

**PENGANA HIGH CONVICTION EQUITIES FUND**
**DESCRIPTION**

The Pengana High Conviction Equities Fund (the Fund) invests globally in a concentrated portfolio of up to 20 stocks. The Fund can invest in both small and large cap stocks and is diversified across countries and sectors. We avoid investment in companies that are currently, in our opinion, unnecessarily harmful to people, animals or the environment.

**STATISTICAL DATA**
**VOLATILITY<sup>3</sup>** 24.9%

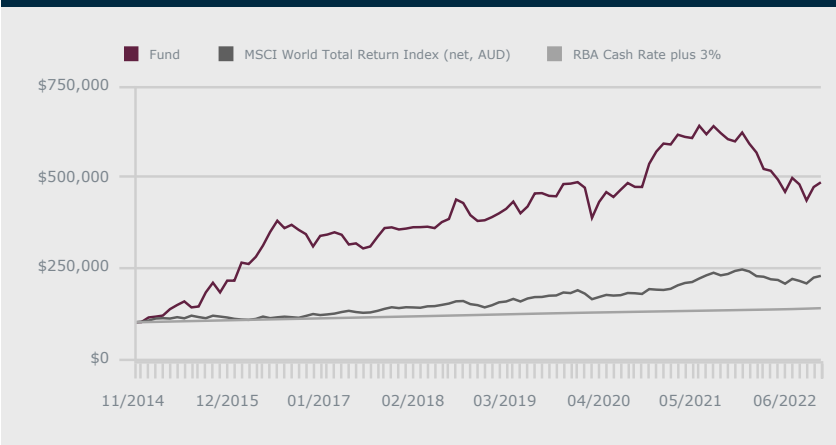
**NUMBER OF STOCKS** 17

**BETA<sup>4</sup>** 0.63

**MAXIMUM DRAW DOWN** -32.1%

**PERFORMANCE TABLE**
**NET PERFORMANCE FOR PERIODS ENDING 30 Nov 2022<sup>1</sup>**

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Equities Fund Class A	2.7%	-18.8%	-4.9%	0.3%	6.1%	21.9%
MSCI World Total Return Index (net, AUD)	2.1%	-5.6%	9.3%	7.9%	10.1%	10.9%
RBA Cash Rate plus 3%	0.5%	4.0%	3.6%	3.5%	3.8%	4.2%

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

**TOP HOLDINGS (ALPHABETICALLY)**

Ciena Corp	Information Technology
Eckert & Ziegler Strahlen- und	Health Care
Major Drilling Group Internati	Materials
Opthea Ltd	Health Care
Telix Pharmaceuticals Ltd	Health Care

**SECTOR BREAKDOWN**

Consumer Discretionary	5.7%
Health Care	41.5%
Information Technology	21.5%
Materials	9%
Communication Services	4.8%
Cash	17.6%

**CAPITALISATION BREAKDOWN**

Under 5bn USD	65%
In between 5bn - 10bn USD	5.2%
In between 10bn - 100bn USD	12.3%
Cash	17.6%

**REGION BREAKDOWN**

North America	27%
Europe ex-UK	21.1%
Australia/New Zealand	30.8%
Middle East / Africa	3.6%
Cash	17.6%

## PORTFOLIO COMMENTARY AND OUR LATEST WEBINAR UPDATE

### COMMENTARY

The Fund rose 2.7% percent during the month of November.

We recently held a Portfolio and Investment Update webinar, along with Q&A for shareholders, which is available below for your review. CPD points are applicable for Australian Financial Planners [HERE](#).



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German listed isotope producers **Eckert and Ziegler** rose 33% after reporting strong quarterly financial results and receiving approval to commence a phase three trial of a diagnostic radiotracer used to detect Non-Hodgkin Lymphoma, a type of blood cancer. We expect the product could be approved in 2025 if the study is successful, which would very substantially boost profitability.

**Telix Pharmaceutical** rose 6% after reporting positive results from its phase 3 Zircon trial of TLX250-CDX, a radiotracer diagnostic for renal cancer. We expect the product to be approved early in 2024 with a USD500mln addressable market with little competition on the horizon. The current standard of care for diagnosing renal cancer is using an invasive surgical biopsy. The company is also exploring using the product in other indications in the future.

**Ardent Leisure**, owner of Dreamworld, rose 22% after releasing an AGM update that highlighted strong visitations and the first positive quarterly EBITDA since October 2016. International visitors, who accounted for 20% of revenue prior to Covid, are still at a low level however this should improve over the coming year.



Cancer immunotherapy producer **Immutep** reported further data from its Phase 2 trial in first line lung cancer for its lead product Eftilagimod. The data highlighted the increasing effectiveness of the drug, particularly in patients who do not respond to existing immunotherapy products with a much better safety profile than chemotherapy drugs. The shares rose 22%.

German solar cell producer **Meyer Burger** rose 18% after conducting a rights issue but also on the back of positive sentiment towards renewable energy companies generally. In August the US passed legislation called the Inflation Reduction Act (IRA) that offers attractive incentives for companies to establish renewable manufacturing facilities in the US. Europe is expected to follow in 2023 with similar legislation. Meyer Burger is well situated as one of the few producers outside of China with the ability to scale its manufacturing. Historically it sold equipment to Chinese cell manufacturers but has now decided to vertically integrate using its latest generation of manufacturing equipment to produce its own cells and modules.

On the negative side, optical component producer **Lumentum** fell 30% after reporting results that were impacted by weaker than expected demand for lasers used to connect data centres. Its lead customer in this area, Amazon, had built up too much inventory, which we expect to be used by the middle of next year after which growth should resume. Optical system producer **Ciena** was weak on the back of Lumentum's results although it has subsequently delivered excellent results.

German fertilizer producer **K+S** fell on the back of softening potash prices, however, we expect the market for potash to remain very tight as Belarus and Russia account for 35% of world production and their exports have been severely curtailed, particularly Belarus', which was using Latvian ports.

FEATURES	
APIR CODE	HHA0020AU
REDEMPTION PRICE	A\$ 0.9431
FEES *	Management Fee: 1.80% p.a. (Class A)   1.25% p.a. (Class B) Performance Fee: 15.38% (Class A)   20% (Class B)
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 37.18m
STRATEGY INCEPTION DATE	11 December 2014
BENCHMARK	RBA Cash Rate + 3%

FUND MANAGERS	
	<b>James McDonald</b> Portfolio Manager
	<b>Jeremy Bendeich</b> Portfolio Manager

1. Net performance figures are shown are those of Class A Units, 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.

2. Inception 11 December 2014.

3. Annualised standard deviation since inception.

4. Relative to MSCI World. Using daily returns.

\* For further information regarding fees please see the PDS available on our website.

## PENGANA HIGH CONVICTION EQUITIES FUND

### 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](mailto:clientservice@pengana.com)



### PENGANA.COM

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