



**MEDIA RELEASE**  
**December 3, 2009**

## **Pengana Emerging Companies Fund reaches five year anniversary, delivers annualised net return of 15.5%**

- **5 year performance ranked first in Mercer Wholesale MPA Australian Small Companies Survey**
- **Steve Black: "Super-charged Small Caps will bring the next golden era for Australian small companies"**

**Sydney:** Diversified funds manager Pengana Capital is pleased to announce that the Pengana Emerging Companies Fund has reached its five-year anniversary, delivering investors a return of 15.5% per annum after all fees.

The Fund's strong performance (18.9% p.a. gross return) has placed it first in the Mercer Wholesale MPA Australian Small Companies Survey over the five year period ending 31 October 2009.

The multi-award winning fund is managed out of Pengana's Melbourne office by Ed Prendergast and Steve Black, who between them have over 30 years of investment experience in the sector. It seeks to combine the skills of highly experienced small company investors with a limited fund size, to provide above market returns over the medium term.

The Fund's strong performance compares to benchmark returns of 1.8% p.a. for the S&P/ASX Small Industrials Acc Index, 6.0% p.a. for the S&P/ASX Small Ordinaries Acc Index and 8.8% p.a for the S&P/ASX 200 Acc Index over the same period.

Chief executive of Pengana, Russel Pillemer congratulated the team on the exceptional performance.

"The success of the joint venture between Ed, Steve and Pengana is a first-class example of what Pengana aims to achieve through partnering with pre-eminent managers and identifying opportunities to capitalise on despite market condition. Pengana's Emerging Companies Fund has been one of our backbone funds since Pengana's launch in 2004," said Mr Pillemer.

Mr Prendergast explained why the Fund has consistently outperformed all indices in both up and down markets. "The outperformance is largely a function of capping the fund size, having a disciplined fundamental approach to identifying undervalued stocks and an exhaustive company visitation program. Since inception we've averaged 1.5 company meetings a day," said Mr Prendergast.

The duo sees continued growth in the Australian Small Caps market in 2010, "The Global Financial Crisis has given companies an excuse to drive down costs within their organisations," said Mr Black, "Now these small companies have profits which are far more leveraged to revenue growth."



"The Small Cap market is still down around 50% from its high in 2007. Considering this, we believe that there is still good value to be found; we are finding we can still buy high quality stocks with good growth prospects on single digit price-earnings ratios. Throughout our fifteen years of researching Small Cap stocks, this has been rare."

Mr Black and Mr Prendergast are part owners of the business, and have personally invested in the fund, providing a compelling performance incentive.

The Pengana Emerging Companies Fund is available to both wholesale and retail investors directly through the Pengana website or through a variety of platforms. The minimum direct investment is A\$25,000.

**END**

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**NOTES TO THE EDITORS:**

**About Pengana Capital Ltd**

Pengana Capital Ltd ("Pengana") is a diversified funds management business focused on delivering exceptional long term returns to its investors. It has approximately AUD1 billion in funds under management through ten funds, focusing on three central investment strategies – equities, volatility and bonds.

Pengana is headquartered in Sydney, Australia, with additional offices in Melbourne, Singapore, London, Edinburgh, Chicago and Lakeville (Connecticut). Pengana has approximately 50 staff members including over 35 investment professionals. The National Australia Bank is a significant minority shareholder in Pengana, with the remaining shares majority owned by Pengana's directors and staff.

Pengana's performance and innovation has been recognised by AIMA's Australia Hedge Fund Awards (2008), the Money Management awards (2008, 2007, 2006) and Standard & Poor's fund manager awards (2007).

For further information visit [www.pengana.com](http://www.pengana.com).