

PENGANA ALPHA ISRAEL FUND

DESCRIPTION

The Pengana Alpha Israel Fund invests in listed Israeli companies that produce cutting edge – both high and low tech – technologies. These Israeli listed companies have developed solid intellectual property coupled with strong global distribution.

The Fund offers Australian investors diversification within global equity exposure to a unique and promising market that is very much skewed to industries and technologies that are either limited, or do not exist, in the Australian market place, such as: the semiconductor industry, solar and water treatment technology, aerospace and electronic defence industries, and cyber security technologies.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Apr 2025¹

Alpha Israel Fund Class A (AUD)

	1M	1Y	2Y	3Y	Since Strategy Inception March 2021 ²	5Y	Since Fund Inception January 2018
Alpha Israel Fund Class A ¹	2.9%	21.4%	17.3%	7.1%	7.2%	9.5%	8.9%
Current Strategy (Partial Simulation) ²	2.9%	23.1%	20.7%	9.2%	10.3%		
Tel Aviv Stock Exchange 125 Index ³	4.5%	29.8%	20.7%	6.6%	11.1%	12.7%	8.9%

Alpha Israel Fund Class B (USD)

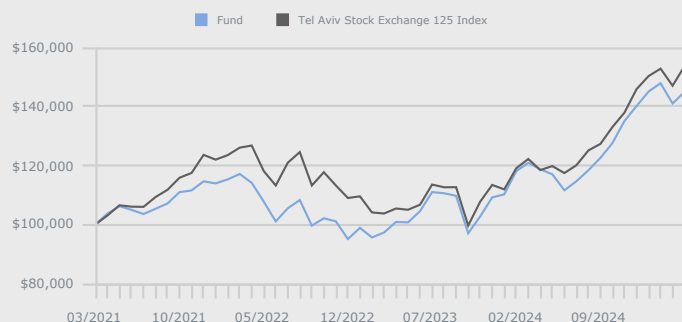
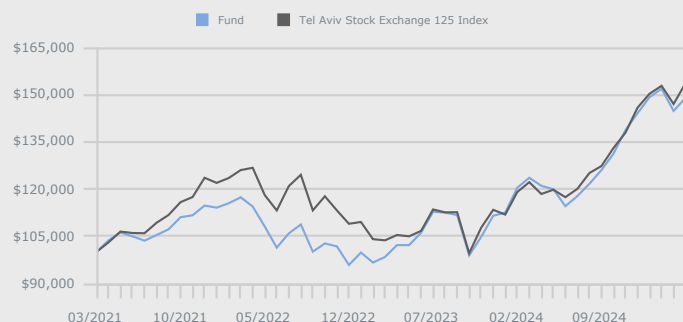
	1M	1Y	2Y	3Y	Since Strategy Inception March 2021 ²	5Y	Since Fund Inception January 2018
Alpha Israel Fund Class B ¹	2.8%	21.1%	18.6%	8.1%	8.1%	11.1%	9.9%
Current Strategy (Partial Simulation) ²	2.8%	22.1%	19.9%	8.3%	9.5%		
Tel Aviv Stock Exchange 125 Index ³	4.5%	29.8%	20.7%	6.6%	11.1%	12.7%	8.9%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION⁴

Class A

Class B



TOP HOLDINGS (ALPHABETICALLY)

Argo Properties NV	Real Estate Operating Companies
Bank Hapoalim BM	Diversified Banks
Bank Leumi Le-Israel B.M.	Diversified Banks
Isramco Negev 2 Limited Partnership	Oil & Gas Exploration & Production
Phoenix Financial Ltd	Multi-line Insurance

SECTOR BREAKDOWN

Communication Services	2%
Consumer Discretionary	9%
Financials	21.8%
Health Care	3.7%
Industrials	6.4%
Information Technology	16.6%
Materials	4.3%
Real Estate	15.5%
Energy	9.3%
Other	3.4%
Options	0.1%
Cash	7.8%

CAPITALISATION BREAKDOWN

Under 100m USD	3.7%
In between 100 - 1bn USD	32.1%
In between 1bn - 5bn USD	34.1%
Above 5bn USD	21.5%
Derivatives	0.1%
Not Classified	0.8%
Cash	7.8%

APRIL REPORT

COMMENTARY

- Israeli equities rose strongly in April, outperforming global markets despite extreme volatility triggered by US-led tariff announcements. Inflation expectations remain contained, and interest rate cuts are likely later in the year.
- Israel's economy remains resilient, supported by steady growth, strong foreign exchange reserves, and a booming high-tech sector, which now accounts for 20% of GDP and nearly 40% of recent economic growth.
- The Fund returned 2.9% (Class A, AUD) and 2.8% (Class B, USD).

Market Review

April saw significant volatility in global markets following President Trump's announcement of sweeping import tariffs. The measures included a blanket 10% tariff on all US imports and steep country-specific tariffs, reaching over 100% on Chinese goods. This triggered retaliatory tariffs from global trading partners, fuelling fears of a damaging trade war. US indices fell nearly 15% at their lows, while Germany's DAX dropped 16%.

Israeli markets proved more resilient. The TA-125 Index declined by only 6% at the height of the volatility and quickly rebounded as signs emerged on 9 April that the US may roll back the tariff plan. Volatility remained elevated, but sentiment improved as the VIX Index, a key measure of market volatility, retreated to more normal levels. By month-end, global markets had recovered most early losses, and Israeli indices rose 4%–5%, extending their outperformance over global peers year-to-date.

Israel's economy remains on solid footing. The Composite State of the Economy Index rose 0.25% in March, with prior months revised higher, pointing to steady growth despite global uncertainty. Inflation expectations are well anchored, and the Bank of Israel reiterated its willingness to cut rates should disinflation continue to moderate. Markets are pricing in a 78% chance of a cut by August, with the policy rate expected to fall to 4.0% by year-end and 3.62% within 12 months.

Israel marked its 77th year of independence in April. Since its founding, GDP has grown 150-fold, and the population 15-fold. The high-tech sector remains the primary growth engine, accounting for 20% of GDP and 40% of growth over the past four years. Foreign investment in Israeli tech has surpassed US\$250 billion since 2000, and the defence industry continues to expand, supported by a record US\$70 billion pipeline of confirmed contracts.

Portfolio Commentary

A key detractor from performance was the Fund's underweight to the banking sector, which gained nearly 6% during the month. While the portfolio holds **Bank Leumi** and **Bank Hapoalim**, both underperformed the broader sector given their lower exposure to the rebounding domestic property market. The Fund also had limited exposure to pure-play Israeli real estate companies, which further weighed on relative returns. The Tel Aviv Real Estate Index rose 7.5%, while the Fund's holdings focus on diversified real estate firms with operations across Israel, the US, and Europe.

At the stock level, the largest detractor was **Qualitau**, which fell 11% on concerns that US-China trade tensions would weaken global semiconductor demand. **Telsys** also underperformed during the month, adding to the technology sector's drag on portfolio returns.

On the positive side, fintech holding **Nayax** rose 20% as demand for its payment solutions remained strong, supported by the continued rollout of its technology across unattended retail channels. Chemicals and minerals producer ICL also contributed positively, gaining 15% following solid earnings and stronger commodity pricing.

During the initial market turmoil in April, the Fund took a short-term, tactical position via an inverse ETF on the TA-125 Index to temporarily reduce equity exposure. This move was made in response to the extreme global volatility and uncertainty following the announcement of sweeping US tariffs. The ETF was used to quickly lower market exposure without selling individual holdings. The use of such instruments is permitted under the Fund's investment guidelines but is not expected to feature regularly going forward.

While April presented challenges for relative performance, the Fund continues to focus on companies with resilient earnings, strong competitive positions, and diversified international operations, providing a solid foundation for long-term returns despite near-term volatility.

✓ FEATURES

APIR CODE	PCL6469AU (USD Class) CTS0045AU (AUD Class)
REDEMPTION PRICE	A\$ 1.2887
FEES *	Management Fee: 1.50% p.a. paid monthly in arrears Performance Fee: 20% above the TA-125 Index paid semi-annually in arrears. No performance fee is payable if performance for the half year is not positive.
MINIMUM INITIAL INVESTMENT	A\$250,000 for the AUD class and the US\$ equivalent of A\$250,000 for the USD class
STRATEGY INCEPTION DATE	1 January 2018
BENCHMARK	The Fund's investment objective is to maximise total returns via the long-term appreciation of its assets through investments and transactions involving securities or financial instruments of, or related to, primarily (but not necessarily exclusively) Israeli and Israel-related public companies.

👥 FUND MANAGERS



Gabi Dishi
Founder & CEO



Michael Weiss
Founder & Managing Partner



Aviran Revivo
Managing Partner



Sagi Ben Yosef
Managing Partner

i.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. Index returns shown are in ILS (Israeli Shekel). 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 and may not be repeated, the value of investments can go up and down.

^ Inception 1st January 2018.

* 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. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

1. Inception date 1 January 2018. Performance shown is the continuous performance of both the current and previous strategies.

2. Prior to February 2025 performance has been simulated by Pengana from the monthly gross returns of the Alpha Long Equities Fund denominated in ILS. The simulation was done by: hedging currency exposure of the underlying strategy to the base currency of the stated class using three month forward rates; and, applying the fee structure of the stated class. From February 2025 inclusive, performance is of the Pengana Alpha Israel Fund.

3. Index returns shown are in ILS (Israeli Shekel).

Please note: This fund is only open to Wholesale Investors.

PENGANA ALPHA ISRAEL 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



PENGANA.COM

Pengana Capital Limited (ABN 30 103 800 568, AFSL 226566) ("Pengana") is the issuer of units in the Pengana Alpha Israel Fund (the "Fund"). An Information Memorandum can be obtained from our distribution team or website. A person should consider the information memorandum carefully and consult with their financial adviser before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This information has been prepared for Wholesale Clients only. This information does not contain any investment recommendation or investment advice and has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on this information a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs.