



MEDIA RELEASE

May 1, 2008

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nabInvest takes stake in Pengana Capital

SYDNEY: National Australia Bank's direct investment management business, nabInvest, today announced its second fund manager partnership, taking a significant minority stake in diversified fund manager Pengana Holdings Pty Limited (PHPL). The majority of the company will continue to be owned by management, fund managers and directors.

Pengana Capital, the operating subsidiary of PHPL, has approximately \$2 billion in funds under management and currently offers a diverse range of market leading funds across several asset classes.

Pengana Capital will continue to be run as a stand-alone, independent business led by CEO Russel Pillemer.

Russel Pillemer, CEO of Pengana Capital said "with nabInvest as a strategic investor we are well placed to embark on our next phase of growth and continue to develop innovative new products."

"We are looking forward to expanding our market presence and offering our funds to new clients through the National Australia Bank," Mr Pillemer said.

Garry Mulcahy, CEO of nabInvest, said Pengana Capital was an attractive investment opportunity because it is a quality investment business with a proven business model.

"Pengana's success is linked to its ability to identify investment opportunities across a range of asset classes and attract best-in-class managers to capitalise on these opportunities," Mr Mulcahy said.

"A partnership with nabInvest will strengthen this capability and will support the ongoing development of new investment offers for both wholesale and retail clients."

George Frazis, NAB Group Executive General Manager, Development & New Business, said "this investment is an example of NAB's focus on identifying quality growth opportunities and leveraging our expertise in wealth management."

National Australia Bank launched nabInvest in November 2007 to build in house asset management capability and take substantial equity stakes in boutique investment firms.

This is nabInvest's second investment, the first being Northward Capital, launched in November 2007.

The consideration of the transaction is not material for NAB.

Pengana was advised by Lexicon Partners in this transaction.

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NOTES TO THE EDITORS:

About Pengana Capital Ltd

Pengana Capital Ltd ("Pengana") is a diversified funds management business with almost \$2 billion in funds under management through ten funds and strategies:

- Pengana Australian Equities Long Short Fund
- Pengana Core Fund
- Pengana Credo European Property Fund
- Pengana Emerging Companies Fund
- Pengana Global Diversified Bond Fund
- Pengana Global Resources Fund
- Pengana Global Small Companies Solution
- Pengana Global Volatility Fund
- Pengana Opportunistic Listed Property Strategy
- Pengana Property Securities Fund

Pengana is focused on delivering high-quality traditional and alternative funds management products to its clients.

Headquartered in Sydney, Australia, Pengana also has offices in Melbourne and London. It is a subsidiary of Pengana Holdings Pty Ltd. At the 2007 Standard & Poor's fund manager awards, The Pengana Global Volatility Fund won Innovative Product of the Year and the Pengana Emerging Companies Fund won the Australian Equities (Small Caps) award.

About National Australia Bank Group

National Australia Bank Group is an international financial services group that provides a comprehensive and integrated range of financial products and services. The business operating model is run along the following regional lines of business:

Australian Region - comprises Australian Banking and MLC;

United Kingdom Region - comprises United Kingdom Banking and Wealth Management United Kingdom;

New Zealand Region - comprises New Zealand Banking and Wealth Management New Zealand; and nabCapital (global).



Please note:

Investments can go up and down. Past performance is not a reliable indicator of future performance.

Securities in the Pengana Global Volatility Fund and the Pengana Global Resources Fund will only be available for acquisition by wholesale clients.

Pengana Capital Ltd (ABN 30 103 800 568, Australian Financial Services Licence No. 226566) ("Pengana") is the issuer of units in the Pengana Emerging Companies Fund (ARSN 111 894 510) ("Emerging Companies Fund"). A Product Disclosure Statement for the Emerging Companies Fund ("PDS") is available and can be obtained by contacting Pengana on (02) 8524 9900. A person who is considering investing in the Emerging Companies Fund should obtain a copy of the PDS and should consider the PDS carefully and consult with their financial adviser to determine whether the Emerging Companies Fund is appropriate for them before deciding whether to invest in it, or to continue to hold, the Emerging Companies Fund.

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 Pengana Global Volatility Fund, the Pengana Australian Equities Long/Short Fund or the Pengana Emerging Companies Fund.