

Pengana Global Small Companies Solution Performance Report July 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 \$50.9 m
		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%	-2.0%						1.0%
Benchmark	4.4%	-2.6%	0.0%	-1.8%	1.5%	-3.5%	-4.4%						-6.7%
MSCI World	3.0%	-3.0%	0.0%	1.6%	4.1%	-4.3%	-2.2%						-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%

*The fund's currency exposure was unhedged until 30 June 2007

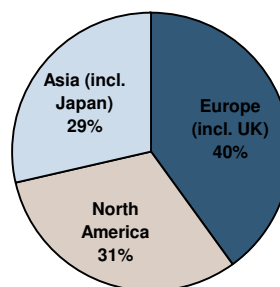
Fund Commentary

In July the Fund lost -2.0%, in a volatile global environment where the benchmark lost -4.4%. There are widespread concerns over the US sub-prime mortgage markets and the scope of its fallout, as well as fears of an overall global economic slowdown.

A flight-to-quality has been a prominent investment theme in the small companies' arena. The underlying fund managers have remained focused on bottom-up fundamentals to weather the volatility of small caps markets, and this has seen all three regions out perform their respective benchmarks.

From the beginning of this month the fund was hedged against currency movements.

Fund Allocation



Fund Performance (AUD, net of fees)

	1 Month	3 Months	1 Year	Financial Year to Date	Annualised Since Inception	Standard Deviation
Fund	-2.0%	-3.2%	12.2%	-2.0%	12.7%	13.8%
Benchmark	-4.4%	-6.4%	-0.1%	-4.4%	3.4%	13.9%
North America	-5.2%	-3.8%	8.1%	-5.2%	9.3%	14.5%
Benchmark	-6.9%	-6.6%	0.5%	-6.9%	3.1%	15.0%
Europe	-0.8%	-1.4%	43.5%	-0.8%	39.1%	13.2%
Benchmark	-2.0%	-5.1%	23.1%	-2.0%	26.4%	12.7%
Asia	0.9%	-3.5%	-7.9%	0.9%	-5.4%	21.9%
Benchmark	-4.4%	-7.6%	-20.3%	-4.4%	-16.3%	19.9%

Disclaimer

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Performance Report

July 2007



North America

Manager	Cortina AM	Small cap markets in the US fell, as sub-prime mortgage and credit concerns spread through most sectors and reduced leveraged buyout opportunities.
Benchmark	Russell 2000	
Fund Allocation	31.3%	Small cap stocks are less liquid by nature than their large cap counterparts, and are also less diverse in their geographic footprint. In June this year the SEC removed its "uptick rule", which prevented short sellers from adding to the downward momentum when the price of a stock is already falling - this worked against small caps stocks which were aggressively sold off this month particularly when their prices were already declining.
Month return	-5.2%	
Benchmark	-6.9%	
Top 5 positions		
4.0%	Cbeyond Inc Com	The fund outperformed the benchmark following strong earnings results. The portfolio manager used the volatility to slightly adjust the fund's position weights, adding to companies with strong business trends, and reducing those with deteriorating fundamentals.
4.0%	Crocs Inc Com	
2.4%	SPSS Inc Com	
2.1%	Lawson Software Inc	
2.0%	Blackbaud Inc Com	

Europe (including UK)

Manager	Munros CM	The month of July was another volatile one in Europe, where Denmark and the Netherlands outperformed the benchmark. The portfolio still managed to outperform in these uncertain conditions.
Benchmark	HSBC Europe	
Fund Allocation	40.1%	Company specific events continue to drive the portfolio's performance. Lamprell, a service provider to the offshore oil industry in the Arabian Gulf, was boosted +15.9% following an earnings' upgrade. The sustainable technology specialist Abengoa gained +15.7% on news of continued strong order flow. One of the biggest detractors from performance was YouGov, which fell -21.0% in July following a capital raising to fund three major acquisitions- the portfolio views the acquisitions as a positive for the company's outlook.
Month return	-0.8%	
Benchmark	-2.0%	
Top 5 positions		
6.0%	Tanfield	Both the Bank of England and the European Central Bank have indicated that they believe that the impact of US sub-prime credit problems in Europe will be limited, and have shifted their focus to controlling the strong economic growth of the Eurozone and the UK.
4.8%	Ramirent	
4.5%	Newcourt	
4.2%	Spice Holdings	
4.1%	LVL Medical	

Asia (including Japan)

Manager	Sparx AM	In Japan small caps markets were impacted by political uncertainty in the lead up to the upper house elections at the end of July.
Benchmark	Topix / Jasdax	
Fund Allocation	28.6%	Sparx, the Japanese fund manager, strengthened the portfolio by accumulating companies affected by the market's weakness, like Sumitomo Titanium Corp and Mirai, whilst also taking some profits from SEC Carbon. Asahi Intecc Co Ltd contributed negatively to performance, although it is expected to rebound next month when it releases its earnings results.
Month return	0.9%	
Benchmark	-4.4%	
Top 5 positions		
8.6%	Prestige International	The reaction of the Japanese stock market to the US sub-prime mortgage concerns are considered by Sparx to have been overdone, as fundamentals remain strong and valuations are still attractive.
7.6%	Mimasu Semiconductor	
6.7%	SEC Carbon Ltd	
6.3%	Asahi Intecc Co Ltd	
5.8%	Hanwa Co Ltd	

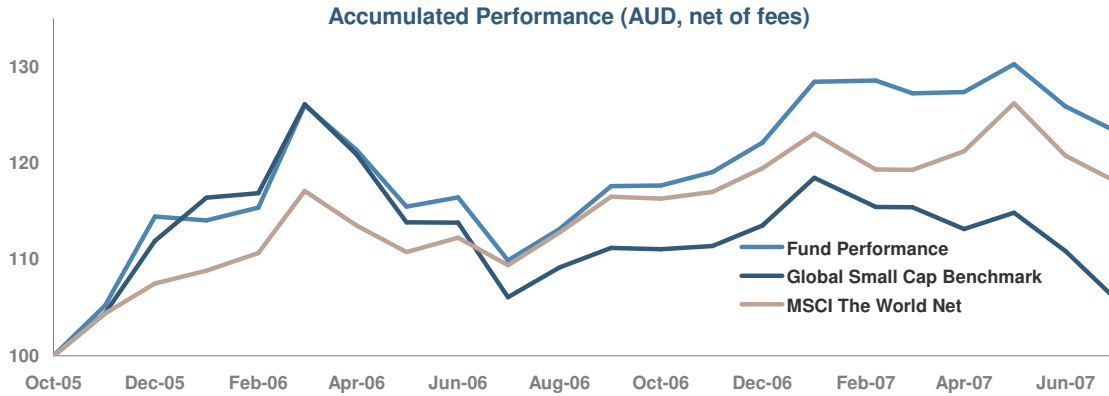
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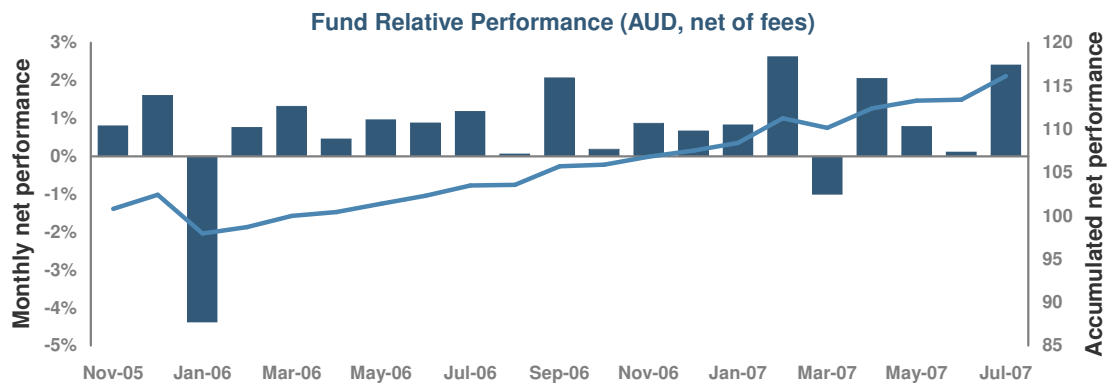
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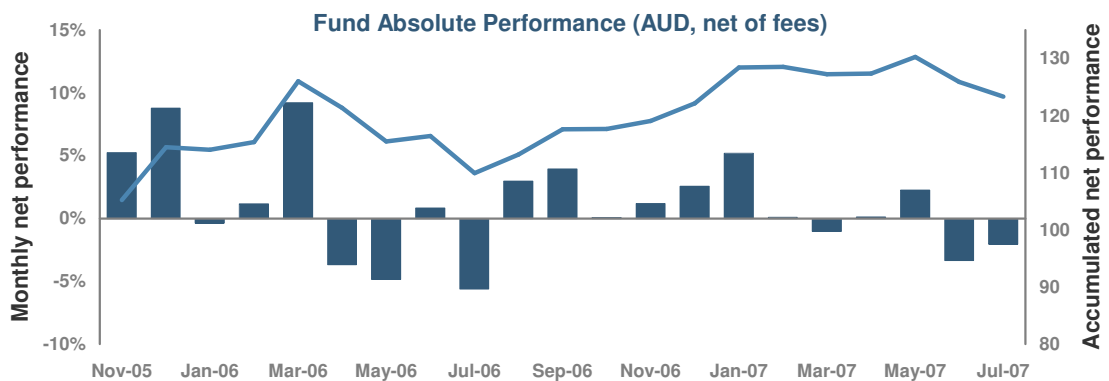
Accumulated Fund and Benchmark Performance



Monthly Fund Relative Performance



Monthly Fund Absolute Performance



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