

Pengana Global Small Companies Solution Performance Report

January 2008



Fund Information

Style	Multi manager investing in regional small company specialists	Management fee	1.00% per annum
Benchmark	Equally weighted to the 3 major developed regions: North America, Europe including UK, Asia including Japan	Performance fee	10% over benchmark hurdle (net of fees)
		AUM	\$41.6 m
		Inception date	November 2005

Fund Performance (AUD, net of fees)

	Jan	Feb	Mar	April	May	June*	July	Aug	Sep	Oct	Nov	Dec	Year
2008 Fund	-11.7%												-11.7%
Benchmark	-9.5%												-9.5%
MSCI World	-7.6%												-7.6%
2007 Fund	5.2%	0.1%	-1.0%	0.1%	2.3%	-3.4%	-2.0%	-4.0%	-0.4%	5.1%	-7.7%	-2.9%	-12.3%
Benchmark	4.4%	-2.6%	0.0%	-1.8%	1.5%	-3.5%	-4.4%	-2.2%	-0.7%	3.5%	-8.2%	-2.7%	-14.3%
MSCI World	3.0%	-3.0%	0.0%	1.6%	4.1%	-4.3%	-2.2%	-0.1%	4.8%	3.1%	-4.1%	-1.3%	1.0%
2006 Fund	-0.4%	1.2%	9.2%	-3.7%	-4.9%	0.8%	-5.6%	3.0%	3.9%	0.1%	1.2%	2.6%	6.4%
Benchmark	4.0%	0.4%	7.7%	-4.1%	-5.8%	0.0%	-6.8%	2.9%	1.8%	-0.1%	0.3%	1.9%	1.4%
MSCI World	1.3%	1.7%	5.8%	-3.1%	-2.4%	1.3%	-2.6%	3.1%	3.2%	-0.2%	0.7%	2.1%	11.1%
2005 Fund											5.2%	8.8%	14.5%
Benchmark											4.5%	7.2%	12.0%
MSCI World											4.4%	3.0%	7.5%

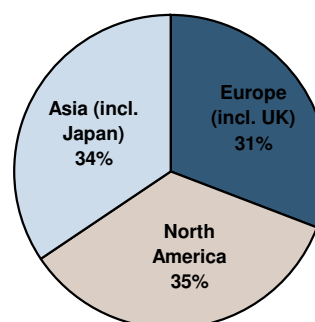
*The fund's currency exposure was unhedged until 30 June 2007

Fund Commentary

The fund dropped -11.7% in January, lagging its benchmark by 2.2% in a difficult start to what is shaping up to be a turbulent year in global equity markets. Stocks that had been hardest hit by the credit crisis in 2007 performed exceptionally well in response to the US Federal Reserve's emergency interest rate cuts- a surprise cut of 75bps followed by a further 50bps easing at their scheduled meeting. These companies, vulnerable to the volatile credit market, are not necessarily the high-quality stocks sought out by the Fund's underlying managers, prompting a rare month of underperformance in all three major regions.

Pengana met with Cortina, Munros and SPARX this month to discuss the portfolio activities and their respective markets. The managers' have positioned the portfolio to protect capital as much as possible, while still identifying investment opportunities to capture the medium to long term recovery.

Fund Allocation



Fund Performance (AUD, net of fees)

	1 Month	3 Months	1 Year	Financial Year to Date	Annualised Since Inception	Standard Deviation
Fund	-11.7%	-21.4%	-24.2%	-22.6%	-1.1%	16.6%
Benchmark	-9.5%	-19.2%	-27.4%	-22.5%	-6.5%	15.2%
North America	-8.2%*	-13.8%	-11.2%	-10.8%	4.3%	15.3%
Benchmark	-6.9%	-13.9%	-18.8%	-14.4%	-1.4%	15.1%
Europe	-15.2%*	-27.2%	-26.5%	-31.1%	9.9%	20.2%
Benchmark	-12.1%	-22.5%	-26.0%	-26.3%	5.7%	17.0%
Asia	-11.5%*	-21.7%	-32.2%	-22.9%	-15.0%	22.2%
Benchmark	-9.5%	-21.1%	-37.2%	-26.5%	-22.5%	19.5%

*estimates

Disclaimer

The information contained in this summary report has been prepared with all reasonable care by Pengana Capital. It is provided for information purposes only and should not be construed as an offer or solicitation. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Pengana Capital assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.

Pengana Global Small Companies Solution

Performance Report

January 2008



North America

Manager	Cortina AM	Small caps markets in the US were extremely volatile in January, losing -6.9% despite the Federal Reserve taking the unusual action of cutting interest rates twice in the same calendar month. Recessionary fears were fuelled by poor results in December retail sales, employment growth turned negative and house prices fell to new lows.
Benchmark	Russell 2000	
Fund Allocation	34.6%	
Month return	-8.2%*	
Benchmark	-6.9%	The portfolio underperformed its benchmark this month as earnings reporting season revealed underperformance in sectors, like technology, previously thought to be quarantined from the credit crisis.

Top 5 positions

2.7%	C-Beyond Inc	On the other hand stocks that were most severely impacted by the credit squeeze in the last 12 months outperformed in response to the Federal Reserve's interest rate cuts. Small cap technology stocks fell -13.6% while the Financial and REIT sectors barely declined. Cortina have cautiously reduced the portfolio's technology sector holdings in anticipation of further earnings' disappointments, and increased weighting to early cyclical companies like transport and restaurants.
2.7%	J2 Global Communications	
2.7%	Tessera Technologies	
2.5%	Monotype Imaging	
2.4%	Blackbaud Inc	

The best performers of 2007 have been the worst performers of January 2008, and although this may cause relative underperformance this quarter, Cortina are wary of these short term performance swings.

*estimate

Europe (including UK)

Manager	Munros CM	European small caps markets fell sharply this month, by -12.1%, as volatility remained high and was exacerbated by low trading volumes. The portfolio fell by -15.2%.
Benchmark	HSBC Europe	
Fund Allocation	30.8%	
Month return	-15.2%*	
Benchmark	-12.1%	The strongest markets were the UK, which fell -7.9%, and Ireland which was down -6.5%. Belgium also outperformed, after a strong month in December. Portugal and Norway underperformed, both down -17.2%.

Top 5 positions

4.2%	Ramirent	The portfolio was boosted by strong performances by two of its core holdings. Wellstream, an offshore oil and gas systems manufacturer, is a new acquisition to the fund, and rose 6.3% this month. The Spanish company Grifols, which specialises in plasma products and diagnostic systems, also contributed positively in response to favourable industry fundamentals.
3.9%	Hellenic Exchanges	
3.8%	LVL Medical	
3.7%	Newcourt	
3.5%	Lamprell	

The major detractors to performance came from Tanfield and Newcourt, which both fell over -29% on indiscriminate selling activity. Fashion retailer RNB Retail & Brands fell heavily after reporting disappointing a profit result, however Munros feel that this is overdone and reflects market fears rather than a change in the company's fundamentals.

*estimate

Asia (including Japan)

Manager	Sparx AM	This month small caps markets in Japan fell in response to declining global equity markets and amid growing US sub-prime concerns. The Fund lost -11.5% in January, while the benchmark lost -9.5%.
Benchmark	MSCI Japan Small	
Fund Allocation	34.5%	
Month return	-11.5%*	
Benchmark	-9.5%	The portfolio's best performers included Alpha Systems Inc, which is an information systems developer which has been boosted by an expectation of strong demand for next-generation fibre-optic communications networks. The golf equipment manufacturer SRI Sports and the windmill power plant developer Japan Wind Development also contributed positively to the portfolio this month.

Top 5 positions

3.8%	Tohokushinsha Fim Corp	One of portfolio's core holdings Prestige International, an Asian outsourced services specialist, declined sharply this month on lower liquidity and no particular news. The strengthening of the Japanese yen against the US dollar, as well as fears of a global economic slowdown, pulled down machinery-related companies like Dai-Ichi Seiko, which had performed strongly last month. SEC Carbon also fell in response to surging raw material prices.
3.5%	Alpha Systems Inc	
3.4%	Prestige International	
3.2%	Telepark Corp	
3.0%	Misumi Group	

*estimate

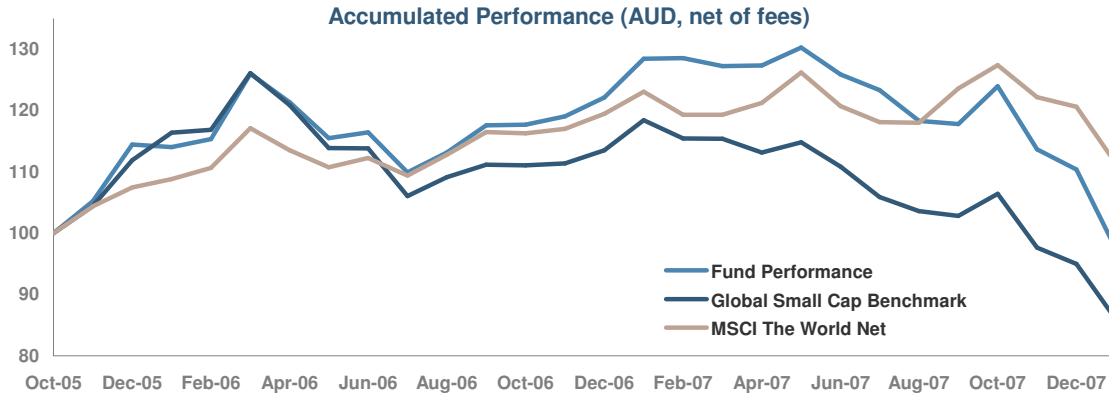
Disclaimer

The information contained in this summary report has been prepared with all reasonable care by Pengana Capital. It is provided for information purposes only and should not be construed as an offer or solicitation. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Pengana Capital assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.

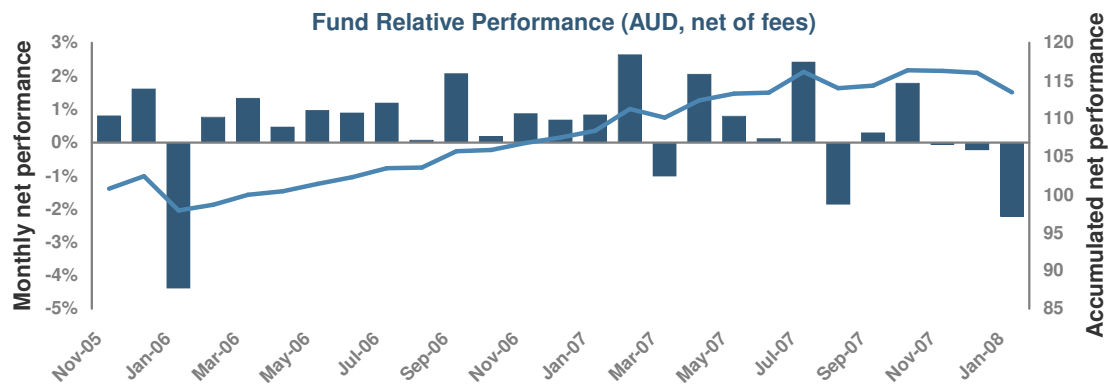
Pengana Global Small Companies Solution Performance Report January 2008



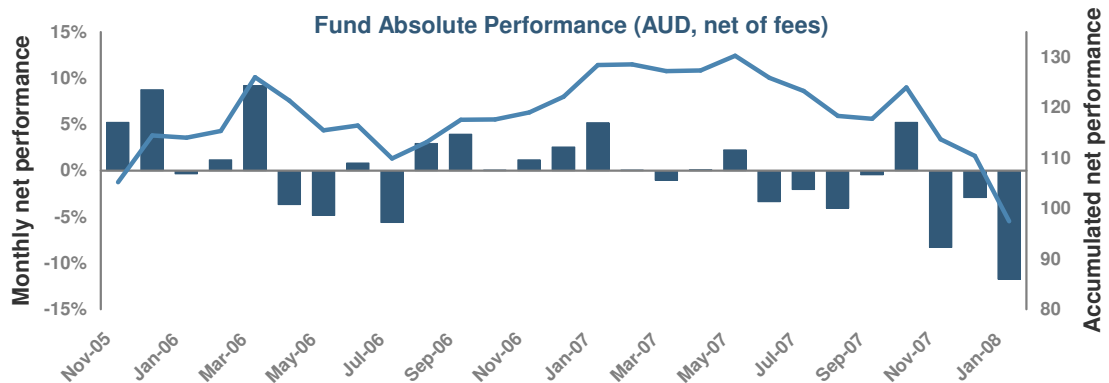
Accumulated Fund and Benchmark Performance



Monthly Fund Relative Performance



Monthly Fund Absolute Performance



Disclaimer

The information contained in this summary report has been prepared with all reasonable care by Pengana Capital. It is provided for information purposes only and should not be construed as an offer or solicitation. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Pengana Capital assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.