

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.

STATISTICAL DATA

VOLATILITY³ 11.2%

NUMBER OF STOCKS 60

BETA⁴ 0.84

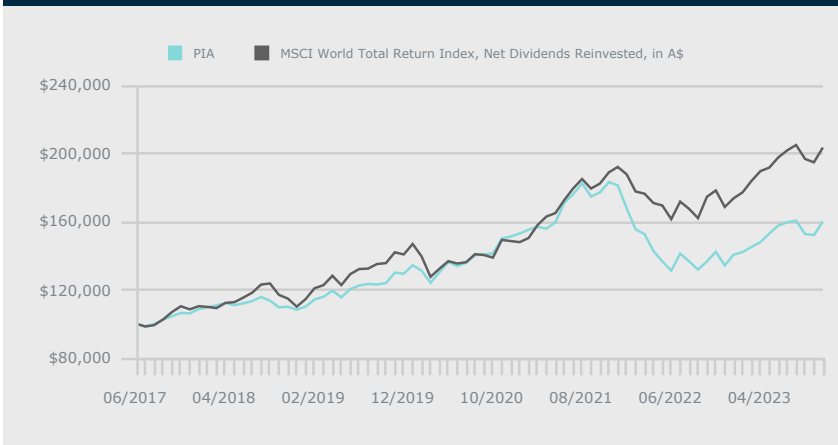
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Nov 2023¹

	1M	1Y	3Y	Pengana SI July 2017 ¹
(ASX: PIA)	5.2%	12.5%	2.2%	7.6%
Index ²	4.4%	14.1%	10.9%	11.7%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc	Communication Services
Amazon.com Inc	Consumer Discretionary
AMETEK Inc	Industrials
Deere & Co	Industrials
Meta Platforms Inc	Communication Services
Microsoft Corp	Information Technology
Schneider Electric SE	Industrials
Thermo Fisher Scientific Inc	Health Care
UnitedHealth Group Inc	Health Care
Vertex Pharmaceuticals Inc	Health Care

SECTOR BREAKDOWN

Consumer Discretionary	7.6%
Consumer Staples	4.1%
Financials	8.2%
Health Care	20.6%
Industrials	19.2%
Information Technology	21.8%
Materials	1.2%
Real Estate	1.2%
Communication Services	13.1%
Cash	3%

CAPITALISATION BREAKDOWN

Under 5bn USD	0.4%
In between 5bn - 10bn USD	3.8%
In between 10bn - 50bn USD	21%
In between 50bn - 150bn USD	29.1%
In between 150bn - 500bn USD	23.5%
Above 500bn USD	19.2%
Cash	3%

REGION BREAKDOWN

North America	60.8%
Europe ex-UK	22%
Emerging Markets	5.5%
Japan	5%
UK	2.8%
Asia Pacific ex-Japan	0.9%
Cash	3%

NOVEMBER REPORT

COMMENTARY

- Global share markets roared back in November as inflation pressures eased, raising hopes that interest rates in most major economies would not rise further.
- Falling interest rate expectations boosted growth stocks, with information technology and industrial company shares performing particularly strongly.
- The Portfolio returned 5.2% in November, outperforming the benchmark which returned 4.4%.

Market Review

Global share markets rebounded strongly as inflation data eased across major developed economies. This enabled central banks to pause hiking interest rates and investors switched their attention towards lower rates next year. Market sentiment improved further as US-China relations appeared less frosty after Presidents Joe Biden and Xi Jinping met.

All global equity market regions and sectors (except energy) strengthened during November. The month saw a rotation of portfolios into growth stocks as interest rate expectations fell and energy prices dropped further. This particularly boosted the information technology sector, while strength in industrials may be a sign of improving consumer and business sentiment.

Falling oil prices as the US increased output, OPEC+ failed to agree meaningful production cuts and concerns grew about demand from China, weighed on the energy sector. In November stocks fared well across all major markets except China, which again lagged despite an improvement in retail sales and industrial production data.

Portfolio Comment

The Portfolio outperformed the benchmark during November, driven by its strong relative stock performance, especially in health care, communications services, and Europe more generally. The Portfolio's overweight position in health care (which underperformed the broader market at an index level) and weak stock performance in consumer discretionary were the main detractors from relative returns.

Shares of Netherlands-based payment processing firm **Adyen** recovered from a sell-off in the previous quarter. This followed the company reiterating its long-term strategy and competitive advantage at its 8 November investor day. The company projected that it would deliver annual revenue growth in the low-to-high 20% range through 2026. This validated the Portfolio's assessment that Adyen's technological edge and superior digital payments platform will drive increasing market share in a fast-growing industry. Furthermore, it forecast that from next year it will gradually expand EBITDA margins, which are anticipated to exceed 50% by 2026.

Strong third-quarter earnings results were published by US-based international streaming and production company **Netflix** and US-based image-sharing and social media platform **Pinterest**. Both stocks outperformed, driving strong stock performance in the Portfolio's communication services holdings.

The Portfolio's stock performance was strongest in Europe, with outperformance particularly strong inside the eurozone. In addition to Adyen, France-based digital automation and energy management group **Schneider Electric**, and Germany-based multinational software company **SAP** outperformed upon reporting strong third-quarter earnings results.

Stock performance in the US detracted from relative returns in November. Biopharmaceutical group **Vertex Pharmaceutical** which focuses on cystic fibrosis treatments underperformed following strong share price gains this year.

FEATURES

ASX CODE	PIA
FEES	Management Fee: 1.23% p.a. Performance Fee: 15.38% of any return greater than the Index***
INCEPTION DATE	19 March 2004
MANDATED	1 July 2017
BENCHMARK	MSCI World Total Return Index, Net Dividend Reinvested, in A\$ ("Index")
NTA POST TAX **	A\$ 1.203
NTA PRE TAX **	A\$ 1.250
PRICE CLOSE **	A\$ 1.050
SHARES ON ISSUE **	257.04m
DRP **	Yes

FUND MANAGERS



Peter Baughan
Portfolio Manager



Jingyi Li
Portfolio Manager

1. As at the last day of last month prior to publishing of this report. 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. Please refer to the PDS for information regarding risks. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

2. Inception date of PIA: 19 March 2004, new investment team with new mandate adopted: 1 July 2017. Pengana International Equities Limited has been managed under the new investment mandate by the Pengana investment team since 1 July 2017. The performance since mandated in the table above refers to the movement in net assets per share since the new mandate adopted on 1 July 2017.

3. Annualised Standard Deviation since mandated

4. Relative to MSCI World

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

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

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ACN 107 462 966

MANAGED BY PENGANA INVESTMENT MANAGEMENT LIMITED

PART OF THE PENGANA CAPITAL GROUP

AFSL 219462

PENGANA.COM/PIA

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