

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 11.1%

NUMBER OF STOCKS 62

BETA⁹ 0.89

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Jun 2023¹

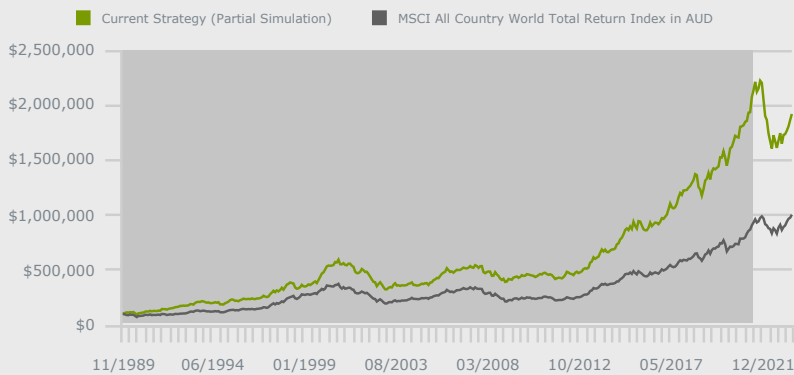
Pengana Harding Loevner International Fund Class B

The Class was established in 1 July 2015. From June 2021 Harding Loevner was appointed as the investment manager for the Fund.

	1M	1Y	3Y	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	2.9%	19.6%	-3.8%	-0.4%	5.0%	7.8%	8.7%	
Current Strategy (Partial Simulation)⁴ Harding Loevner Global Equity Strategy					5.8%	8.2%	10.3%	9.2%
Index⁵	2.9%	20.4%	5.2%	7.2%	12.3%	10.4%	10.1%	7.1%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc	Communication Services
Amazon	Consumer Discretionary
Bank Central Asia Tbk PT	Financials
Danaher	Health Care
Deere & Co	Industrials
Meta Platforms Inc	Communication Services
Microsoft	Information Technology
Rockwell Automation	Industrials
Schneider Electric SE	Industrials
Vertex Pharmaceuticals Inc	Health Care

SECTOR BREAKDOWN

Consumer Discretionary	6.2%
Consumer Staples	5.4%
Energy	1.5%
Financials	11.3%
Health Care	20.6%
Industrials	17.7%
Information Technology	22.6%
Materials	1.1%
Real Estate	0.4%
Communication Services	10.6%
Cash	2.6%

CAPITALISATION BREAKDOWN

Under 5bn USD	0.8%
In between 5bn - 10bn USD	3.1%
In between 10bn - 50bn USD	19.3%
In between 50bn - 150bn USD	34.2%
In between 150bn - 500bn USD	23.9%
Above 500bn USD	16.1%
Cash	2.6%

REGION BREAKDOWN

North America	58.8%
Europe ex-UK	22.1%
Emerging Markets	8.9%
Japan	3.8%
UK	2.6%
Asia Pacific ex-Japan	1.1%
Cash	2.6%

JUNE REPORT

COMMENTARY

- Global markets shrugged off economic uncertainty to record strong gains for the month
- Biotech holding Abcam soared on the news that it had received multiple acquisition inquiries
- Positive corporate developments led the Fund to initiate a new position in Estee Lauder

Market Review

Global share markets rose this month, with all sectors and major regions recording positive performance. In the US, the Federal Reserve paused its rate-hiking campaign, while simultaneously suggesting that two more hikes of 0.25% later in the year may still be necessary. Monetary conditions in other parts of the world continued to tighten, however, with the European Central Bank increasing its main interest rate to address persistent regional inflation.

Meanwhile, China's central bank—facing a stalled economic rebound—chose to loosen its key lending rates, and the Bank of Japan maintained its ultra-accommodative policy despite signs of nascent inflation. Commodities rebounded substantially in mid-June; however, this resurgence lost steam, primarily due to increasing apprehensions about the health of the Chinese economy.

Portfolio Comment

Following a very strong run this year, and boosted by investor optimism surrounding artificial intelligence (AI) in May, some of our Information Technology (IT) holdings including US chip design software company **Synopsys** and US tech giant **Alphabet** gave back some gains in June.

Our Health Care holdings continued to outperform, with UK-based biotechnology company **Abcam** up over 50% on the month as the company announced that it had received acquisition inquiries from multiple parties.

We recently initiated a new position in US-based cosmetics company **Estée Lauder**. The company has been struggling post-pandemic, with a severe inventory glut in products sold at travel hubs in China and South Korea. The company's US-centric R&D and manufacturing capacity have led to a long and inflexible supply chain for Asia that complicates its ability to address its excess inventory problems. However, the company has recently taken steps to remedy this, opening a state-of-the-art R&D centre in Shanghai and announcing plans to open its first Asian manufacturing plant in Japan in 2023. These actions, coupled with Estée Lauder's continued strength in product innovation and consumer brand appeal, should help it overcome its current challenges and sustain long-term growth.

FEATURES	
APIR CODE	PCL0026AU
REDEMPTION PRICE	A\$ 0.8839
FEES *	Management Fee: 0.974% Performance Fee: Nil
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 42.96m
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. 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.
 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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