

PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

**APRIL 2019
PERFORMANCE
UPDATE**

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.

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	A\$1.055
Option price¹	A\$0.001
NTA (pre-tax)^{1,2}	A\$1.2218
NTA (post-tax)^{1,2}	A\$1.2031
Premium/discount to pre-tax NTA¹	(13.7%)
Ordinary shares on issue¹	253.32m
Bonus options on issue¹	237.46m
Benchmark	MSCI World ³

1. As at 30 April 2019. 2. The figures are unaudited. 3. MSCI World refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$.

PERFORMANCE COMMENTARY

The portfolio was up 3.1% in April. FX was a marginal contributor to performance as the AUD weakened against most major currencies. In a bullish market, the portfolio's cash holdings were a performance headwind, however the puts (portfolio insurance) had less of an impact as we have reduced the portfolio's exposure to them.

April continued the trend witnessed in earlier months this year with IT related stocks, once again being among the best performing and Healthcare being among the worst performing.

The portfolio's three largest positive stock contributors were Rakuten (Japanese internet conglomerate), ASML (Dutch supplier of lithography systems for the semiconductor industry) and CME Group (US derivatives exchange). There was no specific news to explain the performance of all three of these stocks.

The portfolio's three largest detractors were Bharti Infratel (Indian cellular tower operator), Newmont

Mining (US gold miner), and Novo Nordisk (Danish pharmaceutical company). Bharti declined following its 1Q19 quarterly result. Newmont declined following its merger with Goldcorp. There was no specific news to explain the decline in Novo Nordisk.

The portfolio remains well diversified and does not have any one single material industry exposure. On a relative basis the portfolio remains underweight 'fast growth tech', which we believe is currently trading on gravity-defying valuations. The portfolio also does not have any direct exposure to the oil and gas sector.

Compared to the benchmark, the portfolio continues to have large exposure to Europe ex-UK (31%) and Emerging Markets - Asia (11%), while being underweight the US (48%).

The weight of the Core segment remains within 60-70%, Cyclical remain 10-15% and Opportunistic has been increased to 15-20% of the portfolio.

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

PERFORMANCE

Net performance for periods ending 30 April 2019⁴

	1 mth	3 mths	1 yr	FYTD	Since Inception p.a. ⁵
PIA	3.1%	8.5%	6.4%	6.6%	7.9%
Benchmark	4.5%	11.9%	14.2%	11.1%	7.6%

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
Aon	United States	Financials
ASML Holding	Netherlands	Information Technology
Bharti Infratel	India	Communication Services
CME Group	United States	Financials
Charter Communications	United States	Communication Services
Cigna Corp	United States	Health Care
Deutsche Boerse	Germany	Financials
Microsoft	United States	Information Technology
Nutrien	Canada	Materials
Rakuten	Japan	Consumer Discretionary

Largest 3 contributors

Rakuten

ASML Holding

CME Group

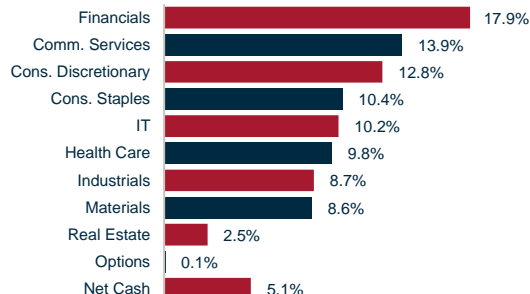
Largest 3 detractors

Bharti Infratel

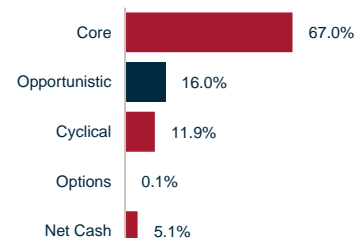
Newmont Mining Corp

Novo Nordisk

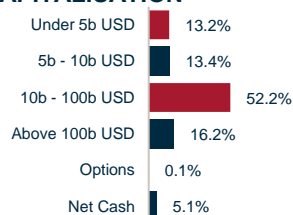
SECTOR BREAKDOWN



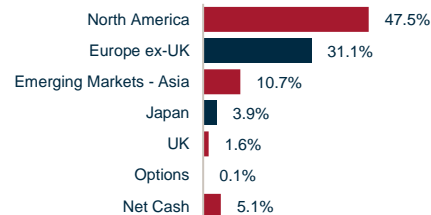
SEGMENT



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.



PENGANA INTERNATIONAL EQUITIES LIMITED
ACN 107 462 966

MANAGED BY PENGANA INVESTMENT MANAGEMENT
LIMITED

PART OF THE PENGANA CAPITAL GROUP
AFSL 219462

CLIENT SERVICE

T: +61 2 8524 9900
F: +61 2 8524 9901
E: CLIENTSERVICE@PENGANA.COM

LEVEL 12, 167 MACQUARIE STREET,
SYDNEY, NSW 2000
PENGANA.COM/PIA