

BT Total Return Fund

Fact Sheet August 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	-0.30				

Performance

(%)	Total Returns		Cash comparison
	(post-fee)	(pre-fee)	
1 month	-0.30	-0.19	0.43
3 months	0.14	0.48	1.25
FYDT	-0.22	0.01	0.85
6 months	1.46	2.16	2.51
1 year (pa)	5.88	7.36	5.00
2 years (pa)	3.85	5.31	4.60
3 years (pa)	3.69	5.15	4.61
5 years (pa)	3.93	5.39	5.58

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 August 2011)

Cash	7%
Equity Long / Short	17%
Market Neutral	52%
Global Macro	24%

Other information

Fund Size (as at 31 Aug 2011)	\$232 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

August was another testing month for equity market investors. The sharp spike in equity market volatility added to investor caution. Severe macroeconomic concerns dominated sentiment and despite a dramatic recovery mid month the market still registered its fifth consecutive monthly decline. A flight to defensives was evident as well as a high level of buyback activity as companies looked to take advantage of depressed prices.

In this environment, the portfolio registered a 0.3% fall. Our market neutral strategies continued to perform well in this environment and registered positive performance over the month. Consumer Discretionary and Materials were strong sectors for the Fund whilst Financials and Industrials detracted value. Merger and acquisition activity in several underlying strategies contributed to performance. Options strategies also performed well due to the large market fall early in the month and the increase in both realisable and implied volatilities. On the negative side, our long short strategies reported negative performance. The net market exposure was a key reason for this as well as an underlying cyclical stock selection.

The underlying manager views are quite diversified evident by the varying degrees of defensiveness in each strategy. Our market neutral portfolios are defensively positioned at a stock level. The fund will also be exposed to any short term recovery in equity prices if investors seek to neutralise their allocation to equities from current underweight positions.



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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