

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.

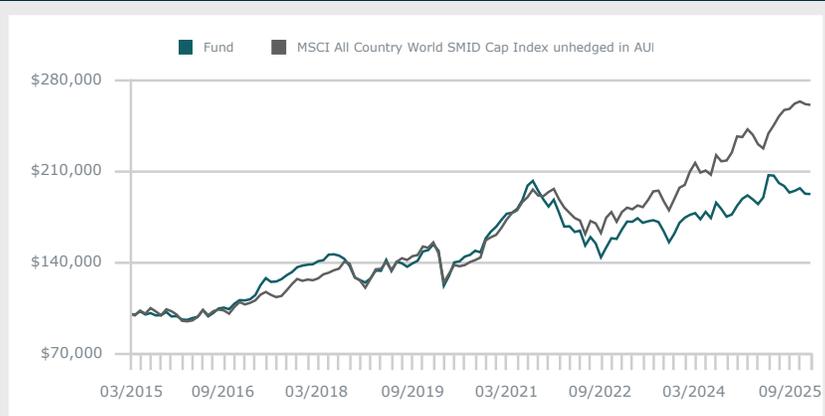
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jan 2026 ¹

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
Global Small Companies Fund	-0.1%	0.5%	5.1%	5.2%	2.8%	6.2%
MSCI All Country World SMID Cap Index unhedged in AUD	-0.3%	7.8%	14.4%	13.5%	10.1%	9.2%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION ²



TOP HOLDINGS (ALPHABETICALLY)

Gaztransport & Technigaz SA	Energy
IMI plc	Industrials
Nextpower Inc. Class A	Industrials
Noritsu Koki Co., Ltd.	Consumer Discretionary
USS Co., Ltd.	Consumer Discretionary

CAPITALISATION BREAKDOWN

Under 2bn USD	26.9%
In between 2bn - 5bn USD	26%
Above 5bn USD	39.3%
Cash	7.9%

REGION BREAKDOWN

Europe ex UK	20.3%
North America	40.6%
Asia ex Japan	1.9%
Japan	10.4%
UK	7.5%
Middle East / Africa	6.4%
Latin America	5%
Cash	7.9%

STATISTICAL DATA

VOLATILITY³ 12.6%

NUMBER OF STOCKS 38

BETA⁴ 0.89

MAXIMUM DRAW DOWN -29.1%

JANUARY REPORT

COMMENTARY

- The Fund declined 0.1% in January, outperforming the benchmark, which fell 0.3%, as positive stock selection offset the stronger Australian dollar, which reduced returns in local currency terms.
- Global equity markets were firmer in USD terms, with market leadership broadening beyond mega-cap technology into energy, materials and other cyclical sectors.
- Portfolio activity was measured, with the initiation of a new position in **Clarkson PLC** and the exit of **Allfunds Group** following its agreed acquisition.

Market review

Global equity markets began 2026 on a firmer footing in US dollar terms, with leadership broadening beyond the narrow mega-cap technology cohort that dominated much of last year. However, a stronger Australian dollar reduced returns in local currency terms, resulting in modestly negative outcomes for Australian investors despite generally positive underlying market performance.

Performance dispersion remained elevated across regions and sectors. International equities outperformed US large caps in US dollar terms, supported by strength in parts of Europe and emerging markets. Korea and Taiwan were particularly strong, while several Latin American markets also advanced. In contrast, US mega-cap technology delivered more muted returns amid mixed earnings reactions.

Sector leadership reflected a rotation toward more cyclical exposures. Energy and materials were among the strongest-performing areas, supported by higher commodity prices and renewed geopolitical tensions in the Middle East. Consumer staples also delivered solid gains, while technology, healthcare and financials lagged.

Central bank policy divergence continued to influence capital flows and currency movements. The Federal Reserve held rates steady during the month, signalling a cautious pause as inflation remained above target. The European Central Bank and Bank of Japan also maintained policy settings, while Australia's comparatively hawkish stance contributed to currency strength. Overall, January reflected a further broadening of market leadership and continued style rotations beneath the surface.

Portfolio Commentary

The Fund modestly outperformed its benchmark in January, with stock selection the primary contributor to relative returns. While currency movements influenced headline outcomes, company-specific developments were the more important determinant within the portfolio.

A new position was initiated in **Clarkson PLC**, the world's largest shipbroker, with a market share well ahead of its nearest competitor. Clarkson operates a scaled global brokerage network and benefits from deeply embedded client relationships across the shipping industry. Its Research division provides proprietary data and analytics to thousands of organisations, generating high levels of recurring revenue at attractive margins. The investment case rests on Clarkson's dominant competitive position, structural scale advantages and differentiated data assets, which create meaningful barriers to entry in a fragmented market. These advantages support resilient profitability across cycles.

The Fund exited **Allfunds Group**, crystallising gains following the binding acquisition agreement by Deutsche Börse Group and realising value after a period of strong share price performance.

Among the strongest contributors was **NextPower**, a provider of solar power solutions, which advanced after delivering results ahead of expectations and raising full-year guidance. A record order backlog reinforced confidence in the durability of demand and the company's operational execution, supporting improved sentiment toward renewable energy exposures.

Noritsu Koki, a global leader in professional DJ equipment, also contributed positively. The company benefits from its dominant global market share, recurring revenues generated through its rekordbox software ecosystem and a strong net cash balance sheet. Strength in Japanese equities during the month provided a supportive backdrop.

International Seaways, an owner and operator of crude oil tankers, performed strongly as energy markets rallied amid higher oil prices and rising geopolitical tensions. The company's move to take full ownership of Tankers International further enhanced its fleet optimisation strategy and competitive positioning within the tanker market.

Offsetting these gains were weaker performances from **ChemoMetec**, a supplier of automated cell-counting instruments to life sciences customers, and **Cavco Industries**, a US manufacturer of factory-built homes. ChemoMetec declined following revenue disruption linked to the US government shutdown, increasing the implied second-half growth requirement. Cavco experienced margin pressure and acquisition integration costs. Despite near-term volatility, we retain conviction in both holdings' long-term structural growth drivers and competitive advantages.

Overall, portfolio positioning remains centred on high-quality small-cap businesses with durable competitive advantages and resilient balance sheets. We believe this discipline remains well suited to an environment characterised by rotation, dispersion and shifting macro expectations.

FEATURES

APIR CODE	PCL0022AU
REDEMPTION PRICE	A\$ 1.5218
FEES *	Management Fee: 1.1% Performance Fee: 20.5%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 48.11m
STRATEGY INCEPTION DATE	1 April 2015
BENCHMARK	MSCI All Country World SMID Cap Index 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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