

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.

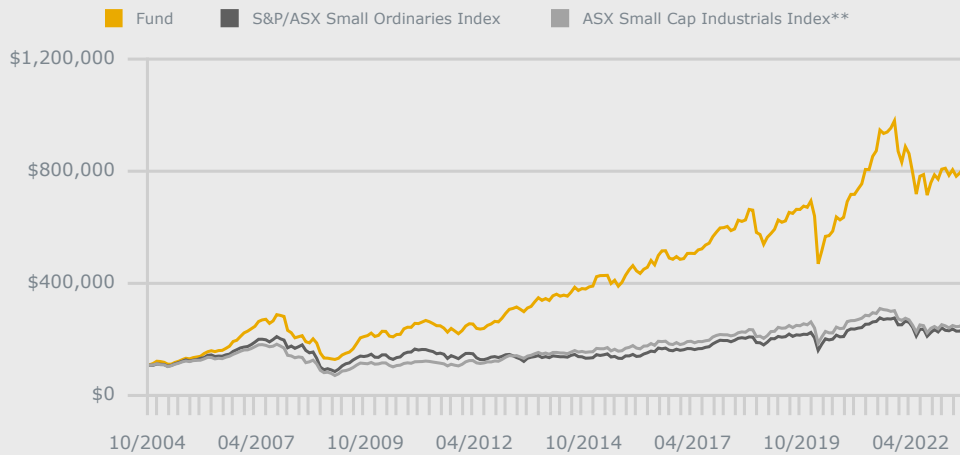
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Aug 2023¹

	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	2.2%	5.5%	9.4%	4.6%	10.2%	10.0%	11.9%
S&P/ASX Small Ordinaries Index	-1.3%	-1.1%	3.0%	2.4%	5.7%	2.9%	4.5%
Outperformance	3.5%	6.7%	6.4%	2.2%	4.5%	7.2%	7.4%
ASX Small Cap Industrials Index**	-1.5%	2.2%	1.5%	1.6%	6.1%	5.0%	5.0%
Outperformance	3.7%	3.3%	7.9%	3.0%	4.1%	5.1%	6.9%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



AUGUST REPORT

COMMENTARY

The Fund rose 2.2% in August, outperforming the Small Industrials by 3.7% and outperforming the Small Ordinaries by 3.5%. For the 12 months to August, the Fund was up 5.5%, outperforming the Small Industrials Index by 3.3% and outperforming the Small Ordinaries Index by 6.7%.

Global markets faded in August driven by concerns over the Chinese economy and fears the Federal Reserve might hold rates high for longer than feared. The US market fell 1.7%, while the Australian market showed a 1.4% decline. The A\$ was down 4% on concerns over the Chinese growth outlook, which also saw copper prices fall 5%. The local share market was dominated by profit season, with most of our companies reporting solid numbers and outlook commentary. We have been busy meeting management teams and were generally pleased with performance in this critical month.

Our positive contributors in August included:

Carsales (+16%) posted solid results with profit growth of 43% and a robust outlook for growth in all four regions the company operates in. **AUB Group** (+8%) upgraded earnings again, with the market taking comfort from the especially strong performance in the recently acquired UK operations. **Aussie Broadband** (+30%) revealed 51% profit growth and an improved outlook for the current financial year. **Healthia** (+76%), which is a very small position for us, received a takeover offer from a private equity group at a significant premium. **Seven Group** (+7%) posted 18% profit growth driven by consistently strong outcomes from Westrac and Coates Hire.

Our negative contributors in August included:

Webjet (-11%) held its AGM which showed a continuation of the impressive growth reported in May, however after a 14% rally in July, the stock retraced, perhaps suggesting some short term hope of a profit upgrade that did not occur. **IVE Group** (-9%) drifted after revealing mild slippage in the earnings from the recently acquired Ovato operations. **Kelsian** (-9%) drifted following a profit result somewhat hamstrung by the ongoing shortage of bus drivers in Australia. **Pinnacle Investments** (-9%) underperformed a slightly weak market given the earnings leverage to asset prices. **Australian Clinical Labs** (-9%) revealed a lighter than expected profit outcome due to rising costs.

TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd	Industrials
AUB Group Ltd	Financials
carsales.com Ltd	Communication Services
EQT Holdings Ltd	Financials
Hansen Technologies Ltd	Information Technology
Lifestyle Communities Ltd	Real Estate
nib holdings Ltd/Australia	Financials
Propel Funeral Partners Ltd	Consumer Discretionary
Seven Group Holdings Ltd	Industrials
Webjet Ltd	Consumer Discretionary

FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.1534
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 686.4m
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.

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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.