PENGANA CAPITAL GROUP

MONTHLY REPORT
JUNE 2026

PENGANA AXIOM INTERNATIONAL FUND HEDGED

DESCRIPTION

The Pengana Axiom International Fund (Hedged) 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 2026[1]

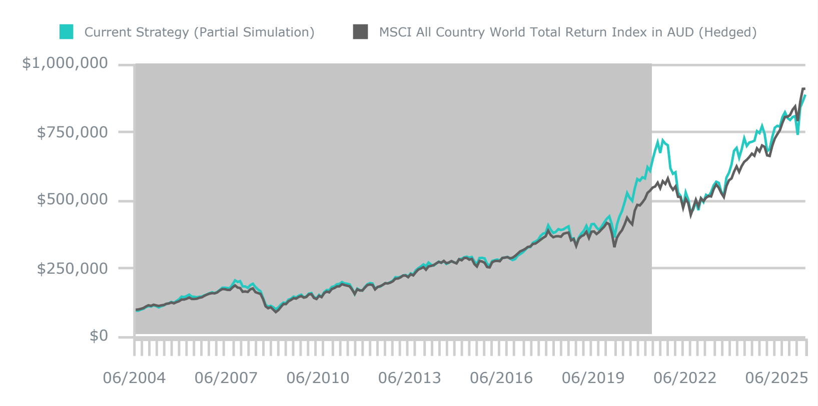
Pengana Axiom International Fund (Hedged)[1]

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	5Y	Since Axiom Appointed June 2021	Since Fund Inception July 2017[3]	Since Strategy Inception July 2004[4]
Fund: APIR (HHA0002AU)[2,3] Managed by Axiom from June 2021	2.8%	15.9%	10.5%	17.0%	6.5%	7.7%	9.7%	
Current Strategy (Partial Simulation)[5] Axiom Global Equity Strategy							11.7%	10.4%
Index (Hedged)[6]	0.0%	25.2%	19.2%	18.9%	10.7%	11.0%	11.9%	10.6%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary
ASML Holding NV	Information Technology
Fujikura Ltd	Industrials
JPMorgan Chase & Co.	Financials
Morgan Stanley	Financials
NVIDIA Corporation	Information Technology
Samsung Electronics Co., Ltd.	Information Technology
Siemens Energy AG	Industrials
Taiwan Semiconductor Manufacturing Co., Ltd. Spons	Information Technology

SECTOR BREAKDOWN

Consumer Discretionary	7.4%
Consumer Staples	1.5%
Financials	11.9%
Health Care	5.1%
Industrials	22.5%
Information Technology	41.1%
Real Estate	1.7%
Communication Services	7%
Cash	1.8%

CAPITALISATION BREAKDOWN

In between 10bn - 50bn USD	11.1%
In between 50bn - 150bn USD	17.1%
In between 150bn - 500bn USD	20.9%
Above 500bn USD	49.2%
Cash	1.8%

REGION BREAKDOWN

North America	58.9%
Europe ex-UK	16.2%
Emerging Markets	8%
Japan	9.2%
UK	1.6%
Asia Pacific ex-Japan	4.4%
Cash	1.8%

STATISTICAL DATA

VOLATILITY[8] 15.6%

NUMBER OF STOCKS 42

BETA[9] 1.09

JUNE REPORT

COMMENTARY

- The Fund returned 2.8% in June, outperforming the MSCI All Country World Total Return in AUD (Hedged), which returned 0.0%. Strong demand across generative AI infrastructure, from power generation to compute, drove equity leadership and the Fund's outperformance, with information technology and industrials contributing and consumer discretionary and staples detracting.
- Portfolio fundamentals strengthened further. Forward earnings revisions accelerated and continued to outpace the benchmark, with 84% of holdings receiving upgrades. Aggregate earnings growth remains well ahead of the index, while valuation is increasingly attractive relative to growth.
- Key contributors included **Taiwan Semiconductor Manufacturing** and **ASML**, both benefiting from strengthening leading-edge semiconductor demand, alongside **Fujikura**. Detractors included **Amazon** and **Broadcom**, plus the underweight to **Applied Materials**. The Fund initiated positions in **Cisco**, **Ibiden**, and **Kioxia** and exited its residual positions in **Microsoft** and **Hitachi**.

Market Review

Global equity markets advanced in June, though narrow AI and semiconductor leadership masked meaningful divergence beneath the surface. Semiconductor stocks led gains alongside a rotation into cyclicals, value, and small caps, while mega-cap technology cooled on concerns over rising hyperscaler capital expenditure. The Fund's currency hedge detracted during the month, as a weaker Australian dollar meant unhedged investors benefited from foreign currency exposures translating into relatively higher Australian dollar terms.

In the US, equity returns were mixed, with strength in semiconductors and small caps offset by weakness in mega-cap technology. Economic data proved broadly supportive, with payrolls surprising meaningfully to the upside and retail sales accelerating. Falling oil prices filtered through to lower headline inflation expectations, while activity surveys showed sequential improvement in new orders across both manufacturing and services.

European equity markets led major regions in June, supported by lower oil prices and rotation into cyclicals and value. German industrial production remained flat year over year, and UK industrial survey data stayed in negative territory, while Southern Europe showed modest improvement in activity levels. Inflation eased across the region as lower energy prices moderated cost pressures, with German and UK forward inflation readings both easing.

Chinese equities weakened as domestic pressures overshadowed continued external strength. Export activity remained robust, and industrial production accelerated modestly. Domestic conditions continued to lag, with consumer spending contracting during the month, while headline inflation remained contained.

Portfolio Commentary

The Fund outperformed the benchmark in June. Information technology and industrials led contribution, driven by stock selection, while consumer discretionary and staples detracted. Industrials and information technology remained the portfolio's largest overweights, with financials and consumer staples the largest non-exclusionary underweights.

Taiwan Semiconductor Manufacturing, the Taiwanese leading-edge foundry, extended its strong run as foundry demand strengthened alongside supportive pricing and capacity expansion. **Fujikura**, the Japanese optical fibre and cabling manufacturer, rebounded after May weakness as management raised full-year guidance on stronger fibre demand and pricing. ASML, the Dutch supplier of semiconductor lithography equipment, contributed as wafer fabrication equipment spending expectations were revised higher across logic, memory and Chinese customers.

Amazon pulled back with cloud hyperscalers on data centre capital expenditure concerns, though the thesis of accelerating AWS revenue and resilient online retail remains intact. Broadcom detracted as its earnings failed to impress heightened expectations, with the position reduced ahead of the release. Not owning Applied Materials, a leading US semiconductor equipment supplier, also weighed, though exposure through ASML, Teradyne and Advantest is considered adequate.

Additions were led by Keyence, Lumentum and Johnson & Johnson. Keyence, the Japanese specialist in machine vision and factory automation, is well placed across datacenter, semiconductor and manufacturing infrastructure. Lumentum, a leading US supplier of optical lasers, continues to benefit from strong generative AI datacenter demand. Johnson & Johnson offers diversified alpha as prescription data across psoriasis and multiple myeloma franchises point to upside. Broadcom and Alphabet were trimmed on profit-taking, while AstraZeneca was cut on negative estimate revisions after a weak first quarter.

Three new positions were initiated in Cisco, Ibiden and Kioxia. Cisco benefits from accelerating datacenter routing and switching demand and enterprise campus recovery on generative AI adoption, with Silicon One driving order growth. Ibiden, a Japanese semiconductor package substrate supplier, benefits from robust GPU and ASIC accelerator demand alongside growing CPU inference workloads. Kioxia, the Japanese NAND flash memory manufacturer, was initiated on tightening memory supply and looming storage prices not yet reflected in consensus or its 4x forward earnings valuation. Residual Microsoft and Hitachi positions were exited to redeploy into more dynamic holdings.

Portfolio fundamentals remain compelling. Forward earnings revisions continued to run well ahead of the benchmark, with 84% of holdings receiving upgrades against 60% for the index. Aggregate earnings growth also outpaces the benchmark, while valuation has compressed to 22.3x forward earnings, leaving the portfolio increasingly attractive relative to growth. Historically, this combination has been consistently followed by positive relative performance.

MSCI made no rating changes to portfolio holdings in June. On engagement, the team met with Lumentum, whose failure to publish a 2025 Sustainability Report and removal of ESG metrics from executive compensation following a CEO transition were both disappointing. Management confirmed that the underlying sustainability priorities remain in place, and the team encouraged reinstating both disclosure and the compensation linkage.

FEATURES

APIR CODE	HHA0002AU
REDEMPTION PRICE	A$ 3.9853
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	$10,000
FUM AT MONTH END	A$ 49.62m
STRATEGY INCEPTION DATE	1 July 2004
BENCHMARK	MSCI All Country World Total Return in AUD (Hedged)

FUND MANAGERS

Bradley Amoils
Managing Director/Portfolio Manager

Andrew Jacobson
CEO/Chief Investment Officer

1. From 4 June 2021 the capital component of the foreign currency exposure for the Fund is hedged back to Australian dollars.
2. Axiom was appointed fund manager as of 5 May 2021. June 2021 represents the first full month of Axiom managing the Fund.
3. 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 (HHA0002AU) in the table above which is the continuous performance of both the current and previous strategies.
4. Axiom Global Equity Strategy inception 1 Jul 2004.
5. Prior to 1 June 2021, the Axiom Global Equity Strategy performance (labeled 'Current Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross USD returns of the Axiom Global Equity strategy. The Axiom Global Equity Strategy performance does not include the Pengana ethical screen
6. Prior to 4 June 2021 hedged performance has been simulated by Pengana for both the Fund and Index. This was done by: 1) using 3 month rolling forwards to hedge movements in the AUD/USD spot rate, and 2) deducting the Pengana International Ethical Fund (Hedged) management fee of 1.35% p.a. from the Fund's performance.
From 4 June 2021, index performance is from the MSCI All Country World Total Return in AUD (Hedged). Prior to 4 June 2021, index performance is simulated from the MSCI All Country World Total Return in USD
7. 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.
8. Annualised standard deviation since inception.
9. Relative to the MSCI All Country World Total Return in AUD (Hedged).
*For further information regarding fees please see the PDS available on our website.

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