

# Pengana Global Volatility Fund

## November 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\$91m

### Fund and Market 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%	1.2%	1.7%	1.3%	0.7%	0.3%	0.9%	1.9%		<b>11.7%</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%	1.0%	1.4%	1.3%	0.9%	0.3%	0.9%	1.7%		<b>11.2%</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 Performance for the AUD Class A shares of the Fund in November was 1.9%<sup>3,4</sup> the 13th consecutive month of positive returns. The annualised return for the Class A shares since inception in November 2007 is 9.1%<sup>2,3,4</sup>.

November experienced a steady rise in the S&P 500 from a level of 1042 at the beginning of the month, the market rose to its high of 1110. After the news events in Dubai, the market dropped back to 1091 before ending the month at 1095. The VIX started the month at 29.8, and then gradually dropped to a low of 20.5 before the news of Dubai's financial problems brought it back to 24.8. The VIX then ended the month at 24.5. So for the month of November, the Fund delivered a strong return, whilst at the same time maintaining protection against any catastrophic market event.

As stated previously, the last three months of the year can typically be a very uncertain time for the S&P 500 volatility curve. Due to inventory being closed out by market participants, trading volumes will be seasonally lighter than normal and may lack directional opportunities.

Net Returns to 30 November 2009 <sup>2,3,4</sup>	Class A Units	Class B Units
3 months	3.1%	2.8%
6 months	7.0%	6.5%
1 year	12.1%	11.6%
<b>Annualised since inception</b>	<b>9.1% p.a.</b>	<b>8.6% p.a.</b>

<sup>1</sup> All percentages are on a GST exclusive basis net of 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.

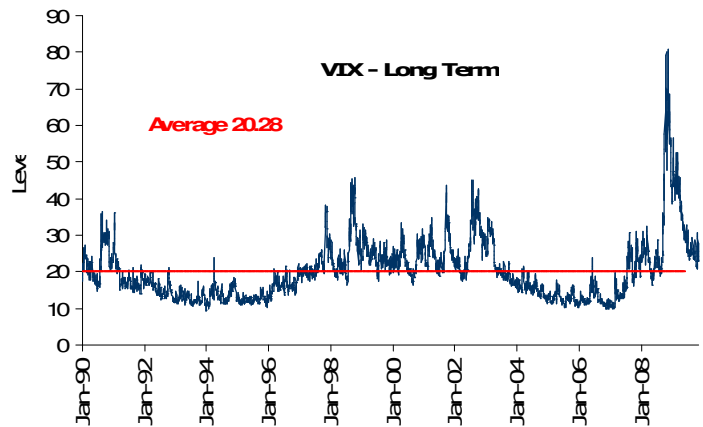
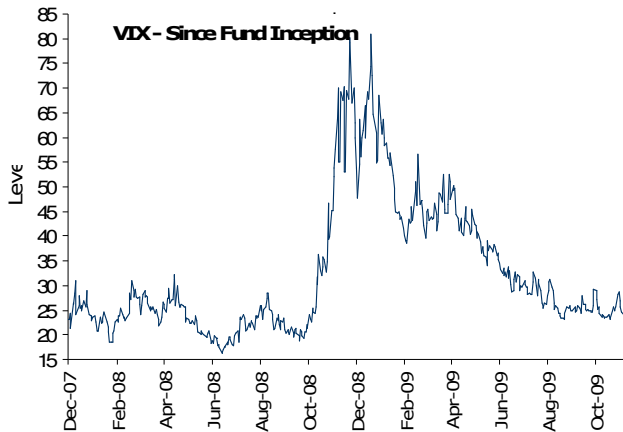
<sup>3</sup> Inception Dates: Class A Units - 07 November 2007, Class B Units - 31 December 2007

<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 distributions. Investments can go up and down. Past performance is not a reliable indicator of future performance.

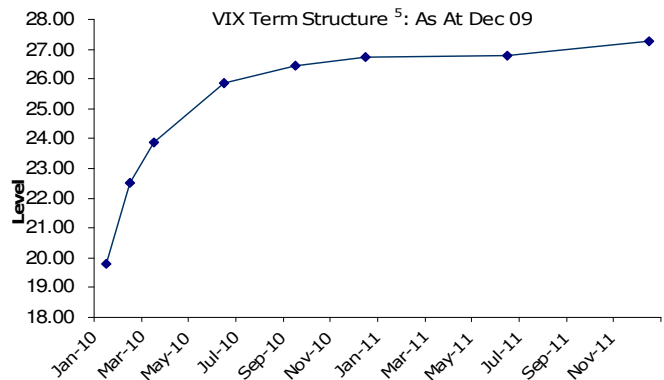
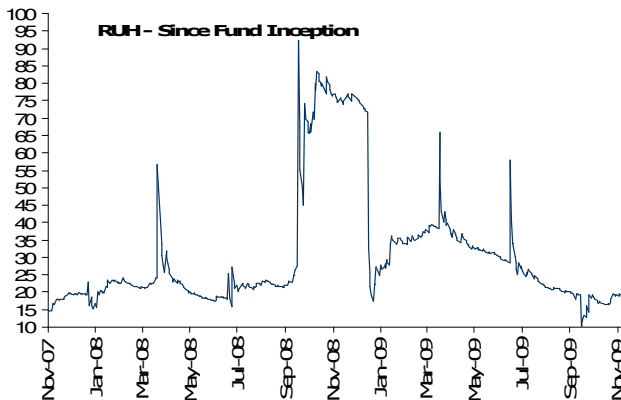
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## CBOE Volatility Index (VIX)



## CBOE Realised Volatility (RUH) and Term Structure <sup>5</sup>



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<sup>5</sup> Term Structure describes the level of implied volatility for options in different expiry dates.

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