

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 |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---|--------------------------------------|
| \$1.165 31 Mar 2026 | A\$ 1.251 31 Mar 2026 | A\$ 1.262 31 Mar 2026 | 6.3% p.a. 31 Mar 2026 | 4.8% 6.4% when grossed up ² for franking credits | 22 |

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 5.5% in March, underperforming the MSCI World Total Return Index (Net Dividends Reinvested AUD), which fell 2.6%, as a regional conflict in the Middle East following US and Israeli airstrikes closed the Strait of Hormuz and disrupted energy markets.
- Energy was the only positive sector as oil prices surged, while all other sectors weakened on expectations that higher energy costs would weigh on company profits and consumer spending. Emerging Markets was the weakest region, dragged lower by Taiwan and South Korea.
- Samsung Electronics** and **Chugai Pharmaceutical** were the largest detractors, partly offset by a positive contribution from **Diploma**, the UK-based distributor of specialised technical products. The portfolio initiated a new position in **nVent Electric**, a US-based specialist in electrical connection and enclosure products.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Mar 2026¹

| | 1M | 1Y | 5Y | 15Y | 20Y |
|---------------------------------|-------|-------|-------|-------|------|
| Total Portfolio Return | -5.5% | -3.5% | 3.8% | 8.2% | 6.3% |
| Total Shareholder Return | -5.3% | 3.3% | 3.8% | 6.4% | 3.8% |
| Index | -2.6% | 8.2% | 12.6% | 13.1% | 8.2% |

TOP HOLDINGS (ALPHABETICALLY)

| | | | |
|-----------------------------------|------------------------|---|------------------------|
| Alphabet Inc. Class A | Communication Services | Netflix, Inc. | Communication Services |
| Amazon.com, Inc. | Consumer Discretionary | NVIDIA Corporation | Information Technology |
| AMETEK, Inc. | Industrials | Schneider Electric SE | Industrials |
| Meta Platforms Inc Class A | Communication Services | Taiwan Semiconductor Manufacturing Co., Ltd. | Information Technology |
| Microsoft Corporation | Information Technology | Tencent Holdings Ltd | Communication Services |

MARCH REPORT

COMMENTARY

Market Review

Global equity markets declined in March as a regional conflict in the Middle East introduced significant uncertainty for investors. US and Israeli airstrikes on Iran at the end of February escalated into a broader confrontation that closed the Strait of Hormuz, one of the world's most important oil transit routes, and drove a sharp rise in energy prices.

The surge in oil prices benefited energy companies, which were the only part of the market to post positive performance during the month. Elsewhere, the rise in energy costs weighed broadly on earnings expectations. Industries with high input costs were particularly affected, while consumer-facing businesses contended with the prospect of weaker demand as higher energy prices flowed through to household budgets. The breadth of the decline reflected growing concern that a prolonged disruption to energy supply could weigh on global economic activity.

Regional performance varied. US equities held up better than most, supported by the more defensive nature of some of its larger companies. Emerging Markets was the weakest region, led lower by Taiwan and South Korea, where companies involved in semiconductor manufacturing fell as the conflict raised concerns about disruptions to the supply of key materials used in chip production.

Portfolio Commentary

March presented a challenging backdrop for the portfolio. The conflict in the Middle East raises important questions about which companies are best positioned to navigate a range of economic outcomes. Rising energy costs, weaker consumer demand, and tighter financial conditions would not affect all businesses equally.

The investment approach focuses on identifying companies with strong balance sheets and durable competitive positions. Businesses that fund their operations through internally generated cash flow, rather than relying on external financing, tend to be better placed in uncertain environments. Over time, these types of companies have historically gained ground on weaker competitors during periods of disruption, while conservative levels of debt help preserve flexibility to pursue growth opportunities.

When markets face sudden change, there can be an expectation that the portfolio should change with it. However, the investment approach is designed to position the portfolio for long-term structural trends, whether that be the world's evolving infrastructure needs or the type of economic disruption that might follow a prolonged energy shock, rather than reacting to short-term events.

During the month, the portfolio initiated a position in **nVent Electric**, a US-based company specialising in electrical connection and enclosure products for data centres, utilities, and industrial applications. The company generates strong cash flow and is well positioned to benefit from the growing demand for electrical infrastructure.

Among individual holdings, **Samsung Electronics**, the South Korean semiconductor manufacturer, was the largest detractor as concerns grew that the conflict could disrupt semiconductor supply chains. **Chugai Pharmaceutical**, the Japanese biotechnology company, also declined after its parent company, Roche, halted development of a drug candidate. On the positive side, **Diploma**, the UK-based distributor of specialised technical products, rose after

raising its guidance on the back of strong demand in its aerospace business. The strong performance of energy and defence companies during the month also worked against the portfolio's ethical screens, which exclude companies with material involvement in fossil fuels, weapons, and nuclear energy.

While periods of market disruption can be uncomfortable, they often reinforce the value of owning well-capitalised businesses with strong competitive positions and the ability to continue generating cash flow through a range of economic 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\$ 1.251 31 Mar 2026 |
| NTA PRE TAX ^{iv} | A\$ 1.262 31 Mar 2026 |
| PRICE CLOSE ^{iv} | A\$ 1.165 |
| SHARES ON ISSUE ^{iv} | 257.77m |
| 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.