PENGANA CAPITAL GROUP

MONTHLY REPORT
AUGUST 2026

PENGANA AXIOM INTERNATIONAL FUND

DESCRIPTION

The **Pengana Axiom International Fund** invests in companies that are dynamically growing and changing for the better, more rapidly than generally expected and where the positive changes are not yet reflected in expectations or valuation.

The Global Equity Strategy seeks dynamic growth by concentrating its investments in global developed markets, and may also invest in companies located in emerging markets.

The investment manager is Axiom Investors, a Connecticut-based global equity fund manager formed in 1998 with over US$19billion in assets under Management.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Aug 2026[1]

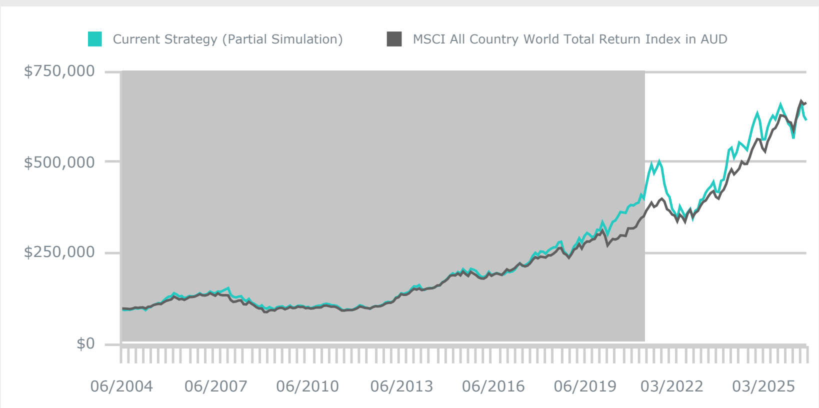
Pengana Axiom International Fund

The Class was established in 1 July 2017. From June 2021 Axiom was appointed as the investment manager for the Fund.

	1M	1Y	2Y	3Y	5Y	Since Axiom Appointed June 2021[1]	Since Fund Inception July 2017[2]	Since Strategy Inception July 2004[3]
Fund: APIR (HOW0002AU)[1,2] Managed by Axiom from June 2021	-2.0%	-0.5%	6.6%	11.4%	4.5%	8.5%	10.2%	
Current Strategy (Partial Simulation)[4] Axiom Global Equity Strategy							12.2%	8.5%
Index[5]	0.6%	11.7%	15.8%	16.5%	11.3%	12.9%	13.1%	8.9%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary
ASML Holding NV	Information Technology
Broadcom Inc.	Information Technology
JPMorgan Chase & Co.	Financials
Morgan Stanley	Financials
NVIDIA Corporation	Information Technology
Samsung Electronics Co., Ltd.	Information Technology
Siemens Energy AG	Industrials
Taiwan Semiconductor Manufacturing Co., Ltd. Spons	Information Technology

SECTOR BREAKDOWN

Consumer Discretionary	7.6%
Consumer Staples	3.1%
Financials	13.2%
Health Care	5.8%
Industrials	21.9%
Information Technology	40.3%
Real Estate	1.6%
Communication Services	5.6%
Cash	1.1%

CAPITALISATION BREAKDOWN

Under 5bn USD	0.7%
In between 10bn - 50bn USD	10.8%
In between 50bn - 150bn USD	23.3%
In between 150bn - 500bn USD	15.2%
Above 500bn USD	48.9%
Cash	1.1%

REGION BREAKDOWN

North America	60.2%
Europe ex-UK	16.5%
Emerging Markets	7.4%
Japan	8.5%
UK	2.2%
Asia Pacific ex-Japan	4.1%
Cash	1.1%

STATISTICAL DATA

VOLATILITY[7] 13.8%	NUMBER OF STOCKS 45	BETA[8] 1.08

AUGUST REPORT

COMMENTARY

- The Fund declined 2.0% in August, underperforming the MSCI All Country World Total Return Index (net, AUD), which rose 0.6%. Elevated sectoral and factor-driven rotation weighed on relative performance, with holdings in information technology and industrials detracting.
- Portfolio fundamentals remain compelling. 86% of holdings received positive earnings revisions, well above the benchmark. Aggregate earnings growth accelerated and remained meaningfully ahead of the index, while valuation improved to its most attractive level relative to growth in recent memory.
- Key contributors included **Fujikura**, which reversed sharply from July on strong quarterly results, alongside **Nvidia** and **Ibiden**. Detractors included **Howmet Aerospace**, pressured by elevated capital expenditure guidance, and **Societe Generale**, weighed on by French political concerns. The Fund initiated **Advanced Micro Devices**.

Market Review

Global equity markets advanced in August against a constructive earnings backdrop, with technology stocks recovering from July's sharp sell-off and semiconductors rebounding on strong second quarter results. A stronger Australian dollar detracted from unhedged returns, as foreign currency exposures translated into lower Australian dollar terms.

US equities gained on resilient economic momentum. Manufacturing survey data surprised to the upside, hiring intentions firmed, and core inflation moderated to +2.5%. The technology sector recovered from July's weakness as second quarter results from leading semiconductor and cloud infrastructure names reassured investors on artificial intelligence demand. Commentary across the sector pointed to supply rather than demand as the near-term constraint.

European equities were among the stronger regional performers as activity data turned more constructive. Composite survey readings moved back into expansionary territory and German factory orders extended their recent run of gains. Regional inflation remained contained. Late in the month, French assets came under pressure, with the country's banks weakening as investors turned cautious on the political backdrop ahead of the 2027 Presidential election.

Chinese equities were held back by further deterioration in the domestic growth picture. Manufacturing and non-manufacturing survey data both slipped further into contractionary territory, while inflation remained subdued. External demand continued to provide some offset, though the backdrop pointed to a widening gap between the external and domestic sides of the economy.

Portfolio Commentary

The Fund underperformed the benchmark in August. Information technology and industrials were the largest detracting sectors, as elevated sectoral and factor-driven rotation weighed on individual holdings, partly offset by consumer staples and the underweight to utilities. Industrials and information technology remained the largest overweights, with financials and materials the largest non-exclusionary underweights.

Fujikura, a Japanese fibre optic cable manufacturer, was the top contributor, reversing sharply from July following a strong first quarter result and guidance raise. Operating profit rose 155% year over year, driven by soaring demand for optical components used in generative AI infrastructure. Nvidia also performed strongly, delivering a beat and fiscal 2028 revenue guidance well ahead of consensus, with management noting underlying demand is running materially higher but constrained by supply. Ibiden, a Japanese package substrate producer, contributed as analysis pointed to further upside in the substrate market.

Conversely, Howmet Aerospace, a US supplier of engineered aerospace and gas turbine components, was the largest detractor despite one of its strongest quarters on record and a material guidance raise. The shares came under pressure on elevated capital expenditure supporting industrial gas turbine and commercial aerospace capacity, and later on comments from Elon Musk that SpaceX intends to produce its own turbine blades and vanes. The team views the reaction as overdone given the likely four year plus timeline before competing supply arrives, alongside Howmet's global share and long term customer agreements. Societe Generale, a French banking group, also detracted despite reaching 52 week highs early in the month, as French banks came under broad pressure ahead of the Presidential election.

Sectoral weightings were broadly unchanged. The largest additions were to Unilever, Ibiden, and Cisco. Unilever was built out as a defensive staples position with potential upside to organic growth on increased marketing investment and a possible re-rating following the divestiture of its slower growth food business. Cisco was added ahead of an earnings result that delivered stronger than expected guidance. The largest reductions were to Apple, trimmed on deteriorating Services data and pre-launch seasonal weakness, and TJX Companies, reduced around an earnings result in which near term missteps at Marmaxx offset resilience at Homegoods. The Fund initiated Advanced Micro Devices, a leading US semiconductor designer, with strong server CPU and GPU demand expected to drive continued data centre segment growth.

Underlying portfolio dynamics continued to improve. Forward earnings growth accelerated to 31.1%, well ahead of the benchmark's 23.1% and expanding the gap materially versus July. 86% of holdings received positive revisions, well above the benchmark's 63%. Valuation improved to its most attractive level relative to earnings growth in recent memory.

On ESG, Kioxia was upgraded by MSCI to BBB from BB, reflecting improvements in water stress management alongside management practices assessed as leading industry peers. The team engaged with AMD and welcomed continued progress on product energy efficiency and a new Climate Transition Plan with 2030 supplier carbon intensity commitments. A subsequent engagement with Nvidia highlighted progress on AI infrastructure efficiency and plans to expand product carbon footprint disclosures.

FEATURES

APIR CODE	HOW0002AU
REDEMPTION PRICE	A$ 3.2414
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	$10,000
STRATEGY INCEPTION DATE	1 July 2004
BENCHMARK	MSCI All Country World Total Return Index (net, AUD)

FUND MANAGERS

Bradley Amoils
Managing Director/Portfolio Manager

Andrew Jacobson
CEO/Chief Investment Officer

Prior to June 2021, the Axiom Global Equity Strategy performance (shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Axiom Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of the stated class. The simulation does not include the Pengana ethical screen. From June 2021 the strategy performance is the performance of the Pengana Axiom International Ethical Fund.

1. Axiom was appointed fund manager as of 5 May 2021. June 2021 represents the first full month of Axiom managing the Fund.
2. Inception date 1 July 2017. Figures shown are calculated from the continuous performance of both the current and previous strategies. For performance see row labelled Fund: APIR (HOW0002AU) in the table above which is the continuous performance of both the current and previous strategies.
3. Axiom Global Equity Strategy inception 1 Jul 2004.
4. Prior to June 2021, the Axiom Global Equity Strategy performance (labeled 'Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross returns of the Axiom Global Equity strategy. This simulation was done by: 1) the conversion of US-denominated gross returns to AUD, 2) applying the fee structure of the stated class. The simulation does not include the Pengana ethical screen. From June 2021 the strategy performance is the performance of the Pengana Axiom International Ethical Fund.
5. MSCI All Country World Total Return Index in AUD.
6. Performance for periods greater than 12 months are annualised. Net performance figures are shown 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.
7. Annualised standard deviation since inception.
8. Relative to the MSCI All Country World Total Return Index in AUD.

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

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