

# BT Global Macro Fund

Fact Sheet  
October 2011

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.

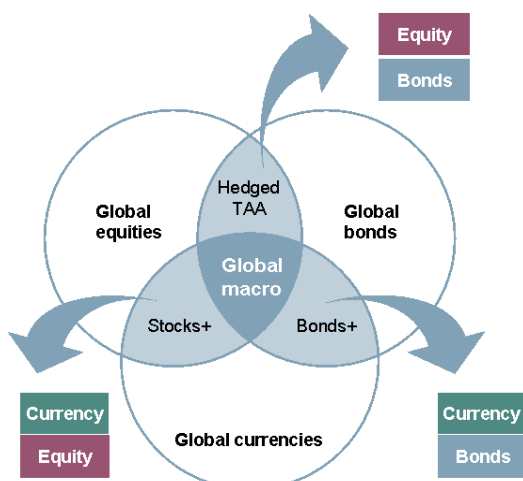
The allocation of investment risk across strategies aims to allow the portfolio to achieve its objective in a range of economic environments.

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 Return
	(post-fee)	(pre-fee)	
1 month	1.02	1.12	0.42
3 months	-2.34	-2.08	1.24
FYDT	-3.25	-2.86	1.66
6 months	-2.06	-1.47	2.50
1 year (pa)	-2.71	-1.54	5.02
2 years (pa)	2.91	4.16	4.74
3 years (pa)	3.69	4.94	4.44
Since Inception (pa)	0.98	2.20	4.68

## Risk – Since inception

Annualised Standard Deviation	4.09 %
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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 31 Oct 2011)	\$40 million
Date of inception	August 2008
Minimum investment	\$25,000
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

October finally brought some relief for investors as economic data seemed to be more positive and the European credit crisis appeared to be lurching towards a resolution. In the US the ISM, non-farm payrolls and retail sales all surprised positively and 3Q GDP came in in-line with expectations. In Europe it was more of a mixed bag with EC-wide industrial new orders ticking up and exports surging in Germany while consumer confidence remained in the doldrums. Meanwhile European leaders - under pressure from their US and Asian counterparts – cobbled together another rescue package for Europe in their efforts to stamp out the credit crisis. This one had many good elements including a 50% haircut for Greek debt, a beefed up EFSF and involvement of the IMF in the package. The market reacted positively to the plan but market pundits warned that, as usual, the devil will be in the details and that the crisis was far from over. Nevertheless equity markets rallied across the board with the S&P bouncing over 10% and European markets following. Debt markets sold off on this burst of 'risk on' trading with most bond markets seeing yields rise over 20bps. The currency markets also jumped on this positive news with the downtrodden EUR rising over 3% to finish the month at US\$1.39. The A\$, acting as a risk barometer, soared back through parity to end the month at US\$1.053.

- Our **Global Equity** strategy was broadly long in Europe and Asia and short the US and it returned 88bps for the month.
- Our **Global Currency** strategy was long the A\$ and short EUR and GBP. A surging A\$ offset any losses from our short positions and the strategy was up 94bps for the month.
- Our **Global Bond** strategy was long Treasuries and Japanese debt and short Australian and German debt and our long side outperformed as the market sold down European debt. It returned 159bps for the month.

The **Global Macro** strategy returned 1.12% (pre-fee) in October as markets began to move back towards semi-rational trading again.

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)

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