

Pengana Global Resources Fund

April 2010 Update



1 of 4

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)	1.54% p.a.
Fund Aim	To achieve a performance in excess of 15% p.a. ²	Performance Fees ¹ (quarterly)	20.5% of the performance above the Index*
Investors	Open	AUM at Month End	A\$4.42m
Minimum Initial Investment Amount	A\$20,000	Application Price at Month End	A\$1.6839
Inception Date	March 2007	Redemption Price at Month End	A\$1.6704
Index*	*75% HSBC Global Mining Total Return Index, 25% MSCI World Energy Accumulation Index denominated in AUD	Identification Code(s)	ARSN 142 322 361 APIR PCL0003AU

Fund Commentary

Fund Performance (A\$, net of fees) ³													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-5.88%	0.54%	9.79%	-1.91%									1.91%
2009	2.43%	0.05%	0.45%	6.05%	6.01%	-2.35%	8.61%	0.24%	5.58%	1.70%	9.88%	5.44%	53.07%
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%

- **Copper price fell 5.94%, gold price rose 5.94%.**
- **Economic releases in the United States buoy confidence**
- **Gulf of Mexico oil spill by BP the worst in 20 years**

In April, commodity price movements were mixed as a result of diminished confidence in the global economic outlook. The lingering debt issues associated with the Greek economy and possible contagion to other parts of the European Union were major influences in increasing the uncertain tone of markets during the month. Heightened risk surrounding the length and magnitude of a possible slow-down in Chinese economic growth also proved a headwind for commodity markets. The copper price was the worst performing of major commodities during the month falling 5.94%. Other commodities to register falls in price during the month included zinc (-4.41%), aluminium (-4.55%) and tin (-1.42%). The news was not all negative on the commodity front with nickel consolidating recent gains (+3.45%) and lead (+2.64%). The gold price (+5.94%) benefited from increased investor uncertainty and stronger economic data out of the United States (the world's largest consumer of oil) buoyed the oil price (2.85%).

With investor risk appetite diminishing due to a lack of resolution of the Greek debt crisis along with concerns about the sustainability of Chinese economic growth we moved the net long position of the Fund to 73.5%, down from 82.1% a month earlier. During the month we lightened the portfolio's exposure to energy by exiting long positions in Energy Resources of Australia and Peabody Energy Corporation. In addition, we reduced the Fund's exposure to Rio Tinto, Atlas Iron and Mincor Resources, using recent share price strength to lock in profits. During April, Matrix Composites and Engineering raised additional equity through an institutional placement which the Fund participated in.

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.

Pengana Global Resources Fund

April 2010 Update



2 of 4

Market Commentary

The second quarter of 2010 for markets started well. Confidence in an economic recovery in the U.S. continues to grow as U.S. manufacturing activity in March rose to the highest level in over 5.5 years. Permits to build new U.S. homes hit a 17 month peak and U.S. wholesale inventories rose more than expected, reinforcing conviction in an improving economy. By the end of April, it was reported that the U.S. economy expanded at an annualised rate of 3.2% in the first quarter, the fastest pace in three years.

U.K. manufacturing expanded at its fastest pace since 1994. China's industrial sector continued to grow, also providing a boon for its neighbours, with South Korean and Japanese export growth (largely auto-sales) stronger than expected.

China's Central Bank reported that it expects the U.S. dollar to strengthen this year and raised the spectre of world-wide asset bubbles and inflation if liquidity measures weren't properly addressed as the real economy recovered. Later in April, China reported an annual growth rate of 11.9% for the first quarter 2010, prompting fears of tighter policy to prevent its economy overheating.

After Easter, investors battered Greece over reports it was seeking billions of Euros and wanting to amend terms of an EU/IMF "safety net", pushing Greek borrowing costs to a record Euro high. Despite this, Greece's insistence to borrow from markets and use the "Safety net" as a last resort (which itself was sketchy on details) saw market scepticism reverberate around the globe. European officials finally agreed on the terms of a financial rescue for Greece. However, the news bought only momentary relief to financial markets as Fitch Ratings cut Greece's credit rating to BBB minus, its lowest investment grade rating and signalled the possibility of further downgrades.

In this environment of uncertainty, the US Securities and Exchange commission accused Goldman Sachs of duping clients by betting against a sub-prime mortgage product it helped create. Four days later, Britain also launched a probe into this alleged fraud. Concerns over the US financial system and regulatory changes further weighed on global markets.

Agreement on a U.S.\$1trillion emergency rescue package for the EU quelled (near term) fears a new credit crisis would derail European economies and potentially the global economic recovery.

Executives for BP and other companies involved in the Gulf of Mexico oil spill, potentially the largest in US history at 5000bopd, were grilled by members of the US Senate Energy Committee.

Portfolio Action

As at the end of April the Fund's net long position was 73.5%, down from 82.1% at the end of March. The gross exposure of the Fund was 120.0% at the end of April, up from 117.9% as at the end of March. During April the Fund sold its long positions in Energy Resources of Australia, Mincor Resources and Peabody Energy Corporation. In addition, the Fund reduced its exposure in Atlas Iron and Rio Tinto as well as increasing its exposure to Matrix Composites and Engineering. The S&P/ASX Metals and Mining Accumulation Index fell 4.48% in April whilst the FTSE 350 Mining Index fell 4.24%. In North America, the S&P500 Metals & Mining Index fell 8.81% and the S&P/TSX Global Mining Index fell 1.81%.

Key Contributors

Key contributors to the portfolio's performance during April included Lihir Gold (+25.74%), Matrix Composites and Engineering (+16.46%), Medusa Mining (24.54%) and Rio Tinto (-13.47%).

Fund Performance

Net Returns to 30 April 2010	Pengana Global Resources Fund	Composite Index *
1 Month	-1.91%	-2.00%
3 Months	8.28%	8.65%
6 Months	18.07%	13.75%
12 Months	42.88%	32.42%
Since inception ⁴	+15.12% p.a.	+1.78% p.a.

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

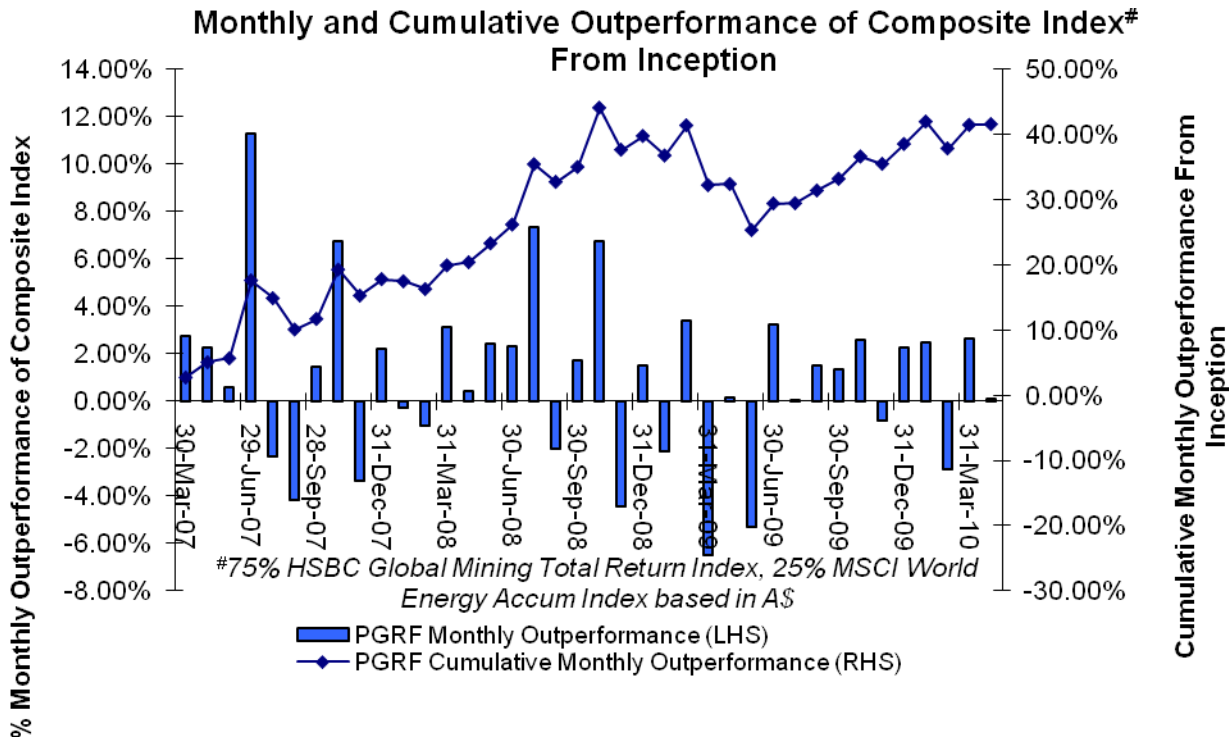
⁴ Inception date: March 2007, launch date: September 2007. March 2007 – September 2007: Performance of internal fund seeded by Pengana Capital. Past performance is not a reliable indicator of future performance. The value of investments can go up and down

Pengana Global Resources Fund

April 2010 Update



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



Commodity Price Changes for April 2010

Commodity	US\$ Price Change	A\$ Price Change	€ Price Change
Oil	2.99%	2.25%	4.56%
Gold	5.94%	5.20%	7.51%
Copper	-5.94%	-6.68%	-4.37%
Aluminium	-4.55%	-5.29%	-2.98%
Zinc	-4.41%	-5.15%	-2.84%
Nickel	3.45%	2.71%	5.02%
Lead	2.64%	1.90%	4.21%
Tin	8.19%	7.45%	9.76%

Portfolio Structure (as at end of April 2010)

Number of Stocks	41
Gross Exposure	120.0%
Net Long Exposure	73.5%
Breakdown by Strategy	Pairs 31.43% Directional Long 72.25% Directional Short -3.68%

Top 5 Positions (in alphabetical order)

BHP Billiton
Matrix Composites and Engineering
Rio Tinto
Vale
Xstrata

Pengana Global Resources Fund

April 2010 Update



4 of 4

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