

Dexia Alpha Dynamic Fund

Global Fund of Hedge Funds

PRODUCT FEATURES

Responsible entity	Ausbil Dexia Limited
Underlying investment manager	Dexia Asset Management Luxembourg SA
Inception date	November 2010 (underlying fund Jan 2003)
Minimum initial investment	\$50,000 AUD
Application/redemption fees	Buy / Sell spread nil nil Entry / Exit fee nil nil
Applications/Redemptions	Monthly*
Distributions	Annually : 30 June**
Minimum investment horizon (years)	①②③④⑤⑥
Unit pricing/NAV frequency	Monthly
Valuation currency	AUD
Management fee	1.20% p.a.
Performance fee	10% of the performance above the UBSA Bank Bill Index +1.20% p.a. Payable subject to a high water mark
Hedging	Fully hedged back to AUD
ARSN	133 486 398
APIR code	AAP0006AU

* Subject to cut-off times.

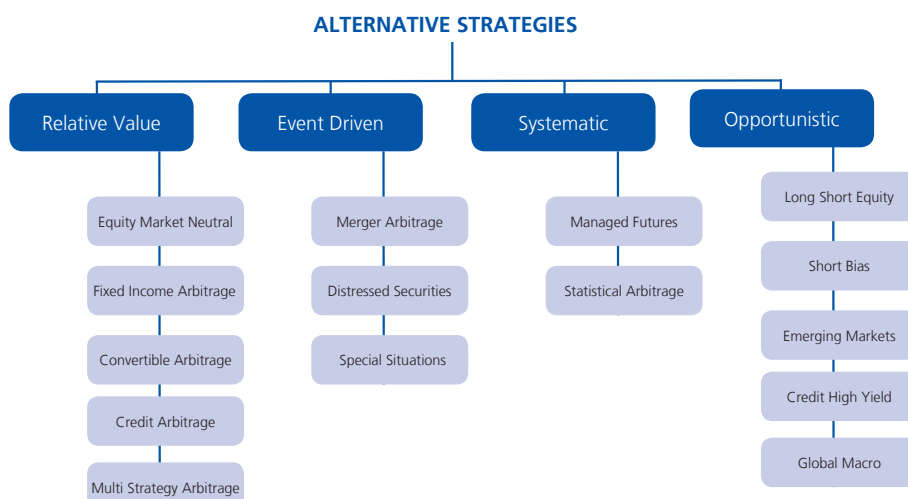
** All distributions are reinvested.

For more information, please refer to the Ausbil website: www.ausbil.com.au

Investment Objective

- The objective of the Fund is to generate capital appreciation by investing in a diverse portfolio of hedge fund managers and strategies that exhibit a low correlation to bond and equity markets
- The Fund targets a 10-12% return (after fees) p.a. with a volatility of 5-7%

Underlying Strategies Considered



Dexia Asset Management (Dexia AM)

- 15+ years experience investing in alternative investments
- €5.2bn under management across 15 alternative investment processes
- 65 dedicated hedge fund investment professionals
- Access to the world's pre-eminent investment managers
- Dedicated and independent risk management integrated into the investment process

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Investment Philosophy

Hedge funds can provide investors:

- An expanded opportunity set in which market inefficiencies may be exploited
- A performance that is not strongly correlated to traditional asset classes
- Consistent returns
- An attractive risk/return profile

BUT, single manager exposure:

- May lead to an excessive concentration of risk, and
- Require a dedicated and specialised investment skill-set

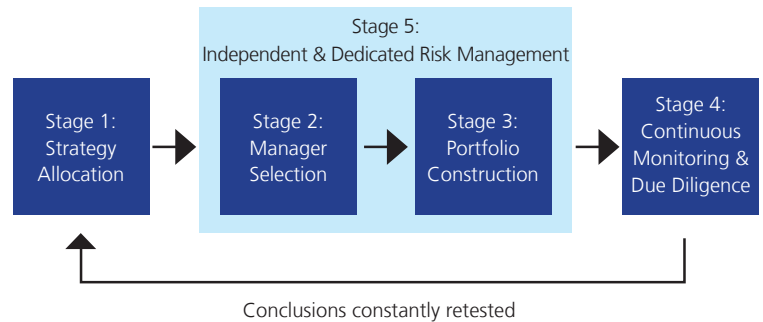
Fund of Hedge Funds deliver the benefits of hedge funds but also:

- Diversify risk
- Provide access to a team of dedicated investment professionals focused on:
 - strategy allocation
 - manager selection
 - portfolio construction
 - independent risk management and ongoing due diligence

Investment Strategy

- Dexia AM employs a team driven approach to seek out the best opportunities within the global hedge fund universe. The Investment Team selects from the entire hedge fund universe, excluding those hedge funds managed by Dexia AM.
- Dexia AM selects hedge fund managers that:
 - Are adept at identifying and exploiting market inefficiencies
 - Demonstrate consistently uncorrelated and compelling risk adjusted returns
 - Allow for early positioning in the market cycle
 - Demonstrate strong investment and operational risk management
 - Focus on capital preservation, liquidity and risk control

Investment Process



1. **Strategy Allocation:** Current economic and market conditions assessed on a 6 month horizon.
2. **Manager Selection:** Multi-factor weighted ratings matrix based on rigorous qualitative and quantitative analysis.
3. **Portfolio Construction:** Robust, balanced and risk aware portfolio focused on decorrelation, capital preservation and liquidity.
4. **Continuous Monitoring & Due Diligence:** Identifies style drift, abnormal performance and/or 'warning signals'
5. **Independent and Dedicated Risk Management:** Challenges/ratifies investment analyst's due diligence. Monitors the portfolio, underlying managers and third-party service providers.

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