Pengana Global Volatility Fund
June 2009 Update (Australian Feeder Fund)

PENGANA CAPITAL

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 Fees [1] (monthly)**	Class A: 2.0% p.a. Class B: 0.5% p.a.
Investors	Wholesale Investors only	**Performance Fees [1] (quarterly)**	Class A: 20% Class B: 30%
Minimum Initial Investment Amount	A$100,000	**Trustee Fee [1]**	0.2% per annum of the net asset value of the Fund
Inception Date	November 2007 [2, 3]	**FUM at Month End**	A$86.2m

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%	1.0%	1.2%	1.7%							**6.2%**
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%	1.1%	1.0%	1.4%							**5.9%**
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 1.7%[4] in June. The annualized return since inception in November 2007 is 8.1%[2,3,4].

The longer term spreads held by the Fund, generally constructed to be short near term volatility and long far term volatility, continue to generate consistent profits. Out of the money near term puts, which the Fund has shorted, also contributed to performance during the month. The Fund currently holds a low inventory but we will seek to develop further positions as market activity increases after the northern hemisphere summer.

Net Returns to 30 June 2009 [2,3,4]	Class A Units	Class B Units
3 months	4.0%	3.5%
6 months	6.2%	5.9%
1 year	-5.7%	-5.3%
Annualised since inception	**8.1% p.a.**	**7.1% p.a.**

[1] All percentages are on a GST exclusive basis net of 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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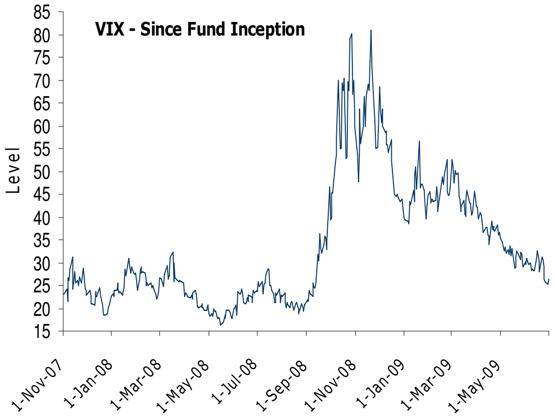
Market Commentary

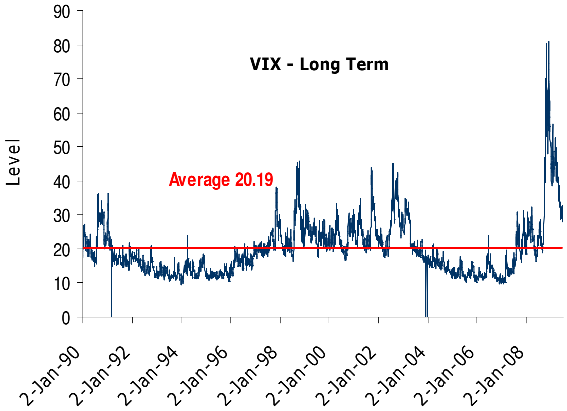
The VIX fell 8.9% from 28.9 to 26.4 during the month of June. This remains well above the long term average of around 20 and suggests a continued degree of wariness although the "disaster scenario" is no longer being priced in by the market. Tail risks are however still perceived to be present as indicated by the "skew". One way of measuring the skew is the cost of put options to hedge a 30% decline in the market compared to a 10% decline. This ratio remains high relative to historic values.

Implied volatilities have fallen despite the economic environment and company specific data remaining poor. One reason may be a reduction in participants in the option markets as some large investors have been forced to exit or have refocused on other asset classes. This also has liquidity implications, which will be exacerbated during the northern hemisphere summer holiday.

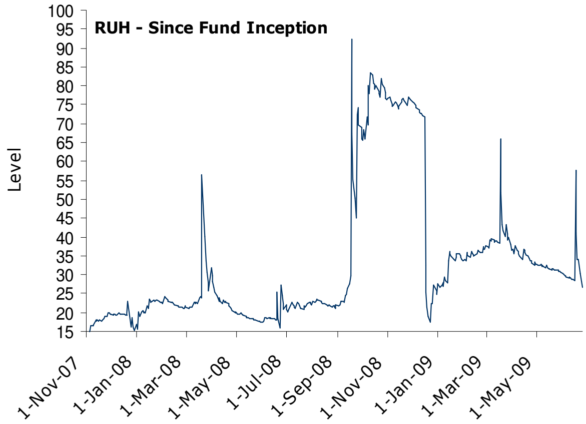
The term structure of the VIX has been flattening across expiries. The S&P 500 rose on 12 out of 22 trading days in June and ended the month largely unchanged. After consecutive months of gains, the market has been shaken by the World Bank downgrade to global growth and faltered towards month end.

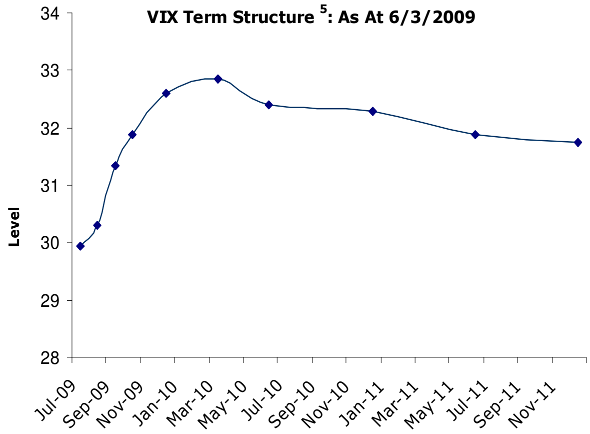
CBOE Volatility Index (VIX)





CBOE Realised Volatility (RUH) and Term Structure [5]





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[5] Term Structure describes the level of implied volatility for options in different expiry dates.