

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.

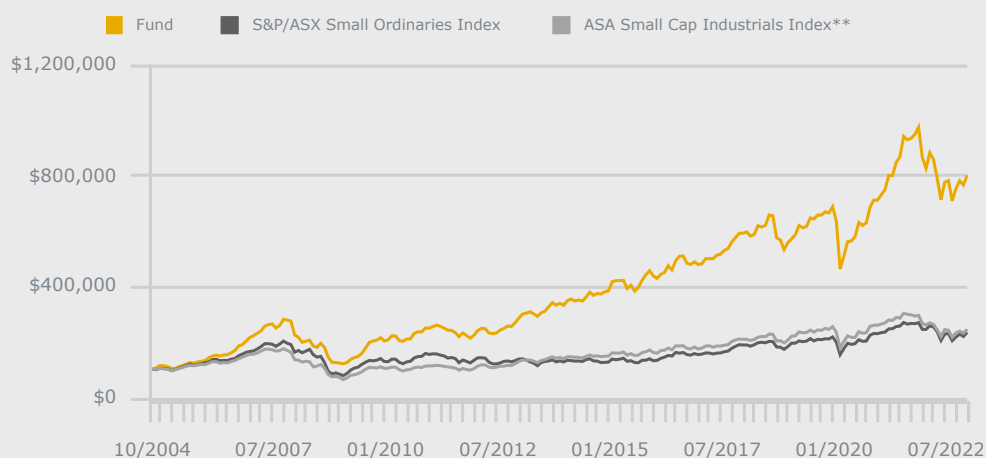
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jan 2023¹

	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	4.6%	-7.4%	5.2%	6.2%	10.8%	8.8%	12.1%
S&P/ASX Small Ordinaries Index	6.6%	-4.4%	2.4%	4.4%	5.4%	2.4%	4.8%
Outperformance	-1.9%	-3.0%	2.8%	1.9%	5.4%	6.4%	7.3%
ASA Small Cap Industrials Index**	6.3%	-7.8%	-1.3%	3.2%	6.5%	4.0%	5.1%
Outperformance	-1.7%	0.4%	6.5%	3.0%	4.3%	4.8%	7.0%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



JANUARY REPORT

COMMENTARY

The Fund rose 4.6% in January, underperforming the Small Industrials by 1.7% and underperforming the Small Ordinaries by 1.9%. For the 12 months to January, the Fund was down 7.4%, outperforming the Small Industrials Index by 0.4% and underperforming the Small Ordinaries Index by 3.0%.

The US market rallied 6.2% in January and Nasdaq rose 10.7%, on a sense that the inflation outlook may have abated, leading to a slower rise in interest rates through 2023. Bond yields fell back, the AUD rose 4% and the gold price rose 7%. The Australian market also rose 6.2% with resources stocks outperforming due to the optimism about global growth.

The volatility of the past 18 months reminds us that the inflation picture is far from settled, and is likely to remain a source of ongoing uncertainty as it evolves through 2023.

Our key positive contributors in January were:

Pinnacle Investments (+19%), **Charter Hall** (+15%), **MA Financial** (+10%) all outperformed given their earnings are exposed to stronger asset markets. **Healthia** (+19%) posted a strong earnings update with patient volumes recovering from the patchiness of the September quarter. **Aussie Broadband** (+15%) continues to recover from an oversold situation in 2022. Technology stocks globally were especially strong in January, which aided **Technology One** (+10%) and smaller positions in our portfolio such as **Chrysos** (+42%).

Our key detractors in January were:

A range of stocks in our portfolio are relatively defensive such as **EBOS** (-4%), **EQT Holdings** (-1%), **Propel Funerals** (-3%), **PSC Insurance** (-5%), and **Freightways** (-3%). These stocks mostly outperformed well in 2022 during the market correction, hence it is not surprising they are left behind in such a sharp short-term reversal in sentiment.

🏆 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
IVE Group	Communication Services
Lifestyle Communities	Real Estate
NIB Holdings	Financials
Seven Group Holdings	Industrials

☑️ FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.1909
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 702.85m
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

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