

## NEW INVESTMENT STRATEGY DELIVERS \$47.5 MILLION PROFIT TURNAROUND

Highlights for the year ended 30 June 2018:

- Final dividend of 3.5 cents per share, franked at 27.5%
- Net profit after tax of \$24.6 million, up 208%
- Total investment income of \$39.9 million, up 260%

Listed investment company, Pengana International Equities Limited (**ASX: PIA**), an active investor in ethically screened global equities, today announced a profit of \$24.6 million after tax in the year to 30 June 2018, a significant improvement on the \$22.9 million loss recorded in the prior comparable year. The result was driven by the strong investment performance of the portfolio throughout the year combined with a significant reduction in costs.

Frank Gooch, Chairman of PIA, said: "It is pleasing to report that this proven strategy, which is designed to generate long-term consistent returns whilst reducing both volatility of returns and the risk of losing capital, delivered on its objectives in 2018."

The international equities investment strategy implemented by the Investment Manager, Pengana Capital Group Limited (**ASX: PCG**), at the beginning of the financial year delivered total investment income of \$39.9 million for the year 30 June 2018, up 260% compared to the investment loss of \$25 million in the prior comparable year.

Russel Pillemer, CEO of PCG, said: "The revamped investment strategy managed by PIA's Chief Investment Officer, Jordan Cvetanovski and the Board's focus on corporate expenses has delivered a good outcome for PIA shareholders. The PIA portfolio continues to be well placed to not only deliver long-term consistent returns, but also protect investors against significant negative market events."

The Total Shareholder Return ("TSR") for the year ending 30 June 2018 was 11.6%, taking into account the 5% increase in PIA's share price, the fully franked dividends of 7 cents per share paid over the course of the 2018 financial year and the 0.8 cents per share market value of the options at 30 June 2018.

The discount to pre-tax Net Tangible Asset ("NTA") per share at which the PIA shares traded during year narrowed slightly, to be just over 6% at 30 June 2018.

The Company today also declared a final dividend of 3.5 cents per share to be paid on 28 September to shareholders on the register at the record date of 21 September, bringing the total dividends declared for the period to 7 cents per share.

Shares acquired through the exercise of the bonus options prior to the record date of 21 September will be entitled to the 2018 final dividend.

The level of franking attached to the final dividend may depend on the number of options exercised prior to the dividend record date. If less than 215.4 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 24 September, the business day after the record date.

Legislation has been enacted to lower the company tax rate to 27.5% for companies with aggregate turnover of less than \$50 million. The lower tax rate is effective from the beginning of the 2019 financial year. If this lower tax rate is effected, it will decrease tax expenses but will also affect the value of the franking credits attached to dividends paid in the 2019 financial year.

The Company's Annual General Meeting will be held at 12:30 pm on 24 October 2018 at Level 4, 60 Carrington Street, Sydney and will include an update from the Company's Investment Manager.

14 August 2018

### **About Pengana International Equities Limited**

Pengana International Equities Limited provides access to the benefits of an actively managed core portfolio of 30-50 ethically screened companies across developed and developing global markets via a listed investment company structure.

### **Shareholder Registry**

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

### **Shareholder Inquiries**

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