

Pengana Global Small Companies Solution Performance Report September-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\$48.6m
		Inception date	November 2005

Fund Performance (AUD, net of fees)

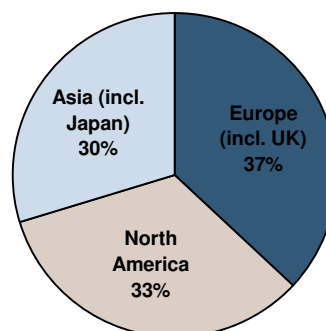
	Jan	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Year
2006 Fund	-0.4%	1.2%	9.2%	-3.7%	-4.9%	0.2%	-5.6%	3.0%	4.3%				2.4%
Benchmark	4.0%	0.4%	7.7%	-4.1%	-5.8%	0.0%	-6.8%	2.9%	1.8%				-0.8%
MSCI World	1.3%	1.7%	5.8%	-3.1%	-2.4%	1.3%	-2.6%	3.1%	3.2%				8.3%
2005 Fund											5.2%	8.8%	14.5%
Benchmark											4.5%	7.2%	12.0%
MSCI World											4.4%	3.0%	7.5%

Fund Commentary

The Fund had a good month despite the mixed fortunes of the underlying small cap markets, rising by 4.3% in September and outperforming its benchmark by 2.5%. The return for the 11 months since inception is now 17.2%, 6.1% ahead of the benchmark.

The performance of the Japanese small company market was poor once again and it has been the weakest in which the Fund invests over the last 12 months. Fundamental corporate results however have been strong: in the latest reporting season the Japanese market witnessed the highest upward earnings revision ratio in the last 15 years. In similar circumstances last year the market rallied significantly in the fourth quarter. Shorter term factors have led to selling pressure but we remain confident that the Fund's significant position in this market will prove beneficial in the future.

Fund Allocation



Fund Performance (simulated to October 2005)

Month	Fund	Benchmark	MSCI
Month	4.3%	1.8%	3.2%
2006 ytd	2.4%	-0.8%	8.3%
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%
Annualised	7.3%	4.2%	-1.2%
Ann SD	14.6%	14.5%	12.5%

Manager Performance (AUD, net of fees)

Month	Fund	Benchmark	Relative
North America	5.1%	2.9%	2.2%
Europe	5.0%	3.8%	1.2%
Asia	2.2%	-1.4%	3.6%
Since Inception (November 2005)			
North America	16.6%	11.6%	5.0%
Europe	34.7%	31.5%	3.2%
Asia	3.9%	-7.9%	11.8%

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

September-2006



North America

Manager	Cortina AM	Cortina do not make macro economic judgements but do analyse the environment to ascertain the threats and opportunities their companies face. Of late the US has exhibited very mixed signals, which has led to a directionless and nervous market. The Fed has stopped raising interest rates but continues to sound concerned, oil has increased significantly to fall back recently and the housing market has, as expected, started to show signs of weakness. On the other hand unemployment is low, corporate earnings are strong and there is plenty of liquidity within the financial system. Against this backdrop the fund has continued to perform well. Cortina are ahead of the Russell 2000 benchmark year to date, a claim that less than 20% of small cap managers in the US can make. During the month falling Energy prices led the Commodity and Energy sectors lower while Consumer Discretionary rallied. Technology stocks performed well for Cortina however the fund was overweight Healthcare and performed poorly in this sector. Examples of beneficial positions are the telecommunications company Cbeyond, contract research provider Icon plc and the shoe manufacturer Crocs.
Benchmark	Russell 2000	
Fund Allocation	33.4%	
Month return	5.1%	
Benchmark	2.9%	
Top 5 positions		
	4.2% Cbeyond Inc Com	
	2.3% Microstrategy Inc	
	2.2% J2 Global Communication	
	2.1% Vocus Inc Com	
	2.1% Webex Communications	

Europe (including UK)

Manager	Munros CM	In contrast to the US, the European market has powered ahead since its low in May. Equity valuations do not appear to be stretched and company announcements have on average been positive. Munros have identified a number of attractive opportunities since taking over the portfolio on August 1 st and have added 9 new stocks. They have also reduced the tail (the number of smaller holdings) and placed more emphasis on their best ideas: the top ten holdings now represent more than 30% of the portfolio. The top 3 holdings are all new additions: Newcourt (Irish support services involved in security, recruitment and property), Abengoa (Spanish engineering, construction and recycling business) and Wessanen (manufacturer and distributor of food stuffs including organic products, vitamins and supplements). Munros have done well to outperform in such a buoyant environment. During the month Germany, Spain and Sweden were the strongest markets although the UK outperformed the Continent overall. A few of Munros larger holdings were significant positive contributors, such as Lindex (+17.6%), which recovered strongly after summer weakness, Kingspan (+16.2%) and Tanfield (+16.1%) following a strong earnings announcement.
Benchmark	HSBC Europe	
Fund Allocation	36.8%	
Month return	5.0%	
Benchmark	3.8%	
Top 5 positions		
	4.2% Newcourt	
	3.8% Abengoa	
	3.3% Wassanen	
	3.0% Macintosh Retail	
	3.0% Trygvesta	

Asia (including Japan)

Manager	Sparx AM	In contrast to Europe, the Japanese small company market has struggled, falling 8% since the Fund commenced. In September the market fell again although Sparx outperformed and generated a positive performance. Small growth orientated stocks were the main contributors. Sparx reduced Machinery stocks due to slowing orders while holdings in regional banks had another volatile month following the end to the zero interest rate policy in April. Small company earnings revisions however remain strong as they were through 2005, leading to a rally in the fourth quarter. Ironically downward revisions from some large caps led to a "flight to safety" which adversely affected some small cap names. In a similar vein some concerns regarding the economic outlook, caused by slowing export growth and higher global interest rates, led to an investor preference for large caps with solid earnings results. Selling pressure also adversely affected the small cap market as institutions reallocated and individuals faced margin calls. Sparx focus on bottom up research to identify companies with unique, high value add products. This stock picking approach has served them well despite the trials and tribulations of the broader market, and they are now over 10% ahead of their benchmark since the inception of the Fund.
Benchmark	Topix / Jasadq	
Fund Allocation	29.8%	
Month return	2.2%	
Benchmark	-1.4%	
Top 5 positions		
	5.5% Toyo Tanso Co Ltd	
	5.4% Shoei Company	
	5.3% Prestige International	
	5.2% Bank of Fukuoka	
	4.9% Nissay Dowa General	

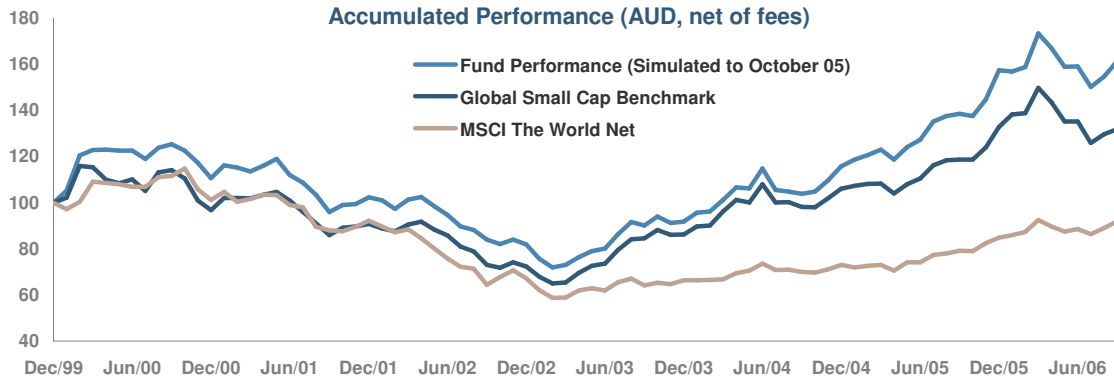
Disclaimer

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.

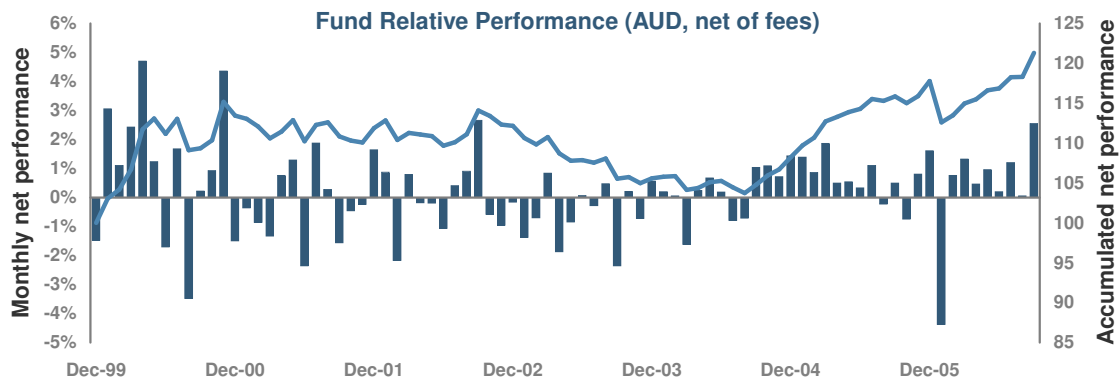
Pengana Global Small Companies Solution Performance Report September-2006



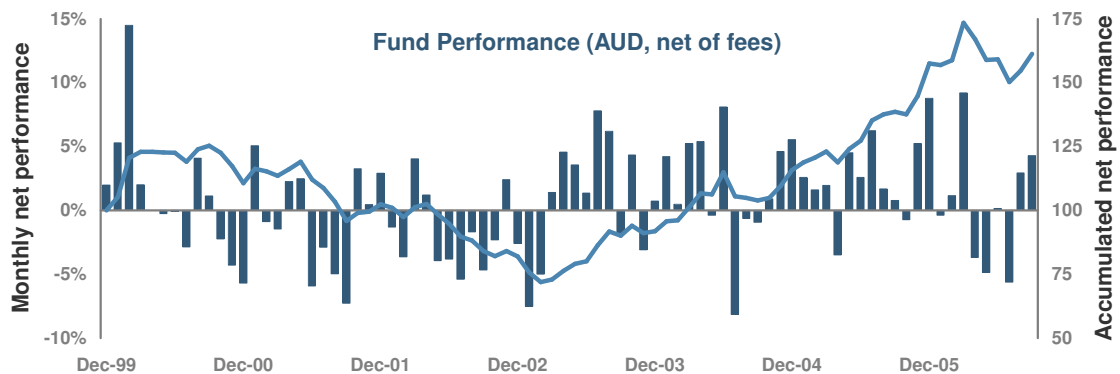
Accumulated Fund and Benchmark Performance



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.