MONTHLY REPORT
OCTOBER 2025

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 Oct 2025 [1]

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	4.5%	58.3%	85.1%	51.1%	28.1%	29.2%
MSCI World Total Return Index (net, AUD)	3.3%	22.1%	25.6%	20.7%	17.2%	13.4%
RBA Cash Rate plus 3%	0.5%	7.0%	7.2%	7.0%	5.6%	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	5.0%	59.9%	84.7%	51.3%	28.6%	26.9%
MSCI World Total Return Index (net, AUD)	3.3%	22.1%	25.6%	20.7%	17.2%	16.2%
RBA Cash Rate plus 3% p.a.	0.5%	7.0%	7.2%	7.0%	5.6%	5.4%

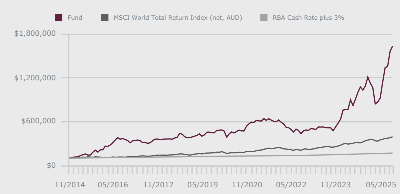
Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. Performance figures are calculated using net asset values after all fees and expenses, and assume reinvestment of distributions. No allowance has been made for buy/sell spreads. Please refer to the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

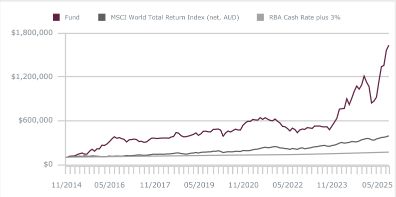
PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION [2]

Class A



Class B



TOP HOLDINGS (ALPHABETICALLY)

Artrya Limited	Health Care
Brazilian Rare Earths Limited	Materials
Clarity Pharmaceuticals Ltd.	Health Care
Iperionx Ltd. Sponsored ADR	Materials
Metallium Limited	Materials

SECTOR BREAKDOWN

Health Care	44.9%
Information Technology	3.3%
Materials	50.1%
Options	0.2%
Cash	1.5%

CAPITALISATION BREAKDOWN

Under 5bn USD	98.3%
Derivatives	0.2%
Cash	1.5%

REGION BREAKDOWN

North America	5.5%
Australia/New Zealand	92.8%
Options	0.2%
Cash	1.5%

STATISTICAL DATA

VOLATILITY [3]	NUMBER OF STOCKS	BETA [4]	MAXIMUM DRAW DOWN
26.9%	19	0.86	-32.1%

OCTOBER REPORT

COMMENTARY

- The Fund returned 4.5% in October.
- Strong gains from **Brazilian Rare Earths** (+52%), **Clarity Pharmaceuticals** (+37%), and **Artrya** (+45%) drove performance.
- The detractors to performance were **Metallium**, **IperionX** and **OncoSil**.

Brazilian Rare Earths (BRE), which is developing the world's richest rare-earth deposit, rose 52% after announcing a maiden bauxite and gallium reserve estimate for its Amargosa project, a heavy rare-earth offtake agreement, a downstream processing partnership with leading separation company Carester, and the completion of a $120m capital raise.

We believe the bauxite deposit is a key hidden asset potentially worth more than $500m, which compares favourably with BRE's current $1.2bn market value and $200m cash balance.

The partnership with Carester is equally important. Carester has deep expertise in designing and building rare-earth separation facilities and is currently constructing a plant to supply European demand.

We expect the mining scoping study next year to highlight extremely attractive economics for BRE's rare-earth project, especially when compared with the current two major Western producers, Lynas and MP Materials.

Clarity Pharmaceuticals rose 37% after releasing initial data from its Co-PSMA study comparing its Cu-64–based prostate cancer imaging agent with a Ga-68 agent (similar to that used by Telix). The early results showed a statistically significant increase in cancer lesions detected with Clarity's product. Full details will be released at a conference in Q1 next year.

Artrya, the AI-based cardiac CT software company, rose 45% following the completion of an $80m capital raise, the submission of its final software module to the FDA, and the addition of a new customer to its Sapphire registry program.

We expect the final module, representing around one-third of future revenue, to be approved in January. The Sapphire Study, while labelled a study, functions more as a registry: it collects valuable patient-outcome data but, more importantly, trains doctors and hospitals in adopting the platform.

On the negative side, **Metallium** fell 26% despite issuing several positive updates, including:

- An MoU with Glencore for e-waste supply and offtake of recovered metals, with a formal contract expected by year-end;
- Progress at its new Texas facility, where commissioning has begun on an e-waste line capable of producing 1,600 tonnes of metal from 8,000 tonnes of PCB feedstock;
- A rare-earth and critical-minerals recovery line with 350-tonne capacity to ramp from December;
- A successful demonstration of rare-earth recovery from magnet waste at significantly lower cost and energy use than competing approaches—supportive of US efforts to reduce dependence on Chinese supply.

The recent share-price weakness may simply reflect profit-taking after the strong rally driven by China's tighter rare-earth export restrictions. The Xi–Trump meeting in October eased immediate concerns but did not resolve underlying strategic tensions. The following week, the US administration committed US$1.4bn to two rare-earth magnet facilities, underscoring long-term policy support.

IperionX fell 10% and has remained weak into November following a short-seller report. The report focused on trivial matters—such as photographs of disused offices and minor spelling errors—but also questioned the company's core titanium-metal technology.

On 17 November, IperionX issued a strong rebuttal, highlighting its numerous rounds of support under US government programs including IBAS, DPA III, and SBIR, as well as the extensive due diligence performed by the US Department of War. Notably, the latest SBIR Phase 3 award is highly prestigious and, to our knowledge, has never previously been granted to an Australian company. Conversely, the short seller neither visited nor spoke with the company, raising questions about the basis of their conclusions.

The report also suggested IperionX would struggle to secure sufficient cheap titanium scrap. We disagree. Large pieces of scrap are recycled by incumbent US producers and are expensive, but small oxidised machine turnings—currently unusable by the industry—are abundant and cheap, and IperionX is uniquely able to use them. Once scrap is exhausted, the Titan Project will provide feedstock, making this concern largely moot.

Another criticism focused on the titanium spherical powder market. While IperionX can produce cheap spherical powder, that has never been the company's core strategy. Instead, it can produce low-cost angular powder, press it into near-net-shape parts, and use its HSPT process to achieve forged-titanium strength. These near-net-shape components command multiple times the basic powder price, and because rivals lose significant amounts of titanium during machining, IperionX's low-waste approach supports very high potential margins. It should also be noted that pressing into near net shapes is far cheaper and less capital-intensive than 3D printing processes, where most spherical powder is used.

We believe the company is making strong operational progress, and the next 12 months should be transformative as production ramps at the Virginia facility.

Pancreatic cancer radiotherapy company OncoSil fell 24% after reporting quarterly results with higher-than-expected expenses related to clinical studies and regulatory submissions. We expect these costs to fall as studies conclude over the coming months and for revenue to accelerate over subsequent quarters.

FEATURES

APIR CODE	Class A: HHA0020AU Class B: PCL9196AU
REDEMPTION PRICE	Class A: A$ 5.6581 Class B: A$ 2.4229
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$10,000
FUM AT MONTH END	A$ 175.29m
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

PENGANA CAPITAL LIMITED

ABN 30 103 800 568

AFSL 226566

CLIENT SERVICE

T: +61 2 8524 9900

F: +61 2 8524 9901

E: clientservice@pengana.com

PENGANA.COM