PENGANA INTERNATIONAL EQUITIES LIMITED

MONTHLY REPORT
SEPTEMBER 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
$1.150 30 Sep 2026	A$ 1.217 30 Sep 2026	A$ 1.251 30 Sep 2026	6.9% p.a. 30 Sep 2026	4.9% 6.5% when grossed up[2] for franking credits	24

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 1.9% in September, ahead of the MSCI World Total Return Index (Net Dividends Reinvested AUD), which gained 1.8%. Global equity markets weakened broadly in local currency terms, with nearly every region and sector declining, though a weaker Australian dollar lifted returns for unhedged Australian investors.
- Japan was the strongest major market, with Financials rising after the Bank of Japan raised interest rates to the highest level in over three decades. European equities were among the weakest, pressured by surging energy prices tied to the US-Iran conflict and a global bond sell-off. Information Technology led at the sector level, while Materials weakened on falling gold prices.
- **Lenovo**, the Chinese personal computer and enterprise infrastructure provider, and **Meta Platforms** were the largest contributors, partly offset by weakness in **Adobe**, the US-based creative software company. The Portfolio exited positions in **Deere**, the US industrial equipment manufacturer, and **Booking Holdings**, the US online travel website.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Sep 2026¡

	1M	1Y	5Y	15Y	20Y
Total Portfolio Return	1.9%	3.8%	4.2%	10.2%	6.9%
Total Shareholder Return	7.5%	9.1%	1.7%	8.1%	4.4%
Index	1.8%	9.8%	12.7%	14.9%	8.9%

TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services	**NVIDIA Corporation**	Information Technology
Amazon.com, Inc.	Consumer Discretionary	**Reinsurance Group of America, Incorporated**	Financials
Meta Platforms Inc Class A	Communication Services	**Samsung Electronics Co Ltd Sponsored GDR Pfd**	Information Technology
Microsoft Corporation	Information Technology	**Schneider Electric SE**	Industrials
nVent Electric plc	Industrials	**Taiwan Semiconductor Manufacturing Co., Ltd.**	Information Technology

SEPTEMBER REPORT

COMMENTARY

Market Review

Global equity markets declined in September in local currency terms, with weakness evident across nearly every region and sector. For unhedged Australian investors, a weaker Australian dollar supported returns. Japan was the strongest major market, supported by a rise in its Financials sector after the Bank of Japan raised interest rates to 1.25%, the highest level the country has seen in more than three decades. The move supported bank profits and marked a further step away from the very low interest rate policy that had defined the Japanese market for a generation.

European equities were among the weakest performers. France and Germany led the declines within the eurozone, while the Nordics and Sweden lagged in the wider region. European markets faced a combination of pressures, including a sharp rise in energy prices tied to the ongoing US-Iran conflict, higher interest rates, and rising government bond yields as investors sold bonds across global markets, pushing prices down and yields higher.

Information Technology was the strongest sector, recovering from a decline in semiconductor and AI-related shares in the middle of the month to finish higher. Materials was the weakest, pressured by a fall in gold prices which weighed on mining companies. Consumer Discretionary and Real Estate also underperformed, reflecting investor concerns around persistent inflation and the impact of higher interest rates.

Portfolio Commentary

September presented a mixed backdrop for the Portfolio, with broad market weakness offset by strong contributions from a number of individual holdings.

While AI-related companies continue to dominate the headlines, the Portfolio also holds businesses whose growth is drawn from other sources of demand, qualities that should prove durable even if AI-related spending slows. **HEICO**, the US-based supplier of replacement parts to the aerospace industry, has grown profits at an annualised rate of around 25% over the past three years and is on track for a similar outcome this year, as airlines facing cost pressures increasingly turn to its more affordable parts.

Compass Group, the UK-based global food-services company, continues to win new contracts and take market share as more businesses outsource their catering. **Couche-Tard**, the Canadian convenience store operator, recently announced the acquisition of Poland's largest convenience store chain, a deal that should deliver meaningful cost savings and add scale across its European operations.

During the month, the Portfolio exited its positions in **Deere**, the US industrial equipment manufacturer, and **Booking Holdings**, the US online travel website. In Deere's case, a strong run in the share price lifted its valuation above the level that could be justified. For Booking, the long-term investment case had weakened, as consumers increasingly using AI assistants to help plan travel may undermine the company's broader strategy of building a connected ecosystem spanning flights, hotels, ground transport, and dining.

Turning to individual holdings, **Lenovo**, the Chinese personal computer and enterprise infrastructure provider, was a leading contributor, benefiting from strong growth in its server and storage business driven by AI-related demand from large cloud providers. **Meta Platforms** also contributed after shares rose on the release of its new AI assistant

Muse, which quickly became one of the most downloaded apps on the Apple App Store. In contrast, shares of **Adobe**, the US-based creative software company, declined despite reporting strong year-on-year revenue growth, as investors focused on softer guidance for the final quarter.

The month was a useful reminder that durable growth can come from many sources, not just the areas currently dominating headlines. The Portfolio's exposure to companies drawing on a wide range of structural growth drivers is designed to deliver more consistent outcomes across a variety of market conditions.

FEATURES

ASX CODE	PIA
FEES	Management Fee: 1.23% p.a. Performance Fee: 15.38% of any return greater than the Indexv
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$ 1.217 30 Sep 2026
NTA PRE TAX iv	A$ 1.251 30 Sep 2026
PRICE CLOSE iv	A$ 1.150
SHARES ON ISSUE iv	106.9m

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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Authorised by: Paula Ferrao, Company Secretary.