

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 10.7%

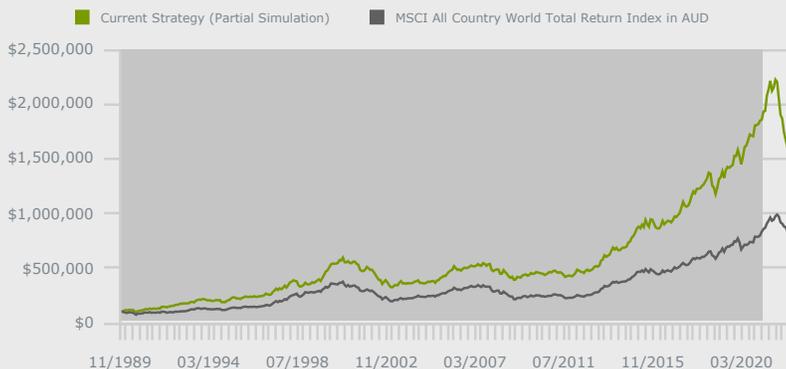
NUMBER OF STOCKS 67

BETA⁹ 0.84

PERFORMANCE TABLE
NET PERFORMANCE FOR PERIODS ENDING 30 Jun 2022¹
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	-4.0%	-22.7%	-16.0%	4.0%	6.7%	7.2%	
Current Strategy (Partial Simulation)⁴ Harding Loevner Global Equity Strategy				4.8%	8.4%	9.1%	8.9%
Index⁵	-4.5%	-8.0%	-3.6%	6.9%	9.4%	8.7%	6.7%

PERFORMANCE CHART
NET PERFORMANCE SINCE INCEPTION²

TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc	Communication Services
Amazon	Consumer Discretionary
Deere & Co	Industrials
First Republic Bank	Financials
L'Oreal SA	Consumer Staples
Microsoft	Information Technology
Schneider Electric SE	Industrials
SVB Financial Group	Financials
UnitedHealth Group Inc	Health Care
Vertex Pharmaceuticals Inc	Health Care

SECTOR BREAKDOWN

Consumer Discretionary	7.5%
Consumer Staples	2.7%
Energy	1.2%
Financials	14.2%
Health Care	24.1%
Industrials	14.2%
Information Technology	21.7%
Real Estate	1.5%
Communication Services	8.9%
Cash	4%

CAPITALISATION BREAKDOWN

Under 5bn USD	1.9%
In between 5bn - 10bn USD	3.8%
In between 10bn - 50bn USD	34.5%
In between 50bn - 150bn USD	22.7%
In between 150bn - 500bn USD	22.8%
Above 500bn USD	10.2%
Cash	4%

REGION BREAKDOWN

North America	60.3%
Europe ex-UK	16.9%
Emerging Markets	12.7%
Japan	2.2%
UK	2.2%
Asia Pacific ex-Japan	1.3%
Australia/New Zealand	0.4%
Cash	4%

MONTHLY REPORT - JUNE

COMMENTARY

1. Global markets fell in June as inflation reached a 40-year high in both the US and Europe.
2. Amid strong style headwinds and economic uncertainty, we continue to find opportunities to purchase high-quality, growing businesses.
3. The portfolio's overweight in Health Care was a contributor to relative returns as Health Care stocks significantly outperformed the broad index.

The Fund fell -4.0% in June, outperforming the Index (MSCI All Country World Total Return Index (net) in \$A) which fell -4.5% for the same period.

Market Review

Global markets fell in June as inflation reached a 40-year high in both the US and Europe. In response, policy makers outlined aggressive rate hikes, putting further pressure on equities. In the US, the Federal Reserve raised rates by 75 basis points—the largest increase in nearly 30 years—and signalled further rate increases of a similar magnitude. Similarly, the European Central Bank signalled that it would deliver its first rate hike since 2011 in July.

Energy prices continued to be the largest driver of inflation in Europe as Russia took further steps to further choke off supply; the Nordstream pipeline is now operating at 40% capacity due to a "gas turbine issue". Further exacerbating the situation, a prolonged outage at the Freeport LNG plant in Texas has significantly reduced the US supply of liquified natural gas to the continent. Elsewhere, China was the only positive market this month as the country began to emerge from its COVID-induced lockdowns and central bank officials cut interest rates and injected a fresh round of stimulus into the economy.

Portfolio Comments

Amid strong style headwinds and economic uncertainty, we continue to find opportunities to purchase high-quality, growing businesses. **Kering** is a French luxury good conglomerate that is in the process of diversifying away from an outsized reliance on the Gucci brand. Management has historically delivered an impressive track record of innovation and growth, resulting in a company that is profitable, generates a high free cash flow, and is rapidly moving toward a net cash balance sheet. Poor sentiment due to weak consumer demand in China (one of Kering's largest markets) has been an overhang on the stock for much of 2022; however, this provided us with an opportunity to purchase shares at an attractive valuation.

June Attribution

- In Health Care, shares of Chinese biologics service provider **WuXi Biologics** soared as US export authorities were allowed to inspect one of the company's Chinese facilities, raising prospects that WuXi may soon be removed from the US trade blacklist.
- The portfolio's overweight in Health Care was a contributor to relative returns. Health Care stocks significantly outperformed the broad index despite posting negative returns for the month.
- In Industrials, shares of US agricultural equipment manufacturer **John Deere** underperformed as farmers faced weakening economics (due to higher input costs like fertilizer) and higher financing costs for large farm equipment (due to rising interest rates).

High-quality, fast-growing companies, have significantly underperformed year-to-date. The severity of these style headwinds has contributed to portfolio underperformance across all major sectors and regions. In our view however, the Global Equity portfolio is loaded with high-quality global growth companies trading at increasingly attractive valuations. On balance, our companies continue to report strong results and, without exception, continue to invest through uncertain times from positions of financial strength. For the most part, the weakness in stock prices is a function of transient or cyclical pressures affecting short-term results and not a result of cracks in their fundamentals.

FEATURES	
APIR CODE	PCL0026AU
REDEMPTION PRICE	A\$ 0.7471
FEES *	Management Fee: 0.974% Performance Fee: Nil
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 44.68m
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. 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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