

PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

DESCRIPTION

Pengana International Equities Limited (trading on the ASX as PIA) is the largest international ethical Listed Investment Company ("LIC") on the ASX. PIA's objective is to provide shareholders with capital growth as well as regular, reliable, and fully franked dividends.

The strategy aims to generate superior risk-adjusted returns, through investing in an actively managed portfolio of global companies that meet the investment team's high-quality and durable growth criteria at reasonable prices. A robust ethical framework provides an added layer of risk mitigation.

These companies are identified through the conduct of fundamental research, with a long-term, global perspective, and must exhibit the following four key investment criteria: competitive advantages, quality management, financial strength, and sustainable growth potential.

SHARE PRICE	NTA POST-TAX	NTA PRE-TAX	PORTFOLIO RETURN (20 YEARS)	DIVIDEND YIELD ¹	CONSECUTIVE QUARTERLY DIVIDENDS PAID
\$1.260 31 Jul 2025	A\$ 1.404 31 Jul 2025	A\$ 1.458 31 Jul 2025	8.2% p.a. 31 Jul 2025	4.3% 6.1% when grossed up ² for franking credits	19

1. Dividend yield is based on current displayed share price and dividends declared over the previous 12 months

2. Grossed up yield is based on current displayed share price, dividends declared over the previous 12 months and the tax rate and franking percentage applicable for the most recently declared dividend

COMMENTARY

- Global equity markets trended higher in July against a backdrop of ongoing US tariff announcements, which led to mixed regional performance.
- The Portfolio returned 3.1% for the month.
- The Portfolio is overweight in the health care sector, which was generally weak. However, strong stock selection added to relative gains, with **Thermo Fisher Scientific** a notable contributor.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jul 2025¹

	1M	1Y	5Y	15Y	20Y
Total Portfolio Return	3.1%	13.0%	9.3%	9.9%	8.2%
Total Shareholder Return	5.0%	20.0%	8.3%	7.0%	4.8%
Index	3.1%	17.4%	16.3%	13.5%	9.3%

TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services	Microsoft Corporation	Information Technology
Amazon.com, Inc.	Consumer Discretionary	Netflix, Inc.	Communication Services
CME Group Inc. Class A	Financials	Schneider Electric SE	Industrials
Deere & Company	Industrials	Tencent Holdings Ltd	Communication Services
Meta Platforms Inc Class A	Communication Services	Vertex Pharmaceuticals Incorporated	Health Care

JULY REPORT

COMMENTARY

Market Commentary

Global share markets rose in July, supported by continued optimism around artificial intelligence (AI) and signs of resilience in the global economy. The portfolio benefited from a stronger US dollar, which was up about 3% over the month.

The US market led gains, rebounding after a softer first half of the year, while Emerging Markets also performed strongly thanks to robust demand for AI chips from suppliers in Taiwan and South Korea. European markets were weaker, both in the eurozone and beyond, as uncertainty around tariffs weighed on sentiment and large-cap names such as **Novo Nordisk** and **ASML** issued softer outlooks.

By sector, information technology led performance, with the semiconductor industry rising more than 6%. Health care and consumer staples were weaker, although AI remained a key driver of investor enthusiasm, particularly in semiconductor-related businesses.

Portfolio Commentary:

Results across the portfolio were mixed, with some standout performances and other areas of relative weakness.

Meta Platforms, the owner of Facebook and Instagram, was a notable contributor after reporting second-quarter results that comfortably beat expectations for revenue and margins. Growth in its advertising business remained strong, and the company continues to integrate AI into its platforms to improve content personalisation, ad targeting, and creative tools. Management also outlined ambitious AI investment plans, with capital expenditure for 2026 projected at around US\$100 billion. While these initiatives have the potential to enhance user engagement and long-term growth, the scale of investment means we will be watching closely to ensure they deliver meaningful returns.

Progressive, the US auto insurer first added to the portfolio in May, was another positive contributor. We increased our holding during the month, reflecting our conviction in the company's competitive advantages. Progressive invests heavily in marketing and technology, building a strong brand and a direct-to-consumer sales edge. Coupled with disciplined underwriting and access to large amounts of pricing data, this has helped sustain margins and supports our view that Progressive can continue to deliver profitable growth ahead of peers.

In health care, **Thermo Fisher Scientific** rose after upgrading its outlook for the 2026 financial year, while the absence of underperforming names such as **Novo Nordisk** and **UnitedHealth Group** also added to relative returns.



In information technology, AI enthusiasm drove gains in **Synopsys**, a leader in chip design software. However, our underweight position in **NVIDIA** detracted as semiconductor stocks rallied.

Within communication services, **Netflix** reported subscriber and revenue growth ahead of its own guidance, but broadly in line with bullish market expectations. While operational performance was solid, the share price eased as investors locked in profits after a strong run earlier in the year.

The portfolio remains positioned in high-quality companies with durable growth drivers, strong balance sheets, and

the ability to navigate periods of uncertainty. The team continues to seek out businesses that can deliver sustainable long-term value for shareholders.

FEATURES	
ASX CODE	PIA
FEES	Management Fee: 1.23% p.a. Performance Fee: 15.38% of any return greater than the Index ^v
INCEPTION DATE	19 March 2004
MANDATED	1 July 2017
BENCHMARK	MSCI World Total Return Index, Net Dividend Reinvested, in A\$ ("Index")
NTA POST TAX ^{iv}	A\$ 1.404 31 Jul 2025
NTA PRE TAX ^{iv}	A\$ 1.458 31 Jul 2025
PRICE CLOSE ^{iv}	A\$ 1.260
SHARES ON ISSUE ^{iv}	257.17m
DRP ^{iv}	Yes

FUND MANAGERS	
	Jingyi Li Portfolio Manager
	Rick Schmidt Portfolio Manager

i. Performance for periods greater than 12 months is the compound annual return.

Total Shareholder Return refers to the movement in share price plus dividends declared for the period, not including the benefit of franking credits attached to dividends paid

Total Portfolio Return refers 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.

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

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Source: PCG and Factset.

ii. 20 Year Annualised Standard Deviation as at the last day of the last month prior to publishing this report.

iii. Relative to MSCI World Total Return Index, Net Dividends Reinvested, 20 Year annualised Beta as at the last day of the last month prior to publishing this report.

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

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

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ACN 107 462 966

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Authorised by: Paula Ferrao, Company Secretary.