

PENGANA AUSTRALIAN EQUITIES FUND

DESCRIPTION

The Pengana Australian Equities Fund aims to enhance and preserve investor wealth over a 5- year period via a concentrated core portfolio of principally Australian listed securities. The Fund uses fundamental research to evaluate investments capable of generating the target return over the medium term. Essentially, we are in the business of seeking to preserve capital and make money – we are not in the business of trying to beat the market. We remain focused on acquiring and holding investments that offer predictable, sustainable and well-stewarded after-tax cash earnings yields in excess of 6% that will grow to double digit levels as a percentage of our original entry price in five years. We believe that building a well-diversified portfolio of these “gifts that keep on giving” represents a meaningful way to create and preserve financial independence for our co-investors.

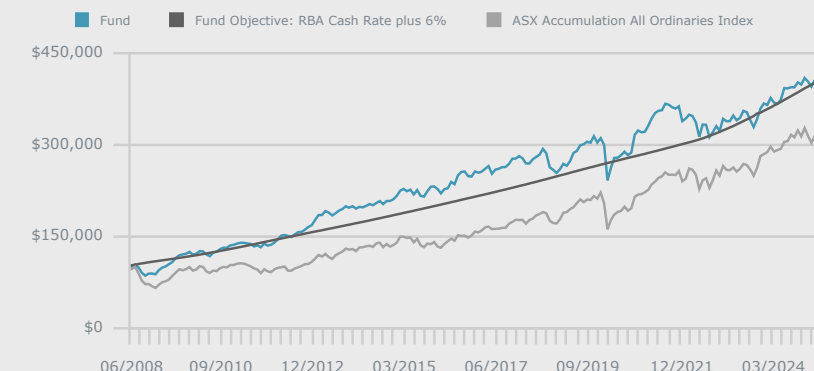
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Apr 2025¹

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	SINCE INCEPTION P.A.
Australian Equities Fund	2.7%	10.0%	5.4%	9.2%	6.2%	8.6%
Fund Objective: RBA Cash Rate plus 6%	0.8%	10.3%	9.6%	8.2%	7.8%	8.6%
ASX Accumulation All Ordinaries Index	3.6%	8.8%	6.7%	12.4%	7.9%	7.0%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Amcor PLC Shs Chess Depository Interests	Materials
BHP Group Ltd	Materials
CSL Limited	Health Care
Evolution Mining Limited	Materials
Metcash Limited	Consumer Staples
National Australia Bank Limited	Financials
NIB Holdings Ltd	Financials
ResMed Inc	Health Care
Stockland	Real Estate
Telstra Group Limited	Communication Services

SECTOR BREAKDOWN

Consumer Discretionary	9.7%
Consumer Staples	4.6%
Energy	2.9%
Financials	21.6%
Health Care	15.3%
Industrials	3%
Materials	16.5%
Real Estate	7.9%
Communication Services	6.4%
Utilities	3.1%
Cash	8.9%

CAPITALISATION BREAKDOWN

ASX 1-50	55.5%
ASX 51-100	17.4%
ASX 101-300	14.6%
Non ASX	3.7%
Cash	8.9%

CUSTOM SECTOR BREAKDOWN

Defensive	60.9%
Financials	10.8%
Consumer Discretionary	8.2%
Resources	11.2%
Cash	8.9%

STATISTICAL DATA

VOLATILITY³ 11.2%

NUMBER OF STOCKS 28

BETA⁴ 0.7

MAXIMUM DRAW DOWN -23.1%

APRIL REPORT

COMMENTARY

The month of April saw enormous volatility caused by the Trump administration's tariff policies. Liberation Day. Investors, already jittery due to stretched valuations, voted with their feet, causing global markets to fall sharply. In true whiplash style, at the first hint of deal making before tariff implementation emerged, markets recovered.

We recently recorded an investor update where CIO and Senior Fund Manager Rhett Kessler shares how the Pengana Australian Equities Fund is navigating market cycles, covering performance, outlook, key holdings, and investor questions.



The Fund experienced a significantly smoother month, returning a healthy 2.7%. By way of comparison, the ASX All Ords Index and the RBA Cash rate plus 6% benchmark returned 3.6% and 0.8% respectively.

Key positive contributors included **Stockland**, **Evolution Mining**, **Telstra**, **ResMed** and **NAB**. The larger detractors included **Amcor**, **Ryman Healthcare** and **Light & Wonder**.

As discussed during the prior month's newsletter, the Fund continued to take advantage of the materially more attractive entry points of several high-quality companies with resilient business models. Recent new investments include **Amcor**, **IAG**, **Ampol**, **Mirvac**, **Ramsay Healthcare**, **Westpac**, **Bluescope Steel** and **James Hardie**.

A common theme of these companies is the significant valuation underpinning provided by the after-tax free cash flows. On several occasions, our research was rewarded by an investment event that created the investment opportunity without detracting from the medium-term underlying value of the business. An excellent example would be **IAG**, which delivered a strong and extremely conservative insurance result. Management, likely mindful of the upcoming election and, chose not to upgrade their earnings outlook. The momentum players took the view that the short-term insurance cycle had peaked and sold the company off heavily. A detailed analysis of the balance sheet highlighted the conservative nature of the underlying earnings, allowing us to accumulate a material position at an attractive price.

In summary, our discipline in retaining excess cash during a period of excessive valuations has provided the Fund with ample opportunities to deploy substantial capital into attractively priced, highly cash generative companies. The Fund closed the month with 8.5% in cash, despite a meaningful inflow from the sale of our 7% holding in **SG Fleet**. We maintain a comfortable level of firepower to continue taking advantage of additional opportunities.

✓ FEATURES

APIR CODE	PCL0005AU
REDEMPTION PRICE	A\$ 1.8302
FEES *	Management Fee: 1.025% Performance Fee: 10.25%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 491.42m
STRATEGY INCEPTION DATE	1 July 2008
BENCHMARK	The RBA Cash Rate Target plus Australian equity risk premium.

👤 FUND MANAGERS



Rhett Kessler
CIO and Senior Fund Manager



Anton du Preez
Deputy CIO and Fund Manager

1. Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. The benchmark of cash rate plus 6% p.a. is included in the chart as it relates to the Fund's investment objective and performance fee. The Fund may invest up to 100% of its assets in equity securities. The greater risk of investing in equities is reflected in the addition of a margin above the cash rate. 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 1st July 2008.

3. Annualised standard deviation since inception.

4. Relative to ASX All Ordinaries Index. Using daily returns.

*(including GST, net of RITC) of the increase in net asset value subject to the RBA Cash Rate & High Water Mark. For further information regarding fees please see the PDS available on our website.

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