

Pengana Global Small Companies Fund

September 2016 Monthly Update



Fund Description

The Fund invests principally in small and mid-cap 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.

Fund Features

Portfolio Managers	Jonathan Moog, David Li, Leah Zell (CIO)	Investment Manager	Lizard Investors LLC
Identification Code(s)	ARSN 604 292 677 APIR PCL0022AU	Inception Date	1 April 2015
Redemption Price at Month End	\$1.0368	Style	Fundamental
Investors	Retail & Wholesale Clients	Minimum investment	\$25,000
Benchmark Index	MSCI All Country World SMID Cap Index unhedged in AUD	Fund Pricing	Daily
Management Fee	1.334% p.a. of the Class net asset value	Target Asset Allocation	Cash 0-20% Equities 80-100%
Performance Fee	20.5% (including GST net of RITC) of performance above the benchmark*	Distribution Frequency	Twice yearly (June and December)

*Performance fee of 20.5% (including GST net of RITC) of any return of the Class greater than the return of the benchmark Index after deduction of the management fee and adjusted for applications, redemptions and distributions to investors, less any prior accrued negative performance fee amount carried forward.

Fund Commentary

Net Returns to 30th September 2016 ¹					
	MTD	3 Months	FYTD	Trailing 12 Months	Since inception ²
Pengana Global Small Companies Fund	0.6%	6.9%	6.9%	6.0%	3.1%
Benchmark	-0.6%	3.8%	3.8%	3.8%	1.8%

¹Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. Past performance is not a reliable indicator of future performance, the value of investments can go up and down.

²Inception 1st April 2015.

The Fund generated a return of 0.6%¹ in September 2016 compared to a -0.6% return for the MSCI AC World SMID Cap Index. The top five holdings were (in alphabetical order): boohoo.com Plc, Hostelworld Group Plc, Moleskine SpA, Peyto Exploration & Development Corp. and Ubiquiti Networks, Inc. The largest positive contributors to September performance were: boohoo.com Plc, Moleskine SpA, Halogen Software, Inc., Fagron NV and Valmet Corp., while the largest detractors were: Credito Real S.A. de C.V., Sarine Technologies Ltd, CarMax, Inc., Softcat Plc, and Liberty Tax, Inc. Class A. As of the 30th of September, the Fund's top 10 holdings accounted for 37.0% of the Fund's assets, with no single name representing more than 5.5% of the Fund. Cash represented 10.1% of the Fund.

Portfolio Highlights

The Fund continued to perform well versus the benchmark, outperforming by 1.2%¹ in September. boohoo.com's strong fundamental performance continued to drive the stock price up. Fagron, a smaller position, also contributed nicely as shareholders began gaining confidence in the company's restructuring. Moleskine had the most interesting development of the month. D'Iteran, a publicly listed company, issued a pending tender offer for the company at a 12% premium. We do not believe the tender offer of €2.40 adequately compensates shareholders for the quality of the business. We are looking at various options and trying to create as much value as possible for the Fund. We continue to be excited about the prospects for our portfolio and are pleased with a vast majority of the developments in the underlying companies.

Portfolio Additions / Deletions

We exited three small positions in the month:

- Hollysis – While no material event caused us to sell, our continued research drove us to change our thesis. We weren't comfortable with the company's large reliance on the railroad business.
- Daekyo – Expected improvements in profitability did not come to fruition.
- Euronext – We completed the sale of our holding which we had begun earlier in the year.

Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services licence number 226566) is the issuer of units in the Pengana Global Small Companies Fund (ARSN 604 292 677) (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 a possible delay in repayment and loss of income and principal invested.

Pengana Global Small Companies Fund

September 2016 Monthly Update



Portfolio Information

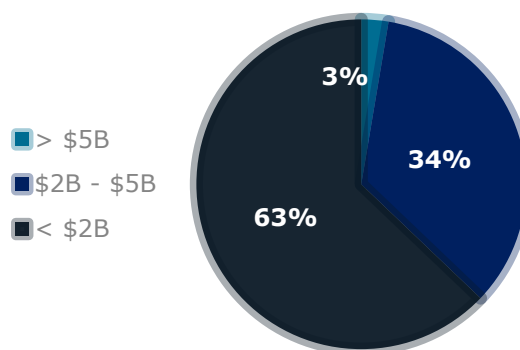
Top 5 Positions (in alphabetical order)
boohoo.com Plc
Hostelworld Group Plc
Moleskine SpA
Peyto Exploration & Development Corp.
Ubiquiti Networks, Inc.

Top Contributors	Top Detractors
Boohoo.com PLC	Credito Real S.A. de C.V.
Moleskine SpA	Sarine Technologies Ltd
Halogen Software, Inc.	CarMax, Inc.
Fagron NV	Softcat Plc
Valmet Corp.	Liberty Tax, Inc. Class A

Fund Breakdown

Sector Allocation		Geographical Allocation	
Consumer Discretionary	25.1%	Europe	28.1%
Industrials	23.2%	North America	26.0%
Information Technology	17.9%	UK	11.2%
Financials	12.7%	Asia ex Japan	9.1%
Consumer Staples	6.2%	Japan	6.2%
Energy	3.4%	Middle East/Africa	6.0%
Health Care	1.4%	Latin America	3.3%
Cash	10.1%	Cash	10.1%
Total	100.0%	Total	100.0%

Market Cap Breakdown (USD)



Contact Details

Pengana Capital Limited
 Level 12, 167 Macquarie Street, Sydney, NSW 2000, Australia • T +61 2 8524 9900 • F +61 2 8524 9901
 ABN 30 103 800 568, AFSL 226566

For further information, please visit our website at www.pengana.com or contact:

Private Clients: Daniel Fine +61 2 8524 9936 daniel.fine@pengana.com
Advisors: Damian Crowley +61 2 8524 9970 damian.crowley@pengana.com
 Rebecca Morgan +61 3 8663 7906 rebecca.morgan@pengana.com (VIC/TAS/SA/WA)
 Alex Keen +61 2 8524 9942 alex.keen@pengana.com (NSW/ACT)
 Rachel Elfverson +61 434 980 561 rachel.elfverson@pengana.com (QLD/NT)

Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services licence number 226566) is the issuer of units in the Pengana Global Small Companies Fund (ARSN 604 292 677) (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 a possible delay in repayment and loss of income and principal invested.