



Pengana Global Volatility Fund

June 2008 Update

(Australian Feeder Fund)

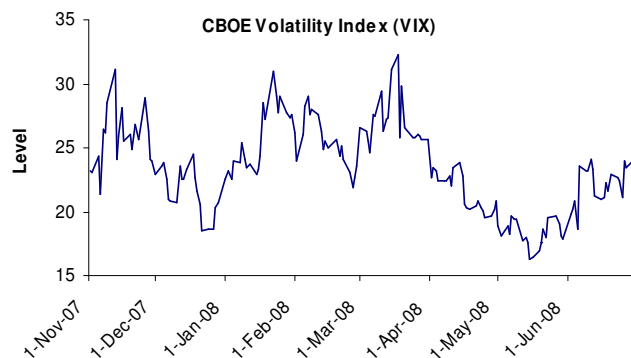
Pengana Global Volatility Fund

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 Alvin Wilkinson and Pengana, 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
Investors	Wholesale Clients only
Min. Initial Investment	\$100,000

Portfolio Activity and Commentary



The CBOE Volatility Index (VIX) rose by 34.3% during June, reflecting a clear change in sentiment within equity markets. The S&P 500 fell by -8.4%. In this negative environment for equities the Fund performed exceptionally well, generating a return of 5.76% for the Class A units.

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.

The portfolio was engineered to take advantage of the move from a stagnant market to a bearish one. The delta was managed along with the increasing volatility sensitivity within certain months. A combination of different positions built up over a number of months prospered from changes in the volatility term structures, generating strong returns. In addition, distortions in volatility curves due to the US Presidential Election have presented a number of profitable trading opportunities.

Protection was maintained at all times against a catastrophic event.

Performance (in AUD)²

Net returns for period ³	Pengana Global Volatility Strategy (onshore)	
	Class A Units	Class B Units
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%
May 2008	2.15%	1.94%
June 2008	5.76%	5.19%
Since inception⁴	20.76%	16.92%

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² Total return performance figures are derived from the 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 Performance for the period prior to the 1st of May 2008 is the performance of all underlying assets managed in the Pengana Global Volatility Strategy. Performance from 01 May 2008 is for the money managed in the Fund itself.

⁴ Inception Dates: Class A Units - 07 November 2007, Class B Units - 31 December 2007

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.