

# Ibbotson Diversified Alternatives Trust <sup>1,4</sup>

## Risk Profile

Moderate

## Investment Horizon

5 years

## Inception

28 November 2007

## Trust Size \$Mil

25.6

## Benchmark

UBS Australian Bank Bill Index

## Investment Summary

### Investment Objective

To maximise outperformance relative to the benchmark (UBS Australian Bank Bill Index) over rolling five year periods.

### Multi-Manager Trust

Ibbotson selects specialist and complementary investment managers, with varying investment styles, that are expected to deliver investment returns in excess of their performance benchmarks.

Available to wholesale investors.

### Diversified, Global Alternative Investments

Access to a broad range of diversifying assets and strategies selected by Ibbotson to complement a portfolio of equities and fixed income.

The portfolio mix is tilted to investments with low to moderate sensitivity to sharemarkets and economic growth, and with attractive reward for risk.

### Key Attributes

Conservatively managed portfolio of alternative assets and strategies.

Diverse portfolio designed to complement equities and bonds.

The ability to identify exceptional managers throughout the world is assisted by our access to global resources.

Daily liquidity.

### Operations

Unit Pricing	Daily
Distributions	Quarterly
Management Fee <sup>3</sup>	Up to 1.03%
Performance Fee <sup>3</sup>	10.25% of returns in excess of benchmark plus 2% pa
Buy/Sell Spread	0.28% / 0.28%

## Quarterly Commentary

The Ibbotson Diversified Alternatives Trust generated a positive return for the quarter and year, with gains of 0.3% and 5.0% respectively. Returns benefited from high allocations to infrastructure, global macro hedge funds and insurance linked securities and gains from equity volatility during the third and fourth quarters. Pleasingly the fund met its objective of providing diversification for investors, preserving capital during the turbulent market conditions in the second half of 2011. The portfolio remains biased to investments with low sensitivity to equity markets and attractive reward for risk.

## Performance <sup>1</sup> 31-12-11



Total Return %	1 Month	3 Months	FYTD	1 Year	3 Years (pa)
Trust (Net of Fees) <sup>1</sup>	0.25	0.29	1.13	4.97	8.10
Benchmark <sup>4</sup>	0.39	1.21	2.46	4.99	4.37
Active Return <sup>1,4</sup>	-0.14	-0.92	-1.33	-0.01	+3.73

## Portfolio Analysis <sup>2</sup> 31-12-11

### Strategic Asset Allocation %



Alternative Assets	75.0
Alternative Strategies	20.0
Cash	5.0

### Actual Asset Allocation %



Alternative Assets	67.0
Alternative Strategies	24.0
Cash	9.0

### Notes

- Prior to 1 June 2011 this Trust was called the Ibbotson Alternative Markets Trust. The investment strategy and underlying investments of the Trust changed on 1 June 2011.
- Allocations may not add up to 100% due to the rounding of individual components.
- The Management and Performance fees are inclusive of GST (after taking into account Reduced Input Tax Credits) and can be negotiated for direct investors. Refer to the current disclosure document for more information on fees and costs.
- In the past the Trust's returns were compared to an asset weighted benchmark including global listed infrastructure and commodities. Following the change of this Trust's investment strategy, returns are now compared to the Trust's cash benchmark across all time periods.

### Manager Allocation %

<b>Alternative Assets</b>	<b>67.0</b>
Alternative Beta Partners - Hedge Fund Beta	17.0
Alternative Beta Partners - Insurance-Linked Securities	16.4
Barclays Bank - Commodities	4.4
Barclays Bank - Equity Market Volatility	4.8
BlackRock - Listed Private Equity	2.6
Vanguard - Global Listed Infrastructure	21.8
<b>Alternative Strategies</b>	<b>24.0</b>
Ibbotson GTS - Multi-Manager Hedge Fund	24.0
<b>Cash</b>	<b>9.0</b>
Omega - Cash	7.2
Other	1.8

### The Fund has Exposure to a Range of Investments

**Hedge Fund Beta:** A broadly-diversified set of rules-based strategies invested in equities, fixed income, currency, and commodities.

**Insurance-Linked Securities:** Diversified exposure to lower-risk insurance-linked securities related to natural extreme events.

**Commodities:** A diversified portfolio of commodity futures.

**Equity Market Volatility:** Exposure to expected sharemarket volatility.

**Listed Private Equity:** A diversified global portfolio of listed private equity funds and managers.

**Global Listed Infrastructure:** A defensive portfolio of global listed utility and infrastructure companies.

**Multi-Manager Hedge Fund:** An Ibbotson-selected portfolio of discretionary and systematic global macro and trend-following hedge funds. Investment in the Ibbotson Global Trading Strategies Trust.

**Cash:** Australian short-term cash deposits and cash equivalent securities.