

BT Total Return Fund

Fact Sheet June 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	0.06	0.87	0.39	0.36						

Performance

(%)	Total Returns		Cash comparison
	(post-fee)	(pre-fee)	
1 month	0.36	0.47	0.40
3 months	1.62	1.97	1.23
FYDT	6.88	8.38	4.98
6 months	2.27	2.98	2.47
1 year (pa)	6.88	8.38	4.98
2 years (pa)	5.59	7.07	4.43
3 years (pa)	3.91	5.37	4.78
5 years (pa)	4.13	5.59	5.62

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 30 June 2011)

Cash	9%
Equity Long / Short	18%
Market Neutral	50%
Global Macro	23%

Other information

Fund Size (as at 30 Jun 2011)	\$238 million
Date of inception	September 2000
Minimum investment	\$500,000
Minimum balance	\$500,000
Buy-sell spread	0.25% [#]
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

Equity markets declined again in June due to the escalating sovereign debt crisis in Europe. Stocks were down significantly early in the month but recovered late in the period as Greece committed to new bail-out and austerity measures. The domestic market was also weighed down by political and economic uncertainty regarding possible outcomes from the Federal Government carbon reduction/pricing initiative.

As the majority of strategies in the fund are equity based, we are pleased to report positive returns for the month of June. The fund has also performed well against the HFRX absolute Return Index for the month of June which was down 1.36%.

Our dedicated market neutral strategies benefitted from positive stock selection particularly in the Consumer Discretionary and Industrials sectors. Several managers maintain quite defensive positioning which has served the fund well over the last few months.

Event driven strategies also performed well helping to offset some of the cyclical exposures and convergence trades which tended to underperform, the latter reflecting a significant drop in liquidity in the month of June.

The fund has reported solid returns over the past year, with eleven of the past twelve months registering positive performance. All of our managers contributed positively to performance over the period with standout performers being our dedicated market neutral strategies. It has been a solid year for hedge funds per say although returns were subject to weakness towards year end.

At this point in time, the majority of our strategies are defensively positioned, this is evident by the level of option protection, stock positioning and lower level of net exposure.



For more information

Please call 1800 813 886, contact your business development representative or visit 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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