

BT Wholesale Focus Australian Share Fund

Fact Sheet
February 2011

ARSN: 113 232 812



About the Fund

The BT Wholesale Focus Australian Share Fund is a highly concentrated portfolio of 15-30 ASX listed stocks, developed to meet investor demand for a higher alpha, higher tracking error fund.

Fund objective

The Fund aims to provide a return (before fees, costs and taxes), that significantly exceeds the S&P/ASX300 Accumulation Index over the medium to long term. The suggested investment timeframe is five years or more.

Investment approach

BTIM aims to add value primarily through active stock selection. The Fund is managed using the same core investment style as is applied to BTIM's other Australian equity portfolios and utilises the team's proven research and stock selection capabilities.

BTIM's investment process for shares is based on our core investment style and is unrestricted by a growth or value bias.

Fund positioning

The Fund is designed to complement a conventional, core share portfolio by providing satellite exposure to selected Australian equities with the potential for performance enhancement.

Investment team

BTIM's ten-member Equity Strategies team is one of the largest in the Australian fund management industry. The portfolio manager for the Fund is Crispin Murray, who has more than 17 year's industry experience. Crispin is also Head of Equity Strategies.

Other information

Fund size (as at 28 Feb 2011)	\$271 million
Date of inception	April 2005
Minimum investment	\$50,000
Buy-sell spread	0.50% ¹
Distribution frequency	Semi-annual
APIR code	RFA0059AU

Investment guidelines

Ex-ante tracking error	4.5% - 8.0%
Max absolute stock position	15%
Min/max sector position relative to index	+/- 15%
Min/Max BARRA style factors	+/- 0.5 SD
SIRA style factors	Within 1 SD
Maximum cash level	30%
Shorting	No
Borrowing	No

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

**This is the fee for managing the assets of the Fund and overseeing the operations of the Fund. The issuer fee is paid from the assets of the Fund and is reflected in the unit price of your investment.

***A performance fee is payable to the manager if the Fund exceeds the performance hurdle. The Fund's performance hurdle is the benchmark (S&P/ASX 300 Accumulation Index) plus the issuer fee of 0.75% p.a. The fee is currently equal to 15% of the amount (if any) by which the performance of the Fund exceeds the performance hurdle. The performance fee is calculated each business day based on the investment performance and net asset value of the Fund on that day and, where positive, accrued daily in the Fund's unit price. The fee is payable annually as at 30 June. Any under-performance deficit must be recovered in dollar terms before any performance fee can be accrued in the unit price. Any unrecovered performance deficit is carried forward for up to three consecutive years. Performance fees are payable in relation to the performance of the Fund as a whole during each year, and do not necessarily reflect the performance of any individual unitholder's investment.

¹ The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	2.44	2.50	2.33
3 months	5.99	6.18	6.30
FYDT	13.69	14.26	16.10
6 months	11.52	11.93	12.34
1 year (pa)	7.88	8.85	9.02
2 years (pa)	24.98	26.03	25.76
3 years (pa)	-0.59	0.23	-0.26
5 years (pa)	5.21	6.16	4.04

Asset allocation (as at 28 February 2011)

Energy	14.3%
Materials	31.5%
Industrials	15.9%
Consumer Discretionary	6.1%
Consumer Staples	3.4%
Health Care	2.3%
Telecommunication Services	2.0%
Financials ex Property Trusts	22.8%
Cash & Other	1.7%

Top 10 holdings (as at 28 February 2011)

BHP Billiton Limited	13.7%
Westpac Banking Corporation	8.1%
Rio Tinto Limited	6.7%
Commonwealth Bank of Australia Ltd	5.9%
Asciano Limited	5.7%
ANZ Banking Group Limited	4.8%
Qantas Airways Limited	3.7%
News Corporation Inc CDI CL B	3.5%
Amcor Limited	3.3%
Origin Energy Limited	3.1%

Fees*

Issuer fee**	0.75% pa
Performance fee***	15% of the performance (before fees) above the performance hurdle.
Performance hurdle	Benchmark plus Issuer fee

Market Overview

The Australian Share market was stronger in February, with the ASX300 Accumulation index returning 2.3%. Developed markets continued to post positive returns with the US S&P500 delivering 3.2% and the Euro Stoxx 600 up 2.3%. Emerging market equities again lagged developed markets.

The February earnings reporting season provided the main focus for Australian equities investors and provided a mixed bag of news. Companies whose businesses are exposed to the domestic economy generally cited difficult business conditions, while there were some signs of improvement in the US and other developed economies. The resource sector once again reported very strong numbers off the back of stronger commodity prices and the market focused on the various capital management programs of the big mining companies, with both Rio and BHP announcing large buy-back programs.

The second half of the month saw increased volatility across global markets as geo-political events in the middle-east developed at a rapid pace. The fall of both the Tunisian and Egyptian presidencies along with extensive civil protests in Bahrain, Yemen, Iran, Iraq and Libya unsettled markets. Events in Libya are now the focus with the prospect of civil war not growing. The unrest in the region has seen the oil price spike considerably, with spot Brent rising by 12%. While it is clear that major oil supplying nations would be able to make up any short-fall from Libya, the world's key concern is that the unrest spreads to Saudi Arabia. At this juncture at least, this appears unlikely.

In economic news, the RBA left interest rates on hold at 4.75%. Other domestic economic news was generally upbeat with consumer confidence improving, employment numbers strong and signalled capital expenditure moving in the right direction.

Fund Performance

The portfolio outperformed the ASX300 Accumulation index over the month.

The portfolio's largest contributor to excess performance was our overweight position in Asciano, which was up 9% over the month. In an eventful month for the company, it was announced that CEO Mark Rowsthorn, who was on a short term contract expiring in July, will be replaced by John Mullen. The change coincides with the company's strategic review, which the market has speculated will focus in part on the ownership of the ports business, a part of the group that we believe is currently undervalued by the market. With regard to the company's results, Asciano increased 1H NPAT by 43% to \$115m and cash flow grew by the same amount. The company also announced an additional Queensland haulage contract win from Anglo-American, which will add another \$200 million in revenue over the life of the contract. We remain very positive on the stock given its strong growth profile in coal haulage and the ability to improve returns in the port business and are maintaining our position in the company.

Also contributing strongly to performance was our overweight position in Newscorp, which returned 11.7% for the fund over the

month. The stock has enjoyed something of a re-rating lately as investors demonstrate more belief in the US recovery story as well as some positive catalysts for the company coming through. The company delivered second quarter profits for 2011 of US\$1.29 billion, which beat consensus expectations. There was strong performance from the cable division, which grew 22% in the quarter with management predicting consistent double digit growth over the next few years for that division.

The main detractor from performance was our overweight in Gloucester Coal, which was down after some very strong share price performance. During the month the company reported a 28% jump in after tax profit, driven by both stronger volumes and supportive prices.

Also, detracting from performance was our overweight position in Qantas, which suffered over the month as the oil price spiked significantly. For the first time since March 2009, Qantas increased its fuel surcharges on Qantas international routes. They also announced an increase to domestic, regional and trans-Tasman airfares by up to 5%. In terms of results, the company increased profit before tax by 56% despite the \$55m lost from the A380 fleet being grounded. Jetstar also surprised on the upside despite well reported weather related one-off impacts. Demand is improving and yields continue to firm so the fundamentals of the business remain appealing to us and the investment case remains intact, particularly given the attractive valuation.

Outlook

We have spent much of our time over the last month engaged in one-on-one meetings with the management of companies in which we have vested interest. The February reporting season did not throw up a lot of surprises with most results well-flagged prior to the earnings announcement. However, looking at the composition of the results and hearing first hand from management has given us more confidence in some specific themes in the market playing out as we expected. For example, increased levels of investment and capital expenditure on resource projects are coming through strongly and tangibly in the numbers of the mining service providers. The management teams of the companies in this sector have been universally bullish about the number of new projects coming through. We have observed a shift in the dynamic between service providers and mining companies, whereby the sheer capacity of work to do has relieved pricing pressure on the service providers.

In other areas of the market, our meetings with management have provided more ambiguity or uncertainty, particularly with companies that are exposed to the domestic economy. For a lot of these companies, there are few catalysts for strong growth in this environment and our focus is on where the valuations are most compelling.



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 Focus Australian Share 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.

If market movements, cash flows or changes in the nature of an investment (eg a change in credit rating) cause the Fund to exceed any of the investment ranges or limits in this document, this will be rectified by BTIM (RE) as soon as reasonably practicable after becoming aware of it. If BTIM (RE) does so, it will have no other obligations in relation to these circumstances. The procedures, investment ranges, benchmarks and limits specified in this document are accurate as at the date of its issue, and BTIM (RE) reserves the right to vary these from time to time.

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.