BT Wholesale
Core Global Share Fund

Fact Sheet
March 2010

ARSN: 089 938 492

BT Investment Management

Global Equities Investments

About the Fund

The BT Wholesale Core Global Share Fund is an actively managed portfolio of international shares. The shares are managed by Connecticut-based AQR Capital Management, LLC (AQR) with a currency overlay provided by BTIM Investment Management (BTIM).

AQR are fundamental investors who use quantitative strategies to maintain a highly diversified and risk controlled portfolio that reflects AQR's valuation and momentum philosophy.

Fund objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds MSCI World ex Australia (Standard) Index (Net Dividends) in AUD over the medium to long term. The suggested investment timeframe is five years or more.

Investment style

The investment style is to seek to generate returns by active trading in both stocks and currency.

Investment process

The Fund's investment process separates the stock and currency investment decisions with the majority of the Fund's risk allocation relating to stock selection.

AQR's disciplined approach uses bottom-up fundamental security selection indicators to generate excess returns through under and overweighting stocks and industries relative to the benchmark.

Separate regional stock selection models are utilised to tailor stock and industry selection considerations to the different global equity markets within the benchmark.

AQR employs a quantitative and model driven investment process with teams conducting ongoing research on security selection indicators, portfolio construction, optimisation, trading techniques and technology.

Currency decisions are actively managed by BTIM's Macro Strategies team which seeks to produce risk adjusted returns by actively investing in a portfolio of currency instruments. The process incorporates the rigour and discipline of a quantitative process with fundamental drivers and qualitative analysis. The strategy invests primarily in the global currency forwards market and may also use other currency derivatives to express the portfolio manager's active views.

Investment team

Founded in 1998, AQR Capital Management is an investment management firm employing a disciplined multi-asset, global research process. AQR's diverse client base includes some of the largest institutional investors across the US, Europe and Asia. AQR's team spans a variety of backgrounds including fund management and academic finance. The research of AQR's principals is internationally renowned and has resulted in numerous published papers in a variety of professional journals since 1991.

BTIM's Macro Strategies Team aims to generate alpha and develop global products from a range of top down strategies. The team's analysts and portfolio managers each have more than 10 years experience running investment strategies. Joe Bracken is the Head of the Macro Strategies team and Cameron Fouladi is the Portfolio Manager primarily responsible for BTIM's Currency portfolios.

Performance[1]

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	3.37	3.46	3.52
3 months	2.19	2.43	1.12
FYDT	11.46	12.22	10.54
6 months	3.43	3.93	3.24
1 year (pa)	18.02	18.96	14.47
2 years (pa)	-5.06	-4.31	-7.02
3 years (pa)	-10.96	-10.21	-9.61
5 years (pa)	-1.57	-0.67	-0.83

Country Allocation

France	4.5%
Germany	4.1%
Italy	1.6%
Spain	2.2%
Sweden	2.1%
Switzerland	4.7%
United Kingdom	10.4%
Hong Kong	1.1%
Japan	10.8%
Canada	5.2%
USA	49.9%
Cash & Other	3.4%

Other information

Fund size (as at 31 Mar 2010)	$206 million
Date of inception[1]	October 1992
Minimum investment	$50,000
Buy-sell spread	0.40%[#]
Distribution frequency	Annual
APIR code	RFA0821AU

[#] The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

Fees

Management fee	0.97% pa*

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

[1] *Please note AQR started managing the fund from June 2006. Historical return prior to June 2006 is not representative of AQR.*

Market review

Global equity markets were strong in March, shrugging off rising bond yields and macro concerns ranging from Greek debt to Chinese tightening. Most markets were up strongly with Japan's Nikkei 225 being the best performer, gaining nearly 10% in US dollar terms. Moves continue towards an IMF/EU bailout of Greece though there are concerns that these measures are no more than a backstop facility.

The MSCI World (Ex-Australia) Index (Net) was up +3.5% for March in Australian dollar terms. Markets performed better in local dollar terms (+6.6%) as the Australian dollar continued to gain against the US dollar over the month.

In the US, the S&P 500 gained 5.9% in March, the biggest monthly gain since July 2009. The VIX index of implied volatility remained in a downtrend, the monthly close of 17.6 being the lowest since June 2007. The leading sectors had a cyclical bias with Materials (+7.6%), Industrials (+8.8%) and Consumer Discretionary (+7.7%) outperforming.

US data continued to be distorted by weather effects, with housing indicators particularly weak, though the decline in February payrolls was lower than expected. Bond markets came under pressure in March from concerns about high supply.

The Australian dollar gained against the US dollar in March as markets priced a stronger trajectory for short-term rates and bulk commodity prices. However on most major crosses the US dollar was up. Concerns over Greek debt continued to overshadow the euro and the yen was also weak.

The oil price was up +5.1% in March, taking cues from signs of economic recovery in the US, strong Asian growth and higher demand forecasts. Spot gold fell 0.3% in March with a stronger US dollar and an interest rate hike in India weighing on the market while base metals built on February's recovery.

Fund performance

The portfolio slightly underperformed its benchmark over the month of March.

Negative performance in the US strategy was offset by positive performance in the Japan strategy while the Continental Europe and UK strategies were flat for the period. The underperformance in the US strategy was driven by a weak period in our valuation and industry valuation signals outweighing positive performance in our momentum and earnings quality factors. In Japan, the positive performance was due to a good month in our valuation factors outweighing negative performance in our momentum signals.

The flat performance in Continental Europe was mainly due to positive performance in our momentum signals balancing negative performance in our earnings quality and management signalling factors. In the UK, the flat performance was driven by a positive period in our momentum signals offsetting negative performance in our valuation and industry valuation factors.

Negative performance in stock selection within the Information Technology sector balanced positive performance in stock selection within the Energy and Telecommunication Services sectors. In terms of sector positioning, we are currently overweight Consumer Discretionary and Industrials while being underweight Information Technology.

Within the global asset allocation overlay, the BTIM currency strategy was flat for March. During the month we were long Australian Dollar, Japanese Yen and US Dollar while we were short the Euro, Canadian Dollar and UK Sterling. The largest contributors to performance were the short Euro and short Sterling positions. The largest detractors were the long Yen and long US Dollar positions.

Strategy & outlook

Tactically, we now are underweight Value in the US, UK and Continental Europe. Our Japan strategy is currently at long-term strategic weight.

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For more information

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