MONTHLY REPORT
JUNE 2022

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.

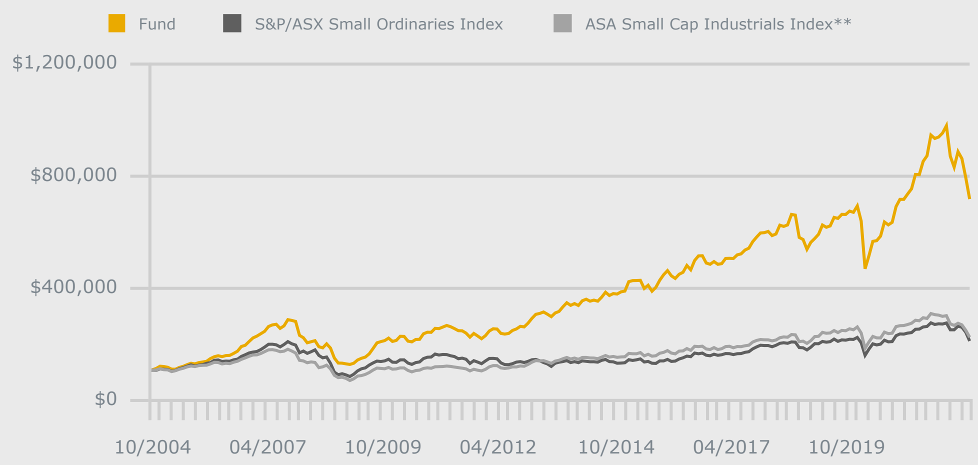
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Jun 2022[1]

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	SINCE INCEPTION P.A.
Emerging Companies Fund	-9.7%	-15.9%	4.9%	6.8%	11.9%	11.8%
S&P/ASX Small Ordinaries Index	-13.1%	-19.5%	0.4%	5.1%	5.4%	4.2%
Outperformance	3.4%	3.6%	4.5%	1.7%	6.5%	7.6%
ASA Small Cap Industrials Index**	-10.0%	-24.0%	-2.2%	3.3%	7.3%	4.6%
Outperformance	0.4%	8.1%	7.1%	3.4%	4.6%	7.2%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



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COMMENTARY

The Fund fell -9.7% in June, outperforming the Small Industrials Index by 0.4% and outperforming the Small Ordinaries Index by 3.4% as the Small Resources Index tumbled -22% on weaker commodity prices. For the 12 months to June, the Fund was down -15.9%, outperforming the Small Industrials Index by 8.1% and outperforming the Small Ordinaries Index by 3.6%.

Despite the negative absolute performance for the year, we are nevertheless pleased that the Fund was able to outperform its benchmarks in what was a very choppy year for equity markets.

Equity markets ended the year on a disappointing note with the ASX200 falling -8.8% in June (SP500 -8.3%) as central banks around the world pushed interest rates higher and concerns grew among investors that many Western economies will face a recession in late 2022 or 2023.

Over the year to June the ASX200 fell -6.5% as the decline in Industrials (down -9.2%) more than offset the small rise in Resources (+3.3%). Globally the S&P500 fell -10.6% over the financial year.

With inflation in Australia growing at its fastest pace in twenty years, the real risk that house prices could materially fall over the coming two years and consumer confidence nose diving to near record lows, we remain particularly wary of companies relying on a strong economy to grow earnings.

Our best performers in June included:
Hansen Technologies (+2%) as the market warms to the recurring nature of its earnings. **Technology One** (+2%) improved on the back of a better than expected profit result released in late May. **IPH Limited** (+3%) benefited from a falling $A as its revenue is denominated in $US. **Ebos Group** (+4%) and **Propel Funeral Partners**(+4%) were positively rerated for their defensive earning streams. **Uniti Group** (-1%) as the all cash takeover bid for the company underwrites the shareprice.

The key detractors for June were:
MA Financial Group (-27%), **Aussie Broadband** (-21%) and **Charter Hall Group** (-17%) slipped as rising interest rates saw analysts downgrade their valuations. Notwithstanding our broader concerns surrounding the economy, these companies have resilient earnings and now trade on very cheap valuations. **Capitol Health** (-18%) was impacted by restrictions imposed on elective surgery reducing demand for their radiology services and **City Chic Collective** (-23%) was hampered by a combination of earnings downgrades and concerns surrounding elevated inventory levels.

The uncertainties surrounding economic growth and the direction of interest rates has led to there being a larger degree of subjectivity than usual in attempting to forecast a company's earnings prospects. In this environment our playbook is to be more defensive than usual until the haze passes; favoring companies with earning streams that are unlikely to be as buffeted by an economic downturn and seeking out companies with profit margins that are well protected from the damaging effects of inflation.

TOP HOLDINGS (ALPHABETICALLY)

AUB Group	Financials
Charter Hall Group	Real Estate
EBOS Group Ltd	Health Care
EQT HOLDINGS LTD	Financials
Hansen Technologies	Information Technology
Healius Ltd	Health Care
NIB Holdings	Financials
Propel Funeral Partners Ltd	Consumer Discretionary
Technology One	Information Technology
Uniti Wireless Ltd	Communication Services

FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A$ 2.2225
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A$ 685.01m
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

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

2. 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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