



**MEDIA RELEASE**  
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## **Pengana revamps real estate securities strategy**

**Sydney:** Diversified fund manager, Pengana Capital has announced changes to its real estate securities strategy including development of a new Asian long short real estate securities fund and the closure of its Australian Property Securities Fund.

Russel Pillemer, Chief Executive of Pengana Capital said that this initiative recognises that the Asian region offers strong prospects for economic growth and Pengana sees real estate investing as an important part of that process.

Mr Pillemer said that continuing issues within the Australian property market, such as concentration, strong correlation with equities and the long deleveraging process, meant that it was very difficult to provide diversification and add value for investors in Pengana's existing Australian Property Securities Fund. Pengana had therefore decided to close that fund. He pointed out that the top 5 stocks in the Australian real estate sector now account for around 83% of that sector.

Tim Shaw, Property Portfolio Manager at Pengana Capital explained that with the increases in gearing and non-rental income in recent years, the Australian real estate securities sector has seen increased price volatility and a much higher correlation with equities.

"Whilst the potential for long term recovery in the Australian sector remains, we believe that such a recovery will be characterised by both continued calls for capital and ongoing price volatility" Mr Shaw said.

Mr Pillemer added, "In addition to managing real estate securities within the highly successful Asian Equities Long Short Fund, the Pengana real estate team is developing a dedicated Asia Pacific real estate fund with the ability to opportunistically short stocks. Pengana believes that now is the time to develop a dedicated Asia Pacific listed real estate strategy to capitalise on the growth opportunities in this region."

The new fund will be open to investors later this year.

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## NOTES TO THE EDITORS:

### **About Pengana Capital Ltd**

Pengana Capital Ltd ("Pengana") is a diversified funds management business focused on delivering exceptional long term returns to its investors. It has approximately AUD\$1.3 billion in funds under management through ten funds, focusing on two central investment strategies – equities and volatility.

Pengana is headquartered in Sydney, Australia, with additional offices in Melbourne, Singapore, London, Chicago and Lakeville (Connecticut). Pengana has approximately 50 staff members including over 35 investment professionals. Pengana is owned by its directors and staff with National Australia Bank having a minority strategic stake in the company.

Pengana's performance and innovation has been recognised by AIMA's Australia Hedge Fund Awards (2008), the Money Management awards (2008, 2007, 2006) and Standard & Poor's fund manager awards (2007).

For further information visit [www.pengana.com](http://www.pengana.com).