

Pengana Global Small Companies Solution Performance Report

June 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	\$52.0m
		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%	0.1%	-1.0%	0.1%	2.3%	-3.4%							3.1%
Benchmark	4.4%	-2.6%	0.0%	-1.9%	1.5%	-3.5%							-2.3%
MSCI World	3.0%	-3.0%	0.0%	1.6%	4.1%	-4.3%							1.1%
2006													
Fund	-0.4%	1.2%	9.2%	-3.7%	-4.9%	0.8%	-5.6%	3.0%	3.9%	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%

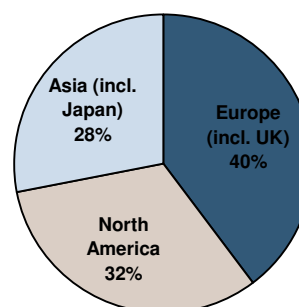
Fund Commentary

The Fund fell -3.40% in June, outperforming its benchmark which lost -3.47%. Globally the small companies market shifted its sentiment in favour of Japan, while Europe and the UK slowed down after a strong first half performance.

The fund's US manager Cortina have announced the appointment of another portfolio manager who will enhance the firm's health care and consumer discretionary expertise, which we view as a positive development.

The Australian dollar appreciated against all of the major global currencies in June; this detracted from the Fund's investments by nearly 4% overall. From July 2007 the Fund will hedge its currency exposure.

Fund Allocation



Fund Performance (AUD, net of fees)

	1 Month	3 Months	1 Year	Financial Year to Date	Annualised Since Inception	Standard Deviation
Fund	-3.4%	-1.1%	8.1%	8.1%	14.8%	13.9%
Benchmark	-3.5%	-3.9%	-2.6%	-2.6%	6.4%	13.7%
North America	-3.1%	1.2%	6.5%	6.5%	13.4%	14.0%
Benchmark	-4.1%	-1.0%	0.9%	0.9%	7.7%	14.3%
Europe	-4.3%	3.9%	39.8%	39.8%	42.1%	13.2%
Benchmark	-4.6%	-0.9%	21.2%	21.2%	29.4%	12.7%
Asia	-2.3%	-8.6%	-14.1%	-14.1%	-6.1%	22.4%
Benchmark	-1.8%	-10.0%	-25.3%	-25.3%	-14.8%	20.3%

Disclaimer

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North America

Manager	Cortina AM
Benchmark	Russell 2000
Fund Allocation	32.4%
Month return	-3.1%
Benchmark	-4.1%

The US small caps market was troubled by surging crude oil prices and interest rates during the month. Weak consumer spending was noted across most sectors, from autos and retailers to restaurants and homebuilders. Rising interest rates have driven the Financial sector to its worst first half performance since 1990.

During June Cortina took the opportunity to capture and protect profits from stocks that have performed strongly since February this year. Holdings in industrial-related companies like Houston Wire & Cable and Stratsys were reduced, and Cortina has also continued to reduce its exposure to the troubled housing industry.

Top 5 positions

4.1%	Cbeyond Inc Com
2.8%	Crocs Inc Com
2.4%	SPSS Inc Com
2.3%	Coldwater Creek Inc Com
2.4%	Lawson Software Inc

Cortina continue to focus their research on company fundamentals, using regular and comprehensive management meetings and site visits to uncover investment opportunities.

Europe (including UK)

Manager	Munros CM
Benchmark	HSBC Europe
Fund Allocation	39.7%
Month return	-4.3%
Benchmark	-4.6%

June was a volatile month in the Eurozone, where profit-taking activity dominated the markets. Specifically the UK underperformed the continent of Europe this month, while Greece and the Netherlands contributed strongly.

The portfolio still managed to outperform in a weak market, on the strength of company specific events. The UK-based oil and gas explorer Tullow Oil gained +28.2%, prompted by news of a major offshore discovery in Ghana, while real estate concerns meant Invista Real Estate and Beni Stabili lost ground.

Top 5 positions

6.3%	Tanfield
4.7%	Ramirent
4.6%	Newcourt
4.3%	LVL Medical
3.7%	Spice Holdings

The outlook for Europe's economic growth is positive, as falling unemployment and growing household and business confidence boost demand.

Asia (including Japan)

Manager	Spax AM
Benchmark	Topix / Jasdaq
Fund Allocation	27.9%
Month return	-2.3%
Benchmark	-1.8%

In Japan small caps markets outperformed their large-cap counterparts in June. This was driven by the depreciation of the Japanese yen against major global currencies and an increase in long-term bond yields.

The portfolio's core holdings made strong contributions to the fund's overall performance, recovering well from the oversold conditions of recent months. The exception was Asahi Intecc, which was troubled this month by growing debate over the effectiveness of stents, a medical device that is increasingly used for low-invasive surgical treatments. SPARX remains confidently optimistic about Asahi's outlook and upside potential.

Top 5 positions

8.4%	Prestige International
7.3%	SEC Carbon Ltd
7.1%	Aeon Delight
6.7%	Mimasu Semiconductor
6.5%	Asahi Intecc Co Ltd

In the lead up to the next round of earnings announcements SPARX anticipate better than expected results, which could possibly trigger a turnaround for small companies in Japan.

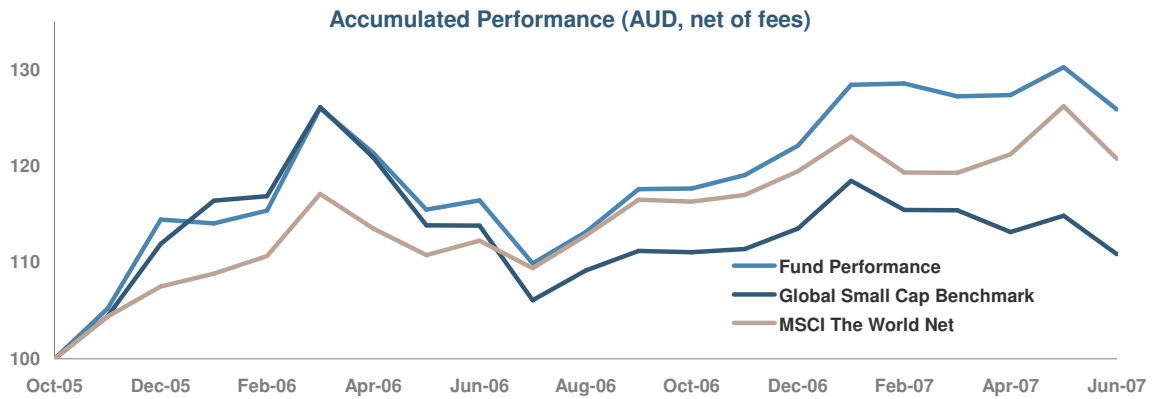
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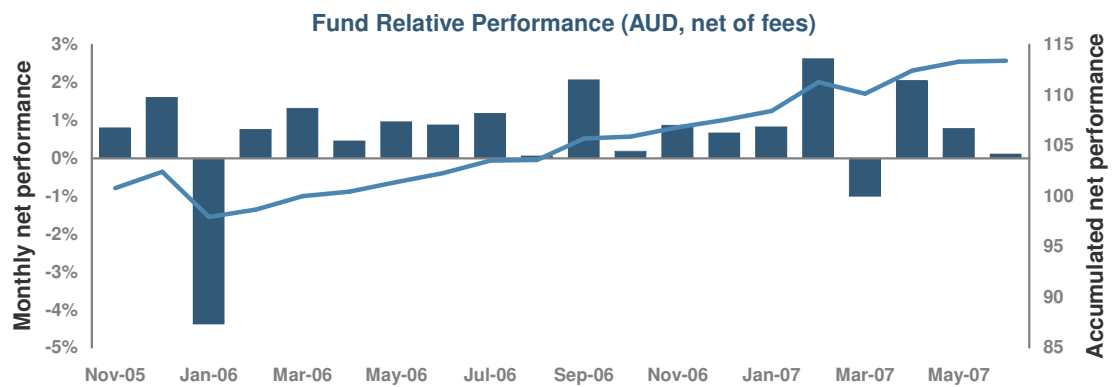
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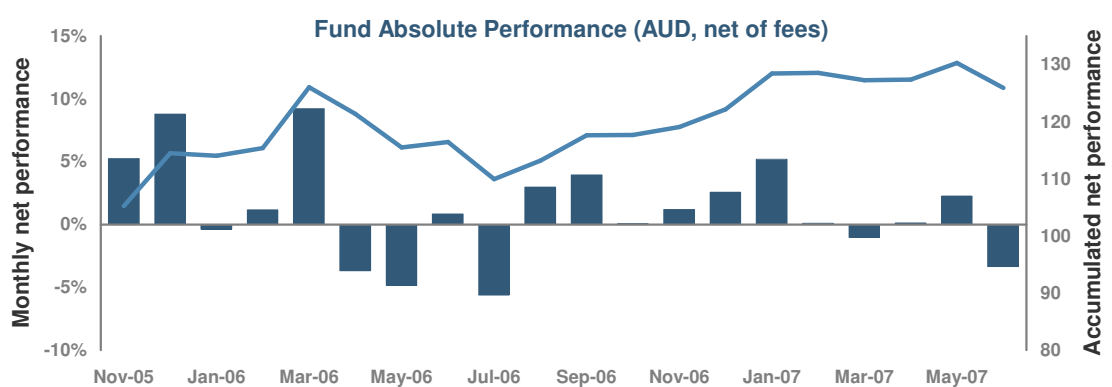
Accumulated Fund and Benchmark Performance



Monthly Fund Relative Performance



Monthly Fund Absolute Performance



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