

## PENGANA AXIOM INTERNATIONAL FUND HEDGED

### DESCRIPTION

The Pengana Axiom International Fund (Hedged) 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 31 Jan 2026<sup>1</sup>

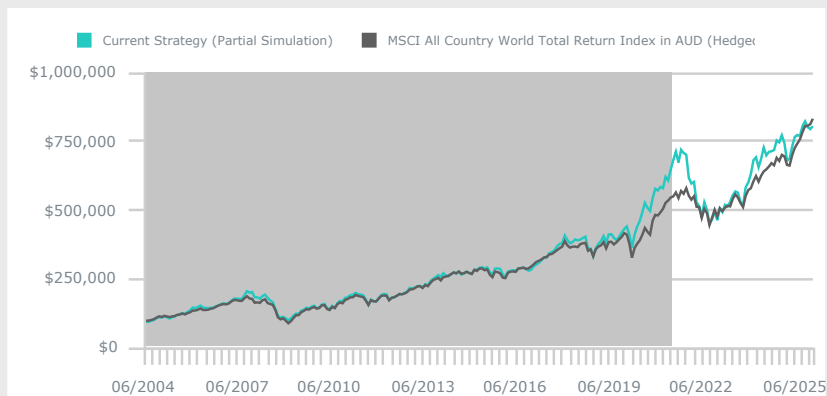
#### Pengana Axiom International Fund (Hedged)<sup>1</sup>

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	Since Axiom Appointed June 2021	5Y	Since Fund Inception July 2017 <sup>3</sup>	Since Strategy Inception July 2004 <sup>4</sup>
<b>Fund: APIR (HHA0002AU)<sup>2,3</sup></b> Managed by Axiom from June 2021	1.3%	4.3%	13.0%	16.7%	6.2%	6.0%	8.9%	
<b>Current Strategy (Partial Simulation)<sup>5</sup></b> Axiom Global Equity Strategy						7.1%	11.1%	10.1%
<b>Index (Hedged)<sup>6</sup></b>	2.4%	18.7%	19.9%	18.0%	9.9%	11.6%	11.4%	10.3%

### PERFORMANCE CHART

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



### TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary
Amphenol Corporation Class A	Information Technology
ASML Holding NV	Information Technology
Broadcom Inc.	Information Technology
JPMorgan Chase & Co.	Financials
Morgan Stanley	Financials
NVIDIA Corporation	Information Technology
Siemens Energy AG	Industrials
Taiwan Semiconductor Manufacturing Co., Ltd. Spons	Information Technology

### SECTOR BREAKDOWN

Consumer Discretionary	10.9%
Consumer Staples	0.5%
Financials	12.1%
Health Care	7.5%
Industrials	16.5%
Information Technology	35.8%
Materials	1.3%
Real Estate	1.2%
Communication Services	12.3%
Cash	1.8%

### CAPITALISATION BREAKDOWN

In between 10bn - 50bn USD	10.2%
In between 50bn - 150bn USD	18.4%
In between 150bn - 500bn USD	18.9%
Above 500bn USD	50.7%
Cash	1.8%

### REGION BREAKDOWN

North America	64.7%
Europe ex-UK	17.6%
Emerging Markets	7.8%
Japan	4.6%
UK	1%
Asia Pacific ex-Japan	2.5%
Cash	1.8%

### STATISTICAL DATA

VOLATILITY<sup>8</sup> 15%

NUMBER OF STOCKS 45

BETA<sup>9</sup> 1.07

## JANUARY REPORT

### COMMENTARY

- The Fund returned 1.3% in January, underperforming the benchmark, which rose 2.4%, as continued market factor rotations weighed on growth-oriented exposures despite accelerating portfolio earnings trends.
- Forward earnings revisions improved, with 73% of holdings receiving positive estimate upgrades during the month, well above the benchmark. Aggregate earnings growth accelerated and remains at a premium to the index. Valuation support improved, with the portfolio's price-to-earnings-to-growth (PEG) ratio declining to 0.9x.
- **Siemens Energy, ASML, and Alphabet** contributed most to returns, while **AppLovin and Microsoft** detracted. The Fund added to **Hitachi, Alibaba, and Danaher**, reduced **Microsoft, Sony, and Meta Platforms**, initiated **Epiroc, Heidelberg Cement, Samsung Electronics, Societe Generale, and Teradyne**, and exited **Deutsche Boerse, Netflix, Oracle, and SAP**.

### Market Review

Global equity markets were mixed in January as ongoing factor rotations continued to pressure growth-oriented stocks. Economic data across major regions were mixed, and policy developments in the United States contributed to increased volatility late in the month. The Fund's currency hedge provided a significant benefit during the month, as the US dollar weakened relative to the Australian dollar.

In the United States, manufacturing activity improved meaningfully, with the ISM index returning to expansion territory as new orders strengthened and production trends stabilised. Labour market indicators, however, were softer. Data on job openings and announced layoffs pointed to rising redundancies and subdued hiring momentum, suggesting some cooling beneath the surface. Late in the month, the nomination of Kevin Warsh as the next Federal Reserve chairman added to market volatility, given his previous comments on reducing the size of the Federal Reserve's balance sheet and keeping interest rates higher for longer.

In Europe, growth indicators showed gradual improvement. German retail sales surprised to the upside, returning to growth after prior weakness, supporting signs of stabilisation in consumer demand. By contrast, Chinese economic data continued to decelerate. Retail sales growth moderated, and both official and private sector surveys across manufacturing and services pointed to contraction or only modest expansion in early 2026.

Overall, global growth remains uneven and regionally divergent. In this environment, Axiom remains focused on companies with accelerating earnings trends and attractive valuations, where improving fundamentals support an attractive medium-term outlook.

### Portfolio Commentary

The Fund underperformed the benchmark in January. At the sector level, overweight exposure to industrials contributed positively, supported by both allocation and stock selection. Information technology detracted, primarily driven by weakness in **AppLovin**. Sector positioning was broadly unchanged, with the largest overweights in information technology and industrials, and the largest non-exclusionary underweights in financials and consumer staples. The Strategy remains underweight software following reductions to **Microsoft, ServiceNow, SAP and Oracle** in the fourth quarter of 2025.

**Siemens Energy**, a provider of power generation and grid infrastructure equipment, was the strongest contributor as turbine demand and extended lead times continued to support pricing power and improving margin expectations. Management's medium-term guidance and consensus forecasts remain conservative relative to through-cycle profitability. **ASML**, the leading supplier of advanced semiconductor lithography equipment, also performed strongly following record order trends, with both advanced logic and memory markets entering an early capital spending upturn. **Alphabet** contributed as ongoing fundamental work points to upside in its core Search and YouTube advertising businesses, alongside improving prospects in cloud infrastructure.

**AppLovin** detracted as broader artificial intelligence concerns spread beyond application software to digital platforms. We believe the reaction underestimates the durability of its gaming-based advertising platform and the incremental opportunity created by its expansion into e-commerce advertising. Early adoption trends remain encouraging. **Microsoft** also weighed on returns after Azure revenue growth, while strong, fell short of elevated expectations. Underlying demand remains robust, and growth should improve as additional computing capacity comes online.

At the stock level, the largest additions were to **Hitachi**, **Alibaba** and **Danaher**. **Hitachi** continues to benefit from strong demand for high-voltage transmission equipment, with operating leverage not yet fully reflected in forecasts. **Alibaba's** outlook is improving as adoption of its Qwen large language model supports upside in its cloud business. We also added to **Danaher**, where accelerating trends in diagnostics and balance sheet flexibility support the investment case.

The Fund initiated positions in **Epiroc**, **Heidelberg Cement**, **Samsung Electronics**, **Societe Generale** and **Teradyne**, reflecting opportunities across European industrial recovery, the semiconductor memory upcycle, banking turnaround potential and rising semiconductor testing complexity. The Fund exited **Deutsche Boerse**, **Netflix**, **Oracle** and **SAP**, redeploying capital toward higher-conviction opportunities with stronger earnings momentum.

There were no MSCI ESG rating changes during the month. Engagement activity was limited as focus shifted toward upcoming earnings results and management outlooks for 2026.

FEATURES	
APIR CODE	HHA0002AU
REDEMPTION PRICE	A\$ 3.6155
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 47.23m
STRATEGY INCEPTION DATE	1 July 2004
BENCHMARK	MSCI All Country World Total Return in AUD (Hedged)

## FUND MANAGERS



**Bradley Amoils**  
Managing Director/Portfolio Manager



**Andrew Jacobson**  
CEO/Chief Investment Officer

1. From 4 June 2021 the capital component of the foreign currency exposure for the Fund is hedged back to Australian dollars.
  2. Axiom was appointed fund manager as of 5 May 2021. June 2021 represents the first full month of Axiom managing the Fund.
  3. 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 (HHA0002AU) in the table above which is the continuous performance of both the current and previous strategies.
  4. Axiom Global Equity Strategy inception 1 Jul 2004.
  5. Prior to 1 June 2021, the Axiom Global Equity Strategy performance (labeled 'Current Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross USD returns of the Axiom Global Equity strategy. The Axiom Global Equity Strategy performance does not include the Pengana ethical screen
  6. Prior to 4 June 2021 hedged performance has been simulated by Pengana for both the Fund and Index. This was done by: 1) using 3 month rolling forwards to hedge movements in the AUD/USD spot rate, and 2) deducting the Pengana International Ethical Fund (Hedged) management fee of 1.35% p.a. from the Fund's performance.
  - From 4 June 2021, index performance is from the MSCI All Country World Total Return in AUD (Hedged). Prior to 4 June 2021, index performance is simulated from the MSCI All Country World Total Return in USD
  7. 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.
  8. Annualised standard deviation since inception.
  9. Relative to the MSCI All Country World Total Return in AUD (Hedged).
- \*For further information regarding fees please see the PDS available on our website.

## PENGANA AXIOM INTERNATIONAL FUND HEDGED

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### PENGANA.COM

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