MONTHLY REPORT
JANUARY 2026

PENGANA CAPITAL GROUP

PENGANA AXIOM INTERNATIONAL FUND

DESCRIPTION

The **Pengana Axiom International Fund** 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 [1]

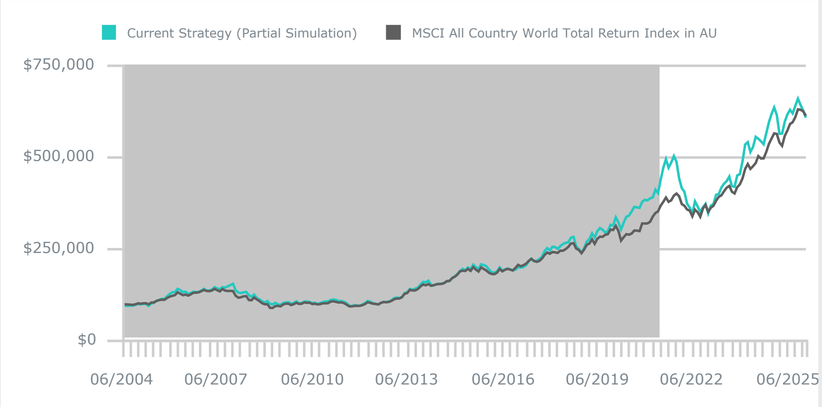
Pengana Axiom International Fund

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[1]	5Y	Since Fund Inception July 2017[2]	Since Strategy Inception July 2004[3]
Fund: APIR (HOW0002AU)[1,2] Managed by Axiom from June 2021	-3.1%	-4.4%	11.6%	18.3%	9.3%	8.9%	10.7%	
Current Strategy (Partial Simulation)[4] Axiom Global Equity Strategy						9.8%	12.9%	8.7%
Index[5]	-2.0%	8.5%	17.8%	19.3%	12.7%	14%	12.9%	8.7%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION [2]



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	11%
Consumer Staples	0.5%
Financials	12.1%
Health Care	7.5%
Industrials	16.7%
Information Technology	36.1%
Materials	1.3%
Real Estate	1.2%
Communication Services	12.3%
Cash	1.1%

CAPITALISATION BREAKDOWN

In between 10bn - 50bn USD	10.3%
In between 50bn - 150bn USD	18.5%
In between 150bn - 500bn USD	19.1%
Above 500bn USD	51%
Cash	1.1%

REGION BREAKDOWN

North America	65%
Europe ex-UK	17.6%
Emerging Markets	7.8%
Japan	4.8%
UK	1%
Asia Pacific ex-Japan	2.6%
Cash	1.1%

STATISTICAL DATA

VOLATILITY[7] 13.4%

NUMBER OF STOCKS 45

BETA[8] 1.05

JANUARY REPORT

COMMENTARY

- The Fund declined 3.1% in January, underperforming the benchmark, which fell 2.0%, 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 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.

Global equity markets were mixed in January as ongoing factor rotations continued to pressure growth-oriented stocks. Economic data across major regions was mixed, and policy developments in the United States contributed to increased volatility late in the month. The Australian dollar strengthened against a softer US dollar, detracting from returns in Australian dollar terms.

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	HOW0002AU
REDEMPTION PRICE	A$ 3.4315
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	$10,000
FUM AT MONTH END	A$ 337.69m
STRATEGY INCEPTION DATE	1 July 2004
BENCHMARK	MSCI All Country World Total Return Index (net, AUD)

FUND MANAGERS

Bradley Amoils
Managing Director/Portfolio Manager

Andrew Jacobson
CEO/Chief Investment Officer

Prior to June 2021, the Axiom Global Equity Strategy performance (shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Axiom Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of the stated class. The simulation does not include the Pengana ethical screen. From June 2021 the strategy performance is the performance of the Pengana Axiom International Ethical Fund.

1. Axiom was appointed fund manager as of 5 May 2021. June 2021 represents the first full month of Axiom managing the Fund.
2. 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 (HOW0002AU) in the table above which is the continuous performance of both the current and previous strategies.
3. Axiom Global Equity Strategy inception 1 Jul 2004.
4. Prior to June 2021, the Axiom Global Equity Strategy performance (labeled 'Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Axiom Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of the stated class. The simulation does not include the Pengana ethical screen. From June 2021 the strategy performance is the performance of the Pengana Axiom International Ethical Fund.
5. MSCI All Country World Total Return Index in AUD.
6. 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.
7. Annualised standard deviation since inception.
8. Relative to the MSCI All Country World Total Return Index in AUD.

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

PENGANA AXIOM INTERNATIONAL 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

PENGANA.COM