

PENGANA INTERNATIONAL EQUITIES LIMITED

ACN 107 462 966



NEW INVESTMENT STRATEGY BOOSTS HALF YEAR NET PROFIT TO \$12 MILLION

Highlights for the period:

- Interim dividend of 3.5 cents per share
- Net profit after tax of \$12 million, up 165%
- Total investment income of \$20.7 million, up 190%

Listed investment company, Pengana International Equities Limited (**ASX: PIA**), an investor in global equities, today announces a net profit after tax of \$12 million for the half year to 31 December 2017 and that it will pay an interim dividend of 3.5 cents per share on Monday, 30 April 2018.

PIA's portfolio was repositioned in June 2017 as the investment manager implemented its strategy to deliver consistent and less volatile long-term returns. Total investment income of \$20.7 million for the half year to 31 December 2017 was up 190% compared to the negative investment return of -\$23.1 million in the previous corresponding half.

Frank Gooch, chairman of PIA, said "Even though the long term focused investment strategy has only been in place for just over six months we are pleased with the outcome for this half and that the after-tax earnings from the portfolio fully support the payment of the 3.5 cents per share dividend."

Chief Investment Officer, Jordan Cvetanovski said "The repositioned portfolio benefited from excellent stock selection over the six months and generated strong returns despite relatively low exposure to "hot" sectors, such as IT, and regions, such as the USA and Asia. The portfolio remains well positioned to take advantage of opportunities as they arise."

Russel Pillemer, CEO of the Investment Manager, Pengana Capital Group Limited, said of the performance in 2018 to date "PIA's portfolio has held up exceptionally well given the volatility in equity markets. Measures put in place by our portfolio management team, including prudent stock selection, a relatively high cash weighting, and put options on key indexes all served to protect PIA during the recent correction."

In December 2017 shareholders were allotted bonus options to acquire ordinary shares at the exercise price of \$1.18 per share at any time prior to 10 May 2019. To date 456,623 options have been exercised. Shares acquired through the exercise of the option prior to the record date of 13 April 2018 will be entitled to the 2018 interim dividend of 3.5 cents per share. The level of franking attached to the dividend may depend on the number of options exercised prior to the dividend record date.

If less than 54.8 million options are exercised before the record date, the dividend will be 100% franked, otherwise the dividend will be partially franked. The final franking attached to the dividend will be announced to the ASX on 16 April 2018, the business day after the record date.

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The dividend reinvestment plan (DRP) is active and is open to shareholders for this interim dividend. DRP elections must be advised by the following business day after the record date.

The company announced in June 2017 a number of strategic initiatives to deliver value to shareholders. All of the initiatives have been implemented and the discount to net asset backing at which the shares trade has narrowed between 30 June and 31 December 2017.

Your investment in PIA has delivered a total return of 12.4% for the six months, comprised of a 6.8% increase in the share price, the fully franked final dividend of 3.5 cents per share, which was paid in October 2017, and the market value of the bonus options at 31 December 2017.

One of the initiatives announced in June 2017 was regular shareholder briefings to be undertaken by the Investment Manager. During the half the Investment Manager conducted investor briefings in seven cities around Australia. These briefings were well attended by shareholders who had the opportunity to meet with the investment management team following the briefings.

The Investment Manager will conduct further briefings in March 2018. Russel Pillemer will be providing a business update and will be joined at each event by either Jordan Cvetanovski (Chief Investment Officer and Portfolio Manager) or Steven Glass (Head of Research and Portfolio Manager) who lead the team of six investment professionals that manage the PIA investment strategy.

We encourage you to attend and meet with the Investment Manager. The location and dates of the briefings are detailed below. Please register for the location that best suits you.

Date	City
Monday, 19 March 2018	Canberra
Tuesday, 20 March 2018	Brisbane
Wednesday, 21 March 2018	Gold Coast
Thursday, 22 March 2018	Sydney
Tuesday, 27 March 2018	Perth
Wednesday, 28 March 2018	Adelaide
Thursday, 29 March 2018	Melbourne

Shareholder Inquiries

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Shareholder Registry

Computershare Investor Services Pty Ltd on 1300 850 505 (within Australia) or +61 3 9415 400 (outside Australia)

Media Inquiries

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