

PENGANA AXIOM INTERNATIONAL FUND HEDGED

DESCRIPTION

The Pengana Axiom International Fund (Hedged) 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 Oct 2025¹

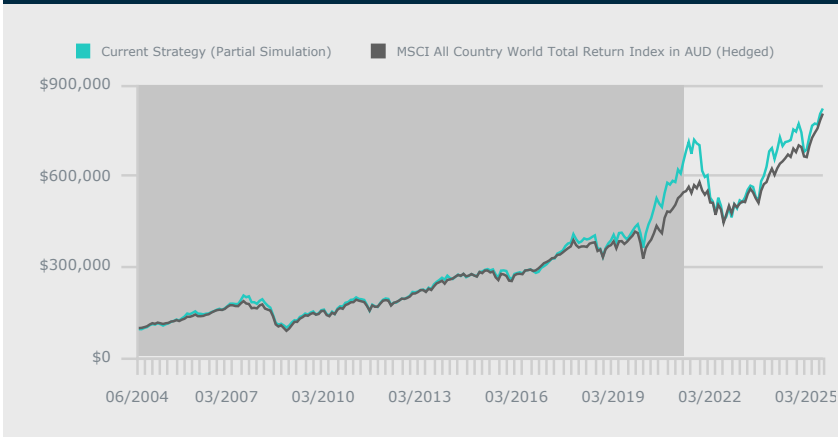
Pengana Axiom International Fund (Hedged)¹

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	Since Axiom Appointed June 2021	5Y	Since Fund Inception July 2017 ³	Since Strategy Inception July 2004 ⁴
Fund: APIR (HHA0002AU)^{2,3} Managed by Axiom from June 2021	2.2%	14.5%	25.9%	20.9%	7.1%	8.2%	9.5%	
Current Strategy (Partial Simulation)⁵ Axiom Global Equity Strategy						10.6%	11.7%	10.4%
Index (Hedged)⁶	2.8%	21.6%	25.6%	19.5%	9.7%	14.4%	11.3%	10.3%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

Alphabet Inc. Class A	Communication Services
Amazon.com, Inc.	Consumer Discretionary
Broadcom Inc.	Information Technology
Meta Platforms Inc Class A	Communication Services
Microsoft Corporation	Information Technology
Morgan Stanley	Financials
Netflix, Inc.	Communication Services
NVIDIA Corporation	Information Technology
Siemens Energy AG	Industrials
Taiwan Semiconductor Manufacturing Co., Ltd. Spons	Information Technology

SECTOR BREAKDOWN

Consumer Discretionary	10.4%
Consumer Staples	0.9%
Financials	9.2%
Health Care	5.1%
Industrials	14.8%
Information Technology	40.4%
Real Estate	1.9%
Communication Services	16.6%
Cash	0.6%

CAPITALISATION BREAKDOWN

In between 10bn - 50bn USD	7.8%
In between 50bn - 150bn USD	14.7%
In between 150bn - 500bn USD	27.2%
Above 500bn USD	49.6%
Cash	0.6%

REGION BREAKDOWN

North America	75.8%
Europe ex-UK	11.4%
Emerging Markets	6.2%
Japan	6%
Cash	0.6%

STATISTICAL DATA

VOLATILITY⁸ 15.1%

NUMBER OF STOCKS 43

BETA⁹ 1.07

OCTOBER REPORT

COMMENTARY

- The Fund returned 2.2% in October, versus the benchmark, which rose 2.8%, as strength in industrials and real estate was offset by weaker performance in information technology and communication services.
- Forward 12-month earnings revisions and aggregate earnings growth remained ahead of the benchmark, with nearly 70% of holdings upgraded, and the Fund's price-to-earnings-to-growth (PEG) ratio, which compares valuation to expected earnings growth, remained steady at 1.2 times.
- **Fujikura**, **Alphabet** and **Amazon** contributed most to returns, while **Meta Platforms**, **Netflix** and **Oracle** Portfolio activity included additions to **Amphenol**, **ASML** and **Sony**, reductions to **SAP**, **Boston Scientific** and **Live Nation**, a new position in **Insmed**, and exits from **Ferrari** and **Sony Financial**.

Global equities rose in October, although leadership was uneven as investors balanced softer labour-market signals against further moderation in inflation. The Fund's fundamentals remained strong, with earnings revisions and growth momentum continuing to exceed the benchmark. The Fund's currency hedge provided less benefit this month, given the stronger US dollar.

Inflation eased across major regions. In Europe, underlying inflation was steady, while pricing pressures in China remained subdued across both consumer and producer measures. In the US, data releases were more limited due to the temporary government shutdown, but the indicators available pointed to modest economic growth and further weakening in employment conditions. The Challenger report showed 153,000 layoffs, marking the highest October reading in two decades. The US Federal Reserve cut interest rates by 25 basis points and maintained an accommodative stance, with markets viewing another cut in December as a realistic possibility.

Economic conditions elsewhere were mixed. In Europe, manufacturing and service activity were broadly stable, with a slight improvement in industrial production and retail spending. China saw softer export activity and a divergence between weaker manufacturing and more resilient services. Commodity markets were largely unchanged as lower oil prices were balanced by more stable industrial and precious metals. Trade relations between the US and China also improved, with both sides moving to ease certain tariffs and export restrictions.

With global growth running at a low pace and policy settings remaining supportive, the environment continues to favour companies with strong earnings visibility and positive revision trends, consistent with the Fund's dynamic growth approach.

Portfolio Commentary

The Fund modestly underperformed the benchmark in October. Industrials and real estate contributed positively at the sector level, while information technology and communication services detracted.

Fujikura, a Japanese manufacturer of optical fibre and connectors, was the strongest contributor. Shares continued to rise as peer results and accelerating generative AI investment suggested that medium-term demand remains underappreciated. **Alphabet** also performed well after reporting stronger third quarter results, with improving click growth and faster cloud infrastructure revenue. **Amazon** contributed as its cloud division saw the long-awaited improvement in revenue growth. Data centre supply remains tight relative to AI-driven demand, and early commentary from key customer Anthropic points to further upside. Its retail operations also remained steady, supported by ongoing efficiency gains.

Meta Platforms detracted as higher guidance for generative AI investment weighed on sentiment, although these commitments are expected to support stronger engagement and improved advertising effectiveness over the medium term. **Netflix** also lagged despite ongoing operational strength. Subscriber trends and pricing remain healthy, while more moderate content spending supports a solid earnings outlook. **Oracle** gave back some of September's strong gains despite improved long-term profit guidance. Its growing role in cloud infrastructure for large language model training remains a key advantage.

Portfolio activity reflected selective additions and reductions. The Fund added to **Amphenol**, **ASML** and **Sony**. Amphenol was increased ahead of strong quarterly results that supported forecasts well ahead of consensus. ASML was added as semiconductor capital spending began to improve, particularly in memory, where demand for high bandwidth chips continues to rise. Sony was increased ahead of earnings, supported by improving trends across gaming, music and film.

Reductions were made to **SAP**, **Boston Scientific** and **Live Nation**. SAP was trimmed as cloud growth expectations showed less upside relative to Axiom's forecasts. Boston Scientific was reduced after market expectations aligned with Axiom's view, and valuation moved higher. Live Nation was cut as industry data softened, with later earnings confirming weaker conditions.

A new position was initiated in **Insmid**, a US biotechnology company with an attractive pipeline and a stronger-than-expected launch for its lead therapy for bronchiectasis. The Fund exited **Ferrari** following weaker medium-term growth expectations and sold **Sony Financial** after its spin-out into a standalone insurance business. Six holdings received MSCI upgrades during the month, reflecting continued progress in governance, data privacy and talent management.

FEATURES	
APIR CODE	HHA0002AU
REDEMPTION PRICE	A\$ 3.6941
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 49.92m
STRATEGY INCEPTION DATE	1 July 2004
BENCHMARK	MSCI All Country World Total Return in AUD (Hedged)

FUND MANAGERS



Bradley Amoils
Managing Director/Portfolio Manager



Andrew Jacobson
CEO/Chief Investment Officer

1. From 4 June 2021 the capital component of the foreign currency exposure for the Fund is hedged back to Australian dollars.
 2. Axiom was appointed fund manager as of 5 May 2021. June 2021 represents the first full month of Axiom managing the Fund.
 3. 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 (HHA0002AU) in the table above which is the continuous performance of both the current and previous strategies.
 4. Axiom Global Equity Strategy inception 1 Jul 2004.
 5. Prior to 1 June 2021, the Axiom Global Equity Strategy performance (labeled 'Current Strategy (Partial Simulation)' and shown in the shaded area) includes the strategy performance simulated by Pengana from the monthly gross USD returns of the Axiom Global Equity strategy. The Axiom Global Equity Strategy performance does not include the Pengana ethical screen
 6. Prior to 4 June 2021 hedged performance has been simulated by Pengana for both the Fund and Index. This was done by: 1) using 3 month rolling forwards to hedge movements in the AUD/USD spot rate, and 2) deducting the Pengana International Ethical Fund (Hedged) management fee of 1.35% p.a. from the Fund's performance.
 - From 4 June 2021, index performance is from the MSCI All Country World Total Return in AUD (Hedged). Prior to 4 June 2021, index performance is simulated from the MSCI All Country World Total Return in USD
 7. 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.
 8. Annualised standard deviation since inception.
 9. Relative to the MSCI All Country World Total Return in AUD (Hedged).
- *For further information regarding fees please see the PDS available on our website.

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