

PENGANA HARDING LOEVNER INTERNATIONAL FUND

DESCRIPTION

An International Fund targeting superior risk-adjusted returns through investing in high-quality and durable growing companies at reasonable prices.

The Pengana Harding Loevner International Fund invests in high-quality, growing companies identified through fundamental research with a long-term, global perspective.

Pengana has appointed Harding Loevner to managed the Fund. Harding Loevner is a New Jersey-based global equity fund manager formed in 1989 with over US\$86billion in Assets under Management.

Harding Loevner' analysts search the world for companies that meet their high quality and durable growth criteria, conduct fundamental research, then value and rate their stocks to make them available to PMs for investment.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 May 2026¹

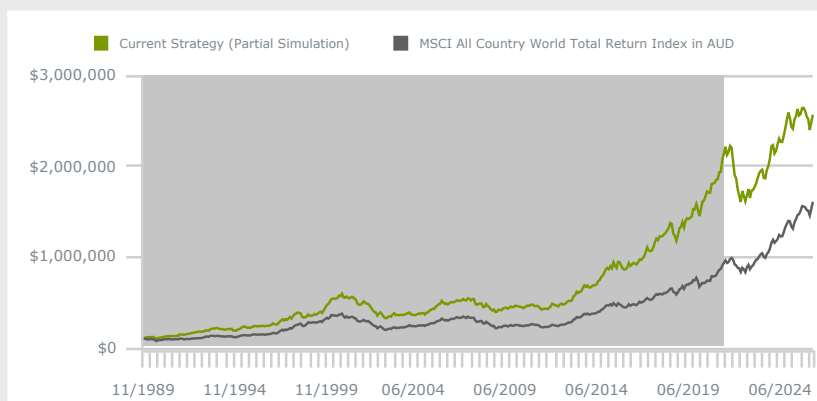
Pengana Harding Loevner International Fund Class B

The Class was established in 1 July 2015. From June 2021 Harding Loevner was appointed as the investment manager for the Fund.

	1M	1Y	2Y	3Y	Since Harding Loevner Appointed June 2021 ¹	5Y	Since Fund Inception July 2015 ²	Since Strategy Inception November 1989 ³
Fund (APIR PCL0026AU)^{1,2} Managed by Harding Loevner from June 2021	3.4%	2.1%	8.8%	11.2%	5.8%	5.8%	9.1%	
Current Strategy (Partial Simulation)⁴ Harding Loevner Global Equity Strategy							10.4%	9.3%
Index⁵	5.1%	16.5%	17.0%	18.1%	13.1%	13.1%	12.0%	7.9%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary
ASML Holding NV	Information Technology
Meta Platforms Inc Class A	Communication Services
Microsoft Corporation	Information Technology
Netflix, Inc.	Communication Services
NVIDIA Corporation	Information Technology
Samsung Electronics Co Ltd Sponsored GDR Pfd	Information Technology
Schneider Electric SE	Industrials
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology

SECTOR BREAKDOWN

Consumer Discretionary	9%
Consumer Staples	0.9%
Energy	2.6%
Financials	11%
Health Care	12.8%
Industrials	19.9%
Information Technology	29.6%
Communication Services	11.8%
Utilities	0.9%
Cash	1.3%

CAPITALISATION BREAKDOWN

Under 5bn USD	0.9%
In between 5bn - 10bn USD	0.9%
In between 10bn - 50bn USD	15.6%
In between 50bn - 150bn USD	24.9%
In between 150bn - 500bn USD	20.1%
Above 500bn USD	36.4%
Cash	1.3%

REGION BREAKDOWN

North America	56.4%
Europe ex-UK	14%
Emerging Markets	8.5%
Japan	5.9%
UK	8.5%
Asia Pacific ex-Japan	5.4%
Cash	1.3%

MAY REPORT

COMMENTARY

Summary

- The Fund rose 3.4% in May, underperforming the MSCI All Country World Total Return Index (net, AUD), which rose 5.1%, as global equities rallied broadly on the continued strength of the AI-driven Information Technology sector.
- All major regions advanced, with Emerging Markets the strongest, led by a sharp rally in South Korea. Information Technology was the standout sector, returning more than three times the broad index, while Energy weakened as oil prices fell on prospects for a US-Iran agreement.
- **ASML** and **Samsung Electronics** contributed to performance, though the absence of memory chip makers Micron and SK Hynix detracted. The Fund initiated a new position in **Kubota**, the Japanese supplier of tractors and farming equipment.

Market Review

Global equity markets advanced strongly in May, rising around 5%, with US equities narrowly outperforming their international counterparts. All major regions delivered positive returns, supported by the continued momentum of the artificial intelligence buildout and an easing of geopolitical tensions in the Middle East.

Information Technology was the standout sector by some margin, returning more than three times the broad market as investors maintained their enthusiasm for AI-related businesses. The recovery extended beyond hardware, with even the previously weaker software and services industry posting a sharp rebound, rising close to 16%. In contrast, Energy weakened as oil prices declined on improving prospects for a US-Iran agreement and expectations that the Strait of Hormuz would soon reopen, reversing some of the gains the sector had captured during the earlier conflict.

Regional performance was led by Emerging Markets, which rose nearly 10% as South Korea surged by more than a third on the strength of its memory chip manufacturers. The concentration of advanced semiconductor production in the region positioned these markets to benefit directly from the AI demand cycle.

Portfolio Commentary

The Fund rose 3.4% in May, underperforming the benchmark, which rose 5.1%. Underperformance, both for the month and the year to date, was concentrated in Information Technology, where a small group of stocks drove much of the market's strength.

Of the 20 stocks responsible for 78% of the MSCI ACWI Index's total return in May, 18 were in IT. The Fund owns seven of these, including **ASML**, the Dutch supplier of photolithography equipment to the semiconductor industry, and **Samsung Electronics**, the South Korean semiconductor and memory chip manufacturer. The absence of others from the portfolio, particularly memory chip makers Micron and SK Hynix, weighed on relative returns. By geography, the weakest contribution came from the US, where most of this IT-led concentration was felt.

Several financial holdings lagged during the month despite reporting positive results. **Reinsurance Group of America**, the global life and health reinsurer, and **Progressive**, the US auto insurer, both declined, as did **Tradeweb Markets**, the US-based electronic trading platform for fixed income and derivatives.

Elsewhere, **Netflix** declined for the third consecutive month after the company issued slightly lower-than-expected guidance for second-quarter growth. On the positive side, **HEICO**, the US-based aircraft parts manufacturer, reported strong revenue growth that was unaffected by the conflicts in the Middle East.

During the month, the Fund initiated a position in **Kubota**, one of the leading global suppliers of tractors and farming equipment. The team views Kubota's competitive advantage as resting on its superior technology, with lightweight and compact designs that deliver excellent manoeuvrability and high energy efficiency, combined with an extensive dealer and service network across the US and Asia. The share price had been weighed down by US tariffs and slowing US growth through the first half of 2025. Kubota has committed to a turnaround plan focused on growing free cash flow by reducing certain financial incentives that have been a drag on returns, such as subsidised rates and extended payment terms, and reinvesting that cash into high-growth areas, including construction machinery and India. The team expects this plan to support stronger returns going forward.

Periods of narrow market leadership, while uncomfortable in the short term, are not unusual. The investment approach continues to focus on businesses with durable competitive advantages and the financial strength to navigate a range of economic conditions.

FEATURES

APIR CODE	PCL0026AU
REDEMPTION PRICE	A\$ 1.0081
FEES *	Management Fee: 0.974% Performance Fee: Nil
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 24.85m
STRATEGY INCEPTION DATE	1 December 1989
BENCHMARK	MSCI All Country World Total Return Index (net) in \$A

FUND MANAGERS



Jingyi Li
Portfolio Manager



Rick Schmidt
Portfolio Manager

1. Harding Loevner was appointed fund manager as of 10 May 2021. June 2021 represents the first full month of Harding Loevner managing the Fund.
 2. Class B Inception date 1 July 2015. Figures shown are calculated from the continuous performance of both the current and previous strategies. For performance see row labelled Fund (APIR PCL0026AU) in the table above which is the continuous performance of both the current and previous (shaded) strategies.
 3. Harding Loevner Global Equity Strategy inception 1 Dec 1989
 4. Prior to June 2021, the Harding Loevner Global Equity Strategy performance (labelled 'Current Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Harding Loevner Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of Class B. From June 2021 the strategy performance is the performance of the Pengana Harding Loevner International Fund Class B.
 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. The Harding Loevner Global Equity Strategy performance (shown in the shaded area in the chart, and in the performance table as row labeled 'Harding Loevner Global Equity Strategy') has been simulated by Pengana from the monthly gross returns of the Harding Loevner 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. Strategy Inception 30 November 1989.
 8. Annualised standard deviation since inception.
 9. Relative to MSCI All Country World Total Return Index in AUD
- * For further information regarding fees please see the PDS available on our website.

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