

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.

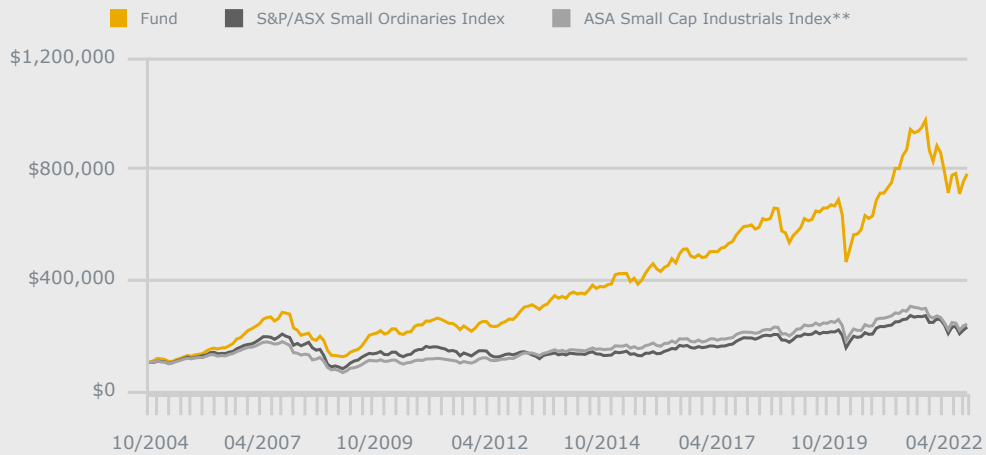
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 30 Nov 2022¹

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	15 YEARS P.A.	SINCE INCEPTION P.A.
Emerging Companies Fund	3.8%	-17.6%	5.3%	6.2%	11.8%	7.1%	12.0%
S&P/ASX Small Ordinaries Index	4.9%	-14%	2.6%	4.4%	5.9%	1.0%	4.7%
Outperformance	-1.2%	-3.6%	2.7%	1.9%	5.9%	6.0%	7.3%
ASA Small Cap Industrials Index**	2.7%	-18.3%	-1.3%	2.9%	7.5%	2.3%	5.0%
Outperformance	1.0%	0.8%	6.6%	3.4%	4.3%	4.8%	7.1%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



NOVEMBER REPORT

COMMENTARY

The Fund rose 3.8% in November, outperforming the Small Industrials by 1.0% and underperforming the Small Ordinaries by 1.2%. For the 12 months to November, the Fund was down 17.6%, outperforming the Small Industrials Index by 0.8% and underperforming the Small Ordinaries Index by 3.6%.

Global markets rallied in November on the back of falling bond yields and the seeming likelihood that China would relax its zero tolerance policy on COVID. The US market rose 5.4% while the Chinese market rallied 9%. The Australian market gained 6.6%, with mining stocks up 18% as markets see the potential for a China re-opening as a positive driver of commodity demand. The smallcap sector saw a similar trend, rising 4.9%, with mining stocks strongly outperforming.

Our key positive contributors in November were:

Gentrack (+64%) upgraded its long-term revenue forecasts following the re-alignment of its software products and sales focus. **Seven Group** (+14%) posted positive commentary at its AGM with the key operating divisions (Westrac and Coates Hire) growing profits above 10%. **AUB** (+12%) continues to recover from a period of underperformance as the market gains comfort with the recent Tysers acquisition in the UK. **Carsales** (+12%) revealed at its AGM that the business is growing profits at 13% in the first quarter and is on track to meet forecasts. **Kelsian** (+17%) bounced after the retention of two ferry contracts and the expectation of larger opportunities for bus operations in Sydney.

Our key detractors in November were:

City Chic (-39%), which is a small position in the Fund, posted softer than expected sales in the US and Europe as consumer sentiment has turned negative. **Healius** (-15%) and **Capitol Health** (-6%) have seen cost inflation in their core operations, which is proving difficult to recover. **IPH Holdings** (-8%) fell as the A\$ rose 7% during the month and the company generates a large proportion of its revenues in USD. **Propel Funerals** (-2%) drifted given its defensive revenue streams compared to a shorter term focus on stocks which have the leverage to an improvement in economic activity.

TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd	Industrials
AUB Group	Financials
Carsales Com LTD	Communication Services
Charter Hall Group	Real Estate
EQT HOLDINGS LTD	Financials
Hansen Technologies	Information Technology
Lifestyle Communities	Real Estate
NIB Holdings	Financials
Seven Group Holdings	Industrials
Technology One	Information Technology

FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.2021
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 702.56m
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

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.

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Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services license number 226566) is the issuer of units in the Pengana Emerging Companies Fund (the "Fund"). A product disclosure statement for the Fund is available and can be obtained from our distribution team. A person should obtain a copy of the product disclosure statement and should consider the product disclosure statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana Capital Ltd and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana Capital Ltd nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund. An investment in the fund is subject to investment risk including possible delays in repayment and loss of income and principal invested.