

## PENGANA AUSTRALIAN EQUITIES FUND

### DESCRIPTION

The Pengana Australian Equities Fund aims to enhance and preserve investor wealth over a 5- year period via a concentrated core portfolio of principally Australian listed securities. The Fund uses fundamental research to evaluate investments capable of generating the target return over the medium term. Essentially, we are in the business of seeking to preserve capital and make money – we are not in the business of trying to beat the market. We remain focused on acquiring and holding investments that offer predictable, sustainable and well-stewarded after-tax cash earnings yields in excess of 6% that will grow to double digit levels as a percentage of our original entry price in five years. We believe that building a well-diversified portfolio of these “gifts that keep on giving” represents a meaningful way to create and preserve financial independence for our co-investors.

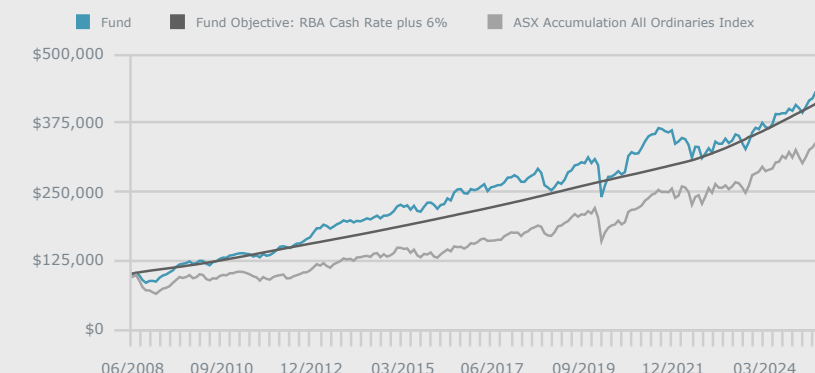
### PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jul 2025<sup>1</sup>

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	SINCE INCEPTION P.A.
Australian Equities Fund	3.0%	10.5%	9.2%	9.0%	6.8%	8.9%
Fund Objective: RBA Cash Rate plus 6%	0.8%	10.2%	9.9%	8.4%	7.9%	8.6%
ASX Accumulation All Ordinaries Index	2.6%	11.9%	12.1%	12.4%	8.9%	7.4%

### PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION<sup>2</sup>



### TOP HOLDINGS (ALPHABETICALLY)

Amcor PLC Shs Chess Depository Interests	Materials
BHP Group Ltd	Materials
CSL Limited	Health Care
Evolution Mining Limited	Materials
Metcash Limited	Consumer Staples
National Australia Bank Limited	Financials
NIB Holdings Ltd	Financials
ResMed Inc	Health Care
Stockland	Real Estate
Telstra Group Limited	Communication Services

### SECTOR BREAKDOWN

Consumer Discretionary	7.8%
Consumer Staples	4.9%
Energy	3.6%
Financials	22.3%
Health Care	16.2%
Industrials	2.3%
Materials	17.4%
Real Estate	7.6%
Communication Services	5.7%
Utilities	2.9%
Cash	9.4%

### CAPITALISATION BREAKDOWN

ASX 1-50	62.2%
ASX 51-100	11.9%
ASX 101-300	13.6%
Non ASX	2.9%
Cash	9.4%

### CUSTOM SECTOR BREAKDOWN

Defensive	59.8%
Financials	11.5%
Consumer Discretionary	8.2%
Resources	11.1%
Cash	9.4%

### STATISTICAL DATA

VOLATILITY<sup>3</sup> 11.2%

NUMBER OF STOCKS 24

BETA<sup>4</sup> 0.7

MAXIMUM DRAW DOWN -23.1%

## COMPANIES' CASHFLOWS CONTINUE TO UNDERPIN PORTFOLIO'S ROBUST RETURNS

### COMMENTARY

In a robust start to the new financial year, the Fund generated a 3.0% return in July. By way of comparison, the return of the RBA cash rate plus 6% equated to approximately 0.8%, while the All Ordinaries Accumulation Index returned 2.6%.

The Fund continues to outperform its benchmark since inception, just over 17 years ago, with a return of 8.9% per annum versus its RBA equity risk premium adjusted benchmark of 8.6% and the market return of 7.4% for the same period.

The Fund had a reasonably active month. Several of our larger holdings experienced positive news flow, allowing us to trim our exposure as the momentum driven market drove their prices substantially higher. These included **ResMed**, **Medibank**, **Telstra** and **Aristocrat**. Conversely, price weakness in **Bluescope Steel** and **Westpac** allowed us to add to our existing holdings.

We had a long tail of positively returning holdings over the month. Our best performers included **CSL**, **ResMed**, **Credit Corp** and **BHP**. It is also worth noting that ResMed and Credit Corp have reported their results at the start of the current earnings season. Both were strong results with sharp positive movements in their share prices.

The only negative performer of any significance was **Evolution Mining**, which was probably to be expected after generating the Fund's largest contribution during the prior 12 months. Operationally, the business is in excellent shape, and we expect it to continue to act as an important cash flow generator and hedge against inflation for the portfolio.

Earnings season has begun in earnest, with early indications highlighting that quality management teams are able to manage costs while funding selective investment in growth opportunities. In addition, we have experienced a moderately higher level of CEOs with good track records handing over the baton to their successors – **CarSales**, **RealEstate.com** and **JB Hi-fi** being recent examples.

## FEATURES

APIR CODE	PCL0005AU
REDEMPTION PRICE	A\$ 1.7622
FEES *	Management Fee: 1.025% Performance Fee: 10.25%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 473.15m
STRATEGY INCEPTION DATE	1 July 2008
BENCHMARK	The RBA Cash Rate Target plus Australian equity risk premium.

## FUND MANAGERS



**Rhett Kessler**  
CIO and Senior Fund Manager



**Anton du Preez**  
Deputy CIO and Fund Manager

1. Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. The benchmark of cash rate plus 6% p.a. is included in the chart as it relates to the Fund's investment objective and performance fee. The Fund may invest up to 100% of its assets in equity securities. The greater risk of investing in equities is reflected in the addition of a margin above the cash rate. 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 1st July 2008.

3. Annualised standard deviation since inception.

4. Relative to ASX All Ordinaries Index. Using daily returns.

\*(including GST, net of RITC) of the increase in net asset value subject to the RBA Cash Rate & High Water Mark. For further information regarding fees please see the PDS available on our website.

## PENGANA AUSTRALIAN 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](mailto:clientservice@pengana.com)



### PENGANA.COM

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