



## Pengana Axiom International Fund (Hedged)

HHA0002AU Author: Hong Hon Published: 18 Mar 2026

Data is provided by the manager at 30 Jun 2025, and currency in AUD, unless otherwise stated

Refer to glossary for definition of the rating

### Product Review

#### About this Product

Investment manager	Axiom Investors LLC
Benchmark	MSCI AC World ex Australia NR Index (AUD Hedged)
Product structure	Managed Fund
Product size	\$47.50m
Inception date	Nov 2001
Asset class	Global Equities
Sector	Global Large Cap
Peer group	Growth - Hedged
Rated peers	17

#### Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Medium
Key Person Risk	Low
Tenure of Decision Makers	High
Complex (RG240)	No
Strategy Remaining Capacity	None stated
ESG Approach	Filters or Screens
Peer Relative Fees and Costs	Above median

#### Annual Fees and Costs (% p.a.)

Management fees & costs	1.35
Performance fee costs	0.00
Net Transaction Costs	0.501
Buy/Sell Spread	0.25/0.25
<b>Annual fees and costs</b>	<b>1.851</b>

Source: FE fundinfo, PDS Date: 19/Sep/2025

#### Strengths

- Senior members of the investment team are considered to be high-quality and well-experienced.
- The Manager has a long track record of successfully implementing the underlying growth-biased investment process through multiple market cycles.
- There is generally notable alignment via co-investment and equity ownership by senior members of the investment team.

#### Weaknesses

- The Manager currently manages a large number of different strategies, albeit all follow the same investment philosophy and the lead portfolio manager is solely focused on this strategy.
- The Fund's relatively unconstrained and active approach may leave it susceptible to periods of elevated volatility and drawdowns, particularly in periods where the Manager's style is not favoured.
- While general ESG scoring features in the process, ethical considerations are applied through negative screening, which is considered to be less robust than other ethical-labelled fundamental peers.

### Product Opinion

The Fund has maintained its 'Recommended' rating. Supporting the rating is conviction in the senior members of the investment team, and the highly structured, robust and thorough research process. Despite only managing the Fund over a short period, the Manager has a successful long-term track record of implementing the investment strategy through multiple market cycles. However, given the Manager's active and relatively unconstrained approach, the Fund may be vulnerable to periods of elevated volatility and drawdowns relative to the market, particularly during market environments that are not favourable to the Manager's investment style.

#### Lonsec Rating Model

Rating key: ●●● Above ●●● In-line ●●● Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	—
Process	●●●	—
ESG	●●●	—
Product	●●●	—
Fees	●●●	—
Performance	●●●	—

#### Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

#### Return Profile

Income		
Capital		
	Defensive	Growth

### Key Facts

#### Key Objectives

Investment objective	To obtain returns greater than the MSCI All Country World Total Return Index (net, hedged to AUD) over the medium to long term
Internal return objective	To outperform the benchmark, after fees, over rolling five-year periods
Internal risk objective	No stated risk objective

#### Asset Allocation (%) (as at 31/12/2025)

International Equities	98.12
Cash	1.88
<b>Total</b>	<b>100.00</b>

Source: FE fundinfo

#### Rating History

16-Apr-2025	Recommended
24-May-2024	Recommended
27-Apr-2023	Recommended

#### Product Distribution Profile

Frequency	Semi Annually
Last Missed Distribution	30 Jun 2024
Number of Missed Distributions in the last 5 years	9
AMIT Election	Yes
TOFA Election	No

#### Top 10 Holdings (as at 30/11/2025)

	Weight (%)
ALPHABET INC.	7.270
MICROSOFT CORPORATION	7.060
NVIDIA CORPORATION	6.880
AMAZON.COM, INC.	5.510
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	5.360
BROADCOM INC.	4.250
NETFLIX, INC.	3.920
SIEMENS ENERGY AG	3.890
MORGAN STANLEY	3.880
META PLATFORMS, INC.	3.870

Source: FE fundinfo

#### Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

#### Performance Analysis - annualised after fees at 31/12/2025

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	6.45	8.21	15.06	13.10	19.71	13.21	5.98	5.78
Standard deviation	14.50	10.31	14.06	9.80	15.33	11.57	18.29	14.16
Excess return (% p.a)	-13.45	-10.27	-4.75	-6.36	-0.16	-6.80	-5.20	-5.74
Outperformance ratio (% p.a)	41.67	29.17	54.17	33.33	52.78	36.11	45.00	36.67
Worst drawdown (%)	-11.94	-7.31	-11.94	-7.37	-11.94	-9.34	-37.12	-27.85
Time to recovery (mths)	4	-	4	3	4	-	21	-
Sharpe ratio	0.17	0.38	0.77	0.77	1.02	0.75	0.18	0.20
Information ratio	-2.13	-2.29	-0.59	-1.58	-0.02	-1.40	-0.57	-1.28
Tracking error (% p.a)	6.33	5.11	8.05	4.46	8.10	4.45	9.17	4.74

**Lonsec Peer Group:** Global Equities - Global Large Cap - Growth - Hedged

**Product Benchmark:** MSCI AC World ex Australia NR Index (AUD Hedged)

**Cash Benchmark:** Bloomberg AusBond Bank Bill Index AUD

**Time to recovery:** NR - Not recovered, dash - No drawdown during period

### Business ●●●

#### Facts

Investment Manager	Axiom Investors LLC
Ultimate Parent Company	100% employee owned
Headquarters	Connecticut, US
Inception Date	Jan 1998
% Staff Ownership	>50%

#### Governance

% Independent board members	0
% Female board members	40
Independent chair	No
CEO as Chair	Yes
Separate Audit Committee	No

#### Who is the Manager?

Axiom Investors ('Axiom' or 'the Manager') is a specialist global equity investment manager, based in Greenwich (Connecticut, US). The firm was founded in 1998 and is 100% employee-owned with 26 partners. As at 30 June 2025, the Manager had total assets under management ('AUM') of US\$26.3b.

Pengana Capital Limited ('Pengana') is the Responsible Entity ('RE') of the Fund and responsible for all aspects, including marketing and distribution. Pengana is a wholly owned subsidiary of Pengana Capital Group Limited (ASX: PCG), a diversified funds management group founded in 2003 and headquartered in Sydney. As at 30 June 2025, Pengana had total AUM of \$3.6b. Pengana has appointed Axiom as the investment manager for the Fund.

### Lonsec Opinion

#### Profitability

The Manager is standalone profitable and well-capitalised. The firm's earnings quality is supported by the Manager's substantial assets across various developed and emerging market strategies. This is further strengthened by a diverse client base, with 33% maintaining relationships with the firm for over a decade.

#### Business Track record

The Manager has a long and successful track record dating back to 1998 that has shown sustainable growth across a range of global equity strategies. Positively, the Manager has remained focused on strategies within the asset class, staying within their realm of expertise and prioritising client outcomes over asset gathering.

#### AUM



#### Metrics

Total AUM	US\$26.3b
Investment Management Headcount	55
Investment Professionals	28
Sales & Service	0
Distributor	Internal

#### Business Ownership

Axiom is a boutique global equity investment manager, entirely employee owned by 26 partners. All portfolio managers are partners, ensuring alignment between investment and business performance. This employee ownership structure fosters alignment between employees and the success of both the business and its investment strategies.

#### Business Governance

The Manager has an adequate governance framework. Although the firm does not have a formal board, it maintains a management and sustainability committee consisting of senior executives who meet regularly to discuss key management decisions and strategic initiatives. While greater independence in oversight and the presence of a separate audit committee would be considered best practice, the firm has not encountered any recent regulatory issues.

### Team ●●●

#### Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Bradley Amoils	Portfolio management	Yes	2021	34/23	28
Andrew Jacobson	Portfolio management	Yes	2021	37/27	32
David Schneider	Portfolio management	Yes	2025	21/18	<1

#### KDM Change\*

	Function	Change	Type	Tenure (yrs)	Date of change
David Schneider	Portfolio management	Joined	Internal	18	Apr 2025

\* Last 3 years

#### Profile

Size	24
Structure	Centralised
Turnover	Medium

#### Alignment

KDM equity held in manager	Yes
KDM co-investment in strategy	Yes
Performance-Based bonus	Yes
Long term incentive plan	No

#### Resources

	Number	Average Years Experience
Key decision makers	3	30
Portfolio Managers	7	29
Hybrid portfolio manager/analysts		
Dedicated analysts	14	24
Dedicated dealers		
Quantitative		
ESG/Sustainability		
Macro		
Investment Specialists		

#### Who is the Team?

Andrew Jacobson founded Axiom in 1998 and serves as CEO and CIO. The Fund is managed by Lead Portfolio Manager ('PM') and ultimate decision maker Bradley Amoils.

Amoils is primarily supported by Jacobson and David Schneider, who was promoted to PM in 2025, as well as a team of global sector research analysts, led by Axiom's Director of Research Jonathan Ellis. They also collaborate closely with the broader Emerging Markets and Small Cap investment teams at Axiom.

The firm's broader investment team numbers 24. Alongside the 10 Portfolio Managers are seven Global Sector Analysts, three Portfolio Research Analysts and four Research Associates.

## Lonsec Opinion

### Skill

Amoils has managed the global equity strategy since its inception in 2004 and has demonstrated skill in consistently achieving the Fund's investment objective. Further, stock-picking skill is noted over the three years, bolstered by the longer-term track record.

Jacobson, serving as Co-PM, Founder and CIO, has overseen the strategy since its inception and is credited with formulating the investment culture and team. Overall, skill is viewed positively.

### Team Size

The investment team consists of 24 members who work across all investment strategies managed by the Manager. A consistent investment philosophy is applied across the strategies, which enhances the efficacy of the research. Resourcing is considered adequate for the requirements of the Fund, with no evidence of stretched resourcing.

### Track Record/Co-Tenure

Jacobson and Amoils both have respectable track records managing the strategy since its inception in 2004, with noted outperformance. Analysts have remained relatively stable throughout the life of the Fund, with only one departure in 2024 over the past 10 years. Both the track record and co-tenure of the investment team members are viewed favourably.

### Alignment

The Manager provides a base salary, equity and discretionary bonuses as remuneration for PMs, all of whom are equity partners. Further alignment is achieved by requiring a significant portion of variable remuneration to be invested alongside the Fund, with a three-year vesting period.

Variable remuneration for Portfolio Managers and Analysts is linked to the performance of financial products and achievement of other mutually agreed annual goals. Alignment is further strengthened by Jacobson, who remains a key figure as CIO and CEO, and Founder of the firm.

### Key Person Risk

Key person risk for the Fund is considered moderately low given the Co-PM structure and succession planning evident. Amoils holds the highest risk considering he is the lead PM of the Fund, running the strategy since 2004 with ultimate accountability for its performance. Key person risk associated with Jacobson and Ellis is considered to be moderate noting their other responsibilities.

### Process ●●●

#### What is the Investment Process?

The Manager adopts a fundamental, dynamic growth investment philosophy. The Manager's dynamic growth philosophy can be characterised as the intersection of three key elements – positive change, sustainability of growth and valuation. Rather than focusing on backward-looking financial approach, the Manager seeks to identify forward-looking metrics that identifies positive changes, accelerations and inflections in an enterprise's key operational catalysts that could ultimately lead to improvements in reported financial results or impact earnings projections over the medium term.

### Lonsec Opinion & Supporting Facts

#### Philosophy and Universe

Investment Type	Fundamental
Investment Approach	Bottom-up
Investment Style	Growth
Typical market cap	Large Cap
Minimum market cap	US\$1b
Available Universe	Global listed securities

The Manager adopts a Growth at a Reasonable Price (GARP) investment style, targeting companies with structural growth trading at attractive valuations. As a result, the Fund is expected to exhibit a notable 'growth' bias. With no style drift observed over its history and positive outcomes achieved for investors since inception, this philosophy is considered effective in meeting the Fund's investment objectives.

#### Research Process

Key screens	Liquidity, Market Cap
Screened universe	2,250
Idea generation	Financial market data, Newsflow/Events
Stocks researched	500
Annual manager meetings	110
Key research inputs	Financial statements, Company meetings, Company data, Industry data, Economic/Market data, Expert networks
Primary valuation approach	Price multiples

The Manager's investment process is highly structured, robust and thorough. The collaborative effort between portfolio managers and analysts in sourcing investment ideas signifies a team-oriented approach that likely enriches the investment selection with diverse perspectives.

The Manager incorporates real-time data that is collected and processed manually by the team to monitor the development of portfolio holdings and ensure the investment thesis remains intact. New ideas are typically identified based on specific positive fundamental developments in a company's operations. The investment thesis and relevant supporting data is translated into a risk and return rating for each stock that incorporates between 10-12 fundamental elements, which typically fall into five general categories – company, industry, secular, macroeconomic and country, for each investment considered or held.

Buy candidates are those companies where the key drivers are exceeding investor expectations. For each investment, the Manager ensures that the valuation is appropriate given the magnitude of the changes in the key drivers, i.e. the higher the present valuation, the larger the improvement in the key drivers required before purchase. The Manager also incorporates macroeconomic views into the analysis of a company as such factors can be impactful to underlying earnings. That said, macroeconomic views are not expected to be the primary driver of portfolio decisions.

### Process (continued) ●●●

#### Portfolio Construction

Portfolio management structure	Co-PM
Approach to benchmark	Benchmark agnostic
Typical security numbers	50
Typical securities range	40-70
Typical portfolio turnover p.a.	40.00%
Typical active share	80.00%

The final portfolio is relatively concentrated. In terms of stock and position weightings, the Manager uses a proprietary fundamental ratings framework to formally assess enterprise risk and return. The rating assigned to each stock ultimately determines its appropriate weighting, with the highest conviction ideas entering the portfolio at the largest weight.

Once a stock is added, continuous monitoring enables the Manager to proactively manage the portfolio, quickly seizing growth opportunities or reducing risks from downturns. The Manager ensures that the valuation is appropriate given the magnitude of the changes in the key drivers. Portfolio construction is well-structured and repeatable.

#### Capacity Management

Capacity guidance	Not provided
Strategy AUM	US\$6.4b (Sep 2024)
Portfolio liquidity (1 week)	100.00%
Substantial holdings by manager	None
Strategy previously closed	No

As at 30 June 2025, Axiom managed US\$26.3b across a range of US, international, global, emerging markets and small-cap equity strategies. The Manager has advised that the estimated capacity of the global equity strategy is fluid and based on the market liquidity of the strategy. Whilst not considered an issue at this stage, some firmer guidance around capacity would be welcomed.

#### Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Daily
Primary risk management system	Bloomberg
Security Limits (Min./Max.)	Soft: Absolute 8%
Sector Limits (Min./Max.)	Soft: Absolute IT - Max 50%, All other sectors - Max 40%
Country Limits (Min./Max.)	Soft: US - 0.5-1.5x benchmark, Other single country - Max 30%, Emerging Markets - Max 25%
Cash Allocation (Typical, Max.)	3%, 5%

Risk management is embedded within the Manager's fundamental, bottom-up investment process. While the Manager adopt a 'benchmark unaware' approach, there are appropriate portfolio constraints in place to influence overall positioning. These include stock and diversification and liquidity limits.

Risk, including volatility and drawdown, is managed at both the individual stock level and overall portfolio level. The Manager's framework for portfolio construction and allocation of capital is dynamic, with the risk-adjusted return potential being continuously re-evaluated as new information becomes available or as valuations change. If the risk-adjusted return potential incrementally deteriorates, the Manager may trim or completely sell out of a position.

### ESG ●●●

#### Manager Positioning - Product

Responsible investment style	Ethical
ESG approach	Filters or Screens
Sustainability thematic	None
Non-financial objective	None

#### What is the Manager's ESG approach for this product?

The Manager has indicated that their Responsible Investment style is 'Ethical'. This ESG review is not a measure of how ethical the ultimate portfolio is, but an assessment of the process the Manager undertakes. With a primary ESG style of 'Filters or Screens', the Manager is likely using predetermined rules (usually based on the industry a firm operates in) to either include or exclude companies from their investable universe. They may undertake further ESG analysis or use these screens as the sole ESG measure.

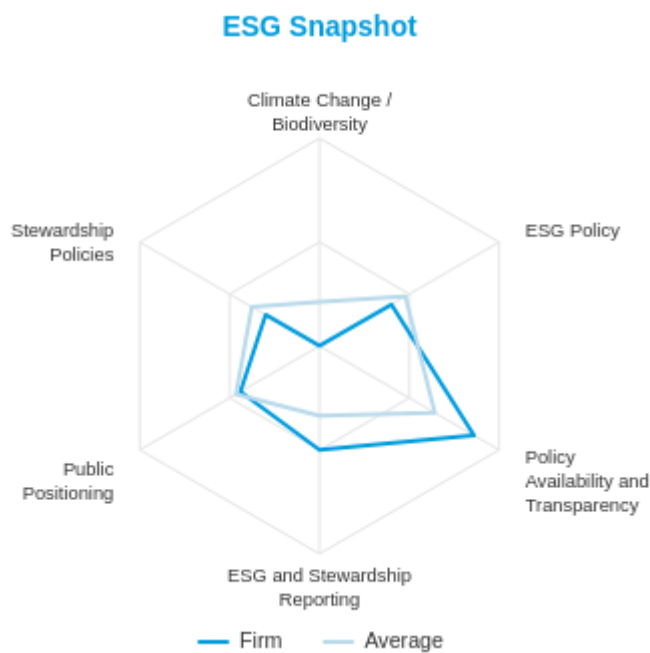
#### Sustainability Score

No score.

## Lonsec Opinion & Supporting Facts

#### Overview

ESG Process Score Mod



#### Product Level Approach

The Manager has an appropriately structured approach to the collection and use of ESG specific data for their size. The Manager demonstrates a foundational ESG research element in their investment process. Research outputs are qualitative allowing input to investment decisions but in a less structured manner than in some peers. There are clear links from the Manager's research to the stock selection process through structured adjustment of price targets to account for outsized ESG risks. While there is monitoring of ESG characteristics of the portfolio across a number of ESG and sustainability dimensions, this plays a minor role in overall portfolio construction. Engagement is a clear component of the Manager's approach and is managed with a structured engagement prioritisation process.

#### Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such, an alignment review to the product does not apply and its risk of misalignment is not applicable.

#### Manager Level Approach

The Manager's overall ESG policy framework and disclosure are generally in line with industry expectations. The Manager is committed to integrating ESG within their investment process, with evidence of public positioning. The ESG, proxy voting and engagement policies are available on the firm's website but are considered generic and lack depth compared to peers. Reporting on proxy voting outcomes is aligned with peers, however, while the stewardship report has been updated, it is weaker than peer reporting and does not include detailed engagement outcomes.

### Product ●●●

#### Service Providers

Responsible entity	Pengana Capital Limited
Investment manager	Axiom Investors LLC
Custodian	BNP Paribas
Administrator	BNP Paribas
Fund Auditor	Ernst & Young
Change in Key Providers? (Over last 12 months )	No

#### Product Details

Product size	\$47.50m
Fund 12-month net flows	Negative
Distribution model	Internal
Buy/sell spreads	0.25%/0.25%
Investment structure	Direct
Product type	Registered Managed Investment Scheme (Unitised)
Currency hedged	Yes
Use of derivatives	Yes
Types of derivatives	FX - Hedging Only

#### What is the Product Structure?

The Fund is an actively managed, long only, benchmark unaware global equities product that is relatively concentrated, holding predominately large cap stocks. The investment process includes industry-based exclusions with an ethical overlay, investing in both developed and emerging markets.

### Lonsec Opinion

#### Service Providers

The Manager employs high-quality reputable service providers for operational duties. The Fund's Responsible Entity ('RE'), Pengana Capital Limited, is a related entity as both RE and distributor for the product. An external RE is preferred to mitigate potential conflicts.

#### Wind-up Risks

The Fund in aggregate is well-supported and has low wind-up risk given AUM sits over \$400m across the unhedged and hedged strategies. Whilst flows are mixed in the short-term, no significant issues are noted. An aging client base is noted, resulting in some structural outflows due to clients drawing down. Diversification across client type will be a focus going forward. That said, low levels of AUM are noted in the Fund and increases from this level would be viewed favourably.

#### Operational 'Red Flags'

The Fund invests in several mid to small cap and off-benchmark names, which have the potential to pose operational and liquidity challenges during periods of market stress, given the daily liquid nature of the Fund. However, no issues have been noted to date.

### Fees ●●●

#### Annual Fees and Costs (% p.a.)

Management fees & costs	1.35
Performance fee costs	0.00
Net Transaction Costs	0.501
Buy/Sell Spread	0.25/0.25
<b>Annual fees and costs</b>	<b>1.851</b>

Source: FE fundinfo, PDS Date: 19/Sep/2025

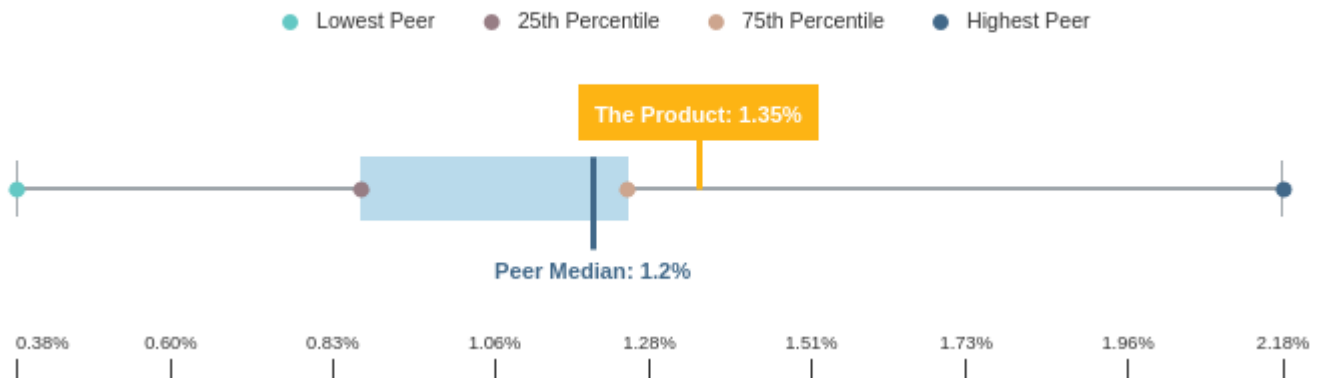
#### Performance Fees

Applicable	No
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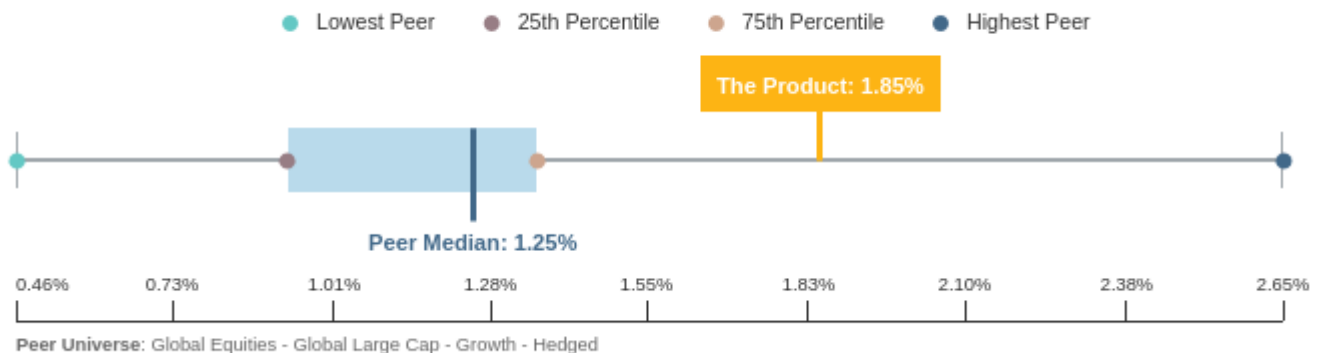
#### Fees Explained

The Fund's Annual Fees and Costs ('AFC') totalling 1.851% p.a. This value comprises (1) Management Fees and Costs of 1.35% p.a., and (2) Net Transaction Costs of 0.501% p.a. In line with RG97, some fees and costs have been estimated by the issuer on a reasonable basis. Actual fees and costs may vary from these estimates, particularly with respect to net transaction costs.

#### Management Fees and Costs Peer Comparison



#### Annual Fees and Costs Peer Comparison



### Lonsec Opinion

#### Annual Fees and Costs

The total fee load of 1.851% p.a. is considered high relative to peers.

#### Fairness

Despite the high fee structure, the Fund distinguishes itself through a unique investment strategy with an ethical lens, adding a layer of value not readily found in conventional peers. Moreover, the Fund's good performance track record speaks to the efficacy of its management team and their ability to navigate market complexities.

The Fund does not have a performance fee - an attractive quality, but balances this with an expensive fee.

Performance data is as at 31 December 2025

### Performance ●●●

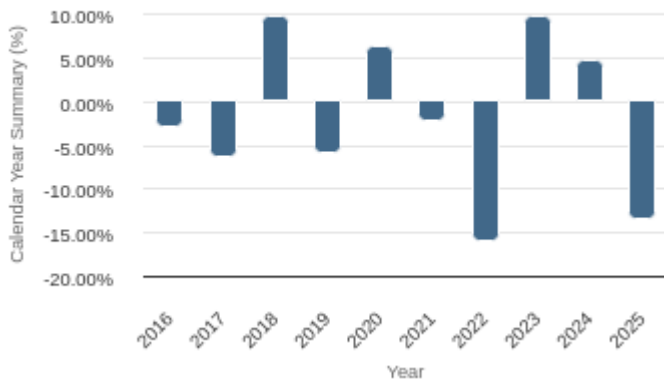
#### Performance Summary

PDS return objective	To obtain returns greater than the MSCI All Country World Total Return Index (net, hedged to AUD) over the medium to long term
Internal return objective	To outperform the benchmark, after fees, over rolling five-year periods
Internal risk objective	No stated risk objective
Product benchmark	MSCI AC World ex Australia NR Index (AUD Hedged)
Lonsec peer group	Growth - Hedged

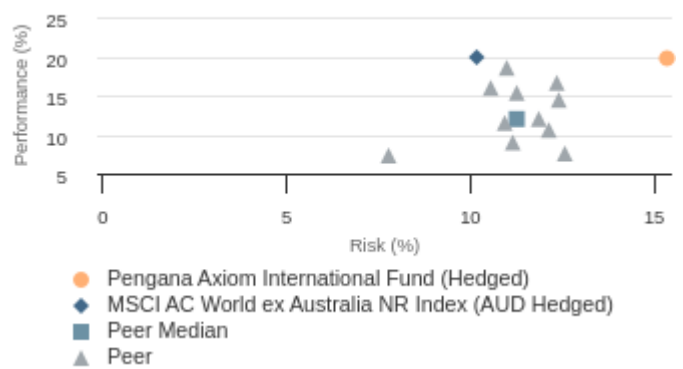
#### Alpha Generation

The Manager was appointed to the Fund in May 2021. Accordingly, the Fund's performance before this date does not reflect the current Manager. When assessing the strategy's US vehicle, it had outperformed over the longer term, with consistent outperformance across most time periods and market conditions evident, including since inception. That said, the Fund has underperformed both the Benchmark and the peer median over last one year.

Calendar Year Excess Return



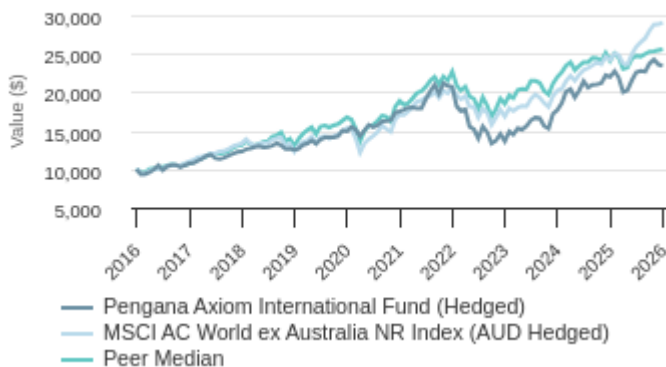
3 Year Risk and Return



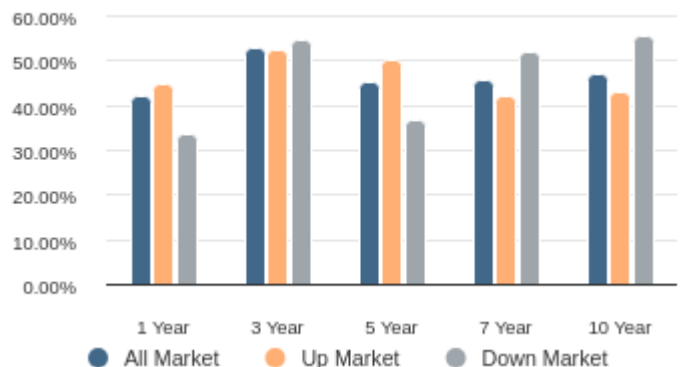
#### Alpha Consistency

The strategy has demonstrated a good level of outperformance consistency across various market conditions since its inception in 2004, resulting in outperformance across most return periods including since inception.

Growth of \$10,000 Over 10 Years



Returns Consistency



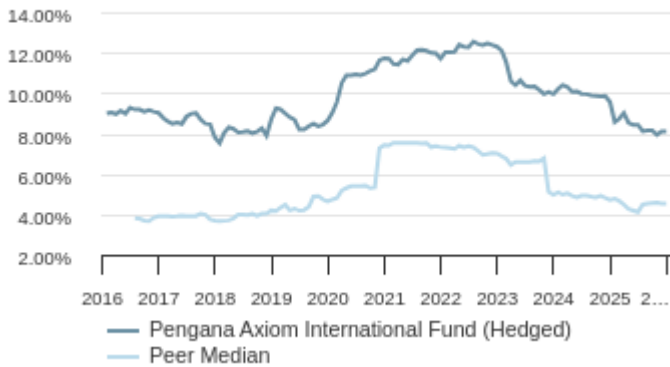
Performance data is as at 31 December 2025

### Performance (continued) ●●●

#### Benchmark Relativity

The Manager utilises meaningfully higher tracking error over the benchmark, conveying their highly active approach. This active risk has been utilised to generate a notable track record of outperformance. The Fund's information ratio has been generally above peers, indicating an effective use of active risk.

##### 3 Year Rolling Tracking Error Over 10 Years



##### 3 Year Rolling Information Ratio Over 10 Years



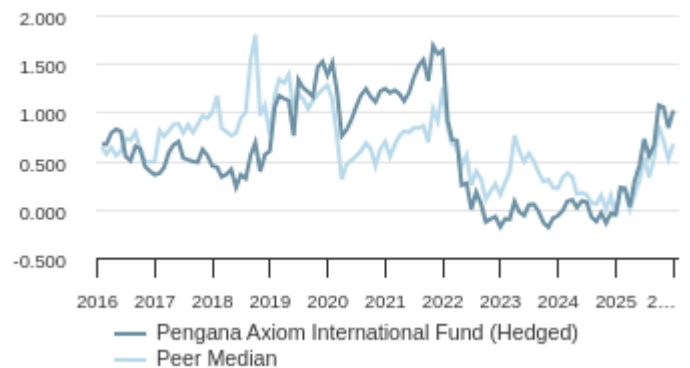
#### Return Volatility

Since the change in Manager in 2021, the Fund has exhibited notably higher risk (as measured by standard deviation) than the benchmark, albeit in line with expectations. This risk has generally been utilised effectively as the Sharpe ratio over the medium term has been above peers, although it has also resulted in elevated downside risk during periods such as 2022 where the Sharpe ratio was below peers.

##### 3 Year Rolling Standard Deviation Over 10 Years



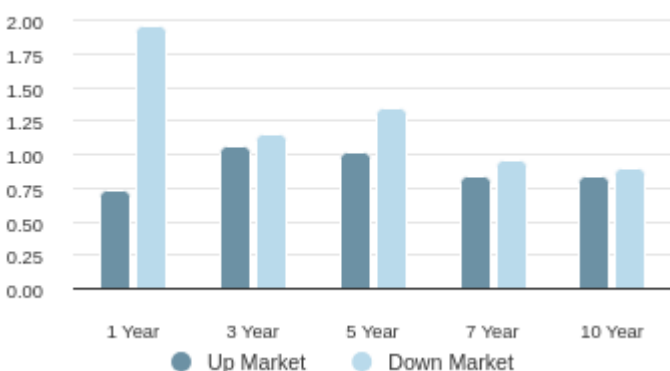
##### 3 Year Rolling Sharpe Over 10 Years



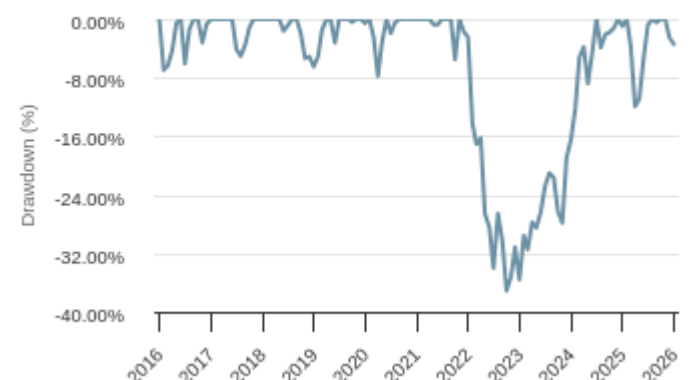
#### Product Defensiveness

The Fund whilst risk conscious will generally have a higher beta and deeper drawdown during market and 'growth' style headwinds. The Fund is not stated to be a defensive allocation. This was evident during 2022 in the face of rising interest rates when the Fund declined in excess of the benchmark.

##### Market Capture Ratio



##### Drawdowns



## Ratings

**'Highly Recommended'** rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.

**'Recommended'** rating indicates that Lonsec has strong conviction the product can meet its investment objectives.

**'Investment Grade'** rating indicates that Lonsec has conviction the product can meet its investment objectives.

**'Approved'** rating indicates that Lonsec believes the product can meet its investment objectives.

**'Not -Approved'** rating indicates that Lonsec does not believe the product can meet its investment objectives.

**'Closed / Wind Up'** status is applied when the product has been closed.

**'Fund Watch'** status is applied when a rating is under review due to the occurrence of a significant event relating to the product.

The **'Redeem'** rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.

The **'Screened Out'** rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.

**'Discontinued Review'** status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.

The **'Ceased Coverage'** status is applied when a rated product is withdrawn from the research process by the product issuer.

## General

**Climate Change / Biodiversity:** the extent to which a manager has a leading climate and biodiversity policies.

**ESG and Stewardship Reporting:** the transparency, accessibility and usefulness of a manager's reporting.

**ESG Policy:** the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.

**Excess return:** Return in excess of the benchmark return.

**Information ratio:** Relative reward for relative risk taken (Excess Returns / Tracking Error).

**Key decision maker (KDM):** A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.

**Market capture ratio:** A product's performance during either 'up' or 'down' market trends relative to an index.

**Policy Availability / Transparency:** the ease of public access to, and transparency of, a manager's overall ESG policy suite.

**Public Positioning:** the resolve of a manager's commitment to ESG as ascertained by their public positioning.

**Returns consistency:** The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.

**Sharpe ratio:** Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.

**Standard deviation:** Volatility of monthly Absolute Returns.

**Stewardship Policies:** the strength of a manager's proxy voting and engagement policies with respect to ESG.

**Time to recovery:** The number of months taken to recover the Worst Drawdown.

**Total return:** 'Top line' actual return, after fees.

**Tracking error:** Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).

**Worst drawdown:** The worst cumulative loss ('peak to trough') experienced over the period assessed.

## Lonsec Group Disclaimers

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## Lonsec Research FSG Financial Services Guide

This Financial Services Guide (FSG) has been prepared and issued by Lonsec Research Pty Ltd ABN 11 151 658 561 (Lonsec Research, we, us, our), holder of Australian Financial Services Licence (AFSL) No. 421445, to assist you in determining whether to use our financial services and products. This is an important document, and you should read it carefully. The contents of this FSG are general information only and does not take into account your personal needs or objectives. Lonsec Research provides no warranty as to the suitability of the services of this FSG for any particular person.

### 1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and

- how we deal with complaints

### 1.2 About Lonsec Research and its related parties

ASX listed Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings) and provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583). All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

### Contact Details

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[www.lonsec.com.au](http://www.lonsec.com.au)

### 1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- securities
- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
  - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
  - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

### 1.4 Provision of general advice

Any advice that Lonsec Research provides is of a general nature and does not take into account your personal financial situation, objectives or needs. You should, before acting on the information, consider its appropriateness having regard to your own financial objectives, situation and needs and if appropriate, obtain personal financial advice on the matter from a financial adviser. Before making a decision regarding any financial product, you should obtain and consider a copy of the relevant Product Disclosure Statement or offer document from the financial product issuer.

## Lonsec Research FSG (continued)

### 1.5 How Lonsec Research is paid

Lonsec Research receives fees from Fund Managers and/or financial product issuers for researching their financial product(s) using comprehensive and objective criteria. Lonsec receives subscriptions fees for providing research content to subscribers including financial advisers, fund managers and financial product issuers. Lonsec Research's fees are not linked to the financial rating outcome of a particular financial product. Lonsec Research fees are determined by private agreement with its clients depending on a number of criteria including the number of financial advisors who access Lonsec Research publications, the range of publications accessed and the complexity of a specific research assignment. Due to the specific nature of its charges, disclosure of Lonsec Research fees may not be ascertainable when you receive this FSG, but you are able to request this information in writing before a financial service is provided to you. The fees received by Lonsec Research do not have an effect on the inclusion (or otherwise) of a financial product in portfolios managed by Lonsec Investment Solutions; or in approved product lists as a result of Lonsec Investment Solutions consulting activities. We do not have any direct employees as all employees are contracted, for employment purposes, with Lonsec Fiscal, a subsidiary of Lonsec Holdings. All employees of Lonsec are paid a salary and may receive a discretionary bonus which is not guaranteed. Sales employees may have a sales commission plan, relevant for sales to Wholesale clients, as offered by Lonsec Research from time to time at its discretion.

### 1.6 How do we manage our compensation arrangements?

Lonsec Research has Professional Indemnity insurance arrangements in place to compensate clients for loss or damage because of breaches of any relevant legislative obligations by Lonsec Research or its representatives which satisfy section 912B of the Corporations Act 2001.

### 1.7 What should you do if you have a complaint?

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#### Complaints Manager

Level 39, 25 Martin Place  
Sydney NSW 2000

Tel: 1300 826 395

Email: [complaints@lonsec.com.au](mailto:complaints@lonsec.com.au)

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 30 days from Lonsec Research, the individual can complain to the Australian Financial Complaints Authority (AFCA). AFCA provides an independent dispute resolution service and can be contacted on:

Online: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678

Mail:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne, Victoria, 3001.

### 1.8 Conflicts of Interest

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Lonsec Research review and rate products for Fund and Equity Managers who may from time to time have holdings within Generation Development Group Limited. Lonsec Research manages any potential conflict by disclosing to investors who access the research for these products and by implementing a comprehensive ratings process, information barriers and monitoring program. For further information on how Lonsec manages its conflicts refer to our Conflicts of Interest Statement accessible [here](#). For more information refer to Lonsec Research Ratings Methodology available on our platform iRate or by contacting us on 1300 826 395.

Lonsec Holdings has appointed Australian Retirement Trust Pty Ltd ABN 88 010 720 840, AFSL 228975 as the provider of default superannuation services to its Group employees. Lonsec Holdings appointment of Australian Retirement Trust is not an endorsement of, or opinion on, the Fund.

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This FSG was prepared on 1 August 2024.