

A "GOLDEN ERA" FOR HEALTH CARE INNOVATION

During the month the company was pleased to announce the appointment of Harding Loevner to manage PIA's portfolio effective May 10th.

Harding Loevner was established in 1989 and is a highly regarded global equity manager, responsible for the management of over US\$84bn of investments on behalf of some of the world's largest and most sophisticated investors (including pension funds, sovereign wealth funds, endowments, and family offices). Harding Loevner's extensive global equity expertise has generated significant outperformance throughout the strategy's 32-year track record.

By adopting the Harding Loevner investment strategy, PIA will hold investments in high-quality, growing companies identified through fundamental research with a long-term, global perspective.

The process of transitioning the portfolio was efficiently executed with minimal direct cost to PIA and was fully completed by month end. **It is expected that the realisation of capital gains due to the transition will lead to increased franking credits, supporting the Company's mandate of paying quarterly fully-franked dividends.**

Please find a brief investment commentary for the month of May below, which will be expanded over the coming months now that Harding Loevner has full responsibility for portfolio management decisions. For investors wishing to know more about Harding Loevner's investment philosophy and process, please see the recent introductory webinar recording [HERE](#).





















Market

As the pandemic eased and the recovery continued in most of the developed world, Energy and Financials led market returns. The prospect of higher interest rates helped banks continue their strong year-to-date run. Conversely, stocks lagged in Information Technology (IT) and Consumer Discretionary, where questions arose whether demand could keep rising at the pace witnessed at the height of the pandemic. A high concentration of Energy and Financials companies powered Canada higher. Europe fared well as COVID cases declined, pandemic restrictions relaxed, and vaccination efforts sped up after a sluggish start.

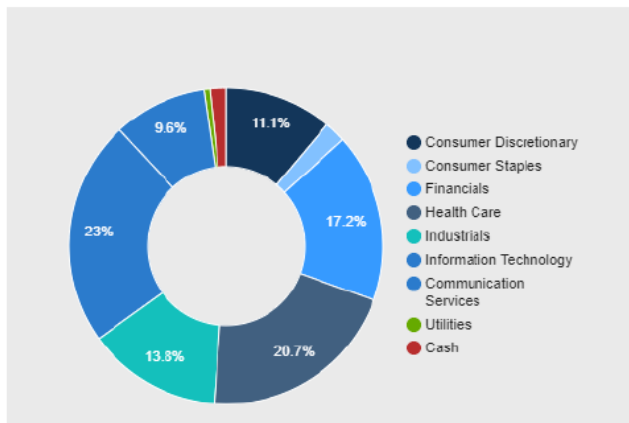
Portfolio

We continue to see long-term growth opportunities within Health Care. The CEO of Illumina, the global leader in genetic sequencing tools, stated recently that we have entered a "golden era" for health care innovation due to advances in genomics and other areas of microbiology. We agree and believe that Illumina is well positioned to benefit from these advances as well as the industry's renewed focus on investigating new gene-based therapies now that the pandemic is consuming less attention. As genetic sequencing technology improves and the cost falls, Illumina's tools should have increasingly wider applications, from massive sequencing studies of large populations to clinical diagnostics and pre-natal testing.

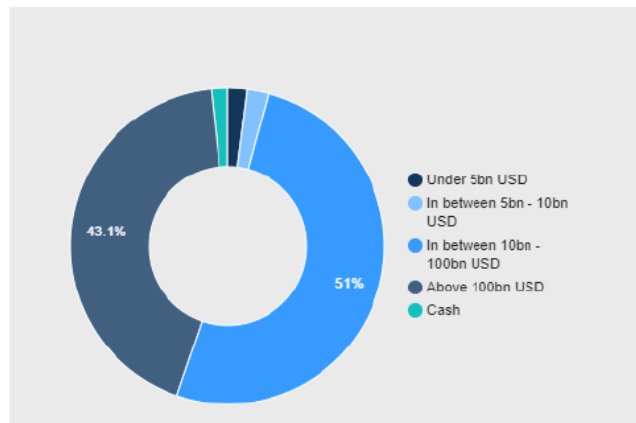
TOP HOLDINGS (ALPHABETICALLY)

| | | | |
|--|------------------------|---|------------------------|
|  | Alphabet Inc |  United States | Communication Services |
|  | Amazon |  United States | Consumer Discretionary |
|  | CME Group |  United States | Financials |
|  | Deere & Co |  United States | Industrials |
|  | Facebook Inc |  United States | Communication Services |
|  | First Republic Bank/CA |  United States | Financials |
|  | Illumina |  United States | Health Care |
|  | Microsoft |  United States | Information Technology |
|  | PayPal |  United States | Information Technology |
|  | SVB Financial Group |  United States | Financials |

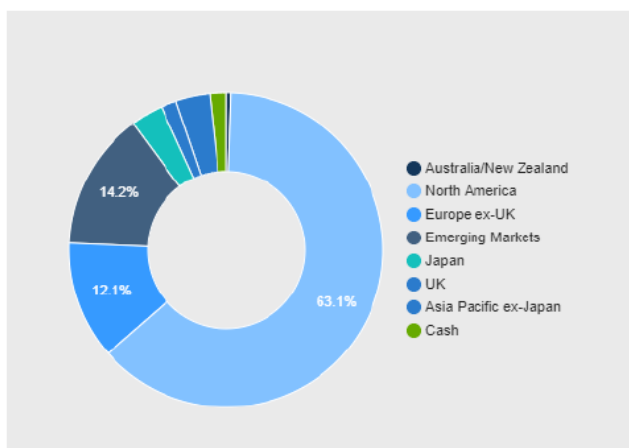
SECTOR BREAKDOWN



CAPITALISATION BREAKDOWN



REGION BREAKDOWN



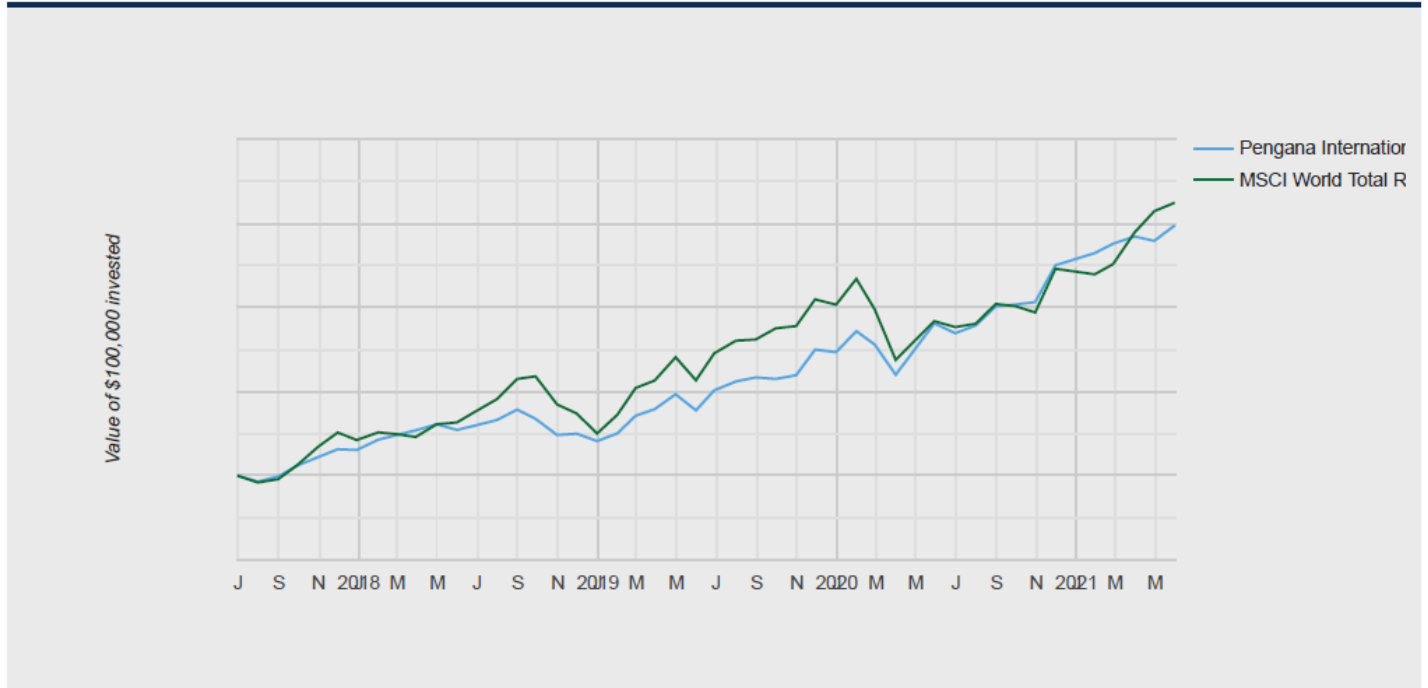
PORTFOLIO PERFORMANCE

NET PERFORMANCE FOR PERIODS ENDING 31 MAY 2021¹

| | 1 MONTH | 1 YEAR | 3 YEARS P.A. | SINCE MANDATED |
|-----------|---------|--------|--------------|----------------|
| Fund | 2.3% | 17.1% | 12.9% | 12.7% |
| Benchmark | 1.2% | 20.6% | 13.5% | 13.6% |

PORTFOLIO PERFORMANCE

NET PERFORMANCE SINCE MANDATED



STATISTICAL DATA (SINCE MANDATED)

FUND PORTFOLIO SUMMARY

| | | | |
|---|------|-------------------|---------|
| VOLATILITY ³ | 8% | NUMBER OF STOCKS | 71.0000 |
| BETA (USING DAILY RETURNS) ⁴ | 0.63 | MAXIMUM DRAW DOWN | -7.7% |



Peter Baughan

Portfolio Manager



Jingyi Li

Portfolio Manager

FEATURES

| | |
|--------------------|--|
| PORTFOLIO MANAGERS | Peter Baughan Jingyi Li |
| ASX CODE | PIA |
| FEEES | Management Fee: 1.23% p.a. Performance Fee: 15.38% of any return greater than the MSCI World*** |
| INCEPTION DATE | 19 March 2004 |
| MANDATED | 1 July 2017 |
| BENCHMARK | MSCI World Total Return Index, Net Dividend Reinvested, in A\$ |
| NTA POST TAX ** | A\$ 1.349 |
| NTA PRE TAX ** | A\$ 1.367 |
| PRICE CLOSE ** | A\$ 1.240 |
| UNITS ON ISSUE ** | 254.88m |
| DRP | Yes |

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.

2. 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. The performance since mandated in the table above refers to the movement in net assets per share since the new mandate adopted on 1 July 2017.

3. Annualised Standard Deviation since mandated

4. Relative to MSCI World

** . As at the last day of last month prior to publishing of this report. The figures are unaudited.

***. MSCI World refers to the MSCI World Total Return Index, Net Dividends Reinvested, in A\$.

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.

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.

Authorised by: Paula Ferrao, Company Secretary.

www.pengana.com/PIA