

BT Wholesale Property Securities Fund

Fact Sheet
February 2011

ARSN: 087 593 584



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 Accumulation Index over the medium to long term. The suggested investment timeframe is five years or more.

Investment style

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

Investment philosophy

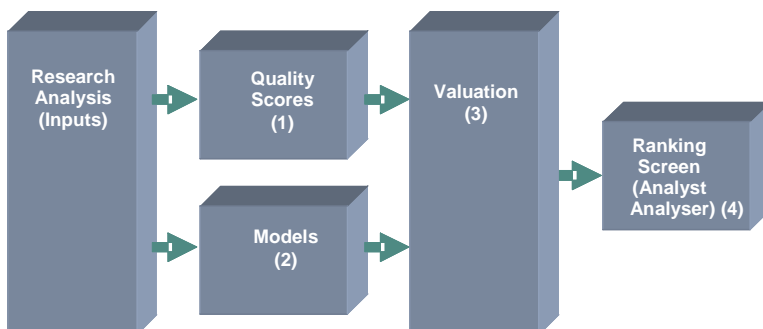
BTIM's investment philosophy is based on the beliefs that:

- market inefficiencies provide opportunities for well researched and disciplined investors to identify and purchase securities that are mispriced compared to what we consider to be 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	3.90	3.94	3.35
3 months	7.48	7.64	7.06
FYDT	9.29	9.76	8.49
6 months	4.42	4.75	3.66
1 year (pa)	7.26	7.94	6.78
2 years (pa)	23.13	23.92	23.40
3 years (pa)	-10.65	-10.08	-14.00
5 years (pa)	-5.95	-5.35	-9.18

Other information

Fund size (as at 28 Feb 2011)	\$98 million
Date of inception	November 1997
Minimum investment	\$50,000
Buy-sell spread	0.50% [#]
Distribution frequency	Quarterly
Currency management	Foreign currency exposure is hedged
Cash holdings	Up to 20%
Tracking error guideline	2-5%
APIR code	BTA0061AU

[#] 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	0.65% 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 REIT sector (+3.3%) outperformed the broader market (up 2.3%) for the month of February. The market was boosted by a solid reporting season, the return of equity investors to this defensive sector and the potential for increased corporate activity. On a rolling 12 month measure, REIT returns (up 6.8%) are behind the broader share market (up 9.0%, largely on a stronger resources names). These returns are similar to rates available in the TD market but offer better upside through earnings growth and valuation gains.

Australia's unemployment rate was steady at 5.0%, while the economy marked time dealing with the Queensland floods. Credit growth remains muted in Australia while consumer confidence ticked up slightly. Reflecting these conditions, the RBA left rates on hold at 4.75%.

In sector news, Centro Retail (BT overweight) announced a 24% uplift in NTA which boosted the stock considerably. This was welcome news, a harbinger of property valuation gains across the whole sector.

The recent reporting season saw a series of upgrades across the whole sector. This reflects slightly better operating environment, better credit conditions and reduced liquidity charges. The REIT sector no longer faces interest rate headwinds.

The best sector returns in February were diversified trusts (+5.0%) followed by industrial trusts (+4.0%). The wooden spoon went to office trusts (+0.4%); with Commonwealth Office confirming that tenant incentives were to remain stubbornly high in the Sydney market.

Fund Performance

The portfolio was ahead of benchmark for the month of February driven by an overweight in Centro Retail (+41%) and underweight to Commonwealth Property (-1.8%). Conversely an underweight position in Ardent Leisure (+34% on better operating outcomes) detracted from performance.

Outlook

At current prices, the sector is trading on a 13.1 x PE, it is delivering a 6% distribution yield and 3% p.a. medium term growth. Earnings and balance sheets are stable. We look to improving direct property and equity markets for the next leg up in the sector. We would recommend the REIT sector to investors looking for a defensive entry back into the share market.



For more information

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

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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.

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