

Pengana Global Small Companies Fund

January 2017 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	\$1.0917	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 January)

*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 January 2017¹

	MTD	3 Months	FYTD	Trailing 12 Months	Since Inception p.a. ²	Since Inception Cumulative ²
Pengana Global Small Companies Fund	-0.2%	6.5%	12.5%	15.3%	5.4%	10.2%
Benchmark	-1.7%	7.1%	8.5%	13.3%	3.9%	7.4%

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 -0.2%¹ in January 2017 compared to a -1.7% return for the MSCI AC World SMID Cap Index. The top five holdings were (in alphabetical order): boohoo.com Plc; PRA Group Inc; Softcat Plc; TOTVS S.A.; and Wizz Air Holdings Plc. The largest positive contributors to January performance were: ams AG; Broadleaf Co Ltd; Cogeco Inc.; Halogen Software, Inc.; and Tegma Gestao Logistica S.A., while the largest detractors were: Cerved Information Solutions S.p.A.; Hostelworld Group Plc; Peyto Exploration & Development Corp.; Spirit Airlines, Inc.; and Wizz Air Holdings Plc. As of 31 January, the Fund's top 10 holdings accounted for 33.8% of the Fund's assets, with no single name representing more than 5% of the Fund. Cash represented 8.7% of the Fund.

Portfolio Highlights

The Fund was roughly flat for the month, but still significantly outperformed the benchmark. Halogen contributed solidly to the month as the company began evaluating "strategic alternatives". We believe the stated "strategic alternatives" could be a great way to unlock shareholder value given the historic multiples attained by the company's competitors. That said, we would always prefer a company create value organically, as we seek long-term compounding. Peyto, an exploration and development company had a challenging month despite the rise in oil prices. However, the company produces Natural Gas, not oil. Natural Gas prices had a tough month and the stock traded in tandem. We are still happy to hold the stock and believe the company will create significant value over the long-term. Management also expressed its optimism in the company as they recently purchased \$5 million (CAD) of stock.

Portfolio Additions / Deletions

We added three new positions to the Fund this month. We are still actively trading the stocks, but will update shareholders on the theses, as appropriate. Two of the investments are in Japanese companies and one is Brazilian. We are excited about the companies in the pipeline. We are cautiously watching the current political rhetoric globally as a reduction in global trade and the rise of protectionism would cause us concern.

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)

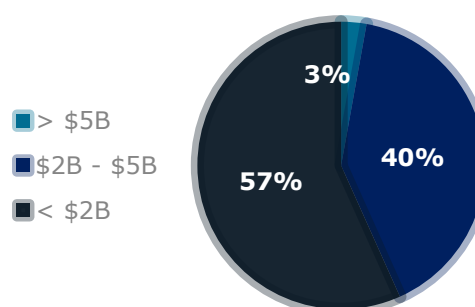
boohoo.com Plc
PRA Group Inc
Softcat Plc
TOTVS S.A.
Wizz Air Holdings Plc.

Top Contributors	Top Detractors
ams AG	Cerved Information Solutions S.p.A.
Broadleaf Co., Ltd.	Hostelworld Group Plc
Cogeco Inc.	Peyto Exploration & Development Corp.
Halogen Software, Inc.	Spirit Airlines, Inc.
Tegma Gestao Logistica S.A.	Wizz Air Holdings Plc

Fund Breakdown

Sector Allocation		Geographical Allocation	
Information Technology	25.3%	North America	28.2%
Consumer Discretionary	20.9%	Europe	23.2%
Industrials	17.3%	Japan	11.0%
Financials	13.4%	UK	9.5%
Consumer Staples	7.4%	Asia ex Japan	7.6%
Health Care	4.1%	Middle East/Africa	5.9%
Energy	2.9%	Latin America	5.9%
Cash	8.7%	Cash	8.7%
Total	100.0%	Total	100.0%

Market Cap Breakdown (USD)



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