



Pengana Global Volatility Fund

April 2008 Update

(Australian Feeder Fund)

Pengana Global Volatility Fund

The Pengana Global Volatility Fund seeks to provide investors with an actively traded derivative strategy focused on volatility. The Strategy trades in equity index futures, options and other volatility-based instruments and derives returns from mispricing of these instruments due to changes in volatility. It can assist with risk mitigation in a portfolio. The Strategy was established by Pengana and Alvin Wilkinson, and is managed by the Global Volatility team. The Strategy began trading in November 2007. Initially it will focus on the S&P 500 and be progressively expanded to trade other major indices.

Fund Features¹

Management Fees (monthly)	Class A: 2.0% p.a. Class B: 0.5% p.a.
Performance Fees (quarterly)	Class A: 20% Class B: 30%
Trustee Fee	0.2% per annum of the net asset value of the Fund
Inception Date	November 2007
Investor	Wholesale Clients only
Min. Initial Investment	\$100,000

Performance²

Net returns for period	Pengana Global Volatility Strategy (onshore)	
	Class A Shares	Class B Shares
November 2007	1.55%	-
December 2007	1.27%	-
January 2008	3.55%	3.54%
February 2008	2.58%	3.40%
March 2008	1.14%	0.74%
April 2008	1.17%	1.09%
3 Months to 30 April 08	4.97%	5.30%
Since inception, at 30 April 08³	11.78%	9.03%

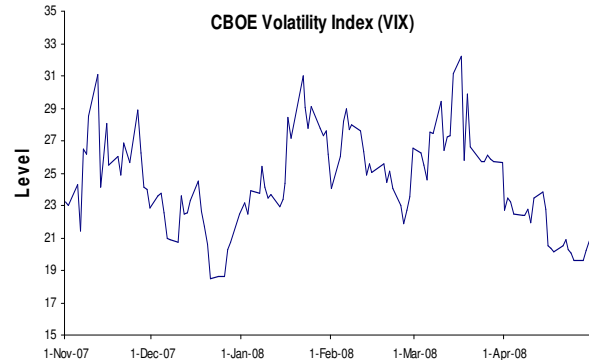
¹ All percentages are on a GST exclusive basis less applicable reduced input tax credits. Please refer to the Information Memorandum for a more detailed explanation.

² Total return performance figures are derived from Manager's records and are shown after management fees and performance fees, and assume reinvestment of income. Investments can go up and down. Past performance is not a reliable indicator of future performance.

³ Inception Dates: Class A Shares - November 2007, Class B Shares - January 2008

Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services licence number 226566) is the issuer of units in the Pengana Global Volatility Fund (the "Fund"). Only wholesale clients may invest in the Fund. An Information Memorandum for the Fund is available and can be obtained from our distribution team. A person should obtain a copy of the Information Memorandum and should consider the Information Memorandum carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana Capital Ltd and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana Capital Ltd nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund.

Portfolio Activity and Commentary



The Fed's prompt interest rate intervention in March initially caused some concern but has subsequently been judged to have been an appropriate reaction. The US equity market responded positively in April with the S&P500 appreciating by 4.9% on a total return basis. The VIX fell from 25.6 to 20.8, a 19% fall, reflecting the increased confidence of market participants.

The Fund returned 1.17% (net of all fees and expenses) for the month. The Fund's positioning was engineered to benefit from the declining volatility environment. A short vega position was maintained during the month, not across the board but in certain contracts. Delta was short and the Fund maintained its protection against a catastrophic event.

The positive return generated by the Fund despite a short delta position (short delta indicates a negative exposure to the underlying asset) illustrates that the key determinant of performance for the Fund is exposure to volatility, not the market. The heart of the strategy is understanding the sensitivity to volatility for different options, differentiating between expiry months and contracts within each expiry month.

Contact Details

For further information, please visit our website at www.pengana.com.au or contact:

Institutional Clients:

Denis Carroll +61 (0)2 8524 9974,
denis@pengana.com.au

Private Clients:

Juliet Dunworth +61(0)2 8524 9984,
juliet@pengana.com.au