

PENGANA HARDING LOEVNER INTERNATIONAL FUND

DESCRIPTION

An International Fund targeting superior risk-adjusted returns through investing in high-quality and durable growing companies at reasonable prices.

The **Pengana Harding Loevner International Fund** invests in high-quality, growing companies identified through fundamental research with a long-term, global perspective.

Pengana has appointed Harding Loevner to managed the Fund. Harding Loevner is a New Jersey-based global equity fund manager formed in 1989 with over US\$86billion in Assets under Management.

Harding Loevner' analysts search the world for companies that meet their high quality and durable growth criteria, conduct fundamental research, then value and rate their stocks to make them available to PMs for investment.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Sep 2026¹

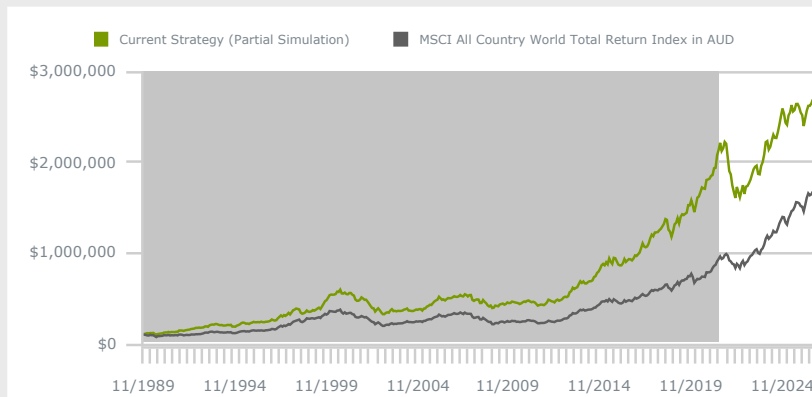
Pengana Harding Loevner International Fund Class B

The Class was established in 1 July 2015. From June 2021 Harding Loevner was appointed as the investment manager for the Fund.

	1M	1Y	2Y	3Y	5Y	Since Harding Loevner Appointed June 2021 ¹	Since Fund Inception July 2015 ²	Since Strategy Inception November 1989 ³
Fund (APIR PCL0026AU)^{1,2}								
Managed by Harding Loevner from June 2021	1.7%	4.5%	9.0%	12.9%	4.9%	6.4%	9.3%	
Current Strategy (Partial Simulation)⁴								
Harding Loevner Global Equity Strategy							10.5%	9.3%
Index⁵								
	1.9%	11.2%	16.9%	18.7%	12.4%	13.1%	12.1%	8.0%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary
Meta Platforms Inc Class A	Communication Services
Microsoft Corporation	Information Technology
nVent Electric plc	Industrials
NVIDIA Corporation	Information Technology
Reinsurance Group of America, Incorporated	Financials
Samsung Electronics Co Ltd Sponsored GDR Pfd	Information Technology
Schneider Electric SE	Industrials
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology

SECTOR BREAKDOWN

Consumer Discretionary	6.7%
Consumer Staples	0.9%
Energy	2.6%
Financials	12.8%
Health Care	12.6%
Industrials	18.8%
Information Technology	29.4%
Communication Services	12.7%
Utilities	0.8%
Cash	2.7%

CAPITALISATION BREAKDOWN

In between 5bn - 10bn USD	0.9%
In between 10bn - 50bn USD	17.2%
In between 50bn - 150bn USD	22.5%
In between 150bn - 500bn USD	19.3%
Above 500bn USD	37.3%
Cash	2.7%

REGION BREAKDOWN

North America	53.9%
Europe ex-UK	12.8%
Emerging Markets	11.3%
Japan	5.2%
UK	7.2%
Asia Pacific ex-Japan	6.9%
Cash	2.7%

STATISTICAL DATA

VOLATILITY⁸ 10.7%

NUMBER OF STOCKS 59

BETA⁹ 0.9

SEPTEMBER REPORT

COMMENTARY

- The Fund rose 1.7% in September, slightly behind the MSCI All Country World Total Return Index (net, AUD), which gained 1.9%, as global equity markets saw broad weakness in local terms with nearly every region and sector declining, though a weaker Australian dollar lifted returns for unhedged Australian investors.
- Japan was the strongest major market, buoyed by Financials after the Bank of Japan raised rates to the highest level in over three decades. European equities lagged amid surging energy prices and a global bond sell-off. Information Technology led at the sector level, while Materials weakened.
- **Lenovo** and **Meta Platforms** were the largest contributors, partly offset by weakness in **Adobe**. The Fund exited positions in **Deere** and **Booking Holdings**.

Market Review

Global equity markets declined in September, with weakness evident across nearly every region and sector in local terms. For unhedged Australian investors, a weaker Australian dollar supported returns. Japan stood out as the strongest major market, with its Financials sector buoyed by the Bank of Japan's decision to raise its policy rate by 25 basis points to 1.25%, the highest level the country has seen in over three decades. The move supported bank margins and reinforced the shift away from the ultra-loose stance that had defined Japanese policy for a generation.

European equities were among the weakest, with France and Germany leading declines within the euro area and the Nordics and Sweden lagging in the wider region. The region contended with a sharp rise in energy prices stemming from the ongoing US-Iran conflict, alongside higher interest rates and rising bond yields amid a broader global sell-off in fixed income.

Among sectors, Information Technology was the strongest performer, recovering from a mid-month stumble in semiconductor and AI-related shares to finish higher. Materials was the weakest, weighed down by a decline in gold prices, which pressured mining companies. Consumer Discretionary and Real Estate also underperformed, reflecting concerns around persistent inflation and the implications of higher rates.

Portfolio Commentary

The Fund rose 1.7% in September, marginally behind the MSCI All Country World Total Return Index (net, AUD), which gained 1.9%. Contributions from Information Technology holdings supported performance, while stock-specific weakness in parts of the software sector weighed on relative returns.

While AI-related companies continue to dominate headlines, the Fund also holds several businesses whose growth is drawn from other sources of demand that should prove durable even as AI-related spending moderates. **HEICO**, the US-based leading supplier of replacement parts to the aerospace industry, has generated an annualised profit growth rate of 25% over the past three years and is on track for a similar outcome this year, as airlines facing cost pressures increasingly turn to its more affordable replacement parts. **Compass Group**, the UK-based global food-service company, continues to win new outsourcing mandates and take share from rivals as more businesses outsource their catering operations. **Couche-Tard**, the Canadian convenience store operator, is extending its geographic footprint through the recently announced acquisition of Poland's largest convenience-store chain, a transaction that should generate meaningful cost synergies across its European operations while enhancing scale in

the region.

During the month, the Fund exited positions in **Deere**, the US industrial equipment manufacturer, and **Booking Holdings**, the US travel website operator. Deere's strong share price run lifted its valuation above the team's most optimistic estimate of intrinsic value. In Booking's case, the investment thesis had weakened, as the growing tendency for consumers to delegate travel planning to AI assistants may undermine the company's "connected travel" strategy, a long-term effort to build an ecosystem spanning flights, hotels, ground transport, and dining.

Turning to attribution, **Lenovo**, the Chinese personal computer and enterprise infrastructure provider, was a leading contributor within Emerging Markets, benefiting from strong server and storage sales driven by AI-related demand from hyperscalers and enterprises. **Meta Platforms** also contributed meaningfully after shares surged on the release of its new AI agent Muse, which quickly became one of the most downloaded apps on the Apple App Store. In contrast, shares of **Adobe**, the US-based creative software and digital media company, declined despite strong year-over-year revenue growth, as investors focused on disappointing fourth-quarter earnings guidance.

Taken together, the month's activity reflects a continued focus on building the portfolio around businesses with durable, differentiated sources of growth, whether tied to the AI buildout or to the quieter structural trends unfolding alongside it. Maintaining that balance remains central to how the team positions the portfolio for a wide range of long-term outcomes.

✓ FEATURES

APIR CODE	PCL0026AU
REDEMPTION PRICE	A\$ 0.8464
FEES *	Management Fee: 0.974% Performance Fee: Nil
MINIMUM INITIAL INVESTMENT	\$10,000
STRATEGY INCEPTION DATE	1 December 1989
BENCHMARK	MSCI All Country World Total Return Index (net) in \$A

FUND MANAGERS



Jingyi Li
Portfolio Manager



Rick Schmidt
Portfolio Manager

1. Harding Loevner was appointed fund manager as of 10 May 2021. June 2021 represents the first full month of Harding Loevner managing the Fund.
 2. Class B Inception date 1 July 2015. Figures shown are calculated from the continuous performance of both the current and previous strategies. For performance see row labelled Fund (APIR PCL0026AU) in the table above which is the continuous performance of both the current and previous (shaded) strategies.
 3. Harding Loevner Global Equity Strategy inception 1 Dec 1989
 4. Prior to June 2021, the Harding Loevner Global Equity Strategy performance (labelled 'Current Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Harding Loevner Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of Class B. From June 2021 the strategy performance is the performance of the Pengana Harding Loevner International Fund Class B.
 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. The Harding Loevner Global Equity Strategy performance (shown in the shaded area in the chart, and in the performance table as row labeled 'Harding Loevner Global Equity Strategy') has been simulated by Pengana from the monthly gross returns of the Harding Loevner 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. Strategy Inception 30 November 1989.
 8. Annualised standard deviation since inception.
 9. Relative to 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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