Pengana Global Bond Fund
September 2011 Update, by Greg Clarke

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 invests in government bonds, mortgage and asset backed securities, corporate credit, senior secured back loans, emerging market debt 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: 0.2563% Class B: 0% p.a.
Fund Benchmark	Barclays Global Aggregate Bond Index (hedged into Australian Dollars).	**Performance Fees [1] (quarterly)**	Class A: 10.25%; Class B: 20% p.a. (including 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[3]	**Underlying Manager Costs**	Underlying investment management fees do not currently exceed 2% p.a. In addition, underlying managers may charge performance fees.
Fund Structure	Australian registered fund with daily pricing	**Income Distribution**	Annual
Minimum Initial Investment Amount	A$20,000	**Buy/Sell spread**	0.10% / 0.10%
Inception Date	May 2009	**Assets Under Management**	A$78.1m

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%	0.9%	0.5%	1.9%	-0.4%	-0.9%				5.4%
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%	1.0%	0.6%	1.9%	-0.4%	-0.9%				5.5%
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%	1.4%	0.2%	1.5%	1.7%	1.1%				8.3%
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%

The Class A units delivered a return of -0.9%%[2] in September and underperformed the benchmark return of 1.1%. Since inception the Class A units of the Fund have returned 9.5%pa[2] versus the benchmark return of 10.1%pa. In an absolute and relative sense this month, the major detractor was the Fund's exposure to emerging markets.

Volatility persisted in September as markets began to fear an increased likelihood of global recession. Concern over sovereign debt sustainability in Europe, a slowdown in Chinese growth and increasing concerns about a recession in the US caused markets to reassess prospects for global economic growth. While the US household sector had gone some way to repairing its financial balance sheet, renewed market volatility has seen a sharp decline in asset prices, weakening prospects for consumer spending and therefore the growth outlook. While flows into safe haven assets pushed down 10-year US Treasury and German bund yields to historic lows, Emerging Market bond yields widened. On the currency side, investors flocked to the Swiss franc and similarly,

[1] Please refer to the Product Disclosure Statement for more detail.

[2] Total return performance figures are shown net of all fees and charges and assume reinvestment of distributions. Past performance is not a reliable indicator of future performance. The value of investments may rise and fall.

[3] This is not intended to be a forecast. It is only an indication of what the Fund aims to achieve over the medium to long term. The Fund may not be successful in meeting its objective. Returns are not guaranteed.

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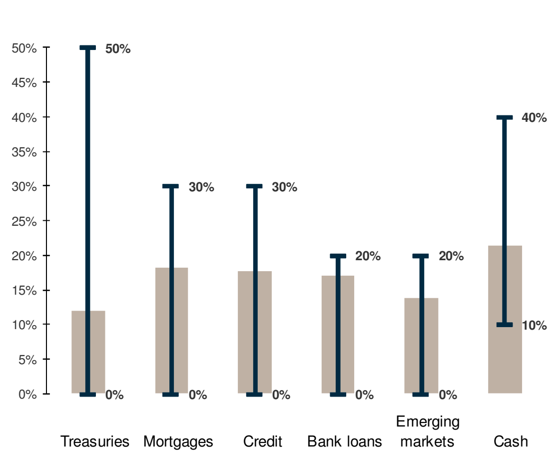
the US dollar rose strongly as investors sought safety in the reserve currency. In contrast, a number of the Emerging Market currencies including the Brazilian real, Chilean peso, Hungarian forint, Mexican peso, Polish zloty, Russian rouble, South African rand and Turkish lira all fell sharply.

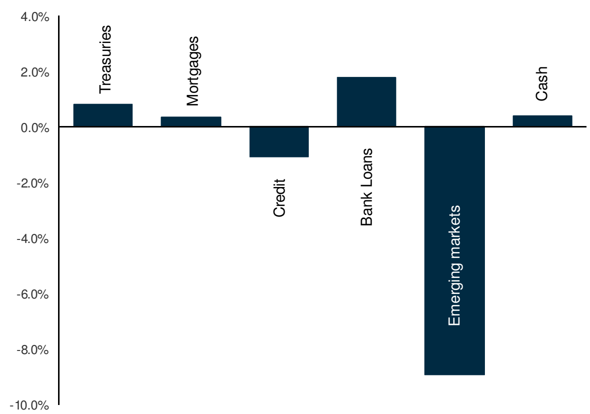
Spreads widened in corporate debt to level not seen in more than two years. At these elevated spreads markets are pricing in high default rates in what is likely to be a very low default rate environment. Consequently we believe corporate debt levels are at attractive levels. Companies are much better capitalized with many carrying debt burdens they can handle, even in a recession. Refinancing risks are low and many have more cash than short term debt on their balance sheets. Even if companies do not grow over the coming two years, returns to investors should be attractive.

While asset prices in emerging markets have experienced steep declines over the month, it should be stressed that prices are not reflective of any deterioration of fundamentals across the Emerging Markets. While growth forecasts may have come down, Emerging Markets as a whole are expected to grow by over 5% this year compared to mildly positive growth in both Europe and the US. In addition there do not appear to be any significant financial stresses in Emerging Market economies at the present time.

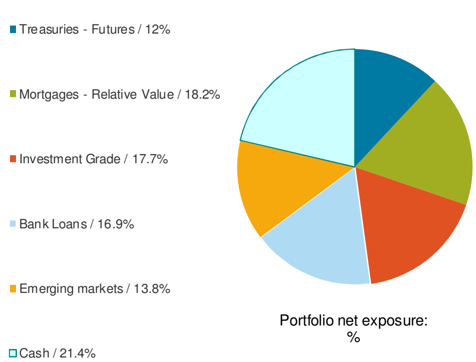
Current asset allocation and ranges



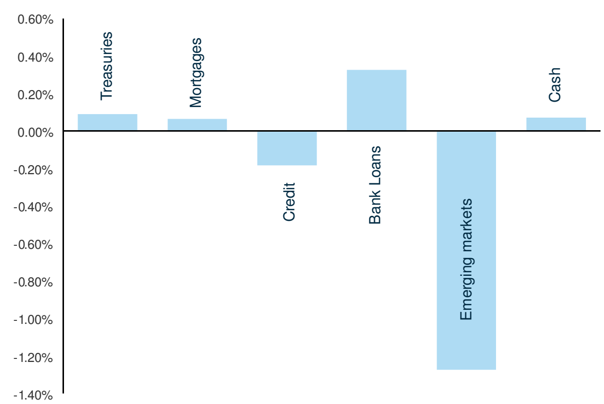
Monthly performance by asset class



Manager allocations by asset class



Monthly attribution by asset class



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