

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
\$1.280 31 Jan 2026	A\$ 1.335 31 Jan 2026	A\$ 1.371 31 Jan 2026	7.2% p.a. 31 Jan 2026	4.4% 5.8% when grossed up ² for franking credits	21

1. Dividend yield is based on current displayed share price, and the most recently declared dividend, annualised

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

COMMENTARY

- PIA declined 2.5% in January, holding up marginally better than the benchmark, which fell 2.7%, in a month of mixed global equity market performance and significant dispersion across sectors and regions.
- Emerging Markets were the strongest-performing region, supported by continued demand for AI-related semiconductor components and a weaker US dollar, while the US lagged despite reaching a record high during the month.
- Although weakness in software and services companies weighed on performance, strong results from select semiconductor and industrial technology holdings supported relative performance.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jan 2026¹

	1M	1Y	5Y	15Y	20Y
Total Portfolio Return	-2.5%	-2.9%	5.9%	8.8%	7.2%
Total Shareholder Return	-1.2%	8.9%	4.4%	6.7%	4.4%
Index	-2.7%	6.5%	15.0%	13.3%	8.8%

TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services	Meta Platforms Inc Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary	Microsoft Corporation	Information Technology
AMETEK, Inc.	Industrials	Schneider Electric SE	Industrials
ASML Holding NV	Information Technology	Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology
Booking Holdings Inc.	Consumer Discretionary	Tencent Holdings Ltd	Communication Services

JANUARY REPORT

COMMENTARY

Market Commentary

Global equity markets were mixed in January, with performance driven largely by sector and regional leadership rather than a consistent global direction. Sentiment around artificial intelligence and commodity prices played an important role in shaping outcomes across markets.

Emerging Markets were the strongest-performing region during the month. Gains were led by South Korean semiconductor companies, as demand for artificial intelligence-related memory components continued to strengthen and pricing conditions improved. A softer US dollar provided an additional tailwind to returns across Emerging Markets.

In contrast, the US lagged the broader global market, despite the S&P 500 reaching a record high late in January. Information Technology weighed on US returns, particularly software and services companies, as investors reassessed how advances in artificial intelligence may alter traditional business models and competitive dynamics. The resulting weakness in software stocks dampened broader market performance.

Energy and Materials were the strongest-performing sectors, benefiting from rising energy and commodity prices. These areas outperformed as investors rotated toward companies exposed to improving commodity trends, contrasting with the softness seen in segments of the technology sector and contributing to variation in returns across markets.

Portfolio Commentary

January was characterised by sharp divergence within Information Technology and strong gains across select Emerging Markets, creating a mixed backdrop for the Portfolio. Weakness in software and services companies weighed on performance, although strength in selected semiconductor and industrial technology holdings provided some offset.

Software and services companies came under pressure as investors reassessed how advances in artificial intelligence (AI) may reshape established business models. The market reaction reflected concerns that new AI tools could alter competitive dynamics and affect pricing power across segments of the industry.

While AI represents an important technological shift, the investment approach remains focused on evaluating how these developments influence long-term competitive positioning rather than reacting to short-term sentiment. The Portfolio's core software holdings, including **Accenture**, a global IT consulting and outsourcing provider, **Adobe**, a digital media and creative software company, **Microsoft**, the US software and cloud computing leader, and **SAP**, the German enterprise software provider, are businesses with strong competitive advantages, high switching costs and deep customer relationships. In the team's view, these characteristics position them to incorporate AI in ways that reinforce long-term earnings power.

In Emerging Markets, the portfolio's lack of exposure to two South Korean memory chip manufacturers, **Samsung Electronics** and **SK Hynix**, detracted from relative returns. Both companies benefited from strong AI-related demand and improved pricing conditions during the month. Within Consumer Discretionary, **Sony** declined amid concerns that higher memory costs could pressure margins in its PlayStation business. **Booking Holdings**, the global online

travel platform, also weakened as investors debated the potential for AI-enabled tools to alter established booking dynamics.

Partially offsetting these headwinds, **ASML**, the Dutch manufacturer of advanced semiconductor lithography equipment, reported stronger than expected bookings and improved its medium-term outlook. **Delta Electronics**, a Taiwanese provider of power management and industrial automation solutions, benefited from continued investment in AI-related infrastructure. The Portfolio's lack of exposure to Apple provided an additional relative benefit during the month.

There were no Portfolio changes in January. The Portfolio remains focused on high-quality global businesses with durable competitive advantages and resilient balance sheets, maintaining a disciplined long-term investment approach despite short-term market volatility.

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\$ 1.335 31 Jan 2026
NTA PRE TAX ^{iv}	A\$ 1.371 31 Jan 2026
PRICE CLOSE ^{iv}	A\$ 1.280
SHARES ON ISSUE ^{iv}	257.55m
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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Authorised by: Paula Ferrao, Company Secretary.