

# BT Global Macro Fund

## Fact Sheet June 2010

ARSN: 132 551 181



Macro Investments

### About the Fund

The BT Global Macro Fund is a diversified portfolio of investments with an absolute return focus. The Fund aims to achieve its objective through exposure to quantitative global macro strategies.

### Fund objective

The Fund aims to provide a return (before fees, costs and taxes) that outperforms the UBS Bank Bill Index over the medium to long term. The recommended investment timeframe is five years or more.

### Investment style

The Fund is managed as an absolute return strategy with exposures to quantitative global macro strategies.

### Investment process

BTIM's Macro Strategies team aims to generate alpha using market neutral, top-down strategies in each major asset class including global equities, global bonds and global currency.

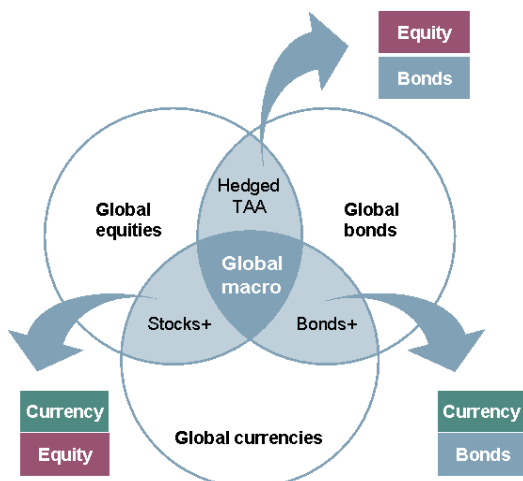
The allocation of investment risk across strategies aims to allow the portfolio to achieve its objective in a range of economic environments.

Using extensive research, the team assesses key macro signals with the aim of identifying and capturing trading opportunities across the global markets:

- Economic: trends in world economies
- Technical: market trading patterns
- Valuation: how cheap or expensive are the assets

The process utilises sophisticated computer models and implements buy and sell recommendations using highly liquid derivative instruments (primarily futures and forwards). The portfolio will also employ leverage via these derivatives.

Each asset class is managed independently and forms the building blocks upon which the Global Macro model is built, as illustrated below:



### Performance

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	
1 month	0.50	0.60	0.40
3 months	-0.21	0.09	1.12
FYDT	7.20	8.49	3.89
6 months	2.80	3.42	2.15
1 year (pa)	7.20	8.49	3.89
2 years (pa)	N/A	N/A	N/A
Since Inception (pa)	0.94	2.16	4.45

### Risk – Since inception

Annualised Standard Deviation	4.44%
-------------------------------	-------

The risk measures are available for periods since actual portfolio inception only. Please note that statistical measures, such as those used above, are more meaningful over longer periods such as 3 and 5 years.

### The Global Macro opportunity

The Global Macro portfolio allocates capital equally across the different strategies. As the alpha streams are relatively uncorrelated, the global macro strategy creates a powerful investment model offering:

- Potential for significant diversification benefits
- Smoother risk-adjusted returns than single strategy approaches
- Customisable approach to suit varying risk requirements

These benefits provide the potential for clients to achieve long-term outperformance in their investment portfolios across economic cycles.

### Investment team

The Fund is managed by the BTIM Macro Strategies team. The team aims to generate alpha and develop global products from a range of top down strategies. Joe Bracken, Head of Macro Strategies, is responsible for the management of the BT Global Macro Fund.

## Portfolio characteristics

Authorised investments	The Fund's underlying strategies will typically use futures, forwards, swaps and options to access asset classes including equities, bonds, currency and commodities.
Risk budget allocation	Capital allocation across strategies is approximately equally weighted
Ex-ante tracking error	2 - 8%
Information Ratio	0.5 - 1.0
Cash and cash equivalents	Typically < 5%
Hedging	The Fund's underlying strategies are expected to deliver returns hedged back to the AUD

## Other information

Fund size (as at 30 June 2010)	\$24.8 million
Date of inception	August 2008
Minimum investment	\$50,000
Buy-sell spread	0.04% <sup>1</sup>
Distribution frequency	Semi-annual
APIR code	BTA0314AU

## Fees\*

Issuer fee**	1.20% p.a.
Performance fee***	20% of the performance (before fees) above the performance hurdle
Performance hurdle	Benchmark plus Issuer fee

## Monthly review

Following a very unpleasant May most investors hoped for a brighter June and getting relief from the constant market turmoil. They were soon disappointed. Global growth and the strength of the recovery were called into question as leading indicators appeared to plateau or weaken and Chinese growth prospects slipped. In Europe bank stress tests reignited fears in an already fragile financial sector and most commodities struggled as risk aversion took hold. Bond markets rallied around the world as investors put aside inflation fears and bought into the safety of government debt. By month-end world equity markets had declined by over 3.5% on average while world bond yields fell nearly 30bps across the board.

- The broad equity market indices fell in June with the US, UK and some of the smaller markets bearing the brunt of investor displeasure. Our **Global Equity** strategy was broadly long European markets and returned 9bps in June.
- The US\$ reversed some of its long run against other currencies and the Yen became the 'safe haven' currency of choice in June. We were overweight Yen and underweight US\$ and the **Global Currency** strategy returned 86bps.
- Our **Global Bond** strategy was short Aussie, JGBs and Bunds and long Canadians and UK 10Yrs. The Global Bond strategy outperformed by 77bps for the month.

The **Global Macro** strategy returned 0.60% for June due to strong Currency and Bond returns.

1\_The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

\* You should refer to the latest product disclosure statement for full details of the fees and other costs you may be charged.

\*\*This is the fee for managing the assets of the Fund and overseeing the operations of the Fund. The issuer fee is paid from the assets of the Fund and is reflected in the unit price of your investment.

\*\*\*The performance fee is payable to the manager and is equal to 20% of the amount (if any) by which the Fund's investment performance (before fees) exceeds the performance hurdle. The performance hurdle is the performance of the benchmark (UBS Bank Bill Index) for that day plus the Issuer fee. The performance fee is calculated each business day based on the investment performance and net asset value of the Fund on that day and, where positive, accrues daily in the Fund's unit price. The fee is payable annually as at 30 June. Any under-performance deficit must be recovered in dollar terms before any performance fee can be accrued in the unit price. Any unrecovered performance deficit is carried forward for up to three consecutive years. The performance fee is payable in relation to the performance of the Fund as a whole during each year, and may not reflect the performance of any individual unit holder's investment.



## For more information

Please call 1800 813 886, contact your business development representative or visit [www.btim.com.au](http://www.btim.com.au)

BT Investment Management (RE) Limited ABN 17 126 390 627, AFSL 316 455 (BTIM), is the responsible entity and issuer of units in the BT Global Macro Fund (Fund). A product disclosure statement (PDS) is available for the Fund and can be obtained by contacting your business development representative on 1800 813 886 or visiting [www.btim.com.au](http://www.btim.com.au). You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of units in the Fund. This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. An investment in the Fund is not a deposit with or any other liability of the Westpac Banking Corporation (ABN 33 007 457 141) or any other Company in the Westpac Group of companies.

Performance figures are calculated in accordance with the Investment & Financial Services Association (IFSA) standards. Total returns are calculated: to the last day of each month using exit prices; taking into account management costs of the fund; assuming reinvestment of distributions (which may include net realised capital gains from the sale of assets of the fund). No reduction is made to the unit price (or performance) to allow for tax you may pay as an investor, other than withholding tax on foreign income (if any). Certain other fees such as Contribution fees or Withdrawal fees (if any) are not taken into account. Performance data (pre-fee) is calculated by adding back management costs to the (post-fee) performance. Past performance is not a reliable indicator of future performance.

If market movements, cash flows or changes in the nature of an investment (eg a change in credit rating) cause the Fund to exceed any of the investment ranges or limits in this document, this will be rectified by BTIM (RE) as soon as reasonably practicable after becoming aware of it. If BTIM (RE) does so, it will have no other obligations in relation to these circumstances. The procedures, investment ranges, benchmarks and limits specified in this document are accurate as at the date of its issue, and BTIM (RE) reserves the right to vary these from time to time.

BT Investment Management (RE) Limited is a member of the Westpac Group. Neither BT Investment Management (RE) Limited, nor any other company in the Westpac Group, guarantees the repayment of capital or the performance of the product or any particular rate of return.

BT® is a registered trade mark of BT Financial Group Pty Ltd and is used under licence.