

BT Total Return Fund

Fact Sheet July 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	0.08					

Performance

(%)	Total Returns		Cash comparison
	(post-fee)	(pre-fee)	
1 month	0.08	0.20	0.42
3 months	0.83	1.18	1.24
FYDT	0.08	0.20	0.42
6 months	2.47	3.18	2.46
1 year (pa)	6.43	7.92	4.98
2 years (pa)	4.55	6.01	4.51
3 years (pa)	4.02	5.48	4.69
5 years (pa)	4.19	5.65	5.60

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 31 July 2011)

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

Other information

Fund Size (as at 31 Jul 2011)	\$240 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

The European sovereign crisis continued to take centre stage over the month of July. Despite new efforts by governments to contain the crisis a sell-off in Italian & Spanish Government bonds and European bank equities caused concerns for the broader financials sector. In the US, debate around the debt ceiling and a potential US default also weighed on markets. Global equities fell with the MSCI World closing down 1.8% and the S&P/ASX 200 index closing down 4.0% - the fourth consecutive monthly fall - with defensive sectors outperforming (Telcos +3.5%) and cyclicals underperforming (Consumer Discretionary -7.5%).

The portfolio generated positive performance over the month and performed well against the HFRX Absolute Return Index for the month of July which was down 0.58%.

Our domestic and global market neutral strategies reported strong returns over the month and this was enough to offset weakness across our other long short strategies which held a greater exposure to cyclical stocks.

The fund typically allocates to long short equity strategies that exhibit very low beta to the domestic market. This is evident by the fund's current beta of 0.14 to the ASX200 over the last 3 year period. Over this period the fund has generated a return of 4.0% pa versus an ASX200 return of 0.5% pa.

Similar to last month, 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. We are comforted by the fact that not all strategies are positioned for further weakness. It is this diversification at the strategy level which proves beneficial during increased periods of volatility.



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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