

## BT Total Return Fund

### Fact Sheet February 2011

ARSN: 092 178 704



#### About the Fund

The BT Total Return Fund is a multi-manager fund of hedge funds that invests across a range of absolute return strategies. The Fund may also employ exchange traded or over-the-counter derivatives to gain exposure to absolute return investment or to manage risk.

#### What type of investor may be suited to the Fund?

The Fund may be suited to individuals or institutions seeking to diversify part of their investment portfolio by introducing an asset class that is not expected to be directly correlated to the share, property and fixed income markets.

#### Fund objective

The Fund aims to provide a return the equivalent of cash +3% to 5% per annum (pa) net of fees over rolling three year periods. Returns are expected to have a low correlation to traditional asset classes.

#### Investment strategies

The Fund invests with managers that execute a range of investment strategies which may include:

- Equity Long-Short: investing in a core holding of long equities hedged at all times with short sales of stocks and/or stock index options
- Equity Market Neutral: seeks to profit by exploiting pricing inefficiencies between related equity securities, neutralising exposure to market risk by combining long and short positions
- Convertible Bond Arbitrage: purchasing of convertible securities, generally convertible bonds, and hedging the equity risk by selling short the underlying common stock
- Merger (Risk) Arbitrage: investment in event driven situations such as leveraged buyouts, mergers and hostile takeovers.
- Fixed Income Arbitrage: profiting from price anomalies between related interest rate securities. Strategies include interest rate swap arbitrage, arbitrage of mispricing between futures and physicals, and long-short strategies.

#### Monthly performance (post fee)

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	1.11	0.30	-0.40	-0.70	0.00	0.63	0.00	0.41	0.89	-0.92	0.83	0.14
2006	0.31	0.92	1.40	0.61	1.01	0.40	-0.21	0.93	0.51	1.93	1.20	1.65
2007	1.48	0.39	1.44	1.68	1.26	0.58	0.41	0.51	1.03	0.95	-0.71	-0.41
2008	-3.67	-0.73	-0.61	-0.41	0.29	-0.58	-0.23	0.64	-1.59	-2.96	0.53	0.45
2009	1.05	0.51	0.76	1.64	-0.06	-0.02	2.09	1.03	-0.81	1.51	0.92	0.84
2010	-0.94	-0.45	1.46	1.00	-2.24	-0.12	0.51	0.21	0.88	1.12	0.51	1.20
2011	-0.11	0.69										

#### Performance

(%)	Total Returns		Cash comparison
	(post-fee)	(pre-fee)	
1 month	0.69	0.81	0.37
3 months	1.78	2.14	1.23
FYDT	5.11	6.10	3.28
6 months	4.36	5.09	2.43
1 year (pa)	5.19	6.66	4.78
2 years (pa)	5.92	7.41	4.12
3 years (pa)	2.89	4.33	5.11
5 years (pa)	4.49	5.95	5.67

# UBS Bank Bill Index is used for Cash comparison. This is not the Fund's benchmark and no representation is given that the Fund seeks to achieve a return benchmarked to this Index. The Cash Comparison is provided for information only.

#### Strategy allocation (as at 28 February 2011)

Cash	14%
Equity Long / Short	18%
Market Neutral	45%
Global Macro	23%

#### Other information

Fund Size (as at 28 Feb 2011)	\$243 million
Date of inception	September 2000
Minimum investment	\$500,000
Minimum balance	\$500,000
Buy-sell spread	0.25% <sup>#</sup>
Distribution frequency	Quarterly
APIR code	RFA0108AU

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

#### Fees

Management fee	1.40% pa*
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\* You should refer to the latest Information Memorandum for full details of fees and other costs you may be charged.

## Performance Summary

Fund returns were positive over February and higher than the cash return for the same period. The ongoing tensions in the Middle East and Africa, rising inflationary concerns and a mixed reporting season created a volatile trading environment which worked favourably for many strategies.

Several of the fund's underlying strategies performed well and more than offset weakness in those that experienced weaker stock selection over the period.

Our domestic market neutral strategy reported stellar returns aided by strong profits in its long book on the back of the reporting season. The increase in implied volatility underpinned the fund's option strategy and there was a good level of corporate activity in the small and mid cap sector which allowed the portfolio to benefit from several capital raisings. The portfolio's bond and currency strategies also generated positive performance over the period.



### For more information

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

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Performance figures are calculated in accordance with the Investment & Financial Services Association (IFSA) standards. Total returns (post-fee) 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. Total returns (pre-fee) are calculated by adding back management costs to the (post-fee) returns. 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.

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