

PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

DESCRIPTION

Pengana International Equities Limited (trading on the ASX as PIA) is the largest international ethical Listed Investment Company ("LIC") on the ASX. PIA's objective is to provide shareholders with capital growth as well as regular, reliable, and fully franked dividends.

The strategy aims to generate superior risk-adjusted returns, through investing in an actively managed portfolio of global companies that meet the investment team's high-quality and durable growth criteria at reasonable prices. A robust ethical framework provides an added layer of risk mitigation.

These companies are identified through the conduct of fundamental research, with a long-term, global perspective, and must exhibit the following four key investment criteria: competitive advantages, quality management, financial strength, and sustainable growth potential.

SHARE PRICE	NTA POST-TAX	NTA PRE-TAX	PORTFOLIO RETURN (20 YEARS)	DIVIDEND YIELD ¹	CONSECUTIVE QUARTERLY DIVIDENDS PAID
\$1.220 30 Sep 2025	A\$ 1.365 30 Sep 2025	A\$ 1.411 30 Sep 2025	7.9% p.a. 30 Sep 2025	4.4% 6.3% when grossed up ² for franking credits	20

1. Dividend yield is based on current displayed share price and dividends declared over the previous 12 months

2. Grossed up yield is based on current displayed share price, dividends declared over the previous 12 months and the tax rate and franking percentage applicable for the most recently declared dividend

COMMENTARY

- The Portfolio rose 0.7% in September, supported by gains from select global technology holdings, though returns were more measured than broader global markets.
- Global equities advanced, led by semiconductor and hardware companies benefiting from continued investment in artificial intelligence, while defensive sectors such as Consumer Staples declined.
- A new investment was made in **Elevance Health**, a leading US health management organisation, offering steady growth prospects and a growing technology and services platform.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Sep 2025¹

	1M	1Y	5Y	15Y	20Y
Total Portfolio Return	0.7%	12.7%	8.0%	9.5%	7.9%
Total Shareholder Return	-1.6%	14.3%	5.5%	7.0%	4.7%
Index	1.9%	22.7%	16.2%	13.9%	9.3%

TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services	Microsoft Corporation	Information Technology
Amazon.com, Inc.	Consumer Discretionary	Netflix, Inc.	Communication Services
Booking Holdings Inc.	Consumer Discretionary	Schneider Electric SE	Industrials
CME Group Inc. Class A	Financials	Sony Group Corporation	Consumer Discretionary
Meta Platforms Inc Class A	Communication Services	Tencent Holdings Ltd	Communication Services

SEPTEMBER REPORT

COMMENTARY

Market Commentary

Global share markets rose strongly in September, supported by continued optimism around the long-term growth potential of artificial intelligence (AI). The month saw broad regional participation, although gains were once again concentrated in the Technology sector.

Emerging markets led performance, helped by a sharp rebound in China as investor confidence improved following government support for major technology companies such as **Tencent** to expand domestic AI investment. This policy encouragement helped offset trade concerns and renewed optimism in the country's growth outlook.

Developed markets also advanced, underpinned by sustained investment in technology infrastructure and a generally stable economic backdrop. The United States remained a key driver, while Europe and Japan posted moderate gains as business conditions improved across both manufacturing and services sectors.

While market leadership continues to be concentrated in a small number of large technology companies, the broader economic environment remains supportive. Inflation has continued to moderate, labour markets are resilient, and confidence in the global growth outlook has strengthened, providing a constructive backdrop for equity investors heading into the final quarter of the year.

Portfolio Commentary

The Portfolio rose 0.7% in September, supported by select technology and communication services holdings.

The market's continued focus on a handful of perceived AI leaders has been a persistent theme this year. The Portfolio remains deliberately diversified, investing in high-quality global companies with durable competitive advantages and long-term earnings growth potential. Several holdings, including **NVIDIA**, **Broadcom**, **ASML**, **TSMC**, **Alphabet**, **Microsoft**, and **Tencent**, are benefiting from the growth of AI. These investments are held for their strong business models and consistent profitability rather than short-term market trends.

This environment has been less favourable for quality-oriented companies, as investors have preferred more speculative or lower-quality areas of the market. The investment team believes these periods are temporary and that maintaining discipline around valuation, sustainable growth, and diversification will continue to support long-term results.

During the month, a new investment was added in **Elevance Health**, a leading US health management organisation. The position was initiated after share price weakness created an attractive opportunity to invest in a company with a strong brand, disciplined underwriting, and a growing technology and services platform. Its Caelon division, which provides data analytics and operational support to health plans and providers, offers an additional source of growth and potential margin expansion.

Among individual holdings, **Synopsys** eased after issuing softer guidance, while **Tradeweb** declined following mixed results in August. By contrast, **Alphabet** contributed positively after a favourable court ruling improved confidence in its long-term outlook.

The Portfolio remains focused on high-quality global businesses with strong balance sheets and sustainable growth drivers. The investment team continues to apply a disciplined, bottom-up approach designed to deliver consistent income and long-term value across changing market conditions.

FEATURES	
ASX CODE	PIA
FEES	Management Fee: 1.23% p.a. Performance Fee: 15.38% of any return greater than the Index ^v
INCEPTION DATE	19 March 2004
MANDATED	1 July 2017
BENCHMARK	MSCI World Total Return Index, Net Dividend Reinvested, in A\$ ("Index")
NTA POST TAX ^{iv}	A\$ 1.365 30 Sep 2025
NTA PRE TAX ^{iv}	A\$ 1.411 30 Sep 2025
PRICE CLOSE ^{iv}	A\$ 1.220
SHARES ON ISSUE ^{iv}	257.34m
DRP ^{iv}	Yes

FUND MANAGERS	
	Jingyi Li Portfolio Manager
	Rick Schmidt Portfolio Manager

i. Performance for periods greater than 12 months is the compound annual return.

Total Shareholder Return refers to the movement in share price plus dividends declared for the period, not including the benefit of franking credits attached to dividends paid

Total Portfolio Return refers 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.

Index refers to MSCI World Total Return Index, Net Dividends Reinvested, in A\$.

Past performance is not a reliable indicator of future performance, the value of investments can go up and down. 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. 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. The figures are unaudited.

Source: PCG and Factset.

ii. 20 Year Annualised Standard Deviation as at the last day of the last month prior to publishing this report.

iii. Relative to MSCI World Total Return Index, Net Dividends Reinvested, 20 Year annualised Beta as at the last day of the last month prior to publishing this report.

iv. As at the last day of last month prior to publishing of this report. The figures are unaudited.

v. Index/MSCI World refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$.

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ACN 107 462 966

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Authorised by: Paula Ferrao, Company Secretary.