



# PENGANA GLOBAL SMALL COMPANIES FUND

FEBRUARY 2018  
PERFORMANCE  
UPDATE

## FUND DESCRIPTION AND FEATURES

**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.

<b>Portfolio Managers</b>	Jonathan Moog, David Li, Leah Zell (CIO)
<b>APIR code</b>	PCL0022AU
<b>Redemption price</b>	\$1.3666
<b>Fees</b>	Management Fee: 1.334% Performance Fee: 20.5%*
<b>Minimum initial investment</b>	AU\$25,000
<b>FUM at month end</b>	\$145.4m
<b>Fund inception date</b>	1 April 2015
<b>Benchmark</b>	MSCI All Country World SMID Cap index unhedged in AUD

\* 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.

## PERFORMANCE COMMENTARY

The Fund returned 0.23% for February, outperforming the benchmark, which was down -0.40%. Market volatility continued in February and the portfolio held up well. We would have preferred that the volatility continue, as it would certainly help the Fund find opportunities. Despite some movement in prices, fundamentals are largely unchanged from the beginning of the year.

Currently we are not seeing widespread opportunities to allocate capital across current or new investments. We articulated the option value of cash in the last monthly letter. In the current market environment, the value of this option is greater than usual.

## PORTFOLIO HIGHLIGHTS

We exited one position this month. Concerns regarding the depth of the management team and financial controls they employed, have caused us to move on. Despite that the company is a good business, we are not prepared to take the risk of weak management. We have initiated a new position in the food industry and look forward to updating investors once we have finished buying the stock.

MARKET  
VOLATILITY  
CONTINUED IN  
FEBRUARY AND  
THE PORTFOLIO  
HELD UP WELL

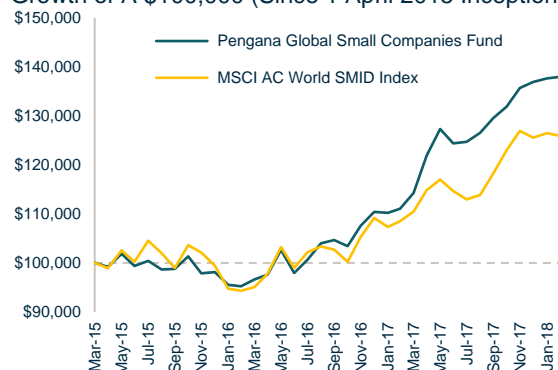
## FUND PERFORMANCE

Net performance for periods ending 28 February 2018<sup>1</sup>

	1 Month	1 Year	2 Years p.a.	Since Inception p.a. <sup>2</sup>
Fund	0.2%	24.2%	20.4%	11.7%
Benchmark	-0.4%	16.1%	15.6%	8.2%

## PERFORMANCE SINCE INCEPTION<sup>2</sup>

Growth of A \$100,000 (Since 1 April 2015 Inception)



## PORTFOLIO INFORMATION

### Top 5 Stocks

Name	Country	Sector
Hugel, Inc.	South Korea	Health Care
investors cloud co., ltd.	Japan	Real Estate
PRA Group Inc	United States	Financials
Softcat Plc	United Kingdom	Information Technology
Wizz Air Holdings Plc	Switzerland	Industrials

### Largest 3 contributors

investors cloud co., ltd.

Softcat Plc

PRA Group Inc

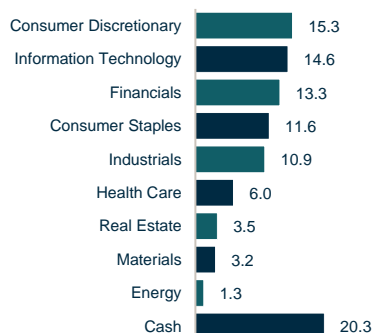
### Largest 3 detractors

Ubiquiti Networks, Inc.

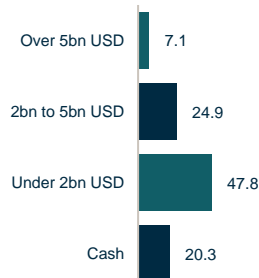
EPS Holdings, Inc.

NICE Information Service Co., Ltd.

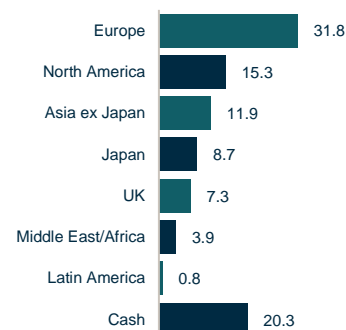
## SECTOR BREAKDOWN



## CAPITALISATION



## GEOGRAPHIC



## STATISTICAL DATA

### Fund portfolio summary

Volatility <sup>3</sup>	8.39%	Number of stocks	43
Beta (using daily returns) <sup>4</sup>	0.71	Maximum draw down	-6.48%

1. 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. 2. Inception 1st April 2015. 3. Annualised standard deviation since inception. 4. Relative to MSCI All Country World SMID Cap index unhedged in AUD.

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**PENGANA CAPITAL LIMITED**  
ABN 30 103 800 568 AFSL 226566

Level 12, 167 Macquarie Street,  
SYDNEY, NSW 2000

T: +61 2 8524 9900

F: +61 2 8524 9901

**PENGANA.COM**

**NSW/ACT**

**Alex Keen**

M: +61 478 971 000

E: alex.keen@pengana.com

**VIC/SATAS/WA**

**Broc McCauley**

T: +61 433 169 668

E: broc.mccauley@pengana.com

**QLD/NT**

**Rachel Elfverson**

M: +61 434 980 561

E: rachel.elfverson@pengana.com

**CLIENT SERVICE**

T: +61 2 8524 9900

E: clientservice@pengana.com

FOR FURTHER  
INFORMATION  
PLEASE VISIT  
OUR WEBSITE:  
**PENGANA.COM**