

Pengana Global Small Companies Fund

March 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 | \$1.1321 | 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 March) |

*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 28th March 2017¹

| | MTD | 3 Months | FYTD | Trailing 12 Months | Since Inception p.a. ² | Since Inception Cumulative ² |
|--|------|----------|-------|--------------------|-----------------------------------|---|
| Pengana Global Small Companies Fund | 2.9% | 3.5% | 16.7% | 18.2% | 6.9% | 14.3% |
| Benchmark | 1.8% | 1.2% | 11.6% | 16.2% | 5.1% | 10.5% |

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 2.9%¹ in March 2017 compared to a 1.8% return for its benchmark, the MSCI AC World SMID Cap Index. The top five holdings were (in alphabetical order): boohoo.com Plc, IWG Plc, Softcat Plc, TOTVS S.A., and Wizz Air Holdings Plc. The largest positive contributors to March performance were: boohoo.com Plc, a Japanese Internet Business, IWG Plc, Pico Far East Holdings Limited, and Softcat Plc, while the largest detractors were: CarMax, Inc., Liberty Global Plc LiLAC Group Class C, Oslo Bors VPS Holding ASA, PRA Group Inc. and Scout24 AG. As of the 31st of March, the Fund's top 10 holdings accounted for 32.5% of the Fund's assets, with no single name representing more than 4.5% of the Fund. Cash represented 16% of the Fund.

Portfolio Highlights

The Fund was up 2.9% for the month, outperforming the benchmark return of 1.8%. Currency had a positive impact on the performance of both the Fund (adding 0.8%) and the benchmark (adding 0.6%), as the AUD depreciated against most other major currencies. Positions that were acquired in the last 6 months were the most significant contributors to the positive performance in March. Improvement in these company's underlying fundamentals drove the stocks, as prospects improved for their businesses. PRA Group was our worst performer in the month, reporting lacklustre results as the company continues to work through several issues. For now, we continue to be patient with the stock and will let the situation play out.

Portfolio Additions / Deletions

We entered two new positions in March. One is located in Korea and the other in Japan. We continue to accumulate stock in both companies and will discuss them at the appropriate time. There have been no significant changes in our outlook and we continue to hunt for company specific bargains. Recently, the team took a research trip to Japan and Korea. This trip, and others like it, are extremely valuable to help us learn more about our current and potential investments. Each trip reinforces the value of our bottom-up approach which allows us to unlock truly interesting and unique investment opportunities. These investments are hard to replicate for funds only focused on short-term macro trends, or relative GDP growth. We continue to ignore the market "noise" and concentrate on factors that drive long-term value for our investors: buying great companies at cheap prices.

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

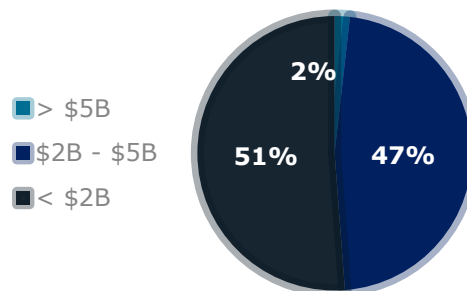
| Top 5 Positions (in alphabetical order) |
|---|
| boohoo.com Plc |
| IWG Plc |
| Softcat Plc |
| TOTVS S.A. |
| Wizz Air Holdings Plc |

| Top Contributors | Top Detractors |
|--------------------------------|--|
| boohoo.com Plc | CarMax, Inc. |
| A Japanese Internet Business | Liberty Global Plc LiLAC Group Class C |
| IWG Plc | Oslo Bors VPS Holding ASA |
| Pico Far East Holdings Limited | PRA Group Inc. |
| Softcat Plc | Scout24 AG |

Fund Breakdown

| Sector Allocation | | Geographical Allocation | |
|------------------------|---------------|-------------------------|---------------|
| Information Technology | 20.8% | Europe | 26.3% |
| Consumer Discretionary | 19.2% | North America | 22.3% |
| Industrials | 17.9% | UK | 11.5% |
| Financials | 12.4% | Asia ex Japan | 7.0% |
| Consumer Staples | 7.0% | Japan | 7.0% |
| Health Care | 4.0% | Latin America | 5.0% |
| Energy | 2.7% | Middle East/Africa | 4.9% |
| Cash | 16.0% | Cash | 16.0% |
| Total | 100.0% | Total | 100.0% |

Market Cap Breakdown (USD)



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