

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.

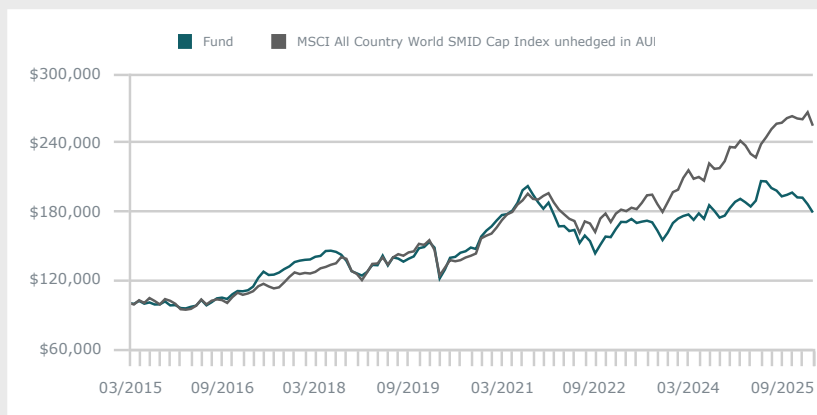
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Mar 2026¹

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
Global Small Companies Fund	-3.9%	-2.8%	0.5%	1.6%	0.2%	5.4%
MSCI All Country World SMID Cap Index unhedged in AUD	-4.4%	10.7%	8.6%	12.2%	8.1%	8.9%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

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

CAPITALISATION BREAKDOWN

Under 2bn USD	32.6%
In between 2bn - 5bn USD	33.5%
Above 5bn USD	32%
Cash	2%

REGION BREAKDOWN

Europe ex UK	23.2%
North America	42.3%
Asia ex Japan	2.1%
Japan	9.8%
UK	9%
Middle East / Africa	5.7%
Latin America	5.9%
Cash	2%

STATISTICAL DATA

VOLATILITY³ 12.6%

NUMBER OF STOCKS 35

BETA⁴ 0.89

MAXIMUM DRAW DOWN -29.1%

MARCH REPORT

COMMENTARY

- The Fund declined 3.9% in March, proving more resilient than the MSCI ACWI SMID Cap Index (net, AUD), which fell 4.4%, as stock selection in energy-exposed holdings and defensive positioning provided protection during severe market dislocation triggered by the US-Iran conflict and closure of the Strait of Hormuz.
- Global equity markets sold off sharply, with Brent crude surging over 60% in its largest monthly increase since the 1970s. Energy equities were the sole positive sector globally, while value extended its outperformance over growth as inflation expectations rose and capital rotated away from rate-sensitive assets.
- Portfolio activity was deliberately restrained, with no new positions initiated and two exits completed. **ChemoMetec** was sold following repeated guidance failures, while **Vita Coco** was exited to crystallise gains.

Market review

Global equity markets fell sharply in March as the escalation of the US-Iran conflict, culminating in the effective closure of the Strait of Hormuz, triggered the most violent repricing of energy markets in decades. US equities declined around 5%, while European and emerging market equities dropped more steeply. Brent crude rose over 60%, its largest monthly move since the 1970s.

The sell-off was broad but not uniform. Energy was the sole sector to finish higher, benefiting directly from the supply disruption. All other sectors finished lower, with technology and growth-oriented names hit hardest as risk appetite deteriorated sharply across global markets and shorting activity increased.

The rotation toward value and hard assets accelerated. Capital shifted from software and asset-light models toward commodity-linked and infrastructure exposures, adding urgency to the factor dynamics observed in recent months.

Central banks held firm despite the dislocation. The Federal Reserve maintained rates at 3.75%, preserving its outlook for one cut in 2026. The European Central Bank also held but signalled possible hikes as inflation projections rose, while the Bank of Japan left the door open to near-term tightening. A weaker Australian dollar partially offset currency headwinds present in prior months.

The speed of the repricing underscored the fragility of consensus heading into the second quarter, with energy supply risk now embedded as a structural rather than transient consideration.

Portfolio Commentary

The Fund held up better than its benchmark in March, as energy-linked holdings and a defensively positioned portfolio provided a degree of insulation during a month of severe dislocation. Several positions with direct or indirect exposure to energy infrastructure were among the primary drivers of relative outperformance.

Among the strongest contributors was **Gaztransport et Technigaz**, the French designer of membrane containment systems for LNG carriers, which reached an all-time high as the Strait of Hormuz crisis placed LNG infrastructure at the centre of global energy security concerns. The company holds a near-complete market share in its niche, and its royalty-based model continues to deliver exceptional incremental margins.

Nextpower, a US-based solar infrastructure company, also rallied to record levels as the energy crisis reinforced the structural case for domestic energy independence. A record backlog of over five billion dollars, strong US revenue growth and expanding gross margins demonstrated pricing power despite ongoing tariff headwinds.

Clarkson, the world's largest shipbroker, advanced as the conflict drove shipping rates well above prior-year averages, expanding commission pools across its broking division. Strength in the financial division, which delivered record operating profit in the prior year, confirmed a higher earnings floor than previous cycles.

Detractors included **ChemoMetec**, the Danish cell counting instrument maker, which fell sharply after cutting revenue guidance for the third consecutive time. Management cited prolonged US customer caution and longer-than-expected validation timelines, with the revised outlook implying low single-digit organic growth versus an original target of nearly 20%. We exited the position given repeated guidance misses and the structural nature of headwinds facing the company's growth platform.

Daktronics, the US LED display manufacturer, also weighed on performance as tariff-related margin pressure persisted, with operating margins falling well short of long-term targets. We continue to hold the position into the upcoming Investor Day where the new CEO will outline the strategic framework.

Portfolio activity was limited during the month, with no new positions initiated. Beyond **ChemoMetec**, we exited **Vita Coco**, the US coconut water brand, to crystallise gains. Turnover was modest, reflecting our preference to hold quality businesses through periods of macro-driven volatility rather than react to short-term dislocations.

Overall, the portfolio remains concentrated in high-quality small-cap companies with durable competitive advantages. The energy shock has reinforced the benefits of owning businesses with structural demand tailwinds, and the restraint in activity during March reflects our confidence in the underlying holdings.

FEATURES

APIR CODE	PCL0022AU
REDEMPTION PRICE	A\$ 1.4191
FEES *	Management Fee: 1.1% Performance Fee: 20.5%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 38.5m
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.

PENGANA GLOBAL SMALL 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

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