

# Pengana Global Volatility Fund

## April 2009 Update (Australian Feeder Fund)



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### Fund Description

The Pengana Global Volatility Fund seeks to provide investors with a non directional actively traded derivative strategy focused on volatility. The Fund trades in North American equity index futures, options and other volatility-based instruments and derives returns from mispricing of these instruments due to changes in volatility. The strategy began trading in November 2007<sup>2,3</sup> and is managed by a highly experienced team led by Alvin Wilkinson.

### Fund Features

<b>Style</b>	Non-directional global volatility	<b>Management Fees<sup>1</sup> (monthly)</b>	Class A: 2.0% p.a. Class B: 0.5% p.a.
<b>Investors</b>	Wholesale Investors only	<b>Performance Fees<sup>1</sup> (quarterly)</b>	Class A: 20% Class B: 30%
<b>Minimum Initial Investment Amount</b>	A\$100,000	<b>Trustee Fee<sup>1</sup></b>	0.2% per annum of the net asset value of the Fund
<b>Inception Date</b>	November 2007 <sup>2,3</sup>	<b>FUM at Month End</b>	A\$82.6m

### Fund Commentary

#### Fund Performance (Class A Units, in A\$, net of fees)<sup>2,3,4</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.7%	0.4%	1.1%	1.0%									<b>3.2%</b>
2008	3.5%	2.6%	1.1%	1.2%	2.1%	5.8%	1.8%	1.1%	-38.3%	-17.1%	68.2%	0.3%	<b>4.3%</b>
2007											1.6%	1.3%	<b>2.8%</b>

#### Fund Performance (Class B Units, in A\$, net of fees)<sup>2,3,4</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0.7%	0.4%	1.1%	1.1%									<b>3.4%</b>
2008	3.5%	3.4%	0.7%	1.1%	1.9%	5.2%	1.7%	1.0%	-37.5%	-16.7%	66.7%	0.4%	<b>4.6%</b>

The A\$ Class A Units in the Fund generated a return of 1.0% in April. The annualized return since inception in November 2007 is 7.0%.

At the beginning of the month the volatility exposure of the Fund (vega) was negative and the sensitivity to market movements (delta) mildly positive. During the month of April, inventory increased in size and positions were established in longer expiry options with suppressed mid term volatility offering good opportunities for time spreads. Time spreads are a combination of short and long option positions with different expiries seeking to benefit from relative mispricing in volatility. At the end of April overall portfolio vega was positive, delta neutral and time decay (theta) positive.

#### Net Returns to 30 April 2009<sup>2,3,4</sup>

	Class A Units	Class B Units
3 months	2.5%	2.7%
6 months	74.2%	73.0%
1 year	-1.0%	-0.8%
Since inception p.a.	7.0%	6.0%

<sup>1</sup> All percentages are on a GST inclusive basis less applicable reduced input tax credits. Please refer to the Information Memorandum for a more detailed explanation.

<sup>2</sup> The Fund began trading in May 2008. Performance for the period prior to May 2008 is the performance of all underlying assets managed in the Pengana Global Volatility Strategy. Performance from May 2008 is for the money managed in the Fund itself.

<sup>3</sup> Inception Dates: Class A Units - 07 November 2007, Class B Units - 31 December 2007

<sup>4</sup> Total return performance figures are derived from the Manager's records and are shown after management fees and performance fees, and assume reinvestment of income. Investments can go up and down. Past performance is not a reliable indicator of future performance.

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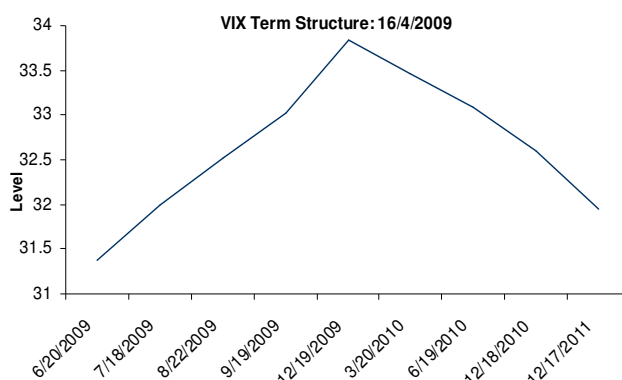


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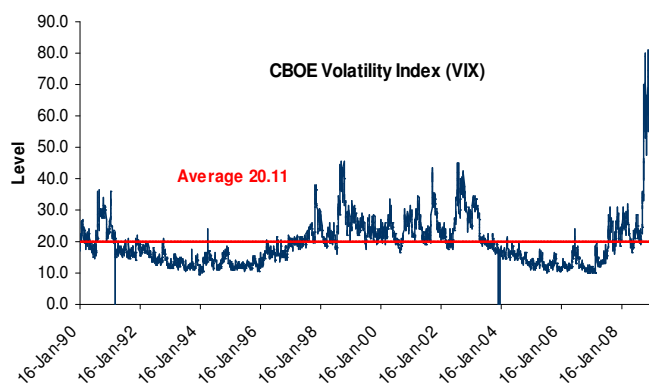
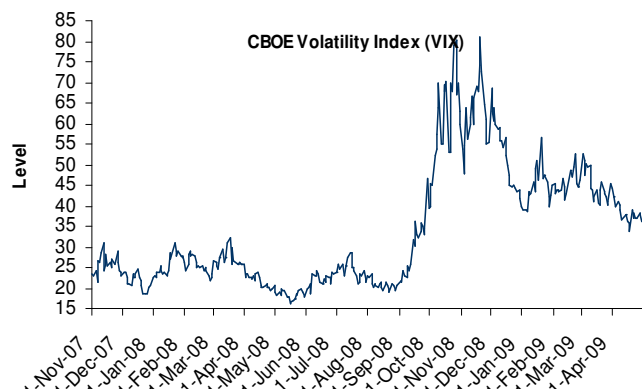
### Market Commentary

The VIX fell from 44.1 at the end of March to 36.5 at April month end. Equity markets rallied further with the S&P 500 gaining 9.4%, however it was not a one way street. While the market rose on 13 out of 21 trading days, the maximum daily return for April (+3.8%) was smaller in absolute terms than the minimum daily return (-4.3%). The term structure of the VIX increases over the next 6 months and then declines over 2010 and 2011, remaining well above the VIX's average of 20.1. It suggests increasing expected volatility in the short term and a lack of confidence in the market's recent rally – the steepest 8 week rally since 1938.

### CBOE Volatility Index (VIX) Term Structure



### CBOE Volatility Index (VIX)



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