

PENGANA HIGH CONVICTION EQUITIES FUND

DESCRIPTION

The Pengana High Conviction Equities Fund (the Fund) invests globally in a concentrated portfolio of up to 20 stocks. The Fund can invest in both small and large cap stocks and is diversified across countries and sectors. We avoid investment in companies that are currently, in our opinion, unnecessarily harmful to people, animals or the environment.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Mar 2026¹

High Conviction Equities Fund Class A

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Equities Fund Class A	-24.4%	28.9%	19.1%	30.0%	12.0%	23.5%
MSCI World Total Return Index (net, AUD)	-2.6%	8.2%	10.1%	15.9%	12.6%	12.1%
RBA Cash Rate plus 3%	0.6%	6.8%	7.0%	7.1%	5.9%	5.0%

High Conviction Equities Fund Class B

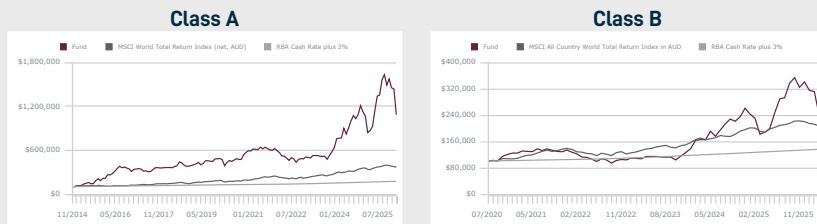
	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Equities Fund Class B	-24.3%	29.5%	19.3%	30.1%	12.5%	16.2%
MSCI World Total Return Index (net, AUD)	-2.6%	8.2%	10.1%	15.9%	12.6%	13.5%
RBA Cash Rate plus 3% p.a.	0.6%	6.8%	7.0%	7.1%	5.9%	5.5%

Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. Performance figures are calculated using net asset values 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.

Fund inception date Class A: December 2014, Class B July 2020.

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Artrya Limited	Health Care
Brazilian Rare Earths Limited	Materials
Clarity Pharmaceuticals Ltd.	Health Care
Iperionx Ltd.	Materials
Metallium Limited	Materials

SECTOR BREAKDOWN

Health Care	47.7%
Information Technology	2.8%
Materials	46.1%
Options	0.4%
Cash	3%

CAPITALISATION BREAKDOWN

Under 5bn USD	96.6%
Derivatives	0.4%
Cash	3%

REGION BREAKDOWN

North America	3%
Australia/New Zealand	93.6%
Options	0.4%
Cash	3%

STATISTICAL DATA

VOLATILITY³ 28%

NUMBER OF STOCKS 18

BETA⁴ 0.95

MAXIMUM DRAW DOWN -33.5%

MARCH REPORT

COMMENTARY

- The Fund fell 24.4% in March due to geopolitical-driven market volatility but has already recovered ~10% by mid-April, with similar past sell-offs historically reversing relatively quickly.
- Performance was dragged down by **Immutep's** failed Phase 3 trial (–85% share price, –3.6% fund impact), alongside broad-based selling in smaller-cap holdings across the portfolio.
- A positive contributor this month was **Amplia**, which delivered strong clinical results with significantly improved response rates.

The Fund fell 24.4% in March, largely due to market volatility linked to the Iranian conflict. Encouragingly, the Fund has already recovered around 10% as of the 13th of April.

We saw a similar pullback last year following the introduction of US tariffs, which reversed relatively quickly. While the current situation remains uncertain, we believe some form of a resolution is likely over time, even if not all issues are fully settled.

During the month, performance was influenced by one disappointing biotech outcome and one very strong positive result.

Immutep, an Australian cancer immunotherapy company, failed a futility analysis in its Phase 3 lung cancer trial. This was unexpected and led to an 85% fall in the share price, reducing fund performance by 3.6% for the month. The company continues to develop its lead drug, Eftilagimod, in other cancer types and also has an early-stage autoimmune program (IMP-761). We chose to exit the position to realise the capital loss and will revisit the company once there is more clarity on what went wrong in the trial.

On the positive side, **Amplia** delivered very encouraging results in its ACCENT study. The company reported five complete responses out of 65 pancreatic cancer patients (a 7.8% response rate) when its drug, Narmafotinib, was combined with chemotherapy. This is a significant improvement compared to historical results, where chemotherapy alone produced just one complete response out of 430 patients (0.2%). While overall survival improved by two months, which is meaningful in such a difficult disease, the complete response data are particularly promising. The company is now working to identify which patients are most likely to benefit and is exploring combinations with KRAS inhibitors, a new class of cancer drugs targeting a key mutation found in many cancers.

More broadly, the portfolio was affected by broad-based selling, particularly in smaller companies. **IperionX** fell 48% during March (although it has rebounded 23% so far in April), **Brazilian Rare Earths** declined 20%, **Metallium** fell 25%, and **Clarity Pharmaceuticals** was down 15%.

Looking ahead, we see a number strategic updates and a possible bauxite spin-off at **Brazilian Rare Earths**, continued ramp-up of **Metallium's** Texas recycling facility, and FDA approval of **Artrya's** final cardiac CT scan module.

The war involving Iran has sharply reinforced a long-evident weakness of the global energy system: excessive dependence on fossil fuels routed through a small number of highly militarised chokepoints, particularly the Strait of Hormuz, which normally handles roughly a fifth of global oil and LNG trade. The conflict has triggered price spikes, insurance withdrawal, shipping disruptions and policy responses across more than 60 countries, prompting

governments to prioritise energy security alongside decarbonisation. Unlike oil and gas, renewable energy infrastructure is largely immune to embargoes once built, turning the transition from a climate objective into a strategic imperative.

This shift materially increases demand for **secure, non-Chinese critical-mineral supply chains**, directly benefiting companies exposed to domestic processing and recycling. **IperionX** stands to gain from U.S. efforts to reshore titanium supply for defence, aerospace and clean-energy applications, reflected in substantial Department of Defence funding and scrap feedstock support. **Brazilian Rare Earths** is leveraged to growing Western interest in Brazil as a rare-earth alternative to China, as governments accelerate magnet and electrification supply chains amid geopolitical stress. **Metallium** benefits from the same dynamic through its Flash Joule Heating technology, enabling domestic recovery of gallium, rare earths and other strategic metals from waste and residues in the U.S. and allied markets.

FEATURES

APIR CODE	Class A: HHA0020AU Class B: PCL9196AU
REDEMPTION PRICE	Class A: A\$ 3.7623 Class B: A\$ 1.6144
FEES *	Management Fee: 1.80% p.a. (Class A) 1.25% p.a. (Class B) Performance Fee: 15.38% (Class A) 20% (Class B)
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 123.89m
STRATEGY INCEPTION DATE	11 December 2014
BENCHMARK	RBA Cash Rate + 3%

FUND MANAGERS



James McDonald
Portfolio Manager



Jeremy Bendeich
Portfolio Manager

1. Net performance figures are shown are those of Class A Units, 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.

2. Inception 11 December 2014.

3. Annualised standard deviation since inception.

4. Relative to MSCI World. Using daily returns.

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

PENGANA HIGH CONVICTION EQUITIES 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

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