

Pengana Global Small Companies Solution Performance Report

August 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	\$48.9 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%	-4.0%					-3.1%
Benchmark	4.4%	-2.6%	0.0%	-1.8%	1.5%	-3.5%	-4.4%	-2.2%					-8.7%
MSCI World	3.0%	-3.0%	0.0%	1.6%	4.1%	-4.3%	-2.2%	-0.1%					-1.2%
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

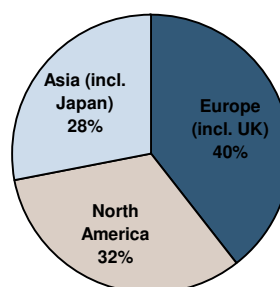
Fund Commentary

The fund dropped -4.02% in the month of August, lagging its benchmark which lost -2.19%. The tightening of credit conditions globally caused mixed reactions in small cap markets. Market volatility reached the highest level since 2003, and this has dampened the risk-taking appetite of many investors in credit securities.

In addition, some hedge funds, which use a variety of credit vehicles to leverage their capital, were driven to repay borrowed capital. In the short term this paradoxically boosted low quality stocks to higher levels, as stocks expected to decline were bought back to cover short positions. Some of the portfolios larger holdings performed poorly this month after strong runs in recent months.

From October 2007 we anticipate the fund will move to daily unit pricing.

Fund Allocation



Fund Performance (AUD, net of fees)

	1 Month	3 Months	1 Year	Financial Year to Date	Annualised Since Inception	Standard Deviation
Fund	-4.0%	-9.2%	4.6%	-6.0%	9.6%	14.0%
Benchmark	-2.2%	-9.8%	-5.1%	-6.5%	2.0%	13.7%
North America	-0.8%	-8.9%	4.3%	-6.0%	8.4%	14.2%
Benchmark	2.2%	-8.8%	-0.7%	-4.9%	4.1%	14.8%
Europe	-5.5%	-10.2%	31.4%	-6.2%	32.9%	14.3%
Benchmark	-3.3%	-9.6%	15.0%	-5.2%	22.8%	13.0%
Asia	-6.0%	-7.4%	-15.8%	-5.2%	-8.3%	21.8%
Benchmark	-5.4%	-11.2%	-25.9%	-9.6%	-18.2%	19.7%

Disclaimer

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North America

Manager	Cortina AM
Benchmark	Russell 2000
Fund Allocation	32.4%
Month return	-0.8%
Benchmark	2.2%

The US portfolio underperformed its benchmark for the first time this year. The tightening of credit conditions in the US caused mixed reactions in small cap markets. The mortgage lender Countrywide fell 45% and announced plans to layoff 12,000 employees or 20% of its staff. Hedge funds, which typically leverage their capital using a variety of credit vehicles, were largely driven to repay borrowed capital and cover their short positions in stocks expected to decline; this paradoxically drove low quality stocks to higher levels in the short term.

Top 5 positions

4.4%	Cbeyond Inc Com
4.0%	Crocs Inc Com
3.1%	SPSS Inc Com
2.4%	Blackbaud Inc Com
2.2%	Lawson Software Inc

Cortina have exploited the volatility to re-weight some existing positions, slightly increasing Technology and Healthcare holdings while decreasing Consumer Discretionary and Financials sector stocks. While there was no change in the names in the portfolio's top five holdings, the position in SPSS Inc was increased this month. SPSS is a predictive analytics technology provider that services corporations, academic institutions, healthcare providers and government agencies. It specialises in customer relationship management, fraud detection and patient outcome improvement.

Europe (including UK)

Manager	Munros CM
Benchmark	HSBC Europe
Fund Allocation	39.5%
Month return	-5.5%
Benchmark	-3.3%

European markets sold off sharply driven by ongoing sub-prime concerns, but rallied over the last ten days of August. The UK, Ireland and Denmark were the most resilient markets, while Portugal and the Netherlands fell heavily.

Top 5 positions

5.8%	Tanfield
4.6%	Newcourt
4.4%	Spice Holdings
4.3%	Ramirent
4.1%	LVL Medical

The portfolio's performance was boosted by a strong run from the building and construction materials manufacturer Kingspan, which rose +10.1%. Tullow Oil, an oil and gas producer, gained +3.5% as it continued to benefit from recent oil discoveries in Africa. The equipment rental companies Cramo and Ramirent, both based in Finland, fell sharply in August after strong runs in recent months. Munros remain confident in the business fundamentals of these companies.

The worst performing stock held in the portfolio was Klockner, a distributor and processor of steel, metals and plastics. Munros believe that its fall of -18.3% was due to volatility within the German market rather than stock specific factors.

Asia (including Japan)

Manager	Sparx AM
Benchmark	Topix / Jasdax
Fund Allocation	28.1%
Month return	-6.0%
Benchmark	-5.4%

Japan's economy contracted at almost twice the pace forecast by analysts in the second quarter of 2007. Gains in household spending helped counter a decline in business spending, while export growth was weak and industrial production has fallen since July.

Top 5 positions

10.6%	Tri Chemical Lab Inc
10.0%	Mimasu Semiconductor
9.9%	Shinwa Kaiun Kaisha Ltd
9.6%	Prestige International
7.1%	Hanwa Co Ltd

In August, market participants waited to take their lead from their US counterparts, this cautious approach driving small cap trading volumes to their lowest level this year.

Aeon Delight, a building facility maintenance and management company, made a positive contribution to the portfolio. The portfolio's largest holding Prestige International declined on news that its operating profit in the auto-related segment dropped by more than expected in Q1FY07. Sparx have met with the CEO of Prestige International, and feel that the company's outlook and fundamentals remain sound. This month the portfolio accumulated TriChemical Laboratories, an ultra fine chemical manufacturer with high earnings' growth potential supplying worldwide technology companies such as Intel and TMSI.

Sparx continue to cautiously increase positions in companies that have strong fundamentals and maintain their concentrated approach; nine positions in the fund are greater than 5% of the assets under management.

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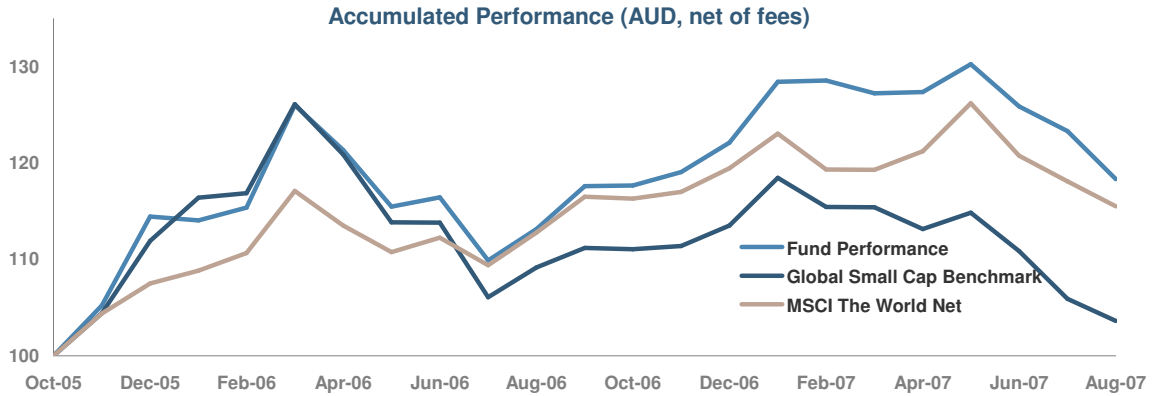
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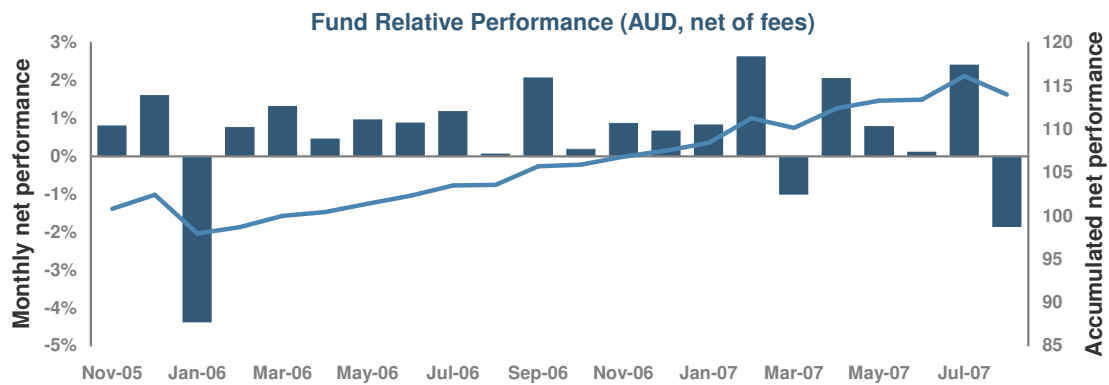
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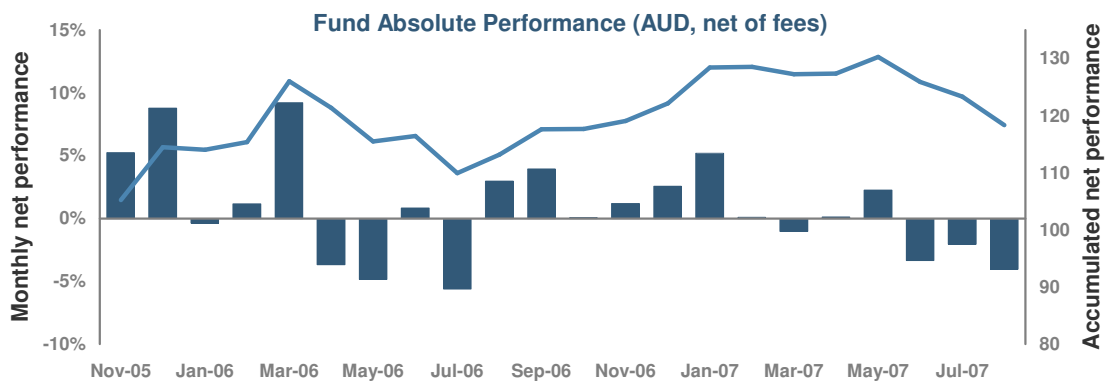
Accumulated Fund and Benchmark Performance



Monthly Fund Relative Performance



Monthly Fund Absolute Performance



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