

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.

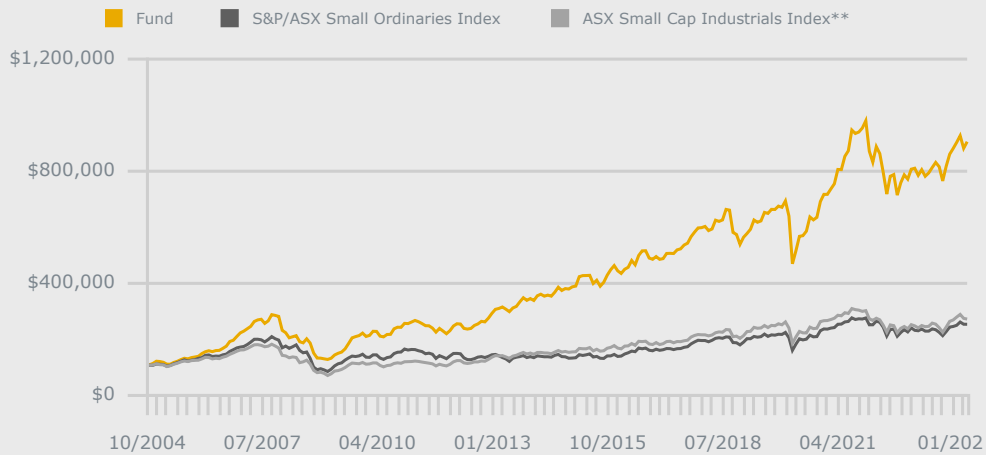
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 May 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%	15.9%	4.0%	8.0%	9.8%	12.9%	11.9%
S&P/ASX Small Ordinaries Index	0.0%	10.9%	-0.1%	4.2%	6.5%	5.7%	4.8%
Outperformance	2.7%	5.0%	4.1%	3.8%	3.3%	7.2%	7.1%
ASX Small Cap Industrials Index**	-0.9%	11.4%	-1.4%	2.7%	6.2%	8.1%	5.1%
Outperformance	3.6%	4.5%	5.4%	5.3%	3.6%	4.9%	6.7%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



MAY REPORT

COMMENTARY

The Fund rose 2.7% in May, outperforming the Small Industrials by 3.6% and outperforming the Small Ordinaries by 2.7%. For the 12 months to May, the Fund was up 15.9%, outperforming the Small Industrials Index by 4.5% and outperforming the Small Ordinaries Index by 5.0%.

We recently recorded an Investor Update Webinar, which is available below for your review. CPD points are applicable for Australian Financial Planners [HERE](#).

The US market was up 2.3% in May, reversing the 5% fall in April. Once again, markets were driven by the ever changing outlook on inflation and interest rates. Short term data are the key drivers of the swings, with employment and inflation readings feeding into expectations of potential rate cuts. The timing, quantum and likelihood of rate cuts are far from certain, and this uncertainty is likely to remain a source of volatility. The Australian share market rose 0.5% with no major outliers in performance by sector. Smallcap stocks drifted, with mining stocks slightly outperforming the industrial sector.

Our key positive contributors in May were:

Catapult (+32%) released its full year results, with 20% growth in forward revenue, expanding margins, improved customer retention and positive comments on future growth. Gentrack (+18%) released its half-year results, which showed adjusted revenue growth of 58%, strong margins, and further growth potential as it expands into Europe. ALS Corp (+8%) reported full year results with 7% revenue growth and flat earnings due primarily to slow exploration activity among smaller mining companies. The stock has rallied on the expectation that this cycle is likely to turn given the recent burst in copper and gold prices. Webjet (+7%) released its full year profits showing revenue growth of 29% and underlying earnings growth of 40% driven by the wholesale hotel operations, which offer further opportunities for growth. EQT Holdings (+6%) rose following the sale of its loss making Irish operations.

Our key negative contributors in May were:

Audinate (-17%) was weak following the retirement of its well-regarded CFO (Rob Goss) for personal reasons. IVE Group (-10%) drifted after news of the passing of its Executive Chairman Geoff Selig who was an instrumental in the company's culture and growth. Praemium (-9%) was weak with no particular catalyst. Aussie Broadband (-7%) posted a Q3 update showing overall earnings on track to meet forecasts, notwithstanding slight weakness in growth in the domestic broadband operation. Worley (-3%) was slightly soft given the 7% fall in oil prices.

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\$ 2.3002
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 745.79m
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.

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