

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.

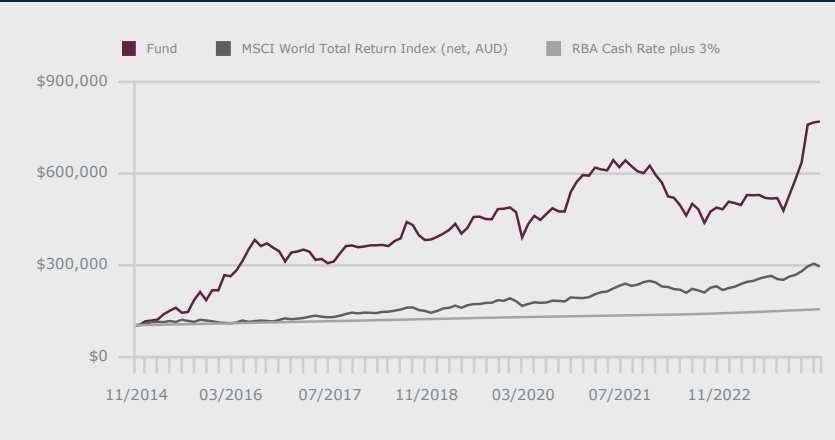
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Apr 2024¹

	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	0.4%	45.7%	21.8%	7.9%	12.2%	24.2%
MSCI World Total Return Index (net, AUD)	-3.2%	20.5%	15.6%	11.9%	12.2%	12.1%
RBA Cash Rate plus 3%	0.6%	7.2%	6.3%	5.2%	4.5%	4.6%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Brazilian Rare Earths Ltd.	Materials
Clarity Pharmaceuticals Ltd	Health Care
Genetic Signatures Ltd	Health Care
Immutep Ltd	Health Care
IperionX Ltd	Materials

SECTOR BREAKDOWN

Consumer Discretionary	2.8%
Health Care	49.7%
Materials	32.8%
Communication Services	12.5%
Options	0.7%
Cash	1.5%

CAPITALISATION BREAKDOWN

Under 5bn USD	87.5%
In between 5bn - 10bn USD	4.3%
In between 10bn - 100bn USD	6%
Derivatives	0.7%
Cash	1.5%

REGION BREAKDOWN

North America	10.3%
Europe ex-UK	8.6%
Australia/New Zealand	78.8%
Options	0.7%
Cash	1.5%

STATISTICAL DATA

VOLATILITY³ 24.5%

NUMBER OF STOCKS 16

BETA⁴ 0.63

MAXIMUM DRAW DOWN -32.1%

APRIL REPORT

COMMENTARY

The Fund returned 0.4% in the month of April.

- **Positive Performers:** Mesoblast rose 59% after favorable FDA communication, and Immutep gained 15% from promising cancer trial data.
- **Negative Performers:** Alta Global Group fell 35% post-IPO, Opthea declined 16%, and Magnite dropped 17%.
- **Continued Growth:** Tenet Healthcare increased by 7% in April and 104% over six months due to hospital sales and strong operations.

Brazilian Rare Earths rose 22% after reporting a significant new find called the Pelle deposit, 60km south-west of its Monte Alto deposit. Further deeper diamond drilling of the ore body is expected over coming months.

Australian stem cell producer **Mesoblast** rose 59% after disclosing the US FDA had communicated to the company their data was sufficient to file for approval in pediatric Graft versus Host disease (GVH), which the company has shown significant reductions in mortality rates. FDA approval is now quite likely to occur before year end.

Australian and US dual listed immunotherapy producer **Immutep** rose 15% after reporting initial data from its very important trial in Head and Neck cancer Tacti-003, a combination of its drug Eftilagimod and leading immunotherapy drug Pembrolizumab (brand name Keytruda). The study has a randomized and non-randomized cohort. The initial non-randomized cohort in difficult to treat to patients was very encouraging (27% response rate versus 5% in previous studies of Keytruda alone) however the market is very focused on randomized data after previous spectacular failures in immunotherapy drugs in a randomized setting. We expect further data before the end of June.

US hospital and daycare facilities **Tenet Healthcare** continued its strong run up another 7% in April and up 104% over 6 months. The main driver has been the sale of several hospitals to deleverage the balance sheet, however the operating performance has also surprised on the upside. The company still trades at a discount to major hospital peer HCA and specialist ambulatory center operator Surgery Partners. Daycare centers continue to gain market share from hospitals due to lower costs and co-ownership with surgeons.

On the negative side, we added a new holding via a US initial public offering of **Alta Global Group** based in Sydney, which performed poorly post IPO down 35%. Half of the loss has been recouped so far in May. The company is a platform technology to link gyms, coaches, participants and initially targeted MMA (Mixed Martial Arts) but is expected to broaden to other sports in the future. Gyms benefit from improved participant recruitment and ease of business management, while participants and followers benefit from increased content availability and community connection. MMA star Connor McGregor is both a shareholder and promoter of the company, along with Laura Sanko. With a market value of just USD40mln there is a great deal of potential upside if the company executes on its vision.

Declines were also recorded by Australian biotech **Opthea**, down 16% as the market expects a capital raising, and US media technology company **Magnite**, which fell 17% on little news.

FEATURES

APIR CODE	HHA0020AU
REDEMPTION PRICE	A\$ 1.4669
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\$ 53.07m
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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