

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.

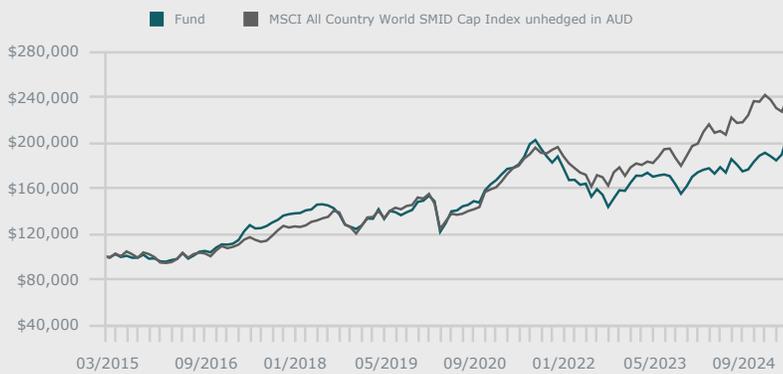
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 May 2025¹

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
Global Small Companies Fund	9.0%	15.8%	10.2%	8.0%	8.1%	7.4%
MSCI All Country World SMID Cap Index unhedged in AUD	5.1%	13.6%	14.5%	11.6%	11.6%	8.9%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

flatexDEGIRO AG	Financials
IONOS Group SE	Information Technology
NICE Information Service Co., Ltd.	Industrials
NSD Co., Ltd.	Information Technology
Pexip Holding ASA	Information Technology

CAPITALISATION BREAKDOWN

Under 2bn USD	37.5%
In between 2bn - 5bn USD	30.3%
Above 5bn USD	31%
Cash	1.2%

REGION BREAKDOWN

Europe ex UK	23.1%
North America	30.9%
Asia ex Japan	8.7%
Japan	15.3%
UK	9.4%
Middle East / Africa	6.3%
Latin America	5.1%
Cash	1.2%

STATISTICAL DATA

VOLATILITY³ 12.9%

NUMBER OF STOCKS 37

BETA⁴ 0.9

MAXIMUM DRAW DOWN -29.1%

MAY REPORT

COMMENTARY

- The Fund returned 9.0% in May, outperforming the benchmark by 3.9% as global equities rebounded sharply from April's turbulence.
- A mid-month US-China tariff truce, strong tech earnings, and a weaker US dollar underpinned broad-based gains across major markets.
- Key contributors included **Pexip** and **Ionos Group**. The Fund initiated new positions in **Bolsa Mexicana de Valores** and **On Holding AG**, targeting long-term structural growth themes.

Global equities staged a sharp turnaround in May, rebounding strongly from April's turbulence as investor sentiment improved and geopolitical tensions eased. The key catalyst was the announcement of a mid-month US-China trade truce, which included a 90-day pause on further tariffs and meaningful reductions on existing measures. This agreement de-escalated trade concerns and triggered a broad-based market rally, with many indices recording their strongest monthly gains since 2021.

Early in the month, markets remained cautious amid persistent inflation, unrest in the Middle East, and strained US-EU relations. However, the breakthrough on trade policy shifted the tone considerably. US inflation remained contained, with May CPI data showing a 2.4% year-on-year increase. This was slightly higher than April but still within the Federal Reserve's comfort zone. Global GDP forecasts for 2025 held steady between 2.2% and 2.9%, though risks around trade policy and demand persisted.

US equities led the rebound, driven by strong technology earnings and optimism following the tariff deal. The S&P 500 posted its best May return since 1990, and small caps also outperformed. European markets rallied in tandem, supported by improving global trade dynamics and further monetary easing from the European Central Bank. Defence and industrials outpaced more defensive sectors as investors rotated toward cyclical opportunities.

UK equities gained, although healthcare, staples, and utilities lagged on regulatory and inflation concerns. Japanese markets extended their gains, buoyed by solid domestic demand and a more constructive global trade backdrop. China and other parts of Asia also advanced, supported by policy stimulus and a weaker US dollar. Taiwan and Korea stood out, with strong tech-led gains driving regional outperformance.

Portfolio highlights

The Fund returned 9.0% in May, outperforming its benchmark by 3.9%. Outperformance was driven by strong stock selection across key holdings, particularly in technology and enterprise software, with several portfolio companies delivering robust earnings updates. The Fund also benefited from a favourable macro backdrop, including improved sentiment around trade and currency dynamics, which supported globally diversified revenue streams.

Pexip was the top contributor during the month. The Norway-based video technology company provides secure, scalable conferencing solutions tailored to governments and enterprises with critical security needs. Its shares surged following the release of first-quarter results that exceeded market expectations. Revenue rose 19% year-on-year, while adjusted EBITDA margins expanded to 32%. Strong free cash flow and the announcement of a NOK 100 million share buyback highlighted the company's financial strength. Growth in the Secure & Custom segment, particularly from government and defence clients, reinforced investor confidence in **Pexip's** positioning and outlook.

Ionos Group, a leading European cloud infrastructure and web hosting provider, was another strong performer. The stock continued to rise on the back of solid results and positive guidance highlighted in the prior month's update. Momentum remained strong across core service lines, reflecting **Ionos's** expanding customer base and operational scalability.

Cavco Industries and **EXLSERVICE** were the Fund's weakest performers, though both only experienced modest declines in an otherwise strong month. **Cavco**, a US-based manufacturer of modular homes, delivered solid quarterly results with double-digit revenue growth. **EXLSERVICE**, a global data analytics and digital operations firm, also reported sound earnings and industry recognition. The subdued share price movements appeared driven by broader market rotation and portfolio rebalancing rather than any deterioration in company fundamentals.

The Fund initiated two new positions during May. **Bolsa Mexicana de Valores**, Mexico's primary stock exchange operator, provides diversified exposure to the modernisation of Latin America's capital markets infrastructure. **Holding AG**, a Swiss premium sportswear company best known for its high-performance running shoes, offers the Fund access to global consumer growth and brand-driven innovation. Both positions align with the Fund's focus on companies with structural tailwinds, resilient earnings, and long-term growth potential.

The Fund remains focused on identifying businesses with durable competitive advantages, scalable business models, and prudent capital allocation, while managing exposure to ongoing macroeconomic and geopolitical risks.

FEATURES

APIR CODE	PCL0022AU
REDEMPTION PRICE	A\$ 1.7535
FEES *	Management Fee: 1.1% Performance Fee: 20.5%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 67.9m
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.

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