MONTHLY REPORT
JULY 2026

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.

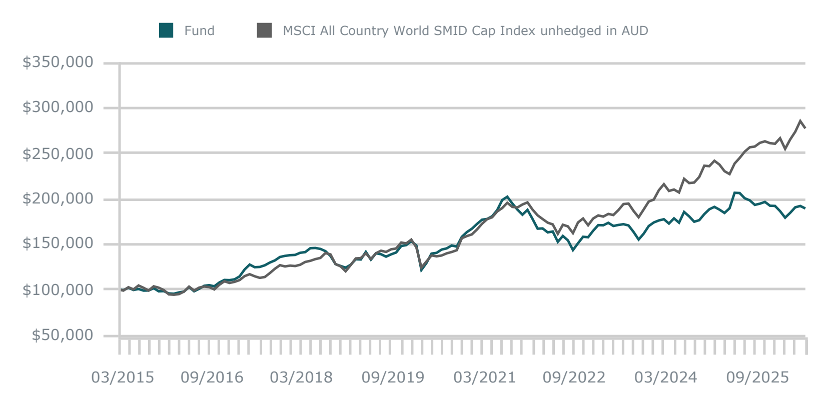
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Jul 2026[1]

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
Global Small Companies Fund	-1.4%	-5.6%	1.0%	3.3%	-1.0%	5.8%
MSCI All Country World SMID Cap Index unhedged in AUD	-2.8%	10.2%	11.8%	12.6%	7.9%	9.4%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION[2]



TOP HOLDINGS (ALPHABETICALLY)

Clarkson PLC	Industrials
Fagron SA	Health Care
Gates Industrial Corporation Ltd.	Industrials
ISS A/S	Industrials
Victory Capital Holdings, Inc. Class A	Financials

CAPITALISATION BREAKDOWN

Under 2bn USD	**35%**
In between 2bn - 5bn USD	**24.2%**
Above 5bn USD	**37.3%**
Cash	**3.5%**

REGION BREAKDOWN

Europe ex UK	**24.9%**
North America	**45.7%**
Japan	**6.3%**
UK	**6.6%**
Middle East / Africa	**6.9%**
Latin America	**6%**
Cash	**3.5%**

STATISTICAL DATA

VOLATILITY[3]	NUMBER OF STOCKS	BETA[4]	MAXIMUM DRAW DOWN
12.5%	31	0.88	-29.1%

JULY REPORT

COMMENTARY

Summary

- The Fund declined 1.4% in July, proving more resilient than the MSCI ACWI SMID Cap Index (net, AUD), which fell 2.8%, as strong contributions from **International Seaways** and **Victory Capital Holdings** offset weakness across solar and semiconductor holdings.
- Global equities were broadly flat in headline terms, but leadership rotated away from momentum and chipmakers toward energy and value, and small-caps once again lagged as renewed Middle East conflict and doubts over artificial intelligence spending drove the divergence.
- No new positions were initiated during the month, while **MARUWA** was exited after concluding the portfolio already held sufficient exposure to the semiconductor and AI infrastructure theme.

Market review

Global equity markets were broadly flat at the headline level in July, masking unusually wide dispersion beneath the surface. Two developments drove it. The fragile Strait of Hormuz ceasefire broke down early in the month, renewed strikes on Gulf shipping lifted Brent crude close to 20% toward $100 a barrel, and separately, signs that Chinese producers were accelerating memory-chip capacity prompted a broad reassessment of spending on artificial intelligence.

Energy and financials were the standout gainers, while semiconductors fell heavily and recorded their worst month since 2008. The rotation across styles was just as pronounced, with momentum and quality falling sharply as value and lower-volatility names gained ground, and value outpacing growth by a wide margin. Regional performance was equally uneven, with Chinese, UK and European equities advancing as Korean equities fell steeply, and smaller companies trailed the broader market.

Central banks turned hawkish in unison. The Federal Reserve held at 3.75%, though several officials pushed for a hike, and the European, UK and Japanese central banks also held steady. Long-dated bond yields rose to multi-year highs. The Australian dollar appreciated around 1.4%, turning broadly flat global returns negative in Australian dollar terms.

The reversal underlined the fragility of narrow, momentum-led leadership, with energy supply risk and the durability of AI-related spending now central to the outlook.

Portfolio Commentary

The Fund held up better than the benchmark in July. Shipping and energy holdings were the largest contributors, offsetting much of the weakness in two growth-oriented technology and solar positions.

International Seaways, the New York-listed owner of one of the larger crude and product tanker fleets, was a leading contributor as the renewed Strait of Hormuz disruption drove tanker rates sharply higher. After Iranian missiles struck two UAE supertankers mid-month, fewer owners were willing to send a ship through the Strait, war-risk premiums rose, and freight rates followed, with earnings on Hormuz transits peaking near $470,000 a day. With the fleet breaking even below $15,000 a day, most of the increase flowed through to profit.

Victory Capital Holdings, a US asset manager operating a platform of investment boutiques, contributed to a mid-July update confirming a turnaround in fund flows. The company reported record client assets and its first meaningful net inflows since the Amundi US integration, reversing the outflows of late 2025.

Clarkson, the world's largest shipbroker, also benefited from the freight dislocation, earning commission on chartering activity without owning vessels. As revenue responds quickly to higher rates while costs stay largely fixed, operating profit rose several times faster than revenue, and the shares advanced.

Nextpower, which makes motorised trackers for utility-scale solar panels, was the largest detractor. The operating business was sound, with a record backlog and a quarter ahead of expectations on revenue and earnings, but around $50 million of additional spending to expand into power conversion pushed full-year guidance below consensus. With the market wary of capital-intensive energy names, the shares fell materially. We regard this as deliberate reinvestment rather than weaker demand, and retained the position.

MARUWA, a Japanese maker of advanced ceramic substrates used to dissipate heat in high-power chips, also detracted. The shares had been priced for the build-out in AI thermal management and were exposed when the market reassessed that outlook late in July, a session that removed more than $1 trillion from global chip stocks. Strong quarterly results and raised guidance provided no support. We exited the position, having judged that the portfolio already held ample exposure to semiconductors and the AI build-out.

Portfolio activity was limited. No new positions were initiated, and the sale of MARUWA was the only change, modestly reducing exposure to Japan and information technology. Turnover remained low, consistent with holding quality businesses through periods of rotation rather than trading them.

The portfolio remains concentrated in high-quality smaller companies with durable competitive positions and diversified end-markets. We continue to favour businesses whose operational progress drives returns rather than reliance on any single market theme.

FEATURES

APIR CODE	PCL0022AU
REDEMPTION PRICE	A$ 1.3278
FEES *	Management Fee: 1.1% Performance Fee: 20.5%
MINIMUM INITIAL INVESTMENT	A$10,000
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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