

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.

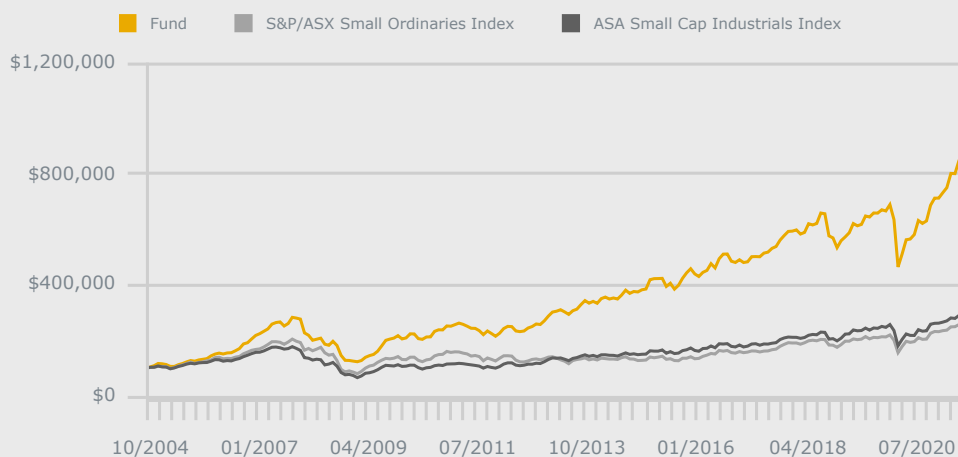
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Aug 2021¹

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	10 YEARS P.A.	SINCE INCEPTION P.A.
Emerging Companies Fund	8.5%	49.1%	12.7%	13.0%	14.9%	14.3%
S&P/ASX Small Ordinaries Index	5.0%	29.5%	10.1%	11.0%	6.7%	6.1%
Outperformance	3.5%	19.6%	2.6%	2.0%	8.2%	8.1%
ASA Small Cap Industrials Index**	6.1%	27.8%	9.9%	10.3%	11.0%	6.8%
Outperformance	2.4%	21.3%	2.8%	2.7%	3.9%	7.4%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



TOP HOLDINGS (ALPHABETICALLY)

AUB Group	Financials
Charter Hall Group	Real Estate
City Chic Collective	Consumer Discretionary
Hansen Technologies	Information Technology
HUB24	Financials
Johns Lyng Group Ltd	Industrials
Lifestyle Communities	Real Estate
Mainfreight	Industrials
Pinnacle Investment Management	Financials
Uniti Wireless Ltd	Communication Services

AUGUST REPORT

COMMENTARY

Global markets were strong again in August, with the US market up 3% and most global markets rising. Bond yields fell during the month, aiding equity markets. The Fed's commentary at the Jackson Hole meeting indicated that the process of QE tapering may begin soon, which will have implications should it eventuate given how critical this boosted liquidity has been for markets over the past 18 months. The Australian market rose 2.5% driven by a strong results season, with tech stocks especially strong following the takeover of Afterpay, and strong bounce in Wisetech, which achieved its strong forecasts. Mining and energy stocks were the only weak spots in the local market with iron ore prices falling 25% on concerns of slower demand from China.

Our best performers in August included: **Uniti** (+24%) posted 50% EPS growth and revealed it was growing ahead of original expectations. **MA Financial (Moelis)** rose 46%, while **Pinnacle** rose 32% after announcing faster growth in funds under management than originally expected. **Mainfreight** (+16%) posted first quarter profit growth of 83% as the shortage of global shipping capacity favoured its air and freight operations. **Aussie Broadband** (+40%) beat its prospectus forecasts and remains strongly positioned to take market share through its superior service model.

Our worst performers in August included: **Integral Diagnostics** (-13%) posted a reasonable result, however it foreshadowed higher than expected capital expenditure, which mildly spooked the marginal investor. **Freelancer** (-18%) is a very small investment for us, and suffered following lower than expected growth in their core business. **Adore Beauty** (-7%) waned after releasing a strong result due to the expectation of increased investment in marketing, which may impede margin growth in the near term. **Seven Group** (-9%) posted a solid result and outlook, where an upgrade was perhaps expected. **NZX** (-3%) drifted lower notwithstanding a robust profit outcome.

✓ FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 3.0249
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 900.26m
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. 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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Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services license number 226566) is the issuer of units in the Pengana Emerging Companies Fund (the "Fund"). A product disclosure statement for the Fund is available and can be obtained from our distribution team. A person should obtain a copy of the product disclosure statement and should consider the product disclosure statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana Capital Ltd and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana Capital Ltd nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund. An investment in the fund is subject to investment risk including possible delays in repayment and loss of income and principal invested.