

Pengana Global Resources Fund

June 2011 Update



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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\$6.95m
Minimum Initial Investment Amount	A\$20,000	Application Price at Month End	A\$2.1221
Inception Date	March 2007	Redemption Price at Month End	A\$2.1094
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
2011	2.19%	0.96%	-1.15%	-0.13%	-1.37%	-1.60%							-1.16%
2010	-5.88%	0.54%	9.79%	-1.91%	-2.05%	-3.66%	3.94%	2.50%	7.93%	5.25%	5.01%	6.43%	30.07%
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%

The Fund returned -1.60%³ for the month ending June 2011, versus the index* which fell 2.76% for the period. **Since inception (March 2007), the Fund has returned a net, compounding 16.94% p.a.³ versus the index* up 2.60% p.a.**

The Managers believe now is an opportune time for a long-term investment in resources. While inherently difficult to “time” markets, the recent correction in the resources market, (which the strategy has weathered well) has been in part seasonal but importantly flushed speculative investment from the asset class, leaving equity valuations at attractive levels.

Longer term trends of industrialization and urbanization continue in developing economies which support demand growth for commodities. Growth in supply of commodities is being impacted by skilled labour shortages, falling discovery rates, geopolitical and infrastructure challenges and escalating input costs that also reflect industry maturation. Importantly, supply and demand fundamentals support an investment in resources and should not be confused with short run speculative volatility in commodity pricing.

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.

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The Month Ending 30 June 2011

Concerns about a possible default by Greece on its sovereign debt led to a cautious stance being adopted by investors during June. As a result, June was a mixed month for commodity prices. Lead (+3.53%), zinc (+2.89%) and copper (+0.83%) all finished the month higher. On the other hand, tin (-7.48%), oil (-7.34%), aluminium (-5.29%) and gold (-2.21%) lost ground during June. For the 2011 calendar year to date oil is up 4.14% despite a large pull-back in June and gold has gained 5.73% since the end of 2010. Zinc (-4.83%), copper (-4.50%), nickel (-7.35%) and tin (-3.88%) have all lost ground for the year to date as concerns about the strength of the global economic recovery negatively impacted investor sentiment towards commodities.

Market Commentary

Markets have endured a tumultuous start to 2011. Significant headwinds in the form of European sovereign debt issues, in particular the threat of Greek default, the impact of the Japanese earthquake and tsunami, unwinding of the U.S. Federal Reserve's quantitative easing and continued tightening measures in China. Overall, resource related companies have weathered the storm reasonably well with the S&P/ASX 300 Resources Accumulation Index down 5.34% year to date. In comparison the FTSE 350 Mining Index is down 6.15% in local currency terms, the S&P500 Metals & Mining Index is down 6.45% and S&P/TSX Global Mining Index is down 9.12%.

Looking forward, the factors mentioned previously will have a dampening impact on global economic growth for 2011. However, growth momentum should be starting to accelerate in the fourth quarter as supply chain disruptions due to the Japanese tsunami and earthquake begin to clear, a way forward regarding European sovereign debt issues becomes clearer and China's continued monetary tightening measures dissipate. In the near term, however, investors will closely scrutinize company financial reporting for the period ended June 30. Specifically, operating costs, the ability of companies to produce at budgeted rates, the impact of currency movements as well as capital expenditure will be key areas of focus. Domestically, the impending announcement of the Australian government's Carbon Tax/Emissions Trading Scheme will shed some light on the likely profitability impact for steel makers, aluminium/alumina producers and coal producers in particular.

Whilst challenges for the global economy remain in a post Global Financial Crisis environment the outlook for resource equities continues to be appealing. Longer term trends of industrialization and urbanization continue in developing economies and as a result support continued demand growth for commodities. Growth in supply of commodities is being impacted by skilled labour shortages, escalating input costs, changing regulatory and fiscal regimes. Valuations on the whole, remain at compelling levels and merger and acquisition activity should continue to underpin market confidence in valuations moving forward.

Portfolio Action

As at the end of June, the net long position of the Fund was 59.8%, up from 58.7% as at the end of May. The gross exposure of the Fund was 85.2%, down from 87.3% a month earlier. In June the Fund exited its shareholding in Aquarius Platinum and reduced the holding in Tiger Resources. In addition, the Fund initiated a new long position in Mineral Deposits. The S&P/Metals and Mining Accumulation Index fell 2.65% in June while the FTSE 350 Mining Index gained 1.60% in local currency terms. In North America, the S&P500 Metals & Mining Index fell 1.14% and the S&P/TSX Global Mining Index fell 3.31%.

Key Contributors

Key contributors to the portfolio's performance during June included Antofagasta (+4.89%), Bathurst Resources (-19.29%), BHP Billiton (+1.26%) and Woodside Petroleum (-12.07%).

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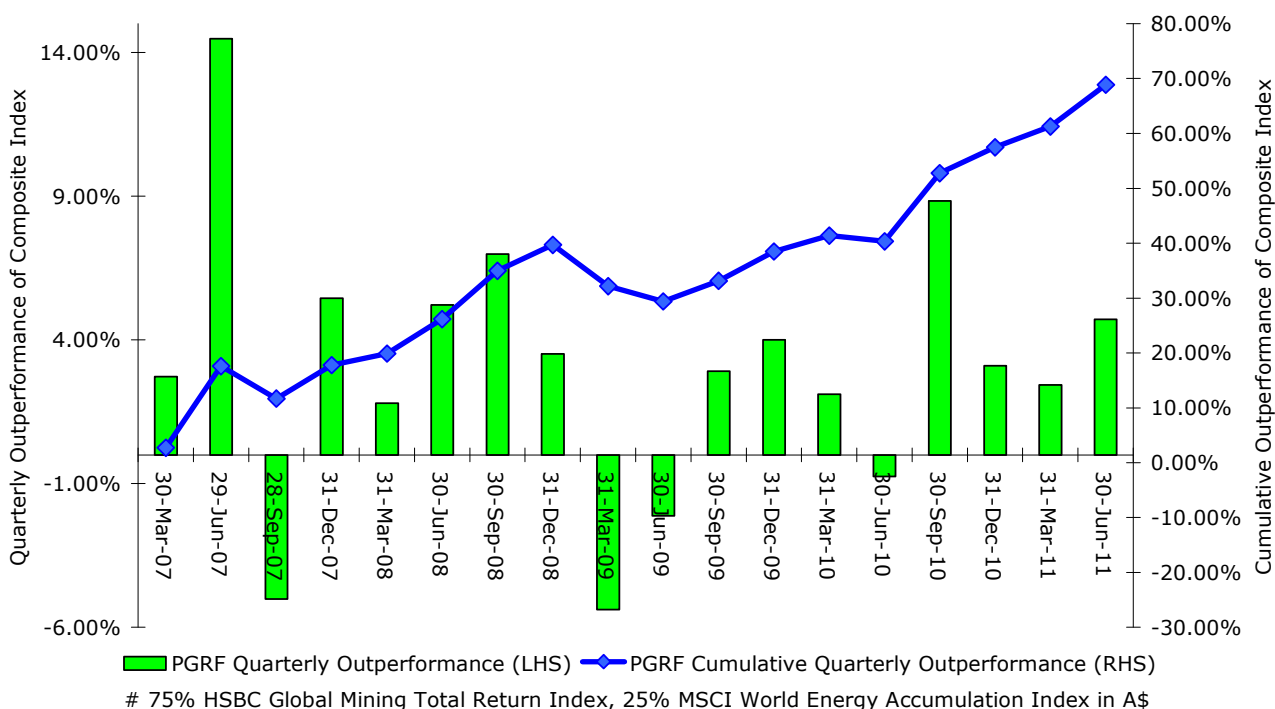
Fund Performance

Net Returns to 30 th June 2011	Pengana Global Resources Fund ³	Composite Index *
1 Month	-1.60%	-2.76%
3 Months	-3.07%	-7.54%
6 Months	-1.16%	-8.03%
12 Months	33.69%	11.20%
2 Years	31.95% p.a.	15.41% p.a.
3 Years	6.40% p.a.	-4.84% p.a.
Since inception⁴	+16.94% p.a.	+2.60% p.a.

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

Pengana Global Resources Fund – Quarterly and Cumulative Outperformance of Composite Index # From Inception^{3,4}.

Quarterly 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

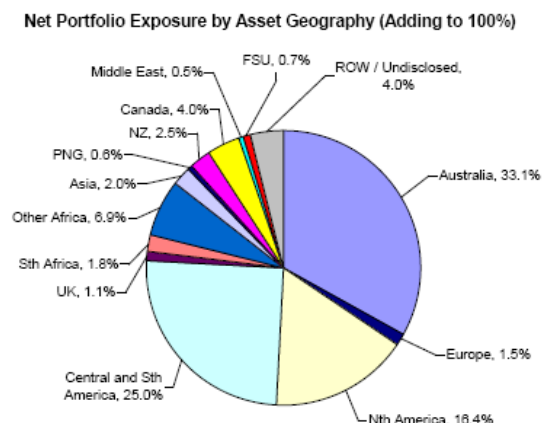
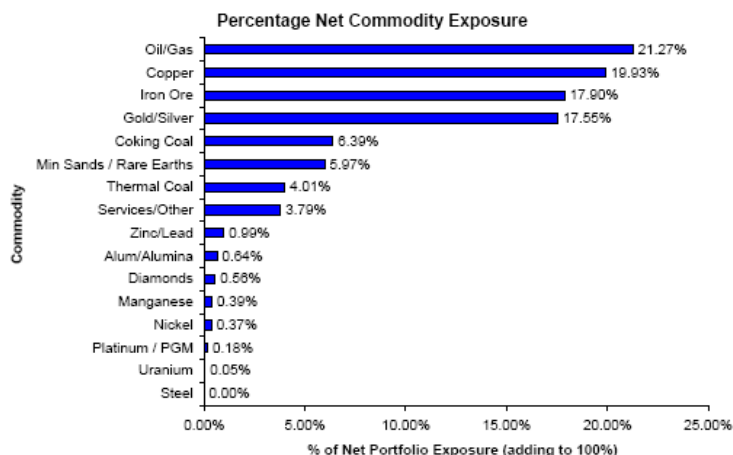
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Portfolio Commodity and Geography Exposures for June 2011



Commodity Price Changes for June 2011

Commodity	US\$ Price Change	A\$ Price Change	€ Price Change
Oil	-7.34%	-7.78%	-8.06%
Gold	-2.21%	-2.65%	-2.93%
Copper	0.83%	0.39%	0.11%
Aluminium	-5.29%	-5.73%	-6.01%
Zinc	2.89%	2.45%	2.17%
Nickel	-0.13%	-0.57%	-0.90%
Lead	3.53%	3.09%	2.81%
Tin	-7.48%	-7.92%	-8.20%

Portfolio Structure (as at end of June 2011)	
Number of Stocks	32
Gross Exposure	85.2%
Net Long Exposure	59.8%
Breakdown by Strategy	Pairs 22.91% Directional Long 78.19% Directional Short -1.10%

Top 5 Positions (in alphabetical order)
Antofagasta
BHP Billiton
Freeport McMoran Copper & Gold
Rio Tinto
Vale

Contact Details

Pengana Capital Limited • Level 12, 167 Macquarie 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: John Hamer, +61 2 8524 9936, john.hamer@pengana.com

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

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