

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.

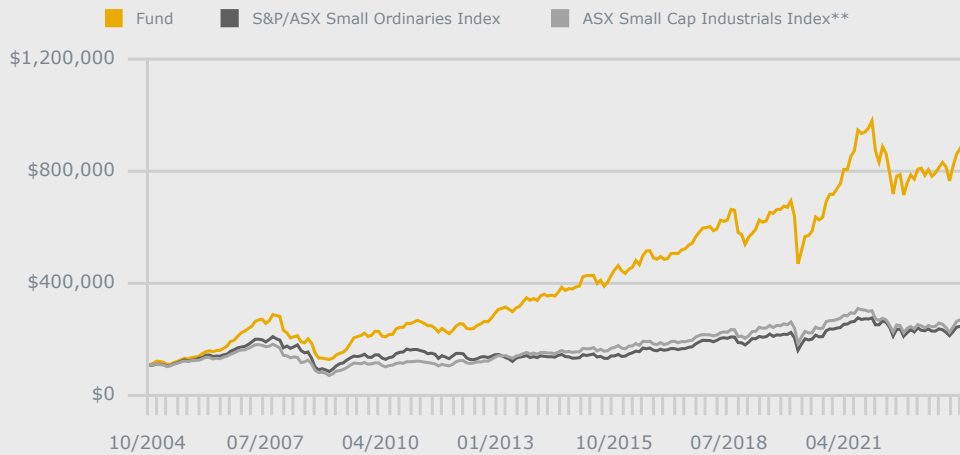
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Mar 2024¹

| | 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 | 2.7% | 18.1% | 7.1% | 9.4% | 10% | 14.1% | 12.1% |
| S&P/ASX Small Ordinaries Index | 4.8% | 13.8% | 2.7% | 5.4% | 6.7% | 7.4% | 5% |
| Outperformance | -2.1% | 4.3% | 4.4% | 4% | 3.3% | 6.7% | 7.1% |
| ASX Small Cap Industrials Index** | 3.5% | 20.5% | 1.7% | 4.9% | 6.7% | 9.6% | 5.5% |
| Outperformance | -0.8% | -2.3% | 5.5% | 4.5% | 3.3% | 4.5% | 6.6% |

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



MARCH REPORT

COMMENTARY

The Fund rose 2.7% in March, underperforming the Small Industrials by 0.8% and underperforming the Small Ordinaries by 2.1%. For the 12 months to March, the Fund was up 18.1%, underperforming the Small Industrials Index by 2.3% and outperforming the Small Ordinaries Index by 4.3%.

The US market rose a further 3.1% in March, capping off a phenomenal five month run – up 28% since the October lows. Nasdaq has risen over 30% from the lows indicating a mild outperformance of tech stocks. US ten year bond prices also rose in March driven by the sense that rate cuts may still eventuate later this year – an assumption that may prove too bullish if wage inflation remains elevated.

Australian shares rallied 3.3% in March with mining stocks mildly outperforming. The gold price rose 9% in March to all-time highs, while copper and oil prices also moved higher. Offsetting this, iron ore drifted 12% which dragged local producers' share prices down.

Takeover activity continues to be a major theme in the Australian market – long term buyers seem to see value where it is currently not captured by shorter term investors. Bids were received in March for A2B (Cabcharge), Mermaid Marine, and McGrath Real Estate. The three largest domestic building material stocks (Ad Bri, Boral, and CSR) are all currently under takeover offers.

Our key positive contributors in March were:

Webjet (+27%) posted a strong trading update on its investor day, and confidence that the value of travel booked on its hotel booking engine can double in the medium term. **ALS Group** (+10%) is seeing volumes under pressure in its mining division, however a new record high in gold prices should see a bounce in volumes as junior explorers raise and deploy capital. **Genex Power** (+36%) received a takeover offer from J Power which currently holds 7% of the company. **NIB Holdings** (+9%) had a weak February based on a slightly soft result, however bounced quickly in March to reverse those losses. **Catapult** (+23%) continues to gain attention as a global growth story and recently expanded its contract with the NRL.

Our key negative contributors in March were:

Aussie Broadband (-21%) lost its largest white-label broadband customer, Origin Energy, which leaves an unexpected 15% gap in earnings. There were a range of other stocks which have performed well in the last six months which drifted over March for no specific reason in a strong market including **Propel Funerals** (-3%), **AUB Group** (-2%), **Audinate** (-10%), and **Carsales** (-1%).

🏆 TOP HOLDINGS (ALPHABETICALLY)

| | |
|-----------------------------|------------------------|
| ALS Ltd | Industrials |
| AUB Group Ltd | Financials |
| Aussie Broadband Ltd | Communication Services |
| CAR Group Ltd | Communication Services |
| EQT Holdings Ltd | Financials |
| HUB24 Ltd | Financials |
| Jumbo Interactive Ltd | Consumer Discretionary |
| Propel Funeral Partners Ltd | Consumer Discretionary |
| Seven Group Holdings Ltd | Industrials |
| Webjet Ltd | Consumer Discretionary |

☑️ FEATURES

| | |
|-------------------------|--|
| APIR CODE | PER0270AU |
| REDEMPTION PRICE | A\$ 2.355 |
| FEES * | Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark |
| FUM AT MONTH END | A\$ 759.54m |
| 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 for the Fund is 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.