

# ASX: PIA

## PENGANA INTERNATIONAL EQUITIES LIMITED

**Stability. Growth. Yield.**

Investor presentation: half-year ending 31 December 2020



# HIGHLIGHTS OF HALF-YEAR ENDING 31 DECEMBER 2020



EPS  
**11.35c per share**

⬆ 68%

Profit after Tax  
**\$28.9 million**

⬆ 69%

Portfolio Return<sup>1</sup>  
**12.9%**

3.2% above index

Second Quarterly  
Dividend  
**1.25c per  
share**

Ex date:  
7 April 2021

Record date:  
8 April 2021

Payment date:  
29 April 2021

**24.8%**  
Total Shareholder  
Return (TSR)

**25.8%**  
TSR grossed up for  
franking credits

Annual Dividend  
Target  
**5c per share**  
Fully Franked

# KEY BENEFITS FOR SHAREHOLDERS

- **Delivered on 5 cent per share fully franked annual dividend objective**
  - Dividend yield of 3.8% based on dividends paid in CY2020<sup>1</sup>
  - 5.4% yield grossed up for franking credits<sup>1</sup>
- **Excellent portfolio management<sup>2</sup>**
  - 12.9% portfolio return for 6 months to 31 Dec 20
  - 12.5% portfolio return since mandated
  - Strong outperformance in a falling market
- **Largest international ethical LIC on ASX**
- **Portfolio of highly differentiated stocks**

## 3 KEY AIMS



**MAKE  
MONEY**



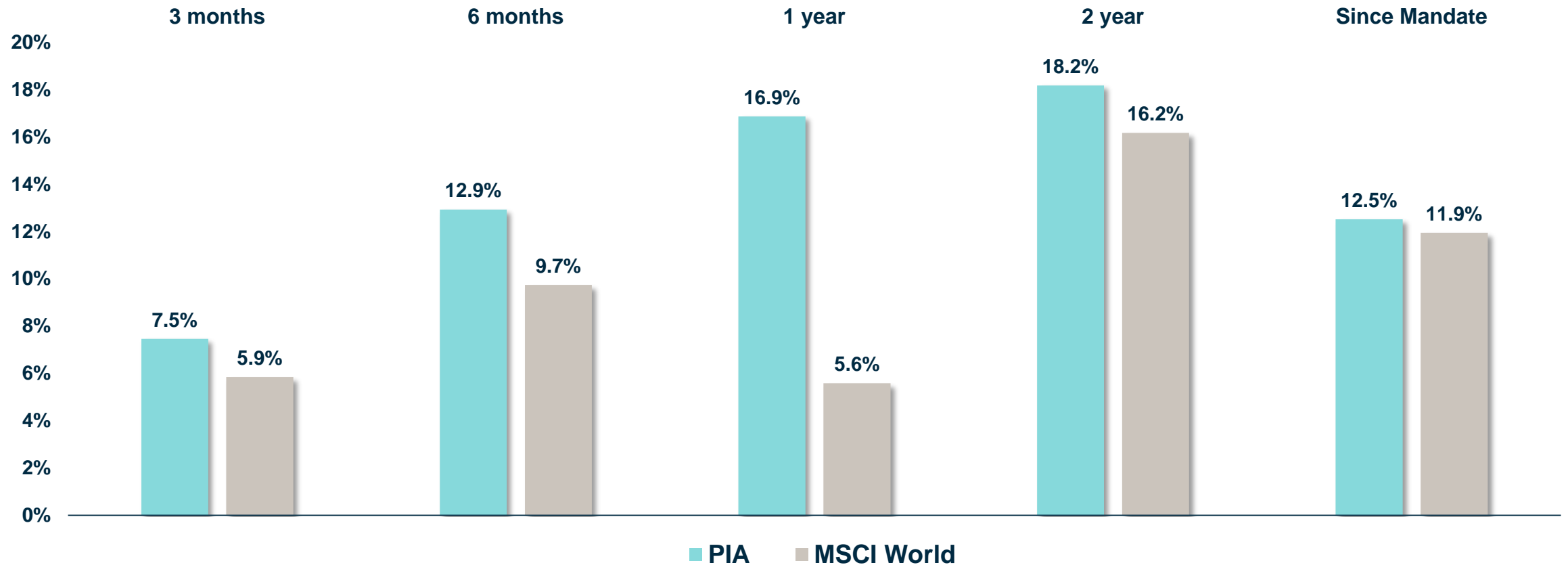
**PROTECT  
CAPITAL**



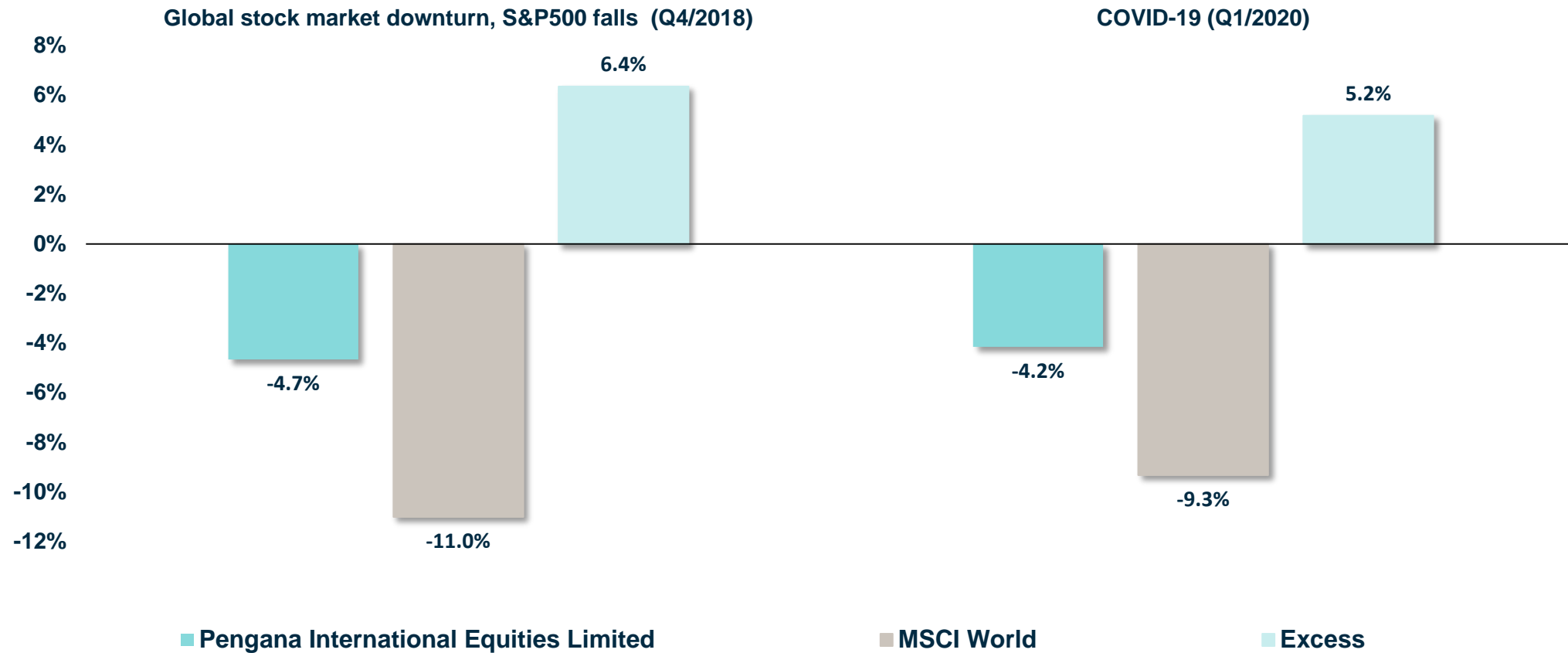
**MINIMIZE  
VOLATILITY**

1. Based on share price of \$1.31 as at 31 December 2020, dividend ex date 8 April 20 of 2.5 cps fully franked at a 27.5 tax rate, dividend ex date 8 October 2020 of 2.5 cps fully franked at a tax rate of 30% 2. Benchmark :MSCI World Total Return Index, Net Dividends Reinvested, in A\$. 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 3.Mandated refers to inception of Pengana mandate being 1 July 2017

# SUPERIOR RETURNS THROUGH ESG INVESTING



# KEY OBJECTIVE: PROTECTING CAPITAL AND MANAGING VOLATILITY



# INVESTMENT PHILOSOPHY

## 3 KEY AIMS



### MAKE MONEY

Focus on the highest quality businesses around the world at reasonable valuations



### PROTECT CAPITAL

Truly diverse across geographies and sectors.  
Opportunities that aren't always obvious



### MINIMIZE VOLATILITY

Through active diversification of businesses and consistent cash generation and low leverage

## ESG AND ETHICAL INVESTING WITHOUT COMPROMISING RETURNS

## HOW WE DO IT



### PORTFOLIO CONSTRUCTION



### ACTIVE MANAGEMENT



### CONVICTION





# PORTFOLIO UPDATE

ASX: PIA

# INVESTMENT PROCESS: STOCK REQUISITE CHARACTERISTICS



POSITIVE TAILWINDS



GOOD MANAGEMENT



CASH GENERATION



UNLIKELY TO BLOW UP



REASONABLE VALUATION



GROWING



ETHICAL



STRONG ESG AND ETHICAL FRAMEWORK



# INTEGRATION OF ESG AND ETHICAL FACTORS INTO THE RESEARCH PROCESS



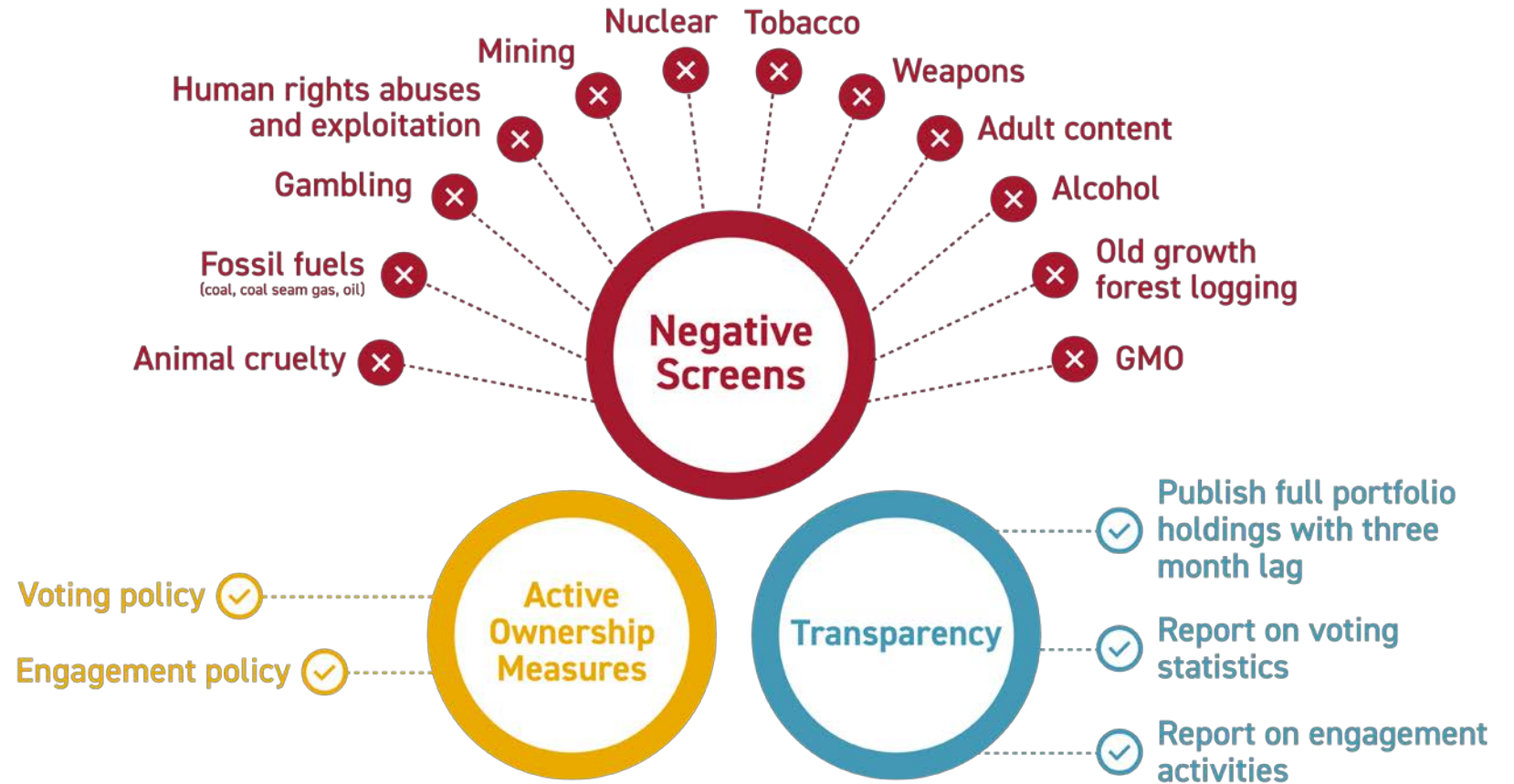
Environmental



Social



Governance



# FUNDAMENTAL BOTTOM-UP APPROACH TO INVESTING



## CORE

60%-80% of the Fund

Highly cash-flow generative businesses

Stable and growing with positive tailwinds



## CYCLICAL

0%-30% of the Fund

Operate in cyclical industries

Poised for an upturn



## OPPORTUNISTIC

0%-30% of the Fund

Company-Specific situations

Attractive potential upside

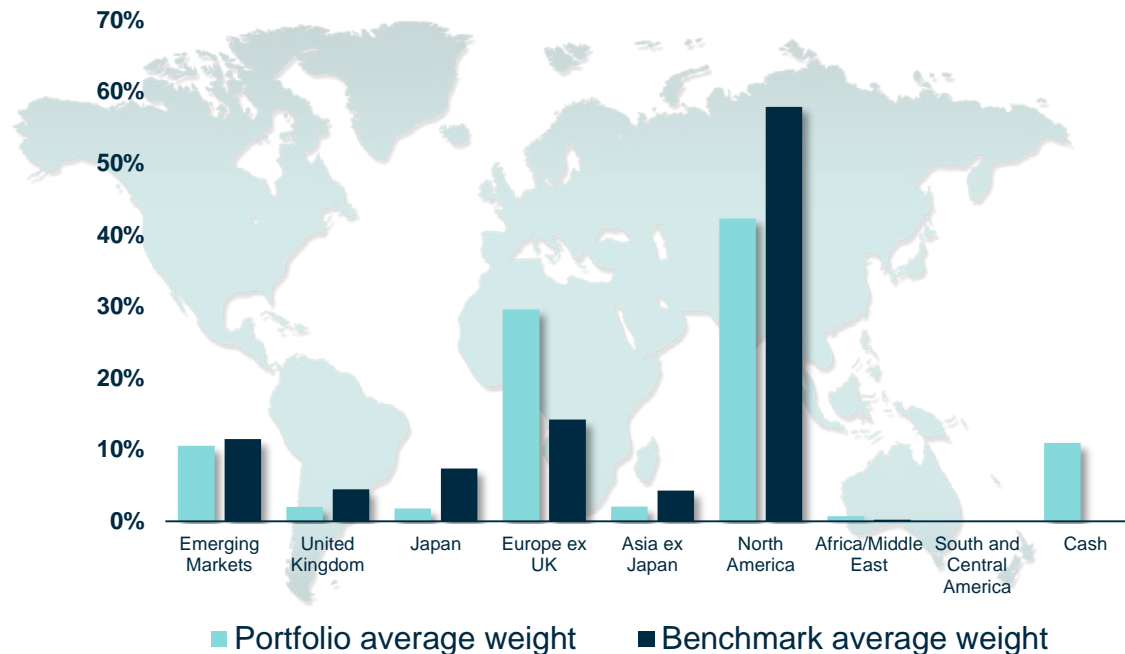


# A DIVERSIFIED INTERNATIONAL ETHICAL CONGLOMERATE



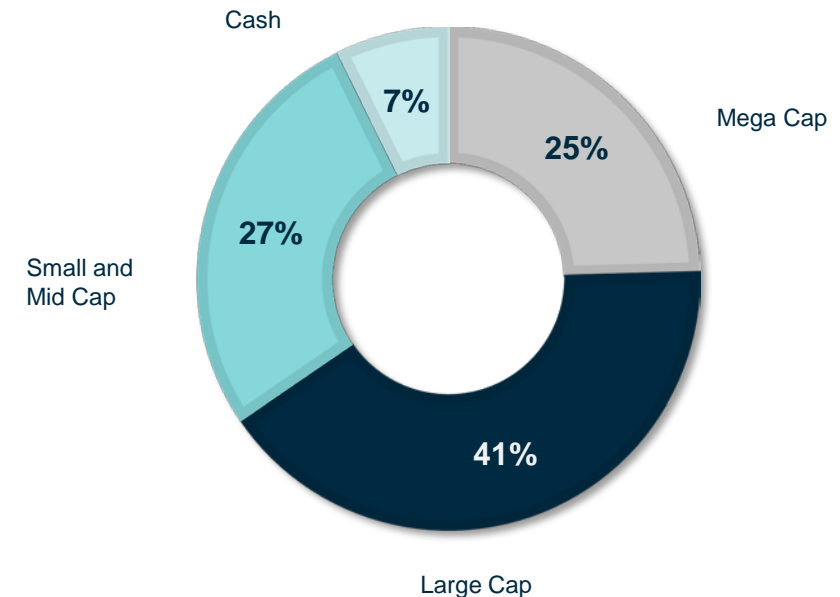
# PORTFOLIO POSITIONING AS AT 31 DECEMBER 2020

## GEOGRAPHIC EXPOSURE



- Only 44% of portfolio invested in US
- Overweight Europe ex-UK and Emerging Markets

## SECTOR EXPOSURE



- Overweight Communication Services and Financials
- Underweight Information Technology, Energy and Industrials

# TOP HOLDINGS AS AT 31 DECEMBER 2020

	Indus Towers	India	Communication Services
	Charter Communications Inc	United States	Communication Services
	Cigna Corp	United States	Health Care
	Electronic Arts	United States	Communication Services
 HOULIHAN LOKEY	Houlihan Lokey Inc	United States	Financials
	Lumentum	United States	Information Technology
	Pinterest Inc	United States	Communication Services
	SIG Combibloc Group AG	Switzerland	Materials
	Tencent Holdings	China	Communication Services
 UnitedHealth Group™	UnitedHealth Group Inc	United States	Health Care

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# FOR MORE INFORMATION

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