

Pengana Global Small Companies Solution Performance Report November-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	\$49.2m
		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%	0.1%	1.2%		3.7%
Benchmark	4.0%	0.4%	7.7%	-4.1%	-5.8%	0.0%	-6.8%	2.9%	1.8%	-0.1%	0.3%		-0.4%
MSCI World	1.3%	1.7%	5.8%	-3.1%	-2.4%	1.3%	-2.6%	3.1%	3.2%	-0.2%	0.7%		9.0%
2005 Fund											5.2%	8.8%	14.5%
Benchmark											4.5%	7.2%	12.0%
MSCI World											4.4%	3.0%	7.5%

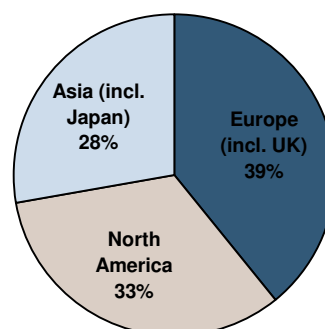
Fund Commentary

In November the fund enjoyed its 10th consecutive month of outperformance with a return of 1.2%, 0.8% ahead of the benchmark. Since inception the Fund's annualised return is 17.1% with an annualised standard deviation of 16.2%. The benchmark over this period has returned 10.5%.

We remain pleased with our managers' performance especially in Europe and Japan. Our US manager, Cortina, has underperformed in 5 of the last 6 months but we expect them to recover strongly when the US market regains some direction. All managers have outperformed since they were employed by the Fund.

Some rebalancing is necessary this month. The strong performance of the European market relative to the US and Asia has caused the allocation to move outside the +/-5% range and it will be reduced accordingly at month end.

Fund Allocation



Fund Performance (simulated to November 2005)

Month	Fund	Benchmark	MSCI
Month	1.2%	0.3%	0.7%
2006 ytd	3.7%	-0.4%	9.0%
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	7.4%	4.1%	-1.1%
Ann SD	14.4%	14.4%	12.4%

Manager Performance (AUD, net of fees)

Month	Fund	Benchmark	Relative
North America	0.1%	0.9%	-0.8%
Europe	5.7%	4.2%	1.5%
Asia	-3.0%	-4.0%	1.0%
Since Inception (November 2005)			
North America	16.5%	13.6%	2.9%
Europe	41.2%	35.7%	5.5%
Asia	-1.6%	-13.8%	12.2%

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North America

Manager	Cortina AM	Cortina under performed the Russell 2000 index during November and has done so in 5 out of the last 6 months. The US small cap market has been volatile and caught between strong company fundamentals and worrying (for some) macro economic and technical factors that relate to the US economy and investment environment. In November sentiment and flows improved and the market appreciated. Traditional portfolio rebalancing and 401k contributions in the New Year may support this current momentum.
Benchmark	Russell 2000	
Fund Allocation	33.2%	
Month return	0.1%	
Benchmark	0.9%	

Top 5 positions

4.0%	CBEYOND INC COM
2.2%	WORLD FUEL SVCS CORP
2.0%	UNICA CORP COM
2.0%	O CHARLEYS INC COM
1.9%	SOUTH FINL GROUP INC

Cortina maintains a cautious view and remains focused on identifying good companies and good stocks. It has, on the whole, reduced its more aggressive positions and sold out of a number of stocks which it did not feel offered sufficient rewards given the risks taken.

Holdings were scaled back in software, insurance, gaming and electronics while increases were made in consumer, healthcare and hardware sectors. Valuation is a key focus of the manager at present given the relatively high valuation of small caps versus historical levels and larger companies.

Europe (including UK)

Manager	Munros CM	In November Munros maintained its track record of outperforming the HSBC Smaller Europe Index each month. The European market maintained its strong performance with a return of 4.2% for Australian dollar investors during the month. The year to date return for the reference index is 27.3%.
Benchmark	HSBC Europe	
Fund Allocation	39.1%	
Month return	5.7%	
Benchmark	4.2%	

Top 5 positions

4.7%	Newcourt
3.3%	Tanfield
3.2%	Trygvesta
3.1%	Hellenic Exchanges
2.9%	Macintosh Retail

The fund benefited from its overweight to Continental Europe vs. the UK and strong stock picking across the spectrum from micro to mid cap. The largest gain was on the micro cap stock LVL Medical which rose by 25% as the broader market recognised the compelling value it represents. Beni Stabili, the Italian Real Estate company with a market capitalisation of EUR1.8bn, is an example of one of the larger companies that also performed well.

Changes to the portfolio were limited over the month: positions established in two Irish stocks, IAWS Group (food and agribusiness) and IFG Group (financial services), were the most significant additions.

Asia (including Japan)

Manager	Sparx AM	Sparx outperformed the Japanese small cap market once again during November. The market continued its negative run with a return of -4.0%, taking the year to date performance for Australian dollar investors to -29.2%. Sparx has performed admirably in such conditions, generating a return 7.5% above this benchmark.
Benchmark	Topix / Jasdax	
Fund Allocation	27.7%	
Month return	-3.0%	
Benchmark	-4.0%	

Top 5 positions

6.1%	Prestige International
5.8%	Toyo Tanso Co Ltd
5.6%	Bank of Fukuoka
5.5%	Produce Co
5.2%	Shoei Company Limited

Despite healthy corporate earnings, supply continues to outweigh demand for Japanese equities. The market fell as a result and exhibited considerable day to day volatility. Sparx took advantage of the price swings and added quality companies to the portfolio such as Asahi Intec and Sumitomo Real Estate Sales. It also added to semiconductor and silicon wafer related names, such as Komatsu Electronic Metals, due to attractive valuations, cash flow growth and strong global product demand for the next couple of years.

Sparx believes that the small cap market bottomed out in mid November and that the higher quality companies will begin to recover as year end approaches.

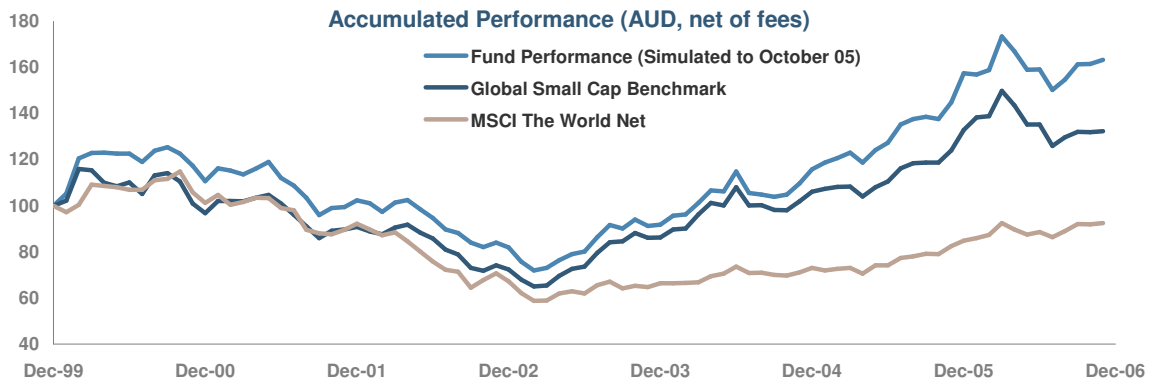
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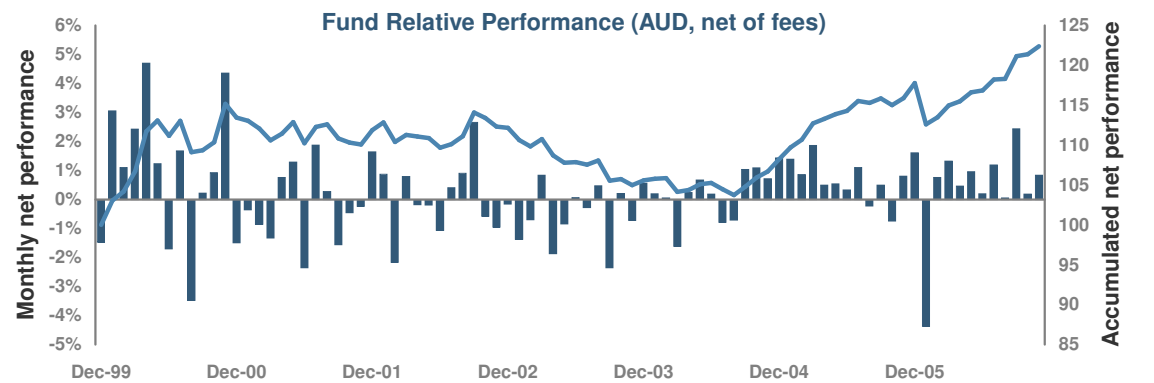
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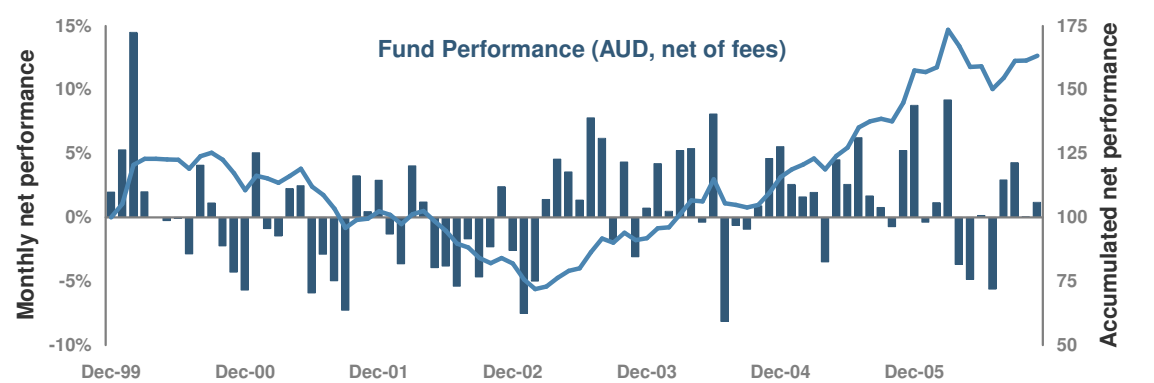
Accumulated Fund and Benchmark Performance



Monthly Fund Relative Performance



Monthly Fund Absolute Performance



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