

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
\$1.285 31 Oct 2025	A\$ 1.390 31 Oct 2025	A\$ 1.442 31 Oct 2025	8% p.a. 31 Oct 2025	4.2% 6.0% 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

- PIA returned 2.3% in October, delivering another positive month as global equity markets continued to rise.
- Market gains were led by companies exposed to continued investment in artificial intelligence, while more defensive, income-oriented sectors softened following the US Federal Reserve's late-month rate cut.
- A new position was established in **Fabrinet**, a specialist manufacturer supporting the growth of global optical communications networks and high-bandwidth technologies.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Oct 2025¹

	1M	1Y	5Y	15Y	20Y
Total Portfolio Return	2.3%	12.1%	8.4%	9.3%	8.0%
Total Shareholder Return	5.3%	16.4%	4.3%	7.0%	4.9%
Index	3.3%	22.1%	17.2%	13.9%	9.5%

TOP HOLDINGS (ALPHABETICALLY)

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

OCTOBER 2025

COMMENTARY

Global equity markets moved higher in October, supported by broad strength across many regions but with leadership again centred in Technology. Semiconductor and hardware companies continued to benefit from sustained investment in artificial intelligence and expanding data-centre infrastructure, which remained key drivers of sentiment throughout the month.

Emerging Markets outperformed, helped by strong gains from leading South Korean technology firms as demand for memory and logic components improved. Japan also advanced after political developments increased expectations for fiscal support and a more accommodative monetary policy stance. The United States recorded another month of solid progress, extending its run of positive performance through 2025.

More defensive, income-oriented areas such as Consumer Staples and Real Estate eased after the US Federal Reserve reduced interest rates late in the month. The shift in monetary policy encouraged investors to rotate away from bond-proxy sectors and toward companies positioned to benefit from longer-term structural growth themes.

Overall, the global backdrop remained constructive, with easing inflation, gradually improving demand conditions and supportive policy settings contributing to a generally favourable environment for equities.

Portfolio Commentary

PIA delivered a 2.3% return in October, a strong absolute outcome in a month where global markets continued to rise, although the Portfolio did lag the benchmark's 3.3% gain. The Portfolio remains well exposed to many of the long-term growth themes shaping global equities, including artificial intelligence and the broader buildout of digital infrastructure.

Market leadership in October was concentrated in a small group of semiconductor companies that continued to benefit from strong demand across AI-related technologies. The Portfolio holds several high-quality businesses participating in these trends, while maintaining a disciplined approach to valuation to ensure that exposures remain balanced and aligned with long-term fundamentals.

Within Communication Services, **Alphabet** contributed positively after reporting strong earnings across its major business lines, supported by continued growth in cloud services. Management also indicated that investment in technology capabilities will rise next year to support long-term demand.

Meta Platforms also reported solid revenue growth, although its share price eased as margins narrowed following higher investment in AI initiatives. These spending decisions reflect the company's continued focus on strengthening its long-term technology platform.

During the month, the Portfolio initiated a new position in **Fabrinet**, a Thailand-based manufacturer that produces high-precision optical components used in fibre-optic networks. The company has built a strong competitive position through its technical expertise and efficient manufacturing base. Fabrinet has delivered consistent growth as global demand for cloud computing, video streaming and AI-related data transmission has expanded. The team believes these long-term trends will continue to support the company's development as it invests in additional capacity and strengthens its operational capabilities.

Performance across other holdings was mixed. In Financials, **Progressive**, a leading US auto insurer, detracted after recording slower policy growth and a regulatory charge linked to policyholder refunds in Florida. In Communication Services, **Netflix** softened after quarterly results met expectations but fell short of investor hopes, while **Tencent**, the China-based gaming and social media company, declined amid renewed tariff tensions. By contrast, **Fabrinet** added to its results within Information Technology.

The Portfolio remains focused on owning high-quality global businesses with strong balance sheets and durable competitive advantages. The team continues to follow a disciplined, long-term investment approach designed to deliver resilient outcomes through a variety of 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\$ 1.390 31 Oct 2025
NTA PRE TAX ^{iv}	A\$ 1.442 31 Oct 2025
PRICE CLOSE ^{iv}	A\$ 1.285
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\$.

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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.