

# Ibbotson International Bonds Active (Hedged) Trust

<b>Risk Profile</b> Moderate	<b>Investment Horizon</b> 3 years	<b>Inception</b> 31 October 2006	<b>Trust Size \$Mil</b> 118.8	<b>Benchmark</b> Barclays Global Aggregate (A\$ Hedged) Index
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## Investment Summary

### Investment Objective

Aims to maximise outperformance relative to the benchmark (Barclays Global Aggregate (A\$ Hedged) Index) over rolling three year periods, by investing predominantly in international investment grade bonds.

### Multi-Manager Trust

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

Available to wholesale investors, and indirectly to retail investors via select retail platforms.

### International Bonds

The portfolio invests predominantly in international investment grade bonds and maintains an active approach in currency management around a fully hedged benchmark.

### Key Attributes

Manager diversification and 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	5% pa
Management Fee <sup>3</sup>	Up to 0.77%
Buy/Sell Spread	0.10% / 0.10%

## Quarterly Commentary

The Ibbotson International Bonds Active (Hedged) Trust returned 1.5% in Q4, which was -0.5% behind its Barclays Global Aggregate A\$ Hedged Index benchmark. The main detractor from the result was Colchester's performance, which was slightly offset by outperformance from the PIMCO Global Bond Fund and the Omega Global Corporate Bond Fund. For the calendar year, the Trust delivered a solid 9.0% in absolute terms although relative to the benchmark it lagged by -1.5%.

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



	1 Month	3 Months	FYTD	1 Year	5 Years (pa)
<b>Total Return %</b>					
Trust (Net of Fees)	1.74	1.49	4.97	9.01	6.63
Benchmark	1.90	2.04	6.41	10.51	8.73
Active Return	-0.16	-0.55	-1.44	-1.50	-2.10

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

Regional Allocations	%	+/- Bmark %
North America	34.1	-2.9
Europe ex-UK	29.1	+4.9
Pacific ex-Japan	12.7	+11.6
Emerging Markets	8.5	+7.6
Japan	6.4	-20.3
United Kingdom	6.2	-3.0
Other	0.0	-0.9
Cash	2.9	+2.9

### Notes

- Performance measures are expressed after fees, costs and before taxes. Performance may not sum due to the rounding of individual components. Trust inception date 31 October 2006, performance reporting commenced November 2006.
- Allocations may not add up to 100% due to the rounding of individual components.
- The Management fee is 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.

Characteristics	%	+/- Bmark %
Modified Duration (years)	5.0	-0.9

## Manager Weightings



Manager	Style	%
Colchester	Sovereign	36.2
PIMCO Global Credit	Diversified, credit	27.4
PIMCO Global Bond	Diversified	26.2
Omega	Diversified, credit	10.1

## Manager Styles

**Sovereign:** An approach that seeks to add value primarily through interest rate and currency management by applying active top down macro views across global sovereign markets.

**Diversified:** An approach that seeks to add value through multiple sources, which may include top down and bottom up strategies across global fixed income markets, encompassing interest rate management, credit allocation, security selection and currency management.

**Diversified, credit:** An approach that seeks to add value through multiple sources, which may include top down and bottom up strategies across global non-Treasury fixed income markets, encompassing interest rate management, credit selection and currency management.