

## 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 Aug 2025<sup>1</sup>

#### 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	1.2%	35.4%	62.3%	41.4%	22.9%	27.5%
MSCI World Total Return Index (net, AUD)	0.9%	19.9%	19.4%	20.4%	15.7%	13.1%
RBA Cash Rate plus 3%	0.5%	7.1%	7.2%	6.9%	5.4%	4.9%

#### 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	1.3%	37.3%	61.9%	41.5%	23.4%	23.3%
MSCI World Total Return Index (net, AUD)	0.9%	19.9%	19.4%	20.4%	15.7%	15.6%
RBA Cash Rate plus 3% p.a.	0.5%	7.1%	7.2%	6.9%	5.4%	5.4%

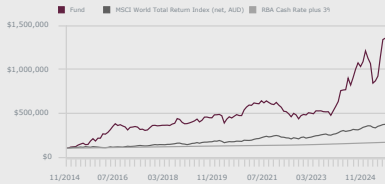
Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. Performance figures are calculated using net asset values after all fees and expenses, and assume reinvestment of distributions. No allowance has been made for buy/sell spreads. Please refer to the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

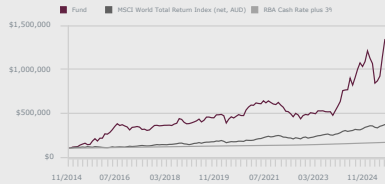
### PERFORMANCE CHART

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

#### Class A



#### Class B



### TOP HOLDINGS (ALPHABETICALLY)

Artrya Limited	Health Care
Brazilian Rare Earths Limited	Materials
Clarity Pharmaceuticals Ltd.	Health Care
Equinix, Inc.	Real Estate
Metallium Limited	Materials

### SECTOR BREAKDOWN

Consumer Discretionary	0.3%
Health Care	41.8%
Information Technology	4.1%
Materials	52.7%
Options	0.2%
Cash	1%

### CAPITALISATION BREAKDOWN

Under 5bn USD	98.8%
Derivatives	0.2%
Cash	1%

### REGION BREAKDOWN

North America	7.4%
Australia/New Zealand	91.4%
Options	0.2%
Cash	1%

### STATISTICAL DATA

VOLATILITY<sup>3</sup> 26.9%

NUMBER OF STOCKS 20

BETA<sup>4</sup> 0.86

MAXIMUM DRAW DOWN -32.1%

## AUGUST REPORT

### COMMENTARY

- The Fund rose 1.2% in August and 35.4% over the past 12 months, significantly outperforming the MSCI World Total Return Index (+0.9% and +19.9%) and the RBA Cash Rate +3% (+0.5% and +7.1%).
- Major contributors included **Artrya**, **IperionX**, **Metallium** and **Brazilian Rare Earths**.
- Healthcare stocks underperformed, with **Clarity Pharmaceuticals**, **Amplia Therapeutics**, and **EBR Systems** weaker due to limited company-specific news.

AI cardiac scan reader **Artrya** rose 108% after receiving FDA approval for its second software module for analysing coronary plaque. This was the company's most commercially significant module. However, one final module is still expected to be approved in December or January.

A competing company, HeartFlow, is listed in the US with a valuation of USD 2.8bn, making Artrya's valuation of USD 200m look attractive by comparison. Artrya's analytics require no human intervention, with scans being read in just 10 minutes, whereas HeartFlow's process requires human involvement and takes around 24 hours. In addition, Artrya sells to hospitals at a 20–30% discount to the reimbursed scan price, while HeartFlow sells at a 20–30% premium. This means Artrya is profit-generating for its clients, whereas HeartFlow is loss-making. We participated in an AUD 75m capital raising in mid-September, giving the company a market value of AUD 330m and AUD 80m in cash. We estimate a potential addressable market size of AUD 8bn.

Titanium metal producer **IperionX** rose 12% after releasing a detailed business plan outlining short and long-term (2030) production capacity and cost targets, confirming our thesis that the company will be the lowest-cost producer globally. The company was also included in the ASX200 in early September. Many active funds are positioned for this event in anticipation of forced ETF buying.

Metal refining technology company **Metallium** rose 7.7% after reporting that two additional facilities, both with environmental permits and located near large scrap metal supplies, have been leased to expand its metal recycling business. The company continues to expect initial production to commence in December 2025, with commercial revenue likely to start in mid-2026. Finally, Metallium announced an agreement with Rice University to develop rare-earth metal separation technology, which, if successful, will be highly value-accretive.

**Brazilian Rare Earths** rose 6% on positive sentiment toward the sector. The company has significantly lagged behind its peers, Lynas and MP Materials, both valued at approximately AUD 15bn, despite holding what is considered to be the richest rare-earth deposit globally. We expect further details on its bauxite and rare-earth deposits over the next six months to drive a re-rating in the share price. The company is currently valued at AUD 770m with AUD 80m in cash. We believe the bauxite deposit alone could be worth several hundred million dollars, based on listed Australian peers such as Canyon Resources and Metro Mining, both valued at around AUD 500m.

Australian radiotherapy company **Clarity Pharmaceuticals** fell 32% after competitors Telix and Lantheus declined sharply for unrelated reasons, as well as on expectations that Clarity would be removed from the ASX200 index.

**Amplia Therapeutics** and **EBR Systems** also fell, though on little company-specific news.

## FEATURES

APIR CODE	Class A: HHA0020AU Class B: PCL9196AU
REDEMPTION PRICE	Class A: A\$ 4.6961 Class B: A\$ 2.0073
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
FUM AT MONTH END	A\$ 140.52m
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.

## PENGANA HIGH CONVICTION EQUITIES FUND

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### PENGANA.COM

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