

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.

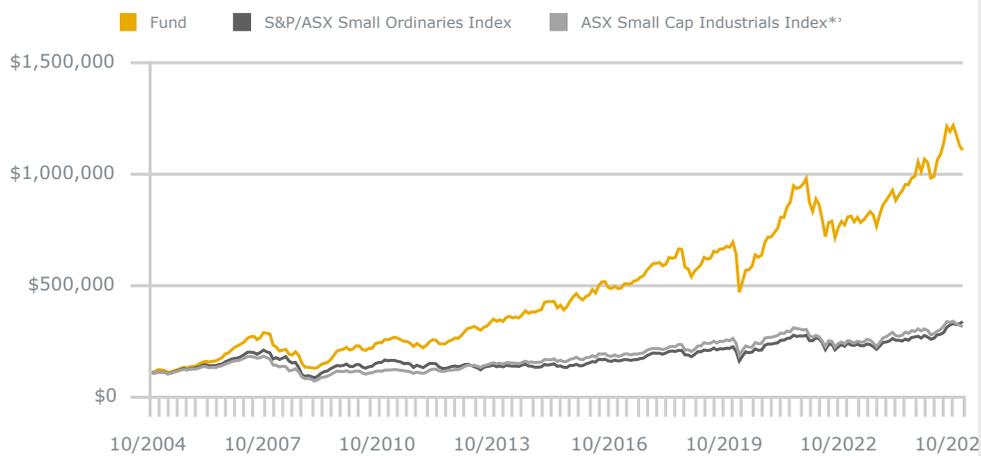
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jan 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	-1.7%	3.8%	11.2%	9.1%	9.6%	10.4%	11.1%	11.9%
S&P/ASX Small Ordinaries Index	2.7%	22.8%	12.1%	7.5%	9.5%	5.1%	4.9%	5.8%
Outperformance	-4.5%	-18.9%	-0.9%	1.6%	0.1%	5.2%	6.2%	6.1%
ASX Small Cap Industrials Index**	-2%	3.3%	7.8%	3.4%	6.6%	6.8%	4.8%	5.5%
Outperformance	0.3%	0.6%	3.4%	5.7%	3%	3.6%	6.3%	6.5%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION ²



JANUARY REPORT

COMMENTARY

The Fund fell 1.7% in January, outperforming the Small Industrials by 0.3% and underperforming the Small Ordinaries by 4.5%. For the 12 months to January, the Fund was up 3.8%, outperforming the Small Industrials by 0.6% and underperforming the Small Ordinaries by 18.9%.

Markets were mixed in January, with US bonds fading and equities rising mildly. The US market rose 1.4%, while European and Japanese markets were stronger. Software stocks were pressured in January (and into early February) amid concerns about AI's potential threat to their long-term business models. Globally, markets skewed away from tech stocks and longer dated growth stocks towards cyclicals, as the sense of economic recovery strengthened and the expectation of further rate cuts faded.

Gold prices continued their remarkable rise, rallying a further 9% in January, despite a sharp correction at the end of the month, which also saw silver prices fall over 30% in one night (despite this, silver was still up over 10% for the month).

The Australian market rose 1.2% in January, with mining stocks up 10%. Small-cap stocks rallied by 2.7%, with industrials falling, and mining stocks strongly outperforming. The RBA's rate increase has resulted in a rally in the AUD, and a sense that the Australian economy is showing signs of strain, given tight labour markets, which have seen inflation linger beyond initial expectations.

Our positive contributors in January included:

ALS Group (+12%) and **Imdex** (+10%) derive a high proportion of income from mineral exploration, which is enjoying a cyclical boost due to higher commodity prices. **Breville** (+9%), **Mader Group** (+8%), and **Eagers Automotive** (+9%) also contributed, in the absence of any stock specific news.

Our negative contributors in January included:

Catapult Sports (-16%) and **Technology One** (-10%) were caught up in the wild sentiment swing away from software stocks globally due to fears that AI is disrupting the industry. The market has taken a "shoot first, ask questions later" approach, which is likely to open up opportunities in the confusion. **Zip Co** (-19%) and **Generation Development** (-9%) have been volatile of late, with the global skew away from high growth sectors towards cyclicals no doubt impacting. **Charter Hall** (-6%) declined after property trusts were marked down following the RBA rate rise.

TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd.	Industrials
Charter Hall Group	Real Estate
Generation Development Group Limited	Financials
HUB24 Limited	Financials
Regis Healthcare Ltd.	Health Care

FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.4761
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 897.19m
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.COM

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 (PDS) and Target Market Determination are 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.