

### 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.

#### STATISTICAL DATA

VOLATILITY<sup>3</sup> 12.8%

NUMBER OF STOCKS 42

BETA<sup>4</sup> 0.74

MAXIMUM DRAW DOWN -20.7%

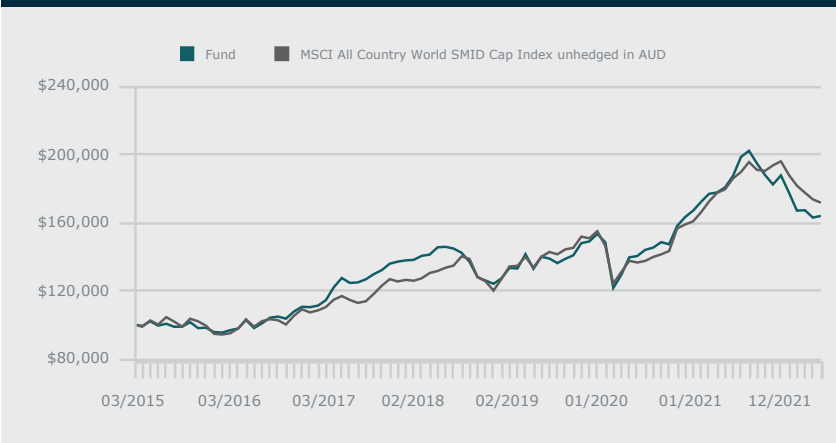
#### PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 May 2022<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	0.6%	-9.3%	8.4%	7.2%	5.2%	7.1%
MSCI All Country World SMID Cap Index unhedged in AUD	-1.1%	-4.4%	11.7%	8.7%	8.0%	7.8%

#### PERFORMANCE CHART

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



#### TOP HOLDINGS (ALPHABETICALLY)

Cogeco Communications	Communication Services
Irish Continental Group PLC	Industrials
Sendas Distribuidora SA	Consumer Staples
Serco Group PLC	Industrials
Softchoice Corp	Information Technology

#### CAPITALISATION BREAKDOWN

Under 2bn USD	49.7%
In between 2bn - 5bn USD	32.2%
Above 5bn USD	14.1%
Cash	4%

#### REGION BREAKDOWN

Europe ex UK	30.8%
North America	22.7%
Asia ex Japan	12.5%
Japan	7.1%
UK	12.1%
Middle East / Africa	1.3%
Latin America	9.5%
Cash	4%

## WHILE THE MACRO ENVIRONMENT REMAINS CHALLENGING, WE CONTINUE TO SEE OPPORTUNITIES IN OUR SPACE

### COMMENTARY

The Fund was up slightly, 0.6%, outperforming the index by 1.7% in May.

We recently held a Portfolio and Investment Update webinar. Financial planners may complete a short questionnaire available [HERE](#) for CPD points.

The ACWI SMID cap index was down -1.1% in May, as ongoing concerns over inflation, rising interest rates, and the war in Ukraine weighed on investors. In the US, policymakers continue to stand by their hawkish stance and foresee further rate increases to tame inflation. Inevitably, we are starting to see early signs of the U.S. economy slowing down: the PMI index fell again in May and GDP was confirmed to have contracted in the first quarter. In Europe, inflation continues its rapid rise putting more pressure on the ECB to raise rates. The UK's inflation rate was confirmed to have reached a 40-year high in April, yet May's expected inflation is higher still. The largest jump was from a higher level of the energy price cap. In Japan, the equity market welcomed Prime Minister Kishida's "New Capitalism" policy (emphasizing economic growth). The likelihood of recession is rising as central banks may struggle to tame inflation and pull off a "soft landing."

Energy, Utilities, and Financials performed well in May while Consumer Staples and Consumer Discretionary lagged behind the overall market. While the S&P had dropped 20% for the year on May 20<sup>th</sup>, it bounced back and ended May in the green. The US Dollar DXY index briefly gave back some strength only to climb back as of this writing. One trend that we are happy to see continuing is the MSCI Value index outperforming its Growth counterpart. While the macro environment remains challenging, we continue to see opportunities in our space: the MSCI All Country World Index ex-US is trading at an attractive 12.2x forward earnings, unchanged from April.

Stock selection drove the Fund's overperformance against the index in May. As of May 31<sup>st</sup>, the top ten holdings accounted for 41% of the Fund's assets with the largest position approximately 5.9% of the portfolio.

Despite the volatility in the market, the Fund was not very active during the month. There were no new positions added, nor did we exit any positions. We are balancing new investments against those already in the Fund as a wide array of stocks have sold off, which creates opportunities.

## ✓ FEATURES

APIR CODE	PCL0022AU
REDEMPTION PRICE	A\$ 1.5029
FEES *	Management Fee: 1.1% Performance Fee: 20.5%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 165.57m
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



**David Li**  
Head of Research 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. 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

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### PENGANA.COM

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