

Pengana Global Small Companies Solution Performance Report

February 2007



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	\$53.7m
		Inception date	November 2005

Fund Performance (AUD, net of fees)

	Jan	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Year
2007 Fund	5.2%	0.4%											5.6%
Benchmark	4.4%	-2.6%											1.8%
MSCI World	3.0%	-0.5%											2.5%
2006 Fund	-0.4%	1.2%	9.2%	-3.7%	-4.9%	0.2%	-5.6%	3.0%	4.3%	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%

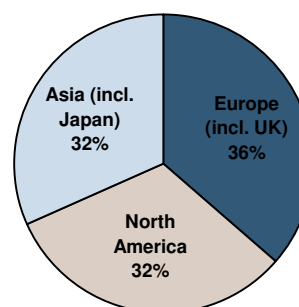
Fund Commentary

The Fund generated a return of 0.4% for February, 3.0% ahead of the benchmark. The Fund's annualised return since inception is 20.8% and has outperformed in 15 out of the last 16 months.

Small company markets fell during the last few days of the month following falls in the Chinese equity market. Although such periods of broad selling have a negative impact on performance, they offer the opportunity to re-enter better quality stocks at more reasonable levels.

Pengana visited Cortina during the month to discuss the changes in the portfolio management team. We remain confident that this will not adversely impact the performance of the Opportunity strategy in which we invest, and that Cortina will maintain its strong track record.

Fund Allocation



Fund Performance (AUD, net of fees)

	1 Month	3 Months	1 Year	Financial Year to Date	Annualised Since Inception	Standard Deviation
Fund	0.4%	8.4%	11.5%	11.2%	20.8%	14.9%
Benchmark	-2.6%	3.6%	-1.2%	1.4%	11.4%	14.8%
North America	-1.0%	3.8%	5.0%	5.1%	16.4%	15.1%
Benchmark	-3.3%	0.5%	1.5%	2.8%	11.3%	14.9%
Europe	-1.0%	14.8%	38.4%	29.2%	46.8%	13.5%
Benchmark	-2.1%	7.6%	23.5%	18.1%	35.4%	12.7%
Asia	-0.6%	3.9%	-7.0%	-2.8%	1.6%	24.3%
Benchmark	-2.3%	2.8%	-23.8%	-14.6%	-9.5%	22.1%

Disclaimer

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North America

Manager	Cortina AM	Cortina's portfolio lost -1.0% during February outperforming the Russell 2000 index by 2.3%. It had proved a strong month until the last few days when markets tumbled due to the fall in the Chinese equity market, concerns regarding the economic environment in the US and problems within the sub-prime mortgage market. The Russell 2000 fell -6.2% in the week commencing February 26, its worst week since September 2001.
Benchmark	Russell 2000	
Fund Allocation	31.9%	
Month return	-1.0%	
Benchmark	-3.3%	

Top 5 positions

3.6%	Cbeyond Inc Com
2.3%	World Fuel Corp
2.1%	Stratasys Inc Com
2.0%	SPSS Inc Com
2.0%	Sun Healthcare Group

Cortina fared well despite the turbulence. Many of its stocks enjoyed good 4th quarters and the subsequent announcements during February bolstered their performance. In the mature economic environment, Cortina has identified companies that have achieved consistent top line growth while maintaining prudent cost structures. It took the opportunity post the falls to add to some positions and re-enter others, such as Daktronics, as the prices came back within reasonable levels.

Cortina added significant value within IT related sectors last year and has increased its positions in a number of names this year. Two examples are Stratasys Inc Com, a provider of digital manufacturing technology, and SPSS Inc, a software developer focused on business intelligence and analysis.

Europe (including UK)

Manager	Munros CM	Munros generated a return of -1.0% for the month which was 1.1% ahead of the HSBC Smaller Europe benchmark. The European portfolio has risen 46.8% per annum since inception and has been by far the strongest region.
Benchmark	HSBC Europe	
Fund Allocation	36.4%	
Month return	-1.0%	
Benchmark	-2.1%	

Top 5 positions

6.2%	Tanfield
5.3%	Newcourt
4.0%	Spice Holdings
3.6%	Ramirent
3.6%	LVL Medical

Munros do not analyse economic factors to identify preferred countries. Rather they follow a more "bottom up" approach of identifying their favoured stocks and then make sure that they are not overly concentrated in any country. This approach has led them to favour Ireland in particular, which was one of the stronger countries this month. Others to generate good returns were Portugal and Spain. Denmark, Sweden and Greece under performed.

The British company Tanfield is the portfolio's largest holding at 6.2%. It is the world's largest manufacturer of commercial road going electric vehicles and appreciated 18% after announcing a vehicle supply deal with the UK retailer Marks & Spencer. The worst performing stock was Meuhlhan, a Danish marine surface protection specialist, that fell -29% on disappointing earnings. Munros have placed the stock under review pending a meeting with the Finance Director.

Asia (including Japan)

Manager	Sparx AM	Sparx fell by -0.6% during the month. The negative return was due to the fall in the Yen against the Australian dollar. In Yen terms the portfolio appreciated by 1.0% against a benchmark of -0.7%.
Benchmark	Topix / Jasdaq	
Fund Allocation	31.6%	
Month return	-0.6%	
Benchmark	-2.3%	

Top 5 positions

8.2%	Prestige International
6.0%	Mimasu Semiconductor
5.7%	Asahi Intecc
5.3%	Bank of Fukuoka
5.3%	Miraial Co

The market was buoyed by strong GDP data released during the month, improving domestic consumption and the consequent rise in interest rates. There was also some evidence that the Yen carry trade was unwinding as Yen borrowing costs increased. All of these effects should prove relatively positive for smaller companies due to their greater insulation from an appreciating domestic currency and resilience against rising interest rates.

Defensive sectors were flat for the month while more leveraged sectors such as Steel, Metals and Securities were up. Sparx's core holdings appreciated during the month, with recent additions in Metals and Retail also performing well. Prestige International, the CRM based business process management provider, has appreciated to 8.2% of the portfolio, a significant position. We monitor the concentration in all portfolios and will speak to the manager if we believe it becomes too great.

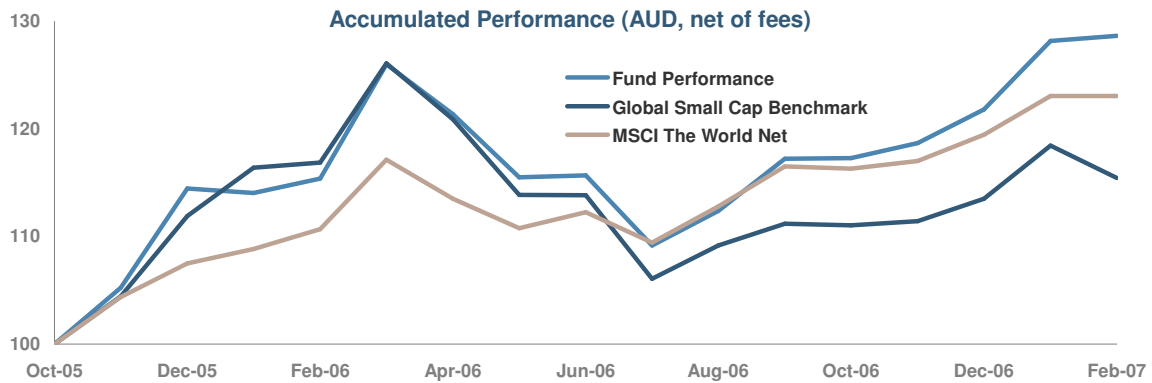
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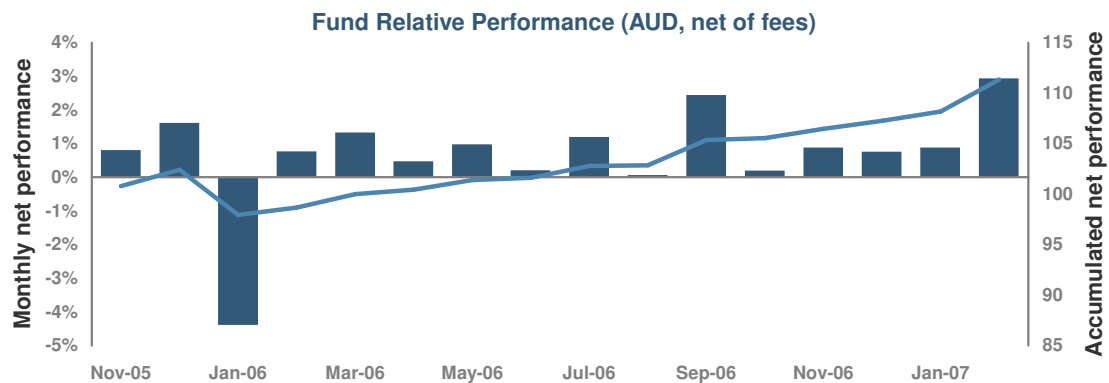
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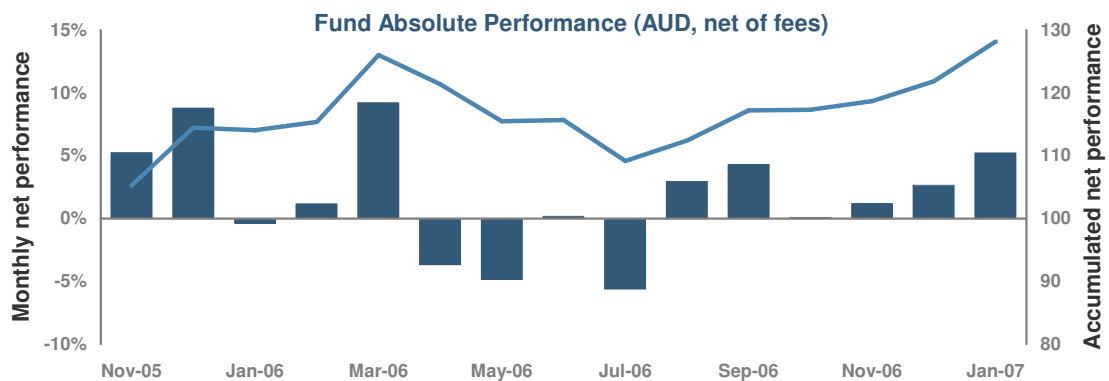
Accumulated Fund and Benchmark Performance



Monthly Fund Relative Performance



Monthly Fund Absolute Performance



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