

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.

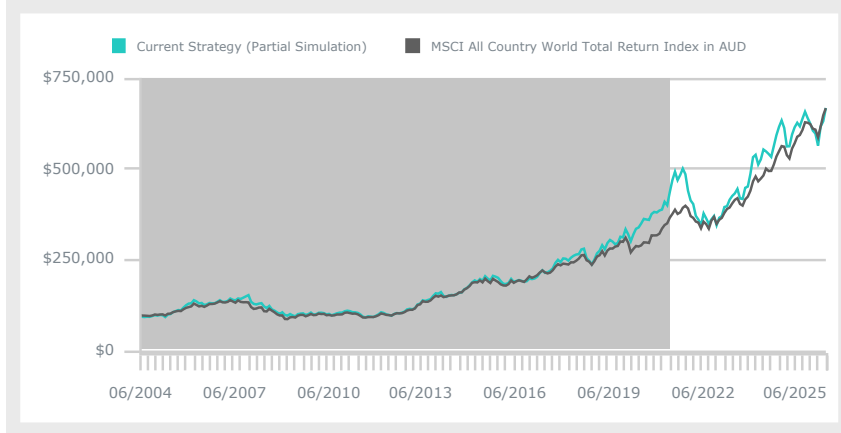
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Jun 2026¹

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	5Y	Since Axiom Appointed June 2021 ¹	Since Fund Inception July 2017 ²	Since Strategy Inception July 2004 ³
Fund: APIR (HOW0002AU) ^{1,2}								
Managed by Axiom from June 2021	5.8%	8.7%	9.9%	16.2%	8.9%	10.6%	11.4%	
Current Strategy (Partial Simulation) ⁴								
Axiom Global Equity Strategy							13.5%	9.0%
Index ⁵	3.0%	17.0%	17.7%	18.1%	12.8%	13.5%	13.4%	9.0%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



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	7.5%
Consumer Staples	1.5%
Financials	11.9%
Health Care	5.2%
Industrials	22.6%
Information Technology	41.2%

CAPITALISATION BREAKDOWN

In between 10bn - 50bn USD	11.1%
In between 50bn - 150bn USD	17.2%
In between 150bn - 500bn USD	20.9%
Above 500bn USD	49.3%
Cash	1.5%

REGION BREAKDOWN

North America	59%
Europe ex-UK	16.3%
Emerging Markets	8%
Japan	9.3%
UK	1.6%
Asia Pacific ex-Japan	4.4%
Cash	1.5%

STATISTICAL DATA

VOLATILITY⁷ 13.6%

NUMBER OF STOCKS 42

BETA⁸ 1.07

JUNE REPORT

COMMENTARY

- The Fund returned 5.8% in June, outperforming the MSCI All Country World Total Return Index (net, AUD), which returned 3.0%. 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, while consumer discretionary and staples detracted.
- 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. A weaker Australian dollar provided a tailwind to unhedged returns, as foreign currency exposures translated into 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 datacenter 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 demand for generative AI data centres. 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 underlying sustainability priorities remain in place, and the team encouraged reinstating both the disclosure and the compensation linkage.

FEATURES

APIR CODE	HOW0002AU
REDEMPTION PRICE	A\$ 3.7845
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 358.21m
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.

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