

### PENGANA GLOBAL SMALL COMPANIES FUND

#### DESCRIPTION

The Fund invests principally in small and midcap listed (or soon to be listed) global equities. Its investment objective is to obtain returns greater than the MSCI All Country World Index SMID Cap unhedged in Australian dollars ('Index') over rolling 3 year periods after fees. The Fund's investment manager, Lizard Investors LLC, uses a value oriented investment approach that seeks to identify and invest in quality businesses that create significant value but are mispriced, overlooked, or out-of-favour. The investment manager believes that unique opportunities exist due to limited available research, corporate actions, or unfavourable investor perception.

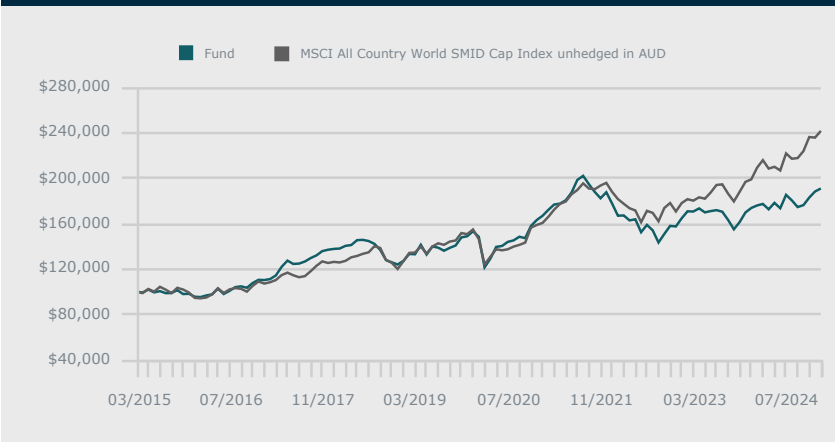
#### PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jan 2025<sup>1</sup>

|                                                       | 1 MTH | 1 YEAR | 2 YEARS P.A. | 3 YEARS P.A. | 5 YEARS P.A. | SINCE INCEPTION P.A. |
|-------------------------------------------------------|-------|--------|--------------|--------------|--------------|----------------------|
| Global Small Companies Fund                           | 1.4%  | 9.9%   | 7.7%         | 2.4%         | 4.5%         | 6.8%                 |
| MSCI All Country World SMID Cap Index unhedged in AUD | 2.5%  | 21.5%  | 16.5%        | 8.7%         | 9.3%         | 9.4%                 |

#### PERFORMANCE CHART

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



#### TOP HOLDINGS (ALPHABETICALLY)

|                                    |                        |
|------------------------------------|------------------------|
| Baltic Classifieds Group Plc       | Communication Services |
| ExtService Holdings, Inc.          | Industrials            |
| Hilan Ltd.                         | Industrials            |
| IntegraFin Holdings PLC            | Financials             |
| NICE Information Service Co., Ltd. | Industrials            |

#### CAPITALISATION BREAKDOWN

|                          |       |
|--------------------------|-------|
| Under 2bn USD            | 50.6% |
| In between 2bn - 5bn USD | 26.4% |
| Above 5bn USD            | 19.1% |
| Cash                     | 3.8%  |

#### REGION BREAKDOWN

|                      |       |
|----------------------|-------|
| Europe ex UK         | 19.5% |
| North America        | 25.7% |
| Asia ex Japan        | 10.9% |
| Japan                | 15.6% |
| UK                   | 17.1% |
| Middle East / Africa | 4.1%  |
| Latin America        | 3.3%  |
| Cash                 | 3.8%  |

#### STATISTICAL DATA

VOLATILITY<sup>3</sup> 12.8%

NUMBER OF STOCKS 40

BETA<sup>4</sup> 0.9

MAXIMUM DRAW DOWN -29.1%

## JANUARY REPORT

### COMMENTARY

- The Fund returned 1.4%, while the benchmark delivered 2.5%, in January.
- Global equity markets rebounded due to falling inflation, boosting hopes for a soft landing despite challenges like the semiconductor sell-off and a weaker US dollar impacting returns in AUD terms.
- Smaller companies performed similarly to larger-cap stocks, but the Fund's underweight to top-performing large-cap stocks hindered relative returns.
- Notable strong performers included US-based **EXLSERVICE Holdings** and Sweden-based **Truecaller**, with a new position established in Denmark's **ChemoMetec**.

### Market Commentary

Global equities rebounded in January as inflation continued to ease, signalling the path to further reductions in global interest rates. However, share market returns varied significantly between regions.

US equities made gains upon the strength of the US economy and a positive start to its December quarter earnings season. However, the US lagged behind most other regions after the semiconductor sub-sector underperformed. This followed China's DeepSeek announcing it had developed an AI model with capabilities comparable to those of western models, but much more quickly and cheaply. This raised doubts about the demand growth for computing power and advanced chips. The Federal Reserve kept rates unchanged as the US labour market, retail sales and industrial production were strong, but core inflation moved lower.

European stocks outperformed those in other developed markets in January as investors rotated out of some US technology stocks. The region's economy remains weak, as GDP growth stagnated in the December quarter, leading to the European Central Bank and Sweden's Riksbank both cutting interest rates by 0.25% in January.

Japanese equities edged up after a weak start to the year. The Bank of Japan raised interest rates by 0.25% to 0.50%, the highest rate for 17 years, in line with market expectations. Technology stocks were initially lifted by new investment announcements but later fell back upon concerns that improved AI efficiency could impact chip stocks.

Emerging markets delivered modest returns overall in US dollar terms but varied by country, with Latin America and Poland performing strongly. Asia saw a divergence in fortunes, with the more developed markets of Korea, Singapore, and Taiwan leading the gains. China made modest advances despite the growing risk of US trade tariffs. Indian equities moved lower upon valuation and economic growth concerns as some investors rotated back into Chinese stocks.

Global smaller companies performed broadly in line with larger cap stocks, benefitting from the prospect of interest rate cuts and their perception of lower sensitivity to trade tariffs.

### Portfolio Highlights

The Fund returned 1.4% in Australian dollar terms during January, while the MSCI World SMID Cap Index returned 2.5%. Strong stock performance in consumer discretionary and healthcare contributed to relative returns. However, this was offset by weaker stock performance in industrials, financials and communications services. Relative performance was strong across each market cap segment, but returns were strongest in the larger cap segments

(>US\$5 billion), where the Fund has historically been underweight.

The Fund's most significant contributor to relative performance during January was its holding in US-based global data analytics and digital solutions company **EXLService Holdings**. It has continued to outperform since its strong third-quarter earnings results, with the share price rising 12% in January and almost 50% over the last six months. This reflects its strong financial performance and the successful execution of its data and AI-driven business strategy.

Another strong performer in January was **Truecaller**, a Sweden-based global communications platform that created a unique database that blocks spam calls. Its largest market is India, which is the company's primary revenue driver. The stock outperformed in January after announcing a 21.3% year-on-year increase in revenue. This reflects its expanding premium user base, strategic partnerships with banks and the strong performance of its 'Truecaller for Business' division.

The largest detractor from the Fund's relative returns in January was its holding in India-based **Computer Age Management Services**. It provides financial infrastructure and services for mutual funds and other financial institutions. It underperformed upon the broader sell-off in Indian small-cap stocks, despite announcing better than expected quarterly earnings results, with revenue growing 33% year-on-year to ₹3.85 billion.

Over the last quarter, the Fund has established a new position in **ChemoMetec**, the Danish medical device company that specialises in the development, manufacture and marketing of automated cell counters. Its products are primarily used in life science research, cell and gene therapy development, and bioprocessing applications. The market is growing rapidly due to increasing demand for biologics and cell-based therapies, advances in cell-based research and diagnostics, and the growth of biopharmaceutical manufacturing.

More than half of its 'Nespresso-like' business model revenue derives from recurring sales of consumables and services, providing a stable cash flow and a solid foundation for future expansion. It delivered strong quarterly earnings results, with 27% year-on-year revenue growth and improved EBITDA margins. This indicates that the company is well-positioned to capitalise on the growing demand for advanced cell counting solutions in the life sciences industry.

## ✓ FEATURES

|                            |                                                          |
|----------------------------|----------------------------------------------------------|
| APIR CODE                  | PCL0022AU                                                |
| REDEMPTION PRICE           | A\$ 1.6217                                               |
| FEES *                     | Management Fee: 1.1%<br>Performance Fee: 20.5%           |
| MINIMUM INITIAL INVESTMENT | A\$10,000                                                |
| FUM AT MONTH END           | A\$ 73.59m                                               |
| STRATEGY INCEPTION DATE    | 1 April 2015                                             |
| BENCHMARK                  | MSCI All Country World SMID Cap Index<br>unhedged in AUD |

## 👤 FUND MANAGERS



**Jon Moog**  
CIO and Portfolio 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 1st April 2015.

3. Annualised standard deviation since inception.

4. Relative to MSCI All Country World SMID Cap index unhedged in AUD.

\* For further information regarding fees please see the PDS available on our website.

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### PENGANA.COM

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