

Pengana Global Volatility Fund

March 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\$82.8m

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%	0.4%	1.1%										2.2%
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%										2.3%
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 1.1% in March⁴. The annualized return since inception in November 2007 is 6.7%.

At month end the bulk of the Fund's inventory was in short dated put options. We continue to seek profit from the relative pricing of these contracts and hold positions in E-mini and S&P500 options on both the CME and CBOE. As these are short dated options, the extrinsic value (or time value) of these options will reduce in the near term as they near expiry and there will be less "speculative" value attached to them. At month end the volatility exposure of the Fund was negative and the sensitivity to market movements mildly positive. The Fund is trading well within its margin requirements.

Net Returns to 31 March 2009^{2,3,4}

	Class A Units	Class B Units
3 months	2.2%	2.3%
6 months	42.9%	42.6%
1 year	-0.8%	-0.8%
Since inception p.a.	6.7%	5.6%

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.

Pengana Global Volatility Fund

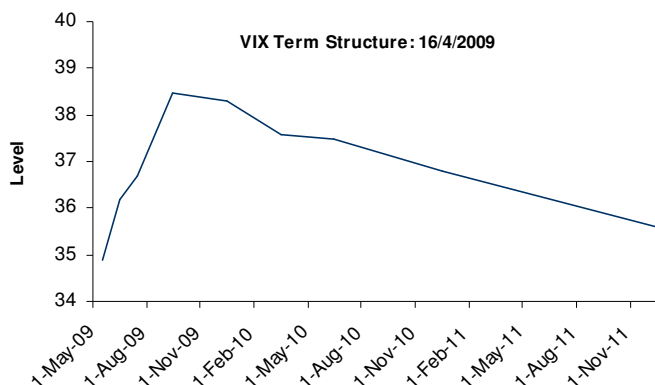
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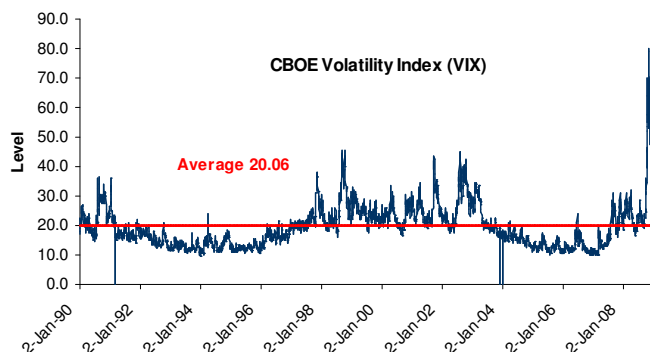
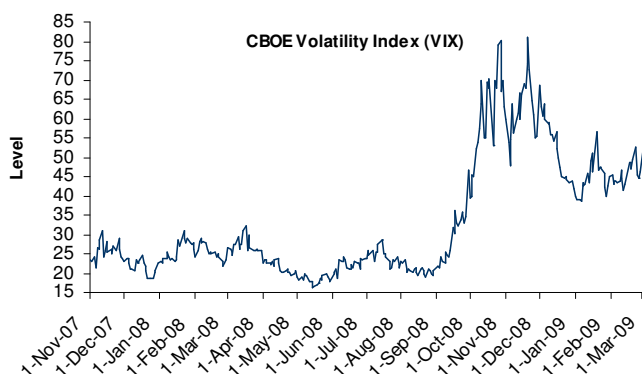
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Market Commentary

The VIX fell from 52.7 at the start of the month to 44.1 at month end. Equity markets rallied with the S&P 500 gaining 8.8%. The erratic daily movements in the S&P displayed little trend during the March rally. This is best exhibited by the fact that there were 10 out of 22 trading days where markets lost ground. The term structure of the VIX shows that volatility is expected to peak towards year end and then gradually decline over 2010 and 2011. It is expected to remain relatively high however; the implied volatility of December 2011 options is in excess of 35. The long term average of the VIX is 20.1.



CBOE Volatility Index (VIX)



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