

### 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.

#### PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Nov 2024<sup>1</sup>

##### High Conviction Equities Fund Class A

|  | 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    | 5.4%  | 106.2% | 49.7%        | 22.1%        | 17.7%        | 27.0%                |
| MSCI World Total Return Index (net, AUD) | 5.2%  | 30.1%  | 21.8%        | 11.9%        | 13.3%        | 13.0%                |
| RBA Cash Rate plus 3%                    | 0.6%  | 7.3%   | 7.0%         | 6.0%         | 4.9%         | 4.8%                 |

##### High Conviction Equities Fund Class B

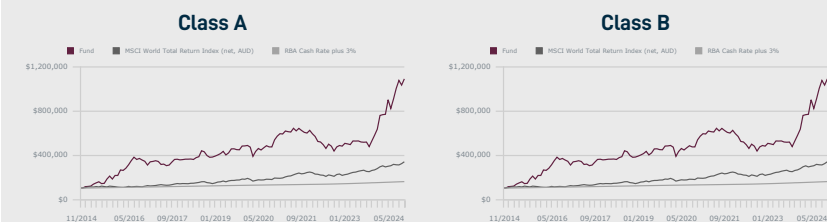
|  | 1 MTH | 1 YEAR | 2 YEARS P.A. | 3 YEARS P.A. | SINCE INCEPTION P.A. |
|--|-------|--------|--------------|--------------|----------------------|
| High Conviction Equities Fund Class B    | 6.2%  | 104.5% | 49.6%        | 22.3%        | 21.5%                |
| MSCI World Total Return Index (net, AUD) | 5.2%  | 30.1%  | 21.8%        | 11.9%        | 15.9%                |
| RBA Cash Rate plus 3% p.a.               | 0.6%  | 7.3%   | 7.0%         | 6.0%         | 5.1%                 |

Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. Performance figures are calculated using net asset values 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.

Fund inception date Class A: December 2014, Class B July 2020.

#### PERFORMANCE CHART

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



#### TOP HOLDINGS (ALPHABETICALLY)

|                               |             |
|-------------------------------|-------------|
| Brazilian Rare Earths Limited | Materials   |
| Genetic Signatures Ltd.       | Health Care |
| Greatland Gold plc            | Materials   |
| Iperionx Ltd.                 | Materials   |
| Iperionx Ltd. Sponsored ADR   | Materials   |

#### SECTOR BREAKDOWN

#### CAPITALISATION BREAKDOWN

#### REGION BREAKDOWN

|                        |       |
|------------------------|-------|
| Consumer Discretionary | 0.9%  |
| Health Care            | 41.2% |
| Information Technology | 1.8%  |
| Materials              | 48.6% |
| Communication Services | 3.8%  |
| Options                | 1.8%  |
| Cash                   | 1.8%  |

|                           |      |
|---------------------------|------|
| Under 5bn USD             | 95%  |
| In between 5bn - 10bn USD | 1.3% |
| Derivatives               | 1.8% |
| Cash                      | 1.8% |

|                       |       |
|-----------------------|-------|
| North America         | 15.8% |
| Australia/New Zealand | 73.8% |
| UK                    | 6.8%  |
| Options               | 1.8%  |
| Cash                  | 1.8%  |

#### STATISTICAL DATA

VOLATILITY<sup>3</sup> 25.1%

NUMBER OF STOCKS 18

BETA<sup>4</sup> 0.73

MAXIMUM DRAW DOWN -32.1%

## NOVEMBER REPORT

### COMMENTARY

The Fund returned 5.4% (Class A) and 6.2% (Class B) in November but remains up 106.2% (Class A) and 104.5% (Class B) over one year.

- IperionX rose 35% post-\$100m capital raise; Magnite gained 36% on strong earnings.
- Greatland Gold and Immutep both increased 12.5% on positive developments.
- Amplia fell 33% after a capital raise; Brazilian Rare Earths dropped 14%, and Opthea declined 14%.

We are also proud to share that Fund Manager James McDonald earned AFR's [most-read Monday Fundie column](#) of 2024 with his feature, ["Three little-known stocks driving this veteran's mega returns"](#).

The largest contributor to performance during the month was US titanium producer **IperionX** which rose 35% after completing a \$100m capital raising the prior month, which has greatly strengthened its balance sheet. In addition, sentiment towards the company benefited from the election victory of Donald Trump who is advocating the reshoring of manufacturing to the US by using tariffs and government grants.

UK-listed **Greatland Gold** rose 12.5% benefiting from a rise in the gold price post Trump's victory. The company is working to finalise its acquisition of the Haverion deposit and Telfer mine from Newmont and several key conditions for completion were met during the month. In addition, managing director Shaun Day participated in the Diggers and Dealers conference and also held a Proactive Investors interview. In the first quarter of 2025, the company should benefit from listing on the ASX, which will allow many Australian institutions that cannot invest offshore to buy into this large, high-quality asset with experienced management.

US advertising technology company **Magnite** rose 36% after reporting solid quarterly earnings. We see the company as very well positioned to benefit from linear television advertising shifting to App based TV channels such as 9Now. Many streaming TV companies such as Netflix and Disney have introduced lower priced advertising tiers where consumers must watch advertisements. Magnite is the enabling technology for this to occur and allows content owners such as the Australian Open Tennis to maximize revenue by auctioning off popular viewing slots. It also allows much more customized advertisements to be served to viewers based on information, such as where they live, and their interests based on the sort of TV they watch.

Cancer immunotherapy company **Immutep** rose 12.5% after reporting data from a phase 2 trial in lung cancer combining their drug Efti with leading immunotherapy drug Keytruda plus chemotherapy. The trial reported 32.9 months overall survival, which was an improvement of 11 months over previous studies using Keytruda plus chemo without Efti. We see this as an encouraging data point for the company's major Phase 3 study in lung cancer that commenced in December.

On the negative side, **Brazilian Rare Earths** fell 14% after reporting what seemed a rather positive update about the metallurgy of their ultra high-grade Monte Alto deposit and the simplicity of the processing required for the separation of the metal from the ore.

US listed **Janux Pharmaceuticals**, which is developing an immunotherapy for prostate cancer, fell 16% but has subsequently jumped 40% in December after reporting positive phase 1 data. The company now has a market value of USD3.9bn and USD900m of cash. It is well-funded and may prove to be a competitor to the therapies being

developed by Telix and Clarity Pharmaceutical. We continue to also own shares in Clarity as we believe there is room for both players, but much will depend on their data.

Pancreatic cancer drug developer **Amplia** fell 33% after completing a capital raising.

Ophthalmic drug developer **Opthea** fell 14% on little news, as did cardiac pacing device company **EBR Systems** which was down 13%.

## ✓ FEATURES

|                            |  |
|----------------------------|--|
| APIR CODE                  | Class A: HHA0020AU<br>Class B: PCL9196AU   |
| REDEMPTION PRICE           | Class A: A\$ 4.1666<br>Class B: A\$ 1.7782   |
| FEES *                     | Management Fee: 1.80% p.a. (Class A)  <br>1.25% p.a. (Class B)<br>Performance Fee: 15.38% (Class A)   20%<br>(Class B) |
| MINIMUM INITIAL INVESTMENT | A\$10,000  |
| FUM AT MONTH END           | A\$ 91.68m   |
| STRATEGY INCEPTION DATE    | 11 December 2014   |
| BENCHMARK                  | RBA Cash Rate + 3%   |

## 👤 FUND MANAGERS



**James McDonald**  
Portfolio Manager



**Jeremy Bendeich**  
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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