

PENGANA AUSTRALIAN EQUITIES FUND

DESCRIPTION

The Pengana Australian Equities Fund aims to enhance and preserve investor wealth over a 5- year period via a concentrated core portfolio of principally Australian listed securities. The Fund uses fundamental research to evaluate investments capable of generating the target return over the medium term. Essentially, we are in the business of seeking to preserve capital and make money – we are not in the business of trying to beat the market. We remain focused on acquiring and holding investments that offer predictable, sustainable and well-stewarded after-tax cash earnings yields in excess of 6% that will grow to double digit levels as a percentage of our original entry price in five years. We believe that building a well-diversified portfolio of these “gifts that keep on giving” represents a meaningful way to create and preserve financial independence for our co-investors.

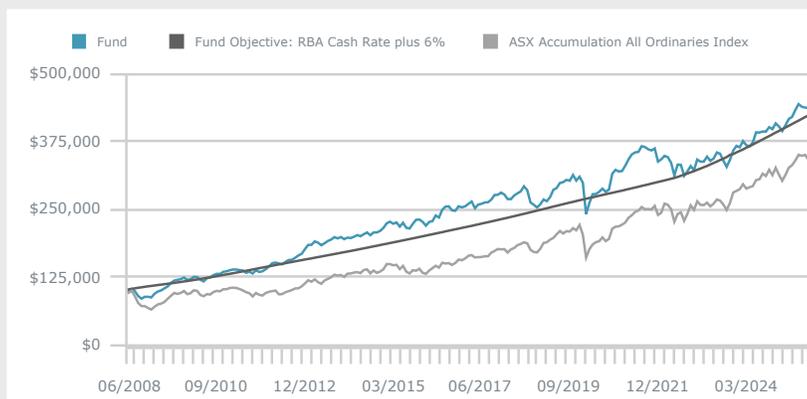
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Nov 2025¹

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	SINCE INCEPTION P.A.
Australian Equities Fund	-0.2%	8.8%	9.8%	6.7%	6.6%	8.8%
Fund Objective: RBA Cash Rate plus 6%	0.7%	9.9%	10.0%	8.6%	7.9%	8.6%
ASX Accumulation All Ordinaries Index	-2.5%	5.8%	10.0%	9.8%	9.6%	7.3%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Ampcor PLC Shs Chess Depository Interests	Materials
Ampol Limited	Energy
BHP Group Ltd	Materials
CSL Limited	Health Care
Evolution Mining Limited	Materials
Metcash Limited	Consumer Staples
National Australia Bank Limited	Financials
NIB Holdings Ltd	Financials
ResMed Inc	Health Care
Telstra Group Limited	Communication Services

SECTOR BREAKDOWN

Consumer Discretionary	7.7%
Consumer Staples	4.8%
Energy	4.1%
Financials	22%
Health Care	13.7%
Industrials	2.5%
Materials	20.9%
Real Estate	6.4%
Communication Services	4.9%
Utilities	2.8%
Cash	10.2%

CAPITALISATION BREAKDOWN

ASX 1-50	60.9%
ASX 51-100	12.7%
ASX 101-300	12.9%
All Ordinaries	0.5%
Non ASX	2.8%
Cash	10.2%

CUSTOM SECTOR BREAKDOWN

Defensive	55.5%
Financials	12.4%
Consumer Discretionary	7.8%
Resources	14%
Cash	10.2%

STATISTICAL DATA

VOLATILITY³ 11.1%

NUMBER OF STOCKS 27

BETA⁴ 0.7

MAXIMUM DRAW DOWN -23.1%

FUND DEMONSTRATES RESILIENCE

COMMENTARY

The Fund demonstrated its resilience, returning -0.2%, during another volatile month. By way of comparison, the RBA cash rate plus 6% returned approximately 0.7%, while the All Ordinaries Accumulation Index fell -2.5%.

We remain focused on our objective of capital preservation while generating a fair return for equity risk. Whilst parts of the market remain expensive, the broad weakness this month provided some opportunities to add to positions, reducing our cash from 12% to 10%.

There was no easing into year-end for equity markets, with November delivering a combination of hotter-than-expected inflation data, a flurry of AGM updates, and a re-thinking of the real economics of AI.

Australian inflation surprised to the upside at 3.8% for October. An investor fueled property market is creating a wealth effect that's pushing services inflation higher. It also shows that, while wages growth may be peaking, the underlying labour market remains relatively tight. For stock pickers, the message is clear: real pricing power remains the only reliable defence against stubborn core inflation. This is what attracts us to businesses such as **Telstra**, **ResMed**, **IAG** and **Amcor**, where durable pricing strength can stay ahead of the cost pressures.

November will also be remembered for sharp sell-offs in **Life360** and **Temple & Webster**, companies that delivered perfectly respectable results yet experienced wild share price reactions. With limited fundamental support for valuations, even minor disappointments were punished. More broadly, the IT sector fell 12% as investors started asking, seemingly for the first time, whether AI may, in fact, add to cost pressures or erode competitive moats, rather than being a universal good.

Portfolio activity saw us adding to **Aristocrat**, where the stock fell 8% despite beating market expectations by 2% (albeit with a different earnings mix). The shift in interest-rate expectations weighed on REITs, providing an opportunity to rebuild positions in **Stockland** and **Mirvac**. On the sell side, we continued to trim **Evolution Mining**, **Telstra** and **NAB** into relative strength.

Positive attribution for the month was driven by **Ramsay Healthcare**, which delivered a strong 1Q in its core Australian operations alongside increasing confidence around the sale of its French assets. The defensive qualities of **Evolution Mining** and **Amcor** also contributed positively. Detractors included **Accent Group**, **NAB** and **Aristocrat**.

Our disciplined focus on high-quality businesses, run by capable management teams and generating cash flows that offer a fair return, continues to serve investors well. We remain committed to resisting the temptation to let index weightings or short-term earnings noise drive portfolio decisions. Instead, we will adhere to our absolute-return philosophy, ensuring capital is deployed only where we believe the risk-adjusted return is compelling.

FEATURES

APIR CODE	PCL0005AU
REDEMPTION PRICE	A\$ 1.7768
FEES *	Management Fee: 1.025% Performance Fee: 10.25%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 452.43m
STRATEGY INCEPTION DATE	1 July 2008
BENCHMARK	The RBA Cash Rate Target plus Australian equity risk premium.

FUND MANAGERS



Rhett Kessler
CIO and Senior Fund Manager



Anton du Preez
Senior Fund Manager



Michael Maughan
Senior Fund Manager

1. Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. The benchmark of cash rate plus 6% p.a. is included in the chart as it relates to the Fund's investment objective and performance fee. The Fund may invest up to 100% of its assets in equity securities. The greater risk of investing in equities is reflected in the addition of a margin above the cash rate. 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 1st July 2008.

3. Annualised standard deviation since inception.

4. Relative to ASX All Ordinaries Index. Using daily returns.

*(including GST, net of RITC) of the increase in net asset value subject to the RBA Cash Rate & High Water Mark. For further information regarding fees please see the PDS available on our website.

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