

**PENGANA EMERGING COMPANIES FUND**

**DESCRIPTION**

The Pengana Emerging Companies Fund combines the skills of highly experienced small company investors (collectively over 45 years' experience) with a limited fund size and an objective of providing above market returns over the medium term. Our benchmark is the S&P/ASX Small Ordinaries Accumulation Index. The fund managers Steve Black and Ed Prendergast are part owners of the business and investors in the Fund, providing a strong incentive to perform. The Fund has strong research ratings from all major research houses and over the period since its inception has delivered returns well above benchmark.

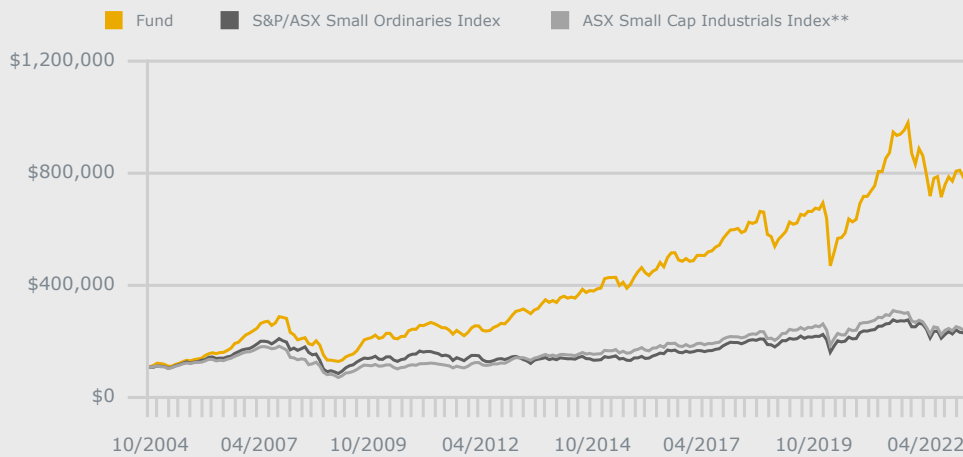
**PERFORMANCE TABLE**

NET PERFORMANCE FOR PERIODS ENDING 30 Apr 2023<sup>1</sup>

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	15 YEARS P.A.	SINCE INCEPTION P.A.
<b>Emerging Companies Fund</b>	2.5%	-6.7%	16.1%	6.3%	9.9%	9.5%	11.9%
<b>S&amp;P/ASX Small Ordinaries Index</b>	2.8%	-9.4%	9.2%	3.9%	6.0%	2.1%	4.6%
<b>Outperformance</b>	-0.2%	2.7%	6.9%	2.4%	4.0%	7.4%	7.3%
<b>ASX Small Cap Industrials Index**</b>	3.6%	-7.6%	6.3%	3.0%	6.0%	4.2%	4.9%
<b>Outperformance</b>	-1.1%	0.9%	9.9%	3.3%	4.0%	5.4%	7.0%

**PERFORMANCE CHART**

NET PERFORMANCE SINCE INCEPTION<sup>2</sup>



## APRIL REPORT

### COMMENTARY

The Fund rose 2.5% in April, underperforming the Small Industrials by 1.1% and underperforming the Small Ordinaries by 0.2%. For the 12 months to April, the Fund was down 6.7%, outperforming the Small Industrials Index by 0.9% and outperforming the Small Ordinaries Index by 2.7%.

We recently recorded a Portfolio and Investment Update webinar, which is available below for your review. CPD points are applicable for Australian Financial Planners [HERE](#).

Markets rose mildly in April around the globe on further short-term comfort that inflation may have peaked. Chinese equities bucked the trend (down 5%) with fears of slower growth feeding into a 9% fall in iron ore prices. Hence mining stocks underperformed, however gold stocks continued to rally with central bank buying, and fears over a recession increasing focus on the gold sector, which has rallied over 50% in six months.

The picture remains fluid, with further rate rises coming through in early May. In the short term, markets are anchoring to the outlook statement of central banks, which has proven a fraught proposition when we consider that eighteen months ago most central banks firmly indicated that rate rises were highly unlikely. Volatility is therefore likely, and we believe our positioning around avoiding companies with poor pricing power is still relevant.

Our key positive contributors during April were:

**MA Financial** (+17%) rose in a mild overall market rally and has bounced 29% from its March lows from what we considered oversold levels. **NIB** (+10%) again bounced from levels we believe were oversold following the acquisition and fundraising in 2022. **AUB** (+8%) rose based on the increasing likelihood of strong insurance rates in an inflationary environment. **Carsales** (+7%) continues to outperform given its superior growth rates and the recent increased investment in the Brazilian operations of Webmotors. **ALS Group** (+6%) rallied following a profit upgrade in the current buoyant environment for exploration budgets.

Our key negative contributors during April were:

**Ardent Leisure** (-13%) dropped as fear over domestic discretionary spending due to higher interest rates took effect. **EBOS** (-5%) corrected following a 6% rally in March. **IVE Group** (-4%), **PSC Insurance** (-3%), and **Hansen** (-2%) drifted without any obvious catalysts, likely reflecting stock market flows in the short term rather than any change in underlying valuations.

## TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd	Industrials
AUB Group	Financials
Carsales Com LTD	Communication Services
EQT HOLDINGS LTD	Financials
Hansen Technologies	Information Technology
Lifestyle Communities	Real Estate
NIB Holdings	Financials
Propel Funeral Partners Ltd	Consumer Discretionary
Seven Group Holdings	Industrials
Webjet	Consumer Discretionary

## FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.1857
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 693.82m
STRATEGY INCEPTION DATE	1 November 2004
BENCHMARK	S&P/ASX Small Ordinaries Accumulation Index

## FUND MANAGERS



**Ed Prendergast**  
Senior Fund Manager



**Steve Black**  
Senior Fund Manager

<sup>1</sup> Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. No allowance has been made for buy/sell spreads. Please refer to the PDS for information regarding risks. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

<sup>2</sup> Inception 1 November 2004.

\* For further information regarding fees please see the PDS available on our website.

\*\* The Fund does not invest in resource stocks.

## PENGANA EMERGING COMPANIES FUND

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### PENGANA.COM

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