

BT Wholesale Property Securities Fund

Fact Sheet
February 2010

ARSN: 087 593 584



Property Investments

About the Fund

The BT Wholesale Property Securities Fund invests primarily in Australian listed property-related investments including listed property trusts, developers and infrastructure investments, both directly and indirectly. In addition, up to 15% of the Fund can be invested in international listed property-related investments and around 5% of the Fund will generally be invested in unlisted property investments.

Fund objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 Property Trust Accumulation Index over the medium to long term.

Investment style

BTIM's property securities investment style is active, bottom up and valuation driven with stock selection driven by absolute valuations.

Investment philosophy

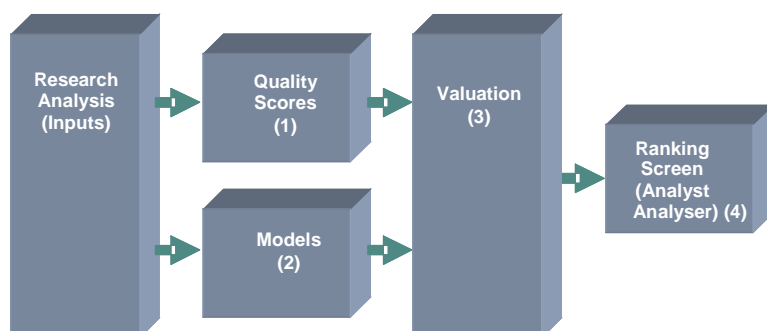
BTIM's investment philosophy is based on the beliefs that:

- Market inefficiencies provide opportunities for well researched and disciplined investors to identify and purchase securities, that are mispriced to their fundamental value;
- Quality companies will outperform over time. BTIM's Listed Property Team place a high emphasis on quality scores to identify the best business franchises; and
- Active investment management will outperform passive alternatives over a full market cycle

Investment process

The Property Securities investment process starts with comprehensive research utilising a range of proprietary valuation methodology and continues to four steps:

1. Scoring of quality factors
2. Financial modelling
3. Valuation
4. Stock Ranking



Investment team

BTIM's Head of Property Securities, Peter Davidson has over 20 years industry experience and is supported by a team of two portfolio managers/analysts and a specialist LPT dealer. The team also draws on the resources of BTIM's other specialist teams: Macro Strategies, Income Strategies and Equity Strategies.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	1.41	1.46	1.42
3 months	1.65	1.82	1.74
FYDT	21.66	22.17	22.27
6 months	2.26	2.59	2.87
1 year (pa)	41.36	42.26	42.60
2 years (pa)	-18.44	-17.93	-22.83
3 years (pa)	-19.77	-19.25	-24.31
5 years (pa)	-4.45	-3.83	-7.44

Other information

Fund size (as at 28 Feb 2010)	\$74 million
Date of inception	November 1997
Minimum investment	\$50,000
Minimum balance	\$50,000
Buy-sell spread	0.50%
Income distribution frequency	Quarterly
Currency management	Foreign currency exposure is hedged
Cash holdings	Up to 20%
Tracking error guideline	2-5%
APIR code	BTA0061AU

Fees

Management fee	0.65% pa*
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* You should refer to the latest Product Disclosure Statement for full details of fees and other costs you may be charged.

Market review

The LPT sector was up 1.4% in February, slightly behind the broader equity market which posted a return of 2.0%. For the year ended February 2010, equities have outperformed property by 2.5%. This gap has narrowed significantly. The LPT sector completed the half yearly reporting season in good shape with most reporting in line with results. Stockland came in ahead on better residential volumes while Westfield and Macquarie Countrywide had weaker results reflecting the weak US consumer.

In corporate news, the major development was the Charter Hall purchase of the Macquarie property platform, a transaction which led to significant earnings accretion without unnecessarily stretching the Charter Hall balance sheet.

The LPT sector is underpinned by asset values with most property portfolios showing signs of price stability. The ongoing tussle for US-based mall owner General Growth (there are now four bidders) highlights the re-emergence of the global appetite for property assets.

Treasury markets were largely unchanged during February. The key 10 year Australian bond yield firmed (+6bps) to 5.44% and the Australian dollar traded sideways to US\$0.894. Debt markets remain positive with credit margins continuing to improve and importantly credit availability is continuing to improve. There has also been a marked improvement in lending by domestic banks, with several actively seeking additional loan exposures to domestic commercial real estate.

The economy provided positive leads in February, with strong employment growth (+52,000 in January 2010) and unemployment down from 5.5% to 5.3%. This is a stunning result relative to expectations of one year ago when it was widely forecast that peak unemployment would be 7-8%. The RBA left rates unchanged at 3.75%.

The best sector returns in February were in the Diversified Trusts, +4.8%, on the back of strong performances by residential stocks and a strong performance by Charter Hall on the back of their expanding funds management platform. The weakest sector was Retail Trusts, reflecting weakness in US consumer spend.

Fund performance

The portfolio performed in line with the benchmark for February. Underweight positions in Westfield and Ardent Leisure (weak earnings at Queensland theme parks) contributed to performance. On the negative side of the ledger, our underweight positions in Commonwealth Office and Abacus detracted.

Strategy & outlook

At current prices, the sector is delivering a 6.2% distribution yield and 0–2% p.a. medium term growth. Although earnings and balance sheets are stable, there appears limited catalyst near term for further upside price performance.



For more information

Please call 1800 813 886, contact your business development representative or visit www.btim.com.au

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