

Ibbotson Alpha Strategies Trust

Risk Profile

Moderate

Investment Horizon

5 years

Inception

28 September 2007

Trust Size \$Mil

123.8

Benchmark

UBS Bank Bill Index

Investment Summary

Investment Objective

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

Multi-Manager Trust

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 alpha that may not be present in an existing diversified portfolio.

Diversification benefit in periods of negative equity market returns.

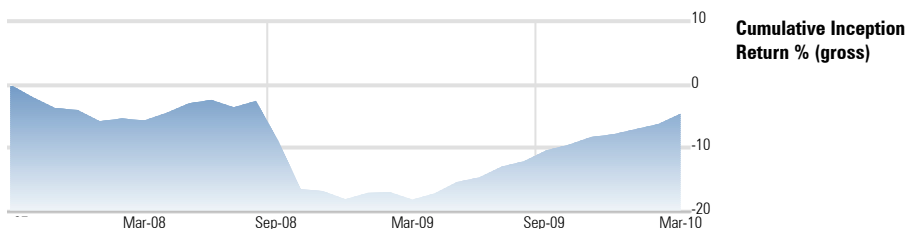
Low correlation to traditional asset classes.

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 ³	1.23%
Performance Fee ⁴	10.25%
Buy/Sell Spread	0.26% / 0.26%
Implementation	Exposure achieved via
	a total return swap

Performance ¹ 31-03-10



Total Return %	1 Month	3 Months	FYTD	1 Year	Since Inc (pa)
Trust	1.71	3.48	11.71	16.51	-1.86
Benchmark	0.35	1.02	2.73	3.54	5.53
Active Return	+1.37	+2.46	+8.98	+12.97	-7.38

Portfolio Analysis ² 31-03-10

Strategy Allocation %



Global trading strategies	29.0
Equity market neutral & equity long-short	25.0
Multi-strategy hedge funds	21.0
Credit	15.0
Cash	10.0

Alpha Strategies Style Explanation

Global Trading Strategies

- ▶ Long-short strategies that seek to exploit negative and positive market views.
- ▶ Investment in fixed interest and equity markets, commodities and currencies

Equity Market Neutral & Equity Long-Short

- ▶ Returns from regional or sector based equity security selection.
- ▶ Long-short strategies to exploit positive and negative stock views.

Multi-Strategy Hedge Funds

- ▶ Diverse range of hedge fund strategies.
- ▶ Investment in a broad range of asset classes.
- ▶ Exposure to niche and emerging strategies.

Credit

- ▶ Strategies invested long and short in debt instruments including corporate bonds and loans, convertible bonds and asset backed securities.
- ▶ Range of investment styles including fundamental value, trading, arbitrage and event driven.

Notes

1. Performance measures are expressed before fees, costs and taxes are deducted. Trust inception date 28 September 2007, performance reporting commenced October 2007.
2. Allocations may vary up to 10% from strategic allocation.
3. The Management fee is inclusive of GST.
4. The Performance fee is based on the outperformance above the benchmark of the Trust, 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.

Benefits of including alpha strategies in a diversified portfolio

The Trust has been designed from a 'total portfolio perspective' and allows easy implementation of a sophisticated mix of absolute return strategies. The Trust 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

Risks of investing in alpha strategies

Hedge fund strategies are exposed to different types of risks compared to traditional investments. In addition to general investment risks the following key risks apply:

- ▶ Manager risk: the underlying managers may fail to meet their investment objectives resulting in sub-standard results for the Trust
- ▶ Liquidity risk: underlying strategies may offer limited liquidity such as minimum investment periods, less frequent transaction availability and longer notice periods for transactions or deferred payment of redemptions
- ▶ Counterparty risk: if a counterparty to the Trust, such as a counterparty to a derivative instrument (including the counterparty to the total return swap), fails to meet its contractual obligations
- ▶ Leverage risk: returns (both positive and negative) may be magnified by the underlying managers' use of leverage

Risks are explained further in the disclosure document.