

### 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 <sup>1</sup>	CONSECUTIVE QUARTERLY DIVIDENDS PAID
<b>\$1.195</b> 30/05/2025	<b>A\$ 1.345</b> 30/05/2025	<b>A\$ 1.393</b> 30/05/2025	<b>8.2% p.a.</b> 30/05/2025	<b>4.5%</b> 6.5% when grossed up <sup>2</sup> for franking credits	<b>19</b>

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

- The portfolio returned 4.1% in May. While global markets rose strongly, the portfolio delivered a solid result, though it trailed slightly due to softer returns from a few Health Care companies.
- Markets were supported by strong company earnings and renewed strength in Technology stocks, which helped ease concerns around trade policy and government spending.
- The portfolio exited its position in **UnitedHealth** and added a new investment in **Visa**, a global leader in digital payments.

#### PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 May 2025<sup>1</sup>

	1M	1Y	5Y	15Y	20Y
Total Portfolio Return	4.1%	14.2%	8.2%	9.6%	8.2%
Total Shareholder Return	4.6%	11.5%	7.4%	7.1%	4.9%
Index	5.3%	17.5%	14.9%	12.9%	9.2%

#### STATISTICAL DATA

VOLATILITY<sup>ii</sup> 12.7%

NUMBER OF STOCKS 57

BETA<sup>ii</sup> 0.76

#### 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	Tradeweb Markets, Inc. Class A	Financials
Meta Platforms Inc Class A	Communication Services	Vertex Pharmaceuticals Incorporated	Health Care

## MAY REPORT

### COMMENTARY

#### Market Commentary

Global share markets rose strongly in May, with the US leading the way. Investors responded positively to a steady flow of company earnings reports, particularly from large technology businesses. This helped ease concerns about global trade tensions and uncertainty around government policies in the US.

In Europe, markets also performed well. The region continued to benefit from a stable economic backdrop and a weaker US dollar, which makes European exports more competitive. Emerging Markets delivered more modest returns, as gains in some areas were held back by ongoing weakness in Chinese shares.

Technology was the strongest-performing sector, as investors grew more confident in the long-term growth of areas like artificial intelligence and digital infrastructure. Health Care, by contrast, was the weakest sector for the month. Some companies reported softer earnings, while news of potential changes to health policy in the US also weighed on investor sentiment.

Despite some lingering uncertainties, markets were supported by solid business results and improving confidence. While short-term movements are always possible, we continue to focus on long-term trends and the strength of individual businesses.

#### Portfolio Commentary

The portfolio delivered a strong return in May but underperformed the broader global market. This was mainly due to a handful of Health Care companies that faced short-term challenges. While disappointing in the near term, these outcomes reflect our ongoing focus on quality and resilience over chasing short-term market trends.

The largest detractor was **UnitedHealth Group**, a leading US health insurer. The company's share price fell after reports of a potential regulatory investigation and growing uncertainty around the outlook for its Medicare Advantage business. Given the added risks to future earnings, we made the decision to exit the position during the month.

Other healthcare holdings also struggled. **Vertex Pharmaceuticals**, a US biotechnology company focused on cystic fibrosis treatments, declined after reporting earnings that fell short of expectations. **Alcon**, a Swiss eye care business, adjusted its forecast for the year due to weaker-than-expected demand, which it partly attributed to the impact of global tariffs.



Despite these headwinds, the portfolio benefited from strong contributions elsewhere. **The Trade Desk**, a US-based advertising technology company, performed particularly well after announcing strong revenue growth driven by continued demand in connected TV and digital advertising. **NVIDIA**, the US chipmaker known for its leadership in artificial intelligence and graphics processing, also added to performance following the release of a record earnings report.

During the month, the portfolio added a new investment in **Visa**, a global digital payments company operating in more than 200 countries. We believe Visa is well positioned to benefit from the continued shift away from cash and has the scale, technology, and financial strength to grow sustainably over the long term.

The investment team also continued its engagement with portfolio companies on key environmental, social, and governance (ESG) topics. During the first quarter of 2025, these discussions included **Sony's** approach to managing supply chain risks from tariffs, **Applied Materials'** efforts to attract engineering talent, and **Compass Group's** workforce adjustments. These conversations form part of the team's ongoing focus on understanding how businesses manage long-term risks and create sustainable value.

Overall, the portfolio remains focused on high-quality companies with strong fundamentals, aiming to deliver reliable income and capital growth for investors over time.

FEATURES	
ASX CODE	PIA
FEES	Management Fee: 1.23% p.a. Performance Fee: 15.38% of any return greater than the Index <sup>v</sup>
INCEPTION DATE	19 March 2004
MANDATED	1 July 2017
BENCHMARK	MSCI World Total Return Index, Net Dividend Reinvested, in A\$ ("Index")
NTA POST TAX <sup>iv</sup>	A\$ 1.345 30/05/2025
NTA PRE TAX <sup>iv</sup>	A\$ 1.393 30/05/2025
PRICE CLOSE <sup>iv</sup>	A\$ 1.195
SHARES ON ISSUE <sup>iv</sup>	257.17m
DRP <sup>iv</sup>	Yes

FUND MANAGERS	
	<b>Jingyi Li</b> Portfolio Manager
	<b>Rick Schmidt</b> 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\$.

Past performance is not a reliable indicator of future performance, the value of investments can go up and down. None of Pengana International Equities Limited ("PIA"), Pengana Investment Management Limited nor any of their related entities guarantees the repayment of capital or any particular rate of return from PIA. This information 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. The figures are unaudited.

Source: PCG and Bloomberg.

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.

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ACN 107 462 966

MANAGED BY PENGANA INVESTMENT MANAGEMENT LIMITED

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Authorised by: Paula Ferrao, Company Secretary.