

# Morningstar Alpha Strategies Fund

previously Ibbotson Alpha Strategies Trust

## Risk Profile

Moderate

## Investment Horizon

5 years

## Inception

28 September 2007

## Fund Size \$Mil

227.3

Estimated frequency of annual negative return over a 20 year period 2 to less than 3

## Investment Objective

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

## Multi-Manager Fund

A multi-strategy portfolio of hedge fund strategies invested across a range of specialist managers.

Available to wholesale investors.

## Strategic Investment Mix

100% long-term exposure to hedge fund strategies.

## Key Attributes

High conviction portfolio construction.

Exposure to leading hedge fund investment managers.

Complementary source of returns for portfolios invested in equities and fixed income.

Adds a new source of returns that may not be present in an existing diversified portfolio.

Diversification benefit in periods of negative equity market returns.

Low correlation to traditional asset classes.

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

## Operations

Limits on Transacting

Monthly applications  
Redemptions processed  
each calendar quarter subject  
to 3 months notice and  
12 months lock-up period

Unit Pricing

Monthly

Management Fee <sup>2</sup>

1.23%

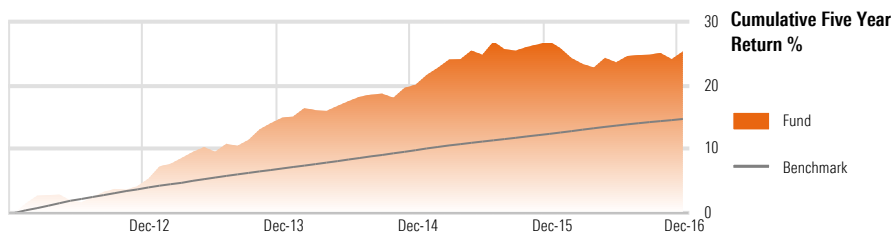
Performance Fee <sup>3</sup>

10.25%

Buy/Sell Spread <sup>4</sup>

0.15% / 0.15%

## Performance <sup>1</sup>



Total Return %	3 Months	6 Months	1 Year	3 Years (pa)	5 Years (pa)
Fund (Net of Fees)	0.40	1.38	-1.26	2.94	4.62
Benchmark	0.44	0.92	2.07	2.37	2.79
Active Return	-0.03	+0.46	-3.34	+0.57	+1.84

## Portfolio Analysis <sup>2</sup> 31-12-16

### Strategy Allocation %



Market Neutral	38.0
Hedged Equity	20.3
Event Driven	5.1
Macro	24.9
Hedged Credit	0.7
Cash	11.1

### Geographic Allocation %



Asia Pacific Inc Japan	44.3
UK/Europe	15.1
United States	16.8
Cash	11.1
Emerging Markets	12.8

## Benefits of including alpha strategies in a diversified portfolio

The Fund has been designed from a 'total portfolio perspective' and allows easy implementation of a sophisticated mix of absolute return strategies. The Fund is a complementary investment for a diversified portfolio, offering:

- × Enhanced diversification: reduces reliance on mainstream asset classes and introduces strategies which behave differently to equity and fixed interest markets
- × Improved and consistent performance: potential for higher and more consistent returns over a full market cycle

## Notes

1. Performance measures are expressed after fees, costs and taxes are deducted. Fund inception date 28 September 2007. Past performance is not indicative of future performance.

2. The Management fee is inclusive of GST.

3. The Performance fee is based on the outperformance above the benchmark of the Fund, subject to a high watermark – that is any negative performance is recouped prior to the Performance fee being charged, and this is an additional cost to investors. Refer to the disclosure document for more information on fees.

4. The sell spread may be higher in some limited circumstances. Refer to the disclosure document for more information.