



PENGANA PANAGORA ABSOLUTE RETURN GLOBAL EQUITIES FUND

NOVEMBER 2017
PERFORMANCE
UPDATE

FUND DESCRIPTION AND FEATURES

The Fund employs a highly diversified long/short equity strategy which is designed to generate attractive absolute returns that are generally neutral to market movements.

The Fund seeks to achieve its objective of an annualised return target of 8-14% with volatility of 4-8%, by using a diversified set of strategies that have low correlation to one another.

In addition, because many of these strategies are designed to generate profit under different market conditions and are designed to capitalise on long-term, intermediate-term and short-term inefficiencies, their combination is expected to result in more stable returns over time than any individual strategy. These strategies have been developed by PanAgora.

Portfolio Managers	George Mussalli, CIO Richard Tan, Director, Equity
APIR code	PCL0023AU
Application price	0.9298
Redemption price	0.9207
Minimum initial investment	A\$20,000
FUM at month end	A\$132m
Strategy inception	1 September 2010
Fund inception	9 December 2015

FUND COMMENTARY

The Fund returned +0.92% in November driven by the long-term portfolio which contributed +0.72%, with strong performance coming from U.S. large capitalisation stocks. Intermediate-term strategies contributed a marginal +0.02%. The short-term strategies contributed +0.18%.

LONG-TERM

Positions within the U.S. contributed +2.16% (gross), with the alpha model performing well due to the strong performance of both value and quality related metrics. IT (+0.79%), Health Care (+0.64%), and Consumer Discretionary (+0.55%), were the largest sector contributors. In IT, the top performer was a long position in Marvell Technology, a company that designs, develops, and markets integrated circuits. Its stock price appreciated by +22% after Q3 earnings beat estimates and talks of a merger with Cavium, another chipmaker. Marvell remains a long position in the portfolio due to a good alpha score. Within Health Care, a short position in Tesaro, which develops and commercialises cancer therapeutics was the largest contributor. The company saw its share price decline by -26% as sales of ZEJULA, a maintenance treatment drug for women with recurrent ovarian cancer, fell short of expectations. Tesaro remains a short position in the portfolio. The

top performing position within Consumer Discretionary was a long position in International Game Technology, a manufacturer of computerised gaming equipment. For the month, IGT rose 17% after beating Q3 earnings expectations.

International positions detracted -1.23% (gross) partly due to the poor showing of sentiment and growth related factors. Value performed in line with the market. By country, Japan (-0.53%) and Denmark (-0.31%) were the largest detractors. In Japan, the alpha model underperformed on a quintile spread basis disappointing the most in the Consumer Discretionary, Consumer Staples, and IT sectors. In Denmark, a long position in Vestas Wind Systems detracted the most. Vestas saw its share price decline after missing earning expectations and warning of increased competition.

INTERMEDIATE-TERM AND SHORT-TERM

The intermediate strategies contributed a marginal +0.02%. The short-term strategies contributed a healthy +0.18% in large part due to the success of trades prompted by the reconstitution of MSCI indices.

PERFORMANCE
WAS DRIVEN
BY THE US
LONG TERM
PORTFOLIO

PERFORMANCE SUMMARY (NET OF FEES, AUD HEDGED, PARTIAL SIMULATION²)

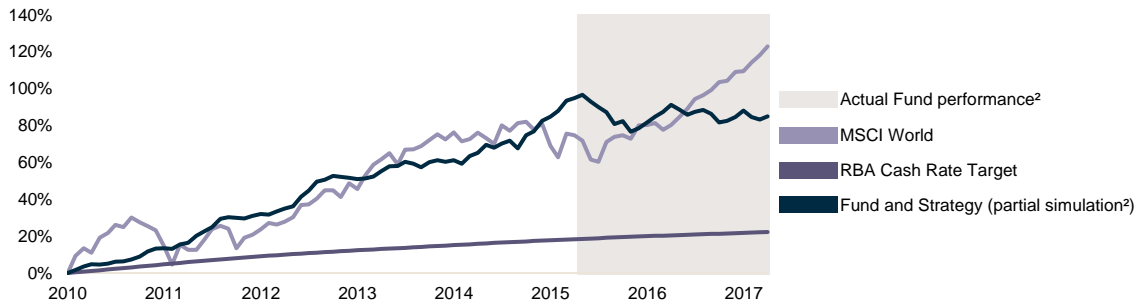
PERFORMANCE (%)

Fund	
1 Month	0.9
1 Year	-3.2
Fund and Strategy including partial simulation²	
3 Years Annualised	3.9
5 Years Annualised	6.5
Inception to Date Annualised	8.9

PERFORMANCE AND RISK STATISTICS

Fund and Strategy including partial simulation ²	
Volatility	5.4%
Sharpe ratio	1.1
Return / risk	1.7
Positive periods	71%
Maximum drawdown	-10.2%
Beta (ASX 200)	0.08
Beta (MSCI World)	0.07

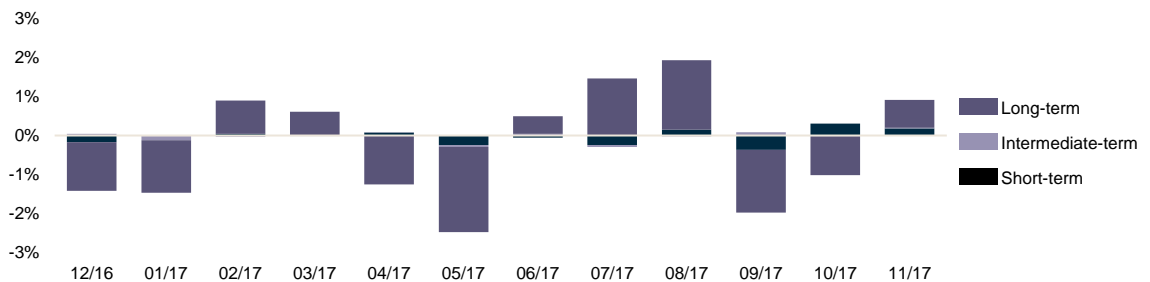
CUMULATIVE RETURN



² From December 2015, performance figures are those of the Fund's class A units (including reinvestment of distributions). Between September 2010 and November 2015, AUD performance has been simulated by Pengana from the actual USD Composite gross strategy returns (prior to April 2013 using the Monthly Liquidity Composite; thereafter using the Daily Liquidity Composite) using 3 month rolling forwards to hedge movements in the AUDUSD spot rate. The effect of management fees of 1.52% p.a. and performance fees of 20.22% p.a. form part of this simulation. Performance fees include a hurdle rate (RBA Cash Rate converted to a daily rate). The Composite is comprised of all discretionary institutional accounts managed by PanAgora in this investment style. The creation date and inception date for the Monthly Liquidity Composite was 1 September 2010. The creation date and inception date for the Daily Liquidity Composite was 1 April 2013. PanAgora's composite performance is GIPS compliant. The USD gross track record data is historical. Past performance is not a reliable indicator of future results. The value of investments can go up and down.

Indices used include: MSCI World Daily TR Net World USD (NDDUWI Index); and RBA Cash Rate (Effective) (RBACTRD Index).

12 MONTH ATTRIBUTION BY SUB-PORTFOLIO

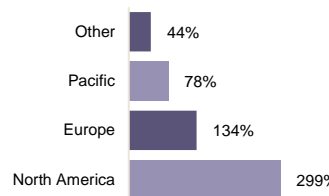


PORTFOLIO EXPOSURES

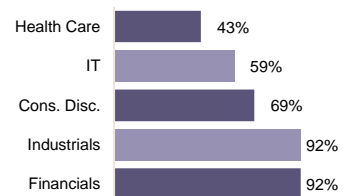
SUB-PORTFOLIO

	Long Term	Interm. Term	Short Term	Total
Long	246%	3%	29%	279%
Short	-246%	-1%	-30%	-277%
Net	0%	3%	-1%	2%
Gross	492%	4%	59%	556%

REGION (GROSS)



SECTOR (TOP 5 GROSS)



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