PENGANA INTERNATIONAL EQUITIES LIMITED

MONTHLY REPORT
MAY 2026

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
$1.275 31 May 2026	A$ 1.316 31 May 2026	A$ 1.350 31 May 2026	6.8% p.a. 31 May 2026	4.4% 5.9% when grossed up[2] for franking credits	23

1. Dividend yield is based on current displayed share price, and the most recently declared dividend, annualised
2. Grossed up yield is based on current displayed share price, the most recently declared dividend, annualised, and the tax rate and franking percentage applicable for the most recently declared dividend

COMMENTARY

- PIA rose 3.8% in May, trailing the MSCI World Total Return Index (Net Dividends Reinvested AUD), which rose 4.5%, as global equities advanced on the continued strength of the AI-driven Information Technology sector.
- The month brought a generally positive backdrop for equity investors. All major regions advanced, led by a sharp rally in South Korean memory chip manufacturers. Information Technology returned more than three times the broad index, while Energy weakened as oil prices fell on US-Iran talks.
- **ASML**, the Dutch supplier of semiconductor equipment, and **Samsung Electronics** contributed to performance, though the absence of Micron and SK Hynix detracted. The portfolio initiated a new position in **Kubota**, the Japanese supplier of tractors and farming equipment.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 May 2026i

	1M	1Y	5Y	15Y	20Y
Total Portfolio Return	3.8%	1.0%	5.2%	9.0%	6.8%
Total Shareholder Return	5.7%	11.3%	4.5%	6.8%	4.2%
Index	4.5%	14%	13.6%	13.8%	9.0%

TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services	**Microsoft Corporation**	Information Technology
Amazon.com, Inc.	Consumer Discretionary	**NVIDIA Corporation**	Information Technology
AMETEK, Inc.	Industrials	**Samsung Electronics Co Ltd Sponsored GDR Pfd**	Information Technology
HEICO Corporation	Industrials	**Schneider Electric SE**	Industrials
Meta Platforms Inc Class A	Communication Services	**Taiwan Semiconductor Manufacturing Co., Ltd.**	Information Technology

MAY REPORT

COMMENTARY

Market Review

Global equity markets advanced strongly in May, rising around 5%, with US equities narrowly ahead of their international counterparts. All major regions delivered positive returns, supported by continued momentum in the artificial intelligence buildout and easing geopolitical tensions in the Middle East.

Information Technology was the standout sector by some margin, returning more than three times the broad market, as investor enthusiasm for AI-related businesses persisted. The recovery extended beyond hardware, with even the previously weaker software and services industry posting a sharp rebound, rising close to 16%. Energy moved in the opposite direction as oil prices declined on improving prospects for a US-Iran agreement and expectations that the Strait of Hormuz would soon reopen, reversing some of the gains the sector had captured during the earlier conflict.

Regional performance was led by Emerging Markets, which rose nearly 10% as South Korea surged by more than a third on the strength of its memory chip manufacturers. With advanced semiconductor production heavily concentrated in the region, these markets stood to benefit directly from continued demand for AI hardware.

Portfolio Commentary

The defining feature of May for the portfolio was the unusually narrow nature of market leadership. A small cohort of stocks, the majority of them in Information Technology, drove most of the gains. The portfolio held several of these leaders, though the absence of others, particularly memory chip makers Micron and SK Hynix, weighed on relative performance.

Among individual holdings, **ASML**, the Dutch supplier of equipment to the semiconductor industry, and **Samsung Electronics**, the South Korean semiconductor and memory chip manufacturer, both contributed positively as the broader AI hardware cycle continued to support demand for advanced chips and the equipment used to produce them.

Several financial holdings weakened despite reporting positive results. **Reinsurance Group of America**, the global life and health reinsurer, and **Progressive**, the US auto insurer, both declined, as did **Tradeweb Markets**, the US-based electronic trading platform. In Communication Services, **Netflix** declined for a third consecutive month after issuing softer second-quarter guidance than the market had anticipated. On the positive side, **HEICO**, the US-based aircraft parts manufacturer, reported strong revenue growth, with its business proving resilient through the recent Middle East conflict.

During the month, the portfolio initiated a position in **Kubota**, one of the leading global suppliers of tractors and farming equipment. The company's competitive advantage lies in its superior technology, with lightweight and efficient designs, combined with an extensive dealer and service network across the US and Asia. The share price had been weighed down by US tariffs and slowing US growth, and Kubota has since committed to a turnaround plan focused on growing free cash flow and reinvesting in higher-growth areas of the business, including construction machinery.

Periods of narrow market leadership, while uncomfortable in the short term, are not unusual. The investment approach continues to focus on businesses with durable competitive advantages and the financial strength to navigate a range of economic conditions.

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$ 1.316 31 May 2026
NTA PRE TAX [iv]	A$ 1.350 31 May 2026
PRICE CLOSE [iv]	A$ 1.275
SHARES ON ISSUE [iv]	257.77m
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$.

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 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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