

May 2021

# HARDING LOEVNER INTERNATIONAL

On May 10th, Pengana announced the appointment of **Harding Loevner** to manage the Fund. Established in 1989, Harding Loevner is a highly regarded globalequity manager, responsible for the management of over US\$84bn of investments on behalf of some of the world's largest and most sophisticated investors (including pension funds, sovereign wealth funds, endowments, and family offices). The Fund, now renamed the Pengana Harding Loevner International Fund, invests in high- quality, growing companies identified through fundamental research with a long- term, global perspective.

Following Harding Loevner's appointment, the process of transitioning the positions from the old to the new portfolio commenced. This entire process was efficiently executed with a minimal direct cost to the Fund and was fully completed by month- end.

In partnering with Harding Loevner, Pengana has identified a highly regarded investment manager with extensive global equity expertise that has generated significant outperformance throughout the strategy's 32-year track record. We look forward to a long and fruitful relationship with our international equity investors.

Please find a brief investment commentary for the month of May below, which will be expanded over the coming months now that Harding Loevner has full responsibility for portfolio management decisions. For investors wishing to know more about Harding Loevner's investment philosophy and process, please see the recent introductory webinar recording [here](#).

## PENGANA HARDING LOEVNER INTERNATIONAL FUND CLASS B

### PERFORMANCE AT 31 MAY 2021

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	SINCE FUND INCEPTION JUNE 2015 P.A.	SINCE STRATEGY INCEPTION NOVEMBER 1989 P.A.
<b>Pengana Fund</b> The historical performance of the Fund across past and present investment teams	2.72%	15.28%	13.99%	13.10%	12.06%	
Harding Loevner Global Equity Strategy The underlying strategy of the investment team Harding Loevner	0.26%	20.46%	15.25%	15.75%	14.38%	9.86%
MSCI All Country World Total Return Index in AUD	1.35%	21.64%	13.00%	12.67%	11.11%	7.10%

## PENGANA HARDING LOEVNER INTERNATIONAL FUND CLASS E

### PERFORMANCE AT 31 MAY 2021

	1 MTH	1 YEAR	SINCE CLASS E INCEPTION AUG 2019 P.A.	SINCE STRATEGY INCEPTION NOVEMBER 1989 P.A.
<b>Pengana Fund</b> The historical performance of the Fund across past and present investment teams	2.73%	15.76%	15.34%	
Harding Loevner Global Equity Strategy The underlying strategy of the investment team Harding Loevner	0.29%	20.41%	17.64%	9.73%
MSCI All Country World Total Return Index in AUD	1.35%	21.64%	12.81%	7.10%

\*The Pengana Fund performance is the performance of the Fund with APIR code PCL0026AU for Class B, and APIR code PCL1284AU for Class E. Past performance is not a reliable indicator of future performance. The value of the investment can go up or down. Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions.  
 \*\*The Harding Loevner Global Equity Strategy performance (shown in the shaded area in the chart, and in the performance table as row labeled 'Harding Loevner Global Equity Strategy') has been simulated by Pengana from the monthly gross returns of the Harding Loevner 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. Past performance is not a reliable indicator of future performance. The value of the investment can go up or down. Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions.

## MARKET











As the pandemic eased and the recovery continued in most of the developed world, Energy and Financials led market returns. The prospect of higher interest rates helped banks continue their strong year-to-date run. Conversely, stocks lagged in Information Technology (IT) and Consumer Discretionary, where questions arose whether demand could keep rising at the pace witnessed at the height of the pandemic. A high concentration of Energy and Financials companies powered Canada higher. Europe fared well as COVID cases declined, pandemic restrictions relaxed, and vaccination efforts sped up after a sluggish start.

## PORTFOLIO

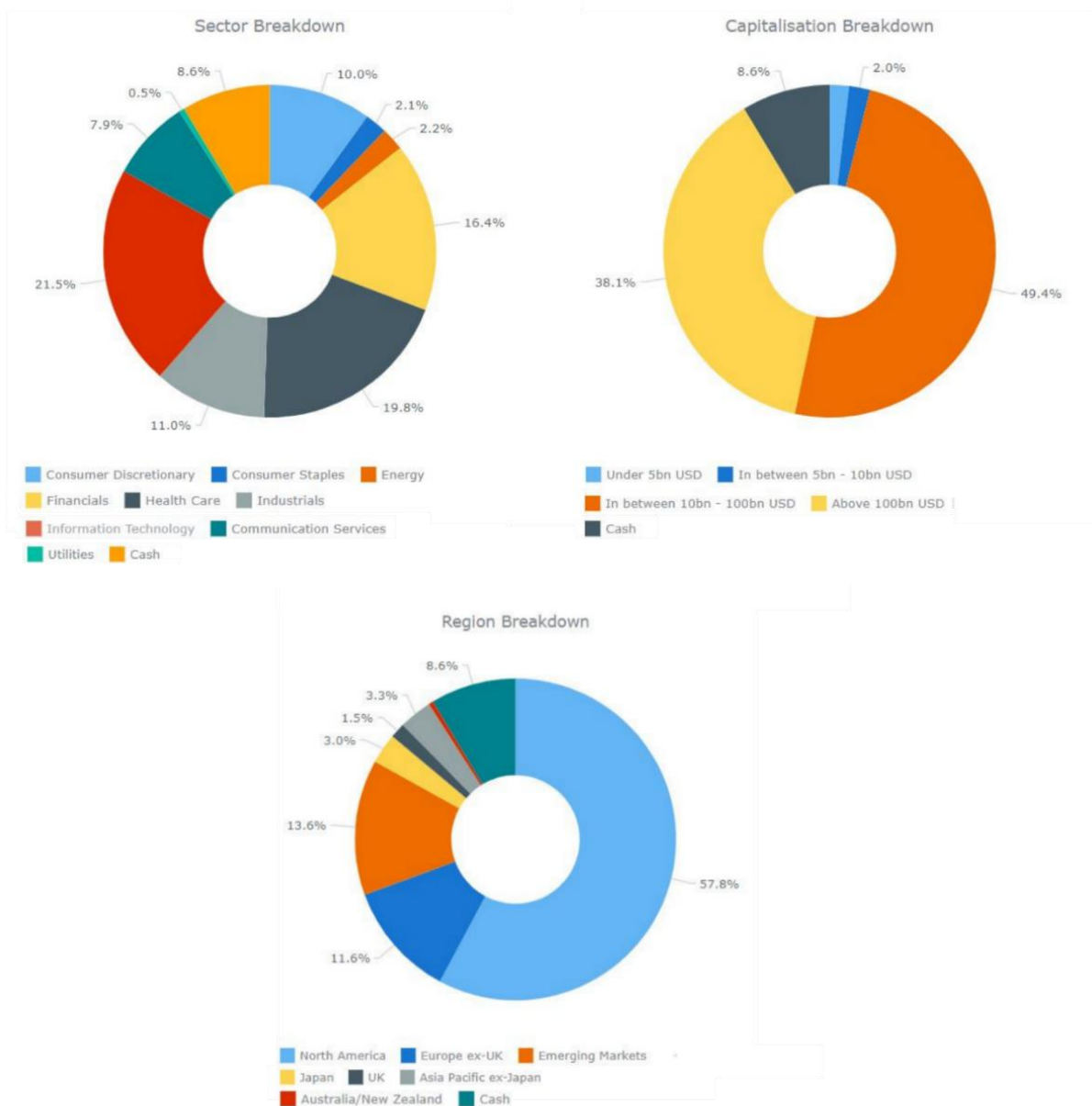


We continue to see long-term growth opportunities within Health Care. The CEO of Illumina, the global leader in genetic sequencing tools, stated recently that we have entered a “golden era” for health care innovation due to advances in genomics and other areas of microbiology. We agree and believe that Illumina is well-positioned to benefit from these advances as well as the industry’s renewed focus on investigating new gene-based therapies now that the pandemic is consuming less attention. As genetic sequencing technology improves and the cost falls, Illumina’s tools should have increasingly wider applications, from massive sequencing studies of large populations to clinical diagnostics and prenatal testing.

## TOP 10 HOLDINGS

	Alphabet Inc		First Republic Bank/CA
	Amazon		Illumina
	CME Group		PayPal
	Deere & Co		SVB Financial Group
	Facebook Inc		Vertex Pharmaceuticals Inc

## PORTFOLIO BREAKDOWN



## FEATURES

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<b>APIR CODE</b>	PCL0026AU
<b>REDEMPTION PRICE</b>	A\$ 1.2184
<b>FEES*</b>	Management Fee: 0.974% Performance Fee: Nil
<b>MINIMUM INITIAL INVESTMENT</b>	\$10,000
<b>FUM AT MONTH-END</b>	A\$ 34.51m
<b>STRATEGY INCEPTION DATE</b>	1 July 2015
<b>BENCHMARK</b>	MSCI All Country World Total Return Index in AUD

Kind regards,



**PETER BAUGHAN**  
Portfolio Manager



**JINGY LI**  
Portfolio Manager

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1. Past performance is not a reliable indicator of future performance.

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