

Pengana Global Volatility Fund

January 2009 Update (Australian Feeder Fund)



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Fund Description

The Pengana Global Volatility Fund seeks to provide investors with a non directional actively traded derivative strategy focused on volatility. The Fund trades in North American equity index futures, options and other volatility-based instruments and derives returns from mispricing of these instruments due to changes in volatility. The strategy began trading in November 2007^{2,3} and is managed by a highly experienced team led by Alvin Wilkinson.

Fund Features

Style	Non-directional global volatility	Management Fees¹ (monthly)	Class A: 2.0% p.a. Class B: 0.5% p.a.
Investors	Wholesale Investors only	Performance Fees¹ (quarterly)	Class A: 20% Class B: 30%
Minimum Initial Investment Amount	A\$100,000	Trustee Fee¹	0.2% per annum of the net asset value of the Fund
Inception Date	November 2007 ^{2,3}	AUM at Month End	A\$61.8m

Fund Commentary

Fund Performance (Class A Units, in A\$, net of fees) ^{2,3,4}													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.7%												0.7%
2008	3.5%	2.6%	1.1%	1.2%	2.1%	5.8%	1.8%	1.1%	-38.3%	-17.1%	68.2%	0.3%	4.3%
2007											1.6%	1.3%	2.8%

Fund Performance (Class B Units, in A\$, net of fees) ^{2,3,4}													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.7%												0.7%
2008	3.5%	3.4%	0.7%	1.1%	1.9%	5.2%	1.7%	1.0%	-37.5%	-16.7%	66.7%	0.4%	4.6%

The Fund (Class A Units) generated a return of 0.7% in January. The annualized return since inception in November 2007 is 6.3%.

The Fund is positioned conservatively as we cautiously build the inventory to take advantage of genuine mispricing opportunities. We expect volatility to remain elevated for some time and have established trades to benefit from relative mispricing in short and medium term volatility. Market participants continue to bid up short term volatility as they seek to protect physical positions in a continually uncertain environment. The portfolio is structured to benefit from positive time decay and is carrying a low delta exposure.

Opportunities remain significant but we are cognizant of pricing issues and have scaled positions accordingly. It remains a very good environment for non directional volatility strategies.

Net Returns to 31 January 2009		
	Class A Units	Class B Units
3 months	69.9%	68.5%
6 months	-12.2%	-11.4%
1 year	1.4%	1.7%
Since inception p.a.	6.3%	4.9%

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

² The Fund began trading in May 2008. Performance for the period prior to May 2008 is the performance of all underlying assets managed in the Pengana Global Volatility Strategy. Performance from May 2008 is for the money managed in the Fund itself.

³ Inception Dates: Class A Units - 07 November 2007, Class B Units - 31 January 2007

⁴ 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.

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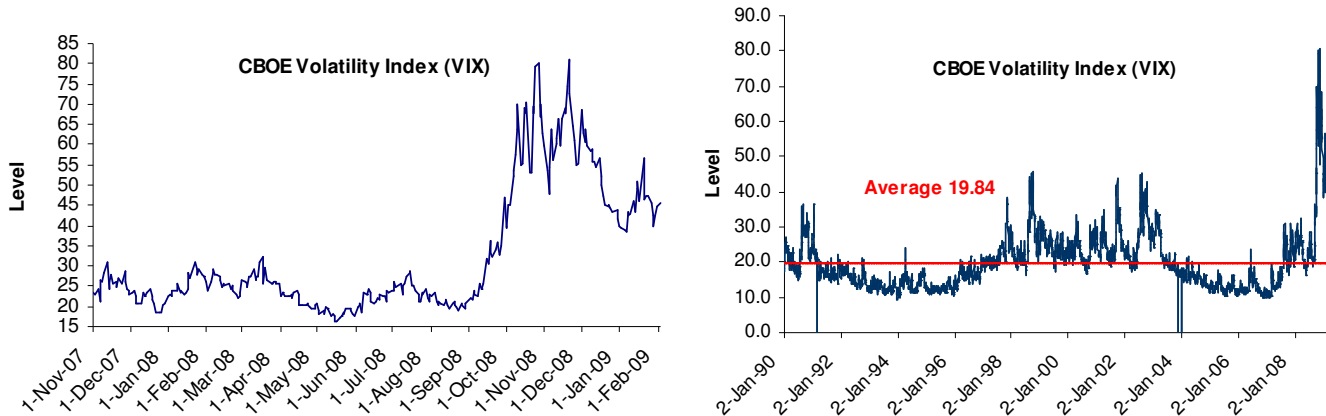


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Market Commentary

The VIX climbed steadily through the first half of the month, peaking at 56 before declining to end the month at 44. The S&P 500 fell by -8.4% as the US bailout stalled and investors focused on the likely timeframe for implementation.

CBOE Volatility Index (VIX)



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