

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.

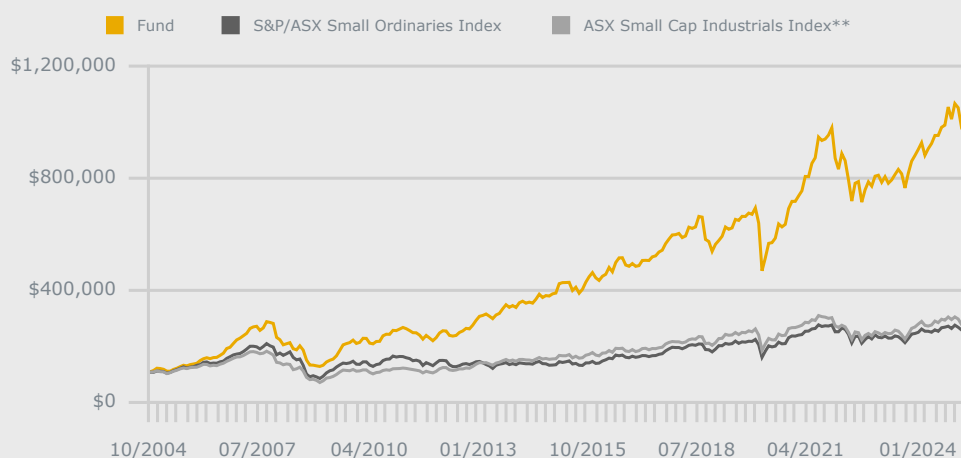
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 May 2025 ¹

	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	7.4%	17.4%	10.2%	13.4%	9.6%	11.5%	12.1%
S&P/ASX Small Ordinaries Index	5.8%	9.8%	4.7%	6.8%	6.7%	5.2%	5%
Outperformance	1.6%	7.6%	5.5%	6.7%	2.9%	6.3%	7.1%
ASX Small Cap Industrials Index**	4%	8.2%	5.7%	5.3%	5.7%	7.2%	5.3%
Outperformance	3.4%	9.1%	4.5%	8.1%	3.8%	4.3%	6.8%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION ²



MAY REPORT

COMMENTARY

The Fund was up 7.4% in May, outperforming the Small Industrials by 3.4% and outperforming the Small Ordinaries by 1.6%. For the 12 months to May, the Fund was up 17.4%, outperforming the Small Industrials Index by 9.1% and outperforming the Small Ordinaries Index by 7.6%.

May saw most global markets rally, with the US index up 6.2%, driven by a 10% rally in the NASDAQ. The wild gyrations caused by dramatic shifts in trade policy through April have been replaced by exuberance in the short term – the US market is now 22% above the April lows (NASDAQ up 29% since the lows). This remarkable turnaround suggests that investors are assuming the tariffs will continue to be wound back, or that there will be no significant negative impact on earnings, or that inflation will not become a major problem as tariffs potentially lead to higher prices. Given the erratic nature of the tariff policy announcements, it would not shock us to see further market volatility over the next few months.

The Australian market rallied 3.8%, with tech stocks leading the way here too (up 19%). Australian small-cap stocks rose 5.8%, with industrials up 4.0%, and the resources sector up 10.1%, driven by gold stocks (despite a flat gold price).

The true impact on economic growth (hence earnings) from the current trade policy movements is difficult to determine. The distraction itself is likely to cause consumers and corporations to postpone certain purchasing decisions, which may impact shorter-term activity. However, financial conditions remain supportive, employment markets are proving resilient, and there remains a stimulatory aspect to fiscal policy. Hence, there may be a shallow trough in earnings. A worse outcome would be predicated on more challenging financial conditions (equity markets down, credit spreads up, etc), softer employment data, and worsening sentiment. Markets are currently assuming a shallow impact, and the picture will become clearer over the coming months.

Our key positive contributors in May were:

Catapult (+43%) reported revenue growth of 19% for the year to March 31, along with 93% growth in profits, as its sports data business continues to expand worldwide. **Technology One** (+37%) reported a 29% profit growth, driven by 19% revenue growth, which led to profit upgrades and a stronger share price. **Generation Development** (+34%) bounced from what we considered an irrational price fall in April, announcing an alliance with BlackRock, which would also buy a small stake in the company.

Mainfreight (+27%) delivered earnings above expectations, noting a short term boost to global trading volumes ahead of potential tariff introductions. **HUB24** (+16%) and **Netwealth** (+14%) continue to bounce after an overreaction in April.

Our key negative contributors in May were:

Propel Funerals (-14%) issued a profit downgrade following softer death volumes. **ALS Group** (-7%) drifted after posting a reasonable profit result, combined with a capital raising to invest in its global laboratory network. **Jumbo Interactive** (-4%), **Imdex** (-4%) and **EQT Group** (-2%) drifted in the absence of any company specific news.

🏆 TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd.	Industrials
Breville Group Limited	Consumer Discretionary
CAR Group Limited	Communication Services
Catapult Group International Ltd.	Information Technology
Charter Hall Group	Real Estate
Generation Development Group Limited	Financials
HUB24 Limited	Financials
Netwealth Group Ltd.	Financials
SGH Limited	Industrials
Technology One Limited	Information Technology

☑️ FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.5915
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 879.27m
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

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