

**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.

**STATISTICAL DATA**
**VOLATILITY<sup>3</sup>** 12.6%

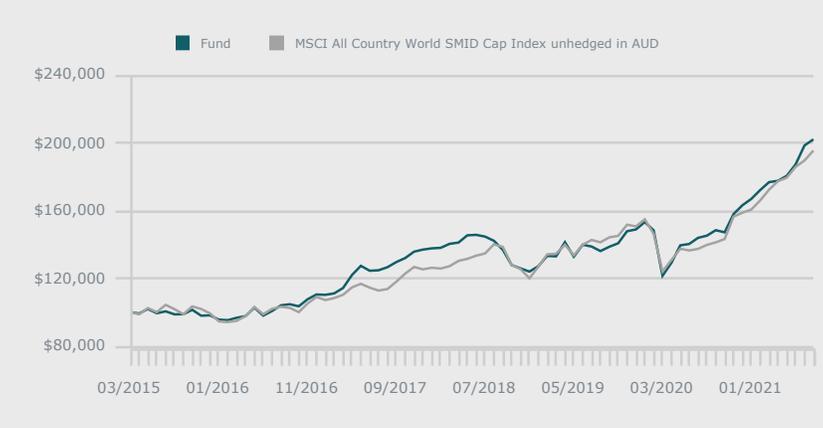
**NUMBER OF STOCKS** 55

**BETA (USING DAILY RETURNS)<sup>4</sup>** 0.75

**MAXIMUM DRAW DOWN** -20.7%

**PERFORMANCE TABLE**
**NET PERFORMANCE FOR PERIODS ENDING 31 Aug 2021<sup>1</sup>**

	1 MTH	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
Global Small Companies Fund	1.8%	39.2%	21.8%	12.4%	14.2%	11.6%
MSCI All Country World SMID Cap Index unhedged in AUD	3.1%	39.9%	17.6%	11.7%	13.6%	11.0%

**PERFORMANCE CHART**
**NET PERFORMANCE SINCE INCEPTION<sup>2</sup>**

**TOP HOLDINGS (ALPHABETICALLY)**

Brenntag AG	Industrials
Countryside Properties PLC	Consumer Discretionary
Deliveroo PLC	Consumer Discretionary
Softchoice Corp	Information Technology
TFI INTERNATIONAL INC	Industrials

**CAPITALISATION BREAKDOWN**

Under 2bn USD	38.7%
In between 2bn - 5bn USD	25.9%
Above 5bn USD	29.8%
Cash	5.6%

**REGION BREAKDOWN**

Europe ex UK	27.1%
North America	20.8%
Asia ex Japan	9.1%
Japan	8.4%
UK	16.1%
Middle East / Africa	4.6%
Latin America	8.4%
Cash	5.6%

## SEVERAL NEW TECHNOLOGY POSITIONS ENTER THE PORTFOLIO

### COMMENTARY

Global equity markets ended August with another positive month of performance, pushing their streak to seven straight months in the black. Global markets were driven by strong performance in US equities as investors reacted positively to the speech from Federal Reserve Chairman Jerome Powell at the Jackson Hole symposium. Powell was cautious in his commentary, stating that while the US economy had made progress on some important targets, specifically on inflation, tapering too aggressively could derail progress. Powell's 'dovish' statements overshadowed growing cases of COVID-19 due to the Delta variant and the worries surrounding Hurricane Ida.

In Europe, investor optimism continued as corporate earnings in the region recovered further as vaccinations increased and the economy continued to reopen. The Delta variant continued to spread, but most large Eurozone countries have now vaccinated around 70% of their populations against the virus. Given this backdrop, European sell-side analysts raised their earnings estimates at a historically high rate.

Japan had a positive month as its economy grew more than expected in the second quarter, counteracting the effects of the spike in COVID-19 cases that had caused a sell-off in July.

Asia ex-Japan also posted a positive month as rising vaccination levels and declining infection rates helped many markets in the region recover from a COVID-19 sell-off. Chinese equities lagged as investors continued to be concerned about the regulatory crackdown across the tech industry.

Emerging markets slightly outperformed developed markets as the MSCI Emerging Markets Index was up +2.6% vs the MSCI ACWI +2.5%

Individual stock selection was the main driver of the Fund's performance in August. Approximately 84 bps separated the top contributor and largest detractor. As of 31st August, the top 10 holdings accounted for approximately 30% of the Fund's assets, with the largest position approximately 4.5% of the portfolio. Regional and sector exposure remained relatively unchanged month over month. The Fund's underweight in North America contributed to its underperformance of the benchmark.

### New Positions

Despite trading activity being less active in August, technology was the theme as we added several new positions to the Fund including **WingArc1st**, one of the largest document management providers in Japan. We believe this company should continue to grow over time with a continued need for business process outsourcing (BPO) and digitization efforts in corporate Japan.

Additionally, the Fund initiated a position in a Japanese IT consulting business that has focused its efforts on digital transformations and system integrations. The company is growing rapidly as companies continue to ratchet up their digital capabilities to reach consumers. We continue to build this position.

The Fund also added **Next Fifteen Communications**, a UK-based technology-focused PR and market research firm that works with a very successful roster of large and growing technology organizations. At its core, Next Fifteen is a group of businesses designed to help companies grow and maximise value through leveraging data to generate insights about challenges and opportunities, optimizing brand recognition, and utilising analytics to help strengthen connectivity to customers.

## ✓ FEATURES

APIR CODE	PCL0022AU
REDEMPTION PRICE	A\$ 1.854
FEES *	Management Fee: 1.334% Performance Fee: 20.5%
MINIMUM INITIAL INVESTMENT	A\$10,000
FUM AT MONTH END	A\$ 198.95m
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



**David Li**  
Head of Research 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. 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.

## PENGANA GLOBAL SMALL COMPANIES FUND

### PENGANA CAPITAL LIMITED

ABN 30 103 800 568

AFSL 226566

### CLIENT SERVICE

T: +61 2 8524 9900

F: +61 2 8524 9901

E: [clientservice@pengana.com](mailto:clientservice@pengana.com)



### PENGANA.COM

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