

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.

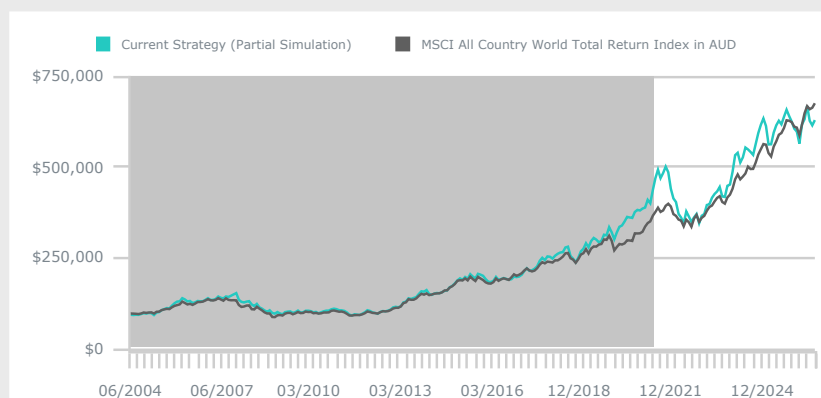
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Sep 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	2.4%	-1.4%	8.6%	14.5%	6.0%	8.9%	10.3%	
Current Strategy (Partial Simulation)⁴								
Axiom Global Equity Strategy							12.4%	8.6%
Index⁵	1.9%	11.2%	16.9%	18.7%	12.4%	13.1%	13.2%	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
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	12.2%
Health Care	6.1%
Industrials	20.5%
Information Technology	42.2%
Real Estate	1.5%
Communication Services	6.6%
Cash	1.4%

CAPITALISATION BREAKDOWN

Under 5bn USD	0.7%
In between 10bn - 50bn USD	10.2%
In between 50bn - 150bn USD	21.6%
In between 150bn - 500bn USD	15.2%
Above 500bn USD	50.8%
Cash	1.4%

REGION BREAKDOWN

North America	61.1%
Europe ex-UK	15.9%
Emerging Markets	7.9%
Japan	8.4%
UK	2.1%
Asia Pacific ex-Japan	3.2%
Cash	1.4%

STATISTICAL DATA

VOLATILITY⁷ 13.7%

NUMBER OF STOCKS 45

BETA⁸ 1.08

SEPTEMBER REPORT

COMMENTARY

- The Fund rose 2.4% in September, outperforming the MSCI All Country World Total Return Index (net, AUD), which gained 1.9%. Positioning in generative AI-related holdings drove outperformance, 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. A weaker Australian dollar supported unhedged returns as foreign currency exposures translated 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	HOW0002AU
REDEMPTION PRICE	A\$ 3.3178
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 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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