PENGANA INTERNATIONAL FUND - ETHICAL OPPORTUNITY

FUND DESCRIPTION AND FEATURES

The Pengana International Fund - Ethical Opportunity (the Fund) is a long only fund that holds 30-50 companies across developed and developing markets, large and small companies.

The Fund predominantly invests in companies that deliver stable yet growing free cash flow throughout cycles (which we classify as ‘Core’ holdings) whilst also taking positions in more cyclical companies (‘Cyclical’) and those whose valuation has been materially misconstrued by the market (‘Opportunistic’).

We avoid investment in companies that, in our opinion, are harmful to people, animals or the environment. Visit our website for more information on the Fund.

Important Note: There are significant accumulated tax losses contained within the Fund which may benefit existing investors. We have accordingly closed the Fund to new investors in order to maintain the interests of existing investors. We strongly urge you to seek tax advice if you are an investor in the Fund, to understand how this may benefit you.

PERFORMANCE COMMENTARY

The Fund returned +1.8% in July. In local currency the Fund delivered 0.9% and the depreciating AUD added a further 0.9%. Cash was a minor drag through the month.

The Fund’s three largest positive stock contributors were KAR Auction Services (US used vehicle auctioneer), Alphabet (Google), and Cigna (US health insurer). KAR’s performance followed its spin-off of one of its divisions, IAA. Alphabet’s performance followed its 2Q19 result. Cigna’s share price benefited from the withdrawal of the proposed drug pricing rebate rule by the US government.

The Fund’s three largest detractors were Rakuten (Japanese e-commerce), Uber (US-listed ridesharing) and Bharti Infratel (Indian cellular towers). We think Rakuten’s performance reflected growing expectations that there will be a delay in the roll out of their mobile network. Uber’s performance probably reflected a drip-feed of questionable news including the resignation of two directors, departure of the company’s COO and cut-backs to Uber’s marketing team. Bharti’s performance reflected a weak Indian stock market and poor results from one of its larger customers, Vodafone Idea.

The Fund remains well diversified with exposures across most MSCI sectors. On a relative basis the Fund remains underweight ‘fast growth tech’, which we believe is currently trading on gravity-defying valuations, and overweight Materials, which are trading on highly attractive valuations.

Compared to the benchmark, the Fund continues to have large exposure to Europe ex-UK (27%) and Emerging Markets - Asia (11%), while being underweight the US (48%).

The weight of the Core segment remains around 60-70%, Cyclicals remain 5-10% and Opportunistic 15-20% of the portfolio.
FUND AND STRATEGY PERFORMANCE (NET OF RECALCULATED FEES)

A new strategy was implemented for the Pengana International Fund - Ethical Opportunity from 1 July 2017 by the Pengana team. The financial information below refers to the strategy currently employed by the Fund. For full performance history of the Fund, please refer to the Pengana website.

Net performance for periods ending 31 July 2019¹

<table>
<thead>
<tr>
<th></th>
<th>1 mth</th>
<th>3 mths</th>
<th>1 yr</th>
<th>Since Inception p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund and Strategy</td>
<td>1.8%</td>
<td>2.6%</td>
<td>8.1%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>2.1%</td>
<td>2.7%</td>
<td>11.0%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

PORTFOLIO INFORMATION

Top 10 stocks

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aon</td>
<td>United States</td>
<td>Financials</td>
</tr>
<tr>
<td>Bharti Infratel</td>
<td>India</td>
<td>Communication Services</td>
</tr>
<tr>
<td>Charter Communications</td>
<td>United States</td>
<td>Communication Services</td>
</tr>
<tr>
<td>Cigna Corp</td>
<td>United States</td>
<td>Health Care</td>
</tr>
<tr>
<td>CME Group</td>
<td>United States</td>
<td>Financials</td>
</tr>
<tr>
<td>Deutsche Boorse</td>
<td>Germany</td>
<td>Financials</td>
</tr>
<tr>
<td>Medtronic</td>
<td>United States</td>
<td>Health Care</td>
</tr>
<tr>
<td>Mowi</td>
<td>Norway</td>
<td>Consumer Staples</td>
</tr>
<tr>
<td>Rakuten</td>
<td>Japan</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>UnitedHealth Group</td>
<td>United States</td>
<td>Health Care</td>
</tr>
</tbody>
</table>

Largest 3 contributors

- CME Group
- Mowi
- Bharti Infratel

Largest 3 detractors

- CME Group
- Lumentum
- TomTom

SECTOR BREAKDOWN

- Financials: 19.6%
- Communication Services: 16.7%
- Health Care: 14.0%
- Industrials: 11.1%
- Cons. Disc.: 9.8%
- IT: 7.9%
- Cons. Staples: 5.4%
- Materials: 4.9%
- Cash: 10.6%

CAPITALISATION

- Under 5bn USD: 15.5%
- 5bn - 10bn USD: 6.4%
- 10bn - 100bn USD: 45.3%
- Above 100bn USD: 22.2%
- Cash: 10.6%

SEGMENT

- Core: 63.2%
- Opportunistic: 21.1%
- Cyclical: 5.1%
- Cash: 10.6%

STATISTICAL DATA

Fund and Strategy Portfolio Summary ¹

<table>
<thead>
<tr>
<th>Volatility</th>
<th>9.31%</th>
<th>Number of stocks</th>
<th>35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta</td>
<td>0.79</td>
<td>Maximum Drawdown</td>
<td>-9.58%</td>
</tr>
</tbody>
</table>

¹ From July 2017, performance figures are those of the Hunter Hall Pengana International Fund - Ethical Opportunity’s class A units (net of fees). Between July 2015 and June 2017, performance figures have been recalculated by adjusting the Pengana International Fund’s (ABN 610 351 641) net returns to reflect the management fee of the Pengana International Fund - Ethical Opportunity. From July 2017, the Pengana International Fund - Ethical Opportunity has been managed by the same team and with the same strategy as the Pengana International Fund. The Pengana International Fund’s net track record data is historical. Past performance is not a reliable indicator of future performance. The value of the investment can go up or down. 2. Annualised standard deviation since inception. 3. Relative to the MSCI All Country World Total Return Index in AUD.

Pengana Capital Limited (ABN 30 103 800 568, AFSL 226566) (“Pengana”) is the issuer of units in the Pengana International Fund - Ethical Opportunity (ABN 610 586 282) (the “Fund”). A product disclosure statement for the Fund is available and can be obtained from our distribution team or website. Neither information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation or needs. Neither Pengana nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund.