

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.

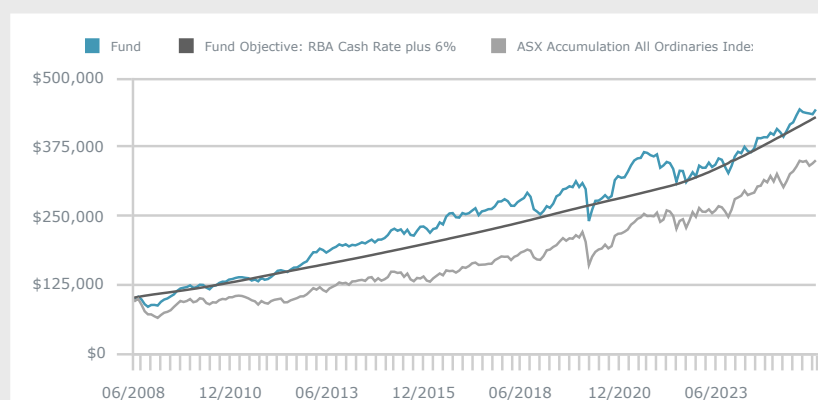
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jan 2026 ¹

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	SINCE INCEPTION P.A.
Australian Equities Fund	2.0%	8.7%	9.1%	6.8%	7.0%	8.8%
Fund Objective: RBA Cash Rate plus 6%	0.8%	9.8%	10.0%	8.7%	8.0%	8.6%
ASX Accumulation All Ordinaries Index	1.6%	7.6%	9.9%	10.0%	10.3%	7.4%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION ²



TOP HOLDINGS (ALPHABETICALLY)

Amcor 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
ResMed Inc	Health Care
Stockland	Real Estate
Telstra Group Limited	Communication Services

SECTOR BREAKDOWN

Consumer Discretionary	6.8%
Consumer Staples	4.4%
Energy	3.8%
Financials	23.9%
Health Care	13.5%
Industrials	2.9%
Materials	23%
Real Estate	7.2%
Communication Services	4.7%
Utilities	2.5%
Cash	7.2%

CAPITALISATION BREAKDOWN

ASX 1-50	55.4%
ASX 51-100	19.9%
ASX 101-300	14.2%
All Ordinaries	0.8%
Non ASX	2.5%
Cash	7.2%

CUSTOM SECTOR BREAKDOWN

Defensive	53.8%
Financials	14.7%
Consumer Discretionary	8%
Resources	16.3%
Cash	7.2%

STATISTICAL DATA

VOLATILITY³ 11%

NUMBER OF STOCKS 28

BETA⁴ 0.7

MAXIMUM DRAW DOWN -23.1%

STRONG START TO 2026

COMMENTARY

In a month defined by aggressive market rotation, the Fund delivered a **2.0% return**. By way of comparison, the RBA cash rate plus 6% returned approximately 0.8%, while the All Ordinaries Accumulation Index rose 1.6%.

We remain focused on our objective of capital preservation while generating a fair return for equity risk. We maintained a stable cash position of 7-8% as profit taking was balanced by new opportunities.

It was another month of carnage for technology stocks globally with the ASX IT sector down 9.4%. The narrative continues to shift; while fears of software disintermediation persist, new scepticism is emerging regarding the long-term growth trajectories of “AI winners” and the capital-intensive nature of data centres. We view this return to fundamental scrutiny as a healthy development.

Conversely, resources ripped... and it wasn't just gold this time. Our **Evolution Mining** position continued to benefit from the soaring gold price, but our holding in **BHP** was also a major contributor to performance as it rose 11%. Even better, the upside we saw in **BSL** was brought forward by the \$30 bid by **SGH** and **Steel Dynamics**. These are valuable assets, and the battle for them still has some way to run. **James Hardie** was also a beneficiary of the cyclical rally and the positive signs from the US government on addressing the gridlock in the housing market.

We lamented the Healthcare sector weakness in our December note, and we saw a more positive start to 2026. Our holdings in **ResMed**, **CSL** and **Ramsay** all contributed positively. On the negative side, **Ampol** and **Aristocrat** detracted despite solid operating trends.

Execution during the month focused on disciplined capital recycling. We continued to trim winners **Evolution Mining** and **BHP**. **Light & Wonder** settled its legal dispute with **Aristocrat**, and we sold into the positive reaction. The proceeds were reinvested in **AUB Group**, a position we began building in late 2025. **AUB** raised \$400M to purchase UK insurance broking business **Prestige**, allowing us to purchase stock at a discount. The acquisition is a sensible next step in building out the UK business and shows the company is moving on after the bid from private equity.

Our commitment to high-quality businesses led by proven management teams and supported by resilient cash flows has yielded a productive start to the year. In an environment clouded by short-term “noise” and index-driven volatility, we remain tethered to our absolute-return philosophy, deploying capital only where the risk-adjusted returns are truly compelling.

FEATURES

APIR CODE	PCL0005AU
REDEMPTION PRICE	A\$ 1.7861
FEES *	Management Fee: 1.025% Performance Fee: 10.25%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 450.62m
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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