



MEDIA RELEASE

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For immediate release

Pengana Capital announces strategic expansion following grant of UK licence

Specialist Australian diversified funds management company Pengana Capital today announced the strategic expansion of its London office to capitalise on demand from European and North American investors.

Chief executive officer Russel Pillemer said the decision to ramp up the company's European operations followed Pengana's authorisation on February 1 by the UK's Financial Services Authority and the success of the Pengana Absolute Return Real Estate Fund (PARREF).

"Pengana is proactively building its offshore capacity and resources as part of its strategic focus on new business opportunities. We have identified core opportunities in the United Kingdom, North America and Western Europe, so these regions are of particular interest for us and require on-the-ground resources," Mr Pillemer said.

"As part of this process we are refining our distribution strategy to focus on our diverse range of traditional and hedge fund strategies domestically and internationally. We will no longer offer third-party marketing services.

"These decisions are a continuation of Pengana's evolution and dynamic growth as a nimble and innovative niche manager with international expertise in alternative assets, property securities, small companies and global bonds."

Pengana's UK-based director Stuart Stuckey has headhunted two European investment analysts, and is set to make key marketing, investment and administrative appointments in coming weeks. Pengana is shifting to new offices in New Bond St in London's Mayfair district.

Mr Pillemer said: "Demand from European investors for the Pengana Absolute Return Real Estate Fund, which has returned an annualised 17.7 per cent since its inception in August 2004, has driven the need to build our in-house marketing activities in London to better service our clients.



“Our global property hedge fund, now run from London, is at the forefront of property securities products internationally. Its success is generating strong global leads for other Pengana products and tailored solutions that achieve clients’ investment objectives.”

Mr Pillemer said Pengana's strategic realignment was consistent with the sale late last year of the listed incubator of external hedge funds, Pengana Hedge Funds. This has coincided with head of hedge funds distribution Damien Hatfield's decision to leave Pengana and move to a third-party marketing business.

“Damien has played an important part in Pengana's growth, especially in the company's establishment phase, and we wish him every success in his endeavours,” Mr Pillemer said.

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NOTES TO THE EDITORS:

About Pengana Capital Ltd

Pengana Capital Ltd ("Pengana") is a diversified funds management business with more than \$1.6 billion in funds under management through six funds and strategies – Pengana Property Securities Fund, Pengana Absolute Return Real Estate Fund, Pengana Emerging Companies Fund, Pengana Global Small Companies Solution, Pengana Global Diversified Bond Fund, and Santa Barbara Market Neutral Unit Trust (joint venture). The company is focused on delivering high-quality traditional and alternative funds management products to its clients.

Pengana is headquartered in Sydney, Australia, and also has offices in Melbourne and London. It is a subsidiary of Pengana Holdings Pty Ltd, which is wholly owned by the Directors and staff of Pengana.