

Pengana Global Small Companies Fund

December 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	\$1.094	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 31st December 2016 ¹					
	MTD	3 Months	FYTD	Trailing 12 Months	Since inception ²
Pengana Global Small Companies Fund	2.6%	5.5%	12.7%	12.5%	5.8%
Benchmark	3.7%	6.3%	10.3%	9.8%	5.2%

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 2.6%¹ in December 2016 compared to a 3.7% return for the MSCI AC World SMID Cap Index. The top five holdings were (in alphabetical order): boohoo.com Plc; PRA Group Inc; Spirit Airlines, Inc.; Ubiquiti Networks, Inc. and Wizz Air Holdings Plc. The largest positive contributors to December performance were: boohoo.com Plc; CarMax Inc.; KRUK S.A.; PRA Group Inc. and Wizz Air Holdings Plc., while the largest detractors were: 51job Inc; Broadleaf Co Ltd; Credito Real S.A. de C.V.; Halogen Software, Inc. and Hostelworld Group Plc. As of the 31st of December, the Fund's top 10 holdings accounted for 34.3% of the Fund's assets, with no single name representing more than 5% of the Fund. Cash represented 14.4% of the Fund.

Portfolio Highlights

The Fund had a solid month in December with broad based returns across the portfolio. Our UK listed investments continued to perform well, with the exception of Hostelworld Group PLC. During the month, there was little incremental news that affected the fundamentals of most positions in the portfolio. However, CarMax posted substantial volume growth in its most recent quarter.

Portfolio Additions / Deletions

December was a quiet month for trading. We added to a significant number of our current positions to compensate for the increase of capital in the Fund. However we did not initiate or exit any positions during the month.

Entering 2017 we continue to be excited about the prospects for the portfolio. We appreciate your continued interest in the Fund and look forward to enhancing our relationships with investors as the year progresses.

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.

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Portfolio Information

Top 5 Positions (in alphabetical order)

boohoo.com Plc
PRA Group Inc
Spirit Airlines, Inc.
Ubiquiti Networks, Inc.
Wizz Air Holdings Plc.

Top Contributors

boohoo.com Plc
CarMax Inc.
KRUK S.A.
PRA Group Inc.
Wizz Air Holdings Plc.

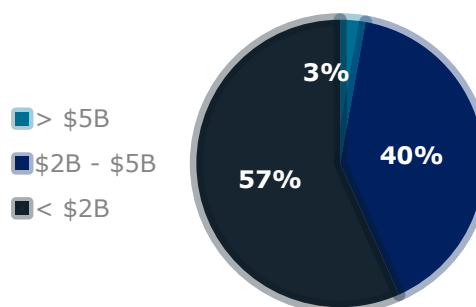
Top Detractors

51job Inc Sponsored ADR
Broadleaf Co Ltd
Credito Real S.A. de C.V.
Halogen Software, Inc.
Hostelworld Group Plc.

Fund Breakdown

Sector Allocation		Geographical Allocation	
Consumer Discretionary	22.6%	North America	29.6%
Information Technology	18.8%	Europe	23.9%
Industrials	18.0%	UK	9.9%
Financials	14.2%	Asia ex Japan	8.4%
Consumer Staples	8.1%	Middle East/Africa	5.9%
Energy	2.7%	Japan	5.5%
Health Care	1.2%	Latin America	2.4%
Cash	14.4%	Cash	14.4%
Total	100.0%	Total	100.0%

Market Cap Breakdown (USD)



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