

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.

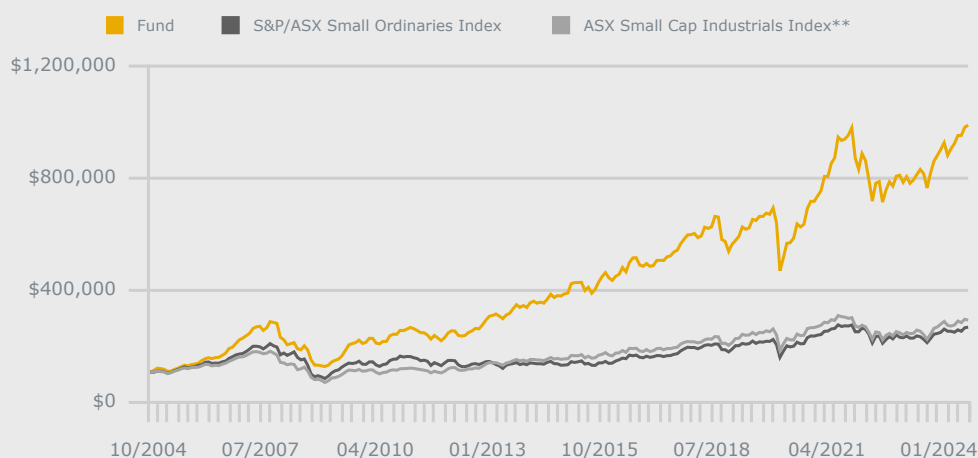
PERFORMANCE TABLE

NET PERFORMANCE FOR PERIODS ENDING 31 Oct 2024¹

	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	0.8%	29.5%	1.7%	8.4%	10.1%	11.0%	12.1%
S&P/ASX Small Ordinaries Index	0.8%	26.6%	-0.6%	4.7%	7.1%	4.6%	5.0%
Outperformance	0.0%	2.8%	2.3%	3.7%	3.0%	6.4%	7.2%
ASX Small Cap Industrials Index**	-1.1%	31.1%	-1.2%	3.4%	6.6%	6.7%	5.4%
Outperformance	1.9%	-1.6%	2.9%	4.9%	3.5%	4.3%	6.7%

PERFORMANCE CHART

NET PERFORMANCE SINCE INCEPTION²



OCTOBER REPORT

COMMENTARY

The Fund was up 0.8% in October, outperforming the Small Industrials by 1.9% and in line with the Small Ordinaries. For the 12 months to October, the Fund was up 29.5%, underperforming the Small Industrials Index by 1.6% and outperforming the Small Ordinaries Index by 2.8%.

Markets were mixed in October, with the US index falling 1%, perhaps treading water ahead of the US election outcome in early November. Despite recent interest rate cuts, bond markets fell sharply, implying the expectation that this will potentially be a shallow cycle of rate cuts, and that inflation remains a lingering concern. As we have mentioned a number of times over the past 2 years, making bold calls around the potential short term trajectory of interest rates is fraught given how quickly the trend seems to change.

The Australian market drifted 1.3% in October, with mining stocks underperforming. The past 12 months has seen a 31% rise in the Smallcap Industrial sector, which is a remarkable return to form after a tough prior 18 months.

Our key positive contributors in October were:

Generation Development (+22%) posted a quarterly update with strong growth in both the investment bond, and Lonsec advisory operations. **HUB24** (+18%) and **Netwealth** (+11%) continue to take market share from traditional bank-owned platforms. **Propel Funerals** (+5%) is a high quality, low risk growth story edging towards 10% of the domestic funeral market. **Pinnacle Investment** (+12%) posted a positive update at its AGM.

Our key negative contributors in October were:

Web Travel Group (-45%) issued a profit warning, leading us to sell out, protecting the Fund from further downside. **Charter Hall** (-5%) has drifted in line with a mild correction in the domestic property industry. **Infomedia** (-11%) and **Lovisa** (-17%) fell in the absence of stock specific news. **Gentrack** (-13%) has performed especially strongly over the past 3 years, hence a shorter term retracement is not a surprise.

🏆 TOP HOLDINGS (ALPHABETICALLY)

ALS Ltd	Industrials
AUB Group Ltd	Financials
CAR Group Ltd	Communication Services
Charter Hall Group	Real Estate
Generation Development Group Limited	Financials
HUB24 Ltd	Financials
Netwealth Group Ltd	Financials
Propel Funeral Partners Ltd	Consumer Discretionary
Technology One Ltd	Information Technology
Zip Co Ltd.	Financials

✅ FEATURES

APIR CODE	PER0270AU
REDEMPTION PRICE	A\$ 2.4625
FEES *	Management Fee: 1.3340% Performance Fee: 20.5% of the performance above the benchmark
FUM AT MONTH END	A\$ 809.84m
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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