

PENGANA HIGH CONVICTION EQUITIES FUND

DESCRIPTION

The Pengana High Conviction Equities Fund (the Fund) invests globally in a concentrated portfolio of up to 20 stocks. The Fund can invest in both small and large cap stocks and is diversified across countries and sectors. We avoid investment in companies that are currently, in our opinion, unnecessarily harmful to people, animals or the environment.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 28 Feb 2026¹

High Conviction Equities Fund Class A

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Equities Fund Class A	-1.2%	34.7%	37.8%	42.1%	19.5%	26.8%
MSCI World Total Return Index (net, AUD)	-1.0%	5.9%	13.2%	18.4%	14.3%	12.5%
RBA Cash Rate plus 3%	0.5%	6.8%	7.1%	7.1%	5.8%	5.0%

High Conviction Equities Fund Class B

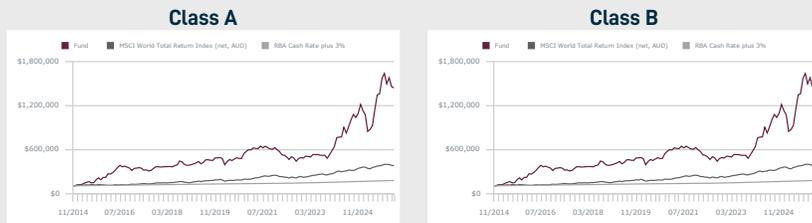
	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Equities Fund Class B	-1.2%	35.2%	38.2%	42.2%	20.1%	22.4%
MSCI World Total Return Index (net, AUD)	-1.0%	5.9%	13.2%	18.4%	14.3%	14.3%
RBA Cash Rate plus 3% p.a.	0.5%	6.8%	7.1%	7.1%	5.8%	5.5%

Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. Performance figures are calculated using net asset values after all fees and expenses, and assume reinvestment of distributions. No allowance has been made for buy/sell spreads. Please refer to the PDS for information regarding risks. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

Fund inception date Class A: December 2014, Class B July 2020.

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Artrya Limited	Health Care
Brazilian Rare Earths Limited	Materials
Clarity Pharmaceuticals Ltd.	Health Care
Iperionx Ltd.	Materials
Metallium Limited	Materials

SECTOR BREAKDOWN

Health Care	41.7%
Information Technology	2.3%
Materials	53.6%
Options	0.2%
Cash	2.2%

CAPITALISATION BREAKDOWN

Under 5bn USD	97.6%
Derivatives	0.2%
Cash	2.2%

REGION BREAKDOWN

North America	2.7%
Australia/New Zealand	94.9%
Options	0.2%
Cash	2.2%

STATISTICAL DATA

VOLATILITY³ 26.9%

NUMBER OF STOCKS 19

BETA⁴ 0.89

MAXIMUM DRAW DOWN -32.1%

FEBRUARY REPORT

COMMENTARY

- The Fund declined 1.2% in February, with several holdings declining despite limited company-specific news.
- **Artrya**, **Adveritas**, **IperionX** and **Metallium** softened during the month, although their underlying fundamentals and long-term outlooks remain positive.
- Positive contributors this month were **Brazilian Rare Earths** (+41%) and **Clarity Pharmaceuticals** (+17%), which delivered strong gains following encouraging project and clinical developments.

Market concerns regarding the potential negative impacts of AI weighed on software-related companies. The Fund has exposure to only two such companies: cardiac CT scan reading company **Artrya**, which fell 3.7%, and advertising fraud prevention software company **Adveritas**, which declined 17%. In our view, both businesses are clear beneficiaries of AI adoption, making the market reaction somewhat perplexing.

IperionX and **Metallium** fell 8.5% and 10.5% respectively, again on little news. We believe both companies remain very well positioned to benefit from the reshoring of critical minerals supply chains to the United States and expect the recent weakness to prove temporary.

Metallium continues commissioning its new Texas plant, with full production from its gold-rich e-waste line expected in Q4 this year. Several operational milestones are expected to be achieved in the interim. We also anticipate further progress across its gallium and germanium recovery initiatives over the course of the year. A recent interview with CEO Michael Walshe discussing the company's strategy can be found here: [Metallium Ltd. \(ASX:MTM\) – Turning E-Waste Into Near Term Cash Flowing Gold-Equivalent Ounces](#).

Brazilian Rare Earths rose 41% following the announcement of two important processing breakthroughs. First, the company can more than double the grade of its ore using a simple, low-cost sorting process, increasing total rare earth oxide (TREO) grades from 12.7% to approximately 27%. Second, metallurgical testing demonstrated that 97% of the contained TREO can be extracted using a relatively low-temperature 150°C acid cure process. We look forward to the upcoming scoping study (mine plan), expected mid-year, which should provide greater clarity on what appear to be highly attractive project economics.

Clarity Pharmaceuticals rose 17% after releasing abstract data ahead of the presentation of its Co-PSMA trial at the European Association of Urology conference (13–16 March). The trial compares Clarity's copper-64 PSMA diagnostic with the gallium-68 tracer used by Telex in the post-prostatectomy setting, where patients are monitored for PSA recurrence to determine whether further treatment, such as radiotherapy, is required.

The abstract showed that ⁶⁴Cu-SAR-bisPSMA detected lesions in 78% of patients (39/50), compared with 36% (18/50) using ⁶⁸Ga-PSMA-11. Importantly, the more sensitive imaging resulted in treatment plan changes in 22 of 50 patients, or 44% of cases. Discussions with clinicians suggest that a change rate of 20–30% would already be considered clinically meaningful.

Further details on the nature of these treatment changes are expected to be discussed at the conference in March.

We estimate the prostate cancer diagnostic market could reach approximately USD \$3 billion by 2029. We believe **Clarity** could reasonably capture 10–20% market share, which alone supports the company's current market capitalisation of approximately AUD \$1.3 billion. The company's prostate cancer therapeutic program provides additional upside.

Further data will be generated by two Phase 3 studies, both of which are expected to be fully recruited this year. FDA approval could occur between mid-2027 and early-2028.

FEATURES

APIR CODE	Class A: HHA0020AU Class B: PCL9196AU
REDEMPTION PRICE	Class A: A\$ 4.9751 Class B: A\$ 2.1324
FEES *	Management Fee: 1.80% p.a. (Class A) 1.25% p.a. (Class B) Performance Fee: 15.38% (Class A) 20% (Class B)
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 162.65m
STRATEGY INCEPTION DATE	11 December 2014
BENCHMARK	RBA Cash Rate + 3%

FUND MANAGERS



James McDonald
Portfolio Manager



Jeremy Bendeich
Portfolio Manager

1. Net performance figures are shown are those of Class A Units, after all fees and expenses and assume reinvestment of distributions. No allowance has been made for buy/sell spreads. Please refer to the PDS for information regarding risks. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

2. Inception 11 December 2014.

3. Annualised standard deviation since inception.

4. Relative to MSCI World. Using daily returns.

* For further information regarding fees please see the PDS available on our website.

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