

Pengana Global Small Companies Fund

May 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	\$1.2613	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 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 31st May 2017¹

	MTD	3 Months	FYTD	Trailing 12 Months	Since Inception p.a. ²	Since Inception Cumulative ²
Pengana Global Small Companies Fund	4.4%	14.6%	30.0%	24.1%	11.8%	27.3%
Benchmark	1.8%	7.8%	18.2%	13.3%	7.5%	17.0%

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 4.4%¹ in May 2017 compared to a 1.8% return for the MSCI AC World SMID Cap Index. The top five holdings were (in alphabetical order): EPS Holdings, Inc., IWG Plc, PRA Group Inc, Softcat Plc, and Wizz Air Holdings Plc. The largest positive contributors to May performance were: boohoo.com Plc, EPS Holdings, Inc., Scout24 AG, Brazil IT., and Wizz Air Holdings Plc, while the largest detractors were: Japan Retail, NetScout Systems, Inc., Sarine Technologies Ltd, Spirit Airlines, Inc., and Ubiquiti Networks, Inc. As of the 30th of May, the top 10 holdings accounted for 36.5% of the Fund's assets, with no single name representing more than 4.5% of the Fund. Cash represented 9.7% of the Fund.

Portfolio Highlights

The Fund outperformed the benchmark by 2.6% for the month of May. Positive results by many positions in the Fund drove most of the performance with no positions incurring large losses. The overall composition of the Fund has remained largely unchanged throughout the month. New capital was deployed to existing positions offering the best risk reward.

We had the pleasure of meeting with Australian investors (and companies) in early June. For those of you who we had the chance to meet, thank you for your time and feedback.

Portfolio Additions / Deletions

No new companies were added to the portfolio this month; however we increased the size of some existing positions and two companies were sold. We exited Fagron after our thesis had largely played out. The recovery in the share price follows a large restructuring in the underlying business and we determined that the shares reflected fair value. We also exited Credito Real, after re-examining our investment thesis and deciding we weren't comfortable with the inherent regulatory risk that exists in the industry.

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)

EPS Holdings, Inc.
IWG Plc
PRA Group Inc
Softcat Plc
Wizz Air Holdings Plc

Top Contributors

boohoo.com Plc
EPS Holdings, Inc.
Scout24 AG
Brazil Technology
Wizz Air Holdings Plc

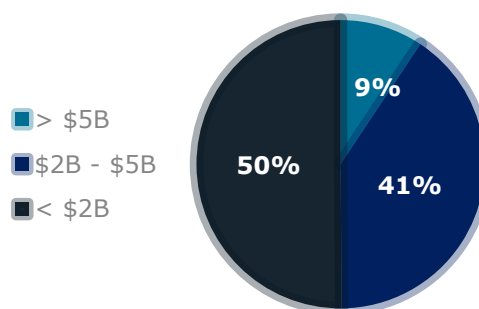
Top Detractors

Japan Retail
NetScout Systems, Inc.
Sarine Technologies Ltd
Spirit Airlines, Inc.
Ubiquiti Networks, Inc.

Fund Breakdown

Sector Allocation		Geographical Allocation	
Information Technology	19.7%	Europe	28.3%
Consumer Discretionary	19.3%	North America	20.4%
Industrials	18.6%	UK	11.7%
Financials	13.6%	Japan	11.2%
Consumer Staples	9.7%	Asia ex Japan	9.3%
Health Care	4.1%	Middle East/Africa	5.1%
Energy	2.7%	Latin America	4.3%
Real Estate	2.6%	Cash	9.7%
Cash	9.7%		
Total	100.0%	Total	100.0%

Market Cap Breakdown (USD)



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