

PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

SEE WHAT'S
NEW AT
PENGANA

Access investment
insights here >

DESCRIPTION AND FEATURES

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.

Investments are made predominantly in companies that deliver stable yet growing free cash flow throughout cycles (which we classify as 'Core' holdings) whilst also taking positions in more cyclical companies ('Cyclical') and those whose valuation has been materially misconstrued by the market ('Opportunistic').

We avoid investments in companies that in our opinion are harmful to people, animals or the environment.

Visit our website for more information on the Company.

PERFORMANCE COMMENTARY

The portfolio declined 3.4% in October. The portfolio was as conservatively positioned as it prudently could be with an 18% cash holding (max allowable cash is 20%) and almost 10% delta-adjusted portfolio insurance (put) holding. In addition, the portfolio has relatively low exposure to expensive Tech stocks. All told, we have structured the portfolio with the intention of minimising draw-downs and volatility and we are pleased to have delivered on these goals during the month.

The three largest positive stock contributors were CME Group, Cigna and Newmont Mining. CME's performance reflected an increase in volatility across asset markets and Newmont's performance followed strength in the gold price due to increased risk aversion. There was no specific news to explain Cigna's strength.

The three largest stock detractors were Wacker Chemie, Tencent and Snap-On. Wacker and Tencent's weakness, respectively, followed a decline

Portfolio managers	Jordan Cvetanovski Steven Glass
ASX code shares	PIA
ASX code options	PIAO
Founded	19 March 2004
Mandate inception	1 July 2017
Asset class	International Equities
Fees	Management fee: 1.23% p.a. Performance fee: 15.38% of any return greater than the MSCI World ³
DRP	Yes
Share price¹	\$1.090
Option price¹	\$0.004
NTA (pre-tax)^{1,2}	\$1.1645
NTA (post-tax)^{1,2}	\$1.1638
Premium/discount to pre-tax NTA¹	(6.40%)
Ordinary shares on issue¹	252.99m
Bonus options on issue¹	237.80m
Benchmark	MSCI World ³

1. As at 31 October 2018. 2. The figures are unaudited. 3. MSCI World refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$.

in chemical and Chinese stocks due to trade-war fears. Snap-On's performance reflected a disappointing 3Q18 earnings result.

The portfolio's largest industry exposures are Financials, IT and Health Care. The Financials exposure reflects notable investments across derivative exchanges, which we expect will benefit from increased asset market volatility. The Health Care exposure is relatively diversified. The portfolio continues to have relatively low exposure to the US Tech sector.

The portfolio continues to have relatively large exposure to Europe + UK (27%) and Emerging Markets - Asia (14%), while having relatively small exposure to the US (41%).

The weight of the Core segment remains within 60-65%, which is at the low end of our target range (60-80%). Cyclical is 10% of the portfolio and Opportunistic remains within 5-10% of the portfolio.

FOR FURTHER
INFORMATION
PLEASE VISIT
OUR WEBSITE:
PENGANA.COM/PIA

PERFORMANCE

Net performance for periods ending 31 October 2018⁴

	1 mth	3 mths	1 yr	FYTD	Since Inception p.a. ⁵
PIA	-3.4%	-3.2%	5.0%	-2.1%	7.6%
Benchmark	-5.4%	-1.1%	9.4%	1.4%	7.1%

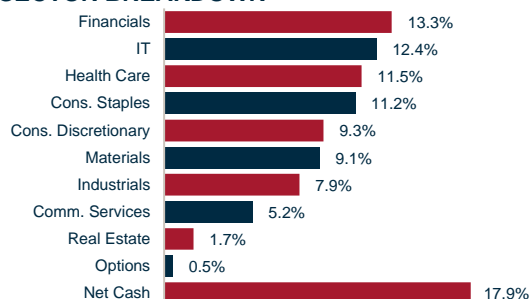
Pengana International Equities Limited has been managed under the new investment mandate by the Pengana investment team since 1 July 2017. The performance since inception in the table above refers to the movement in net assets per share since the inception of PIA in March 2004. See footnotes 4 and 5 below for further details.

PORTFOLIO INFORMATION

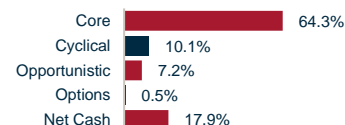
Top 10 stocks		
Name	Country	Sector
Alphabet	United States	Information Technology
Bharti Infratel	India	Telecommunication Services
Cigna	United States	Health Care
CME Group	United States	Financials
Dollar General	United States	Consumer Discretionary
Heineken	Netherlands	Consumer Staples
Intercontinental Exchange	United States	Financials
Microsoft	United States	Information Technology
Newmont Mining Corp	United States	Materials
Sabre	United States	Information Technology

Largest 3 contributors	Largest 3 detractors
CME Group	Wacker Chemie
Cigna	Tencent Holdings
Newmont Mining Corp	Snap-On

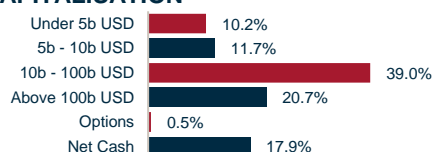
SECTOR BREAKDOWN



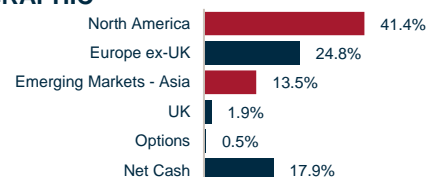
SEGMENT



CAPITALISATION



GEOGRAPHIC



4. Performance figures refer 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. Past performance is not a reliable indicator of future performance, the value of investments can go up and down. 5. Inception date of PIA: 19 March 2004, new investment team with new mandate adopted: 1 July 2017.

None of Pengana International Equities Limited ("PIA"), Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219462) nor any of their related entities guarantees the repayment of capital or any particular rate of return from PIA. Past performance is no guarantee of future performance. This document 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.