

Pengana Asian Equities Fund Profile

“China is entering a second stage of economic development that will be driven by productivity gains and will produce a new breed of leaders in IT, machinery, consumer goods and healthcare”. Diane Lin, Lead Portfolio Manager

FUND OBJECTIVE

To offer Australian investors participation in the Asia-Pacific region’s superior growth with protection from short term volatility. In doing so the Fund aims to reduce volatility during the market’s down-cycles whilst participating during the up-cycles.

INVESTMENT STRATEGY

The Fund employs a fundamental Long/Short equities strategy, combining a bottom-up fundamental approach for stock selection with a macro and technical overlay. In order to reduce short term volatility, the Fund may implement hedging strategies by short selling index futures and individual securities.

THE INVESTMENT TEAM

- Six dedicated investment professionals, one based in China, focused only on this Fund.
- The investment team shares an equity ownership scheme and members are accountable for fund performance.
- Cross-regional sectoral research rather than country focused research will help identify investment opportunities at an early stage.

WHY INVEST IN ASIA

– OUR INVESTMENT THESIS

Diversification – Australian market gives direct exposure to the Asian ‘growth story’ through its resources sector. The Fund seeks to give exposure to Asian growth not associated with resource heavy ‘Old China’ investments. Given this approach, the Fund has historically shown low correlation with the Australian equity market, in particular with the mining sector.

China’s transformation – China’s future growth will be driven by domestic consumption and productivity gains rather than intensive capital investment. This will lead to slower demand growth for raw materials but produce strong growth for less energy intensive industries such as service, IT and healthcare.

China-centric – Asian equity investment will become China-centric, led by sectors and companies across the region benefiting from structural demand growth from China, with other regional markets such as Japan becoming peripheral. We focus on companies and industries but not markets that will benefit from China’s future growth and avoid sectors that had benefited from China’s past growth in particular the material and energy sectors. The Investment Team consists of five investment professionals with average team investment experience of over 15 years, who are sector specialists undertaking cross-regional sector focussed research.



Diane Lin
Lead Fund Manager

- Macro and Strategy
- Ind/Mat. and Consumer

Tim Shaw
Fund Manager

- Financials
- Health Care

Charles Stodart
Fund Manager

- Technology
- Telecom & Utilities

Yan Zhang
Technical Analyst

- Technical and Quantitative Analysis

Tobias Yao
Investment Analyst

- Internet Services
- Game Software

Mengda Shu
Investment Analyst

- China Retail

FUND FACTS

APIR Code

PCL0002AU

Inception Date

1 July 2008

Minimum Investment

\$20,000

Recommended Investment Timeframe

Minimum of 3 years

Management Fee

Management fee capped at 1.5%.

Performance Fee[#]

Performance fee is 20% of any increase in Net Asset Value above prior HWM and subject to RBA target cash rate hurdle

Buy/Sell Spread

0.25% on both applications and withdrawals

Entry/Exit Fees

Nil

Fund Pricing

Daily

Distribution Frequency

Annually

ABOUT THE PRINCIPAL PORTFOLIO MANAGER

Diane Lin – Fund Manager



Diane joined Pengana to establish the Pengana Asian Equities Fund in 2008. Diane brings to Pengana over 17 years of experience in financial services and funds management, with a particular focus on Japanese and Asian equities.

Prior to joining Pengana, Diane worked at a number of large investment firms including Perennial Investment Partners, Nomura Investment and UBS with a focus on Asian Equities. After moving to Australia, Diane continued to apply her in-depth understanding of Asia and experience in managing regional investment portfolios, first at Platinum Asset Management as an Equity Analyst/Portfolio Manager and then with Perennial Investment Partners.

Diane is fluent in Mandarin, Cantonese and Japanese. Diane holds a B.A. in Economics from Osaka University, Japan.

FUND RATING



AVAILABILITY

- MLC Fundamentals
- MLC Wrap
- BT Wrap
- BT Super Wrap
- Navigator

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Please refer to Product Disclosure Statement for more details.

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