

BT Wholesale Core Global Share Fund

Fact Sheet
May 2010

ARSN: 089 938 492



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.

Performance¹

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	1.08	1.16	0.68
3 months	3.59	3.84	2.81
FYDT	11.69	12.64	9.77
6 months	5.82	6.33	4.05
1 year (pa)	10.71	11.59	8.00
2 years (pa)	-5.92	-5.18	-8.34
3 years (pa)	-11.98	-11.24	-11.20
5 years (pa)	-1.90	-1.01	-1.29

Country Allocation

France	4.1%
Germany	3.7%
Italy	1.1%
Spain	1.9%
Sweden	1.7%
Switzerland	5.1%
United Kingdom	10.3%
Hong Kong	1.1%
Japan	10.8%
Canada	5.4%
USA	50.8%
Cash & Other	4.0%

Other information

Fund size (as at 31 May 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 markets, as measured by the MSCI World (Ex-Australia) Index (Net) were down -7.6% for May in local dollar terms with falls ranging from -3.1% in Germany to -11.7% in Japan. However for unhedged Australian investors, a falling Australian dollar meant that markets gained 0.7% in Australian dollar terms.

The announcement early in the month of a €750 billion bailout package for Greece by the European Union and the IMF resulted in a temporary relief rally on international markets, however hope turned to fear as commentators speculated the measures may not be enough. Credit downgrades for Portugal and Spain and regulatory fears following a short selling ban in Germany and an Icelandic volcano did not help. Fear became tangible as the 3-month USD LIBOR rate spiked and gold touched a record. There were also concerns regarding flow-on effects from China attempting to slow its property market.

In the US, an 8.2% drop in the S&P 500 index in May erased nearly all of its 2010 gains. Economic data continued to support growth prospects but the fiscal concerns overshadowing European markets took their toll on risk appetite. The VIX index of implied volatility, which in April hit a two-year low of 16.1, briefly broke the 40 mark and ended the month at 32. Banks (-11.4%) were hit by concerns over European exposure and the reform measures making their way through Congress.

US data releases were generally positive, most notably a strong April employment report. Risk aversion and concerns over growth prospects pushed yields lower in most bond markets.

Gold hit an all-time high during the month as concerns over sovereign debt supported sentiment. The US dollar appreciated against all the major currencies, with the exception of the yen. The euro recorded its sixth straight monthly decline against the US dollar and is now testing the lows of April 2006.

Fund performance

The portfolio outperformed the benchmark over the month driven by positive performance in the Continental Europe and US strategies, while the UK strategy was flat for the period. The outperformance in Continental Europe was driven by positive performance in our momentum and industry momentum signals outweighing negative performance in our industry valuation and valuation factors. In the US, the positive performance was mainly due to a good month in our sustainable growth signals and management signalling factors outweighing negative performance in our investor signalling. The flat performance in the UK was due to positive performance in our valuation and industry momentum factors balancing negative performance in our industry valuation signals.

Positive performance in stock selection within the Financials sector outweighed negative performance in stock selection within the Information Technology sector. In terms of sector positioning, we are currently overweight Industrials while being underweight Information Technology and Utilities.

Within the global asset allocation overlay, the BTIM currency strategy was flat to the benchmark in May. 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 long yen and long US dollar positions. The largest detractors were the short euro and short Canadian dollar positions.

Strategy & outlook

Tactically, we now are underweight Value in all our core regions: US, UK, Continental Europe and Japan strategies.



For more information

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

BT Investment Management (RE) Limited ABN 17 126 390 627, AFSL 316 455, is the responsible entity and issuer of units in the BT Wholesale Core Global Share Fund (Fund). A Product Disclosure Statement (PDS) is available for the Fund and can be obtained by contacting your business development representative on 1800 813 886 or visiting www.btim.com.au. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of units in the Fund. This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. An investment in the Fund is not a deposit with or any other liability of the Westpac Banking Corporation (ABN 33 007 457 141) or any other Company in the Westpac Group of companies.

Performance figures are calculated in accordance with the Investment & Financial Services Association (IFSA) standards. Total returns (post-fee) are calculated: to the last day of each month using exit prices; taking into account management costs of the fund; assuming reinvestment of distributions (which may include net realised capital gains from the sale of assets of the fund). No reduction is made to the unit price (or performance) to allow for tax you may pay as an investor, other than withholding tax on foreign income (if any). Certain other fees such as Contribution fees or Withdrawal fees (if any) are not taken into account. Total returns (pre-fee) are calculated by adding back management costs to the (post-fee) returns. Past performance is not a reliable indicator of future performance.

BT Investment Management (RE) Limited is a member of the Westpac Group. Neither BT Investment Management (RE) Limited, nor any other company in the Westpac Group, guarantees the repayment of capital or the performance of the product or any particular rate of return.

BT® is a registered trade mark of BT Financial Group Pty Ltd and is used under licence.