

PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

30 June 2022 Investor Presentation



Zenith
Recommended



CERTIFIED BY RIAA



Independent Investment Research
Recommended

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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 RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsibleinvestments.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.responsibleinvestments.com.au, together with details about other responsible investment products certified by RIAA.¹

1. 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 2022
- 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 Lonsec, Zenith and Independent Investment Research (IIR), and is certified by the RIAA.

RESPONSIBLE INVESTING:

THE LARGEST INTERNATIONAL ETHICAL LIC ON THE ASX

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES CAN CONTRIBUTE PROFOUNDLY TO THE SUCCESS OR FAILURE OF OUR INVESTMENTS



Ethical Screens

- Pre trade application of Pengana's Ethical Screens
- Adult content, alcohol, animal cruelty, fossil fuels, gambling, GMOs, human right abuses, mining, nuclear, old growth forests, 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.
- Materiality Map helps identify the environmental and social issues most relevant to an industry.
- Signatories to the UN Principles for Responsible Investment and the UK Stewardship Code to promote 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.

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FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDING 30 JUNE 2022

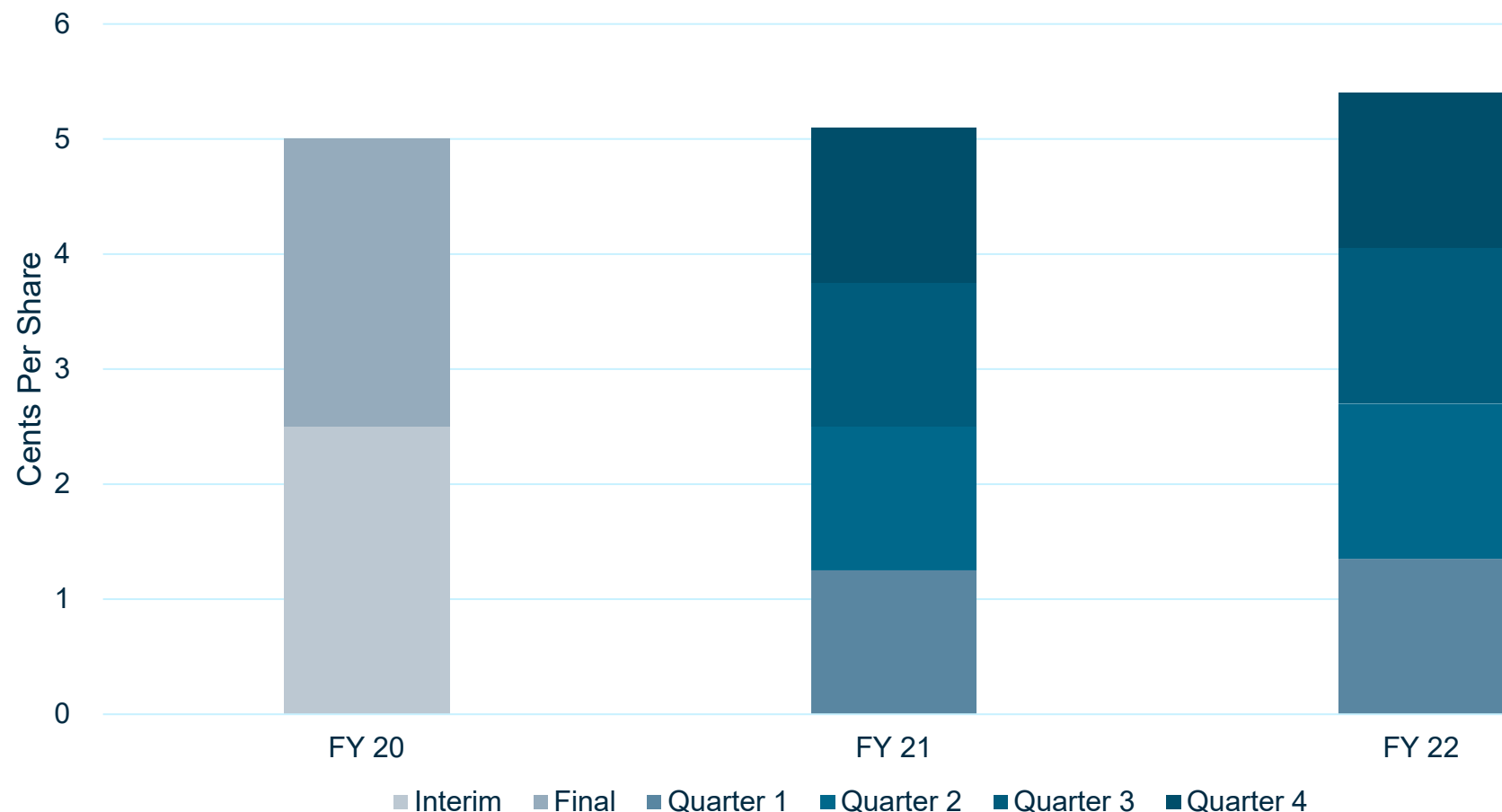
Final quarter dividend	1.35 cps to be paid on 15 September 2022, fully franked at 25% tax rate
Annual dividend	5.4 cps paid quarterly, yield of 4.9% or 6.5% grossed up for franking ¹
Net loss after tax	\$61 million
Profit reserves	\$164 million or over 11 years dividend cover
Franking reserves	\$14.5 million or over 3 years fully franked dividend cover
Net Assets 30 June 2022	\$288 million or \$1.12 per share (post-tax)
Net Assets 12 August 2022	\$309 million or \$1.21per share (post-tax)
Portfolio return since inception²	5.6%
Buy back	Up to 10% of issued capital, commencing 22 August 2022
Annual General Meeting	20 October 2022

1. Based on \$1.10 share price at 18 August 2022 and a 25% company tax rate 2. To 30 June 2022. 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 2022

Record date:

1 September 2022


Payment date:

15 September 2022

DIVIDEND YIELD

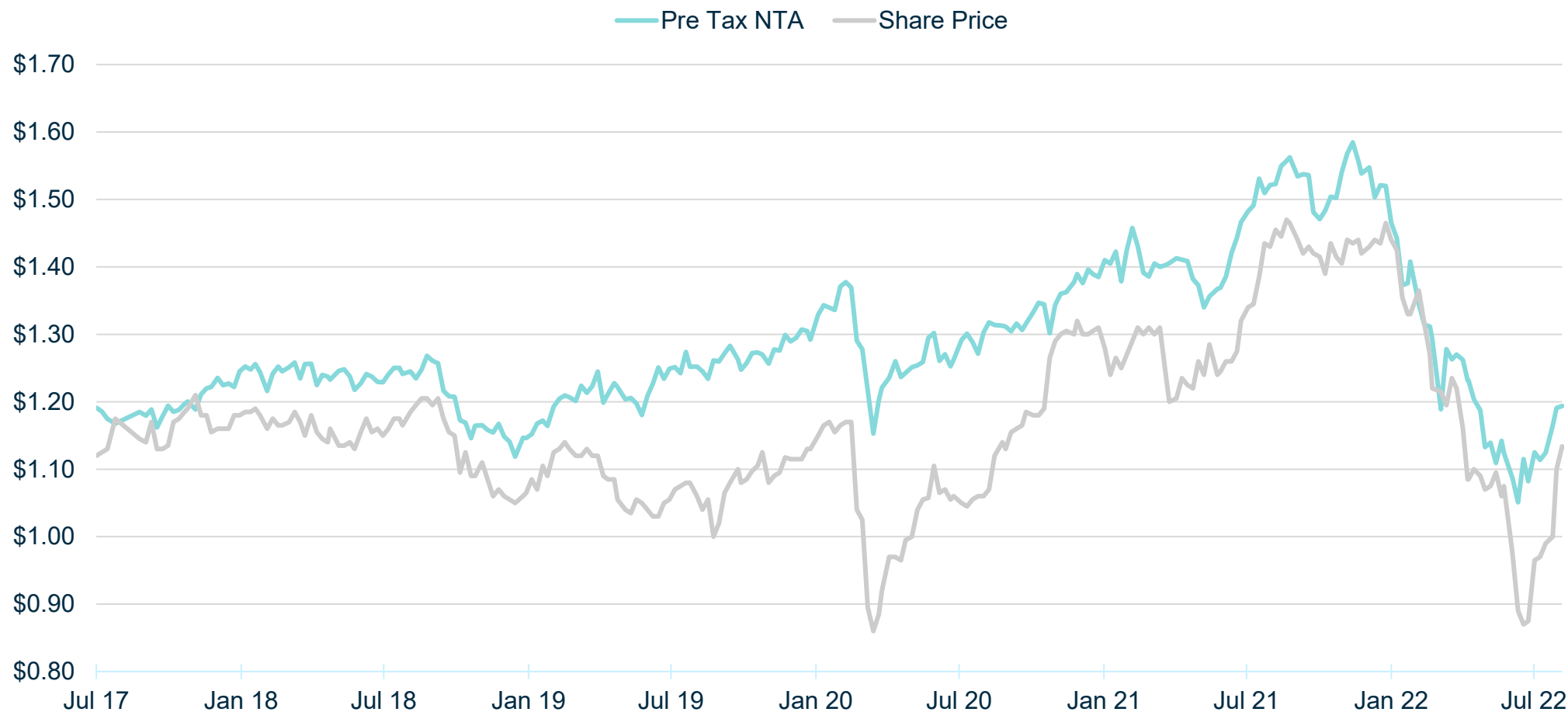
Quarterly Fully Franked Dividends

quarterly dividend
 $\frac{1.35c}{\$1.10} = \sim 4.9\% \text{ yield}$
share price
(cash basis)

6.5% yield 
when grossed-up for
franking credits

The current profit reserves & franking balance are able to sustain
fully franked quarterly dividends through to FY2024

NTA AND SHARE PRICE MOVEMENTS OVER 5 YEARS TO 12 AUGUST 2022



As at 30 June 2022. 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 2022

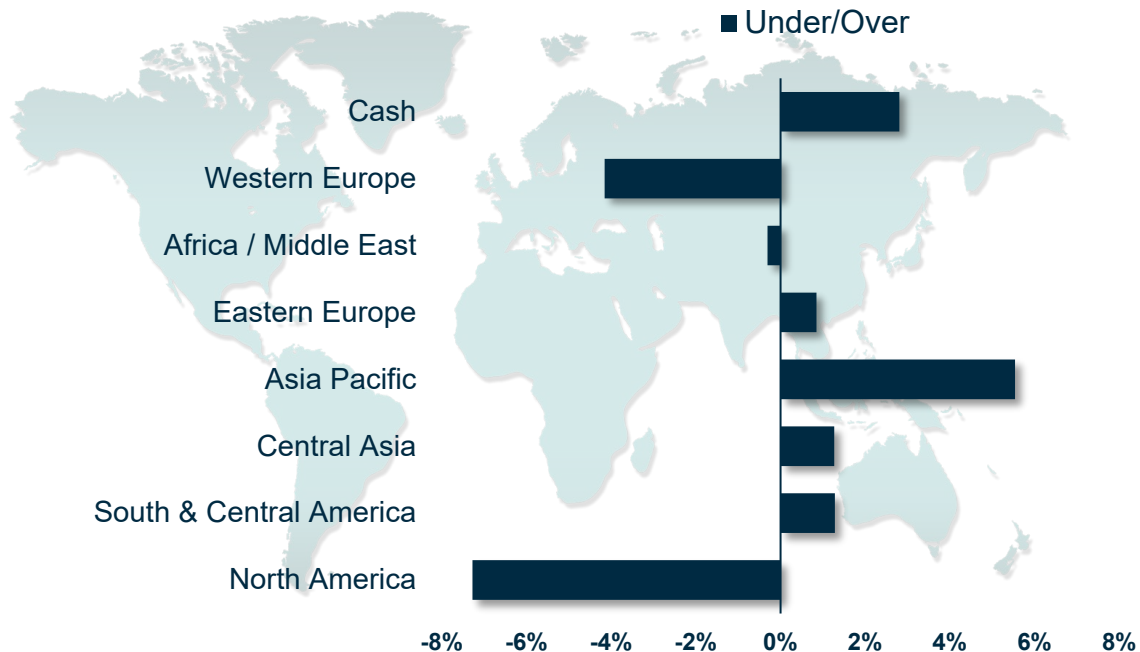
	Alphabet Inc	United States	Communication Services
	Vertex Pharmaceuticals Inc	United States	Health Care
	First Republic Bank	United States	Financials
	Deere & Co	United States	Industrials
	UnitedHealth Group Inc	United States	Health Care
	Schneider Electric	France	Industrials
	Microsoft	United States	Information Technology
	SVB Financial Group	United States	Financials
	AMETEK Inc	United States	Industrials
	L'Oreal	France	Consumer Staples

Total number of portfolio holdings: 68

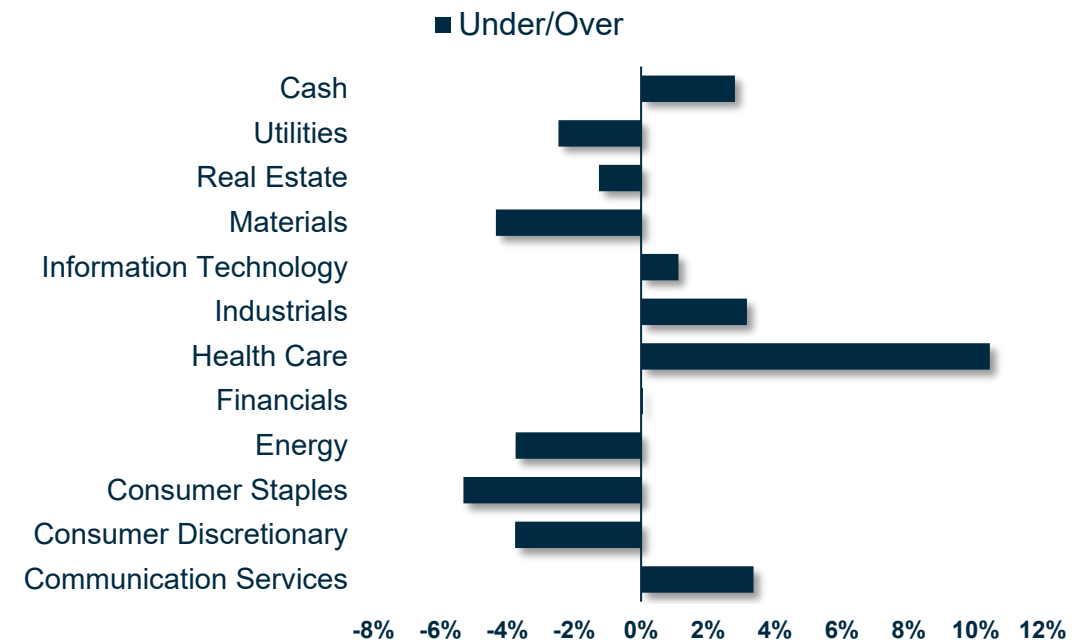
PORTFOLIO POSITIONING

EXPOSURES AS AT 30 JUNE 2022

GEOGRAPHIC EXPOSURE

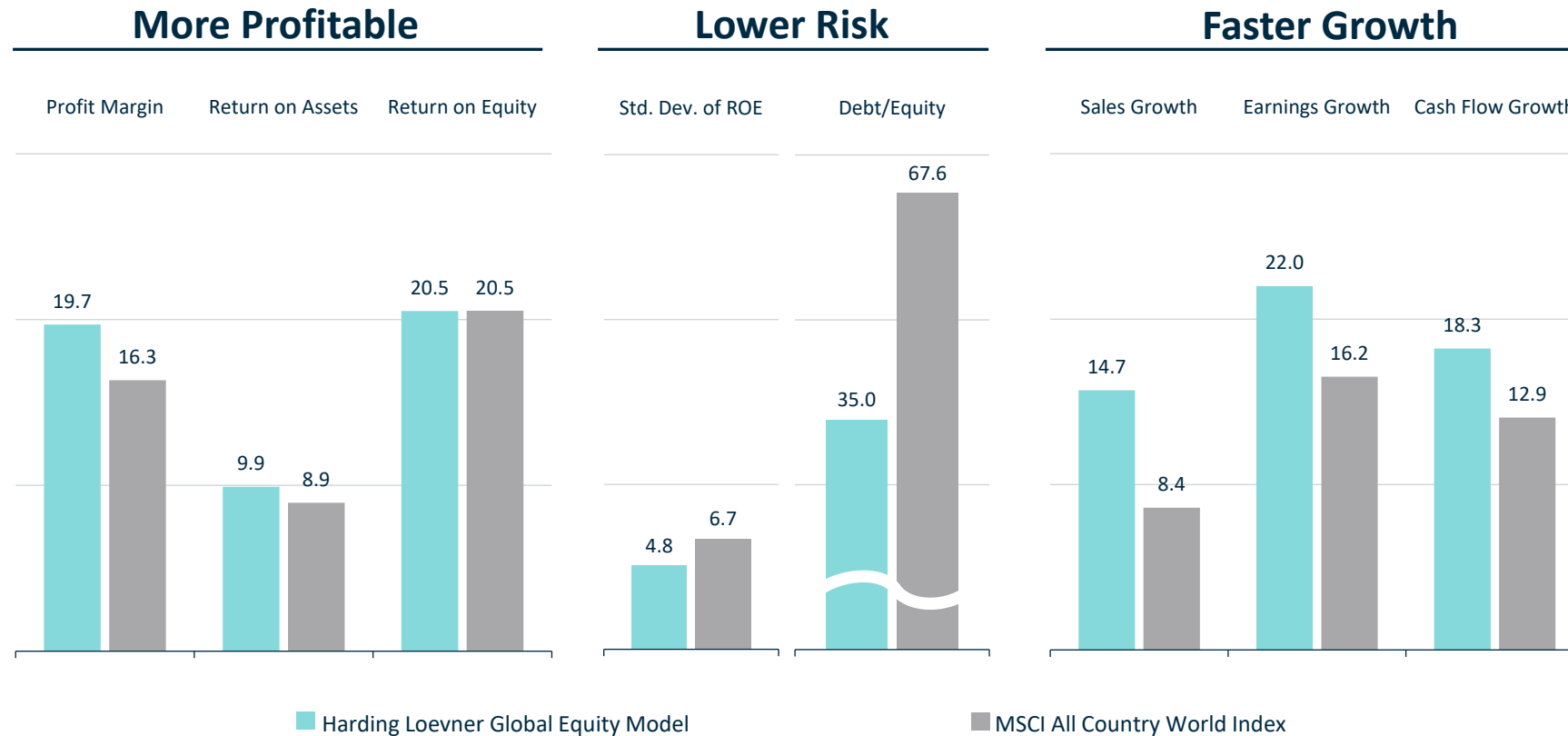


SECTOR EXPOSURE



QUALITY & GROWTH INVESTMENT PHILOSOPHY

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



WHAT'S ON OUR MIND?

Rising costs amid strong secular growth dynamics

1 Continued COVID indigestion
Supply chains disrupted
Rising labour & energy costs: one-time or new normal?

2 Strength in innovation
Digital transformation not slowing down
Golden age of healthcare innovation

3 Continued focus on China
Understanding risks and opportunities

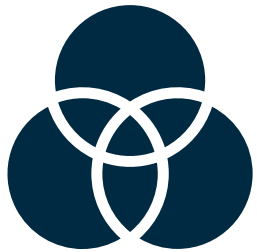


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INVESTMENT HYPOTHESIS



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.

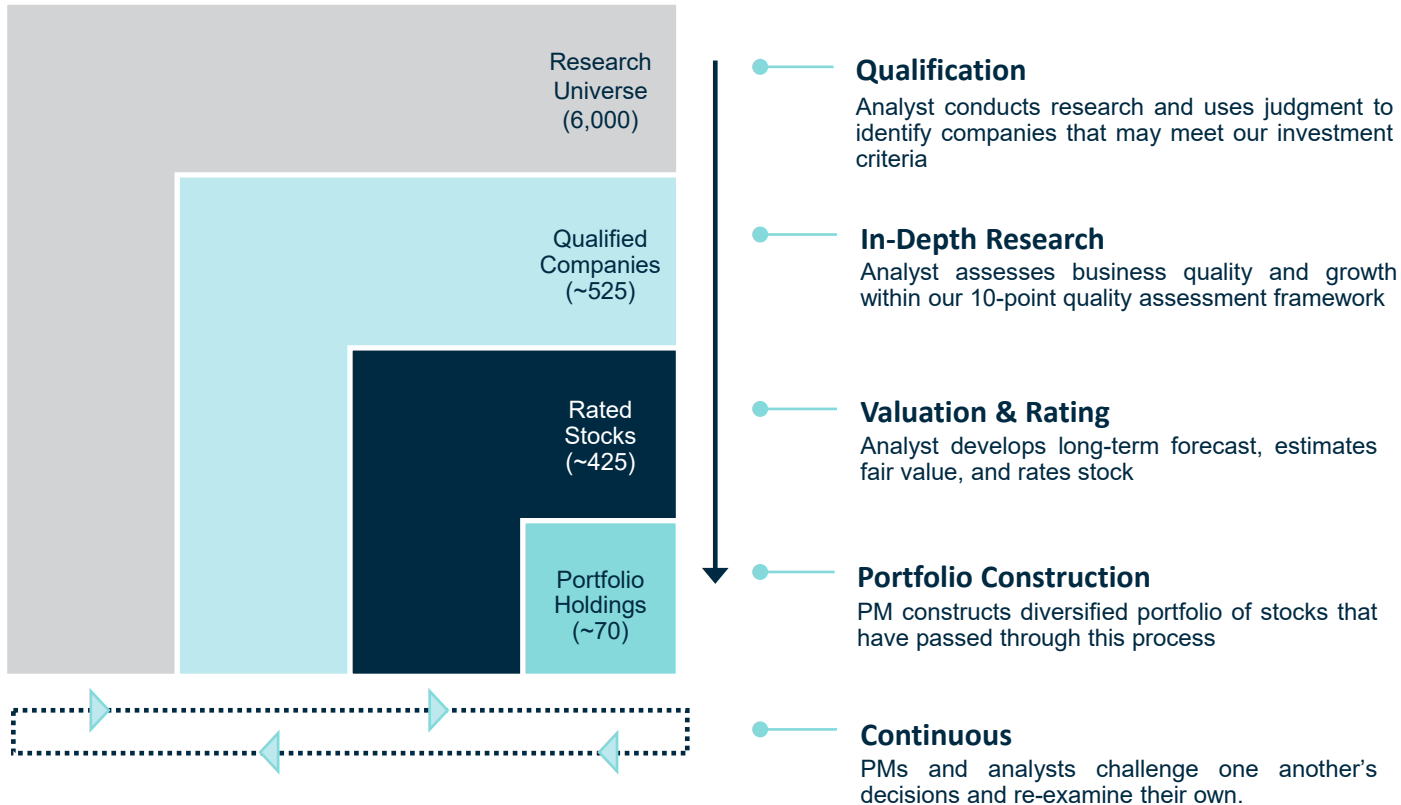


INVESTMENT PROCESS

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 Loevner¹

Circa US\$59 billion under management
32-year track record
2.43% p.a. out-performance since 1989

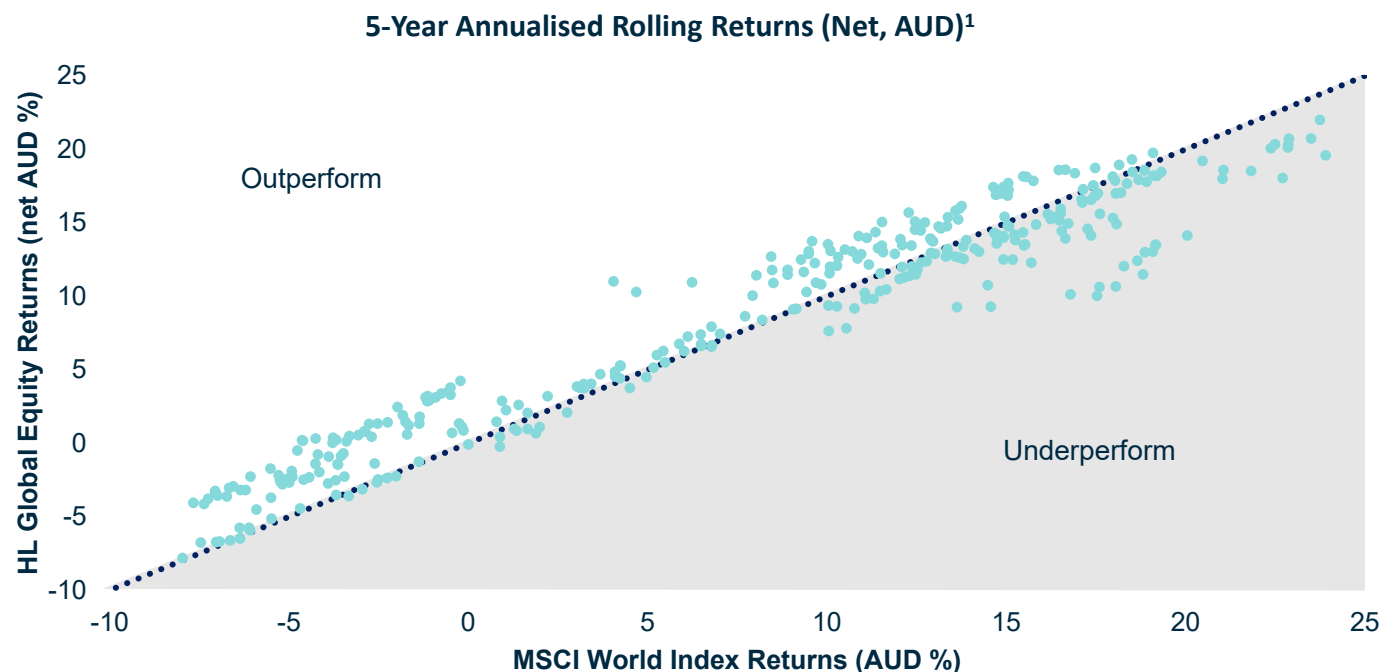
Investment Philosophy

Quality growth
Distinct decision making
Behavioral finance
Patient & Disciplined

¹ Source: Harding Loevner, Harding Loevner Global Equity Strategy annualised returns in USD since inception to 30 June 2022, before fees, including the reinvestment of all income. Benchmark :MSCI All Country World Total Return Index

INVESTMENT STRATEGY

DECISION MAKING PRODUCING A DISTINCTIVE PATTERN OF PERFORMANCE



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.

HL Outperformance Frequency (All Periods: 62%)

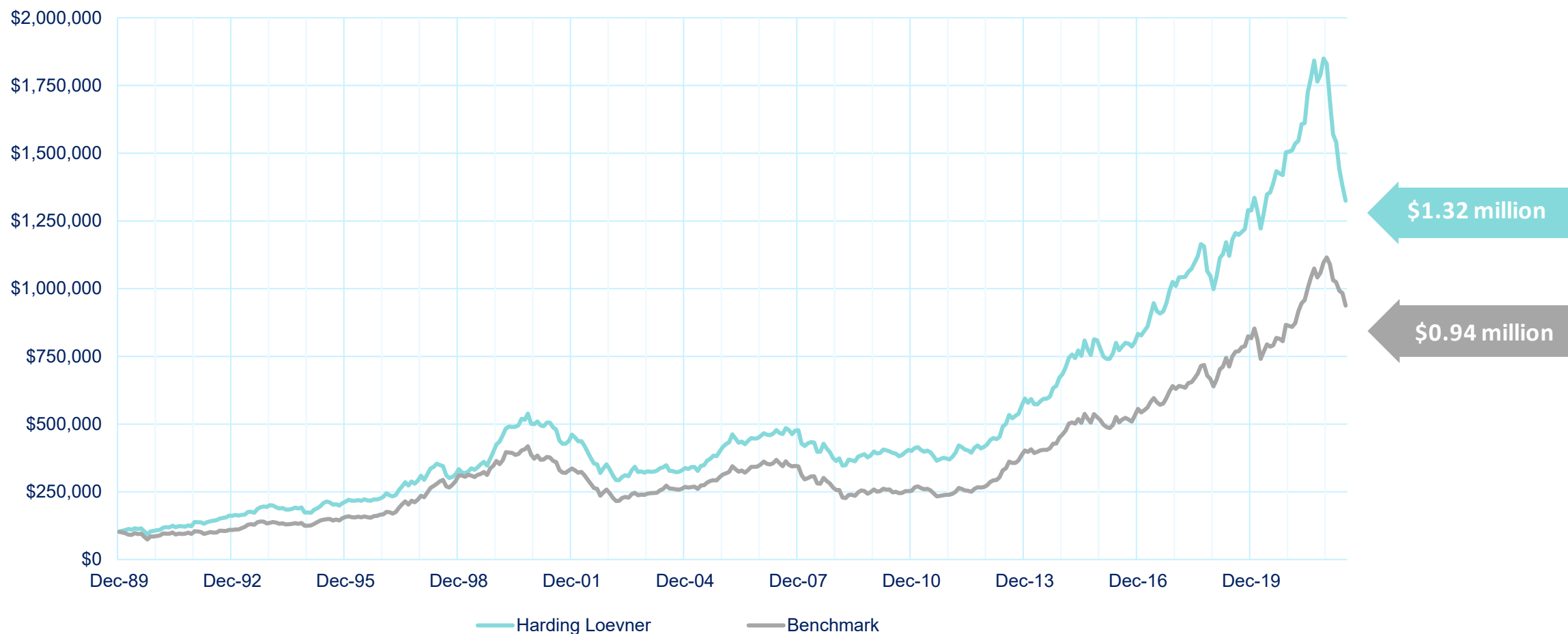
Falling Markets MSCI < 0%	Moderate Markets 0% < MSCI < 10%	Strong Markets MSCI > 10%
94%	54%	38%

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.. MSCI World refers to the MSCI World Total Return Index (net, AUD)

1. November 30, 1989 (strategy inception) to June 30, 2022

HARDING LOEVNER GLOBAL EQUITY PERFORMANCE

Growth of \$100,000 invested since inception¹ (net, AUD) as at June 30, 2022



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1. November 30, 1989 (strategy inception) to June 30, 2022

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FOR MORE INFORMATION

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