

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 May 2025¹

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	6.2%	2.6%	32.4%	23.2%	15.0%	23.6%
MSCI World Total Return Index (net, AUD)	5.3%	17.5%	19.5%	17.4%	14.9%	12.7%
RBA Cash Rate plus 3%	0.6%	7.3%	7.2%	6.7%	5.3%	4.9%

High Conviction Equities Fund Class B

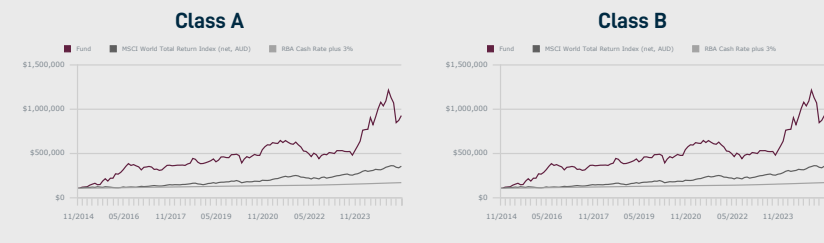
	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	SINCE INCEPTION P.A.
High Conviction Equities Fund Class B	6.3%	4.4%	32.3%	23.4%	15.2%
MSCI World Total Return Index (net, AUD)	5.3%	17.5%	19.5%	17.4%	15.0%
RBA Cash Rate plus 3% p.a.	0.6%	7.3%	7.2%	6.7%	5.3%

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)

Brazilian Rare Earths Limited	Materials
Clarity Pharmaceuticals Ltd.	Health Care
Genetic Signatures Ltd.	Health Care
Iperionx Ltd.	Materials
MTM Critical Metals Limited	Materials

SECTOR BREAKDOWN

Consumer Discretionary	3.1%
Health Care	39.8%
Information Technology	2.7%
Materials	47.5%
Options	0.7%
Cash	6.2%

CAPITALISATION BREAKDOWN

Under 5bn USD	90.5%
In between 5bn - 10bn USD	2.7%
Derivatives	0.7%
Cash	6.2%

REGION BREAKDOWN

North America	7.7%
Europe ex-UK	2.7%
Australia/New Zealand	82.8%
Options	0.7%
Cash	6.2%

STATISTICAL DATA

VOLATILITY³ 25.9%

NUMBER OF STOCKS 23

BETA⁴ 0.81

MAXIMUM DRAW DOWN -32.1%

MAY REPORT

COMMENTARY

- The Fund rose 6.2% in the month and is up 10% in early June, led by critical minerals holdings like **MTM** and **IperionX**, which are benefiting from US-China trade tensions and strong operational progress.
- The Fund exited **Dimerix** after a successful licensing deal and increased its stake in **Oncosil**, seeing long-term value despite short-term share price weakness.

During the month, the Fund reported a gain of 6.2%. The recovery from a very weak first quarter continues with the Fund up 10% in the first two weeks of June, driven by our critical minerals holdings, which represent 50% of the Fund. Recent trade tensions between China and the US regarding rare earth metals are extremely beneficial for our positioning.

We recently conducted a site visit to **IperionX's** new plant in Virginia and met with **MTM**, their engineering partner Knighthawk, and inventor Dr James Tour in Houston. We came away more convinced than ever about the transformative nature of both companies' technology and see enormous upside for both holdings.

MTM Critical Metals gained 61% after reporting that it has signed a lease for a production ready facility south of Houston, Texas. The site is pre-permitted for industrial scale waste management, allowing for the rapid ramp up of production at the end of the year. We expect recycling of ultra-high value Gallium and Germanium (selling price of \$700k/t and \$4m/t respectively) to generate significant profits in 2026 despite very modest capex of less than \$10m. E-waste recycling (used PCB boards) offers a much larger USD40bn opportunity, with gold being most of the value. US government grants may well cover a significant amount of the capex for the PCB business due to the presence of rare earths in the waste stream. Management noted recent increased urgency from the US government on funding such projects. The company is perfectly positioned to benefit from both the critical minerals and gold thematic. With strong gains in June, the shares have now risen 280% since the 1st of April, but we feel there is still very large upside.

IperionX rose 9.4% on little news. We were hugely impressed after seeing the new facility and meeting the very capable management team who are executing extremely well on ramping up manufacturing. 2025 has always been about producing prototype parts for customer validation, with commercial products made in 2026. We expect to hear more from the company about its plans and new customers over the coming months. The shares have risen 56% since the start of April, with more gains in June.

Australian biotech **Dimerix** was up 45% in May after entering into a licensing deal with Amicus. Amicus agreed to pay up to \$940m in upfront and milestone payments plus royalties for the exclusive license to commercialise DMX-200 for all indications in the US market. We took the opportunity to exit the holding.

Australian pancreatic cancer **Oncosil** fell 50% after completing a capital raise. We used the opportunity to increase our ownership to 18.5% of the issued shares and options. Post raise, the company will have a market cap of approximately \$19m with \$14m of cash. We view this as excellent value for a company with an approved and marketed medical device in Europe, two nearly complete phase 2 studies, and a government funded major phase 3 clinical study, which will commence in 2026, the value of which could be more than \$100m.

We expect the company to complete recruitment of two significant clinical studies in the next few months, **PANCOSIL** and **TRIPP-FXX**, coupled with continued revenue growth in Europe, where the device is approved. The

PANCOSIL study is extremely important as it allows the device to be delivered percutaneously (under the skin) rather than via an endoscope. This opens the market to a much larger pool of interventional radiologists who are well trained in delivering radiotherapy devices, and should significantly accelerate revenue growth in 2026.

Brazilian Rare Earths fell 11% despite announcing significant drilling results, which greatly expanded the size of its ultra high-grade rare-earth province. The Sulista deposit lies 80km south of the initial find at Monte Alto, along a 180km strike. Sulista and Pelle are much larger areas than Monte Alto, with the potential to greatly increase the overall resource of the company. We await further drilling data and a detailed mine plan for the rare earth and bauxite deposits by year end. Also of note is the recent surge in uranium prices (80% in two months), which benefits the company given its high uranium grades.

Medical imaging software company **Enlitic** fell 37% after conducting a capital raising, which was necessary as part of a recently announced deal with GE. The dilution from the capital raising has overwhelmed the positive GE news. This new deal could lead to up to \$50m of additional revenue over the next 5 years. The company continues to guide to operational cash-flow break-even by CY25, end, which we will be monitoring closely.

FEATURES

APIR CODE	Class A: HHA0020AU Class B: PCL9196AU
REDEMPTION PRICE	Class A: A\$ 3.5325 Class B: A\$ 1.5114
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\$ 93.16m
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

Pengana Capital Limited (ABN 30 103 800 568, AFSL 226566) ("Pengana") is the issuer of units in the Pengana High Conviction Equities Fund (ARSN 602 546 332) (the "Fund"). A Product Disclosure Statement (PDS) and Target Market Determination are available and can be obtained from our distribution team or website. A person should obtain a copy of the product disclosure statement and should consider the product disclosure statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in the Fund.