

**PENGANA AXIOM INTERNATIONAL FUND**

**DESCRIPTION**

The Pengana Axiom International Fund invests in companies that are dynamically growing and changing for the better, more rapidly than generally expected and where the positive changes are not yet reflected in expectations or valuation.

The Global Equity Strategy seeks dynamic growth by concentrating its investments in global developed markets, and may also invest in companies located in emerging markets.

The investment manager is Axiom Investors, a Connecticut-based global equity fund manager formed in 1998 with over US\$19billion in assets under Management.

**PERFORMANCE TABLE**

NET PERFORMANCE FOR PERIODS ENDING 28 Feb 2026<sup>1</sup>

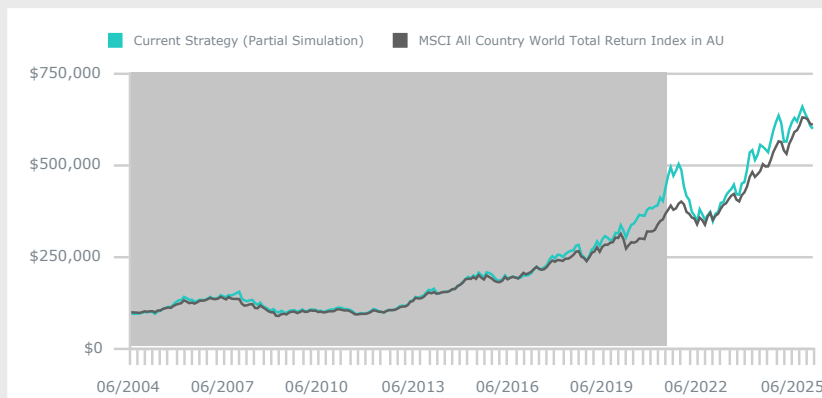
**Pengana Axiom International Fund**

The Class was established in 1 July 2017. From June 2021 Axiom was appointed as the investment manager for the Fund.

	1M	1Y	2Y	3Y	Since Axiom Appointed June 2021 <sup>1</sup>	5Y	Since Fund Inception July 2017 <sup>2</sup>	Since Strategy Inception July 2004 <sup>3</sup>
<b>Fund: APIR (HOW0002AU)</b> <sup>1,2</sup> Managed by Axiom from June 2021	-1.4%	-2.6%	5.9%	17.3%	8.8%	8.3%	10.4%	
<b>Current Strategy (Partial Simulation)</b> <sup>4</sup> Axiom Global Equity Strategy						9.2%	12.6%	8.6%
<b>Index</b> <sup>5</sup>	-0.4%	8.4%	14.3%	18.5%	12.3%	13.6%	12.7%	8.7%

**PERFORMANCE CHART**

NET PERFORMANCE SINCE INCEPTION<sup>2</sup>



**TOP HOLDINGS (ALPHABETICALLY)**

Alphabet Inc. Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary
ASML Holding NV	Information Technology
Broadcom Inc.	Information Technology
JPMorgan Chase & Co.	Financials
Morgan Stanley	Financials
NVIDIA Corporation	Information Technology
Samsung Electronics Co., Ltd.	Information Technology
Siemens Energy AG	Industrials
Taiwan Semiconductor Manufacturing Co., Ltd. Spons	Information Technology

**SECTOR BREAKDOWN**

Consumer Discretionary	8.6%
Consumer Staples	2.3%
Financials	11.8%
Health Care	6.9%
Industrials	19.1%
Information Technology	35.5%
Materials	1.1%
Real Estate	2.1%
Communication Services	10.3%
Cash	2.3%

**CAPITALISATION BREAKDOWN**

In between 10bn - 50bn USD	10.4%
In between 50bn - 150bn USD	13.5%
In between 150bn - 500bn USD	24.3%
Above 500bn USD	49.6%
Cash	2.3%

**REGION BREAKDOWN**

North America	59%
Europe ex-UK	18.5%
Emerging Markets	8.4%
Japan	5.9%
UK	2.2%
Asia Pacific ex-Japan	3.7%
Cash	2.3%

**STATISTICAL DATA**

VOLATILITY<sup>7</sup> 13.3%

NUMBER OF STOCKS 40

BETA<sup>8</sup> 1.05

## FEBRUARY REPORT

### COMMENTARY

- The Fund declined 1.4% in February, underperforming the MSCI All Country World Total Return Index (net, AUD), which fell 0.4%, as increased market volatility led to uneven sector performance. Positive stock selection within information technology and industrials was offset by weakness in consumer discretionary holdings and limited materials exposure.
- Portfolio fundamentals remained strong. Forward earnings revisions rose during the month and remained well ahead of the benchmark, with 68% of holdings receiving estimate upgrades. Aggregate earnings growth continues to exceed the index, and value remains attractive relative to growth.
- **Samsung Electronics, Siemens Energy and Fujikura** contributed most to performance, while **Amazon, Morgan Stanley and Alphabet** The Fund added to **AstraZeneca, JPMorgan Chase and Societe Generale**, reduced **UCB, Meta Platforms and Microsoft**, and initiated positions in **Hershey and Mitsubishi Estate**.

### Market Review

Global equity markets declined modestly in February as increased volatility led to uneven performance across sectors and regions. While economic data remained broadly resilient, investor sentiment was unsettled by concerns around capital expenditure trends among large technology companies and persistent uncertainty around the global growth outlook. A stronger Australian dollar also detracted from returns in local currency terms.

In the US, economic conditions remained constructive. Manufacturing activity continued to expand, supported by strong new orders and stable production trends. Industrial production accelerated, while housing data improved from low levels. Labour market conditions were also firmer than expected, with payroll growth exceeding forecasts and the unemployment rate easing modestly as participation improved. Inflation remained contained, with core consumer price inflation moderating slightly as shelter-related components continued to ease.

Conditions in Europe remained mixed but showed signs of gradual improvement. German manufacturing surveys pointed to modest expansion, although retail sales growth slowed during the month. Growth across the region continues to diverge, with southern European economies such as Spain and Italy showing stronger momentum than northern Europe, particularly Germany.

China's economy remained uneven. Export-related activity continued to hold up, while domestic demand stayed weak amid ongoing property market softness and subdued consumer confidence. Inflation remained negligible, which should allow policymakers to continue targeted stimulus measures aimed at supporting household demand and broader economic stability.

### Portfolio Commentary

The Fund underperformed the benchmark in February. At the sector level, stock selection within information technology and industrials contributed positively, while consumer discretionary holdings detracted. Sector positioning was broadly unchanged, with the largest overweights in information technology and industrials, and the largest underweights in financials and consumer staples.

**Samsung Electronics**, a global semiconductor manufacturer, was one of the strongest contributors as fundamentals in semiconductor memory markets continued to improve. Supply and demand dynamics in DRAM and NAND remain favourable as hyperscale data centre investment rises. **Siemens Energy** also performed strongly as turbine

demand continues to exceed expectations. Rising electricity demand driven by data centre development is supporting strong order inflows and improving visibility for future earnings.

**Fujikura**, a supplier of optical cables for high-performance data transmission, also contributed positively. The company is well positioned as computing platforms adopt optical transmission technology to meet growing data requirements.

Among detractors, **Amazon** declined despite continued strong operating performance. Amazon Web Services growth was robust, and the retail franchise expanded, but management's guidance for higher capital expenditure weighed on investor sentiment. **Morgan Stanley** also detracted as the financial sector weakened amid concerns around private credit markets. **Alphabet** declined following a strong early-year performance as investors focused on elevated capital expenditure requirements across large technology platforms.

At the stock level, the largest additions were to **AstraZeneca**, **JPMorgan Chase** and **Societe Generale**. The Fund increased its position in **AstraZeneca**, given its strong research pipeline and upcoming product catalysts. The position in **JPMorgan Chase** was increased following modest share price weakness after conservative guidance on lending growth and net interest margins. Exposure to **Societe Generale** was also increased as profitability in its French retail banking franchise continues to improve.

Position reductions during the month included **UCB**, **Meta Platforms** and **Microsoft**. The Fund reduced **UCB** following strong share price performance and narrowing upside relative to consensus forecasts. Exposure to **Meta Platforms** was lowered due to rising capital expenditure requirements associated with large language model development. The position in **Microsoft** was also reduced as part of an ongoing effort to moderate software exposure.

The Fund initiated positions in **Hershey** and **Mitsubishi Estate**, while several smaller residual positions were exited to redeploy capital toward higher conviction opportunities. There were no MSCI ESG rating changes during the month, and no direct ESG engagements were conducted.

FEATURES	
APIR CODE	HOW0002AU
REDEMPTION PRICE	A\$ 3.3842
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 330.76m
STRATEGY INCEPTION DATE	1 July 2004
BENCHMARK	MSCI All Country World Total Return Index (net, AUD)

## FUND MANAGERS



**Bradley Amoils**  
Managing Director/Portfolio Manager



**Andrew Jacobson**  
CEO/Chief Investment Officer

Prior to June 2021, the Axiom Global Equity Strategy performance (shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Axiom Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of the stated class. The simulation does not include the Pengana ethical screen. From June 2021 the strategy performance is the performance of the Pengana Axiom International Ethical Fund.

1. Axiom was appointed fund manager as of 5 May 2021. June 2021 represents the first full month of Axiom managing the Fund.
2. Inception date 1 July 2017. Figures shown are calculated from the continuous performance of both the current and previous strategies. For performance see row labelled Fund: APIR (HOW0002AU) in the table above which is the continuous performance of both the current and previous strategies.
3. Axiom Global Equity Strategy inception 1 Jul 2004.
4. Prior to June 2021, the Axiom Global Equity Strategy performance (labeled 'Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Axiom Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of the stated class. The simulation does not include the Pengana ethical screen. From June 2021 the strategy performance is the performance of the Pengana Axiom International Ethical Fund.
5. MSCI All Country World Total Return Index in AUD.
6. Performance for periods greater than 12 months are annualised. Net performance figures are shown 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.
7. Annualised standard deviation since inception.
8. Relative to the MSCI All Country World Total Return Index in AUD.

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

## PENGANA AXIOM INTERNATIONAL FUND

### PENGANA CAPITAL LIMITED

ABN 30 103 800 568

AFSL 226566

### CLIENT SERVICE

T: +61 2 8524 9900

F: +61 2 8524 9901

E: [clientservice@pengana.com](mailto:clientservice@pengana.com)



### PENGANA.COM

Pengana Capital Limited (ABN 30 103 800 568, AFSL 226566) ("Pengana") is the issuer of units in the Pengana Axiom International Ethical Fund (ARSN 093 079 906) (the "Fund"). A Product Disclosure Statement (PDS) and Target Market Determination are available and can be obtained from our distribution team or website. A person should obtain a copy of the product disclosure statement and should consider the product disclosure statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund.