

Pengana Global Small Companies Solution Performance Report

June-2006



Fund Information

Style	Multi manager investing in regional small company specialists	Management fee	0.75% 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	A\$48.0m
		Inception date	November 2005

Fund Performance (AUD, net of fees)

	Jan	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Year
2006 Fund	-0.4%	1.2%	9.2%	-3.7%	-4.9%	0.2%							1.1%
Benchmark	4.0%	0.4%	7.7%	-4.1%	-5.8%	0.0%							1.7%
MSCI World	1.3%	1.7%	5.8%	-3.1%	-2.4%	1.3%							4.4%
2005 Fund											5.2%	8.8%	14.5%
Benchmark											4.5%	7.2%	12.0%
MSCI World											4.4%	3.0%	7.5%

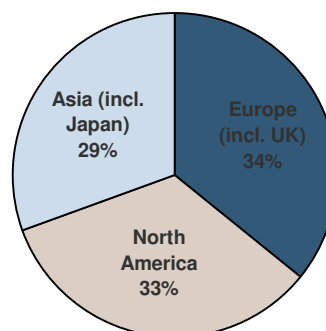
Fund Commentary

The apparently benign month suggested by the Fund's performance hides an extreme shift in fortune mid month for small cap and other equity markets. Markets continued their falls from May for the first two weeks and then reversed dramatically, ending the month particularly strongly.

The Managers performed well in this environment with only Cortina, the US manager, having a rare month of under performance. Kempen (Europe) outperformed its benchmark by 0.5% and Sparx (Japan) by 2.1%.

The Fund has now gained 15.6% since inception, 1.9% ahead of its benchmark.

Fund Allocation



Fund Performance (simulated to October 2005)

Month	Fund	Benchmark	MSCI
2006 ytd	1.1%	1.7%	4.4%
2005	36.1%	25.4%	25.4%
2004	26.1%	23.0%	10.2%
2003	12.1%	19.1%	-1.3%
2002	-20.0%	-20.3%	-27.2%
2001	-7.5%	-6.1%	-8.9%
Ann	7.4%	4.8%	-1.8%
Ann SD	14.6%	14.5%	12.6%

Manager Performance (AUD, net of fees)

Month	Fund	Benchmark	Relative
Cortina	1.2%	1.9%	-0.7%
Kempen	0.6%	0.1%	0.5%
Sparx	0.0%	-2.1%	2.1%
Since Inception			
Cortina	16.5%	12.2%	4.3%
Kempen	29.1%	26.8%	2.3%
Sparx	5.1%	2.5%	2.6%

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North America

Manager Cortina AM
Benchmark Russell 2000
Fund Allocation 32.5%
June return 1.2%
Benchmark 1.9%

Cortina was outperforming the Russell 2000 index until the last 2 days in June. On the 29th lower quality names rallied significantly and then on the last day of the month stocks likely to be promoted to the Russell 1000 were bid up by non-fundamental investors. Cortina lost almost 2% relative to the index over this period.

The volatility provided an opportunity to restructure the portfolio on favourable terms. Positions were increased in some small technology companies while profits were taken in over bid discretionary consumers. One of the portfolio's long term holdings, AC Moore Arts & Crafts, was sold following the sudden retirement of the CEO and founder.

Top 5 positions

2.6% J2 Global Communications
 2.6% C'eyond Communications
 2.4% Psychoedics
 2.2% Microstrategy
 2.2% Unica

Europe (including UK)

Manager Kempen CM
Benchmark HSBC Europe
Fund Allocation 34.4%
June return 0.6%
Benchmark 0.1%

Kempen had a reasonable month, falling slightly in local currency terms but outperforming the benchmark. The European small cap market fell heavily in the first two weeks of June but recovered 90% of the losses by the end of the month. A resumption of M&A activity given the attractive valuations mid month and a resurgence in commodity prices meant the losses for the month were slight.

The fund was underweight the UK, which would have detracted from performance, as would the overweight in Denmark which rose almost 3%. Stock selection was strong with Eiffage, Prosafe and Royal Unibrew all performing well.

Top 5 positions

3.4% Macintosh Retail
 3.3% Trygvesta
 2.9% Lindex
 2.6% Prosafe
 2.5% DSV

Asia (including Japan)

Manager Sparx AM
Benchmark Topix / Jasdaq
Fund Allocation 29.4%
June return 0.0%
Benchmark -2.1%

Sparx comfortably outperformed during June. The portfolio was positioned in more domestic orientated names and was to some extent immunised from the volatility in global markets.

The manager took the opportunity to buy more growth orientated names at what it believes will be near bottom prices. It anticipates a rally during the summer months which may be sparked by Q1 earnings announcements due in July.

Top 5 positions

4.7% Nissay Dowa
 4.1% Toshiba Machine
 4.0% Produce Co
 3.9% Itochu Chemical
 3.6% Mitsubishi Gas Chemical

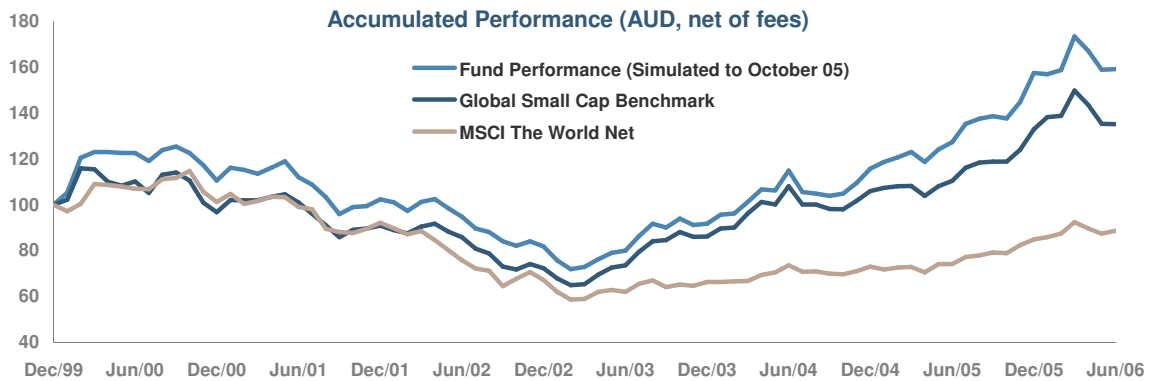
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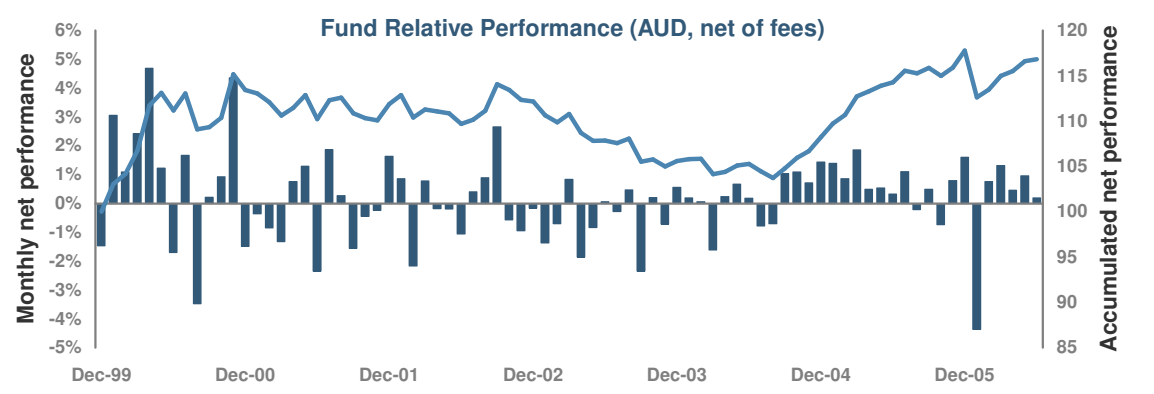
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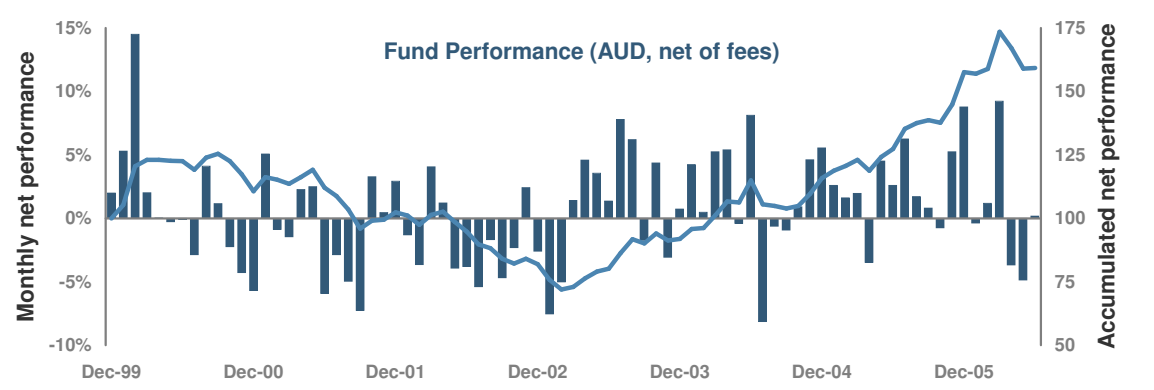
Accumulated Fund and Benchmark Performance



Monthly Fund Relative Performance



Monthly Fund Absolute Performance



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