



PENGANA
CAPITAL



WEBINAR

PENGANA FUND MANAGER WEBINAR SERIES

INDEPENDENT TEAMS

DISTINCT STRATEGIES

UNIQUE PERSPECTIVES



ASX: PIA

PENGANA INTERNATIONAL EQUITIES LIMITED

Webinar

PRESENTED BY



Joy Yacoub
Executive Director
Pengana International Equities



Russel Pillemer
Managing Director



Steven Glass
Deputy Portfolio Manager

NOTHING HAS CHANGED



FOUNDERS

Jordan Cvetanovski

Steve Glass



APPROACH

Implemented for over 15 years

Team approaching 5 year track record

Managed out of our Sydney office



FOCUS

Portfolio construction unchanged

3 key aims

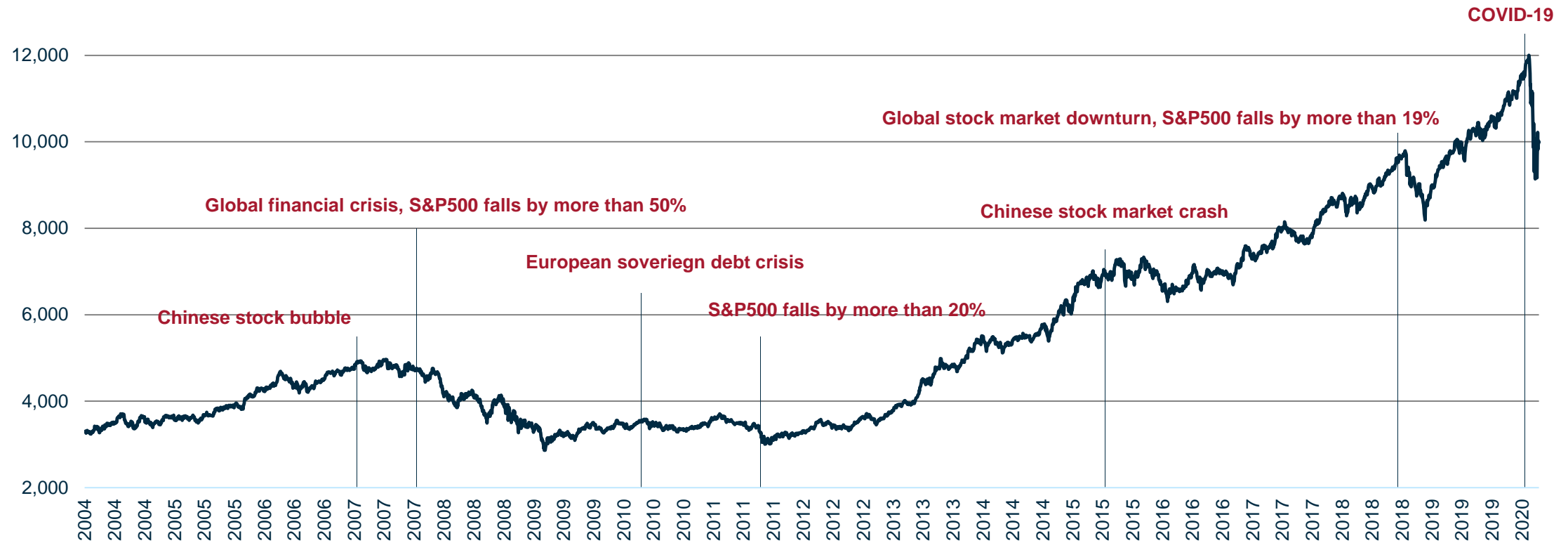
- Making money
- Protecting capital
- Minimize volatility

WE'VE SEEN VOLATILITY BEFORE



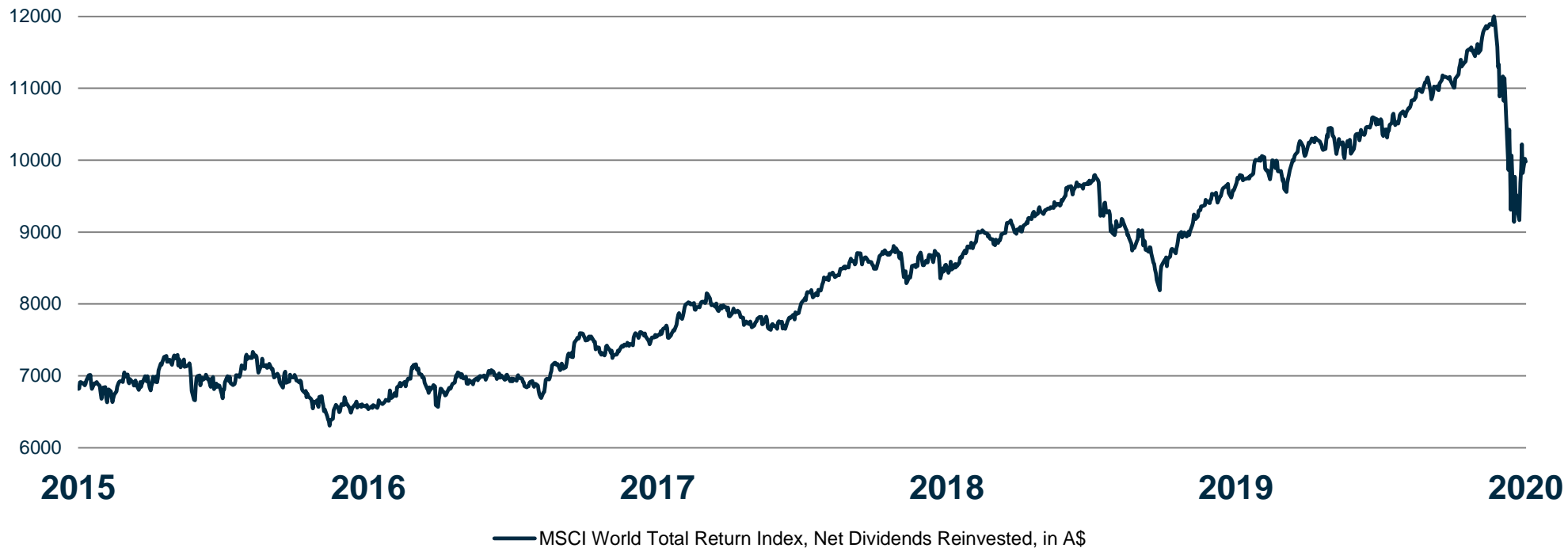
PENGANA
INTERNATIONAL
EQUITIES LIMITED

MSCI WORLD TOTAL RETURN INDEX, NET DIVIDENDS, REINVESTED, \$A



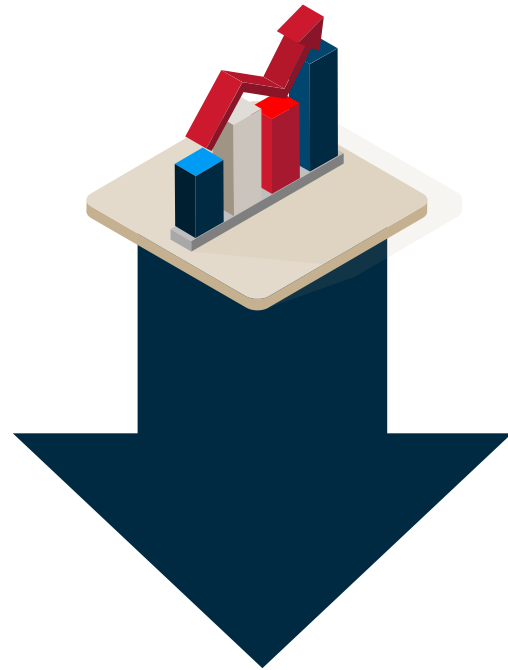
IT WASN'T THAT LONG AGO THAT THE MARKET REACHED ALL-TIME HIGHS

MSCI WORLD TOTAL RETURN INDEX, NET DIVIDENDS, REINVESTED, \$A OVER THE LAST 5 YEARS



ONGOING DISCIPLINED ACTIVE MANAGEMENT

SELLING DOWN EXPENSIVE STOCKS AND BOOSTING DEFENCES

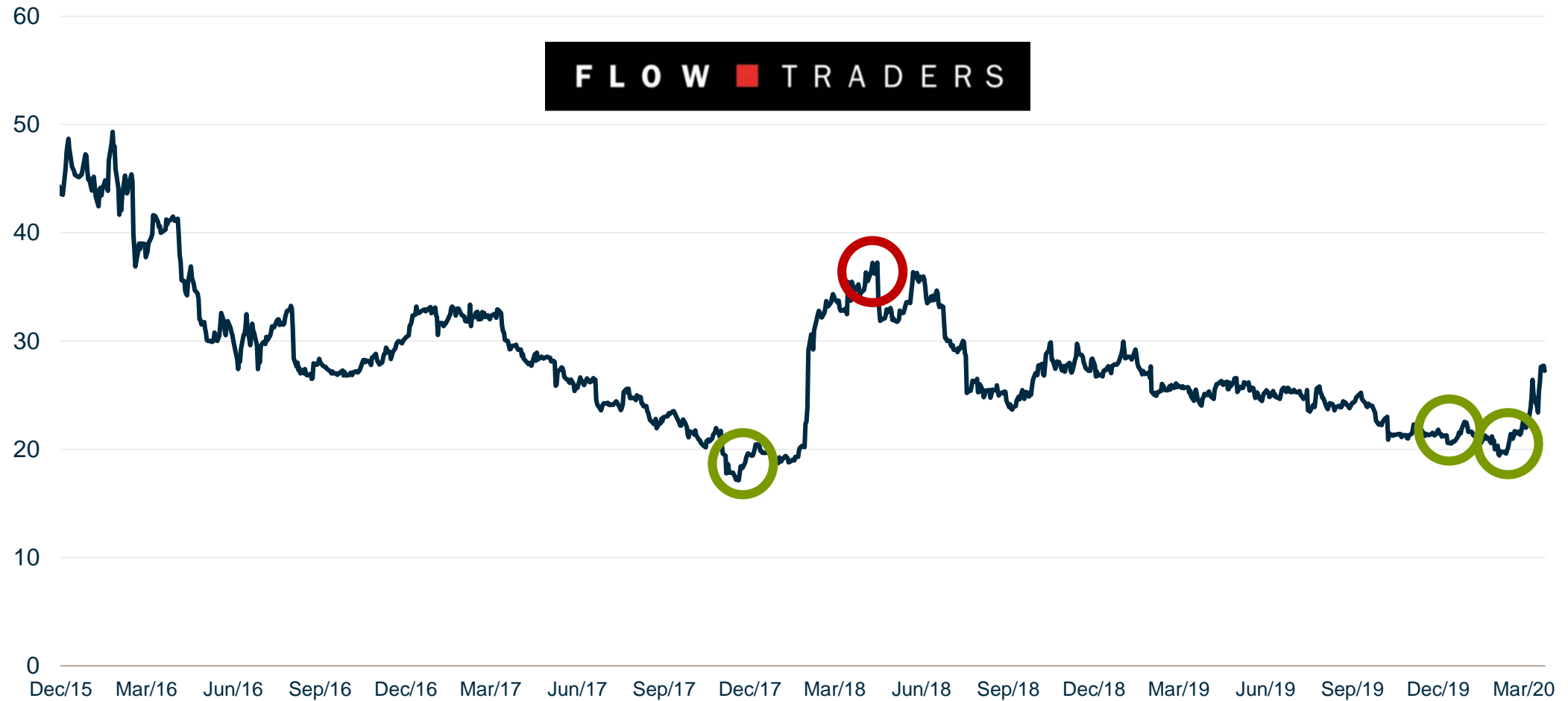


Sold down technology and
other expensive companies

Exchanges
Cash



FLOWTRADERS – BALANCING RISKS IN THE PORTFOLIO



PHASE 1

EXITED HIGHLY SENSITIVE COMPANIES



Credit card company



Chinese hotel company



Hotel bookings



Automotive auction services

Redistributed that capital into exchanges and other existing defensive holdings

PHASE 2

INVESTED IN NEW POSITIONS THAT MET OUR VALUATION DISCIPLINE

ThermoFisher
SCIENTIFIC



Vestas

World's largest provider of scientific equipment and services

Discount retailer/dollar store. Benefiting from the shift to discounted retailing in the US

Speciality chemical distributor and producer for bonding and sealing for building and auto sector/consolidating a fragmented industry

Distributor of speciality chemicals/ consolidating a fragmented industry

Leader in designing digital and analog chips

World's largest wind turbine company

Vestas

- **World's largest wind turbine company**
- Large service business – c40% VWS' EBIT
- **Competitive advantages** - installed based, biggest R&D budget, reputation
- **Market share** (ex-China) grown from 17% (CY14) to 35% (CY19)
- **Immaculate balance sheet**
- Green energy has positive outlook but regulation is a concern, particularly PTC (USA)
- Potential to benefit from fiscal stimulus
- **7% FY21 FCF yield**



ThermoFisher SCIENTIFIC

- **Market Share** - World largest provider of scientific equipment and services
- **Growth** - Has been able to grow faster than the market
- Can expect share price gains to continue in the future
- Robust long term growth prospects
- **Defensiveness** - Defensive position in uncertain times
- **4.2% Free Cash flow Yield**
- Low gearing

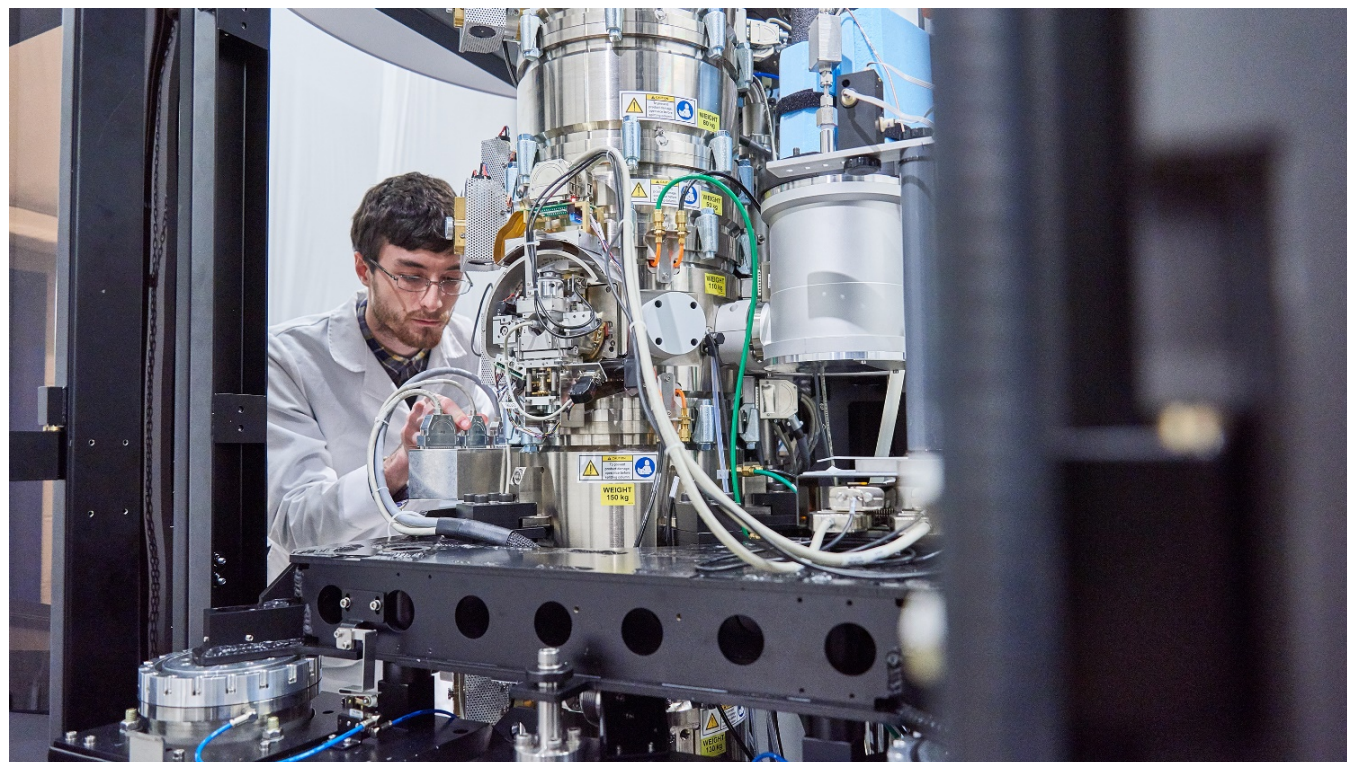


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SELL OFF CREATED OPPORTUNITIES IN THE IMPACT SPACE

Impact investments must also pass our fundamental investment factors

Sell off opened opportunities in positive impact companies

Already invested in Vestas and Thermo Fisher

Watch list sample

	Name	Theme	Leverage	FCF yield	Growth	Price Change
	Blackbaud	Charity	3.7	4%	6%	-39%
	Novozymes	Clean energy	0.8	4%	0%	-8%
	John Wiley & Sons	Education	1.0	11%	0%	-26%
	Technogym	Health	(0.0)	7%	5%	-53%
	Amplifon	Medical	3.1	5%	27%	-34%
	Yamaha Corporation	The Arts	0.1	5%	1%	-35%

OUR VIEWS ON POSSIBLE SCENARIOS

Scenario 1

Economic Rebound

V

Scenario 2

Economic Rebound

U

Scenario 3

**Long Recession /
Depression**

L

Hyper-inflation

Rising interest rates

Deflation

OUR RESPONSE TO COVID 19

WE HAVE ALWAYS MAINTAINED A PRACTICAL APPROACH TO INVESTING



Phase 1

Exited companies
highly leveraged to
COVID 19



Phase 2

Invested in new
positions that met our
valuation discipline



Phase 3

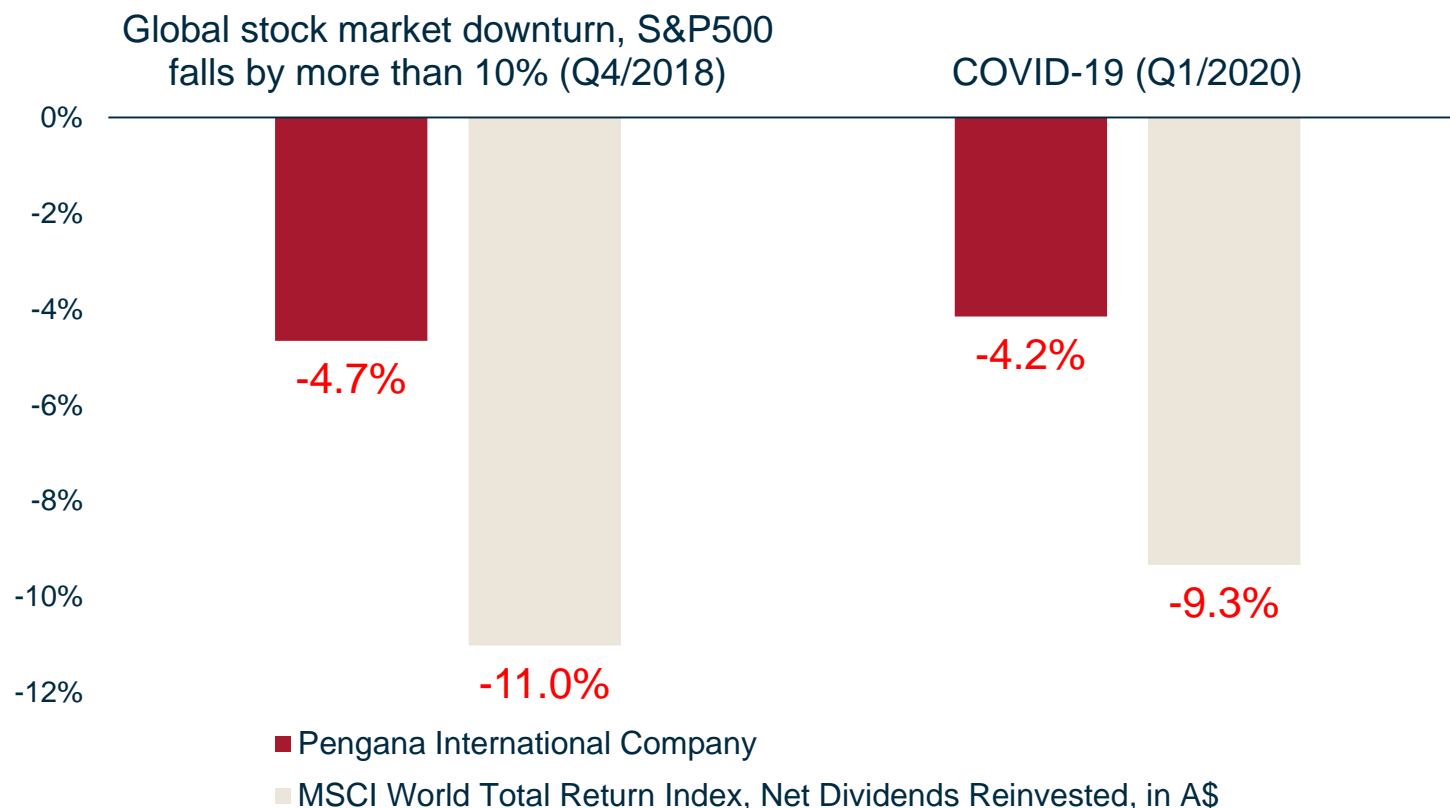
Patiently waiting to be
fully invested

POSITIONED WELL FOR POTENTIAL OUTPERFORMANCE

Portfolio segment	Weight	FCF yield	Rev CAGR	Gearing	Stocks
Core	60%	5.9%	7.1%	1.1	24
Cyclical	7%	7.0%	1.3%	0.3	4
Opportunistic	15%	2.3%	16.3%	0.0	7
Total	82%	6.0%	6.5%	1.0	35
Cash	18.5%				
Total portfolio	100.0%				

PROTECTING ON THE DOWNSIDE HAS NOT BEEN UNIQUE TO COVID 19

MANAGING VOLATILITY AND PROTECTING CAPITAL



Volatility 1 Year to 31 March 2020

PIA 10.5%

Benchmark 14.6%

Annualised Return 1 July 2017 to 31 March 2020

PIA 8.1%

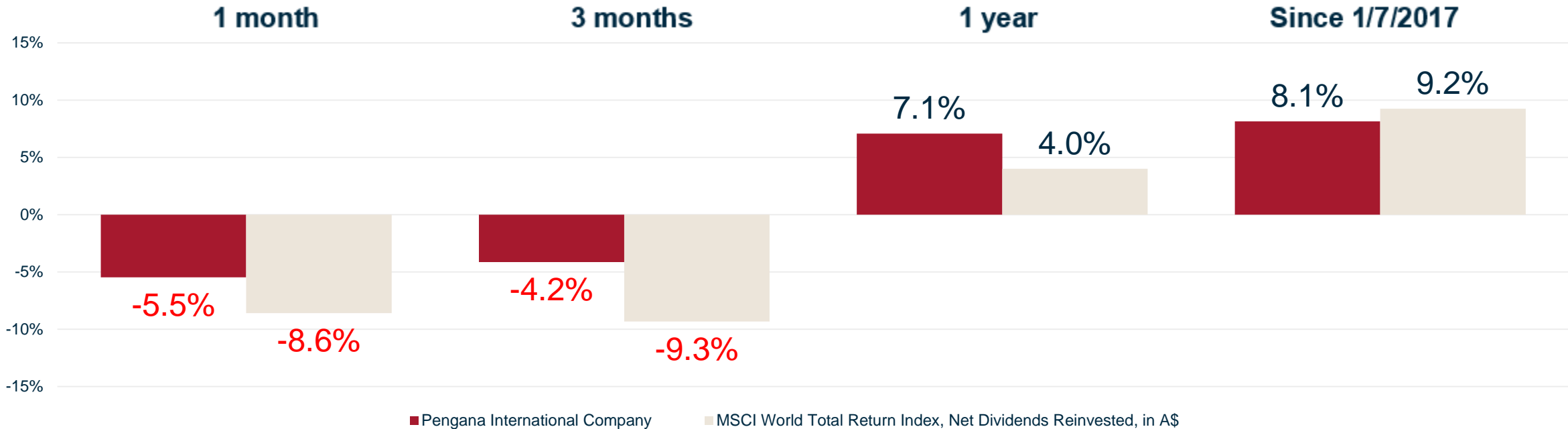
Benchmark 9.2%

Source: Bloomberg and Pengana Capital

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. inception date of PIA: 19 March 2004, new investment team with new mandate adopted: 1 July 2017. Pengana International Equities Limited has been managed under the new investment mandate by the Pengana investment team since 1 July 2017.

KEY OBJECTIVE: GROWING WEALTH

PERFORMANCE TO 31 MARCH 2020



	1 month	3 months	1 year	Since 1 July 2017
Outperformance	3.1%	5.2%	3.1%	-1.1%

Source: Bloomberg and Pengana Capital
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. inception date of PIA: 19 March 2004, new investment team with new mandate adopted: 1 July 2017. Pengana International Equities Limited has been managed under the new investment mandate by the Pengana investment team since 1 July 2017.

IN SUMMARY

COMMITTED TO THE PROCESS



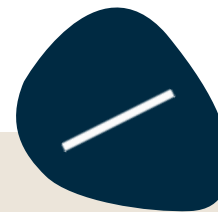
Make money

Return since 1
July 2017 =
8.1% p.a.



Protect capital

Outperform on days
market declines
meaningfully



Minimize volatility



Positioned to perform

Cheaper than market,
growing faster, lower
gearing



PENGANA
INTERNATIONAL
EQUITIES LIMITED

FOR MORE INFORMATION

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Authorised by Paula Ferrao, Company Secretary.