

Monthly Report

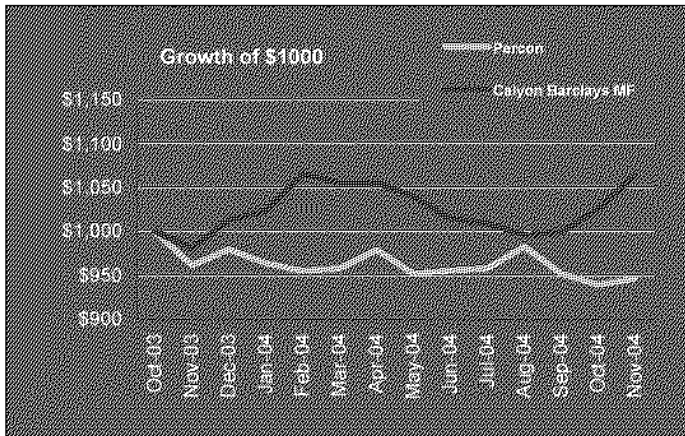
30/11/2004

PERCON CAPITAL

Fund Information			
Strategy	Managed Futures Program	Domicile	Australia, Caymans
Style	Systematic trading of commodity, equity, currency and interest rate futures	Denomination	A\$ (on and offshore), US\$ (offshore)
Objectives	In excess of 20% pa while outperforming recognized managed futures indexes	Management fee	2% per annum
Inception date	Nov-03	Performance fee	20% with high water mark
AUM	A\$9.0m	Redemptions	Monthly
		Lock Up	None
		Minimum subscription	\$100,000

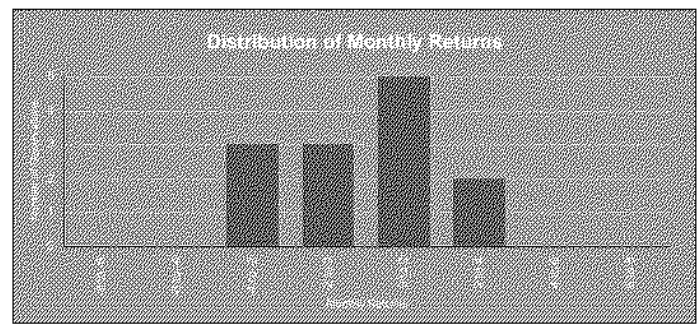
Fund Performance													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2004	-1.60%	-0.90%	0.30%	2.20%	-2.80%	0.40%	0.24%	2.58%	-3.12%	-1.36%	0.79%		-3.45%
2003											-3.8%*	1.85%	-2.02%

* part month



Performance Analysis	
Return since inception	5.40%
Annualised return since inception	5.00%
Calendar year return	-3.45%
Annualised calendar year return	-3.76%
Financial year return	-0.94%
Annualised financial year return	-2.24%
Average positive month	1.18%
Average negative month	-2.26%
Best month	2.58%
Worst month	-3.80%
% positive months	53.85%

Risk Analysis (since inception, annualised)	
Standard Deviation	7.12%
Downside Deviation	5.86%
Sharp Ratio (5%)	-1.37
Sortino Ratio	-0.87
Round Turns (per \$M per year)	6465
Average margin to equity	2.41%
VaR (daily 95%)	1.09%



Disclaimer:
The information contained in this summary report has been prepared with all reasonable care by Pengana Capital. It is provided for information purposes only and should not be construed as an offer or solicitation. It should not be relied upon as the sole basis for making an investment decision, nor should a decision be made until the risks of the investment are fully understood. Pengana Capital assumes no responsibilities for errors, inaccuracies or omissions in this summary. The information is provided without warranty of any kind. Past performance is not indicative of future performance. Investors may not get back the full amount originally invested.

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Correlation Analysis			
Benchmark	Alpha	Beta	R Sq
Australia All Ordinaries Index	-0.74%	0.23	0.05
Calyon / Barclay MF Index	-0.48%	0.14	0.02
Lehman Aggregate Bond Index	-0.38%	-0.06	0.00
MSCI The World Index - Net	-0.37%	-0.02	0.00

Drawdown Analysis				
Depth	Length	Recovery	Peak	Valley
-6.15%	12	0	Oct-2003	Oct-2004

Strategy Description

Percon employs a short term managed futures program, designed to generate returns uncorrelated with other systematic traders while being resilient to periods of stress and crisis events. The approach is based on non linear analysis of market persistence with each model developed using intraday price data. The program trades 18 futures contracts across commodity, equity, currency and interest rate markets. Portfolios are constructed using Monte Carlo analysis to avoid reliance on return distribution and correlation assumptions. Most trades are very short term (closed within the same session) with the system performing well in markets that have been range bound and then break or markets that break out and fail within subsequent sessions.

Performance and Market Commentary

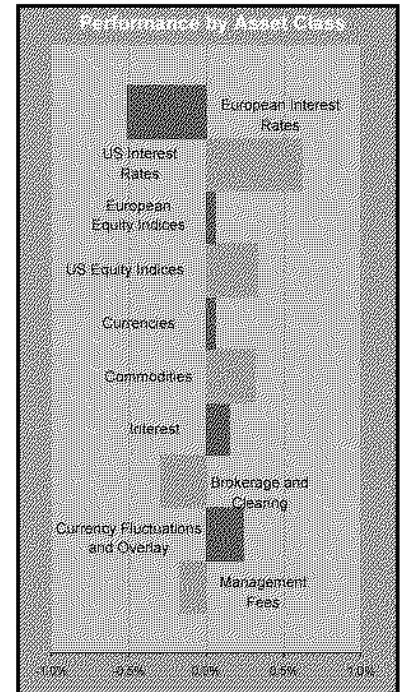
The non-farm payroll number on the 5th of November again dominated the start of the month. A strong payroll number (337k vs expected 190k) caused bond yields to rise. Short positions established throughout this session were profitable. Choppy and directionless European bond markets in the middle of the month eroded some of the profits gained in the first week.

Similarly, a strong rally in the equity markets in the first half of the month due to falling oil prices was captured as long positions were established. These gains were offset to some extent during the middle of the month as the rally petered out and the markets entered a more erratic phase.

While the U.S. posted a very strong CPI number for Oct (0.6% against market expectations of 0.4%) this was seen as a temporary blip due to the high energy prices which had already started to subside.

The final days of November saw market participants unwind positions and book profits. This and unexpected corporate issuance had a dramatic effect on the long end of the curve. The U.S. 30 year bond fell significantly and short positions established in the days prior to this were profitable.

Sanji Shivalingam



Notes

Pengana Capital is a boutique funds manager based in Sydney Australia. In July 2004 Pengana listed Pengana Managers Limited (PML) on the Australian Stock Exchange to raise seed capital for new or recently formed hedge fund managers. Pengana entered into an agreement with Percon Capital Limited in 2003 to provide fund structuring, operational, risk management and marketing support to its Fund. Percon commenced trading in November 2003 and received investment capital from PML in July 2004.

Service Providers

Offshore Administrator:
Citco Fund Services

Onshore Administrator:
BNP Paribas Securities Services

Auditor:
Ernst & Young

Prime Broker:
Calyon Financial

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