

PENGANA HARDING LOEVNER INTERNATIONAL FUND

DESCRIPTION

An International Fund targeting superior risk-adjusted returns through investing in high-quality and durable growing companies at reasonable prices.

The Pengana Harding Loevner International Fund invests in high-quality, growing companies identified through fundamental research with a long-term, global perspective.

Pengana has appointed Harding Loevner to managed the Fund. Harding Loevner is a New Jersey-based global equity fund manager formed in 1989 with over US\$86billion in Assets under Management.

Harding Loevner' analysts search the world for companies that meet their high quality and durable growth criteria, conduct fundamental research, then value and rate their stocks to make them available to PMs for investment.

STATISTICAL DATA

VOLATILITY⁸ 11.1%

NUMBER OF STOCKS 63

BETA⁹ 0.88

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Apr 2023¹

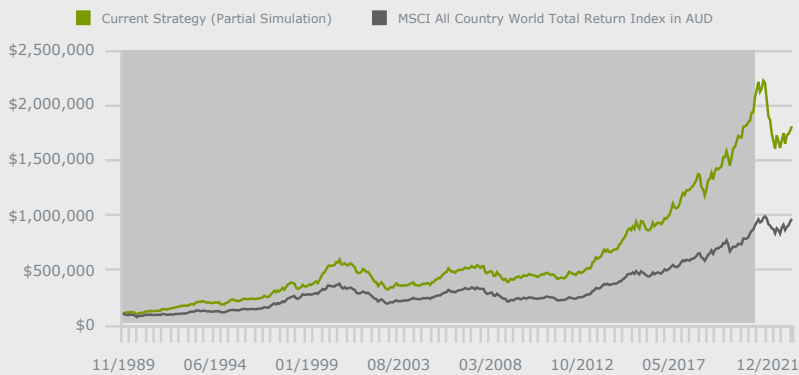
Pengana Harding Loevner International Fund Class B

The Class was established in 1 July 2015. From June 2021 Harding Loevner was appointed as the investment manager for the Fund.

	1M	1Y	Since Harding Loevner Appointed June 2021 ¹	3Y	5Y	Since Fund Inception July 2015 ²	Since Strategy Inception November 1989 ³
Fund (APIR PCL0026AU)^{1,2} Managed by Harding Loevner from June 2021	2.2%	3.7%	-3.6%	3.9%	6.4%	8.0%	
Current Strategy (Partial Simulation)⁴ Harding Loevner Global Equity Strategy				5.9%	7.6%	9.7%	9.0%
Index⁵	2.8%	9.8%	5.8%	11.7%	9.9%	9.8%	7.0%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc	Communication Services
Bank Central Asia Tbk PT	Financials
Deere & Co	Industrials
HDFC Bank Ltd	Financials
Meta Platforms Inc	Communication Services
Microsoft	Information Technology
Schneider Electric SE	Industrials
Synopsys Inc	Information Technology
UnitedHealth Group Inc	Health Care
Vertex Pharmaceuticals Inc	Health Care

SECTOR BREAKDOWN

Consumer Discretionary	5.3%
Consumer Staples	4.6%
Energy	1.6%
Financials	12.3%
Health Care	21.5%
Industrials	17.3%
Information Technology	22.3%
Materials	0.7%
Real Estate	0.5%
Communication Services	10.5%
Cash	3.4%

CAPITALISATION BREAKDOWN

Under 5bn USD	1.7%
In between 5bn - 10bn USD	1.2%
In between 10bn - 50bn USD	22.3%
In between 50bn - 150bn USD	34.9%
In between 150bn - 500bn USD	23.3%
Above 500bn USD	13.2%
Cash	3.4%

REGION BREAKDOWN

North America	59%
Europe ex-UK	21.7%
Emerging Markets	9.3%
Japan	3%
UK	2.3%
Asia Pacific ex-Japan	1.2%
Cash	3.4%

APRIL REPORT

COMMENTARY

- Global share markets strengthened in April as economic data remained resilient and company earnings exceeded investor expectations
- Australian dollar weakness supported share market returns in AUD terms
- The Fund returned 2.2% in April, while the benchmark returned 2.8%

Market Review

Global equity markets made gains in April as investors turned their focus to more resilient economic data and better-than-expected quarterly earnings reports. The MSCI World All Countries Total Return Index AUD delivered 2.8% during the month. The uplift in share prices was led by large technology companies such as **Meta Platforms** (which owns Facebook, Instagram and WhatsApp) and **Microsoft**.

The energy sector outperformed the broader market following the announcement of cuts in crude oil production by members of the OPEC+ group. Meanwhile, consumer staples stocks outperformed upon evidence of their pricing power being sustained. Concerns that falling household income is impacting demand led automotive stocks to underperform, dragging down returns in the broader consumer discretionary sector.

Europe was the strongest performing economic region, while negative returns in most major Asian countries impacted emerging market returns. Disappointing factory activity levels in China offset the rise in consumer demand which followed the lifting of pandemic-era restrictions.

Portfolio Comment

OpenAI, which is backed by Microsoft, launched its artificial intelligence chat bot ChatGPT in late 2022. This sparked both excitement and trepidation about the impact which artificial intelligence (AI) may have on our lives and on the competitive positioning and growth prospects of companies. Leading microchip developers, such as **NVIDIA**, expect rising demand for their products to power ever more complex systems.

Microsoft has been keen to highlight that the race to develop AI applications is boosting demand for its Azure cloud computing infrastructure. The company hopes that the recently launched AI-powered enhancement to its Bing search engine can help it capture increasing market share from Google.

AI is also creating challenges. **Adobe** faces more competition in content creation from new AI-based text-to-image applications such as Dall-E and Stable Diffusion. Adobe has unveiled its own AI image generator, Adobe Firefly. It aims to differentiate itself from rivals by only using licensed content from its stock image portfolio to safeguard against potential copyright violations that plague other AI tools.

The Fund's holdings in financials detracted from relative returns. Fixed income electronic marketplace **Tradeweb** reported lower-than-expected revenues despite rapid volume growth, as its business mix shifted to lower-fee, investment-grade bonds.

Stock performance in the US also detracted from relative returns. Agricultural equipment manufacturer **John Deere** underperformed on concerns that falling agriculture commodity prices would weaken demand for its products.

The Fund's overweight exposure to the health care sector contributed to relative returns. The Danish biotechnology company **Genmab** outperformed as it announced it would be collaborating with Dutch peer argenx to develop new cancer and immunology drugs.

FEATURES	
APIR CODE	PCL0026AU
REDEMPTION PRICE	A\$ 0.8318
FEES *	Management Fee: 0.974% Performance Fee: Nil
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 44.32m
STRATEGY INCEPTION DATE	1 December 1989
BENCHMARK	MSCI All Country World Total Return Index (net) in \$A

FUND MANAGERS



Peter Baughan
Portfolio Manager



Jingyi Li
Portfolio Manager

1. Harding Loevner was appointed fund manager as of 10 May 2021. June 2021 represents the first full month of Harding Loevner managing the Fund.
 2. Class B Inception date 1 July 2015. Figures shown are calculated from the continuous performance of both the current and previous strategies. For performance see row labelled Fund (APIR PCL0026AU) in the table above which is the continuous performance of both the current and previous (shaded) strategies.
 3. Harding Loevner Global Equity Strategy inception 1 Dec 1989
 4. Prior to June 2021, the Harding Loevner Global Equity Strategy performance (labelled 'Current Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Harding Loevner Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of Class B. From June 2021 the strategy performance is the performance of the Pengana Harding Loevner International Fund Class B.
 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. The Harding Loevner Global Equity Strategy performance (shown in the shaded area in the chart, and in the performance table as row labeled 'Harding Loevner Global Equity Strategy') has been simulated by Pengana from the monthly gross returns of the Harding Loevner 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. Strategy Inception 30 November 1989.
 8. Annualised standard deviation since inception.
 9. Relative to MSCI All Country World Total Return Index in AUD
- * For further information regarding fees please see the PDS available on our website.

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