

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 Mar 2025¹

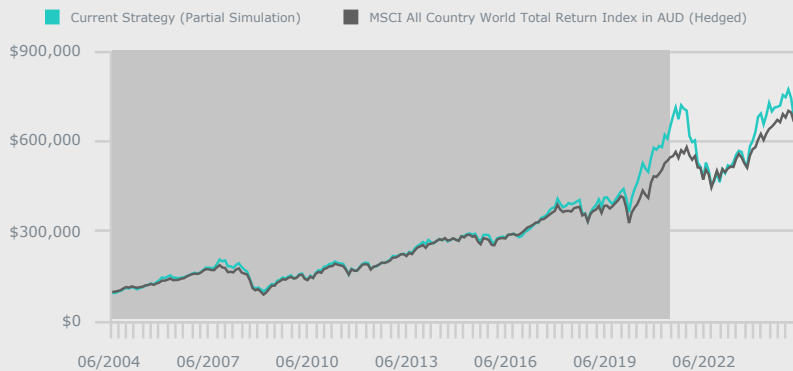
Pengana Axiom International Fund (Hedged)¹

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 ³	Since Strategy Inception July 2004 ⁴
Fund: APIR (HHA0002AU)^{2,3} Managed by Axiom from June 2021	-8.6%	-1.7%	14.4%	4.1%	2.9%	7.0%	7.5%	
Current Strategy (Partial Simulation)⁵ Axiom Global Equity Strategy						13.4%	9.9%	9.7%
Index (Hedged)⁶	-4.5%	6.5%	14.3%	6.5%	5.8%	15.2%	9.5%	9.6%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Amazon.com, Inc.	Consumer Discretionary
Apple Inc.	Information Technology
Boston Scientific Corporation	Health Care
Cintas Corporation	Industrials
Meta Platforms Inc Class A	Communication Services
Microsoft Corporation	Information Technology
Netflix, Inc.	Communication Services
SAP SE	Information Technology
Taiwan Semiconductor Manufactu	Information Technology
Visa Inc. Class A	Financials

SECTOR BREAKDOWN

Consumer Discretionary	21%
Consumer Staples	2.9%
Financials	14.6%
Health Care	8%
Industrials	9.2%
Information Technology	25.8%
Real Estate	2.6%
Communication Services	15.5%
Cash	0.5%

CAPITALISATION BREAKDOWN

In between 5bn - 10bn USD	0.2%
In between 10bn - 50bn USD	10%
In between 50bn - 150bn USD	26.9%
In between 150bn - 500bn USD	24.5%
Above 500bn USD	37.8%
Cash	0.5%

REGION BREAKDOWN

North America	72.7%
Europe ex-UK	13.1%
Emerging Markets	5.8%
Japan	7.3%
UK	0.5%
Cash	0.5%

STATISTICAL DATA

VOLATILITY⁸ 15.4%

NUMBER OF STOCKS 47

BETA⁹ 1.07

MARCH 2025

COMMENTARY

- The Fund returned -8.6%, while the benchmark delivered -4.5% in March, as equity markets declined sharply amid investor uncertainty around US policy, alongside one of the most significant rotations out of growth in recent history.
- The Fund's underperformance was driven by weakness in communication services, consumer discretionary, and information technology.
- During the month, the Fund initiated six new positions: **Alibaba**, **Tokio Marine**, **Unilever**, **Primo Brands**, **JP Morgan**, and **Deutsche Boerse**.

Market Review

Equity markets declined broadly in March, with the US leading losses and most other major regions also closing the month lower. Growth stocks significantly underperformed value, creating one of the widest style dispersions in recent years and a particularly challenging backdrop for the Fund's growth-oriented positioning.

Inflation trends remained broadly stable across major economies. In the US, price pressures showed signs of reacceleration, prompting investor caution around the potential delay in monetary easing. Economic activity improved modestly in parts of Europe and China, while signs of resilience in US consumer spending were tempered by a slower pace of growth.

In this environment, Axiom continues to favour dynamic growth businesses, particularly those with strong fundamentals and upward earnings revisions. As global growth moderates, the team believes market leadership will increasingly be driven by companies delivering consistent profitability and innovation rather than macro-driven cyclicity.

Portfolio Commentary

The Fund underperformed its benchmark in March, with relative weakness concentrated in growth-oriented sectors. Communication services, financials, and consumer discretionary were the largest detractors, and no sectors contributed positively.

Meta Platforms, a US-based digital advertising and social media company, declined on concerns that a softer economic backdrop could weigh on ad budgets. **ServiceNow**, a US-based enterprise software provider, underperformed due to its exposure to the US federal government, which accounts for around 8% of revenues, and investor caution around public sector cost-cutting. **Amazon**, a US-based e-commerce and cloud provider, detracted as investors reassessed data centre capital expenditure despite resilient consumer data.

Broadcom, a US-based semiconductor and infrastructure technology firm, contributed positively to relative returns due to the Fund's lack of exposure, as the stock fell on concerns over slowing AI-related spending. **Tesla**, a US-based electric vehicle and clean energy company, also contributed positively through non-ownership following weaker-than-expected delivery figures. **Cintas**, a US-based uniforms and industrial services provider, outperformed on strong quarterly earnings and upgraded guidance.

The Fund reduced exposure to information technology and communication services while increasing allocations to financials and consumer staples. Existing positions in **Cintas**, **Visa**, and **Sony** were topped up. **Visa**, a global

payments platform, was added for its defensive characteristics, while **Sony's** weighting was increased following strong gaming results and optimism around the next Grand Theft Auto release. **Nvidia**, **Netflix**, and **Alphabet** were trimmed to lock in gains and manage portfolio risk amid softer consumer indicators.

Six new positions were established in March. **Alibaba**, a Chinese technology group, is seeing revenue and profit acceleration as its cloud business scales. **Tokio Marine**, a Japanese insurer, is gaining market share and offers upside in its specialty lines. **Unilever**, a global consumer goods company, is reshaping its portfolio to improve growth and margins. **Primo Brands**, a US bottled water business formed through a merger, is benefiting from health trends and cost synergies. **JP Morgan**, a global financial services firm, is positioned to gain from increased market volatility. **Deutsche Boerse**, a European market infrastructure provider, is set to benefit from higher capital markets activity supported by fiscal stimulus.

No positions received MSCI ESG upgrades or downgrades during March. However, the team engaged with **Boston Scientific's** chief sustainability officer to deepen their understanding of the firm's ESG practices. ESG metrics now represent 15% of annual employee performance assessments, influencing compensation. The company has made strong progress on Scope 1 and 2 emissions and has committed to SBTi-aligned Scope 3 targets, working closely with its supply chain.

FEATURES	
APIR CODE	HHA0002AU
REDEMPTION PRICE	A\$ 3.0525
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 43.33m
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.

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