

**PENGANA AXIOM INTERNATIONAL ETHICAL FUND**
**DESCRIPTION**

The Pengana Axiom International Ethical 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\$19 billion in assets under Management.

**STATISTICAL DATA**
**VOLATILITY<sup>7</sup>** 9.3%

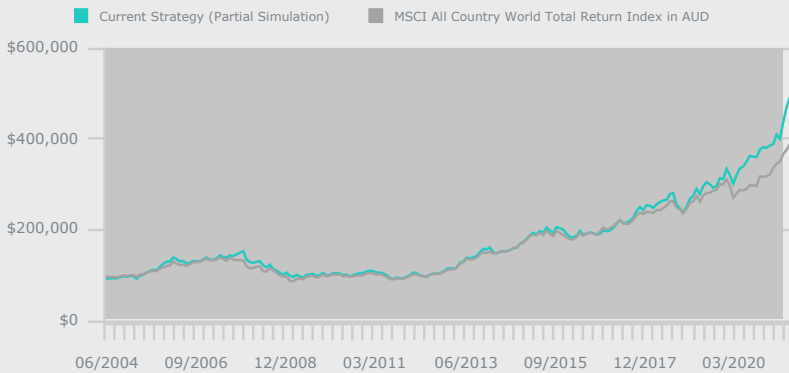
**NUMBER OF STOCKS** 49

**BETA (USING DAILY RETURNS)<sup>8</sup>** 0.73

**PERFORMANCE TABLE**
**NET PERFORMANCE FOR PERIODS ENDING 31 Aug 2021<sup>1</sup>**
**Pengana Axiom International Ethical Fund**

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

	1M	Since Axiom Appointed June 2021 <sup>1</sup>	1Y	3Y	Since Fund Inception July 2017 <sup>2</sup>	5Y	Since Strategy Inception July 2004 <sup>3</sup>
<b>Fund: APIR (HOW0002AU)<sup>1,2</sup></b> Managed by Axiom from June 2021	4.9%	23.1%	36.3%	18.7%	17.3%		
<b>Current Strategy (Partial Simulation)<sup>4</sup></b> Axiom Global Equity Strategy			35.8%	20.9%	22.1%	20.5%	9.7%
<b>Index<sup>5</sup></b>	3.1%	10.8%	30.2%	13.9%	15.2%	14.9%	8.2%

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

**TOP HOLDINGS (ALPHABETICALLY)**

Adobe Inc	Information Technology
Alphabet Inc	Communication Services
Amazon	Consumer Discretionary
Asml Holdings	Information Technology
Danaher	Health Care
Facebook Inc	Communication Services
Generac Holdings Inc	Industrials
Microsoft	Information Technology
Moderna Inc	Health Care
ServiceNow Inc	Information Technology

**SECTOR BREAKDOWN**

Consumer Discretionary	16.8%
Consumer Staples	2.4%
Financials	2.5%
Health Care	13.5%
Industrials	11%
Information Technology	38.9%
Communication Services	13.8%
Cash	1.1%

**CAPITALISATION BREAKDOWN**

Under 5bn USD	0.6%
In between 5bn - 10bn USD	2.1%
In between 10bn - 50bn USD	19%
In between 50bn - 150bn USD	28.9%
In between 150bn - 500bn USD	23.9%
Above 500bn USD	24.4%
Cash	1.1%

**REGION BREAKDOWN**

North America	75.2%
Europe ex-UK	15.5%
Emerging Markets - Asia	2.8%
Japan	4.2%
Asia Pacific ex-Japan	1.1%
Cash	1.1%

## INCREASED APPRECIATION IN THE MARKET FOR THE DURATION OF VACCINE SALES TAILWINDS.

### COMMENTARY

During August 2021, the Pengana Axiom International Ethical Fund ("Fund") delivered 4.9% to investors. The Fund's benchmark, the MSCI All Country World Index ("Index"), in AUD terms, delivered 3.1%.<sup>1</sup>

The Fund outperformed in August due largely to security selection in the areas of information technology, health care and communication services. **Moderna** and **Danaher** continued to be top five performers due to an increased appreciation in the market of the duration of the vaccine sales tailwinds. Countries have been locking in COVID vaccine capacities for 2022 and beyond, with added potential sales from headlines of booster shots for immunocompromised individuals and mixed COVID/flu shot trials underway. Both stocks remain as top ten positions for the Fund. Other strong performers included **Adyen** and **Sea**, as both benefitted from the ecommerce tailwinds of delayed reopening in their respective regions of operations due to a pick up in cases of the delta variant of COVID. Consumer discretionary and financials were the largest detractors from performance. **American Eagle** was the top detractor as peer results in retail highlighted a challenging operating environment related to logistics for the industry. The company did end up reporting a miss to revenue growth expectations as they strategically accumulated autumn back to school merchandise to capitalize on sales in their most important period, while sacrificing some summer sales. Given the strong set-up for the coming periods, the Fund continues to maintain its position in the company.

The Fund continues to overweight information technology, consumer discretionary and communication services, and underweight financials, materials, and consumer staples. In August, we added capital to information technology and reduced health care and consumer discretionary. The Fund initiated a new position in B2 rated information services company **Gartner** which provides research and analysis on hardware, software, communications, and other information technology verticals. The company helps over 15,000 client organization in over 100 countries make informed decisions on information technology products through their competitive analysis reports, industry overviews, market trend data and product evaluation reports. The business is experiencing accelerated growth rates as companies speed up their digital transformation during COVID requiring Gartner to help navigate suitable products to address needs. Additionally, the events business is likely to see more durability in margins as the predominant format for events for the rest of the year is likely to be virtual (rather than in-person) — limiting costs. Positive historic earnings revisions, durable/profitable growth, and average valuation all support ownership. Finally, we sold the position in **Global Payments** on delayed recovery as a result of COVID case increases.

## FEATURES

APIR CODE	HOW0002AU
REDEMPTION PRICE	A\$ 3.338
FEES *	Management Fee: 1.35% p.a
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 406.23m
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. 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.

## PENGANA AXIOM INTERNATIONAL ETHICAL FUND

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### PENGANA.COM

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