

# Ibbotson Global Inflation Linked Securities (Hedged) Trust

## Risk Profile

Moderate

## Investment Horizon

3 years

## Inception

26 November 2007

## Trust Size \$Mil

53.7

## Benchmark

Ibbotson Inflation-Linked Bond Index (A\$ Hedged)

## Investment Summary

### Investment Objective

Aims to maximise outperformance relative to the benchmark (Ibbotson Inflation-Linked Index (A\$ Hedged)) over rolling three year periods, by investing predominantly in global inflation-linked securities.

### Specialist Manager Trust

Ibbotson has selected specialist active managers that are expected to deliver superior investment returns in excess of its performance benchmark.

Available to wholesale investors.

### Global Inflation-Linked Securities

The portfolio invests in international and Australian investment grade inflation-linked securities and maintains an active approach in currency management around a fully hedged benchmark.

### Key Attributes

Provides a hedge against inflation and inflation surprises, adding a further level of diversification within a balanced portfolio.

Active manager evaluation maximises the potential for enhanced long-term portfolio performance.

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

### Operations

Unit Pricing	Daily
Distributions	Quarterly
Maximum Tracking Error	4% pa
Management Fee <sup>3</sup>	Up to 0.77%
Buy/Sell Spread	0.15% / 0.15%

## Quarterly Commentary

The Ibbotson Global Inflation Linked Securities (Hedged) Trust ended the quarter 2.7% higher, but underperformed against the Custom Benchmark by -0.8%, which is a blended 50/50 UBS Australian Government Inflation Linked Bond Index and Barclays World Government Inflation Linked Bonds 1-15 Year Index. This was due to an underweight to Australian inflation linked securities, which outperformed the broader market. For the year, a predominantly overweight allocation to Australian inflation linked securities drove a moderate underperformance of -0.7% against the blended benchmark, topping off a stellar 14.9% in total return from the Trust, making it the best performing Ibbotson trust in 2011.

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



Total Return %	1 Month	3 Months	FYTD	1 Year	3 Years (pa)
Trust (Net of Fees)	1.69	2.65	8.36	14.87	10.87
Benchmark <sup>4</sup>	2.08	3.46	8.76	15.53	12.68
Active Return	-0.39	-0.81	-0.40	-0.66	-1.81

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

Sector Allocations	%	+/- Bmark %
Government	95.1	-4.9
Cash	4.9	+4.9

Maturity Breakdown	%	+/- Bmark %
0-3	8.6	+0.1
3-5	20.3	-0.8
5-7	9.5	+1.7
7-10	28.8	-2.4
10-15	19.9	-3.2
15+	7.9	-0.3
Cash	4.9	+4.9

Characteristics	%	+/- Bmark %
Modified Duration (years)	7.0	-0.6

## Manager Weightings



Manager	Style	%
Omega Global	Passive - enhanced	58.7
Omega Aus	Passive - enhanced	41.2
Others	Other	0.2

## Manager Styles

**Passive-enhanced:** An approach that aims to attain returns at or moderately above the benchmark while still maintaining the risk characteristic of a nominated benchmark.