

Pengana Global Volatility Fund

February 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\$61.9m

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%	0.4%											1.0%
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%	0.4%											1.1%
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 A\$ Class A Units in the Fund generated a return of 0.4% in February⁴. The annualized return since inception in November 2007 is 6.2%.

The Fund is positioned to take advantage of relative value trades between shorter term options. The inventory is focused on expiries between March 09 and June 09 as we seek to generate consistent performance from high probability trading opportunities. Longer term options are currently not a significant element in the portfolio. The delta (sensitivity to changes in the S&P 500) of the portfolio is close to neutral with positive time decay.

Net Returns to 28 February 2009 ^{2,3,4}		
	Class A Units	Class B Units
3 months	1.3%	1.5%
6 months	-12.9%	-11.8%
1 year	-0.8%	-1.2%
Since inception p.a.	6.2%	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 December 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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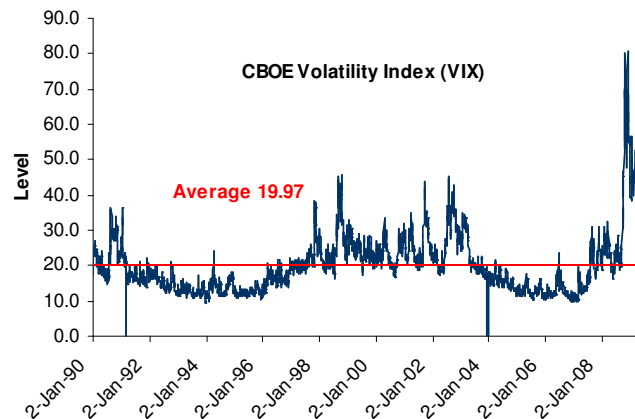
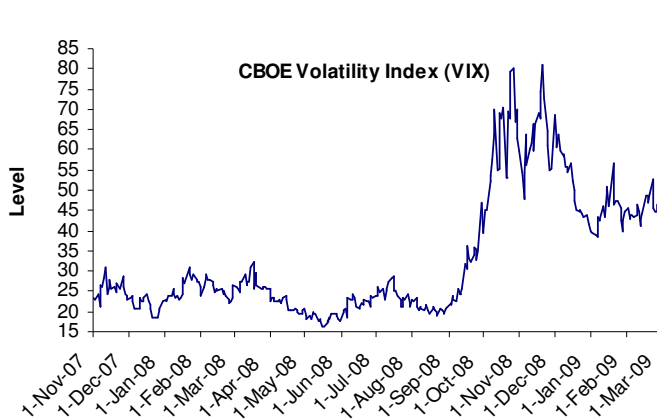


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Market Commentary

The VIX ended the month at 46.4, well above its long term average of 20.0. It ranged between a high of 52.6 and low of 41.2 during the month. We expect the VIX to remain at elevated levels for the foreseeable future. The S&P 500 had another poor month, falling by -10.7%.

CBOE Volatility Index (VIX)



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