

PENGANA ALPHA ISRAEL FUND

DESCRIPTION

The Pengana Alpha Israel Fund invests in listed Israeli companies that produce cutting edge – both high and low tech – technologies. These Israeli listed companies have developed solid intellectual property coupled with strong global distribution.

The Fund offers Australian investors diversification within global equity exposure to a unique and promising market that is very much skewed to industries and technologies that are either limited, or do not exist, in the Australian market place, such as: the semiconductor industry, solar and water treatment technology, aerospace and electronic defence industries, and cyber security technologies.

PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Oct 2025¹

Alpha Israel Fund Class A (AUD)

	1M	1Y	2Y	3Y	Since Strategy Inception March 2021 ²	5Y	Since Fund Inception January 2018
Alpha Israel Fund Class A ¹	3.6%	45.1%	34.3%	19.5%	12.6%	13.8%	12.0%
Current Strategy (Partial Simulation) ²	3.6%	47.4%	39.8%	23.5%	15.5%		
Tel Aviv Stock Exchange 125 Index ³	2.7%	50.8%	41.8%	19.4%	16.4%	19.4%	12.1%

Alpha Israel Fund Class B (USD)

	1M	1Y	2Y	3Y	Since Strategy Inception March 2021 ²	5Y	Since Fund Inception January 2018
Alpha Israel Fund Class B ¹	3.5%	46.1%	34.7%	20.6%	13.5%	14.8%	13.0%
Current Strategy (Partial Simulation) ²	3.5%	47.8%	39.4%	22.7%	14.8%		
Tel Aviv Stock Exchange 125 Index ³	2.7%	50.8%	41.8%	19.4%	16.4%	19.4%	12.1%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION⁴



TOP HOLDINGS (ALPHABETICALLY)

Alony Hetz Properties & Investments Ltd.	Real Estate Operating Companies
Bank Hapoalim BM	Diversified Banks
Bank Leumi Le-Israel B.M.	Diversified Banks
Fattal Holdings (1998) Ltd.	Hotels, Resorts & Cruise Lines
Phoenix Financial Ltd	Multi-line Insurance

SECTOR BREAKDOWN

Communication Services	0.6%
Consumer Discretionary	10.6%
Financials	27.4%
Health Care	7.9%
Industrials	8.4%
Information Technology	23.5%
Materials	4.5%
Real Estate	17.3%
Energy	3.5%
Options	0%
Debt	-10.6%
Cash	6.8%

CAPITALISATION BREAKDOWN

Under 100m USD	2.1%
In between 100 - 1bn USD	34.6%
In between 1bn - 5bn USD	24.6%
Above 5bn USD	42.4%
Options	0%
Debt	-10.6%
Cash	6.8%

OCTOBER REPORT

COMMENTARY

- The Fund returned 3.6% (Class A, AUD) and 3.5% (Class B, USD), led by strong gains in **Camtek** and **Qualitau**, with **Isramco** also contributing meaningfully.
- Israeli equities rallied in October, with the TA-125 Index gaining 2.7%, supported by improving regional sentiment and growing confidence in the new Middle East framework.
- A softer than expected inflation reading strengthened expectations for a Bank of Israel rate cut in November, while global markets were buoyed by improved US-China trade relations, a Federal Reserve rate cut, and continued AI-driven momentum.

Market Review

Israeli equities advanced again in October as sentiment continued to improve around prospects for a new regional framework in the Middle East. While the process remains lengthy and complex, investors responded positively to the clearer direction set out by the US administration, helping extend the constructive trend seen in recent months. Local indices finished the month higher, supported by both domestic resilience and favourable global conditions.

Global markets were also strong. Improved US-China trade relations, following a productive meeting between President Trump and President Xi, lifted investor optimism and supported risk assets. The US Federal Reserve reduced interest rates by 25 basis points, as expected, reinforcing confidence across equity markets. Continued strength in AI-driven sectors further supported technology-oriented markets, including Israel.

The inflation data provided an additional boost. The September CPI fell 0.6% month-on-month, a larger decline than forecast, bringing annual inflation down to 2.5%. Together with an appreciating shekel and moderating geopolitical risk, this strengthened expectations that the Bank of Israel will cut interest rates at its late-November meeting. Markets now assign a high probability to an initial reduction, with a gradual easing cycle expected through 2026 as conditions normalise.

Economic indicators remained firm. Credit card purchases in July and August were materially higher than the second-quarter average, with early September data pointing to further gains. Core services exports expanded, supported by renewed strength in high-tech activity and rising demand for skilled workers. Manufacturing also rebounded, led by high-tech and defence-related industries, where production has shifted increasingly towards export markets as domestic pressures ease.

Overall, easing inflation, resilient economic activity, and improving regional dynamics created a favourable backdrop for Israeli equities as the final quarter of the year commenced.

Portfolio Commentary

The Fund delivered a positive return in October, supported by a constructive backdrop for Israeli equities and strong performance across several core holdings. Positioning remained focused on companies with clear earnings drivers, robust balance sheets, and exposure to long-term structural growth themes. Market breadth improved over the month, providing a supportive foundation for stock-specific catalysts to come through in performance.

Semiconductor exposure was again the largest contributor to returns. **Camtek** continued to benefit from strong demand across the global chip manufacturing ecosystem, supported by rising investment in AI-related

infrastructure. The stock rose 17% over the month. **Qualitau** also performed well, gaining 12% as testing activity and utilisation rates improved. Together these positions contributed around 1% to the Fund's return. These exposures continue to offer the portfolio access to structural growth areas that remain underrepresented in local Australian markets.

Energy holdings also added to performance. **Isramco** advanced after the Tamar partners launched a public initiative to increase the volume of natural gas exports. If successful, this expansion could materially enhance revenue generation from international markets and improve long-term profitability. The Fund continues to view this position as a stable source of cash flow exposure with embedded optionality, particularly as broader regional dynamics become more constructive.

Portfolio activity during the month remained measured. The team maintained exposure to high-conviction positions while allowing market developments to play through, particularly within technology-linked names where industry fundamentals remain robust. The broad improvement in investor sentiment supported the Fund's focus on companies with proven operating resilience and clear pathways to value creation.

Looking ahead, the portfolio remains positioned to benefit from Israel's improving economic backdrop and its globally relevant high-tech ecosystem. The recovery in manufacturing activity, renewed strength in high-tech exports, and rising demand for skilled workers all reinforce the long-term opportunity set across many of the Fund's key holdings. While the macro environment continues to evolve, company fundamentals remain the anchor for portfolio decisions, and the Fund is well placed to participate in further upside should conditions continue to stabilise.

FEATURES

APIR CODE	PCL6469AU (USD Class) CTS0045AU (AUD Class)
REDEMPTION PRICE	A\$ 1.5653
FEES *	Management Fee: 1.50% p.a. paid monthly in arrears Performance Fee: 20% above the TA-125 Index paid semi-annually in arrears. No performance fee is payable if performance for the half year is not positive.
MINIMUM INITIAL INVESTMENT	A\$250,000 for the AUD class and the US\$ equivalent of A\$250,000 for the USD class
STRATEGY INCEPTION DATE	1 January 2018
BENCHMARK	The Fund's investment objective is to maximise total returns via the long-term appreciation of its assets through investments and transactions involving securities or financial instruments of, or related to, primarily (but not necessarily exclusively) Israeli and Israel-related public companies.

FUND MANAGERS



Gabi Dishi
Founder & CEO



Michael Weiss
Founder & Managing Partner



Aviran Revivo
Managing Partner



Sagi Ben Yosef
Managing Partner

i. 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. Index returns shown are in ILS (Israeli Shekel). 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 and may not be repeated, the value of investments can go up and down.

^ Inception 1st January 2018.

* 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. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

1. Inception date 1 January 2018. Performance shown is the continuous performance of both the current and previous strategies.

2. Prior to February 2025 performance has been simulated by Pengana from the monthly gross returns of the Alpha Long Equities Fund denominated in ILS. The simulation was done by: hedging currency exposure of the underlying strategy to the base currency of the stated class using three month forward rates; and, applying the fee structure of the stated class. From February 2025 inclusive, performance is of the Pengana Alpha Israel Fund.

3. Index returns shown are in ILS (Israeli Shekel).

Please note: This fund is only open to Wholesale Investors.

PENGANA ALPHA ISRAEL FUND

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