Pengana Global Resources Fund
November 2007 Update

Pengana Global Resources Fund

The Pengana Global Resources Fund provides investors with equity exposure to companies within the global mining, energy, steel, commodities and associated services sectors. The fund is managed out of Melbourne, Australia and uses multiple strategies to profit from inefficiencies in the pricing of companies in its investment universe. Among the strategies utilised by the fund is the ability to be both long and short securities which allows market volatility to be better managed and provides greater flexibility in achieving an absolute return in both rising and falling markets.

Market Review

There was no shortage of news for the Australian share market to digest during the month of November. Early in the month the Reserve Bank of Australia increased official interest rates by a further 25 basis points to 6.75%. By the end of the month there was a change of Federal government with the Coalition being comprehensively beaten by the Kevin Rudd led Australian Labor Party. Globally, concerns continued to mount about the robustness of the United States economy and its ability to avoid slipping into recession as the impacts of higher energy costs and continued sub-prime fallout hampered GDP growth in the fourth quarter of 2007. On the other hand, the Chinese economy continued to exhibit strong growth with industrial production up 17.9% year-on-year in October. With such strong news flow the volatility in markets was high. For the 22 trading days in November the S&P/ASX 200 moved +/- 1% on 15 days.

The announcement during the month by BHP Billiton of a proposed merger with Rio Tinto drove the share price of Rio Tinto sharply higher in November. However, the refusal of Rio Tinto to "engage" with BHP Billiton in discussing the proposed merger means any possible merger may take some time to come to fruition and in our view is likely to be on terms more favourable to Rio Tinto shareholders than the currently proposed 3 BHP Billiton shares for 1 Rio Tinto share. A combined BHP Billiton-Rio Tinto would be a mining leviathan with a market capitalisation greater than the combined market capitalisations of the next four largest global mining companies. Furthermore, a combined BHP Billiton-Rio Tinto would have a market capitalisation similar to companies such as Microsoft, Exxon Mobil and General Electric.

Resource related equities listed on the Australian Stock Exchange posted negative returns overall during

November with the S&P/ASX 300 Metals and Mining Accumulation Index posting a loss of 1.54%. The S&P/ASX 300 Energy Accumulation Index fell 2.05% in November as a cut in 2007 production guidance by Woodside Petroleum weighed on the index. Commodity price weakness was the overriding factor contributing to the fall in share prices for the month with prices for most base metals, oil and gold all ending the month lower. With the general weakness in most traded commodities there was an increased focus on those companies exposed to bulk commodities – iron ore and coal. However, given constraints such as infrastructure bottlenecks, capital expenditure requirements and strong relative share price performance many of these companies now appear priced to perfection. We still expect strong increases to be negotiated for contracted tonnages of iron ore, energy coal and metallurgical coal, but believe share prices at current levels reflect most of the good news. The S&P Metals & Mining Index fell 9.2% in November. In London the FTSE 350 Mining Index rose 2.8% whilst the S&P/TSX Global Mining Index fell 2.2%.

Key contributors to the portfolio's performance during November included Rio Tinto (+32.0%), Australian Worldwide Exploration (+12.7%), Mineral Resources (+10.1%), Wildhorse Energy (-23.8%) and Swick Mining (-9.1%).

Fund Performance

Net Returns to 30th November 2007	Global Resources Fund
1 Month	-3.02%
3 Months[1]	18.30%
6 Months[1]	28.13%
Since inception[1]	48.89%

[1] March 2007 – September 2007: Performance of internal fund seeded by Pengana Capital. Past performance is not a reliable indicator of future performance.

Pengana Capital Limited
Level 29, 20 Bond Street
Sydney, NSW 2000
ABN 301 0380 0568 AFSL 226 566

Commodity price changes for November 2007:

Commodity	US$ price change	A$ price change	€ price change
Oil	-5.99%	-10.29%	-4.95%
Gold	-1.65%	-5.90%	-0.60%
Copper	-10.37%	-15.67%	-9.32%
Aluminium	-0.90%	-6.20%	0.15%
Zinc	-9.48%	-14.78%	-8.43%
Nickel	-14.53%	-19.83%	-13.48%
Lead	-17.37%	-22.67%	-16.32%
Tin	1.89%	-3.41%	2.94%

Portfolio Structure

As at the end of the month, the portfolio was structured as below:

Number of Stocks	39
Gross Exposure	117.3%
Net Long Exposure	66.1%
Breakdown by Strategy	Pairs: 47.8% Directional Long/Short: 48.6% Event Driven: 3.4%

Top Five Positions

BHP Billiton
CVRD
Mineral Resources
Rio Tinto
Wridgeways Australia

Contact Details

For further information, please visit our website at www.pengana.com.au or contact:

Institutional Clients:

Denis Carroll
+61 (0) 2 8524 9974, denis@pengana.com.au

Private Clients:

Juliet Dunworth
+61 (0) 2 8524 9984, juliet@pengana.com.au