PENGANA CAPITAL GROUP

MONTHLY REPORT
JULY 2026

PENGANA WHEB SUSTAINABLE IMPACT FUND

DESCRIPTION

The Pengana WHEB Sustainable Impact Fund invests in companies with activities providing solutions to sustainability challenges. WHEB have identified critical environmental and social challenges facing the global population over coming decades including a growing and ageing population, increasing resource scarcity, urbanisation and globalisation. The Fund invests in companies providing solutions to these sustainability challenges via nine sustainable investment themes – five of these are environmental (cleaner energy, environmental services, resource efficiency, sustainable transport and water management) and four are social (education, health, safety and well-being). WHEB's mission is 'to advance sustainability and create prosperity through positive impact investments.'

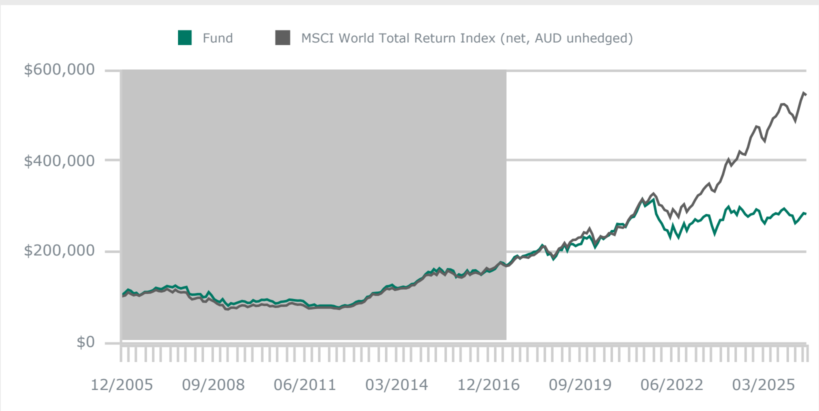
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jul 2026[1]

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
WHEB Sustainable Impact Fund	-0.6%	0.7%	0.3%	-1.4%	
Strategy (partial simulation – see below)					5.2%
MSCI World Total Return Index (net, AUD unhedged)	-0.9%	10.4%	16.5%	12.2%	8.6%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



TOP HOLDINGS (ALPHABETICALLY)

Agilent Technologies, Inc.	Health Care
Autodesk, Inc.	Information Technology
Ecolab Inc.	Materials
Globus Medical Inc Class A	Health Care
ICON Plc	Health Care
Keyence Corporation	Information Technology
STERIS plc	Health Care
TE Connectivity plc	Information Technology
Thermo Fisher Scientific Inc.	Health Care
Xylem Inc.	Industrials

SECTOR BREAKDOWN

Consumer Discretionary	7.8%
Health Care	28.3%
Industrials	27.9%
Information Technology	21%
Materials	7%
Utilities	3.6%
Cash	4.4%

CAPITALISATION BREAKDOWN

2-10bn	19.7%
10-20bn	19.4%
>20bn	56.5%
Cash	4.4%

CUSTOM SECTOR BREAKDOWN

Health	24.9%
Resource Efficiency	23.7%
Sustainable Transport	10%
Environmental Services	7.6%
Water Management	14.7%
Safety	7.2%
Cleaner Energy	4.3%
Education	3.2%
Cash	4.4%

REGION BREAKDOWN

North America	59.4%
Europe ex-UK	20.2%
Japan	8.1%
UK	8%
Cash	4.4%

JULY REPORT

COMMENTARY

While sentiment in June was buoyed by prospects for peace, July was defined by a re-escalation of the US-Iran conflict, a surge and subsequent retreat in oil prices, and a reversal in the AI trade. The Fund delivered a return of -0.6% over the month, outperforming the MSCI World Index, which returned -0.9%.

Over the month, it was announced that Guinness Global Investors ("GGI") will acquire the investment manager of the Pengana WHEB Sustainable Impact fund and take over management of the Fund. The transition is designed to preserve the strategy's established impact philosophy and investment process, while adding greater depth across listed equity research, risk management and portfolio construction. GGI has more than US$11 billion under management and a longstanding focus on sustainable investing, including strategies dating back to 2006. Ted Franks will continue as portfolio manager, supported by WHEB colleagues Ty Lee, Chloe Tang and Katie Woodhouse, with access to GGI's broader team of more than 30 listed equity investment professionals. Seb Beloe will also remain involved in an ongoing advisory and research capacity. The core impact framework, including the Impact Engine and the strategy's focus on companies addressing environmental and social challenges, will remain unchanged, while GGI's broader capabilities are expected to support a stronger emphasis on competitive long-term investment returns.

Market Review

While sentiment in June was buoyed by prospects for peace, July was defined by a re-escalation of the US-Iran conflict, a surge and subsequent retreat in oil prices, and a reversal in the AI trade.

The June memorandum of understanding between Iran and the USA collapsed in early July, leading to an escalation in the conflict. Attacks on vessels led to a new closure of the Strait of Hormuz which caused a sharp rebound in oil prices. However, later in the month prices began to retreat following reports of a potential 60-day truce. Even with the threat to inflation, all three major central banks (the U.S. Federal Reserve, Bank of England, European Central Bank) all voted to keep interest rates unchanged in meetings in the month, although there was a more hawkish tone to much of their commentary.

The AI investment theme, which has driven market gains for most of 2026 faced a reversal in July. Investors pivoted away from semiconductor and hardware stocks due to scepticism regarding the timing and scale of returns on huge capital expenditure commitments.

In July the European Commission proposed to revise the Emission Trading Scheme (ETS). The proposal represents a softening from a climate-mitigation perspective by allowing a more gradual decline of emissions, increasing the cumulative emissions over the next decade. Additionally, it could discourage the reduction of avoidable emissions through the purchase of removals. On the positive side, the proposal mobilises EUR100bn for projects such as industrial electrification, low-carbon production processes and other technologies that reduce emissions. The scope of coverage has also been expanded with the inclusion of municipal waste incineration and further coverage for aviation and maritime activity.

Fund Review

The Fund delivered a return of -0.6% over the month, outperforming the MSCI World Index, which returned -0.9%.

In a reversal from June, **Autodesk**, a design and engineering software company in the Resource Efficiency theme, was the largest positive contributor to return. Investors were encouraged by strong adoption of the Autodesk Construction Cloud, which grew over 20%. Additionally, investor sentiment was bolstered by a strategic collaboration with Amazon Web Services (AWS) to offer its product through the AWS Marketplace.

Life sciences and diagnostics company, **Thermo Fisher**, was the second largest contributor after a positive results announcement. Revenue increased 10% for the quarter compared with the same quarter last year, and EPS increased 13%, both exceeding consensus estimates. The company subsequently raised full-year revenue and earnings guidance due to strong demand across pharmaceutical and biotech end markets.

Infineon, a provider of semiconductors to the automotive, industrial and IoT sector, was the main detractor to performance. Despite raising its guidance for the year after a record quarter, the stock pulled back from its recent peaks. The decline was driven by a broader market rotation away from AI-related stocks. Infineon, with its market leading power semiconductor portfolio, is in that group of stocks.

UK pharmaceutical company, **AstraZeneca** was another detractor in July. Investor sentiment was knocked early in the month after the company announced a surprising failure during the Phase III trial of Wainua, a treatment for a rare and progressive heart disease.

Outlook

July 2026 should serve as a wake-up call for policymakers, investors and citizens. Extreme heat, drought and devastating floods around the world have caused hundreds of deaths, destroyed ecosystems and resulted in billions of dollars of damage. Climate mitigation remains essential, but there is now an equally urgent need to invest in adaptation, including resilient infrastructure, stronger water and agricultural systems, and urban cooling. These investments can improve public health, protect ecosystems and enhance quality of life.

This escalating climate crisis is reinforcing the long-term structural drivers underpinning our investment strategy. We continue to see significant opportunities for companies whose products and services address the need for more efficient, resilient and sustainable systems. Demographic pressures are also strengthening the long-term case for healthcare investment, as ageing populations and rising disease burdens increase demand for essential medical services and infrastructure.

As we move into August, we anticipate continued market volatility fuelled by geopolitical tensions and the ongoing earnings season. Despite this turbulent environment, our investment approach remains unchanged, focusing on resilient companies that provide the critical solutions needed for a healthy planet and society.

FEATURES

APIR CODE	HHA0007AU
REDEMPTION PRICE	A$ 1.5062
FEES *	Management Fee: 1.35%
MINIMUM INITIAL INVESTMENT	$10,000
FUND INCEPTION DATE	31 October 2007 Relaunched on 1 August 2017.*

FUND MANAGERS

Ted Franks
Managing Director, Fund Manager

Seb Beloe
Managing Director, Head of Impact Research

1. From August 2017, performance figures are those of the Pengana WHEB Sustainable Impact Fund's class A units (net of fees and including reinvestment of distributions). The strategy's AUD performance between January 2006 and July 2017 (shown in the shaded area in the chart) has been simulated by Pengana from the monthly net GBP returns of the Henderson Industries of the Future Fund (from 1 January 2006 to 31 December 2011) and the FP WHEB Sustainability Impact Fund (from 30 April 2012 to 31 July 2017). This was done by: 1) converting the GBP denominated net returns to AUD using FactSet's month-end FX rates (London 4PM); 2) adding back the relevant fund's monthly ongoing charge figure; then 3) deducting the Pengana WHEB Sustainable Impact Fund's management fee of 1.35% p.a. The WHEB Listed Equity strategy did not operate between 1 January 2012 and 29 April 2012 – during this period returns are nulled. The Henderson Industries of the Future Fund's and the FP WHEB Sustainability Impact Fund's GBP net track record data is historical. 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 the investment can go up or down.
2. The Fund incepted on 31 October 2007 as the Hunter Hall Global Deep Green Trust. The Fund was relaunched on 1 August 2017 as the Pengana WHEB Sustainable Impact Fund employing the WHEB Listed Equity strategy. This strategy was first employed on 1 January 2006 by the Henderson Industries of the Future Fund and currently by the FP WHEB Sustainability Impact Fund.
3. Annualised standard deviation since inception.
4. Relative to MSCI World Total Return Index (net, AUD unhedged)

* For further information regarding fees please see the PDS available on our website.

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