MONTHLY REPORT
JUNE 2026

PENGANA AUSTRALIAN EQUITIES FUND

DESCRIPTION

The Pengana Australian Equities Fund aims to enhance and preserve investor wealth over a 5- year period via a concentrated core portfolio of principally Australian listed securities. The Fund uses fundamental research to evaluate investments capable of generating the target return over the medium term. Essentially, we are in the business of seeking to preserve capital and make money – we are not in the business of trying to beat the market. We remain focused on acquiring and holding investments that offer predictable, sustainable and well-stewarded after-tax cash earnings yields in excess of 6% that will grow to double digit levels as a percentage of our original entry price in five years. We believe that building a well-diversified portfolio of these "gifts that keep on giving" represents a meaningful way to create and preserve financial independence for our co-investors.

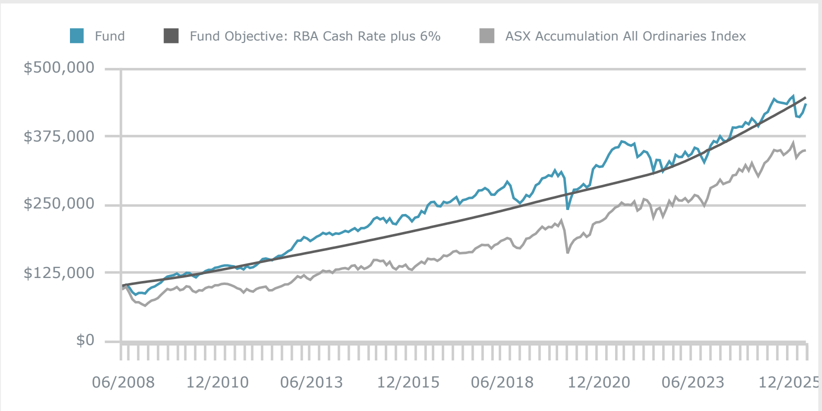
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Jun 2026[1]

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	SINCE INCEPTION P.A.
Australian Equities Fund	4.0%	3.7%	8.3%	4.2%	6.4%	8.5%
Fund Objective: RBA Cash Rate plus 6%	0.9%	9.8%	10.1%	9.1%	8.1%	8.7%
ASX Accumulation All Ordinaries Index	0.4%	5.7%	10.4%	7.4%	9.5%	7.2%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



TOP HOLDINGS (ALPHABETICALLY)

Amcor PLC Shs Chess Depository Interests	Materials
Aristocrat Leisure Limited	Consumer Discretionary
BHP Group Ltd	Materials
Bluescope Steel Limited	Materials
Evolution Mining Limited	Materials
Insurance Australia Group Ltd	Financials
National Australia Bank Limited	Financials
NIB Holdings Ltd	Financials
Orica Limited	Materials
ResMed Inc	Health Care

SECTOR BREAKDOWN

Consumer Discretionary	8.7%
Consumer Staples	2.7%
Energy	3.8%
Financials	20.5%
Health Care	9.2%
Industrials	1.9%
Materials	26.6%
Real Estate	6.7%
Communication Services	3.6%
Utilities	2.7%
Cash	13.5%

CAPITALISATION BREAKDOWN

ASX 1-50	47.3%
ASX 51-100	19.4%
ASX 101-300	16.3%
All Ordinaries	0.8%
Non ASX	2.7%
Cash	13.5%

CUSTOM SECTOR BREAKDOWN

Defensive	47%
Financials	12.4%
Consumer Discretionary	6.9%
Resources	20.2%
Cash	13.5%

STATISTICAL DATA

VOLATILITY[3]	NUMBER OF STOCKS	BETA[4]	MAXIMUM DRAW DOWN
11.1%	27	0.7	-23.1%

FOCUS ON CASHFLOWS REWARDED

COMMENTARY

The Fund had an exceptionally strong finish to the financial year generating a return of 4.0% for June. By way of comparison the ASX All Ordinaries Accumulation index was almost flat with 0.4% and the RBA cash rate 6% benchmark recorded 0.9%. This return is particularly pleasing given our large cash position of 13.5% as we continued to shy away from the fully priced banking and resources sectors.

The focus on "Defensive business models under pinned by healthy cashflows" paid off handsomely with the market's obsession with momentum led trading taking a back seat. **Aristocrat, Ramsay Healthcare, Amcor, Credit Corp** and **James Hardie** drove the Fund's performance. Pleasingly the Fund had a long tail of positive contributors.

The global themes of June were: a) optimism regarding the Straits of Hormuz re-opening (admittedly a distant memory now), b) a resurgent US$ and c) increased uncertainty around returns for the AI capex story. Meta's decision to halt matching the AI investment of peers (highlighted by its intention to offer surplus processing capacity in the market) provided a reality check on the potential returns from the massive capex spends.

With regards to our resource/materials exposure, our holdings in BHP and Evolution Mining saw some profit-taking, particularly after delivering our largest financial-year gains.

The Fund did benefit from other big wins in the materials sector, with **James Hardie**, **Amcor**, **Bluescope** and **Orica** all delivering healthy positive returns. Healthcare was the strongest-performing sector in Australia, with Ramsay Healthcare as the most significant moneymaker. The Fund's exposure to this sector has in the past been consistently positive. However, both **CSL** and **Resmed** were our largest detractors for the current financial year.

During the month, we initiated a new position in glove maker **Ansell**. The business has proven more resilient to both tariffs and sharply higher input costs than feared. Its robust balance sheet, attractive after cash earnings yield, exposure to industrial activity in the USA and a share buyback all combine to provide an attractive holding. We lightened several holdings to build cash for year-end distributions, including Metcash, ahead of its results, given the continuing tough environment for hardware and liquor sales.

The Fund closed the 2026 financial year up 3.7%, behind the ASX All Ordinaries Accumulation Index (+5.7%) and our cash +6% objective of 9.8%. The full year wins came from commodities names **BHP, Evolution, Bluescope** and **Ampol,** as well as the hard assets and low obsolescence of **Ramsay Healthcare** and **Telstra**.

We don't pretend that these are easy markets to navigate, but we are excited by the opportunities this volatility is throwing up. Our focus on what cash flow we can generate from a dollar is the perfect lens for this current business cycle, as growth increasingly comes with capital investment and interest rates have normalised. For us, the opportunities will continue to be found in high-quality businesses led by proven management teams and supported by resilient cash flows that can flourish regardless of the thematics.

FEATURES

APIR CODE	PCL0005AU
REDEMPTION PRICE	A$ 1.754
FEES *	Management Fee: 1.025% Performance Fee: 10.25%
MINIMUM INITIAL INVESTMENT	A$10,000
FUM AT MONTH END	A$ 417.54m
STRATEGY INCEPTION DATE	1 July 2008
BENCHMARK	The RBA Cash Rate Target plus Australian equity risk premium.

FUND MANAGERS

Rhett Kessler
CIO and Senior Fund Manager

Anton du Preez
Senior Fund Manager

Michael Maughan
Senior Fund Manager

1. Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. The benchmark of cash rate plus 6% p.a. is included in the chart as it relates to the Fund's investment objective and performance fee. The Fund may invest up to 100% of its assets in equity securities. The greater risk of investing in equities is reflected in the addition of a margin above the cash rate. 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.
2. Inception 1st July 2008.
3. Annualised standard deviation since inception.
4. Relative to ASX All Ordinaries Index. Using daily returns.

*(including GST, net of RITC) of the increase in net asset value subject to the RBA Cash Rate & High Water Mark. For further information regarding fees please see the PDS available on our website.

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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 CAPITAL GROUP

PENGANA.COM

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