Pengana Global Resources Fund
September 2009 Update

PENGANA CAPITAL

Fund Description

The Pengana Global Resources Fund provides investors with equity exposure to companies within the global mining, energy, steel, commodities and associated services sectors. The Fund is managed out of Melbourne, Australia and uses multiple strategies to profit from inefficiencies in the pricing of companies in its investment universe. Among the strategies utilised by the Fund is the ability to be both long and short securities which allows market volatility to be better managed.

Fund Features

Style	Fundamental, Long bias, Long Short	**Management Fees [1] (monthly)**	1.5% p.a.
Fund Aim	To achieve a performance in excess of 15% p.a.[2]	**Performance Fees [1] (quarterly)**	20% of NAV above a prior high water mark
Investors	Wholesale Clients Only	**AUM at Month End**	A$5.76m
Minimum Initial Investment Amount	A$100,000	**Application Price at Month End**	A$1.4023
Inception Date	March 2007	**Redemption Price at Month End**	A$1.3910

Fund Commentary

Fund Performance (A$, net of fees) [3]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	2.43%	0.05%	0.45%	6.05%	6.01%	-2.35%	8.61%	0.24%	5.58%				**29.92%**
2008	-7.53%	8.67%	-2.68%	5.29%	6.20%	0.30%	-4.27%	-1.99%	-20.28%	-12.45%	-6.16%	-0.39%	**-32.87%**
2007			1.59%	4.91%	9.03%	11.51%	1.07%	-3.89%	10.84%	10.06%	-3.02%	0.16%	**49.13%**

- **Gold price breaks US$1000 an ounce**
- **Australia's Foreign Investment Review Board draws a line in the sand**
- **U.S. dollar continues its decline**

The gold price made a decisive break above US$1000 an ounce during September as the continuation of weakness in the US dollar buoyed investment sentiment towards gold. Copper, on the other hand, suffered only its second monthly fall in price year to date, finishing the month down 5.46%. However, the copper price has gained 111% so far this year with the lead price (+140%) the only major industrial metal to outperform it. News of the impending return to work at Vale's Sudbury nickel operations by striking workers dampened spirits of nickel speculators and as a result the price of nickel declined 11.53% during September. The price of nickel has gained 60% since the start of 2009. Of the other major commodities the oil price went up slightly (+0.93%) after OPEC decided to leave production quotas unchanged at its meeting in early September. Zinc continued to strengthen in price (+5.14%) and along with lead (+7.46%) continued to maintain price strength of recent months. The aluminium price softened during September, finishing down 1.52%.

During September the Fund increased its exposure to the energy sector adding new positions in Royal Dutch Shell Petroleum and BP as well as increasing its existing long position in Oil Search. In addition, we increased the portfolio's exposure to Rio Tinto, exited long positions in BC Iron, First Quantum Minerals, Boart Longyear, Century Aluminum and reduced positions in Newmont Mining, Citadel Resources Group and Mineral Deposits. As at the end of September the portfolio had a gross exposure of 104.6% and net long position of 76.2%.

[1] Including GST less any reduced tax input credits. Please refer to the Information Memorandum for a more detailed explanation.

[2] This is an objective only. No guarantee can be given that this objective will be achieved

[3] Net performance figures are shown after all fees and expenses, and assume reinvestment of distributions. Past performance is not a reliable indicator of future performance. The value of investments can go up and down.

Market Commentary

The insatiable appetite of the Chinese for Australian resources assets has been a key driver in restoring confidence to the resources sector after the fallout from the Global Financial Crisis. In September Australia's Foreign Investment Review Board (FIRB) imposed conditions on China Nonferrous Metal Mining Group's proposed takeover of Lynas Corporation which subsequently led to the offer being withdrawn. Significantly, FIRB appears to be taking a tougher stance on new foreign investment in greenfield projects with a maximum equity interest of 50% being used as the yardstick. With a number of deals still awaiting FIRB approval including the recently announced takeover of Felix Resources by Yanzhou Coal Mining Company it will be interesting to observe the approval rate of such impending transactions. Potentially, a sequence of FIRB disapprovals could lead to investors in the Australian resources sector re-assessing asset valuations in light of more onerous conditions being placed on foreign investors.

With the gold price showing strength, largely in response to the continued decline of the U.S. dollar, one of the world's largest gold mining companies, Barrick Gold Corporation, announced it would close out the remainder of its gold hedge book. In order to fund the closure of its hedge book Barrick Gold Corporation completed a US$4.0 billion equity raising during September. It is the intention of Barrick Gold Corporation to undertake the close out of hits gold hedge book in an orderly fashion over the next twelve months.

Portfolio Action

The net long position of the portfolio increased slightly during September from 76.2% as at the end of August to 77.3% as at the end of September. Whilst the net long position of the Fund increased the gross exposure decreased from 110.4% to 104.6% over the same period. During the month the Fund increased its exposure to the energy sector adding new positions in Royal Dutch Shell Petroleum and BP as well as increasing our existing long position in Oil Search. Away from the energy sector we increased the portfolio's exposure to Rio Tinto, exited long positions in BC Iron, First Quantum Minerals, Boart Longyear, Century Aluminum and reduced positions in Newmont Mining, Citadel Resources Group and Mineral Deposits.

In Australia, the S&P/ASX Metals and Mining Accumulation Index ended September with a gain of 2.97%. A gain of 5.85% in the price of gold buoyed the share prices of many gold companies. Perseus Mining (+38.64%), Mineral Deposits (+28.79%) and Medusa Mining (+26.36%) were all strong performers for the month. However, a strong gold price failed to propel some gold company share prices higher as stock specific issues outweighed the rise in commodity price. Apex Minerals (-43.01%), Avoca Resources (-15.14%) and Dominion Mining (-6.45%) all finished the month in negative territory despite a stronger gold price. Iron ore companies struggled against the backdrop of a weakening spot iron ore price with Fortescue Metals (-13.38%) and Murchison Metals (-14.60%) notable laggards for the month. The S&P/ASX Energy Accumulation Index returned 1.37% in September as uranium producers Paladin Energy (-2.18%) and Energy Resources of Australia (-3.04%) reflected a weakening spot uranium price. In the United States, the S&P Metals and Mining index gained 7.91% in September. In London the FTSE 350 Mining Index ended the month up 6.74% whilst the S&P/TSX Global Mining Index recorded a gain of 8.15%.

Key Contributors

Key contributors to the portfolio's performance during September included Mineral Deposits (+28.79%), Adamus Resources (+27.27%), Mineral Resources (+17%), Vale (+20.4%) and Xstrata (+11.62%).

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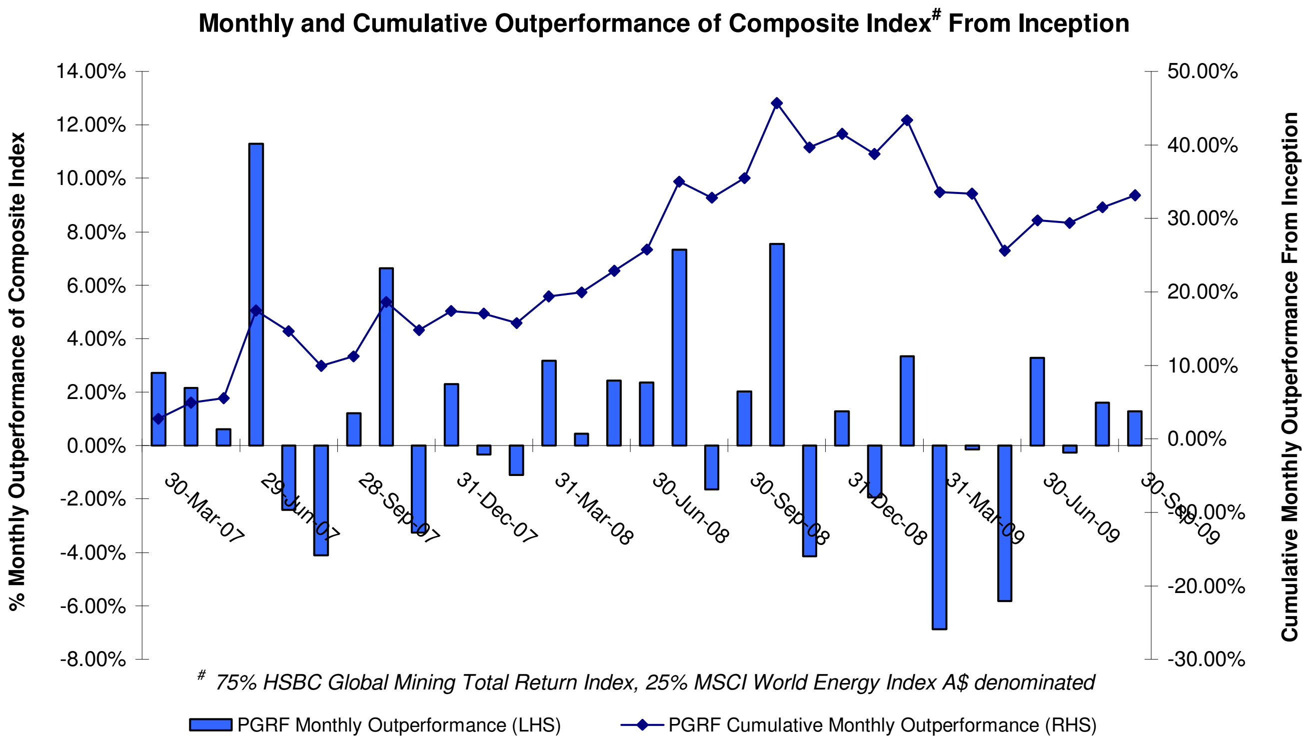
Fund Performance

Net Returns to 30 September 2009	Pengana Global Resources Fund	Composite Index *
1 Month	5.58%	4.29%
3 Months	14.94%	11.97%
6 Months	26.19%	25.48%
12 Months	6.33%	4.75%
Since inception[4]	**+30.06%**	**-6.73%**

*75% HSBC Global Mining Total Return Index, 25% MSCI World Energy Index denominated in AUD

Pengana Global Resources Fund – Monthly and Cumulative Outperformance of Composite Index * From Inception.



4 Inception date: March 2007, launch date: September 2007. March 2007 – September 2007: Performance of internal fund seeded by Pengana Capital. Past performance is not a reliable indicator of future performance. The value of investments can go up and down

Commodity Price Changes for September 2009

Commodity	US$ Price Change	A$ Price Change	€ Price Change
Oil	0.93%	-3.59%	-1.15%
Gold	5.85%	1.33%	3.77%
Copper	-5.46%	-9.98%	-7.54%
Aluminium	-1.52%	-6.04%	-3.60%
Zinc	5.14%	0.62%	3.06%
Nickel	-11.53%	-16.05%	-13.61%
Lead	7.46%	2.94%	5.38%
Tin	4.90%	0.38%	2.82%

Portfolio Structure (as at end of September 2009)	
Number of Stocks	44
Gross Exposure	104.6%
Net Long Exposure	77.3%
Breakdown by Strategy	Pairs 29.50% Directional Long 82.92% Directional Short -12.42%

Top 5 Positions (in alphabetical order)
Anglo American
BHP Billiton
Rio Tinto
Vale
Xstrata

Contact Details

Pengana Capital Limited ▪ Level 29, 20 Bond Street, Sydney, NSW 2000, Australia ▪ T +61 2 8524 9900 ▪ F +61 2 8524 9901
ABN 30 103 800 568, AFSL 226566

For further information, please visit our website at www.pengana.com or contact:

Institutional Clients: Denis Carroll, +61 2 8524 9974, denis.carroll@pengana.com

Private Clients: Juliet Dunworth, +61 2 8524 9984, juliet.dunworth@pengana.com

Advisors: Justin Brooks, +61 3 8663 7906, justin.brooks@pengana.com

Singapore: Douglas Isles, +65 6593 6023, Douglas.Isles@pengana.com

Europe: Ian Fisher, +44 7899 991 512, Ian.fisher@pengana.com