

Pengana Global Bond Fund

April 2010 Update, by Greg Clarke



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Fund Description

The Pengana Global Bond Fund (the Fund) uses a multi manager approach, investing with investment specialists in different debt asset classes to produce a global diversified bond portfolio. The characteristics of debt instruments vary widely requiring particular expertise for active management. Pengana has selected investment managers that demonstrate a superior understanding of the instruments in which they invest and the markets they trade in. The Fund currently invests in government issued securities, corporate debt, mortgages, bank loans and cash. The Fund's investments are managed within ranges to allow the Fund to take advantage of investment opportunities and manage risk. The exposure to international debt investments is hedged back into Australian dollars with the intention of limiting the Fund's exposure to currency risk.

Fund Features

Style	Multi manager	Management Fees ¹ (monthly)	Class A: 0.25%; Class B: 0% p.a.
Fund Benchmark	Barclays Global Aggregate Index	Performance Fees ¹ (quarterly)	Class A: 10%; Class B: 20% p.a. (plus GST net of RITC) over benchmark, net of fees
Fund Objective	To outperform, on an after fees basis and assuming distribution re-investment, the Fund Benchmark over rolling 5 year periods with lower risk	Underlying Manager Costs	Underlying investment management fees will not exceed 2% p.a. In addition, underlying managers may charge performance fees
Fund Structure	Australian unregistered wholesale fund with monthly pricing	Income Distribution	Annual
Minimum Initial Investment Amount	A\$25,000	Buy/Sell spread	0.10% / 0.10%
Inception Date	May 2009	Assets Under Management	A\$221.1*

Fund Commentary

Fund Performance (Class A Units, A\$, net of fees and after reinvestment of distributions) ²													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	1.0%	0.6%	1.9%	1.1%*									4.5%*
2009					1.6%	0.5%	1.5%	1.4%	1.1%	0.7%	0.5%	0.7%	8.2%
Fund Performance (Class B Units, A\$, net of fees and after reinvestment of distributions) ²													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	1.1%	0.6%	1.8%	1.1%*									4.5%*
2009										0.7%	0.5%	0.6%	1.8%
Barclays Global Aggregate Index (A\$)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	1.4%	0.8%	0.6%	0.9%									3.6%
2009					0.4%	1.1%	1.5%	1.3%	1.0%	0.5%	1.3%	-0.6%	6.7%

*Manager estimate. This may change.

The Fund returned 1.1%*² (Class A) for the month of April and outperformed the Barclays Global Aggregate Index (BGAI), which delivered a return of 0.9%. The Fund has delivered a return of 13.3%*² since its inception in May 2009 outperforming the BGAI return of 10.5%.

The European sovereign debt crisis worsened towards the end of April. Greek debt suffered as S&P cut the nation's credit rating three levels to BB+ (to speculative grade status). Portugal was also downgraded two notches to A- and Spain one notch to AA. Sovereign CDS spreads for the weaker euro area members are widening, while regional bank stocks (as well as global stocks) and the euro are also being negatively impacted. Investors have flocked to safe-havens, including gold and US Treasuries.

All asset classes contributed to performance with meaningful contributions from the Fund's exposure to Treasuries, investment grade credit and bank loans. The Fund's defensive position in US 10 Year Treasuries benefited from a rally in yields on the back of European sovereign debt concerns. This justified our position of balancing exposures to risk assets while being cognisant of risks within the debt markets.

¹ Plus GST net of reduced input tax credits. Please refer to the Information Memorandum for more detail.

² Past performance is not a reliable indicator of future performance. The value of investments may rise and fall

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Pengana Global Bond Fund

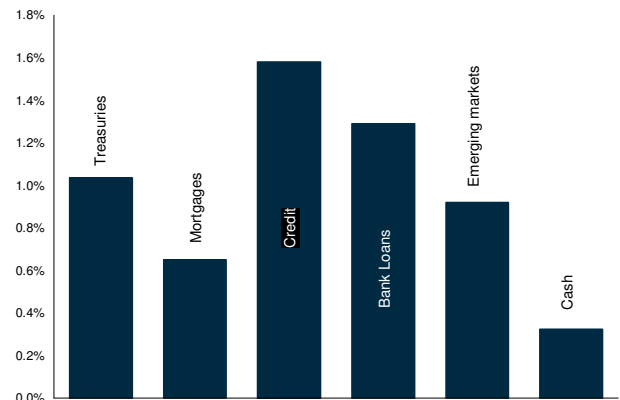
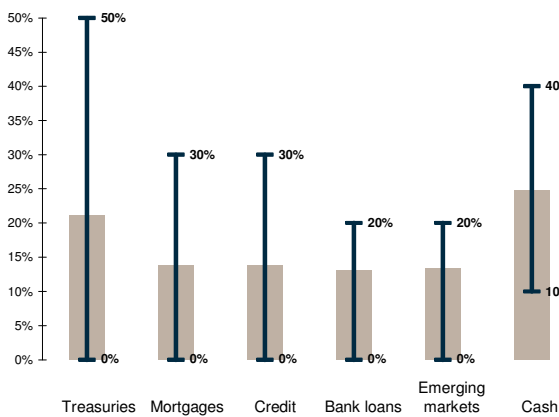
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While risk assets came under pressure both the corporate debt portfolio and the bank loan portfolio benefited from quality biases. Valuations for spread asset classes (with the exception of agency mortgages) continue to be in line with fundamentals. The portfolio is underweight mortgages and overweight bank loans. Corporate credit spreads should continue to benefit from recovering profitability on the back of a good first quarter reporting season. Nonetheless the portfolio retains quality biases in both the credit and loan portfolios as default risks remain.

Emerging markets have held up relatively well supporting the view that investors perceive that there is lower sovereign risk in many emerging countries. Local currency debt issuance continues to be strong. Risks to the positive sentiment emanate mainly from monetary policy tightening in China. The portfolio retains an overweight to emerging market bonds.

Current Asset Allocation and Ranges* Performance by Asset Class – April 2010**

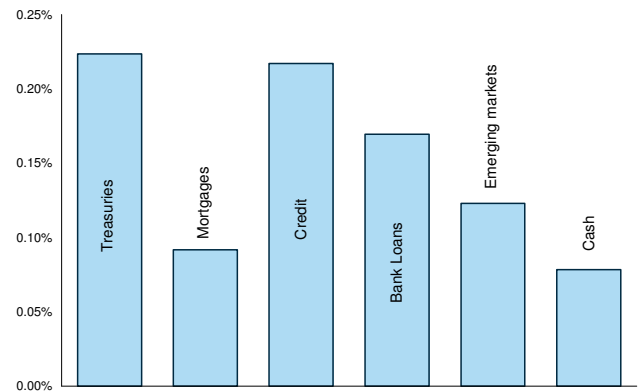
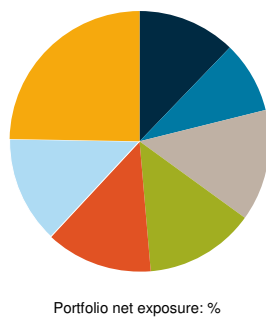


* Adjusted for applications/redemptions and manager changes at month end.

** Manager Estimate. These may change.

Manager Allocations by Asset Class*** Attribution by Asset Class – April 2010****

- Treasuries Manager 1 / 12.3%
- Treasuries Futures / 8.8%
- Mortgages / 13.8%
- Investment Grade / 13.8%
- Bank Loans / 13.1%
- Emerging markets / 13.4%
- Cash / 24.8%



*** Adjusted for applications/redemptions and manager changes at month end.

**** Manager estimate. Attribution is indicative only and may change.

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