

BT Wholesale Core Global Share Fund

Fact Sheet
March 2011

ARSN: 089 938 492



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 BT 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	-2.17	-2.09	-2.63
3 months	3.90	4.15	3.89
FYDT	5.38	6.15	5.73
6 months	6.76	7.27	6.88
1 year (pa)	1.48	2.37	0.64
2 years (pa)	9.44	10.35	7.33
3 years (pa)	-2.93	-2.13	-4.53
5 years (pa)	-6.26	-5.43	-5.48

Country Allocation (as at 31 March 2011)

France	4.9%
Germany	4.0%
Italy	1.4%
Spain	1.9%
Sweden	1.4%
Switzerland	3.4%
United Kingdom	10.2%
Hong Kong	1.4%
Japan	10.9%
Canada	5.5%
USA	51.1%
Cash & Other	3.9%

Other information

Fund size (as at 31 Mar 2011)	\$202 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*
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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.

¹ Please note AQR started managing the fund from June 2006. Historical returns prior to June 2006 do not reflect AQR, investment performance.

Market review

The MSCI World Accumulation Index in local currency terms rallied by 4.6% in the first quarter of 2010. Despite unsettling events continuing in the Middle East and the catastrophe in Japan, most global equity markets were strong. The US S&P 500 rallied by 5.4%, which signalled the seventh positive quarter in a row. In fact, volatility as measured by the VIX dropped to a level not seen since July 2007. Volatility did increase and returns came off with escalating problems in the Middle East and the shock of Japan. The market recovered strongly towards the end of the quarter with Energy being far the strongest sector (+16.3%) as the oil price strengthened. The Industrials sector was in fact the only other sector to beat the index. European markets also finished stronger with the Euro Stoxx 50 index returning 4.2% in local terms despite ongoing issues with sovereign debt. In Japan, the Nikkei was down 4.6% as investors digested the ramifications of the natural disasters and subsequent events.

In Currency markets, the Australian dollar was very volatile but ended up very strong for the month. The US dollar was no safe haven despite the earthquake or the conflicts in the middle-east while the Yen rose strongly as the market factored in assets being repatriated after the earthquake. The euro was the strongest currency based on the prospect of higher interest rates, despite ongoing issues with the peripheral Eurozone members

Fund performance

The portfolio outperformed the benchmark for the month driven by positive performance in the US and Japan strategies while the Continental Europe and UK strategies were flat for the period. Outperformance in the US was due to positive performance in our momentum and valuation signals. The outperformance in Japan was driven by positive performance in our industry momentum and investor sentiment signals outweighing negative performance in our momentum and management signalling factors. The flat performance in Continental Europe was due to positive performance in our industry momentum and earnings quality signals offset by negative performance in our investor sentiment factor. Flat performance in the UK was driven by positive performance in our momentum signal offset by negative performance in our valuation and industry valuation factors.

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

The BT currency overlay strategy was down slightly. During the month we were long Australian dollar, Japanese Yen and Euro while we were short the US dollar, Canadian dollar and Sterling. The largest detractors to the performance were the short US dollar and long Yen positions. The largest contributor to performance was the short Sterling positions.

Strategy & outlook

Tactically, we now are underweight Value in the US and Continental Europe, while being overweight Value in Japan and the UK.



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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