

Ibbotson International Shares Active (Unhedged) Trust

Risk Profile

High

Investment Horizon

5 years

Inception

7 July 2000

Trust Size \$Mil

263.3

Benchmark

MSCI All Country World ex-Australia Index with Net Dividends Reinvested (Unhedged)

Investment Summary

Investment Objective

Aims to maximise outperformance relative to the benchmark (MSCI All Country World ex-Australia Index with Net Dividends Reinvested (Unhedged)) over rolling five year periods, by investing predominantly in listed international shares.

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.

Diversified International Shares

The portfolio is invested in listed international shares across developed and emerging markets.

Key Attributes

Access to numerous specialist international equity managers, ordinarily not available to Australian investors.

A combination of index-aware strategies and high conviction managers capable of generating significant performance.

Risk control through packaging a combination of managers with varying investment styles.

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	6% pa
Management Fee ³	Up to 1.08%
Buy/Sell Spread	0.25% / 0.25%

Quarterly Commentary

The Ibbotson International Shares Active (Unhedged) Trust slightly underperformed its benchmark by -0.1% for the December quarter. The Trust's return was 1.5% relative to the benchmark return of 1.6%. Underperformance was driven by stock selection with the contribution from sector allocation roughly flat due to the portfolio's underweight to the outperforming Energy sector being more than offset by an underweight to the poor-performing Utilities sector. Stock selection added value in Energy, Healthcare, Information Technology and Telecommunication Services, but was partially offset by negative stock selection in Consumer Discretionary and Industrials. At the manager level, the Ibbotson International Shares High Opportunities Trust managers detracted but both AQR and DFA added value.

Performance¹ 31-12-11



Total Return %	1 Month	3 Months	FYTD	1 Year	5 Years (pa)
Trust (Net of Fees)	-0.41	1.46	-8.79	-7.99	-8.21
Benchmark	0.05	1.60	-7.48	-7.24	-7.09
Active Return	-0.45	-0.14	-1.31	-0.75	-1.12

Portfolio Analysis² 31-12-11

Regional Allocations	%	+/- Bmark %	Largest Over or Under-weight Sectors	+/- Bmark %
North America	48.8	-3.4	Consumer Discretionary	+4.9
Europe ex-UK	15.0	-1.1	Industrials	+1.3
Emerging Markets	11.4	-0.9	Financials	+0.9
UK	9.1	+0.2	Energy	-2.3
Japan	7.9	-0.3	Utilities	-2.2
Pacific ex-Japan	5.2	+2.7	Information Technology	-2.1
Cash	2.8	+2.8	Materials	-1.2
			Health Care	-1.1
			Consumer Staples	-0.8
			Telecommunication Services	-0.2

Manager Weightings



Manager	Style	%
Ibbotson HOT (UH)	High alpha multi-manager	62.3
AQR	Core (global)	24.4
Dimensional	Value (global)	12.4
Others	Other	0.9

Manager Styles

High alpha multi-manager: An approach that focuses on selecting multiple managers who run high conviction portfolios with the objective of generating significant outperformance.

Core: An approach that does not deliberately target either value or growth stocks, although it is expected that an unintended small bias to either value or growth stocks, from time to time, will occur.

Value: An approach that focuses on selecting stocks that are regarded as relatively cheap based on various price measures.

Top/Bottom 5 Divergent Stock Positions +/- Bmark %

Amazon.com	+0.5
Jardine Strategic Holdings	+0.5
Jardine Matheson Holdings	+0.5
Rogers Communications	+0.4
National Oilwell Varco	+0.4
Exxon Mobil	-1.2
IBM	-0.7
Apple	-0.6
Microsoft	-0.5
Johnson & Johnson	-0.5

Notes

- Performance measures are expressed after fees, costs and before taxes. Performance may not sum due to the rounding of individual components.
- 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.