

Investment Strategy

The Ibbotson Alpha Strategies Trust (Alpha Trust) offers exposure to a diversified portfolio of hedge funds that seek to generate returns from active management rather than through passive market exposure. The underlying funds invest using both directional and non-directional strategies across the global equity, bond, credit, currency and commodity markets. Strategies pursued include Equity Long/Short, Credit Long/Short, Event-Driven, Macro and Market Neutral. The Trust will generally have exposure to between 15 and 25 managers.

Performance Commentary

December was another month of two halves as continued concerns about Europe and the potential for a hard landing in China led the markets down during the first part of the month, but then positive sentiment returned with the announcement of the Long Term Refinancing Operation in Europe and risk assets started to rally. Against this backdrop Alpha Trust produced returns that were essentially flat, with gains from our Market Neutral managers being offset by small losses in each of the other strategies.

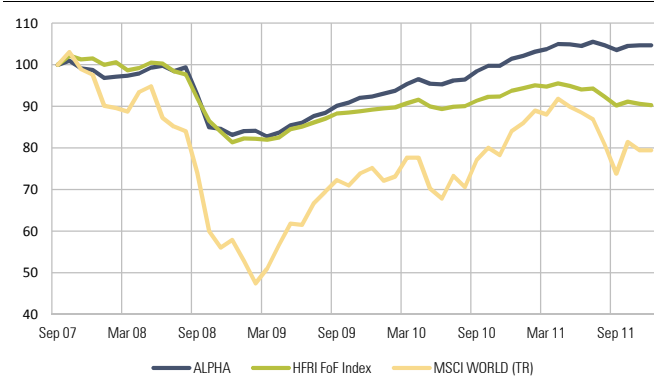
Monthly Returns (Net of Fees %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2011	0.7	1.0	0.6	1.2	-0.1	-0.4	0.9	-0.8	-1.1	1.0	0.1	0.0	3.2
2010	0.8	0.8	1.7	1.2	-1.1	-0.1	0.9	0.2	2.1	1.4	0.0	1.7	9.8
2009	1.1	0.0	-1.6	1.1	2.1	0.8	1.9	0.9	1.9	0.9	1.3	0.4	11.1
2008	-1.9	0.4	0.2	0.6	1.5	0.5	-1.3	0.9	-6.6	-8.4	-0.5	-1.7	-15.8
2007										1.0	-1.9	-0.4	-1.3

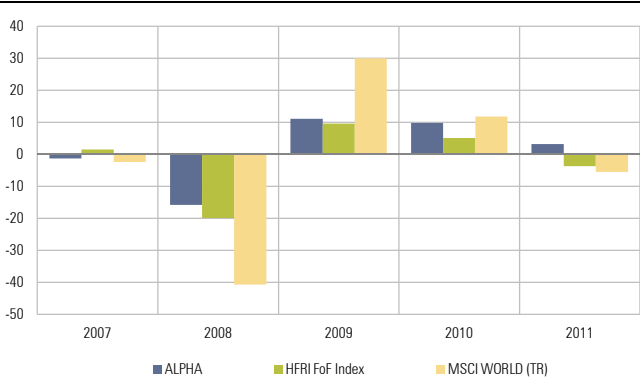
Performance Statistics (Since Inception)

	Alpha Trust	HFRI FoF Index	MSCI World (TR)		Alpha Trust	HFRI FoF Index	MSCI World (TR)
Return % p.a.	1.1	-2.4	-5.3	Max Drawdown %	-18.1	-20.4	-54.0
Std Dev % p.a.	6.4	5.8	21.7	Up Period %	66.7	58.8	45.1
Beta to MSCI World	0.2	0.2		Fund Positive when MSCI World Negative %	46.4	32.1	

Growth of \$100

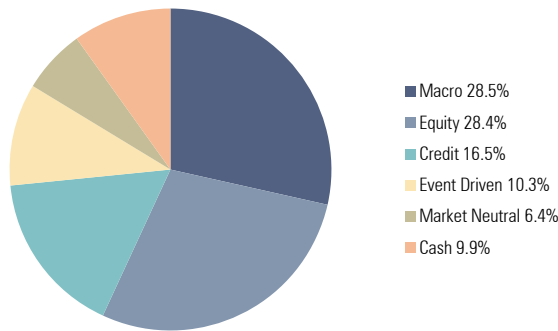


Annual Returns (%)

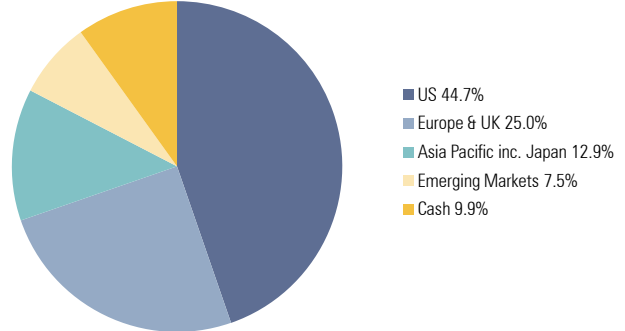


* HFRI Index is the HFRI FoF: Conservative Index
 * MSCI World (TR) is the MSCI World Total Return Index in local currency

Strategy Allocation



Geographic Allocation



* Allocation above is as at 31 December 2011

Operations

Base Currency	Australian Dollar	Management Fee (inc. GST) % p.a.	1.23
Fund Size (\$Mil)	150.59	Performance Fee (inc. GST) % p.a.	10.25
Minimum Initial Purchase	\$500,000.00	Hurdle Rate (Benchmark)	UBS Australian Bank Bill Index
Pricing Frequency	Monthly	High Watermark	Yes
Subscription Frequency	Monthly with one month's notice	Administrator	JP Morgan Chase
Redemption Frequency	Quarterly with three month's notice	Custodian	JP Morgan Chase
Lockup Months	12	Auditor	Ernst & Young
		Trust Inception Date	28 September 2007

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