

**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.

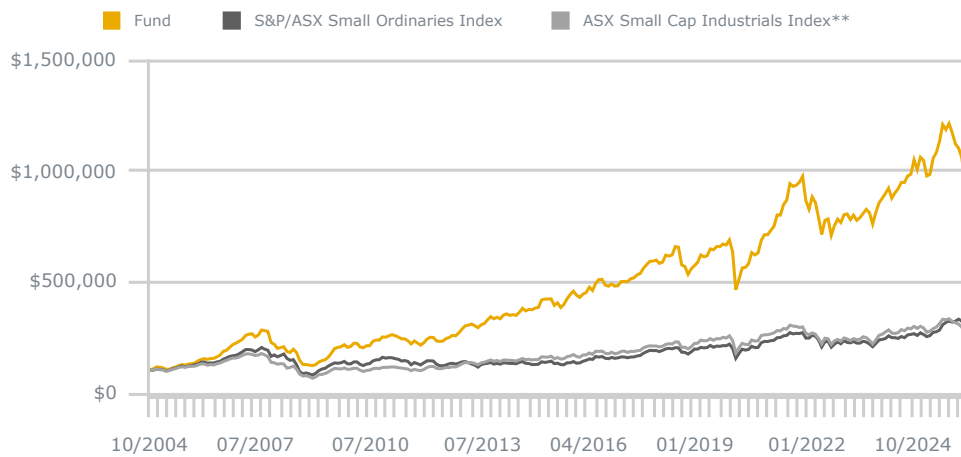
**PERFORMANCE TABLE**

NET PERFORMANCE FOR PERIODS ENDING 30 Apr 2026 <sup>1</sup>

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	15 YEARS P.A.	20 YEARS P.A.	SINCE INCEPTION P.A.
<b>Emerging Companies Fund</b>	4.3%	0.2%	7.2%	4.2%	8.1%	9.3%	9.7%	11.2%
<b>S&amp;P/ASX Small Ordinaries Index</b>	3.3%	15.3%	8.7%	3.7%	7.3%	4.5%	3.9%	5.2%
<b>Outperformance</b>	1%	-15.1%	-1.5%	0.6%	0.8%	4.9%	5.8%	6%
<b>ASX Small Cap Industrials Index**</b>	2.5%	-0.2%	4.4%	-0.2%	4.9%	6%	3.9%	4.9%
<b>Outperformance</b>	1.7%	0.4%	2.8%	4.5%	3.2%	3.4%	5.9%	6.4%

**PERFORMANCE CHART**

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



## APRIL REPORT

### COMMENTARY

The Fund rose 4.3% in April, outperforming the Small Industrials by 1.7%, and outperforming the Small Ordinaries by 1.0%.

For the 12 months to April, the Fund was up 0.2%, outperforming the Small Industrials by 0.4% and underperforming the Small Ordinaries by 15.1%.

We recently recorded an investor update where Co-Portfolio Manager Ed Prendergast shares how the Pengana Emerging Companies Fund is navigating market cycles, covering performance, outlook, key holdings, and investor questions.



April saw a 10.4% bounce in the US market, driven largely by the tech sector. NASDAQ rose 15.3% driven by the “magnificent seven” companies who are exposed to the boom in AI related capital expenditure. The US market closed above pre-Iran war levels, indicating a sense of comfort that the situation is likely to be satisfactorily solved in the near term.

Following a 63% rise in March, the oil price retraced 4% in April. The situation in Iran remains fluid on a daily basis, hence making bold predictions is risky. Should oil shipments remain disrupted, many countries will soon have run down reserves, resulting in shortages and a severe impact on economic activity. Either way, the situation has elevated the concept of energy security, hence oil is unlikely to settle back to pre-war levels given the risk of further disruption.

The Australian market bounced 2.2%, with mining stocks outperforming. Our market dramatically underperformed the US in April due to our lack of large-cap exposure to AI, and a sense that inflation risk is rising given our reliance on imported fuel, fertiliser, plastics, etc, which are all linked to higher oil prices. Small-cap industrials rose 2.5%, mildly underperforming the small resources sector.

### Our positive contributors in April included:

ZIP (+57%) fell sharply in March, an especially volatile month, bouncing from oversold levels as the market assesses the 40%+ growth rates still being achieved in the key US market. **Cuscal** (+17%) rose after the acquisition of a comparable operation in New Zealand, at a highly favourable valuation. **Breville** (+14%), similar to ZIP, had been oversold on fears of a downturn in sales. **Energy One** (+14%) also bounced from oversold levels after a period of share price weakness during the sell-down in software stocks. **Aussie Broadband** (+11%) also enjoyed a rally, with its defensive growth opportunities remaining attractive.

### Our negative contributors in April included:

**Gentrack** (-13%), a very small residual position in our fund, drifted as the market grew nervous about shorter-term earnings, given a quiet period for contract wins. The company subsequently announced in May that earnings would fall short of expectations. **Generation Development** (-8%) posted a quarterly flow update, with further drift in the timing of a large portfolio in the recently acquired Evidentia business (this has since been fully implemented). We believe the market has become unduly fixated on this relatively immaterial event, and remain confident in the medium-term upside. **Fiducian** (-7%) was queried by ASIC regarding internal processes for reporting the performance of its investment products, which is likely to result in higher compliance costs (a factor that is likely to affect most financial services stocks since the First Guardian/Shield fund failures). **SGH Group** (-7%) fell, perhaps on concerns that higher interest rates would drag on Boral's housing-related revenue streams. **EBOS** (-7%) fell after the company noted higher fuel costs impacting shorter-term margins.

## TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd.	Industrials
Aussie Broadband Ltd.	Communication Services
Charter Hall Group	Real Estate
Generation Development Group Limited	Financials
Regis Healthcare Ltd.	Health Care

## FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.215
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 802.56m
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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