised gains. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

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TOP HOLDINGS

AS AT 30 JUNE 2023

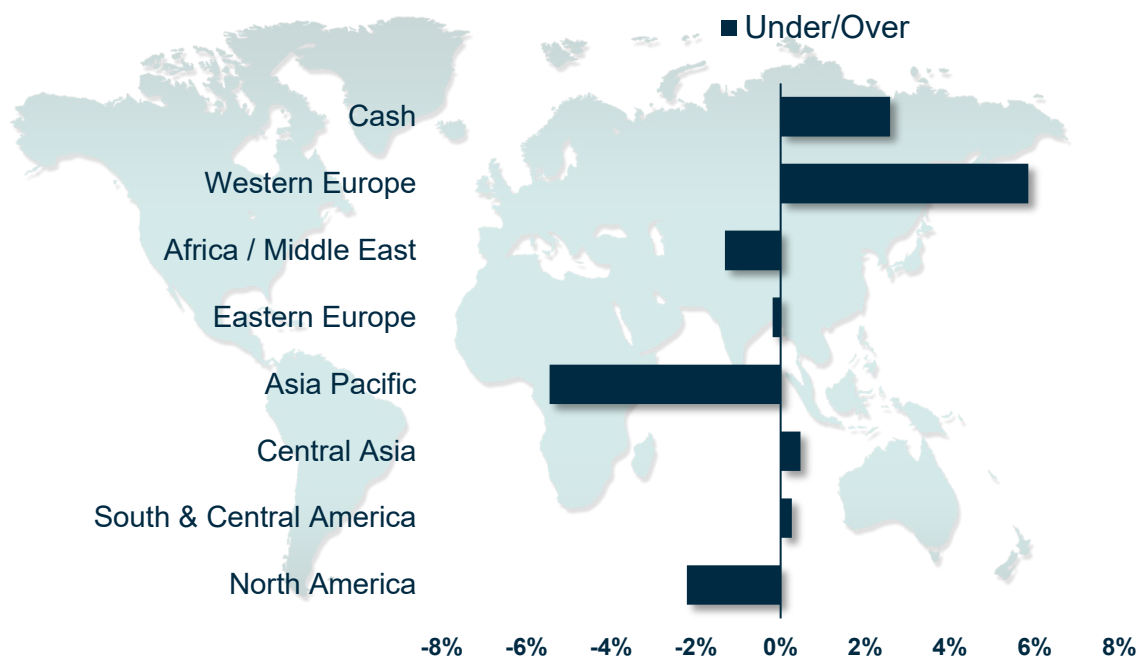
	Alphabet Inc	United States	Communication Services
	Amazon	United States	Consumer Discretionary
	AMETEK Inc	United States	Industrials
	Bank Central Asia Tbk PT	Indonesia	Financials
	Danaher	United States	Health Care
	Deere & Co	United States	Industrials
	Meta	United States	Communication Services
	Microsoft	United States	Information Technology
	Schneider Electric	France	Industrials
	Vertex Pharmaceuticals Inc	United States	Health Care

Total number of portfolio holdings: 60

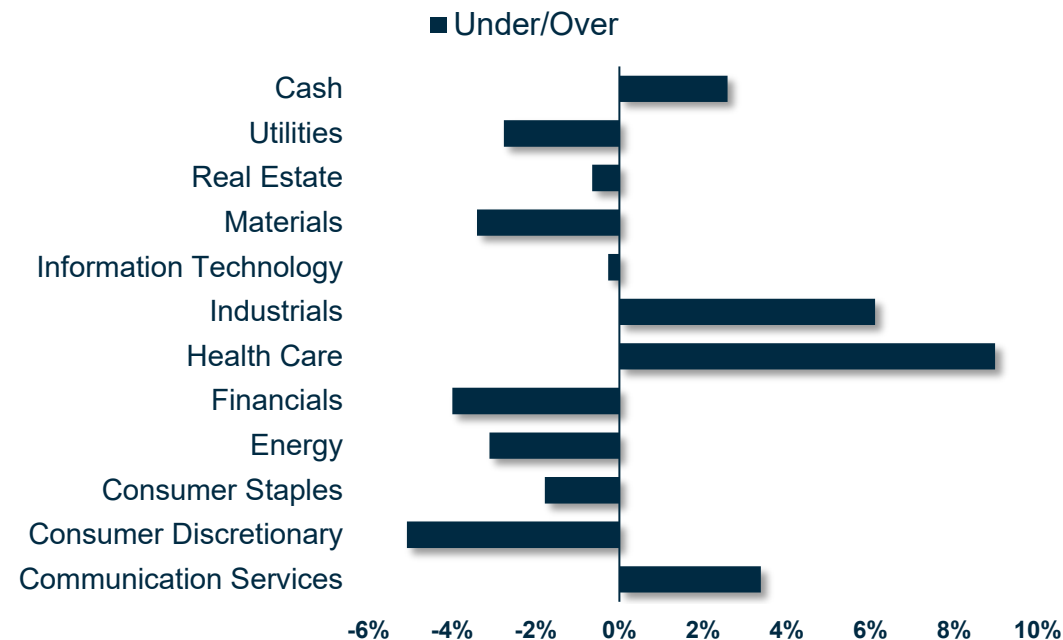
PORTFOLIO POSITIONING

EXPOSURES AS AT 30 JUNE 2023

GEOGRAPHIC EXPOSURE

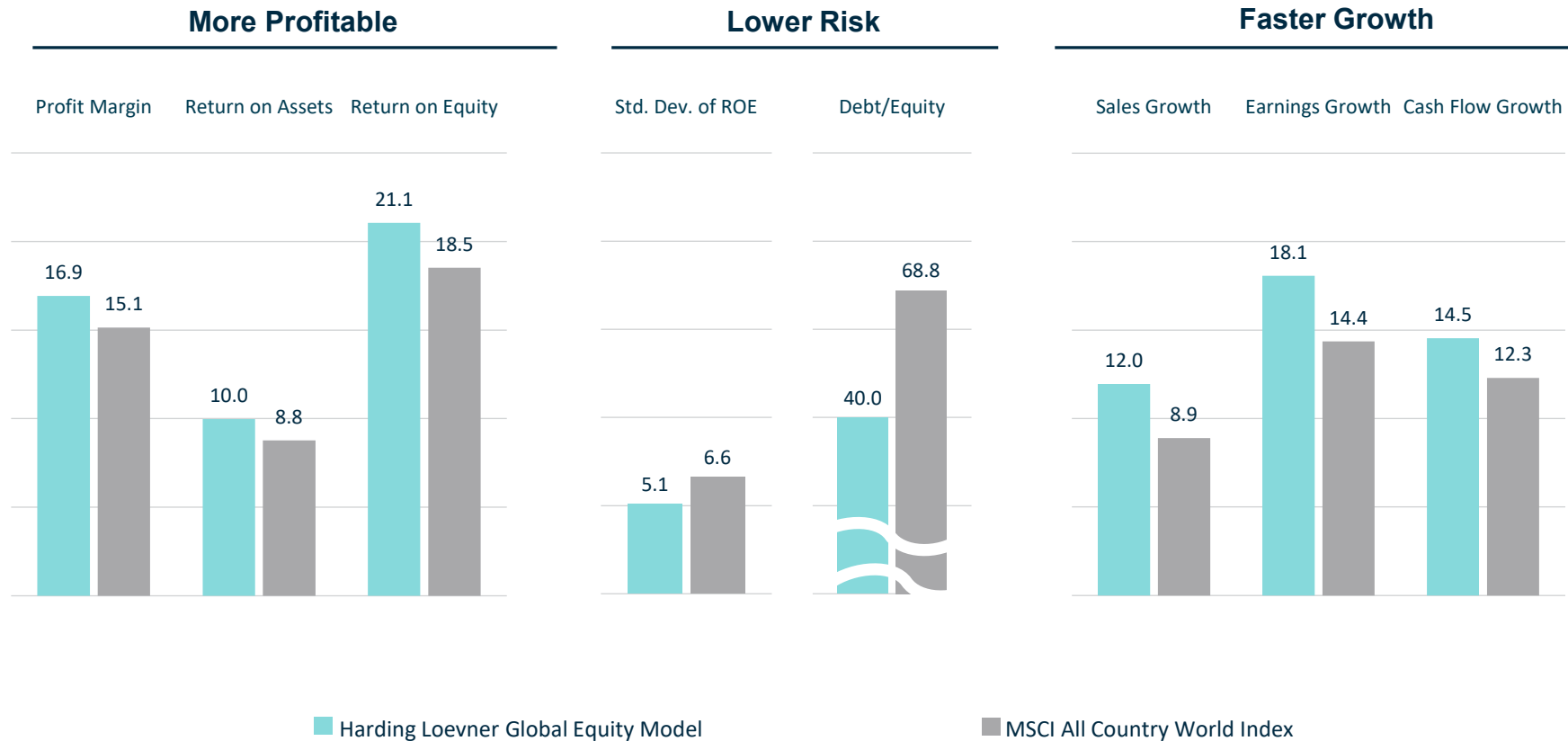


SECTOR EXPOSURE



QUALITY & GROWTH INVESTMENT PHILOSOPHY

WE BUILD DIVERSIFIED PORTFOLIOS OF HIGH-QUALITY, GROWING COMPANIES.



Source: MSCI Inc., FactSet. Data as at June 30, 2023. Growth and volatility metrics are based on five-year historical data; the other ratios are based on the most recent annual data. All metrics and ratios are percentages presented as weighted medians.

WHAT'S ON OUR MIND?

Investors have been focusing on AI opportunities, but risks remain

1 The current backdrop

Opportunities from generative AI and innovation
Geopolitical risks, inflation, interest rates,
stalled recovery in China, Europe slowing

2 The stock market

Index concentration
Market valuations rising

3 What are we doing

Looking beyond AI-related stocks
Mindful of valuation and risk

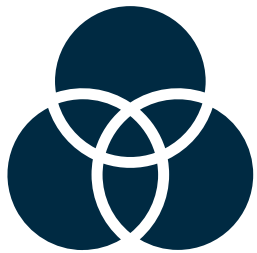


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INVESTMENT HYPOTHESIS



Investing in high quality, growing businesses at reasonable prices leads to long term superior risk adjusted returns.

This “QUALITY GROWTH” Investment philosophy has been the foundation of our strategies since the firm was founded.

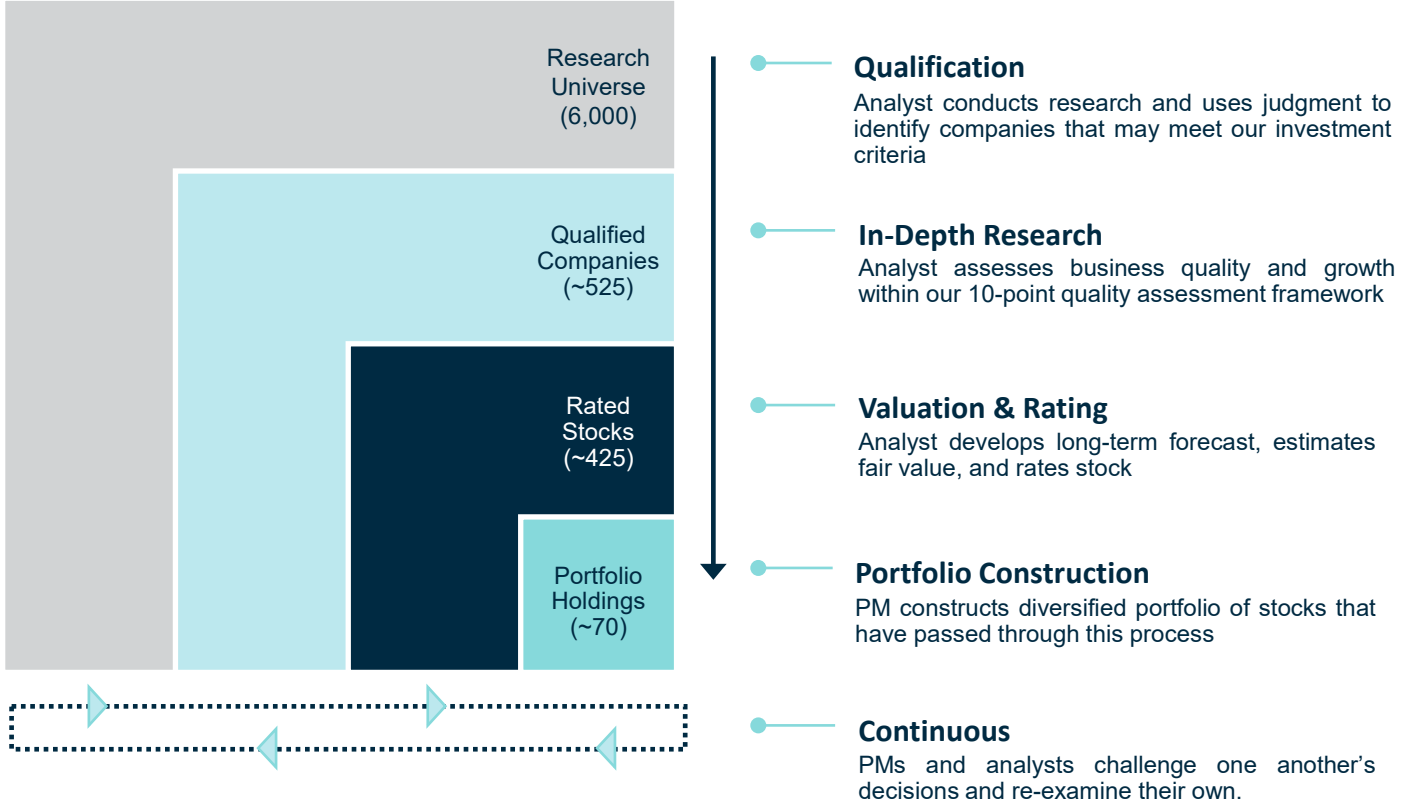


INVESTMENT PROCESS

Analysts search the world for companies that meet high quality and sustainable growth criteria, conduct fundamental research, then value and rate their stocks to make them available to PMs for investment.

ESG issues are considered in each step of the process.

Collaborative, Highly Structured Process that Promotes Individual Accountability



Harding Loevner

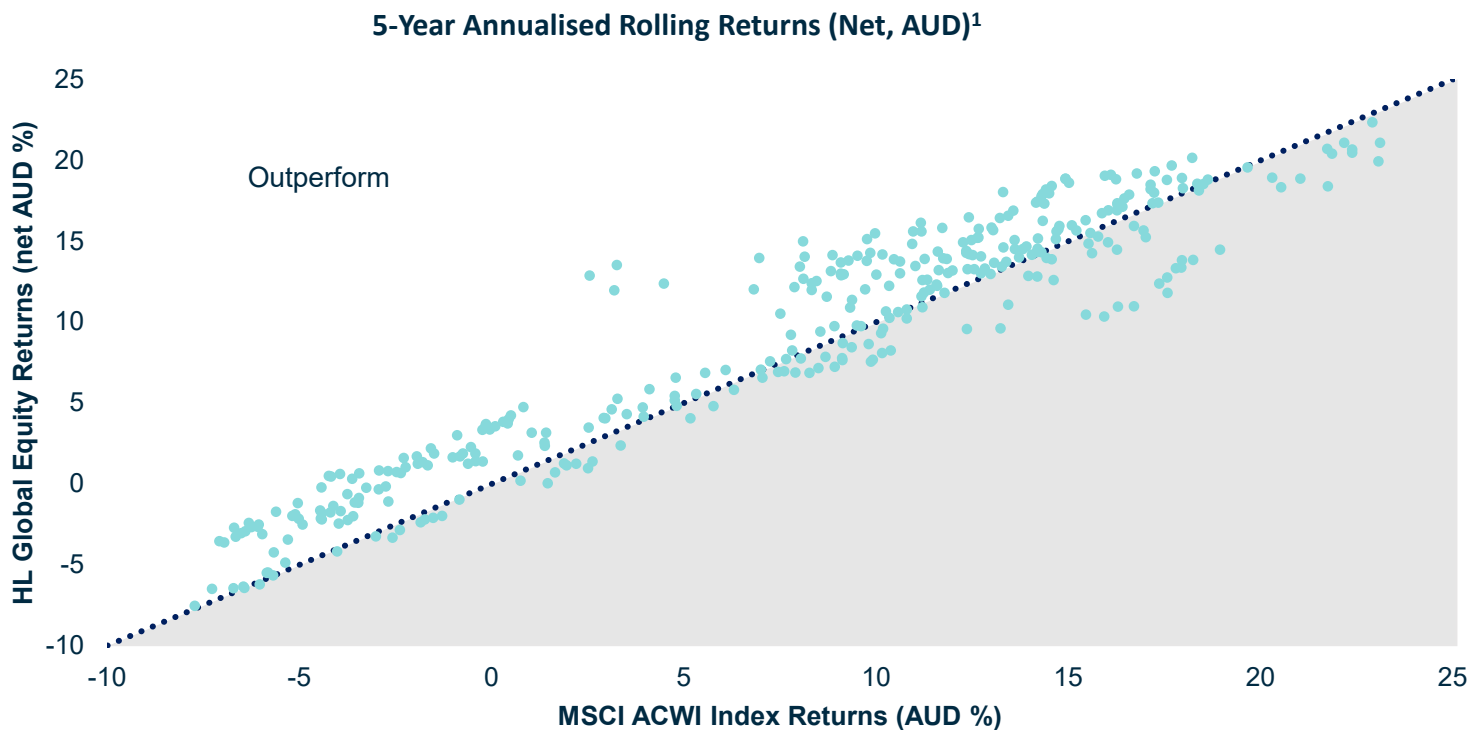
Circa US\$55 billion under management
33-year track record

Investment Philosophy

Quality growth
Distinct decision making
Behavioral finance
Patient & Disciplined

INVESTMENT STRATEGY

DECISION MAKING PRODUCING A DISTINCTIVE PATTERN OF PERFORMANCE



HL Outperformance Frequency (All Periods: 73%)

Falling Markets MSCI < 0%	Moderate Markets 0% < MSCI < 10%	Strong Markets MSCI > 10%
88%	75%	68%

The Harding Loevner Global Equity strategy invests worldwide in high-quality, growing companies.

The Global Equity strategy has been consistently applied by Harding Loevner since 1989.

Track record indicates the strategy has provided superior risk adjusted medium to long term returns.

Prior to June 2021, the Harding Loevner Global Equity Strategy performance has been simulated by Pengana from the monthly gross returns of the Harding Loevner Global Equity strategy. This simulation was done by converting the USD gross returns to AUD, then applying a management fee of 0.974% p.a. (the Class B management fee). Net performance figures are after all fees and expenses and assume reinvestment of distributions. MSCI refers to the MSCI AC World Total Return Index (net, AUD) No allowance has been made for buy/sell spreads. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

1. November 30, 1989 (strategy inception) to June 30, 2023

HARDING LOEVNER GLOBAL EQUITY PERFORMANCE

Growth of \$100,000 invested since inception¹ (net, AUD) to June 30, 2023



Prior to June 2021, the Harding Loevner Global Equity Strategy performance has been simulated by Pengana from the monthly gross returns of the Harding Loevner Global Equity strategy. This simulation was done by converting the USD gross returns to AUD, then applying a management fee of 1.23% p.a. and performance fee of 15.38% of any return greater than the Benchmark. The simulation does not include the Pengana ethical screen. Net performance figures are after all fees and expenses and assume reinvestment of distributions. Past performance is not a reliable indicator of future performance, the value of investments can go up and down

1. November 30, 1989 (strategy inception) to June 30, 2023



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FOR MORE INFORMATION

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