

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 2026¹
Alpha Israel Fund Class A (AUD)

	1M	1Y	2Y	3Y	5Y	Since Strategy Inception March 2021 ²	Since Fund Inception January 2018
Alpha Israel Fund Class A ¹	11.6%	55.7%	37.5%	28.9%	14.6%	15.4%	13.7%
Current Strategy (Partial Simulation) ²	11.6%	55.7%	38.4%	31.4%	17.5%	18.0%	
Tel Aviv Stock Exchange 125 Index ³	7.4%	68.7%	48.0%	34.9%	20.3%	20.6%	14.8%

Alpha Israel Fund Class B (USD)

	1M	1Y	2Y	3Y	5Y	Since Strategy Inception March 2021 ²	Since Fund Inception January 2018
Alpha Israel Fund Class B ¹	11.4%	56.2%	37.6%	30.0%	15.4%	16.2%	14.7%
Current Strategy (Partial Simulation) ²	11.4%	56.2%	38.1%	30.9%	16.9%	17.4%	
Tel Aviv Stock Exchange 125 Index ³	7.4%	68.7%	48.0%	34.9%	20.3%	20.6%	14.8%

TOP HOLDINGS (ALPHABETICALLY)

Alony Hetz Properties & Investments Ltd.	Real Estate Operating Companies
Camtek Ltd	Semiconductor Materials & Equipment
Harel Insurance Investments &	Multi-line Insurance
Nayax Ltd.	Electronic Equipment & Instruments
Telsys Ltd.	Technology Distributors

SECTOR BREAKDOWN

Communication Services	3%
Consumer Discretionary	8.2%
Financials	20.5%
Health Care	4.8%
Industrials	7.3%
Information Technology	21.3%
Materials	1.4%
Real Estate	18.1%
Utilities	3.9%
Consumer Staples	3.3%
Energy	0.2%
Options	-0.5%
Other	4%
Debt	-0.3%
Cash	4.8%

CAPITALISATION BREAKDOWN

Under 100m USD	1.2%
In between 100 - 1bn USD	22.6%
In between 1bn - 5bn USD	41.9%
Above 5bn USD	26.3%
Options	-0.5%
Other	4%
Debt	-0.3%
Cash	4.8%

STATISTICAL DATA
VOLATILITY³ 12.9%

NUMBER OF STOCKS 37

BETA⁴ 0.7

MAXIMUM DRAW DOWN -15.7%

APRIL REPORT

COMMENTARY

- Israeli equities extended their strong run in April, with the TA-125 Index gaining 7.4% to bring returns for the year to end April to 17.8%. A ceasefire with Iran in early April ended around six weeks of direct conflict and triggered a re-rating of Israeli assets.
- Sentiment was further supported by a separate Israel-Lebanon ceasefire mid-April. The shekel reached a 30-year high against the US dollar, March CPI eased to 1.9% within the Bank of Israel's target range, and markets priced a rate cut at the May meeting as likely.
- The Fund returned 11.6% (Class A, AUD) and 11.4% (Class B, USD), comfortably ahead of the benchmark, with strong contributions from **Telsys**, **Camtek**, **Teva**, **Energix** and **Nayax**. No material detractors were recorded during the month.

Market Review

Israeli equities posted strong gains in April, with the TA-125 Index rising 7.4% and closing the month among the best-performing equity markets globally. The rally was broad-based and accelerated as geopolitical uncertainty receded and capital flowed back into Israeli assets. Returns for the year to end April now stand at 17.8%, reflecting the scale of the re-rating in 2026.

The defining development was a ceasefire between the US, Israel and Iran in early April, mediated by Pakistan. It ended roughly six weeks of direct conflict that began with coordinated strikes on Iranian military and nuclear targets in late February. A separate Israel-Lebanon ceasefire followed mid-April, marking the first high-level diplomatic engagement between the two countries in decades. The broader regional picture remains fragile, with Israeli operations against Hezbollah continuing alongside ongoing US-Iran negotiations.

Global markets rallied sharply as easing regional tensions removed a major overhang. US equities posted their strongest monthly gain in several years, while European and Australian markets also advanced firmly. Israel's outperformance reflected both the unwind of conflict-related risk premia and renewed foreign investor interest.

Israel's economic fundamentals continued to provide support. The shekel appreciated to a 30-year high against the US dollar, helped by improving sentiment, robust foreign direct investment and a steady current account surplus of approximately USD 8.5 billion. The currency move has weighed on exporters but anchored inflation, with March CPI easing to 1.9%, comfortably within the Bank of Israel's 1% to 3% target. The next Bank of Israel decision is scheduled for late May, with markets pricing a high probability of a rate cut as the strong currency, contained inflation, and expected near-term GDP drag from the conflict all point toward easing.

Portfolio Commentary

The Fund delivered a strong absolute and relative return in April, materially ahead of the benchmark, driven by broad-based contributions across core holdings with no material detractors.

Telsys, an electronics distribution and embedded computing group, rose 19% and was the joint-largest contributor. The stock extended its run from March as the market continued to digest the improved order backlog and double-digit growth outlook in its System-on-Module activity through subsidiary Variscite.

Camtek, a developer of inspection and metrology equipment for the semiconductor industry, also rose 19%. The company announced the acquisition of Visual Layer, a Tel Aviv-based AI specialist in visual analytics, strengthening Camtek's capabilities in large-scale visual data processing.

Teva Pharmaceutical Industries, the world's largest generic drug manufacturer, gained 12% after a strong quarterly result ahead of subdued expectations. The report signalled a shift from a defensive posture to a more proactive growth strategy, underlined by Teva's first strategic acquisition in over a decade. The deal, for an R&D company developing a Tourette syndrome treatment, is valued at approximately USD 700 million plus up to USD 200 million in milestones and royalties. The team views it as a tangible step toward restoring organic growth.

Energix Renewable Energies, an independent power producer in solar and wind, rose 18%. The sector continues to benefit from accelerating electricity demand and rapid data centre build-out, particularly in the United States.

Nayax, a cashless payment solutions provider, gained 16% as operational momentum continued to build, with the company absorbing a strong shekel through disciplined execution. The recent USD 350 million bond issuance provides capacity for acquisitions and projected revenue growth approaching 30% this year.

Beyond individual holdings, the Fund's defence exposure remains a core thematic position. European NATO members reached the 2% spending target in 2025, and the alliance's new 3.5% target by 2035 implies a path toward USD 1 trillion in European defence spending. Equipment procurement continues to grow as a share of budgets, supporting sustained double-digit growth.

Following month-end, **S&P Global Ratings** affirmed Israel's A/A-1 sovereign credit rating with a stable outlook, citing reduced security risk and the strength of Israel's technology sector and services exports. The team views a favourable resolution of the conflict as a structural inflection point, potentially supporting a re-rating of Israeli assets as the geopolitical risk premium declines.

FEATURES

APIR CODE	PCL6469AU (USD Class) CTS0045AU (AUD Class)
REDEMPTION PRICE	A\$ 1.8793
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.

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