

PENGANA INTERNATIONAL EQUITIES LIMITED

RESPONSIBLE INVESTMENT POLICY

INTRODUCTION AND PURPOSE

Pengana Investment Management Limited ACN 063 081 612 ('PIML') is a fully owned subsidiary of Pengana Capital Group Limited ("PCG" or "Pengana"), an ASX-listed investment management company, and Investment Manager of Pengana International Equities Limited ("PIA", ASX: PIA).

PIML has appointed New Jersey-based Harding Loevner LP ('Harding Loevner' or 'Investment Team') as the investment team for PIA.

This Policy outlines the approach to responsible investment for Pengana International Equities Limited and should be read in conjunction with the following:

- How Harding Loevner Invests Responsibly (Harding Loevner Environmental, Social, and Governance ('ESG') policy)
- Harding Loevner Engagement Policy

Together, the 'Investment Team ESG Policies'.

SCOPE

This Policy applies to PIA and is subject to local laws and regulations in applicable foreign jurisdictions.

Local laws and regulations may be stricter than the practices set out in this Policy and may impose additional limitations or requirements on a local business unit. Where local requirements are more stringent than those set out in this Policy, the local legislation will prevail.

PRINCIPLES

Pengana has been a signatory to the United Nations' supported Principles for Responsible Investment ('UNPRI') since 2010, committing to the following:

- to incorporate ESG issues into investment analysis and decision-making processes;
- to be an active owner and to incorporate ESG issues into our ownership policies and practices;
- to seek appropriate disclosure on ESG issues by the entities in which we invest;
- to promote acceptance and implementation of the Principles within the investment industry;
- to work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles;
- to report on our activities and progress towards implementing the Principles.

Pengana has been a member of the Responsible Investment Association Australasia ('RIAA') since 2006. RIAA champions responsible investing and a sustainable financial system in Australia and New Zealand and is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy.

Pengana International Equities Limited has been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program.

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.ⁱ

RESPONSIBLE INVESTMENT PROCESS

Guided by the UNPRI and RIAA standards, PIA has adopted a Responsible Investment policy, implemented by the Investment Team with oversight by Pengana.

PIA and the Investment Manager are committed to responsible investing through ESG screening, integration and active ownership, and an ethical investment approach that utilises the application of negative screens,.

Through the application of negative screens, PIA seeks to avoid investing in businesses that are, in its opinion, currently involved in activities that are unnecessarily harmful to people, animals or the environment.

PIA does not invest in producers of tobacco, manufacturers of nicotine alternatives and tobacco-based products, or companies involved in the development and production of controversial or nuclear weapons.

ESG screening and integration and active ownership forms part of the Investment Team's investment selection and monitoring approach. Details of this process are contained the Investment Team ESG Policies.

Utilising a monitoring service provided by Sustainalytics, the Investment Manager monitors the portfolio for ethical negative screen compliance, portfolio ESG risk, consideration of new and ongoing controversies, review of voting records and engagement and monitoring the sustainability and carbon risk of the portfolios against peers and appropriate benchmarks.

ETHICAL SCREENS

The Investment Manager utilises a negative screening process which seeks to avoid investment in companies that derive significant operating revenues from direct and material business involvement in sectors PIA considers unethical.

Screened activities	Pengana International Equities Limited
Adult content	5% or more revenue from the production of adult content 15% or more aggregate revenue from the production, distribution and retail of adult content
Alcohol	5% or more revenue from the production of alcohol 15% or more aggregate revenue from the production, distribution and retail of alcohol
Non-medical, non-regulatory animal testing	Excludes companies involved in animal testing for non-medical products where there is no legal requirement
Fossil fuels (GICS 101020)	Nil investment in companies with the global industry classification standard (GICS) 101020 "Oil, Gas and Consumable Fuels" 15% or more aggregate revenue from Thermal Coal, Conventional Oil & Gas Febeffin, Unconventional Oil & Gas Febeffin
Gambling	5% or more revenue from ownership of operation of gambling-related business activities 15% or more aggregate revenue from gambling-related business activities
Genetically modified organisms (agriculture)	5% or more revenue from the development or growth of Genetic Engineering - agriculture 15% or more aggregate revenue from the consumption, use or retail of Genetic Engineering - agriculture
Human rights abuses and exploitation	Serious or systematic controversies relating to human rights violations
Mining (GICS 151040)	Companies with the global industry classification standard (GICS) 151040 "Metals and Mining"
Nuclear	5% or more of revenue classified as Nuclear Power Supplier 15% or more aggregate revenue from nuclear power related activities
Severe Impact on Ecosystems	Companies with Severe and Very Severe Operational Impacts on Ecosystems Controversies
Securities from issuers on UN sanctions list	
Tobacco	Nil revenue from growers, producers or licensors of tobacco products, nicotine alternatives and tobacco-based products 15% or more aggregate revenue from the distribution and retail of tobacco products, nicotine alternatives and tobacco-based products
Weapons	Nil revenue from the manufacture, development and/or production of controversial weapons (being biological and chemical weapons, depleted uranium ammunition/armour, anti-personnel mines or cluster munitions/submunitions and their key components). Nil revenue from the development, production and maintenance of nuclear weapons. 15% or more aggregate revenue from the production, distribution and retail of firearms and ammunition.

This Policy is reviewed and updated from time to time to ensure that it remains relevant, current and compliant with all applicable laws, and guidance notes.

DATED: AUGUST 2024

ⁱ See www.responsiblereturns.com.au for details. 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.