

2020 FINAL DIVIDEND UPDATE & AMENDMENT TO INVESTMENT MANDATE WITH OBJECTIVE TO FULLY FRANK FUTURE DIVIDENDS

[Click HERE](#) to register for the webinar

PIA's unaudited results for the 10 months to 30 April 2020 indicate that the company is well placed to fully frank a final dividend of 2.5 cents per share. This will be in addition to the fully franked 2020 interim dividend of 2.5 cents per share paid on 30 April 2020.

The Board will meet in late August 2020 to approve the 30 June 2020 audited financial statements and to consider and declare the final dividend for the 2020 financial year.

Last year, PIA announced the reset of the annual dividend to 5 cents per share in financial year 2020 as this would provide a base from which shareholders could look forward to growth in dividends and capital over the medium to long term.

Having considered the company's performance throughout this current period of market upheaval the directors confirm they remain confident that the reset dividend base of 5 cents per share is sustainable over the medium to long term.

Mr Frank Gooch, the chairman of PIA, said, "PIA is positioned to meet its dividend objective of paying at least 5 cents per share over the medium to long term. The company has total assets of \$320 million, no debt, investments in highly liquid global companies and a disciplined investment management team that has demonstrated its ability to deliver throughout the cycle."

Mr Gooch noted that in the 10 months to 30 April 2020 the investment portfolio has returned 8.2%¹ compared to the benchmark return of 2.4%.²

PIA CEO, Russel Pillemer said, "It is also pleasing that the investment team has been able to realise gains on investments even in a period in which global markets have been severely disrupted by COVID-19. This should enable the final dividend to be fully franked."

Importantly, PIA has implemented a change to the investment mandate such that the portfolio will now be managed with the specific additional aim of delivering fully franked dividends. This will result in slightly higher turnover in the portfolio to realise investment profits and deliver franking credits that will arise from the tax paid on the profits.

In addition, PIA has profit reserves which will enable dividends to be franked, provided PIA has sufficient franking credits, even if there are no current period profits.

Mr Pillemer added, "An increase in the level of franking via the change in the investment mandate is viewed by the PIA Board as a logical next step in increasing the attractiveness of PIA shares. Based on the current share price of \$1.01³, an annual dividend of 5 cents per share provides a yield of 5% and if the value of the franking credits are included, the yield increases to 7%.

“With many Australian companies now flagging deferrals or reductions in their fully franked dividends, PIA should appeal to investors who are seeking more certainty over dividends from an investment in a company with a diversified portfolio of international companies that has consistently outperformed its benchmark in times of market disruption.”

In the period from January 1 to April 30 this year, the portfolio generated a 1%¹ return, outperforming the benchmark return² (which fell by 6%) by 7%.

Russel Pillemer said “I believe PIA is an ideal vehicle for investors who are seeking an investment with the ability to generate good long term returns which comprise capital appreciation and reliable dividends.

There are very few companies that offer investors such a compelling combination of income and growth prospects - and I think that PIA has the potential to make a significant contribution to investment portfolios. In addition, as PIA is currently trading at a discount to its underlying net asset value, incoming investors have the prospect of earning additional returns in the event that the discount is reduced.”

MORE INFORMATION AND SHAREHOLDER WEBINAR

The PIA team will be hosting a shareholder webinar on Tuesday 9 June that is open to the public to discuss the new mandate as well as provide an update on the portfolio’s performance and positioning. Interested parties can register at <http://PIA.pengana.com> or by using the button below.

Click [HERE](#) to register for the webinar

ASX: PIA

By order of the Board.

PENGANA INTERNATIONAL EQUITIES LIMITED

ACN 107 462 966
MANAGED BY
PENGANA INVESTMENT MANAGEMENT LIMITED
PART OF THE PENGANA CAPITAL GROUP
AFSL 219462

PENGANA.COM/PIA

CLIENT SERVICE
T: +61 2 8524 9900
E: clientservice@pengana.com

1 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.

2 MSCI World Total Return Index, Net Dividends Reinvested, in A\$.

3 Share price as at close of business 12 May 2020.

Pengana International Equities Limited ("the Company"), its staff, consultants, or any individuals preparing this communication, may at any time have a position in securities or options of any of the companies mentioned in this communication. An employee or consultant of the Company may be a director of a company mentioned in this communication.

Although the statements of fact in this communication are provided in good faith by the Company, have been obtained from, and are based upon sources that the Company believes to be reliable, it does not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and estimates included in this communication constitute the Company's judgement as of the date of this communication. Performance figures provided in the presentation are past performance which is not a reliable indicator of future performance. Neither Pengana International Equities Limited, Pengana Investment Management Limited nor their directors or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information provided and to the extent permissible by law, disclaim all liability for any error, omission or loss or damage so suffered.

This communication is for information purposes only and is not intended as an offer or solicitation with respect to the dealing of any security. The information in this communication is only intended for Australian residents. The purpose of this presentation is to provide information only and the contents of the communication do not purport to provide investment advice. The information provided is selective and may not be complete or accurate for your particular purpose and should not be construed as a recommendation to invest in any particular security.

This communication does not take into account the investment objectives, financial situation or particular needs of any particular person. Investors should obtain individual financial advice based on their own particular circumstances before making an investment decision on the basis of this communication. No guarantee or representation as to performance of the Company, the maintenance or repayment of capital, the price at which shares will trade or any particular rate of return can be provided.

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. 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. 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.