

## 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 Sep 2025<sup>1</sup>

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 <sup>1</sup>	5Y	Since Fund Inception July 2017 <sup>2</sup>	Since Strategy Inception July 2004 <sup>3</sup>
<b>Fund: APIR (HOW0002AU)<sup>1,2</sup></b> Managed by Axiom from June 2021	3.4%	19.7%	23.4%	22.3%	11.4%	12.0%	11.9%	
<b>Current Strategy (Partial Simulation)<sup>4</sup></b> Axiom Global Equity Strategy						12.1%	14.2%	9.1%
<b>Index<sup>5</sup></b>	2.3%	22.8%	22.6%	21.9%	13.5%	15.3%	13.4%	8.9%

## PERFORMANCE CHART

 NET PERFORMANCE SINCE INCEPTION<sup>2</sup>


## TOP HOLDINGS (ALPHABETICALLY)

<b>Alphabet Inc. Class A</b>	Communication Services
<b>Amazon.com, Inc.</b>	Consumer Discretionary
<b>Meta Platforms Inc Class A</b>	Communication Services
<b>Microsoft Corporation</b>	Information Technology
<b>Morgan Stanley</b>	Financials
<b>Netflix, Inc.</b>	Communication Services
<b>NVIDIA Corporation</b>	Information Technology
<b>Oracle Corporation</b>	Information Technology
<b>Siemens Energy AG</b>	Industrials
<b>Taiwan Semiconductor Manufacturing Co., Ltd. Spons</b>	Information Technology

## SECTOR BREAKDOWN

Consumer Discretionary	10.8%
Consumer Staples	1.1%
Financials	10.3%
Health Care	5.8%
Industrials	13.2%
Information Technology	38.3%
Real Estate	1.8%
Communication Services	17.2%
Cash	1.4%

## CAPITALISATION BREAKDOWN

In between 5bn - 10bn USD	0.1%
In between 10bn - 50bn USD	5.2%
In between 50bn - 150bn USD	20.9%
In between 150bn - 500bn USD	20.7%
Above 500bn USD	51.8%
Cash	1.4%

## REGION BREAKDOWN

North America	74.3%
Europe ex-UK	13.1%
Emerging Markets	5.6%
Japan	5.6%
Cash	1.4%

## SEPTEMBER REPORT

### COMMENTARY

- The Fund returned 3.4% in September, outperforming the benchmark, which rose 2.3%, as growth stocks rebounded strongly from recent weakness. The Fund's fundamentals remain well ahead of the benchmark, supported by broad-based earnings upgrades.
- **AppLovin, Taiwan Semiconductor Manufacturing (TSMC), and Oracle** were leading contributors, while the underweight position in **Tesla**, alongside **Boston Scientific** and **Amazon**, detracted.
- The Fund added to **Morgan Stanley, Alphabet** and **Spotify**, initiated a new position in **Amphenol**, and exited **Tradeweb**.

#### Market Review

Global equities advanced in September, with growth stocks outperforming value as investors refocused on company fundamentals and earnings momentum. The Fund's forward 12-month earnings revisions remained well ahead of the benchmark, with nearly 70% of holdings upgraded during the month. Aggregate earnings growth across the portfolio continues to exceed the market. The Fund's price-to-earnings-to-growth (PEG) ratio, which compares valuation to expected earnings growth, fell to 1.2 times from 1.3 times in August, showing that stronger fundamentals more than offset modestly higher valuations. A weaker US dollar detracted from performance in Australian dollar terms.

Inflation continued to moderate across major economies, with the US Core PCE Index steady at 2.9% year-on-year. The Federal Reserve cut rates by 25 basis points in line with expectations and signalled a more accommodative stance amid softer employment data. Global monetary policy remained supportive of equity markets.

Economic conditions were steady but uneven across regions. In the US, consumer demand stayed firm, with retail sales growth accelerating in real terms. Europe was stable, with PMIs in expansionary territory, though retail spending softened slightly. In China, early signs of improvement appeared as manufacturing and services activity strengthened, supported by modest policy measures. Commodity prices were broadly unchanged, with lower oil offset by firmer precious metals.

With inflation near central bank targets and growth fundamentals outpacing the benchmark, Axiom remains focused on dynamic companies with strong earnings visibility and positive revision trends.

#### Portfolio Commentary

The Fund outperformed the benchmark in September. Information technology and consumer staples contributed positively at the sector level, while communication services and consumer discretionary detracted.

**AppLovin**, a US-based digital advertising company, was a leading contributor after positive industry feedback on advertiser demand for its new e-commerce platform. This supported upward revisions to revenue and profit forecasts. **TSMC**, the Taiwan-based semiconductor manufacturer, also performed strongly after reporting higher monthly revenues and improved utilisation. Demand for advanced chips used in AI infrastructure continues to accelerate, supporting growth expectations well above consensus. **Oracle** advanced after reporting strong quarterly results and issuing guidance that exceeded market forecasts. The company announced a large increase in contract value, highlighting continued expansion in its cloud infrastructure business.

The underweight position in **Tesla** detracted as sentiment improved on stronger vehicle sales and speculation around new product launches. Axiom remains cautious on Tesla, viewing its longer-term opportunities in autonomous driving and robotics as too uncertain to model with confidence. **Boston Scientific** declined after recent strength as healthcare investor focus rotated from medical devices towards pharmaceuticals. **Amazon** also lagged despite improving fundamentals in both its retail and cloud businesses. The Fund added to Amazon on the view that earnings are positioned to exceed expectations into 2026.

Portfolio activity balanced new investments with selective profit-taking. The Fund increased positions in **Morgan Stanley**, **Alphabet** and **Spotify**. Morgan Stanley remains well placed to benefit from higher capital markets activity, while Alphabet increased following improving advertising trends and stronger demand for cloud services. Spotify was also added to after price increases across key regions improved profit visibility. Reductions were made to **Visa**, **SAP** and **Hitachi**. Visa's valuation moved towards the top of its historical range, while SAP and Hitachi were trimmed following softer enterprise spending and digital-services demand.

A new position was established in **Amphenol**, a US-based manufacturer of communications connectors and cabling used in data transmission. The company is a key supplier to Nvidia's rack-scale server systems and is expected to benefit from rising data-centre investment and next-generation product cycles. The Fund exited its position in **Tradeweb** as trading volumes began to soften.

During the month, two holdings, **TSMC** and **Intuitive Surgical**, were downgraded by MSCI on governance and product-quality concerns, respectively. Engagement with both companies is planned as Axiom continues to advocate for stronger disclosure and risk-management practices.

## FEATURES

APIR CODE	HOW0002AU
REDEMPTION PRICE	A\$ 3.6156
FEES *	Management Fee: 1.35% p.a.
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 367.83m
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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