

BT Wholesale Focus Australian Share Fund

Fact Sheet
March 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 31 Mar 2011)	\$272 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	0.43	0.49	0.67
3 months	2.76	2.95	3.12
FYDT	14.18	14.82	16.88
6 months	7.65	8.05	7.92
1 year (pa)	1.87	2.75	3.79
2 years (pa)	21.06	22.19	21.37
3 years (pa)	1.20	2.08	1.13
5 years (pa)	4.21	5.13	3.21

Asset allocation (as at 31 March 2011)

Energy	16.2%
Materials	31.3%
Industrials	16.8%
Consumer Discretionary	5.2%
Consumer Staples	2.8%
Health Care	2.3%
Telecommunication Services	2.1%
Financials ex Property Trusts	21.8%
Cash & Other	1.5%

Top 10 holdings (as at 31 March 2011)

BHP Billiton Limited	12.6%
Westpac Banking Corporation	8.0%
Rio Tinto Limited	6.2%
National Australia Bank Limited	5.8%
Asciano Limited	5.1%
Commonwealth Bank of Australia Ltd	4.7%
Origin Energy Limited	4.3%
Qantas Airways Limited	3.6%
Santos Limited	3.6%
Brambles Limited	3.4%

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 Review

The Australian share market rose slightly in March with the ASX 300 Accumulation index up 0.7%. This small change belies the fact that there was considerable volatility in the market over the month and at one point the market was down 6% before rallying back. Global markets were once again rocked by global events with the devastating earthquake and tsunami grabbing the world's attention. The ongoing drama at the Fukushima nuclear plant has caused the world to reflect on the use of nuclear power, which has had a knock-on effect on related segments of the stock market. Adding to the uncertainty are the continuing tensions in the Middle East escalating with the declaration of the no-fly zone and increasing NATO involvement in Libya. There remains significant uncertainty elsewhere in the region also, with new governments to be formed in Egypt and Tunisia and continuing tension in Syria, Yemen and Bahrain in particular.

The best performing sector in the Australian market was Energy, up by 3.3% mainly due to the higher oil price. Resources were also higher, driven by gas and gold stocks, while other mining stocks were lower as commodity prices softened. There was little to choose between most other sectors in the market, with Health Care and Telecoms (up 2.0% and 1.4%) performing quite strongly while AREITs (-2.1%) and the two Consumer sectors being the worst performers (Consumer Staples -1.6% and Consumer Discretionary -1.4%).

The Australian market fared comparatively better than most developed markets. While the US market was flat, European markets were softer, and Japan was down by 8% in local terms.

On the economic front, the RBA left the cash rate at 4.75% as expected. Other domestic economic news was mixed with weaker consumer confidence but higher business confidence. Credit growth picked up in February but home loan approval value was weak, largely due to Queensland being softer because of the floods. Unemployment remains stable at 5.0%.

Fund Performance

The portfolio underperformed its benchmark over the month.

The largest detractor from performance was our small overweight position in Uranium producer Paladin, which was down by 27% over the month. Unsurprisingly, all companies exposed to the nuclear energy industry suffered as a result of the Japanese disaster as the Uranium price fell sharply. While it is still unclear what the longer term ramifications of this episode will be, there have been definite short term effects with eleven out of Japan's fifty four reactors being shut down and Germany and China both announcing suspensions or reductions of their nuclear programs.

Detracting from performance was the portfolio's overweight position in Qantas. The share price suffered as a result of the higher oil price and a loss of revenue due to recent natural disasters. The company's response to these issues has been prompt, announcing various cost cutting measures including curtailing planned capacity growth and reductions in management numbers. The company also announced increased surcharges in both domestic and international routes, which will add meaningfully to revenue. Despite a spate of recent challenges, the company's underlying operations remain strong and the valuation is supportive.

The main contributor to performance was our overweight position in Santos. The share price rallied with the rise in oil price and due to the company's exposure to LNG, which is one of the key reasons we like the stock. LNG has been of particular focus this month due to the growing safety concerns around nuclear energy. Any move away from nuclear energy may well increase the demand for gas fuelled powered generation.

Not holding Westfield also helped performance. The whole AREIT sector was weak in March, which probably reflects outflow from Japanese investors that was repatriated to Japan to fund forthcoming insurance premiums.

Outlook and positioning

Overall, we are encouraged by the amount of opportunities that we are finding within the Australian share market and valuations remain broadly supportive. However, short term headwinds exist beyond the well documented global issues that have dominated the news in the last month. For example, while no longer grabbing the headlines, the impact of the Queensland floods (and indeed persistent poor weather) may well continue to impact short term earnings for those companies affected. Looking through the short term though, the portfolio is well positioned to benefit from very strong domestic investment that is starting to come through which we believe will drive the economy through the next few years. This of course will be focussed largely on the resources sector infrastructure. Investors will also be trying to establish in what ways this investment theme will affect the rest of the domestic economy, the softness of which has been the subject of many column inches of late. Our own view is that we see strong potential returns across the breadth of the market. For example, despite the 'perfect storm' facing retailers at the moment, there are selective opportunities where valuations are 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.