

Pengana Harding Loevner International Fund - Class B

PCL0026AU 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	Harding Loevner LP
Benchmark	MSCI AC World NR Index AUD
Product structure	Managed Fund
Product size	\$31.63m
Inception date	Jul 2015
Asset class	Global Equities
Sector	Global Large Cap
Peer group	Growth
Rated peers	65

Product Characteristics

Business Life Cycle	Growing
Product Wind-Up Risk	High
Key Person Risk	Medium
Tenure of Decision Makers	Low
Complex (RG240)	No
Strategy Remaining Capacity	US\$43b
ESG Approach	Risk or Value
Peer Relative Fees and Costs	In line with median

Annual Fees and Costs (% p.a.)

Management fees & costs	0.95
Performance fee costs	0.00
Net Transaction Costs	0.064
Buy/Sell Spread	0.20/0.20
Annual fees and costs	1.014

Source: FE fundinfo, PDS Date: 15/May/2025

Strengths

- The research process is robust and repeatable, and well-suited to the quality-growth focused investment philosophy.
- The Manager has a long-standing track record of implementing the investment process through multiple market cycles.
- The strategy is supported by a well-resourced global research platform that provides broad coverage of the investment universe.

Weaknesses

- The Co-Lead Portfolio Managers have a relatively short track record managing the strategy.
- The sub-portfolio investment approach introduces an additional layer of complexity to decision making, and has the potential to dilute the team's highest conviction ideas.
- The remuneration structure for Co-Lead Portfolio Managers lacks direct alignment to aggregate performance.

Product Opinion

The Fund's rating has been maintained at **'Investment Grade'** in the most recent review, reflecting conviction in the Manager's robust and repeatable research process, and supported by a long-standing track record of implementing the investment approach. However, the rating is moderated by the relatively short co-tenure of the Co-Lead Portfolio Managers. Additionally, while the sub-portfolio structure enhances diversification and mitigates risks associated with a single-portfolio manager model, it may also dilute the team's highest conviction ideas. Further, alignment between the Co-Lead Portfolio Managers could be strengthened through remuneration linked to the Fund's aggregate performance.

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 outperform the benchmark over the medium to long term
Internal return objective	To outperform the benchmark by 3% p.a., before fees, over a market cycle
Internal risk objective	To achieve a lower standard deviation than the benchmark over a market cycle

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

International Equities	98.16
Cash	1.84
Total	100.00

Source: FE fundinfo

Rating History

16-Apr-2025	Investment Grade
21-May-2024	Investment Grade
09-May-2023	Investment Grade

Product Distribution Profile

Frequency	Annually
Last Missed Distribution	Jun 2024
Number of Missed Distributions in the last 5 years	2
AMIT Election	Yes
TOFA Election	No

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

	Weight (%)
ALPHABET INC.	4.880
MICROSOFT CORPORATION	4.460
AMAZON.COM, INC.	4.060
TENCENT HOLDINGS LIMITED	3.490
SCHNEIDER ELECTRIC SE	3.340
NETFLIX, INC.	3.100
META PLATFORMS, INC.	2.970
SONY GROUP CORPORATION	2.860
ASML HOLDING N.V.	2.690
VERTEX PHARMACEUTICALS INCORPORATED	2.600

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)	4.07	3.96	14.12	15.35	16.47	17.36	7.18	9.99
Standard deviation	9.17	10.61	9.74	11.30	9.36	10.85	12.17	12.08
Excess return (% p.a)	-9.52	-8.62	-7.15	-5.91	-4.86	-4.50	-7.31	-5.31
Outperformance ratio (% p.a)	41.67	33.33	37.50	41.67	41.67	38.89	41.67	42.50
Worst drawdown (%)	-6.90	-8.96	-6.90	-8.92	-6.90	-9.00	-27.77	-22.45
Time to recovery (mths)	3	-	3	3	3	NR	21	-
Sharpe ratio	0.01	-0.00	1.02	0.92	1.32	1.20	0.37	0.57
Information ratio	-2.21	-1.31	-1.78	-1.05	-1.18	-0.89	-1.33	-0.84
Tracking error (% p.a)	4.31	6.09	4.02	5.88	4.11	6.02	5.48	6.45

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

Product Benchmark: MSCI AC World NR Index AUD

Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD

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

Business ●●●

Facts

Investment Manager	Harding Loevner LP
Ultimate Parent Company	Private partnership, along with approximate 82% interest owned by parent company, Affiliated Managers Group (NYSE: AMG)
Headquarters	Bridgewater, US
Inception Date	Mar 1989
% Staff Ownership	10-50%

Governance

% Independent board members	Not applicable (Limited Partnership, Exec Committee)
% Female board members	33% (Exec Committee)
Independent chair	No
CEO as Chair	Yes
Separate Audit Committee	No

Who is the Manager?

Harding Loevner LP ('Harding Loevner' or 'the Manager') is a global equities investment manager headquartered in Bridgewater, New Jersey (US). The firm was founded in 1989 by former Rockefeller family managers and remains 18% employee-owned, with the remainder owned by Affiliated Managers Group (NYSE: AMG). The Manager offers a range of equity strategies across developed and emerging markets for various clients.

Pengana Capital Limited ('Pengana') is the Fund's Responsible Entity ('RE') and also responsible for distributing the strategy in Australia. 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.

Lonsec Opinion

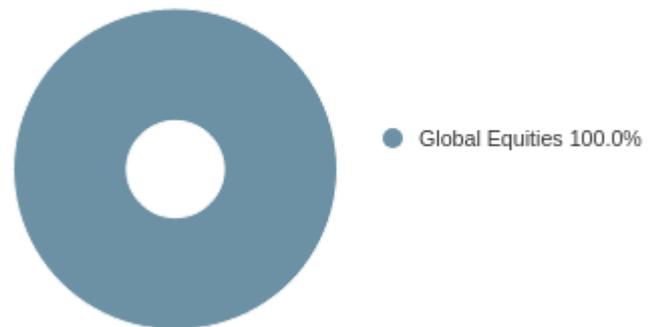
Profitability

The Manager is standalone profitable and has a healthy level of assets under management ('AUM'), albeit declining in recent years. Its earnings resilience is reinforced by a diverse global equity product range, broad client base and effective in-house distribution team.

Business Track record

The Manager has a long track record dating back to the firm's inception. Over the years, the firm has continued to diversify its product suite across various global equity strategies, including those focused on emerging markets. The firm's expansion has led to considerable growth in AUM. However, more recently, there has been a notable decrease from the peak assets of US \$86b attained in 2021. This decline can be attributed to a mix of market fluctuations and client redemptions, impacting overall AUM.

AUM



Metrics

Total AUM	US\$41b
Investment Management Headcount	104
Investment Professionals	37
Sales & Service	0
Distributor	External

Business Ownership

The Manager exhibits a 'boutique' investment culture, with staff owning 18% of the firm. Investment and business managers are invited to participate in equity ownership after certain milestones are achieved. AMG remains a supportive investor while also providing some additional back-office functions to the Manager, which should ensure the integrity of the firm's investment culture.

Business Governance

The Manager's business governance is deemed suitable for its size. Although the Manager operates as a private partnership without a formal board, it is led by an Executive Committee comprising senior executives. Additionally, there is a separate compliance committee. There have been no regulatory findings in recent history, which is encouraging.

Team ●●●

Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Jingyi Li	Strategy lead	No	2021	27/15	6
Richard Schmidt	Strategy lead	No	2024	40/15	25

KDM Change*

	Function	Change	Type	Tenure (yrs)	Date of change
Richard Schmidt	Strategy lead	Joined	Internal	15	Oct 2024
Peter Baughan	Strategy lead	Departed	Exit	28	Oct 2024

* Last 3 years

Profile

Size	30
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	Yes

Resources

	Number	Average Years Experience
Key decision makers	2	33
Portfolio Managers		
Hybrid portfolio manager/analysts	2	23
Dedicated analysts	26	23
Dedicated dealers		
Quantitative		
ESG/Sustainability		
Macro		
Investment Specialists		

Who is the Team?

Jingyi Li and Richard Schmidt are the Co-Lead Portfolio Managers ('Co-PM's') for the strategy.

Li joined the portfolio manager lineup in 2021 and possesses 27 years of experience. Schmidt was running a paper portfolio of the global equity strategy for ten years before being elevated to Co-PM after the retirement of Peter Baughan in October 2024. Schmidt joined the Manager in 2011 and has been a PM since 2014, while also holding nearly 40 years of industry experience. Together, they are responsible for stock selection, risk management and portfolio construction within their respective sleeves, while also maintaining oversight of the portfolio in aggregate.

Li and Schmidt are supported by Portfolio Managers Moon Surana and Sean Contant. While Surana is not directly involved in decision making for the global equity strategy, she manages a global equity paper portfolio. The paper portfolios serve as a tool to signal investment ideas to the Co-PM's, while also being useful from a succession planning perspective.

A team of 30 investment professionals, including the portfolio managers for the strategy, are tasked with conducting the research used in stock selection across the various strategies offered by the Manager. The team's analytical duties are divided by global sectors and, in some cases, more specialised regions like emerging markets.

Lonsec Opinion

Skill

While Li is considered a capable investor with solid industry experience, he is still establishing himself as a steward of the strategy and portfolio manager more broadly. He also oversees research for the industrial sector and Chinese equities. Schmidt brings substantial portfolio management experience and has run a paper portfolio of the strategy since 2014. Both Li and Schmidt manage the Manager’s Global Developed Markets Equity and Global Carbon Transition Equity strategies, which are closely aligned to this strategy. Their combined performance remains a key watchpoint amid these changes. Both are supported by an experienced analyst team, primarily based in the Manager’s US office, which should enhance research collaboration.

Team Size

The investment team of 30 is considered adequately resourced relative to peers and the size of the investment universe. Stock coverage for the team is delineated along global sectors and more specialised regional lines, such as emerging and frontier markets. This narrow focus provides the scope for in-depth analysis and therefore may enhance the team’s understanding of both new and existing investment prospects.

Track Record/Co-Tenure

The current portfolio management team is still in the early stages of their tenure, and the pair has yet to establish a formal track record overseeing the strategy. While both appear competent in their roles, a period of stability is needed to build further conviction in the Co-PM’s. Positively, the analyst team remains well-established, with an average tenure of 11 years in supporting the Fund’s research efforts.

Alignment

The KDM’s demonstrate reasonable alignment with end investors, and both Li and Schmidt are partners within the firm. However, the Co-PM’s are remunerated based on the performance of their sub-portfolios, with no direct alignment to the strategy’s overall performance. While this approach enhances individual accountability, it dilutes the sense of collective responsibility and alignment with the strategy’s overall performance relative to peers.

Non-partners participate in a long-term deferred compensation plan linked to the success of their annual investment performance and achievement of other mutually agreed-upon goals. Furthermore, while not an organisational requirement, there is a strong co-investment culture within the investment team, which is viewed favourably.

Key Person Risk

Key person risk associated with both Li and Schmidt is considered moderate given their relatively short track record formally co-managing the strategy. Factors that mitigate this include the bench of portfolio managers managing paper portfolios for the strategy, level of co-investment and equity ownership amongst the KDM’s, and the firm’s track record in managing succession plans for other strategies. Schmidt’s transition to portfolio manager from managing the paper portfolio appears smooth and highlights the experience on the bench. A period of monitoring will be implemented to assess the materiality of Baughan’s departure from the strategy.

Process ●●●

What is the Investment Process?

The Manager employs a bottom-up, fundamental approach to identifying companies based on four key quality and growth criteria - competitive advantage, quality management, financial strength and sustainable growth. The strategy invests according to a model portfolio created by combining two separate sub-portfolios constructed by the Co-PM's. Stocks are selected from the pool of analyst-rated stocks based on their risk-adjusted return potential relative to the broader research universe. While the Manager's philosophy emphasises both quality and growth, the valuation sensitivity of the research process, along with a higher level of portfolio diversification, has occasionally resulted in milder quality-growth characteristics compared to peers.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Type	Fundamental
Investment Approach	Bottom-up
Investment Style	Growth
Typical market cap	>US\$50b
Minimum market cap	US\$1b
Available Universe	Global listed securities

The 'quality/growth' approach is highly adaptable to the strategy's investment universe and aligns with its outperformance objectives. The strategy's mandate, while more risk-conscious than some peers, is flexible enough to ensure it can meet its 3% outperformance target over a market cycle.

Research Process

Key screens	Balance Sheet, Earnings, Liquidity, Market Cap
Screened universe	550
Idea generation	Company research, Meeting with management and stakeholders, Industry research
Stocks researched	506
Annual manager meetings	1,400
Key research inputs	Financial statements, Company meetings, Company data, Industry data, Economic/Market data, Sell-side reports
Primary valuation approach	DCF

The Manager's key edge over peers is the stricter definition of quality and growth, along with the repeatability of its investment process. The team is adequately resourced, offering reasonable breadth, though it has limited international presence beyond the US despite maintaining an office in London.

The Manager's approach to idea generation is centred around analyst autonomy, promoting flexibility to identify investment opportunities from various sources. The underlying research methodology is structured, focusing on consistently evaluating companies against four key quality and growth criteria. Analysts utilise a proprietary Quality Assessment ('QA') Framework, comprising ten factors that each company is scored against, enhancing comparability across sectors and regions. Moreover, the relative valuation approach reinforces valuation discipline.

In terms of 'bottom-up' research, the intellectual property lies in the depth of research conducted, which is considered thorough and supported by regular industry reviews conducted by the investment team. Additionally, the firm's investment tools are comparable with those of larger peers.

Process (continued) ●●●

Portfolio Construction

Portfolio management structure	Co-PM
Approach to benchmark	Benchmark Aware
Typical security numbers	60
Typical securities range	35-75
Typical portfolio turnover p.a.	25.00%
Typical active share	80.00%

Only stocks that are analyst-rated are considered for the final portfolio. The Co-PM's select stocks from this pool based on their return potential and ability to enhance the portfolio's overall risk/return profile. Their sub-portfolios are roughly equally weighted and combined to form the model portfolio.

Minimal overlap historically between the two sub-portfolios suggest differences in sector and regional biases between the Co-PM's and the judgement of the risk and return potential of individual positions. Whilst improving diversification, this approach risks not adequately allocating capital to the best ideas.

Analysts monitor companies against milestones, with positive or negative developments potentially altering conviction. However, recent challenges, particularly in stock selection, require improvement to enhance confidence in the strategy.

Capacity Management

Capacity guidance	US\$50-55b
Strategy AUM	US\$6.9b
Portfolio liquidity (1 week)	100.00%
Substantial holdings by manager	None
Strategy previously closed	No

There are no capacity concerns for the strategy given AUM is well-below the Manager's stated capacity target, with ample headroom for growth.

Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Daily
Primary risk management system	Axioma, Factset, Bloomberg, Proprietary
Security Limits (Min./Max.)	Soft Limit: 1-5%, Absolute
Sector Limits (Min./Max.)	Soft Limit: 0-25% Absolute
Country Limits (Min./Max.)	Varies by country
Cash Allocation (Typical, Max.)	3%, 10%

Risk management is considered largely embedded within the Manager's investment process. The strategy's quality focus should provide natural protection against downside risk.

Further, the strategy's risk mandate is constrained due to its volatility target. To achieve this, the sector, industry, country and regional exposures of the model portfolio are subject to strict portfolio guidelines. The Co-PM's are notified should a sub-portfolio be at risk of causing the model portfolio to breach any portfolio guidelines. Additionally, there is independent risk monitoring overseen by the CIO, Chief of Staff - Investments and Risk Committee, with regular reviews.

The risk management tools are comparable to industry standards, using a combination of commonly used third-party and proprietary risk systems.

ESG ●●●

Manager Positioning - Product

Responsible investment style	ESG Integration
ESG approach	Risk or Value
Sustainability thematic	Not Applicable
Non-financial objective	None

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

The Manager has indicated that their Responsible Investment style is 'ESG integration, and as such they consider environmental, social and governance factors when assessing sources of risk and investment opportunities. With a primary ESG style of 'risk or value', managers will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. As a result, this approach may mean that lower quality ESG companies may be included if the return potential is sufficient, and this may conflict with some client's perception of what a strong ESG process would deliver.

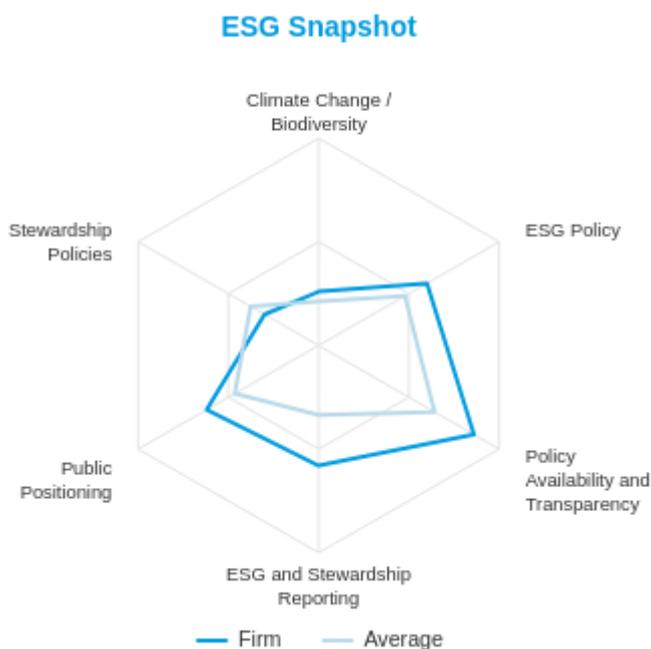
Sustainability Score

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 well-structured ESG research process. Research outputs are clear and useful for a measured approach to investment decision incorporation. The Manager incorporates ESG factors into their forecast cashflow models in a less structured or transparent manner than leading peers. While ESG factors can impact portfolio inclusions and there is monitoring of ESG characteristics of the portfolio across a number of ESG and sustainability dimensions, there are no portfolio level ESG based limits or targets in place for the Fund. While the Manager tracks engagements, there is no clear system for prioritising engagements or for measuring success.

Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering.

Manager Level Approach

The Manager's overall ESG policy framework and disclosure are aligned with peers. The Manager is committed to integrating ESG within their investment process with clear evidence of public positioning and publicly available ESG and engagement policies. The only weakness for the Manager is their stewardship policies with proxy voting policy framework considered very high level and generic, which is reflected in the stewardship policy score. While this is similar with their engagement policy, the Manager does prioritise engagement activity based on the materiality of ESG risks, as well as factors such as ESG controversies, the firm's capacity to influence outcomes, and size of its holding. Reporting is slightly ahead of peers with voting outcomes available and company engagements highlighted in their Stewardship Activities report.

Product ●●●

Service Providers

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

Product Details

Product size	\$31.63m
Fund 12-month net flows	Negative
Distribution model	External
Buy/sell spreads	0.20%/0.20%
Investment structure	Direct
Product type	Registered Managed Investment Scheme (Unitised)
Currency hedged	No
Use of derivatives	No

What is the Product Structure?

The Fund is a long-only, benchmark aware strategy that invests across global equity markets and expected to exhibit a mid to large-cap bias. The Fund's Responsible Entity ('RE') is Pengana Capital Limited.

Lonsec Opinion

Service Providers

The Manager has engaged large reputable service providers for critical functions such as custodial, administration and broking services. The Fund's RE has been stable since inception and there have been no issues with this arrangement to date. However, an unrelated RE is generally preferred.

Operational 'Red Flags'

The Fund is a relatively straightforward listed global equity strategy with a focus on mid to large-cap equities. Therefore, it is not expected to pose operational and liquidity challenges.

Wind-up Risks

Wind-up risk has been increasing for the Fund, with negative net flows into the Fund and a lack of inflows in recent years.

Fees ●●●

Annual Fees and Costs (% p.a.)

Management fees & costs	0.95
Performance fee costs	0.00
Net Transaction Costs	0.064
Buy/Sell Spread	0.20/0.20
Annual fees and costs	1.014

Source: FE fundinfo, PDS Date: 15/May/2025

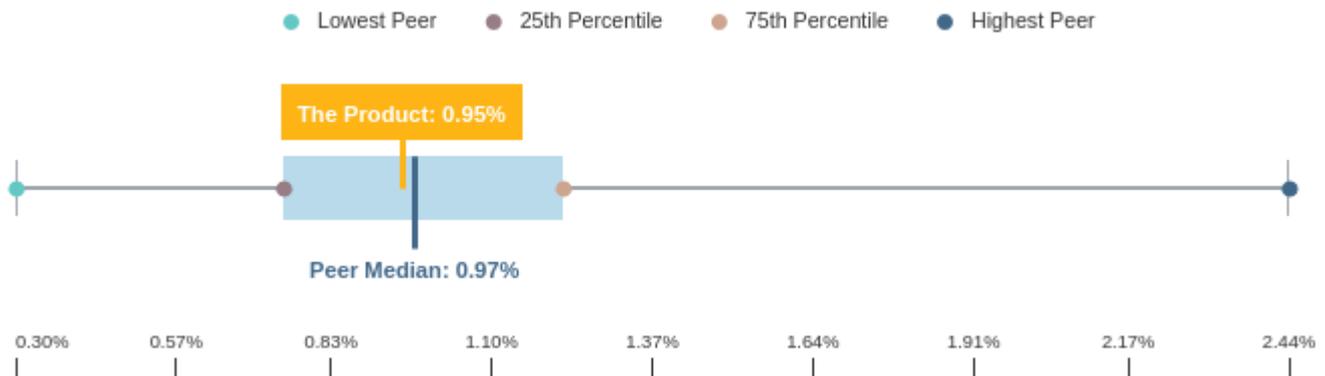
Performance Fees

Applicable	No
------------	----

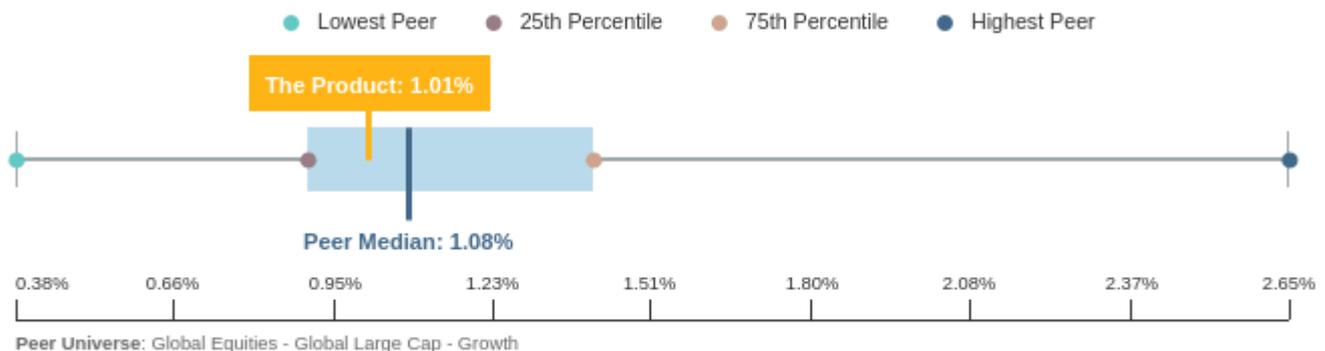
Fees Explained

The Fund's Annual Fees and Costs ('AFC') total 1.014% p.a. and comprise of management fees and costs of 0.95% p.a. and net transaction costs of 0.064% 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. The Fund does not charge performance fees

Management Fees and Costs Peer Comparison



Annual Fees and Costs Peer Comparison



Lonsec Opinion

Annual Fees and Costs

The total fee load for the Fund is comparable with peers, especially given the Fund's benchmark aware approach.

Fairness

While the AFC is in line with peers, the Fund's more risk-aware approach compared to many peers needs to be considered. However, there is greater certainty in total fees and costs given the absence of a performance fee.

Performance data is as at 31 December 2025

Performance ●●●

Performance Summary

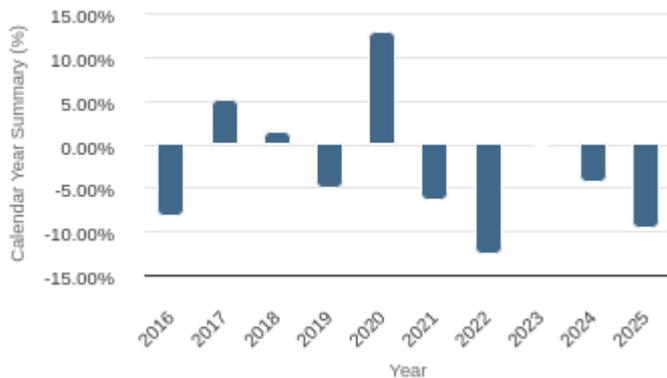
PDS return objective	To outperform the benchmark over the medium to long term
Internal return objective	To outperform the benchmark by 3% p.a., before fees, over a market cycle
Internal risk objective	To achieve a lower standard deviation than the benchmark over a market cycle
Product benchmark	MSCI AC World NR Index AUD
Lonsec peer group	Growth

Alpha Generation

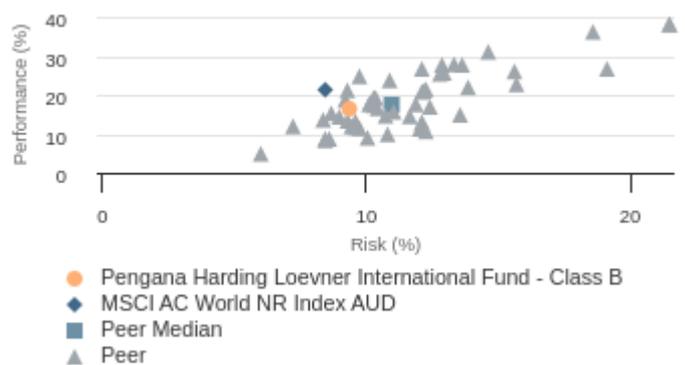
The Manager was appointed to manage the Fund in May 2021, and the current portfolio manager line-up was changed in October 2024. As a result, the Fund lacks a track record under the current structure.

Nonetheless, the underlying strategy has not achieved its stated investment objective since the end of 2021 due to the impact of a challenging 2022 - a trend seen across similar strategies, as rising interest rates hampered growth-oriented approaches. Over the short to medium-term, the Fund has struggled to keep up with both peers and the benchmark. This highlights a difficult period of performance for the Fund, although noting peers have also not kept up with the benchmark over these periods.

Calendar Year Excess Return



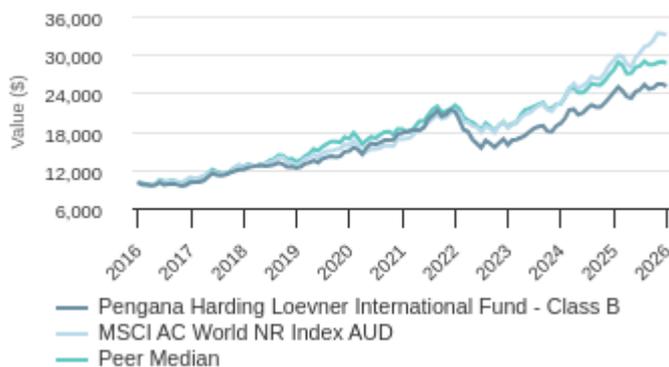
3 Year Risk and Return



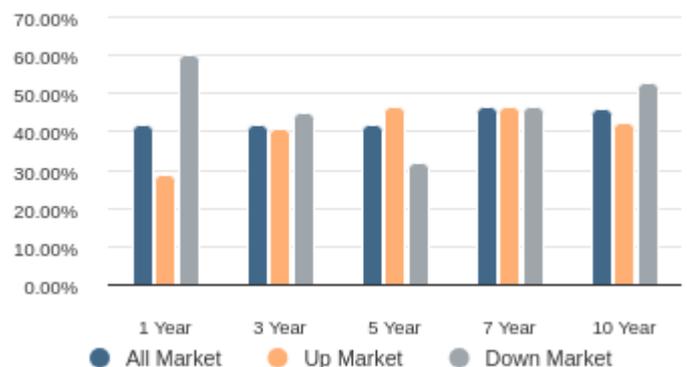
Alpha Consistency

Style headwinds and stock selection have impacted the track record of the underlying strategy in recent years. Before 2022, however, the strategy had a reasonably consistent track record of outperformance relative to the Benchmark and delivered outperformance since inception. Notably, the current portfolio management team has yet to establish a meaningful track record in formally overseeing the strategy.

Growth of \$10,000 Over 10 Years



Returns Consistency



Performance data is as at 31 December 2025

Performance (continued) ●●●

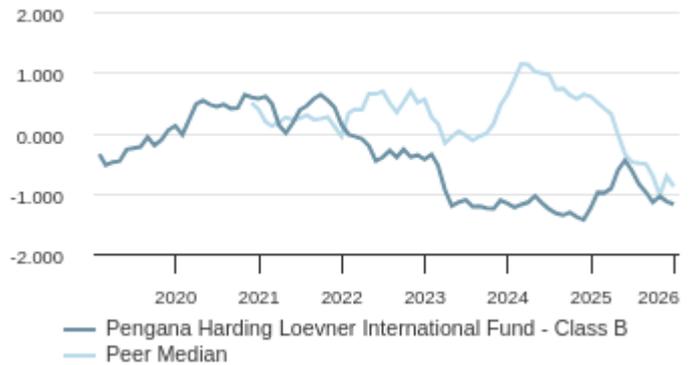
Benchmark Relativity

Despite the strict portfolio risk guidelines, the Fund maintains a reasonable level of activeness, with an active share of approximately 80%. While tracking error is not a formal target, it stood below the peer median over the three years to 31 December 2025. Additionally, its information ratio has trailed peers over the medium term, suggesting less efficient active risk-taking.

3 Year Rolling Tracking Error Over 7 Years



3 Year Rolling Information Ratio Over 7 Years



Return Volatility

Historically, the underlying strategy has produced returns with lower volatility (indicated by standard deviation) relative to the peer median over medium term. The Fund's Sharpe ratio over five-year period has trailed the peer median but has been above the peer median over three- and one-year periods, indicating improving risk-adjusted performance during shorter time periods.

3 Year Rolling Standard Deviation Over 7 Years



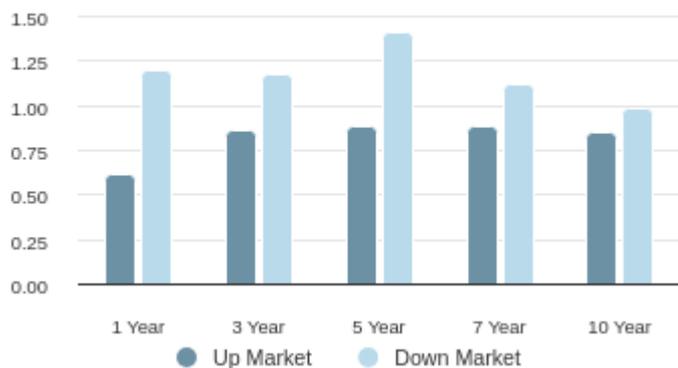
3 Year Rolling Sharpe Over 7 Years



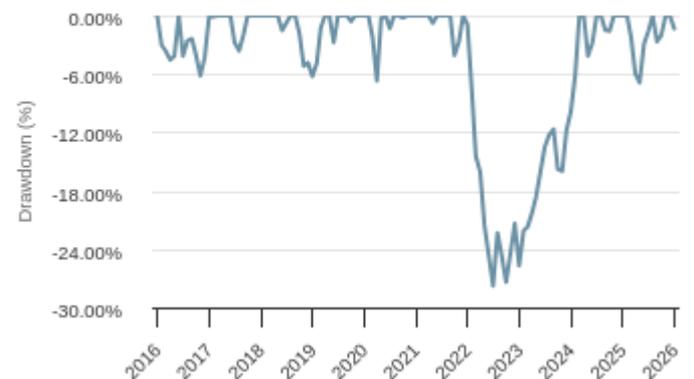
Product Defensiveness

Although the underlying strategy has shown decent defensiveness historically, its track record was impacted by a significant drawdown in 2022. This outcome aligned with the peer group, where 'quality/growth' posed a notable headwind during the year. Positively, the Fund has consistently showed defensive qualities during down markets, outperforming consistently.

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

Issued by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec, we/our) a subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) and (Lonsec Group). Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Group. This document is not a prospectus, any other form of disclosure document or product disclosure statement within the meaning of the Corporations Act 2001. Any advice contained in this document is General Advice only and has been prepared without taking into account investors' objectives, financial situation or needs. Prior to acting upon any information contained in this document, investors must do their own investigation and analysis of the appropriateness of the information or seek independent financial and/or tax advice, having regard to their objectives, financial situation and needs. Investors must consider reading any relevant Product Disclosure Statement (PDS) or offer document to assess the appropriateness of this advice in light of their own objectives before making a decision to obtain a financial product. Past performance is not a reliable indicator of future performance. © 2026 Lonsec Research. All rights reserved. You may not reproduce, transmit, disseminate, sell or publish this information without our written consent.

Except for any liability which cannot be excluded, no representation, warranty or undertaking, express or implied is made and no responsibility or liability is accepted by Lonsec Research, its directors, officers, employees and agents for any error or inaccuracy, misstatement or omission from this document or any loss or damage suffered by the recipient or any other person as a consequence of relying upon it.

Lonsec Research makes no representation, warranty or undertaking in relation to the accuracy, reasonableness or completeness of the information presented in this document which is compiled from information from public and third-party sources. We assume no obligation to update this document after publication. Lonsec Research provides this document for the exclusive use by the recipient to whom it is provided and should not be used or relied upon by any other person unless express permission is obtained from us. Additional fees and charges may apply. Please verify from the offer documents for the relevant financial product. In line with industry practice, returns may be estimated. To access verified returns please refer to the product issuer. This document may also contain third party material that is subject to copyright. To the extent that copyright subsists with a third party, it remains with the original owner and permission may be required to reuse the material.

Lonsec Group Disclaimers (continued)

The product rated in this publication may have related financial products or be associated with other financial products and platforms. Our rating applies to the financial product outlined in this publication. You should seek professional advice before you make an investment decision on related or associated financial products and platforms. You should be aware that the mandate, fees, underlying investments, the issuers of the related and associated financial products and platforms may be different from the financial product specified in this publication.

Disclosures

Lonsec Research does not hold the financial product(s) referred to in this document. The financial product issuer and/or Lonsec Research Representatives (and/or their associates) may from time to time have holdings in the financial product referred to in this document or in Generation Development Group (ABN 90 087 334 370). For the purposes of this report Lonsec Research considers such holdings not to be sufficiently material to compromise the rating or advice. Lonsec Research manages any potential conflict by implementing a comprehensive ratings process, information barriers and monitoring program. Lonsec Research receives a fee from the financial product issuer(s) for researching the financial product(s), using objective criteria. Lonsec Research's rating(s) outcome is not linked to the fee. Lonsec Research and its associates do not receive any other compensation or material benefits from product issuers or third parties in connection with the report. Lonsec Research's research process relies upon the participation of the financial product issuer(s). Should the financial product issuer(s) no longer participate in our research process, we reserve the right to withdraw the document at any time and discontinue future coverage. This is a summary of the research report, you can access the full research report via Lonsec Research. For information about our associations and/or relationships with the financial product issuers and General Development Group, please refer to our Conflicts of Interest Statement accessible [here](#).

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

Lonsec Research Pty Ltd
Level 39, 25 Martin Place
Sydney NSW 2000

Tel: 1300 826 395

Email: info@lonsec.com.au
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?

Lonsec Research's internal complaints handling process is designed to ensure that your concerns are treated seriously, addressed promptly and fairly. A complaint may be lodged either verbally or in writing and will be dealt with in strict confidence. If you have a complaint relating to Lonsec Research's products, services, its employees, the complaint should be addressed to:

Complaints Manager

Level 39, 25 Martin Place
Sydney NSW 2000

Tel: 1300 826 395

Email: 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

Email: info@afca.org.au

Phone: 1800 931 678

Mail:

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

1.8 Conflicts of Interest

Lonsec Research is aware of the inherent potential conflicts of interest associated with the provision of ratings and how we are remunerated for our services. There are a comprehensive set of policies, and procedures in place at Lonsec Holdings that apply to its subsidiaries including Lonsec Research. Information barriers (both permanent and temporary) consistent with our regulatory obligations under Regulatory Guide 79 are in place to manage either perceived or actual conflicts of interest. Employees of Lonsec also have to abide by Personal Trading and Gifts and Entertainment requirements and are trained on these requirements from time to time.

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.

Australian Retirement Trust is a subscriber to our services and pays a fee to us for this subscription service. Australian Retirement Trust rating and report is issued by an analyst who is aware of Australian Retirement Trust's appointment as default superannuation fund provider but who does not have a personal investment in the fund.

This FSG was prepared on 1 August 2024.