



Mr Gregory Baldwin
509 St.Kilda Road
MELBOURNE VIC 3001

Dear Investor,

Closure of Pengana Property Securities Fund (PER0076AU)

We are writing to provide you with 1 months notice that we have decided to close the Pengana Property Securities Fund and return the monies invested to you.

Critically from a managed funds perspective, poor performance by many REITs has seen a marked increase in stock concentration within the A-REIT sector. Westfield now accounts for over half of the A-REIT index, and the top 5 stocks account for approximately 82% of the index. This high level of concentration limits our ability to provide true diversification through a managed fund structure.

Furthermore, with the increases in gearing and non-rental income in recent years, the sector has seen increased price volatility and correlation with Australian equities. Whilst the potential for the long-term recovery of the sector remains, we believe that such a recovery will be characterised by both continued calls for capital and ongoing price volatility.

Accordingly we believe it to be in the best interests of investors to close the Property Securities Fund and return capital.

Given this, we can no longer receive applications or process redemption requests, but will endeavour to liquidate the portfolio in a timely fashion. We will return the vast majority of funds (if not all) to you as soon as possible and expect to be able to do this within approximately six weeks. Tax statements and any remaining funds will be provided to you in August.

We trust that you appreciate the rationale for the closure of the fund, which we firmly believe is in the best interests of investors, and would like to thank you for your support in investing with us.

Should you have any questions please don't hesitate to contact our National Distribution Manager, Justin Brooks on 03 8663 7906 or by email at justin.brooks@pengana.com.

Kind regards,

Russel Pillemer
Chief Executive Officer
Pengana Capital Limited

This document is a general information document only and does not constitute an offer of securities. It is intended to provide information only and should not be relied upon as a basis for investment decisions. The information contained herein is subject to change without notice. For more information, please contact your financial adviser or the National Distribution Manager, Justin Brooks, on 03 8663 7906 or by email at justin.brooks@pengana.com.