MONTHLY REPORT
JUNE 2026

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.

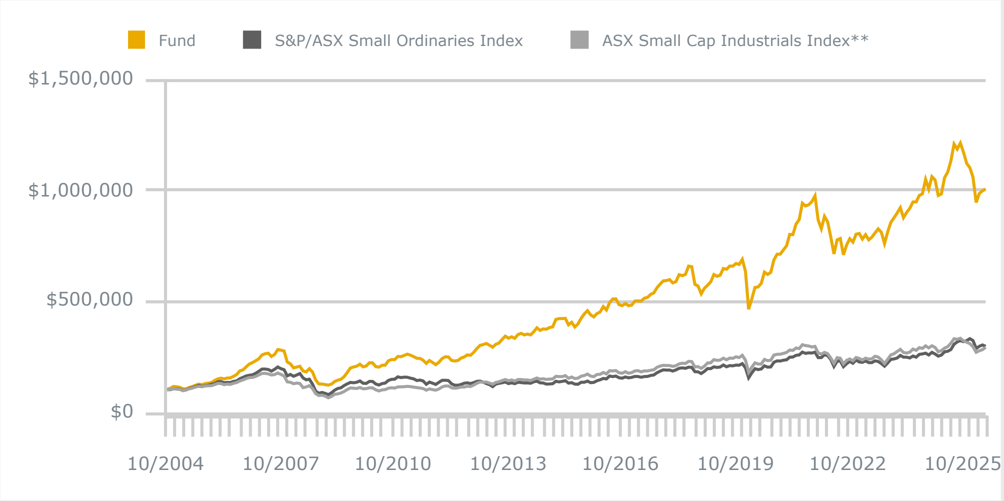
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Jun 2026[1]

	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.
Emerging Companies Fund	0.8%	-7.1%	8.4%	3.5%	8.1%	9.9%	9.8%	11.2%
S&P/ASX Small Ordinaries Index	-2%	8.1%	9.9%	3%	7%	5%	4%	5.2%
Outperformance	2.8%	-15.2%	-1.5%	0.5%	1.1%	4.9%	5.8%	6.1%
ASX Small Cap Industrials Index**	3.9%	-0.9%	6.7%	0.2%	5.4%	6.6%	4.3%	5.1%
Outperformance	-3.1%	-6.2%	1.7%	3.2%	2.7%	3.3%	5.5%	6.1%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



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COMMENTARY

The Fund rose 0.8% in June, underperforming the Small Industrials by 3.1% and outperforming the Small Ordinaries by 2.8%. For the 12 months to June, the Fund was down 7.1%, underperforming the Small Industrials by 6.2% and the Small Ordinaries by 15.2%.

In a year of significant swings in investor sentiment, driven by the war in the Middle East and momentum in the AI build-out, share price volatility has been particularly acute. The Fund's long history of performance has shown that market-driven volatility of this nature has proven to be fertile ground to buy mispriced small-cap industrial stocks. Small-cap mining stocks are not in our investible universe.

Global markets were mixed in June, with the US Dow Jones Index up 2.5%, buoyed by the interim agreement between the US and Iran to end the conflict in the Middle East and reopen the Strait of Hormuz. However, the Nasdaq was down 2.8% as tech stocks came under renewed scrutiny amid concerns regarding their debt-funded AI capex and full valuations.

The broader Australian market rose 0.7% in June, which lifted the total return for FY26 to 6.1%. Incredibly, the ASX200 Resources Index rose 50% over the year, compared to a 4.5% fall in the ASX200 Industrials Index. Over June, resource stocks were mostly lower, with Iron ore down 6% and the gold price falling 12%. Oil and gas stocks declined around 10% as the Brent oil price fell 20%.

The RBA has retained a tightening bias as core May CPI came in slightly above consensus at 3.6%. With the inflationary pressures of unemployment falling to 4.4% and many award wages rising by 5% the bond markets are pricing in one more rate hike this year. That said, the market is gaining confidence that interest rates could fall in 2027 as an already weak property market is likely to soften further after the tax changes announced in the May budget.

July is traditionally a quieter period in the lead-up to the important August reporting season. In the meantime, our fund remains focused on companies with stable cash flows, proven management, and where valuations are supportive. Opportunities for disciplined stock pickers with medium-term investment horizons continue to remain strong.

Our positive contributors in June included:

ZIP Co (+40.9%) continued to benefit from the company's very strong March quarterly update and an announcement from the company that it was expanding its partnership with Stripe. **Charter Hall Group** (+13.4%) rose strongly after 2026 profit guidance was upgraded. **Breville Group** (+11.5%) responded to improved retail conditions in the US, this being Breville's largest market, generating around 55% of revenue. **Beacon Lighting** (+11.5%) rallied after recent share price weakness reversed. Beacon is ideally positioned for the inevitable rebound in residential construction. **Symal Group** (+7.4%) performed well after announcing the acquisition of defence contractor Shamrock Civil. The company also recently hosted an investor day that showcased the company's positive attributes.

Our negative contributors in June included:

Worley (-14.5%) due to profits being downgraded on the back of Middle East project delays and currency headwinds. In the longer term, Worley is a likely beneficiary of the infrastructure rebuild required for the region. **Hub24** (-12.5%) fell as investors took profits after a prolonged period of outperformance and some mild shorter-term concerns around FUM growth after the tax changes announced in the May budget. **Generation Development Group** (-12.2%) fell for similar reasons to Hub24, with no new announcements from the company. **Catapult** (-8.9%) fell as the sell-off in software stocks continued, with investors preferring the "wait-and-see" approach to whether new AI-developed tools can unseat entrenched software companies. As the incumbent sports analytics company, Catapult has contracted access to unique data and algorithms that new competitors do not.

TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd.	Industrials
Charter Hall Group	Real Estate
Freightways Group Limited	Industrials
Generation Development Group Limited	Financials
Regis Healthcare Ltd.	Health Care

FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A$ 2.2595
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A$ 795.41m
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. 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.
[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

PENGANA CAPITAL LIMITED

ABN 30 103 800 568

AFSL 226566

CLIENT SERVICE

T: +61 2 8524 9900

F: +61 2 8524 9901

E: clientservice@pengana.com

PENGANA CAPITAL GROUP

PENGANA.COM