

Pengana Global Resources Fund

July 2011 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\$6.41m
Minimum Initial Investment Amount	A\$20,000	Application Price at Month End	A\$1.7240
Inception Date	March 2007	Redemption Price at Month End	A\$1.7137
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

Looking forward, volatility in markets is anticipated to remain as investors grapple with the prospect of many developed economies instigating continued austerity measures whilst developing economies provide an increasingly important proportion of global economic growth. Whilst valuations for resource companies appear compelling we are likely to see competition for capital lead to widening differences in performance between incumbents and project developers, particularly against a backdrop of budget blow-outs and commissioning delays. It is a market that remains challenging, but opportunities abound. Given the Pengana Global Resources Fund's ability to look globally for opportunities, a structure which allows investment from both a long and short perspective and continued M&A support within the resources sector globally we believe we are well placed to exploit the current environment for the benefit of unitholders over the medium to longer term.

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%	-0.55%						-1.70%
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%

On the whole, commodity prices moved higher during July largely in response to a weakening U.S. dollar. Uncertainty surrounding negotiations over increasing the U.S. debt ceiling undermined the value of the U.S. dollar against most currencies. During July the U.S. dollar lost 4.92% against the Japanese Yen and lost 2.28% against the British Pound. Gold's safe-haven characteristics again came to the fore during the month as investors sought shelter from issues such as a possible default by Greece on its sovereign debt and the U.S. debt ceiling negotiations. As a result, the price of gold rallied 8.35% in July. Tin (+8.69%), zinc (+6.70%) and nickel (+5.95%) all posted strong gains during July as commodity prices benefited from anti-U.S. dollar sentiment. Lead (-0.34%) and oil (+0.61%) were relatively flat during the month whilst aluminium (+2.91%) and copper (+4.62%) posted modest gains.

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

July 2011 Update



2 of 4

Market Commentary

Stocks started July strongly with Wall Street scoring its best week in two years on strong manufacturing data that eased concerns about slowing growth. Investor sentiment was further buoyed by a temporary resolution to Greece's debt situation following a twelve billion euro aid instalment.

However, investor confidence was rapidly quelled after ratings agencies Standard and Poor's still warned of a possible technical default on Greek Debt and Moody's downgraded Portugal's debt to junk status, casting new doubts over European Union efforts to rescue distressed euro-zone states. The European Central Bank raised interest rates for a second time in three months and signalled a further hike is likely this year to tackle inflation and pledged to keep providing Portugal with liquidity despite its credit ratings.

Positive sentiment around the U.S. turned after a weak jobs report dashed optimism over the strength of economic recovery. Further, concerns over a continued stalemate at the Whitehouse over fiscal reform to extend America's US\$14.3 trillion debt ceiling to avoid an historic default weighed heavily on investors.

Market fears were further fuelled after Moody's downgraded Ireland's credit rating in conjunction with investor caution over the start of the U.S. corporate earnings season, which resulted in equity markets posting their worst weekly performance in a year.

An emergency summit of leaders of the seventeen nation European currency area agreed a second rescue package for Greece with an extra 159 billion euros of government and private sector money. However, Fitch ratings agency declared Greece in temporary default (echoing concerns voiced previously from Standard and Poor's) due to the private sector involvement.

China raised interest rates for the third time this year after the economy grew faster than expected in the second quarter, erasing fears of a "hard landing" and strengthened Beijing's resolve to persistently fight inflation.

On the corporate front, BHP Billiton made an all cash offer for Petrohawk Energy Corporation for a total enterprise value of US\$15.1 billion including US\$3.0 billion of assumed debt.

The Way Forward

A number of major social and economic challenges have confronted financial markets during 2011 so far. These include continued European sovereign debt issues, various uprisings in the Middle East and North Africa, the Japanese tsunami and earthquake (and nuclear scare), U.S. debt ceiling negotiations and the downgrade by Standard & Poor's of the United States debt rating from AAA to AA+. Not surprisingly, we have seen a marked increase in volatility in financial markets as market participants globally grapple with the implications of such events on valuations.

The implications of the major events mentioned above are varied. Civil uprisings in MENA have focused attention on supply disruptions and security of supply from the region in the future. Austerity measures imposed on some of Europe's highly indebted nations will serve to limit growth for a number of years to come as debt is reduced to manageable levels. The Japanese tsunami had a dramatic negative impact on Japanese as well as global economic growth as supply chains have been cut. Arguably, the largest influence on financial markets in the past couple of weeks has been the outlook for the U.S. economy. In order to negotiate bi-partisan support for an increase the debt ceiling in the United States there was an increased focus on future debt reduction. The impact of these measures will be to effectively remove the prospect of fiscal stimulus from the U.S. economy and therefore increase reliance on other forms of economic stimulus.

Looking forward, volatility in markets is anticipated to remain as investors grapple with the prospect of many developed economies instigating continued austerity measures whilst developing economies provide an increasingly important proportion of global economic growth. Whilst valuations for resource companies appear compelling we are likely to see competition for capital lead to widening differences in performance between incumbents and project developers, particularly against a backdrop of budget blow-outs and commissioning delays. It is a market that remains challenging, but opportunities abound. Given the Pengana Global Resources Fund's ability to look globally for opportunities, a structure which allows investment from both a long and short perspective and continued M&A support within the resources sector globally we believe we are well placed to exploit the current environment for the benefit of unitholders over the medium to longer term.

Portfolio Action

As at the end of July, the net long position of the Fund was 65.7%, up from 59.8% as at the end of June. The gross exposure of the Fund was 91.8%, up from 85.2% a month earlier. In July the Fund reduced its long position in Woodside Petroleum and exited its long position in Alkane Resources. In addition, the Fund added to its long position in Newcrest Mining and established new long positions in Crusader Resources and Cape Lambert Resources. The S&P/ASX Metals and Mining Accumulation fell 1.34% in July while the FTSE 350 Mining Index fell 4.69% in local currency terms. In North America, the S&P500 Metals & Mining Index fell 2.43% and the S&P/TSX Global Mining Index fell 1.03%.

Pengana Global Resources Fund July 2011 Update



3 of 4

Key Contributors

Key contributors to the portfolio's performance during July included ABM Resources (+27.03%), Anadarko Petroleum Corporation (+7.56%), CONSOL Energy (+10.56%) and Xstrata plc (-5.54%).

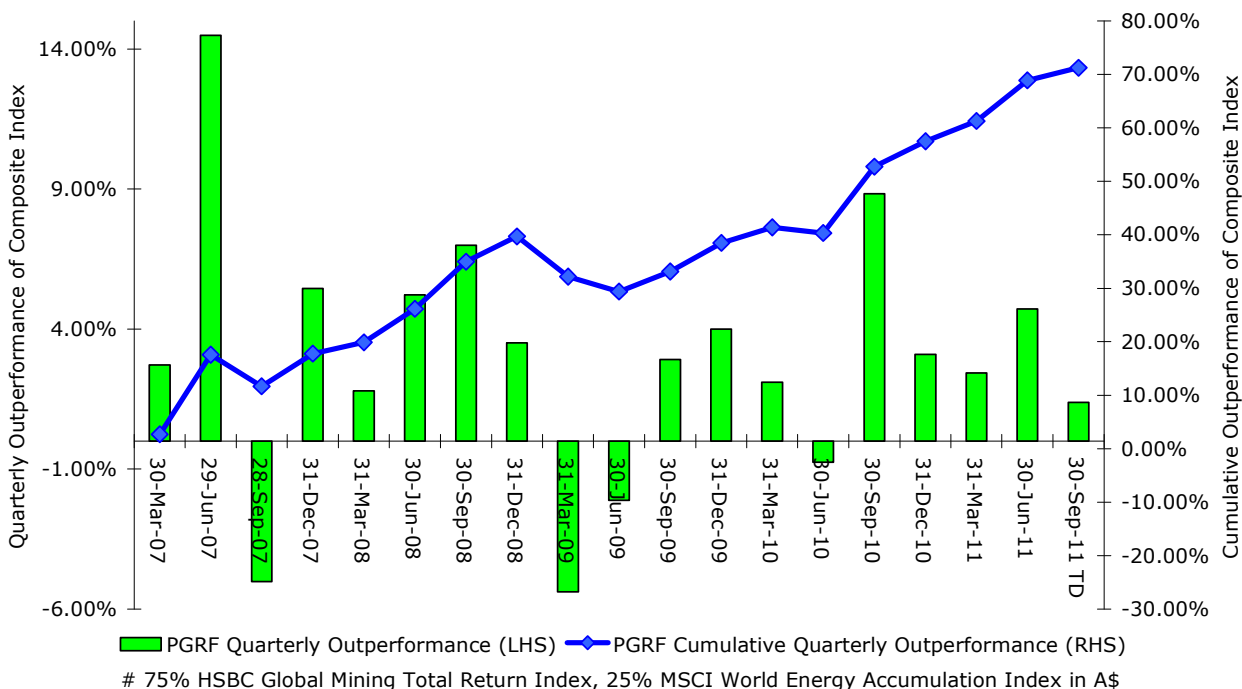
Fund Performance

Net Returns to 31 st July 2011	Pengana Global Resources Fund	Composite Index *
1 Month	-0.55%	-1.94%
3 Months	-3.48%	-6.93%
6 Months	-3.81%	-8.21%
12 Months	27.91%	7.69%
2 Years	26.26% p.a.	9.61% p.a.
3 Years	7.76% p.a.	-1.51% p.a.
Since inception⁴	+16.45% p.a.	+2.10% 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.

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

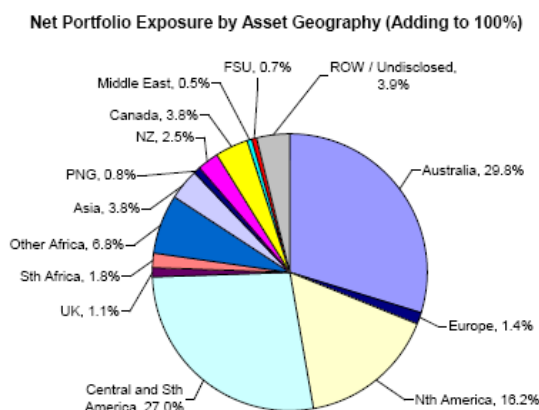
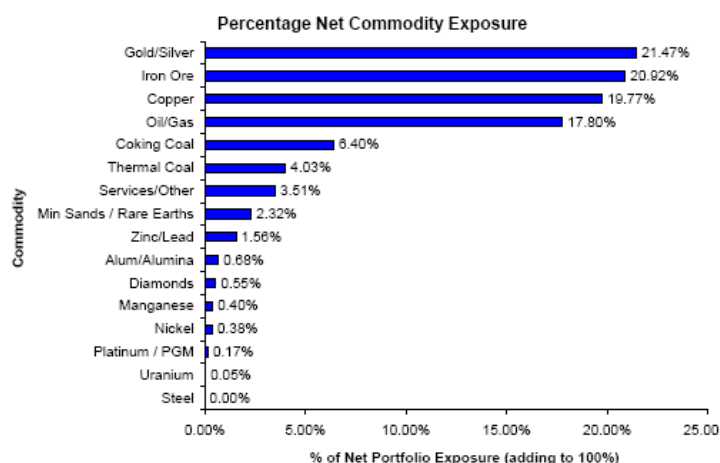
Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services licence number 226566) is the issuer of units in the Pengana Global Resources Fund (ARSN 142 322 361) (the "Fund"). A Product Disclosure Statement for the Fund is available and can be obtained from our distribution team. A person should obtain a copy of the Product Disclosure Statement and should consider the Product Disclosure Statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana Capital Ltd and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana Capital Ltd nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund. An investment in the fund is subject to investment risk including a possible delay in repayment and loss of income and principal invested.

Pengana Global Resources Fund July 2011 Update



4 of 4

Portfolio Commodity and Geography Exposures for July 2011



Commodity Price Changes for July 2011

Commodity	US\$ Price Change	A\$ Price Change	€ Price Change
Oil	0.61%	-2.04%	1.32%
Gold	8.35%	5.70%	9.06%
Copper	4.62%	1.97%	5.33%
Aluminium	2.91%	0.26%	3.62%
Zinc	6.70%	4.05%	7.41%
Nickel	5.95%	3.30%	6.66%
Lead	-0.34%	-2.99%	0.37%
Tin	8.69%	6.04%	9.40%

Portfolio Structure (as at end of July 2011)

Number of Stocks	34
Gross Exposure	91.8%
Net Long Exposure	65.7%
Breakdown by Strategy	Pairs 25.97% Directional Long 74.03%

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

Pengana Capital Ltd (ABN 30 103 800 568, Australian financial services licence number 226566) is the issuer of units in the Pengana Global Resources Fund (ARSN 142 322 361) (the "Fund"). A Product Disclosure Statement for the Fund is available and can be obtained from our distribution team. A person should obtain a copy of the Product Disclosure Statement and should consider the Product Disclosure Statement carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana Capital Ltd and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. Neither Pengana Capital Ltd nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund. An investment in the fund is subject to investment risk including a possible delay in repayment and loss of income and principal invested.