Pengana High Conviction Equities Fund

Notice to Investors 24 March 2025

Due to the **uncertainty in currently pricing the Fund's position in Opthea Limited (ASX:OPT) as trade in OPT shares is currently suspended,** we have, with effect from **24 March 2025**, determined to **temporarily suspend applications and redemptions in the Pengana High Conviction Equities Fund (the Fund) (Classes HHA0020AU & PCL9196AU) .**

This follows Opthea's ASX announcement on 24 March 2025 titled *"Opthea Announces COAST Phase 3 Trial Topline Results"* which disclosed that the COAST Phase 3 trial failed to meet its primary efficacy objective

The Fund holds a 5.8% position in Opthea, which had been a high-conviction investment based on strong Phase 2b trial results, a large addressable market with significant unmet need in wet age-related macular degeneration (AMD) — the leading cause of blindness in the elderly — and a highly experienced board and management team.

More Detail about the Trial:

The study compared patients who received the standard treatment (Eylea on its own) from US company Regeneron, with patients who received Eylea combined with Opthea's new drug. Eylea on its own showed an average improvement in vision of 13.8 letters on an eye chart over 12 months. By comparison, patients who received the combination improved by only 13.2 letters.

The result is particularly surprising because Eylea on its own performed much better than it has in earlier major studies when it has typically delivered an improvement of only 8.4 to 8.7 letters. That means Eylea performed about 60% better in this recent trial than it did in the past — even though the treatment approach hasn't changed. This makes the results hard to interpret and raises questions about the trial outcome.

A second Phase 3 trial, called SHORE, is still underway and may report results as early as next week. This study is similar to COAST, but instead of Eylea, it combines Opthea with Lucentis (a similar drug from Roche) as the standard treatment. Historically, Lucentis has shown improvements of 8 to 10 letters, which is more in line with earlier Eylea studies. The combination may still deliver best in class therapy, in which case the combined OPT + Lucentis could still dominate the market.

Business Implications:

Opthea has obtained development funding via a Development Funding Agreement (DFA) . Certain circumstances can trigger the termination of the DFA with obligations to make payments to the lenders which could have impacts on the solvency of the business. Whilst it unlikely that there is anything payable based on a "routine" clinical failure, Opthea are currently working through the impacts of the trial with their funders.

A detailed analysis of the situation has been published for wholesale investors by MST Financial, titled *"Two shots on goal, First shot missed."*

Please contact us if you are a wholesale investor and would like to receive a copy.

Investment Strategy and Current Portfolio Positions:

This outcome does not change the Fund's investment style or approach. The Fund will continue to seek out compelling opportunities where regulatory approval is a key catalyst to value realisation. We have a strong track record in this area and continue to hold a number of high-conviction investments in this space.

Two examples from the current portfolio include:

1. EBR Systems
   EBR has developed a wireless pacing system for the left ventricle of the heart — a significant unmet need in cardiology, as current technologies often fail or are unsuitable for many patients. EBR is the only company globally pursuing a wireless solution. The company is expecting FDA approval by 13 April 2025. If approved, it is positioned to commercialise into a potential US$3.6 billion market. This opportunity is not currently reflected in its approximate A$700 million market capitalisation.

2. Artrya Ltd
   Artrya is an AI-driven diagnostics company targeting coronary artery disease — one of the world's leading causes of death. Its technology enables faster, more accurate, and lower-cost diagnosis compared to traditional labour-intensive processes. FDA approval is expected shortly, which we believe could be a major catalyst for the stock.

We will provide a further update as soon as additional information becomes available and will notify investors when trading in the Fund reopens.