PENGANA CAPITAL GROUP

MONTHLY REPORT
JULY 2026

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 Jul 2026[1]

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	-17.3%	-26.8%	4.0%	23.7%	9.7%	21.6%
MSCI World Total Return Index (net, AUD)	-0.9%	10.4%	13.8%	16.5%	12.2%	12.8%
RBA Cash Rate plus 3%	0.6%	6.9%	7.0%	7.1%	6.1%	5.1%

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	-17.2%	-26.2%	4.7%	23.8%	10.0%	13.3%
MSCI World Total Return Index (net, AUD)	-0.9%	10.4%	13.8%	16.5%	12.2%	14.8%
RBA Cash Rate plus 3% p.a.	0.6%	6.9%	7.0%	7.1%	6.1%	5.6%

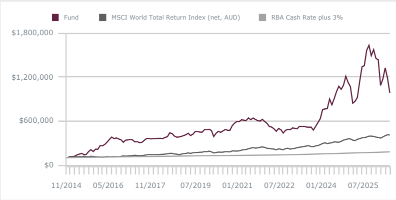
Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. Performance figures are calculated using net asset values after all fees and expenses, and assume reinvestment of distributions. No allowance has been made for buy/sell spreads. Please refer to the 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.

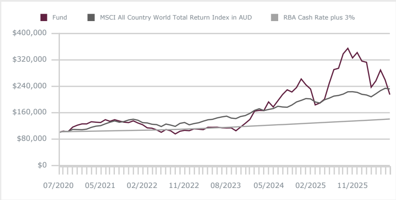
PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]

Class A



Class B



TOP HOLDINGS (ALPHABETICALLY)

Advantest Corp.	Information Technology
Artrya Limited	Health Care
Brazilian Rare Earths Limited	Materials
Iperionx Ltd.	Materials
Metallium Limited	Materials

SECTOR BREAKDOWN

Health Care	51%
Information Technology	2.9%
Materials	40.6%
Communication Services	1.3%
Options	1.8%
Cash	2.4%

CAPITALISATION BREAKDOWN

Under 5bn USD	95.8%
Derivatives	1.8%
Cash	2.4%

REGION BREAKDOWN

North America	2.9%
Australia/New Zealand	92.9%
Options	1.8%
Cash	2.4%

STATISTICAL DATA

VOLATILITY[3]	NUMBER OF STOCKS	BETA[4]	MAXIMUM DRAW DOWN
28.6%	21	0.98	-40%

JULY REPORT

COMMENTARY

- The Fund fell 17.3% for the month. Longer-term performance remains strong, with the Fund returning 23.7% p.a. over three years versus 16.5% p.a. for the index.
- **OncoSil +64%** was a key contributor following encouraging TRIPP FXX study results. Key detractors were **Artrya -34%**, **IperionX -31%**, **Metallium -26%** and **Brazilian Rare Earths -16%**, with critical minerals impacted by a broader sector sell-off.
- The team expects several significant catalysts in 2H26, including potential contract announcements from **Artrya and IperionX**, German government funding for **OncoSil**, and two Phase III results from **Clarity Pharmaceuticals**.

We also recently hosted a webinar in which Portfolio Managers James McDonald and Jeremy Bendeich discussed the key developments expected across several significant holdings, why the team remains confident in the investment thesis, and how these events could influence the valuation of a number of the Fund's largest positions. A recording of the webinar is available below.

We expect several of our larger holdings to deliver potentially significant catalysts during the second half of 2026. In particular, we anticipate contract announcements from **Artrya** and **IperionX**, as well as German government funding for **OncoSil**. **Clarity Pharmaceuticals** is expected to report results from two Phase III studies of its prostate cancer diagnostic, while several other healthcare holdings are progressing potential partnering transactions.

Australian pancreatic cancer radiotherapy company **OncoSil** rose 64% after presenting results from its TRIPP-FXX study at the European Society for Medical Oncology congress. Although the study was not powered to demonstrate efficacy, it is encouraging that several independent studies and patient registries have now suggested a survival benefit. We discussed the OncoSil investment thesis and the significance of the TRIPP-FXX results in greater detail in last month's report.

On the negative side, Australian cardiac CT artificial intelligence company **Artrya** fell 34%, having risen 23% in the previous month. The company reported what had been expected to be its first quarter of material revenue but fell short of expectations because of the time required to automate cardiologists' workflows for processing scans.

Before plaque analysis can be performed, cardiologists must currently obtain approval from insurers through hospital administrators, a process that can take several days. Artrya has now automated this step. We expect the benefits of this solution to become evident during the current quarter and believe subsequent hospital implementations should be considerably smoother.

Artrya has contracted with three hospital groups that collectively perform approximately 25,000 cardiac CT scans annually. We expect all three groups to be operational during the fourth quarter, with the potential for rapid adoption thereafter. Artrya's first two software modules generate approximately US$700 per patient. A third module, expected to receive approval during the fourth quarter, would increase the total potential revenue to approximately US$1,000 per patient in calendar 2027.

Artrya's new SAPPHIRE registry, which is expected to commence in the coming months, includes hospital operators performing approximately 400,000 cardiac CT scans annually. If Artrya can convert these operators into paying customers, they alone could represent up to US$400 million of high-margin annual software revenue. Approximately 5.5 million cardiac CT scans are performed each year in the United States, meaning these operators account for only around 7% of the total market. With Artrya currently valued at approximately A$780 million, or US$550 million, we believe there could be substantial upside if the company executes successfully.

Our three critical-minerals holdings, **IperionX**, **Brazilian Rare Earths** and **Metallium,** also had a weak month, declining by 31%, 16% and 26%, respectively, amid a broad sector sell-off. The VanEck Rare Earth and Strategic Metals ETF, which holds IperionX, fell 24%, while the Sprott Rare Earths Ex-China ETF, which holds Brazilian Rare Earths, declined 21%.

The sector performed exceptionally well during the first quarter, supported by rising tensions with China over critical-minerals supply and the Iran war. These developments contributed to stronger electric-vehicle demand and a 100% quarter-on-quarter increase in rare-earth concentrate prices. From May, however, the sector experienced a substantial correction.

Sentiment began to improve again in August after President Trump met with mining executives at the White House on 7 August and announced several large critical-minerals funding commitments. These included approximately A$400 million for Sunrise Metals' scandium project near Parkes in New South Wales.

As discussed in last month's report, **IperionX** raised US$50 million at A$3.20 per share. The company now has a very strong balance sheet, with approximately US$85 million in cash.

In early August, IperionX hosted a webinar and released an updated investor presentation. In our view, the most important chart detailed the breadth and stage of the company's customer engagements. Chief Executive Officer Taso Arima indicated that contracts are expected across four principal markets aerospace, consumer electronics, automotive and defence, although no definitive timeframe was provided.

Approximately 35 million IperionX shares have been sold short in Australia. A further 950,000 ADRs equivalents to 9.5 million ordinary shares have been sold short in the United States. Combined, this represents almost 12% of the company's shares outstanding and could amplify any positive share-price response to contract announcements or other material catalysts.

The other major potential catalyst is government funding for IperionX's Titan or Atlas mining projects, the latter formerly known as Covia. The estimated net present value of the Titan project is currently roughly equivalent to IperionX's entire market capitalisation, suggesting that the market is attributing little or no value to the asset. Given the White House's clear willingness to fund strategically important domestic critical-minerals projects, we continue to believe that government support is likely.

FEATURES

APIR CODE	Class A: HHA0020AU Class B: PCL9196AU
REDEMPTION PRICE	Class A: A$ 3.3965 Class B: A$ 1.4614
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
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.

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