

# Pengana Global Small Companies Fund

## April 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

<b>Portfolio Managers</b>	Jonathan Moog, David Li, Leah Zell (CIO)	<b>Investment Manager</b>	Lizard Investors LLC
<b>Identification Code(s)</b>	ARSN 604 292 677 APIR PCL0022AU	<b>Inception Date</b>	1 April 2015
<b>Redemption Price at Month End</b>	\$1.2076	<b>Style</b>	Fundamental
<b>Investors</b>	Retail & Wholesale Clients	<b>Minimum investment</b>	\$25,000
<b>Benchmark Index</b>	MSCI All Country World SMID Cap Index unhedged in AUD	<b>Fund Pricing</b>	Daily
<b>Management Fee</b>	1.334% p.a. of the Class net asset value	<b>Target Asset Allocation</b>	Cash 0-20% Equities 80-100%
<b>Performance Fee</b>	20.5% (including GST net of RITC) of performance above the benchmark*	<b>Distribution Frequency</b>	Twice yearly (June and April)

\*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 30 <sup>th</sup> April 2017 <sup>1</sup>						
	MTD	3 Months	FYTD	Trailing 12 Months	Since Inception p.a. <sup>2</sup>	Since Inception Cumulative <sup>2</sup>
<b>Pengana Global Small Companies Fund</b>	6.7%	10.6%	24.5%	24.9%	10.0%	21.9%
<b>Benchmark</b>	4.0%	7.0%	16.1%	17.4%	6.9%	14.9%

<sup>1</sup>Net 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.

<sup>2</sup>Inception 1<sup>st</sup> April 2015.

The Fund generated a return of 6.7%<sup>1</sup> in April 2017 compared to a 4.0% return for 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 April performance were: boohoo.com Plc; Hostelworld Group Plc; a UK Auto Dealer; Oslo Bors VPS Holding ASA; and Wizz Air Holdings Plc, while the largest detractors were: EPS Holdings, Inc.; a Japanese Internet Company; Liberty Global Plc LiLAC Group Class C; Peyto Exploration & Development Corp.; and PRA Group Inc. As of the 30<sup>th</sup> of April, the 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 14.3% of the Fund.

### Portfolio Highlights

The Fund outperformed the benchmark by 2.7% for the month of April. Currency had a positive impact on the performance of both the Fund (adding 2.7%) and the benchmark (adding 2.3%). Our performance was driven by several of the names we acquired during the "Brexit" market meltdown, as mentioned in previous letters. Often when these crises happen, there is no obvious end to the difficulties and no assurances as to the depth of the problem. Over time, however, crises often create excellent hunting grounds for value minded investors. We never know when value will be realized. We do know that if we carefully sow our seeds methodically during times of stress, eventually we will enjoy a rich and bountiful harvest. April's performance is a good reminder of this powerful lesson.

### Portfolio Additions / Deletions

We entered one new position in April, a European based agriculture business. After deep analysis of the company we are confident in the prospect of real business improvement over time. We exited one position, Liberty Tax. Our thesis was invalidated as continued evidence mounted that questioned the underlying quality of the enterprise.

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

boohoo.com Plc
Hostelworld Group Plc
A UK Auto Dealer
Oslo Bors VPS Holding ASA
Wizz Air Holdings Plc

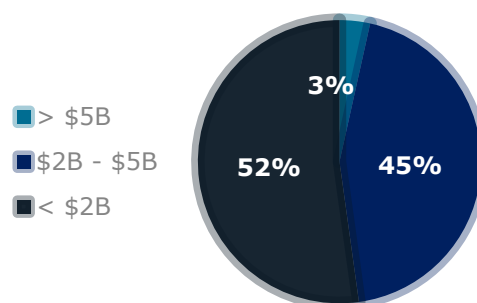
#### Top Detractors

EPS Holdings, Inc
A Japanese Internet Company
Liberty Global Plc LiLAC Group Class C
Peyto Exploration & Development Corp.
PRA Group Inc.

### Fund Breakdown

Sector Allocation		Geographical Allocation	
Information Technology	19.5%	Europe	28.5%
Consumer Discretionary	17.8%	North America	18.5%
Industrials	17.7%	UK	11.9%
Financials	13.3%	Japan	8.8%
Consumer Staples	9.1%	Asia ex Japan	8.1%
Health Care	3.7%	Middle East/Africa	5.1%
RE	2.4%	Latin America	4.8%
Energy	2.2%	Cash	14.3%
Cash	14.3%		
<b>Total</b>	<b>100.0%</b>	<b>Total</b>	<b>100.0%</b>

### Market Cap Breakdown (USD)



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