



PENGANA
INTERNATIONAL
EQUITIES LIMITED

PENGANA INTERNATIONAL EQUITIES LIMITED

31 Dec 2017

Investor presentation: Half-year to 31 December 2017



PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Company details at as 31 December 2017

Investment Manager

Pengana Investment Management Limited
100% owned by Pengana Capital Group Limited (ASX: PCG)

Net Tangible Assets

Pre-tax \$1.22
Post-tax \$1.20

Shares

Price \$1.18
Shares on issue 244,907,469
Market capitalisation \$288,990,813

Options

Price \$0.03
Options outstanding 244,558,559
Exercise price \$1.18
Expiry 10 May 2019

PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Board of Directors



FRANCIS GOOCH
INDEPENDENT
NON-EXECUTIVE CHAIRMAN



DAVID GROVES
NON-EXECUTIVE DIRECTOR



JULIAN CONSTABLE
INDEPENDENT
NON-EXECUTIVE DIRECTOR



RUSSEL PILLEMER
NON-EXECUTIVE DIRECTOR

PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Overview

Investment Objective

To generate long-term consistent returns whilst reducing volatility and the risk of losing capital

Dividend Policy

Objective is to deliver regular and growing fully franked dividends provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices

PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Highlights

1

PROFIT AFTER TAX FOR THE HALF YEAR

Profit of \$12.002 m

for the six months ending
31 December 2017

up on

loss of \$18.409 m

prior comparable period

2

FULLY FRANKED INTERIM DIVIDEND

3.5 cents per share

unchanged from

30 June 2017

Ex date: 12 April 2018

Record date: 13 April 2018

Payment date: 30 April 2018

3

TOTAL RETURN

12.4%

for the six months ending
31 December 2017 comprising:

- increase in share price
- 3.5 cents per share fully franked dividend paid in October 2017
- market value of options at 31 December 2017

4

TOTAL ASSETS

\$300.999 m

PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Key events

- New investment team appointed June 2017, led by Jordan Cvetanovski (Chief Investment Officer & Portfolio Manager) and Steven Glass (Head of Research & Portfolio Manager);
- New strategy to generate long-term consistent returns whilst reducing volatility and the risk of losing capital;
- Board renewal – Mr Francis Gooch appointed Chairman effective 6 December 2017;
- One-for-one bonus options issued on 12 December 2017, with an exercise price of \$1.18 and expiry date of 10 May 2019;
- Increase in Net Tangible Assets per share from \$1.19 to \$1.20, and shareholders received a 3.5 cents per share dividend; and
- Reduction of the discount between share price and Net Tangible Assets.

PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Investment Performance of PIA to 16 February 2018 ¹

PIA Performance ²	Financial Year to 16 February 2018	Financial Year to 31 December 2017	Since Inception ³
Company	9.5%	6.1%	7.9%
Benchmark	9.0%	8.5%	7.0%
Relative	0.5%	-2.4%	0.9%

1. None of Pengana International Equities Limited ('PIA'), Pengana Investment Management Limited nor any of their related entities guarantees the repayment of capital or any particular rate of return from PIA. Past performance is no guarantee of future performance. This information has been prepared by PIA and does not take into account a reader's investment objectives, particular needs or financial situation. It is general information only and should not be considered investment advice and should not be relied on as an investment recommendation.
2. Performance figures refer to the movement in net assets per share, reversing out the impact of option exercises 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. Inception date of PIA: 19 March 2004, new investment team with new mandate adopted: 1 July 2017.
3. July 2017 represented the first full month of Pengana International Equities Limited being managed under the new investment mandate with the new investment team. The performance since inception in the table above refers to the movement in net assets per share since the inception of PIA in March 2004.

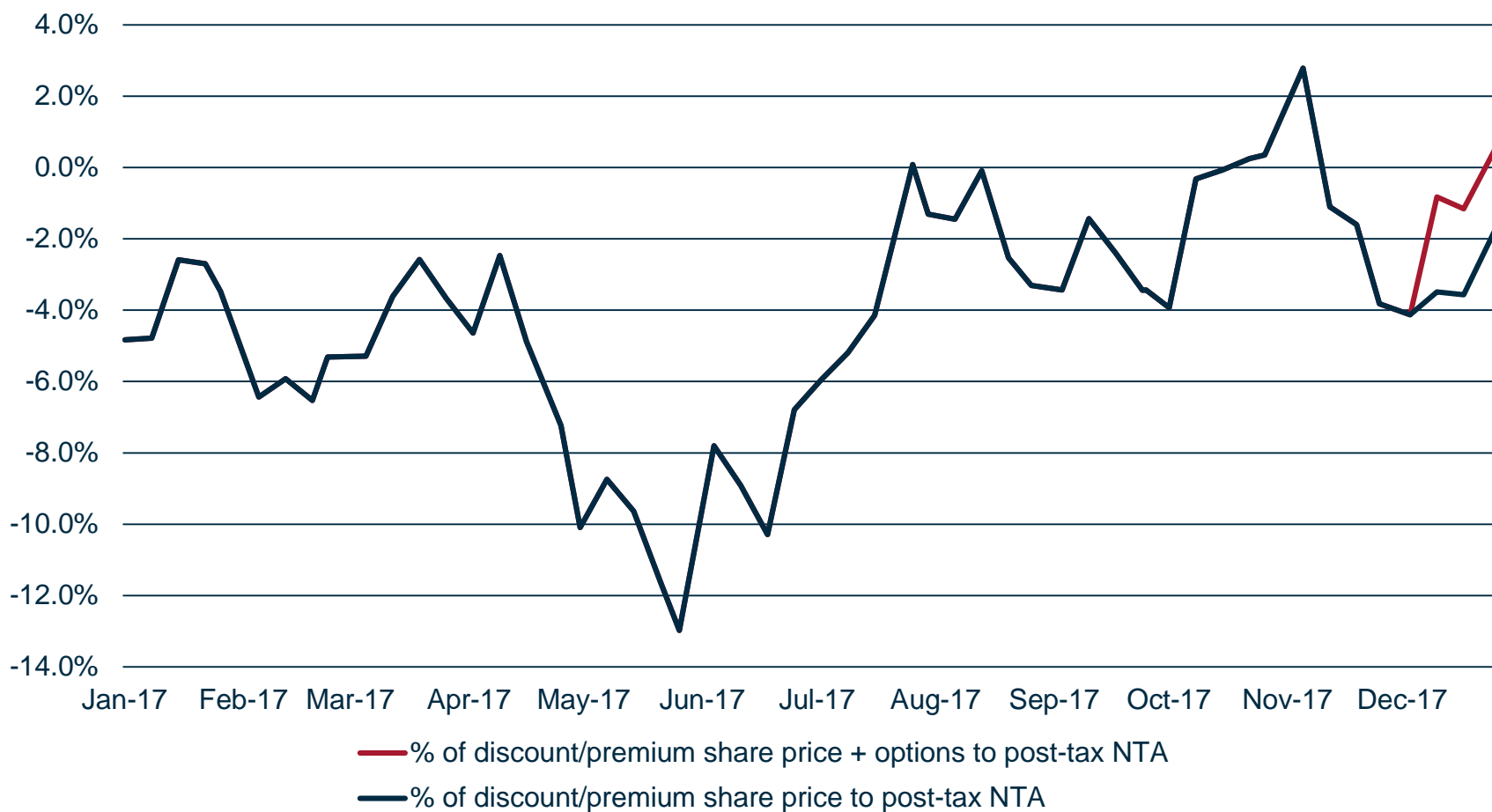
PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Discount to Net Tangible Assets (NTA)

Premium/discount of share price to post-tax NTA from 1 January to 31 December 2017



PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Stay connected

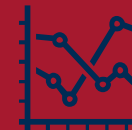
Investor Roadshows
twice each year
Annual General Meeting



Weekly NTA
announcements
Monthly Newsletter



Half and full year
financial results



Thought leadership and
market insights papers



Research house and
brokers reports



Webinars and video
insights



Website:
PENGANA.COM/PIA

PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Investment Team



JORDAN CVETANOVSKI
CIO & PORTFOLIO
MANAGER

- 16 years experience
- Partner at Carmignac Gestion (Paris)
- Robeco (Netherlands) co-fund manager
- Platinum Asset Management



STEVEN GLASS
HEAD OF RESEARCH &
PORTFOLIO MANAGER

- 16 years experience
- Hunter Hall portfolio manager
- Tricom Equities
- Platinum Asset Management



RONALD YU
EQUITY ANALYST

- 6 years experience
- Morpich Asset Management

PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Investment Team



JAMES MCDONALD
PORTFOLIO MANAGER

- 20 years experience
- Hunter Hall
- BT Funds Management



TIM BLAKE
EQUITY ANALYST

- 15 years experience
- Five Oceans Asset Management
- Macquarie Group
- Goldman Sachs



RYAN FISHER
EQUITY ANALYST

- 20 years experience
- Goldman Sachs
- Credit Suisse
- ANZ Securities

PENGANA INTERNATIONAL EQUITIES STRATEGY

**Evergreen Fund:
Value + Growth**

**Long-only: 80-100%
invested**

30-50 stocks

**Global mandate:
Developed + EM**

**Capacity limit
at \$7b**



Ethical

**Manage FX exposure for
AUD returns**

**Invest across market cap
range >\$1.5b**

PORTFOLIO SEGMENTATION

CORE

60–80% of Fund

Stable and growing companies with favourable tailwinds

CYCLICAL

0–30% of Fund

Operating in cyclical industries that are poised for a upturn

OPPORTUNISTIC

0–20% of Fund

Unique company specific situations with attractive potential upside

PORTFOLIO



30–50 STOCKS



>5% GROWTH



FCF YIELD > RFR+3%¹

¹. FCF refers to Free Cash Flow, RFR refers to Risk Free Rate

CURRENT PORTFOLIO POSITIONING

1

GEOGRAPHIC EXPOSURE

- Lower to US, higher to Europe
- Increase allocation to emerging markets
- Valuations
- Economic improvement
- Politics

2

INDUSTRY EXPOSURE

- Higher exposure to financials (Europe), materials and industrials
- Lower exposure to IT

DISCLAIMER



Pengana Investment Management Ltd, including its parent, subsidiaries and/or affiliates (“the Company”), their staff or consultants or any individuals preparing this communication, may at any time have a position in securities or options of any of the companies mentioned in this communication. An employee or consultant of the Company may be a director of a company mentioned in this communication.

Although the statements of fact in this presentation are provided in good faith by the Company and have been obtained from and are based upon sources that the Company believes to be reliable, it does not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and estimates included in this presentation constitute the Company’s judgement as of the date of this presentation. Performance figures provided in the presentation are past performance which is not an indicator of future performance. Neither Pengana International Equities Limited, Pengana Investment Management Limited or their directors or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information provided and to the extent permissible by law, disclaim all liability for any error, omission or loss or damage so suffered.

This presentation is for information purposes only and is not intended as an offer or solicitation with respect to the dealing of any security. The information in this presentation is only intended for Australian residents. The purpose of this presentation is to provide information only and the contents of the presentation do not purport to provide investment advice. The information provided is selective and may not be complete or accurate for your particular purpose and should not be construed as a recommendation to invest in any particular security.

This presentation does not take into account the investment objectives, financial situation or particular needs of any particular person. Investors should obtain individual financial advice based on their own particular circumstances before making an investment decision on the basis of this presentation. No guarantee or representation as to performance of the Company, the maintenance or repayment of capital, the price at which shares will trade or any particular rate of return can be provided.