MONTHLY REPORT
JULY 2026

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.

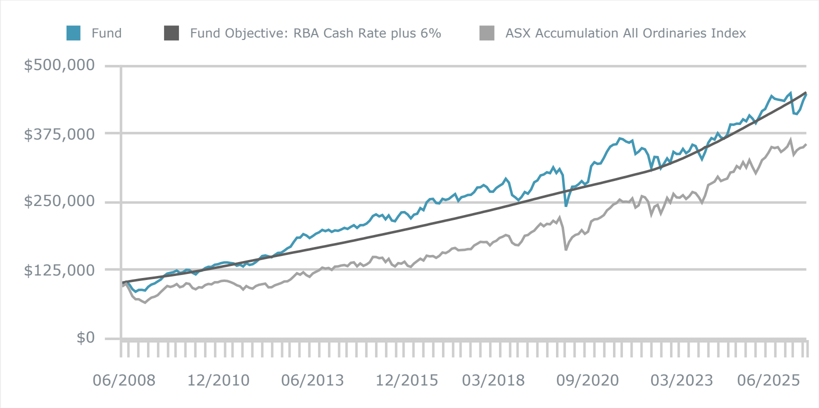
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jul 2026[1]

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	SINCE INCEPTION P.A.
Australian Equities Fund	2.8%	3.5%	8.1%	4.7%	6.1%	8.6%
Fund Objective: RBA Cash Rate plus 6%	0.8%	9.9%	10.1%	9.1%	8.1%	8.7%
ASX Accumulation All Ordinaries Index	1.7%	4.8%	9.9%	7.5%	9.0%	7.3%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



TOP HOLDINGS (ALPHABETICALLY)

Amcor PLC Shs Chess Depository Interests	Materials
Ampol Limited	Energy
Aristocrat Leisure Limited	Consumer Discretionary
BHP Group Ltd	Materials
Bluescope Steel Limited	Materials
Evolution Mining Limited	Materials
National Australia Bank Limited	Financials
NIB Holdings Ltd	Financials
ResMed Inc	Health Care
Telstra Group Limited	Communication Services

SECTOR BREAKDOWN

Consumer Discretionary	8.9%
Consumer Staples	2.9%
Energy	3.9%
Financials	21.4%
Health Care	8%
Industrials	4.2%
Materials	27%
Real Estate	7.3%
Communication Services	4%
Utilities	2.6%
Cash	9.8%

CAPITALISATION BREAKDOWN

ASX 1-50	49.8%
ASX 51-100	19.4%
ASX 101-300	17.5%
All Ordinaries	0.9%
Non ASX	2.6%
Cash	9.8%

CUSTOM SECTOR BREAKDOWN

Defensive	48.9%
Financials	13.5%
Consumer Discretionary	7.4%
Resources	20.4%
Cash	9.8%

STATISTICAL DATA

VOLATILITY[3]	NUMBER OF STOCKS	BETA[4]	MAXIMUM DRAW DOWN
11.1%	29	0.7	-23.1%

FUNDAMENTALS REWARDED AS MOMENTUM UNWINDS

COMMENTARY

The Fund was up 2.8% in July, continuing its strong run as the market rotated to reward fundamentals and cash flow over momentum and thematics. In comparison, the ASX All Ordinaries Accumulation Index rose 1.7%, and the RBA cash rate +6% benchmark increased 0.8%.

In the shadow of renewed hostilities in the Middle East, energy and financials bounced back while IT and Industrials lagged. **Ampol, NAB, NIB Holdings** and **Aristocrat** drove the Fund's performance.

The resumption of hostilities in the Middle East drove energy stocks higher. Investors rotating out of AI enablers found refuge in the banks, while Technology and Materials stocks were the weakest performers.

The Fund performance was led by **Ampol**. While it benefited from short term geopolitical volatility, we see more lasting impacts on global refining supply and an undervalued core retail business. Our holdings in **NAB** and **Westpac** contributed positively as the market appreciated their defensiveness. Similarly, health insurer **NIB Holdings** and debt services business **Credit Corp Group** were rewarded for continuing to show resilience during uncertain times. More broadly, our Industrials exposure, particularly to the robust US economic activity, has been rewarded for its strong earnings.

Dragging on performance were **Evolution Mining**, despite gold prices stabilising, and **Maas Group**, which has become more volatile as it transitions towards servicing the data centre builders.

Two new names were introduced to the portfolio in July. **Cleanaway Waste Management** is a company that operates in the structurally growing recycling market and has finally turned that growth into the cash flow that appeals to us. **Flight Centre** has been hit with fears of AI disintermediation and the impact of Middle Eastern flight disruptions. Whilst the disruption will pass, AI is becoming more opportunity than risk for a company that has embraced these tools to be able to offer better services more efficiently, especially to their growing international corporate customer base. **Ramsay Health Care** has rerated sharply as the Healthscope break up gets resolved, utilisation rates improve and it recontracts with Private Health Insurers. We have taken profits on this value realisation.

As we enter another reporting season, we expect volatility and have cash levels of close to 10% to take advantage of opportunities. Our focus on what cash flow we can generate from a dollar is the perfect lens for this current business cycle as growth increasingly comes with capital investment and interest rates stay higher for longer. For us, the opportunities will continue to be found in high-quality businesses led by proven management teams and supported by resilient cash flows that can flourish regardless of the thematics.

FEATURES

APIR CODE	PCL0005AU
REDEMPTION PRICE	A$ 1.6371
FEES *	Management Fee: 1.025% Performance Fee: 10.25%
MINIMUM INITIAL INVESTMENT	A$10,000
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
Senior Fund Manager

Michael Maughan
Senior 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.

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