PENGANA
CAPITAL GROUP

MONTHLY REPORT
SEPTEMBER 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 Sep 2026[1]

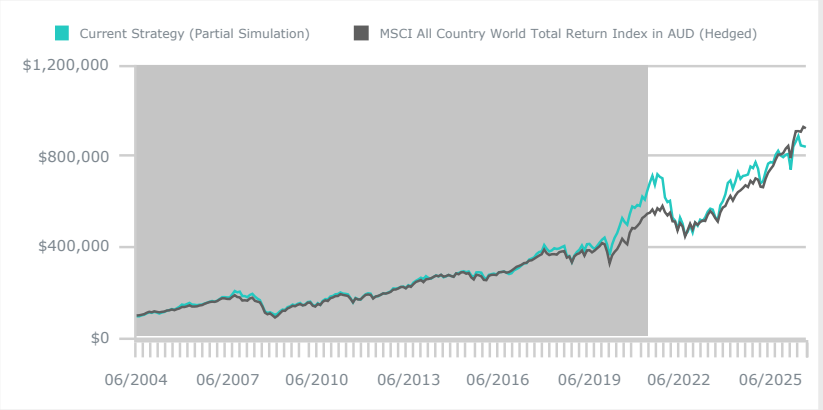
Pengana Axiom International Fund (Hedged)[1]

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	-0.3%	4.4%	8.5%	16.6%	4.5%	6.2%	8.7%	
Current Strategy (Partial Simulation)[5] Axiom Global Equity Strategy							10.7%	10.0%
Index (Hedged)[6]	-0.7%	17.6%	17.2%	20.6%	11.1%	10.8%	11.8%	10.5%

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
Johnson & Johnson	Health Care
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	5.9%
Consumer Staples	3.5%
Financials	12.3%
Health Care	6.2%
Industrials	20.6%
Information Technology	42.2%
Real Estate	1.5%
Communication Services	6.7%
Cash	1.2%

CAPITALISATION BREAKDOWN

Under 5bn USD	0.7%
In between 10bn - 50bn USD	10.3%
In between 50bn - 150bn USD	21.7%
In between 150bn - 500bn USD	15.3%
Above 500bn USD	50.8%
Cash	1.2%

REGION BREAKDOWN

North America	61.1%
Europe ex-UK	16%
Emerging Markets	7.9%
Japan	8.5%
UK	2.1%
Asia Pacific ex-Japan	3.2%
Cash	1.2%

STATISTICAL DATA

VOLATILITY[8] 15.5% | **NUMBER OF STOCKS** 45 | **BETA[9]** 1.09

SEPTEMBER REPORT

COMMENTARY

- The Fund declined 0.3% in September, holding up better than the MSCI All Country World Total Return in AUD (Hedged), which fell 0.7%. Positioning in generative AI-related holdings drove relative performance, with information technology and the underweight to materials contributing while industrials and financials detracted.
- Portfolio fundamentals remained compelling. 70% of holdings received positive earnings revisions, well above the benchmark. Forward earnings growth continued to run meaningfully ahead of the index, while valuation compressed further against an accelerating growth backdrop.
- Key contributors included **Taiwan Semiconductor Manufacturing Company**, benefiting from accelerating AI accelerator demand, alongside **ASML** and **Teradyne**. Detractors included **Morgan Stanley** and **JPMorgan Chase**, pressured by capital markets and interest rate concerns. The Fund initiated **Target** and **Meta Platforms**, exiting **Hershey** and **TJX Companies**.

Market Review

Global equity markets were broadly lower in September as rising sovereign bond yields and higher energy prices weighed on sentiment, partly offset by resilience in AI-related and mega-cap technology stocks. Longer dated bond yields in major markets reached multi-decade highs, raising concerns around borrowing costs and equity valuations. The Fund's currency hedge detracted, as a weaker Australian dollar meant unhedged investors benefited from foreign currency translation into higher Australian dollar terms.

US equities were pressured by the move higher in Treasury yields, though technology and semiconductor names held up well on continued enthusiasm around generative AI demand. The underlying economic backdrop remained healthy, with jobless claims and services survey data running ahead of expectations and manufacturing activity firming. Consumer confidence softened on higher commodity prices, though the broader labour market remained resilient.

European equities lagged, held back by concerns around rising yields and a stronger US dollar. Composite survey data pointed to continued modest expansion, with services activity in expansionary territory. Inflation across the region accelerated as higher raw material input costs flowed through to producer prices.

Chinese equities reflected a persistent gap between external and domestic drivers. Retail sales growth slowed further, below already modest expectations, while year-to-date property investment contracted sharply. Manufacturing survey data showed some stabilisation, moving back into expansionary territory, though the broader domestic backdrop remained subdued.

Portfolio Commentary

The Fund outperformed the benchmark in September. Information technology was the largest contributing sector, driven by stock selection in semiconductor holdings, with the underweight to materials also additive. Industrials and financials detracted. Industrials and information technology remained the portfolio's largest overweights, with financials and materials the largest non-exclusionary underweights.

Taiwan Semiconductor Manufacturing Company was the top contributor, reporting August revenue up 53% year over year on robust AI accelerator demand that reinforced its position as the leading manufacturer of advanced

chips. **ASML**, a Dutch producer of advanced chip manufacturing equipment, also performed strongly on continued recognition of its central role in rising semiconductor capacity requirements. **Teradyne**, a US semiconductor test equipment provider, benefited from accelerating AI-driven test intensity.

Conversely, **Morgan Stanley** was the largest detractor as investors focused on a more cautious capital markets backdrop and the potential for softer investment banking and trading activity. **JPMorgan Chase** also lagged amid concerns around rising interest rates weighing on the broader banking group. The team continues to view the fundamental backdrop for both as constructive. The underweight to **Meta Platforms** early in the month also detracted following the announcement of Muse, a personal AI agent.

Sectoral weightings were broadly unchanged. The largest additions were to **Advanced Micro Devices**, built out further after its recent initiation, **Roche**, a Swiss pharmaceutical company, where the team added ahead of the expected launch of its oral SERD drug with scope for rapid adoption in breast cancer, and **Lumentum**, a US provider of optical components, as visibility into AI-driven optical networking demand continued to improve.

Hershey, a US confectionery manufacturer, was exited as high frequency data remained unconvincing and competitive pressure limited confidence in near term improvement. **TJX Companies** was also exited after reducing in August, with sales trends at the Marmaxx division slowing unexpectedly on merchandising missteps. The Fund initiated **Target**, a US retailer with a differentiated merchandise mix well positioned under new management. Meta was initiated following the Muse launch, reflecting conviction in its potential as a leading consumer AI platform.

Underlying portfolio fundamentals remained compelling. Forward earnings growth of 30.5% continued to run meaningfully ahead of the benchmark's 23.3%, while 70% of holdings received positive earnings revisions, well above the benchmark's 57%. Valuation compressed further to 19.2x, with the gap between earnings growth and the forward multiple continuing to widen in the strategy's favour. The forward investment landscape remains increasingly attractive for the strategy's dynamic growth approach.

On ESG, **Visa** was upgraded by MSCI to AAA from AA, reflecting industry-leading talent management, improved employee turnover trends, and stronger data privacy practices. **AerCap**, an Irish aircraft lessor, was downgraded to BBB from A on weaknesses in board structure and pay practices, to be raised in coming engagement. The team met with **Cintas** on sustainability strategy and with **Advantest**, a Japanese semiconductor test equipment manufacturer, welcoming progress across environmental efficiency, human capital, and governance.

FEATURES

APIR CODE	HHA0002AU
REDEMPTION PRICE	A$ 3.7661
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	$10,000
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.

PENGANA AXIOM INTERNATIONAL FUND HEDGED

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

Pengana Capital Limited (ABN 30 103 800 568, AFSL 226566) ("Pengana") is the issuer of units in the Pengana Axiom International Ethical Fund (Hedged) (ARSN 098 586 282) (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.