



**MEDIA RELEASE**  
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## **Pengana goes to market with Market Neutral Fund**

**Sydney:** Diversified fund manager Pengana Capital has announced that its Australian Equities Market Neutral Fund is now open to new investors. The strategy promotes protection against market volatility by holding equally weighted long and short positions in the Australian equity market.

Pengana CEO Russel Pillemer said "We wanted to develop the most enhanced market neutral fund of its type, which would seek to gain from both upside and downside market movement thereby incrementally adding value for investors over time."

The Fund, which Pengana has been incubating for two years, aims to deliver between 5 and 10% above the cash rate pa. with a risk target of around 8-10% pa.

For the 12 months from July 2009 to August 2010, the Fund produced a gross return of 16.07% with a risk of 5.85% against a market return of 2.73% and risk of 15.2% over the same period. This result produced a better return than the market for just over one third of the risk. This return was achieved with pure alpha, which is manager skill with no beta (market movement) in the portfolio.

The Pengana Australian Equities Market Neutral Fund is run by Phil Boustridge who has more than 16 years of investment experience in funds management and has actively managed equity portfolios in Australia, London and New Zealand.

Phil joined Pengana in late 2007 and drawing on this experience, has developed a fundamental quantitative process for his Australian Market Neutral Fund. He is supported by Paul Ramsay, a systems engineer with 20 years experience in computer systems and Miriam Herold who has over ten years of investment experience in funds management in equity research and quantitative and performance analysis both in Sydney and London.

Mr Boustridge said: "A market neutral strategy aims to minimise exposure to market movements, sector and stock size. With a very low correlation to the market index, investors can obtain portfolio diversification and risk reduction in Australian equities.

"Without being tied to the movement of the overall market index, the performance of a market neutral portfolio is almost entirely made up of fund manager skill that cannot easily be replicated by a passive index strategy. This, coupled with the low volatility target in this strategy makes it an ideal inclusion in an Australian equity portfolio," said Mr Boustridge.

"With the degree of uncertainty in the markets at present, and continuing elevated levels of volatility, we believe that this is an ideal strategy for investors who are concerned about downside risk but still wish to gain from both upside and downside movements in the Australian equities market. In short, we think this is the right product for the times," Mr Pillemer added.



"We already have interest from the consultants and will be showing the Fund to selected investors. We are keen to win seed investors for this strategy and will be very competitive in this space," Mr Pillemer said.

The Pengana Australian Equities Market Neutral Fund has a minimum investment of \$50,000 and is available to institutions and wholesale clients.

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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 AUD1 billion in funds under management through ten funds, focusing on three central investment strategies – equities, volatility and bonds.

Pengana is headquartered in Sydney, Australia, with additional offices in Melbourne, Singapore, Chicago and Lakeville (Connecticut). Pengana has approximately 50 staff members including over 30 investment professionals. The National Australia Bank is a significant minority shareholder in Pengana, with the remaining shares majority owned by Pengana's directors and staff.

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).

## Notes

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Securities in the Pengana Australian Market Neutral Fund (the "Fund") will only be available for acquisition by wholesale clients. An Information Memorandum ("IM") is available for the Fund. Any wholesale client who is considering investing in the Fund should obtain a copy of the IM and should consider the IM carefully before deciding whether to invest in the Fund.



Neither Pengana Capital Ltd nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in, the Fund.