

26 July 2021
Markets Announcement Office
ASX Limited
Level 5, 20 Bridge Street
Sydney NSW 2000

ASX ANNOUNCEMENT

INCREASE IN QUARTERLY FULLY FRANKED DIVIDEND

The Board of ethical global equities listed investment company, Pengana International Equities Limited (ASX: PIA or “the Company”), is pleased to update you with the announcement of an increase to the quarterly fully franked dividend, in line with our continued objective to provide you, our shareholder, with a strong source of income and capital growth.

This morning, 26 July 2021, the Board declared a dividend of 1.35 cents per share, fully franked at a 30% tax rate, for the quarter ending 30 June 2021. This represents an 8% increase on the 1.25 cents per share declared for the previous quarter.

The dividend will be paid on 22 September 2021 to shareholders on the PIA register as at the record date of 8 September 2021.

The Board also confirmed that, in the absence of unforeseen circumstances, it expects to reset the target for future quarterly dividends to 1.35 cents per share, franked to the maximum extent possible.

At the current share price of \$1.38 (as at close of business 23 July 2021), an annual dividend of 5.4 cents per share equates to a 3.9% yield on a cash basis or a 5.6% yield when grossed-up for franking credits (at a tax rate of 30%).

Handwritten calculation showing the yield on a cash basis and the yield when grossed-up for franking credits.

$$\frac{5.4c}{\$1.38} = \sim 3.9\% \text{ yield (cash basis)}$$

5.6% yield when grossed-up for franking credits

Record Date:

8

September

The increase to an annualised target of 5.4 cents per share reflects the Board's assessment that Harding Loevner's investment strategy can support the Company's ongoing objective to deliver both capital growth and consistent and reliable fully franked dividend returns to shareholders.

Access PIA's June Performance Report [HERE >>>](#)

We feel confident about the Company's potential to make a significant contribution to our shareholders' portfolios.

PIA Chair Frank Gooch said, "the strong investment performance for the year bolstered the Company's profit reserves, and realisation of capital gains during the year has increased the franking account balance.

With an outstanding investment manager in place and strong financial metrics, the board believes that it can deliver on its objective to make PIA one of the most reliable investment vehicles in the Australian market for the generation of stable and secure franked dividends."

Franking Credits and Profit Reserves

PIA currently has profit reserves to sustain an annual dividend of 5.4 cents per share for 11 years and the franking account is sufficient to ensure the dividends will be fully franked through to FY 2024 even if no further tax is paid.

Dividend Reinvestment Plan - no brokerage, commissions, or transactions costs

The compounding effect of reinvesting dividends is one of the most powerful tools available to enhance returns over the long term. When combined with the recent changes by the Company to its dividend and franking targets, makes PIA's Dividend Reinvestment Plan ("DRP") an easy and cost-effective way to continue to build your holding in the Company without brokerage, commissions, or other transaction costs.

Shareholders who wish to participate in the DRP can make their election [HERE >>>](#)

Confidence in our new investment team, Harding Loevner

The investment strategy now employed by PIA comes with a 32-year track record of consistent market outperformance. The strategy invests in high-quality, growing companies identified through fundamental research with a long-term, global perspective. Combined with PIA's objective to pay fully franked dividends, we believe there are very few companies that offer investors such a compelling combination of income and capital growth prospects.

The Board has engaged the major independent research houses to undertake extensive analysis in order to assign their independent rating to the strategy. We expect to receive the outcomes of these reviews in the coming weeks and are confident that the quality of the underlying strategy will provide favourable ratings.

Upcoming Annual Report

The Company expects to release its Annual Report for the year ended 30 June 2021 on 23 August 2021, following completion of the external audit.



ENDS

Approved by the Board

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