

PENGANA AXIOM INTERNATIONAL FUND

DESCRIPTION

The Pengana Axiom International Fund invests in companies that are dynamically growing and changing for the better, more rapidly than generally expected and where the positive changes are not yet reflected in expectations or valuation.

The Global Equity Strategy seeks dynamic growth by concentrating its investments in global developed markets, and may also invest in companies located in emerging markets.

The investment manager is Axiom Investors, a Connecticut-based global equity fund manager formed in 1998 with over US\$19billion in assets under Management.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Jun 2024¹

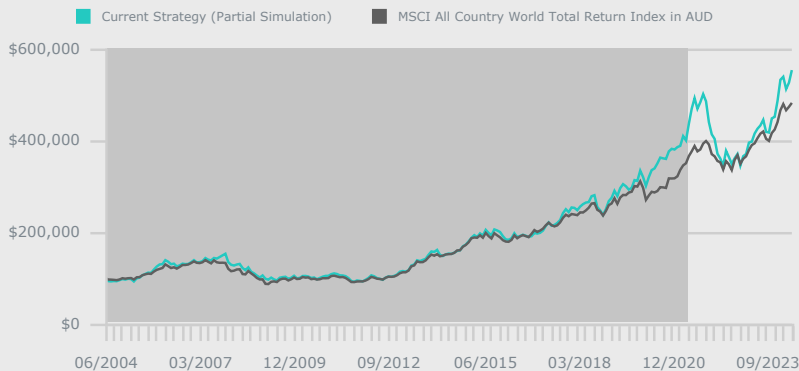
Pengana Axiom International Fund

The Class was established in 1 July 2017. From June 2021 Axiom was appointed as the investment manager for the Fund.

	1M	1Y	2Y	3Y	Since Axiom Appointed June 2021 ¹	5Y	Since Fund Inception July 2017 ²	Since Strategy Inception July 2004 ³
Fund: APIR (HOW0002AU)^{1,2} Managed by Axiom from June 2021	5.2%	30.0%	26.7%	8.2%	11.1%	12.6%	11.8%	
Current Strategy (Partial Simulation)⁴ Axiom Global Equity Strategy						13.3%	14.6%	8.9%
Index⁵	1.8%	18.9%	19.7%	9.6%	10.9%	11.9%	12.2%	8.2%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc	Communication Services
Amazon.com Inc	Consumer Discretionary
Apple Inc	Information Technology
ASML Holding NV	Information Technology
Eli Lilly & Co	Health Care
Meta Platforms Inc	Communication Services
Microsoft Corp	Information Technology
Novo Nordisk A/S	Health Care
NVIDIA Corp	Information Technology
Taiwan Semiconductor Manufactu	Information Technology

SECTOR BREAKDOWN

Consumer Discretionary	14.3%
Consumer Staples	4.4%
Financials	5.7%
Health Care	12.3%
Industrials	8.2%
Information Technology	40.5%
Real Estate	1%
Communication Services	12.1%
Cash	1.5%

CAPITALISATION BREAKDOWN

In between 5bn - 10bn USD	1%
In between 10bn - 50bn USD	8.9%
In between 50bn - 150bn USD	20%
In between 150bn - 500bn USD	27%
Above 500bn USD	41.7%
Cash	1.5%

REGION BREAKDOWN

North America	69.2%
Europe ex-UK	15.5%
Emerging Markets	6.6%
Japan	7.2%
Cash	1.5%

STATISTICAL DATA

VOLATILITY⁷ 13.3%

NUMBER OF STOCKS 43

BETA⁸ 0.94

GLOBAL EQUITIES CONTINUED TO MOVE HIGHER IN JUNE

COMMENTARY

- The Portfolio returned 5.2% in June, while the benchmark returned 1.8%, as strong global equity returns were reduced somewhat by the strength of the Australian dollar.
- Global equities continued to move higher in June, as slowing inflation increased expectations that interest rates will fall across major developed economies later this year.
- Share market gains continue to be driven by large technology stocks, especially those exposed to the growing demand for semiconductors that support AI applications.

Global equity markets made further gains in June upon signs that inflation is gradually slowing around the world. This is expected to allow central banks in most developed economies to ease interest rates later this year. Returns continue to be concentrated in a relatively small part of the global share market, dominated by large US technology groups aligned to AI innovation.

June signalled the end of the Australian financial year. It was a great period for global equity investors, as the MSCI All Country World Total Return Index delivered an 18.9% return in AUD terms. The Fund's exposure to dynamic growth stocks brought strong outperformance, returning 30.0% over the year.

US Core PCE inflation – a metric closely watched by the Federal Reserve – eased to 2.6% year-on-year in May. Despite this, the US consumer remained resilient as retail sales continued to grow.

Meanwhile, the economic picture was more mixed in the Eurozone. Purchasing managers' index data continued to indicate expansion, but at a slower pace, while retail sales growth decelerated.

Manufacturing activity in China continued to expand in May, supported by government measures to boost green technology exports. However, the broader Chinese economy remains weak, as consumer spending is sluggish and the highly indebted residential property market remains a headwind to recovery.

Growth stocks again outperformed value in June, upon expectations of lower interest rates and the continued strength within the technology sector. This helped the Fund perform strongly again, returning 5.2% in June, ahead of the benchmark's 1.8%.

The Fund benefitted from strong stock selection in healthcare, industrials, and information technology and the overweight position in information technology. This was somewhat offset by weaker stock selection in financials.

The Fund continues to overweight information technology, communications services, and consumer discretionary, while underweighting financials, energy, and materials.

The Fund's strongest contributor to relative returns in June was its overweight position in Taiwan-based semiconductor manufacturer **TSMC**. Strong monthly sales indicated the potential for earnings growth to exceed market expectations.

Nvidia, the world's leading developer of graphics processing units (GPUs) continued to outperform following its stock split. Sales forecasts of the Blackwell chip, its next generation data centre-centric GPU, continued to exceed expectations.

US-based e-commerce and cloud computing company **Amazon** also outperformed during June, as credit card data for the retail business continues to track ahead of expectations.

US-based provider of critical infrastructure for data centres and communication networks, **Vertiv**, was the largest detractor from relative returns in June. It underperformed following strong performance year-to-date. AI datacentre investment is still in its early stages and Vertiv is uniquely positioned in the market.

The Fund's zero weighting to the US-based semiconductor and infrastructure software developer **Broadcom** detracted from performance in June. The stock outperformed after the company reported strong quarterly earnings results in excess of analysts' estimates and raised its full year earnings guidance.

The overweight position in US-based global financial services group **Visa** also detracted from relative returns. The stock underperformed upon indications that consumer sentiment is weakening across key economies.

The Fund increased its holding in US-based global technology group **Apple** to an overweight position upon improving global iPhone sales and upcoming AI-related software enhancements. Axiom expects the launch of an AI-enabled iPhone later this year will spur a new upgrade cycle, while consensus forecasts for iPhone unit growth into 2025 appear conservative.

The Fund established a new position in **Micron Technology** a US-based producer of computer memory and data storage. Recent design innovation in High Bandwidth Memory is accelerating sales growth above consensus forecasts. In June, Micron reported strong quarterly earnings results and provided forward guidance ahead of consensus expectations.

In June, MSCI upgraded US-based global entertainment company **Live Nation's** ESG rating to BBB from BB to reflect improvements in its data security practices. It has reinforced its privacy policy with robust breach prevention and access control mechanisms, mitigating data privacy-related risks in markets such as the US, with stringent data privacy laws.

Axiom engaged with **Vertiv** which confirmed details of a near-term carbon reduction initiative. Vertiv is in the early stages of developing its ESG disclosure strategy, following its 2021 public listing, and has recently hired Dan Rapp to head its ESG programme. Axiom encouraged Vertiv to expedite the process of formulating ESG metrics and establishing achievable goals.

FEATURES

APIR CODE	HOW0002AU
REDEMPTION PRICE	A\$ 3.7245
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 365.92m
STRATEGY INCEPTION DATE	1 July 2004
BENCHMARK	MSCI All Country World Total Return Index (net, AUD)

FUND MANAGERS



Bradley Amoils
Managing Director/Portfolio Manager



Andrew Jacobson
CEO/Chief Investment Officer

Prior to June 2021, the Axiom Global Equity Strategy performance (shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Axiom 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. The simulation does not include the Pengana ethical screen. From June 2021 the strategy performance is the performance of the Pengana Axiom International Ethical Fund.

1. Axiom was appointed fund manager as of 5 May 2021. June 2021 represents the first full month of Axiom managing the Fund.
2. Inception date 1 July 2017. Figures shown are calculated from the continuous performance of both the current and previous strategies. For performance see row labelled Fund: APIR (HOW0002AU) in the table above which is the continuous performance of both the current and previous strategies.
3. Axiom Global Equity Strategy inception 1 Jul 2004.
4. Prior to June 2021, the Axiom Global Equity Strategy performance (labeled 'Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Axiom 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. The simulation does not include the Pengana ethical screen. From June 2021 the strategy performance is the performance of the Pengana Axiom International Ethical Fund.
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. Annualised standard deviation since inception.
8. Relative to the MSCI All Country World Total Return Index in AUD.

*For further information regarding fees please see the PDS available on our website.

PENGANA AXIOM INTERNATIONAL 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 Axiom International Ethical Fund (ARSN 093 079 906) (the "Fund"). A Product Disclosure Statement (PDS) and Target Market Determination are available and can be obtained from our distribution team or website. A person should obtain a copy of the product disclosure statement and should consider the product disclosure statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund.