

**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.

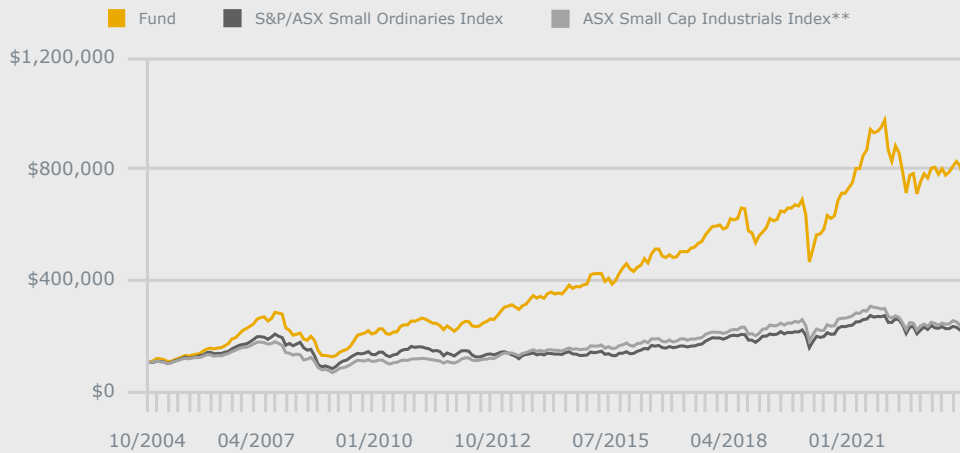
**PERFORMANCE TABLE**

NET PERFORMANCE FOR PERIODS ENDING 30 Nov 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.
Emerging Companies Fund	6.9%	3.9%	5.8%	7.4%	9.3%	13.1%	11.6%
S&P/ASX Small Ordinaries Index	7.0%	-3.2%	-0.5%	4.0%	5.5%	6.5%	4.3%
Outperformance	-0.1%	7.1%	6.3%	3.4%	3.8%	6.6%	7.3%
ASX Small Cap Industrials Index**	8.6%	-0.8%	-2.6%	3.0%	5.3%	7.9%	4.7%
Outperformance	-1.7%	4.8%	8.4%	4.4%	4.0%	5.2%	6.9%

**PERFORMANCE CHART**

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



## NOVEMBER REPORT

### COMMENTARY

The Fund rose 6.9% in November, underperforming the Small Industrials by 1.7% and underperforming the Small Ordinaries by 0.1%. For the 12 months to November, the Fund was up 3.9%, outperforming the Small Industrials Index by 4.8% and outperforming the Small Ordinaries Index by 7.1%.

The US market bounced 8.9% in November, in a dramatic reversal of the trend in the prior three months. This was driven by a short term shift in sentiment on the outlook for interest rates, with US ten year bond yields falling rapidly from peaks in late October. The volatility over the past 18 months, with markets switching from bearish to bullish on interest rates without warning, is a reminder that making bold short term calls over the outlook is highly speculative. The Australian market rose 4.5%, with interest rate sensitive sectors such as property rising by over 10%. Smallcap stocks, especially industrials, outperformed as investors embraced riskier sectors.

When markets rise dramatically in the short term, it is often the lowest quality stocks which rise fastest. Given our conservative investment style, we are pleased to have shown such a robust monthly performance, notwithstanding a mild underperformance compared to the industrial index.

#### Our positive contributors in November included:

**Gentrack** (+24%) rose following another impressive interim result and further profit upgrade. The stock has rallied 330% over the past 18 months, allowing us to take profits into the strength. **Charter Hall** (+20%) rose sharply due to the rally in property stocks which are reliant on the interest rate outlook for valuation support. **Mainfreight** (+20%) posted a fall in profits, which was expected following the aberration in shipping rates in the prior period. The company noted a "more normalised trading environment" which suggests a base has formed, and its long-term growth opportunity is now the key driver of earning. **ALS Group** (+16%) rallied as the gold price reached all-time highs which is positive for the outlook in the mining assay operations. **Seven Group** (+16%) bounced following a sharp fall in October.

#### Our negative contributors in November included:

**Praemium** (-24%) posted a disappointing first quarter update, with revenue falling short of expectations due to subdued trading activity within their portfolios. **Ardent Leisure** (-6%) drifted on fears around domestic consumer spending patterns, which could impact shorter term attendances at their Queensland theme parks. **Aussie Broadband** (-3%) fell due to indigestions following the recent placement. **Australian Clinical Labs** (-3%) underperformed following a profit warning from Healius which operates in the same sector. **Jumbo Interactive** (-2%) faded as the recent quiet run of major jackpots in lotto (which is a random effect) is pressuring shorter term ticket sales mildly.

## TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd	Industrials
AUB Group Ltd	Financials
Aussie Broadband Ltd	Communication Services
CAR Group Ltd	Communication Services
EQT Holdings Ltd	Financials
Hansen Technologies Ltd	Information Technology
Lifestyle Communities Ltd	Real Estate
Propel Funeral Partners Ltd	Consumer Discretionary
Seven Group Holdings Ltd	Industrials
Webjet Ltd	Consumer Discretionary

## FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.1178
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 674.01m
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

<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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