

Pengana Capital launches new European Property Trust

11 April 2007 - Pengana Capital Ltd (Pengana) has today announced its establishment of a new European Property Trust which comprises a portfolio of German retail properties.

Russel Pillemer, Executive Chairman of Pengana said: "The Trust's objective is to provide investors with the opportunity to invest in stable income-producing diversified real estate located in Europe, with the potential for capital appreciation through active asset management."

The Pengana Credo European Property Trust was developed through a joint venture with the Credo Group - a UK based diversified financial services group specialising in acquiring and managing commercial properties. Establishment of the Trust signals a positive foundation for expansion and growth in this asset sector.

Gavin Rabinowitz, Managing Director of Credo said: "We believe this is an opportune time to invest in Europe. Key markets such as Germany are showing signs of economic recovery and the cost of debt finance is considerably lower than property yields. The European real estate market is also benefiting from a series of structural changes that continue to generate significant investment opportunities."

Alex Vynokur, Executive Director of the Pengana Credo joint venture, said: "Our aim is to target a portfolio of A\$1 billion in assets under management throughout Europe in the next few years."

Nab via its Structured Property Finance team, is lead manager for the offer. Units in the Trust will be offered to nab's institutional, business and private clients. The initial offer is seeking to raise A\$52.4 million to partially fund the acquisition of an interest in seed assets worth A\$158.5 million.

Arthur Psaltis, Managing Director of Structured Property Finance at nabCapital said: "We are looking to assist our clients to expand internationally whilst delivering quality managers and unique investment opportunities for the nab's customers. We will be seeing more activity offshore in the coming months as we focus on international expansion with our clients."

The Trust offers investors:

- Exposure to an initial portfolio of A\$158.5 million of retail properties (see note to editors section for more detail)
- Weighted average lease expiry 8.94 years by income
- Forecast distribution yields of 9.25% year end 30 June 2008 and 9.35% year end 30 June 2009
- The majority of income and capital is protected against fluctuations in the exchange rates
- Quarterly distributions

The offer opened on 2 April 2007 and is due to close mid May. Minimum investment in the Trust is A\$500,000. Investments may only be made under the Information Memorandum, a copy of which can be obtained from nabCapital.

Contact:

Pengana	(Australia)	Alex Vynokur	+61 2 8524 9900
Credo	(UK)	Gavin Rabinowitz	+44 207 291 3207
nabCapital	(Australia)	Bill Halmarick	+61 2 9237 1996

Note to editors:

About the Assets

The Initial Portfolio consists of three portfolios located in Germany and described in the table below. 97% of properties in the Initial Portfolio (by number) were constructed in the last 6 years.

INITIAL PORTFOLIO AS AT 2 APRIL 2007	DESCRIPTION	PURCHASE PRICE ^{1,2}	ESTIMATED NET INITIAL YIELD ³	MAJOR TENANTS
MARILYN PORTFOLIO	24 DISCOUNT SUPERMARKETS	€60.3million \$100.1million	6.13%	EDEKA, PLUS
TOOMBAUMARKT	DIY SUPERMARKET	€14.4 million \$23.9 million	6.95%	TOOMBAUMARKT
PEUGEOT PORTFOLIO	4 CAR SHOWROOMS	€20.8 million \$34.5 million	6.71%	PEUGEOT

1. Based on an Exchange Rate of €0.6026 to A\$1.00

2. Based on 100% interest. The Trust will acquire a 99.65% indirect interest in the Initial Portfolio

3. Estimated Net Initial Yield (based on historical yields) is based on the Trustee's current view of the Initial Portfolio's operating expenses. These figures exclude any current maintenance costs, capital expenditure, incentives or leasing commissions.

The tenants

The Initial Portfolio has a diverse tenant base. Major tenants include:

- The Edeka Group (a leading food retailer in Europe and the largest food retailer in Germany)
- Rewe Group (one of the leading food retailers in Europe and the second largest food retailer in Germany)
- Schwarz Group (Germany's second largest network of food discount retailers), Norma (a German discounter)
- Tengelmann (owns the third largest food discount retailer in Germany)
- Peugeot (Europe's second largest car manufacturer).

About the Trustee – 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. More information is available at www.pengana.com

About the Manager

The Manager is a joint venture between Pengana and the Credo Group. The Manager will provide management services to the Trustee (including the evaluation and execution of investment



opportunities) and asset management services in relation to the Initial Portfolio and any further properties acquired by the Trust.

Credo Group specialises in acquiring and managing commercial property in Europe and the UK. Credo has a strong track record in completing various European real estate transactions as well as in the ongoing management of properties and property funds. Credo currently has A\$1.8billion (£750m) in assets under management in Europe. www.credogroup.com