



PENGANA
INTERNATIONAL
EQUITIES LIMITED

PENGANA INTERNATIONAL EQUITIES LIMITED

31 Dec 2018

Investor presentation: Half-year ending 31 December 2018



PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA



Company details at as 31 December 2018

Investment Manager	Pengana Investment Management Limited 100% owned by Pengana Capital Group Limited (ASX: PCG)
Net Tangible Assets 31 December 2018	
Pre-tax	\$1.147
Post-tax	\$1.152
Shares	
Price at 31 December 2018	\$1.06
Discount to pre-tax NTA	7.56%
Shares on issue	253.0 million
Market capitalisation	\$268.2 million
Options	
Price	\$0.001
Options outstanding	237.8 million
Exercise price	\$1.18
Expiry	10 May 2019
Interim Dividend	
Dividend	\$0.035
Franking	Fully franked at the rate of 27.5%
Annualised yield	6.6%

Pengana International Equities Limited provides access to the benefits of an actively managed core portfolio of 30-50 ethically screened companies across developed and developing global markets via a listed investment company structure.

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Board of Directors



FRANCIS GOOCH
INDEPENDENT
NON-EXECUTIVE CHAIRMAN



DAVID GROVES
NON-EXECUTIVE DIRECTOR



JULIAN CONSTABLE
INDEPENDENT
NON-EXECUTIVE DIRECTOR



RUSSEL PILLEMER
MANAGING DIRECTOR

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Overview

Description

Provides access to the benefits of an actively managed core portfolio of 30-50 ethically screened companies across developed and developing global markets via a listed investment company structure.

Investment Objective

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

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Highlights

1

LOSS AFTER TAX AND EPS HY2019

Loss of \$6.8 m
EPS of -2.72 cps

for the six months ending
31 December 2018
down on
profit of \$12.0 m
prior comparable period

2

FULLY FRANKED FINAL DIVIDEND

3.5 cents per share

Franked at 27.5%

unchanged from
30 June 2018

Ex date
11 April 2019

Record date
12 April 2019

Payment date
7 May 2019

3

TOTAL SHAREHOLDER RETURN

TSR -6.2%

comprising:

- Movement in share price
- Movement in option price
- 3.5 cents per share fully franked at 27.5% dividend paid in September 2018

4

NET ASSETS

\$291.7 m

as at 31 December 2018
down on
\$300.8 m
as at 30 June 2018

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Capital Structure

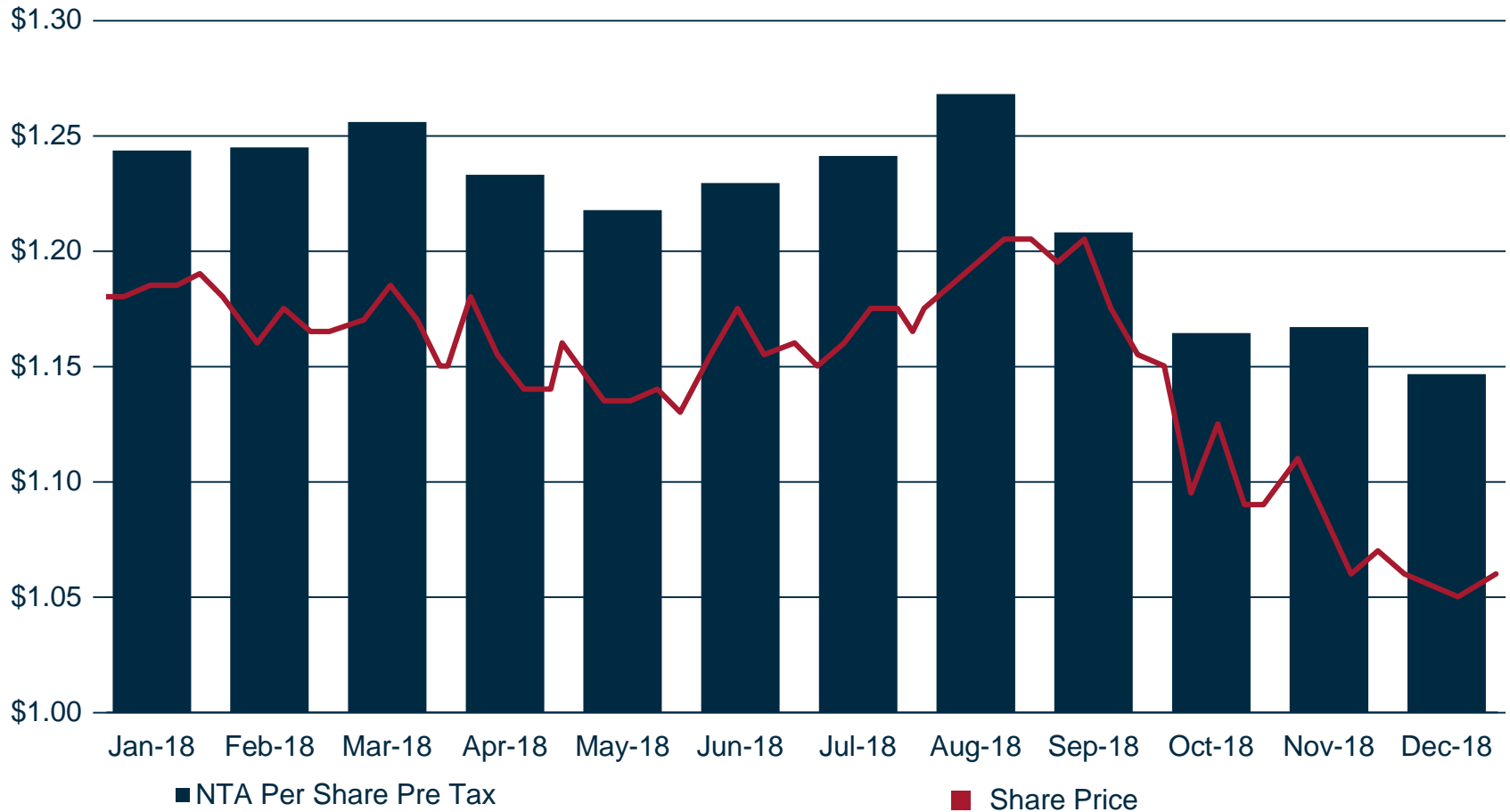
	SHARES	OPTIONS
On issue at 30 June 2017	244,204,945	-
Options issued 12 December 2017	-	244,589,252
Options exercised	1,912,878	(1,912,878)
DRP shares issued	1,330,799	-
On issue at 30 June 2018	247,448,622	242,676,374
Options exercised	4,879,939	(4,879,939)
DRP shares Issued	660,310	-
On issue at 31 December 2018	252,988,871	237,796,435

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Net Tangible Assets (NTA) per Share and Share Price



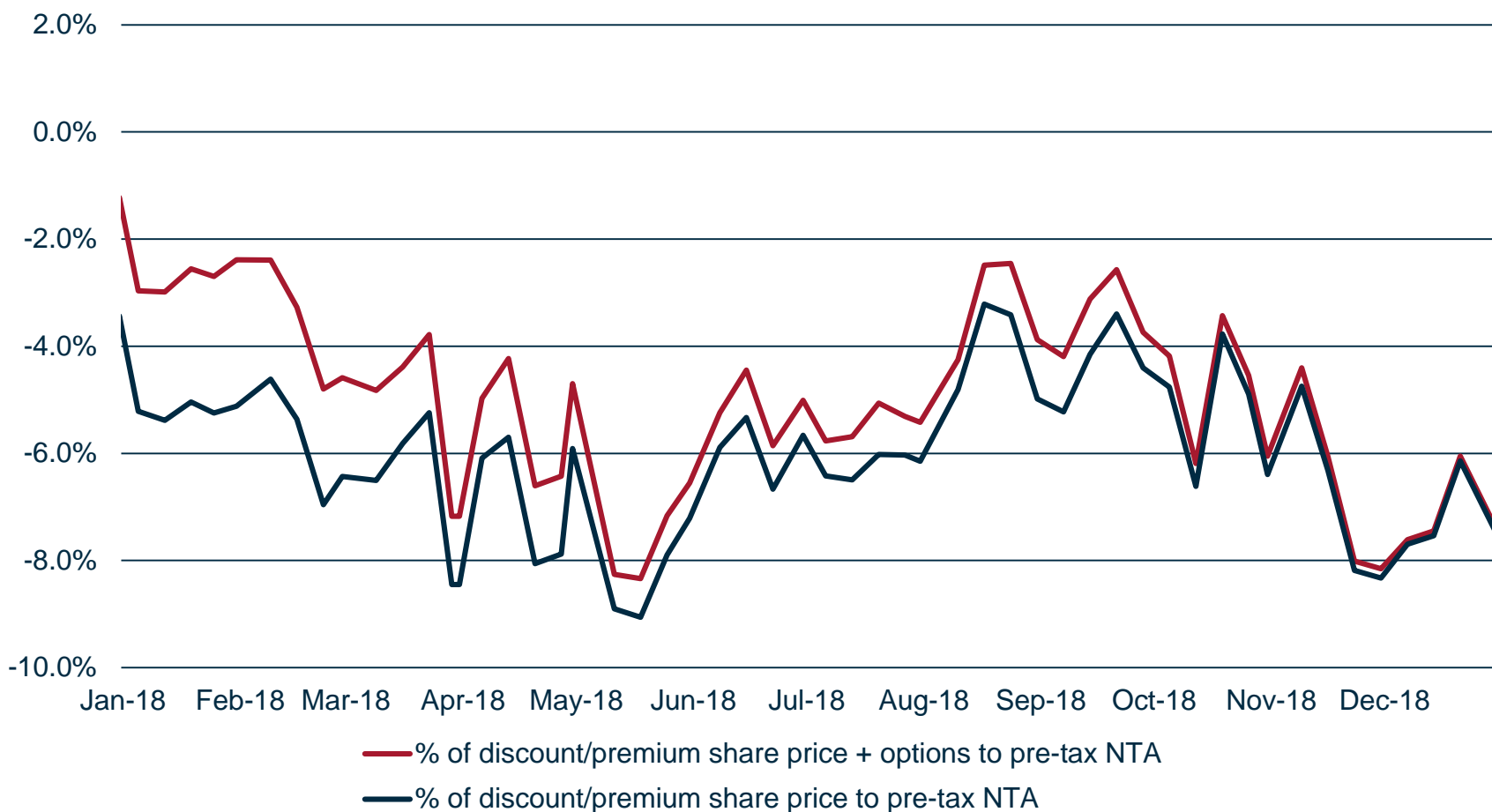
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Discount to Net Tangible Assets (NTA)

Premium/discount of share price to pre-tax NTA from 1 January to 31 December 2018



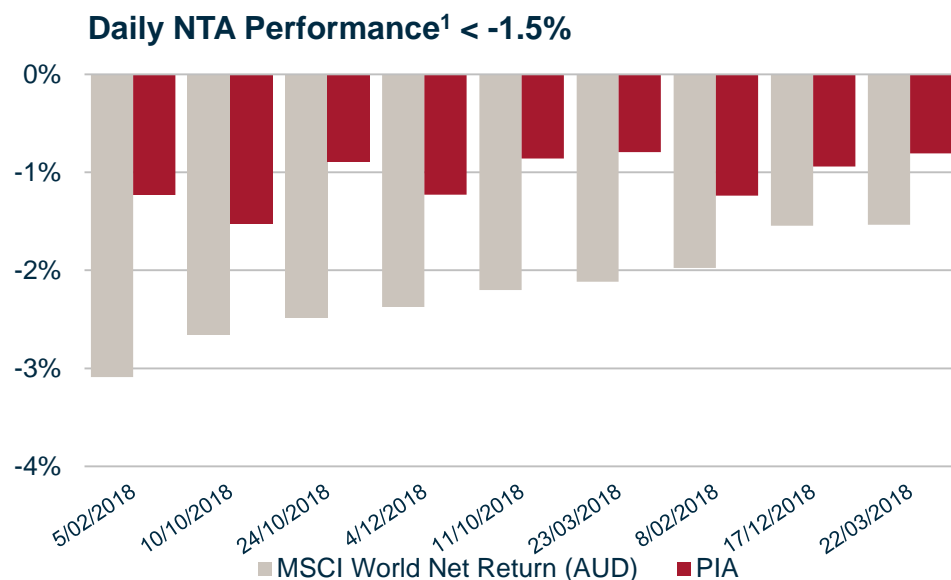
Portfolio Snapshot

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Balancing Capital Growth and Preservation of Capital



NTA Performance¹

	3 months to 31 Dec 18	6 months to 31 Dec 18	Since Inception of Mandate p.a.	Since Inception of PIA p.a.
PIA	-4.7%	-3.3%	5.4%	7.4%
Benchmark	-11.0%	-4.6%	6.6%	6.6%

Between 1 July 2017 (the inception of the mandate) and 31 December 2018, PIA's portfolio outperformed the benchmark on each of the days where the benchmark fell by 1.5% or greater

For the period between 1 July 2017 to 31 December 2018

As at 31 December 2018

1. Pengana International Equities Limited has been managed under the new investment mandate by the Pengana investment team since 1 July 2017. 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. 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.

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Contribution Analysis to **Gross** Portfolio Returns for the six months to 31 December 2018
(before fees, expenses and tax)

SECTOR	Av. Weight %	Contribution %
Financials	12.92	0.76
Health Care	9.27	0.47
Information Technology	5.93	0.01
Consumer Staples	10.86	-0.06
Consumer Discretionary	9.7	-0.25
Utilities	1.2	-0.35
Real Estate	2.14	-0.47
Communication Services	9.94	-0.87
Industrials	10.12	-1.1
Materials	12.55	-1.66
Options	0.58	0.33
Cash	14.79	0.19
Total	100.0	-3.00

“The portfolio was underweight the Information Technology sector and had no exposure to the Energy sector, the two worst performing sectors during 4Q18”

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Contribution Analysis to **Gross** Portfolio Returns for the six months to 31 December 2018
(before fees, expenses and tax)

Asset type

Asset	Av. Weight	Contribution
Cash	14.79%	0.20%
Options	0.58%	0.33%
Shares	84.63%	-3.52%

Segment

Segment	Av. Weight	Contribution
Core	61.08%	-0.50%
Cyclical	14.67%	-1.51%
Opportunistic	8.89%	-1.51%
Options	0.58%	0.33%
Cash	14.79%	0.20%

Region

Region	Av. weight	Contribution
Africa / Middle East	0.98%	0.44%
North America	40.46%	0.34%
Central Asia	3.44%	-0.13%
Asia Pacific	10.42%	-1.51%
Western Europe	29.33%	-2.65%
Cash	14.79%	0.20%
Options	0.58%	0.33%

“The portfolio was underweight the US and Japan, which were relatively weaker performing regions during 4Q18, and overweight China and India, which were relatively stronger performing regions during 4Q18”

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Investment Performance of PIA ¹

PIA Performance ²	Six months to 31 December 2018	Financial Year to 30 June 2018	Since Inception of Mandate ³	Since Inception of PIA ³
Company	-3.3%	11.9%	5.4%	7.4%
Benchmark	-4.6%	15.4%	6.6%	6.6%
Relative	1.3%	-3.5%	-1.2%	0.6%

Top 3 Contributors - Financial Year to 31 December 2018

Stock name	Contribution %
CME Group	0.27
Newmont Mining Corp	0.22
Bharti Infratel	0.19

Top 3 Detractors - Financial Year to 31 December 2018

Stock name	Contribution %
Wacker Chemie	-0.35
Corticeira Amorim	-0.33
Sabre	-0.33

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.

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Sector breakdown as at 31 December 2018



SECTOR	TOTAL %	INDEX %
Financials	17.48	16.2
Consumer Discretionary	11.34	10.44
Industrials	11.16	10.93
Health Care	10.42	13.36
Consumer Staples	9.77	8.65
Communication Services	9.61	8.29
Materials	8.47	4.61
Information Technology	5.27	14.93
Real Estate	1.84	3.19
Energy	-	5.94
Utilities	-	3.45
Options	0.80	-
Cash	13.83	-
Total	100.00	100.00

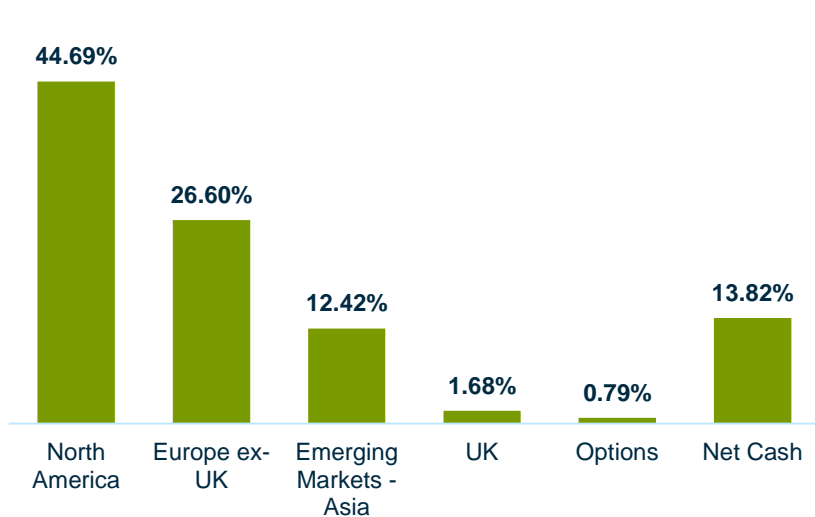
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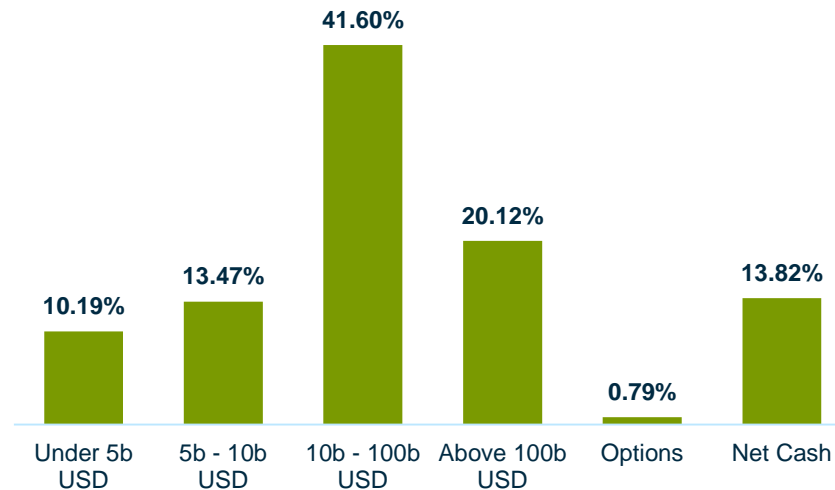


Geography and Market Capitalisation as at 31 December 2018

GEOGRAPHY



MARKET-CAP



Current Portfolio Positioning

1

GEOGRAPHIC EXPOSURE

- Underweight US and Japan
- Overweight Europe and China
- No Latin American or Africa exposure

2

INDUSTRY AND SECTOR EXPOSURE

- 42% large-caps exposure
- 24% small or mid-caps exposure
- 20% mega-caps exposure
- Overweight Materials sector
- Substantially underweight Information Technology, Energy and Utilities

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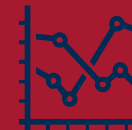
Investor Roadshows
each year
Annual General Meeting



Weekly NTA
announcements
Monthly Newsletter



Half and full year
financial results



Thought leadership and
market insights papers



Research house and
brokers reports



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