



# EQT SGH Wholesale Absolute Return Trust

31 December 2011



## FACT SHEET

<b>Investment objective</b>	<ul style="list-style-type: none"> <li>To deliver superior medium to long term returns by investing in a mixture of cash and a diversified portfolio of companies listed on the ASX and NZSE.</li> <li>To partially protect the portfolio using futures and options and cash where SGH believes there may be a significant negative move in the markets or stocks over the medium to longer term. The decision to implement partial protection will be based on an assessment of market valuation, market sentiment and momentum, as well as the cost involved in undertaking the partial protection.</li> <li>To take advantage of mis-pricing opportunities by short selling shares.</li> </ul>		
<b>Asset Allocation</b>	In a neutral position the Fund will hold 75% in S&P/ASX 300 stocks (with a minimum of 60% in the top S&P/ASX 100 stocks) and 25% in cash.		
<b>Investment Manager</b>	SG Hiscock & Company		
<b>APIR</b>	ETL0030AU	<b>Buy spread</b>	+0.35%
<b>Commencement</b>	12 October 2001	<b>Sell spread</b>	-0.35%
<b>Management costs<sup>1</sup></b>	1.64% p.a.	<b>Investment Pool Size</b>	\$27.07 million
<b>Minimum initial investment</b>	\$50,000	<b>Fund size</b>	\$24.74 million

Unit Prices	Purchase	Net Asset Value	Withdrawal
31 December 2011	\$0.9255	\$0.9222	\$0.9190

Performance as at 31 December 2011 <sup>2</sup>	1 mth %	3 mths %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	Inception % p.a.
Distribution Return	0.00	0.00	0.00	1.08	1.71	2.28	4.89
Growth Return	-0.65	-4.58	-16.27	-20.82	-11.47	-13.05	-0.75
Total Net Return	-0.65	-4.58	-16.27	-19.74	-9.76	-10.77	4.14
Index Return <sup>3</sup>	-0.98	1.90	-6.79	-7.10	7.05	-0.21	6.56
S&P/ASX 300 Accumulation Index	-1.44	2.05	-9.83	-10.98	7.67	-2.39	6.70

Distribution Period	30 Jun 10	31 Dec 10	30 Jun 11	31 Dec 11
Distribution Rate (Cents Per Unit)	NIL	NIL	1.5000	NIL

Top 10 equity holdings as at 31 December 2011	
Commonwealth Bank	BHP Billiton
ANZ Bank	Campbell Brothers Limited
Westpac Bank	Woolworths Limited
NAB	CSL
Ramsay Health Care	Wesfarmers Limited

1. Includes estimated GST payable, after taking into account reduced input tax credits (RITC).

2. Performance: Distribution Return is the return due to distributions paid by the Fund, Growth Return is the return due to changes in initial capital value of the Fund, Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.

3. Index = Composite benchmark of 75% S&P/ASX 300 Accumulation Index and 25% cash (as measured by UBS Bank Bill Index)

**For more information visit our website [www.eqt.com.au](http://www.eqt.com.au) or telephone EQT Funds Management on 1300 555 378.**

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Asset allocation as at 31 December 2011 <sup>4</sup>		Net S&P/ASX 300	
Investment type	Portfolio %		Portfolio %
Long equity positions	89.20	S&P/ASX 300	48.40
Short equity positions	-12.90	Ex S&P/ASX 300	2.90
Net derivatives exposure	-25.10	Liquidity	48.70
<b>Total net equities exposure</b>	<b>51.20</b>	<b>Total Portfolio</b>	<b>100.00</b>
Liquidity	48.80		
<b>Total Portfolio</b>	<b>100.00</b>		

4. Asset allocations are based on a full look through of the underlying indirect holdings with derivatives fully exposed.

### COMMENTARY

The Absolute Return Trust (ART) returned -0.65% for December outperforming its blended benchmark which returned -0.98%.

In December, the RBA cut rates by a further 25bps which was largely expected by investors as a response to the continued softening in consumer demand and a broader moderating inflation environment. The ASX200 was down 1.35% for the month and fluctuated in an approximate 600 point or 15% range. Volatility was again the main feature of a market that was in "wind down" mode into year end with no clear direction.

From a portfolio perspective, the ART finished the month with a net equity exposure of 51.2%. In addition the fund reduced its holding in stocks from 100% to 75% and adjusted its sector allocation to be broadly equal weight the index for both Resources and Industrials. The Resources sector overweight has been a key strategic position for the ART since inception and it continues to be the leadership sector. The relative underperformance of the sector suggests that a neutral sector allocation across the portfolio at this time was inline with the ART's investment process and consistent with previous commentary. It is a situation which is being closely monitored with the expressed intention to re-initiate a Resources overweight at the appropriate time.

In terms of the breakdown of the month's performance, Asset & Sector Allocation contributed 18bps whilst Stock Selection delivered 16bps. The Long Short Fund had a positive month contributing 13bps to performance after having a poor start to the month.

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