

Pengana Global Bond Fund

April 2011 Update, by Greg Clarke



1 of 2

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\$243.5*

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
2011	0.6%	0.7%	0.8%	1.1%*									3.3%*
2010	1.0%	0.6%	1.9%	1.1%	-0.1%	1.0%	0.6%	1.1%	1.2%	0.9%	-0.2%	-0.1%	9.2%
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
2011	0.6%	0.7%	0.8%	1.1%*									3.3%*
2010	1.1%	0.6%	1.8%	1.1%	-0.1%	1.0%	0.7%	1.1%	1.3%	1.0%	-0.2%	0.0%	9.5%
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
2011	0.1%	0.5%	0.3%	1.2%									2.2%
2010	1.4%	0.8%	0.6%	0.9%	1.2%	1.2%	1.1%	2.1%	0.2%	0.3%	-0.7%	0.0%	9.3%
2009					0.4%	1.1%	1.5%	1.3%	1.0%	0.5%	1.3%	-0.6%	6.7%

*Manager estimate, this may change. Net of fees and after reinvestment of distributions.

The Class A units delivered a return of 1.1%*² in April, marginally underperforming the benchmark return of 1.2%. Since inception the Class A units of the Fund have returned 10.5%pa*² versus the benchmark return of 9.1%pa. In an absolute sense all parts of the portfolio contributed to performance for the month. On a relative basis an overweight to cash and bank loans and an underweight to mortgages detracted from performance. However this was largely offset by an overweight to emerging markets which performed strongly in April.

At the global macro level, economic activity in the US softened in Q1 2011 to 1.8% after posting an increase of 3.1% in Q4 2010. The main cause was a fall in consumer spending as inflation and high commodity prices erode consumers spending power. Consequently, US yields rallied with the US Benchmark 10 Year yield finishing at 3.29% down from 3.47%. In Europe, Portugal followed Greece and Ireland in asking for financial assistance as the sovereign debt crisis continued to affect peripheral European

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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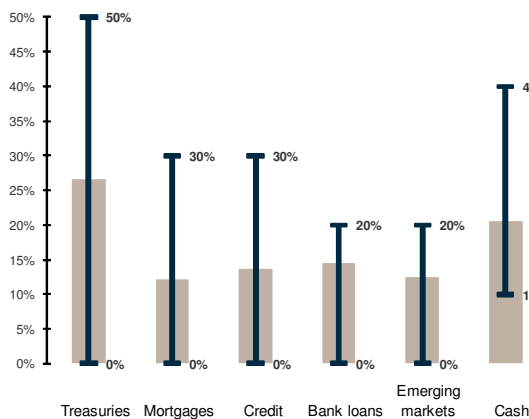
2 of 2

nations. The ECB delivered its much anticipated interest rate hike of 25bps as Europe continues to experience multi speed growth. Germany has strong growth whereas the peripheral nations continue to contract.

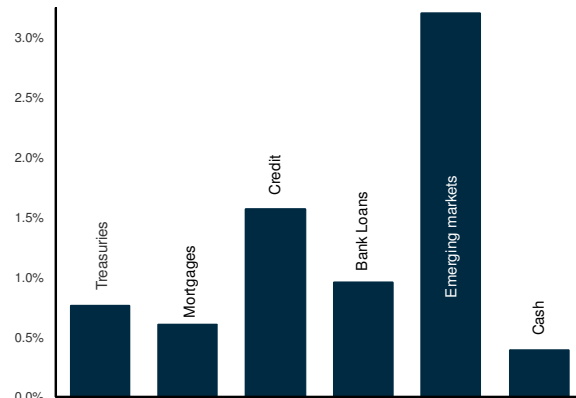
Credit markets and other spread asset classes followed treasury yields down with spreads holding up well. Consequently, corporate bonds and mortgages outperformed. Despite a softening in global growth, the corporate outlook remains positive with balance sheets in good shape.

April was a strong month for emerging market debt with continued low levels of volatility. EM economies continue to perform strongly. They have strong fundamentals, remain fiscally sound and have strong domestic economies. Growth has inevitably led to inflation, particularly in Asian Emerging Markets, and central banks are taking measures to combat this. The month saw a host of interest rate rises, including a hike from China, the second rise this year.

Current asset allocation and ranges*



Monthly performance by asset class**

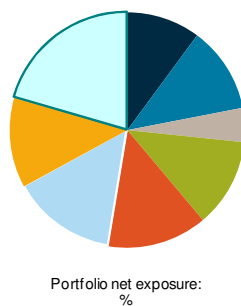


* Adjusted for applications/redemptions and manager changes at month end.

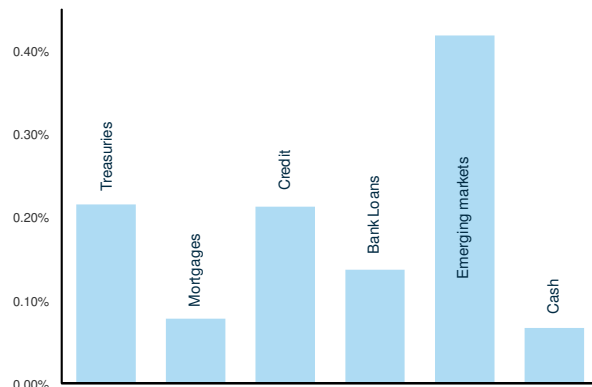
** Manager Estimate. These may change.

Manager allocations by asset class***

- Treasuries - Relative Value / 10.1%
- Treasuries - Futures / 11.9%
- Municipal / 4.7%
- Mortgages - Relative Value / 12.2%
- Investment Grade / 13.7%
- Bank Loans / 14.5%
- Emerging markets / 12.4%
- Cash / 20.5%



Monthly attribution by asset class****



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

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

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