

BT Wholesale Property Securities Fund

Fact Sheet
March 2011

ARSN: 087 593 584



Property Investments

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

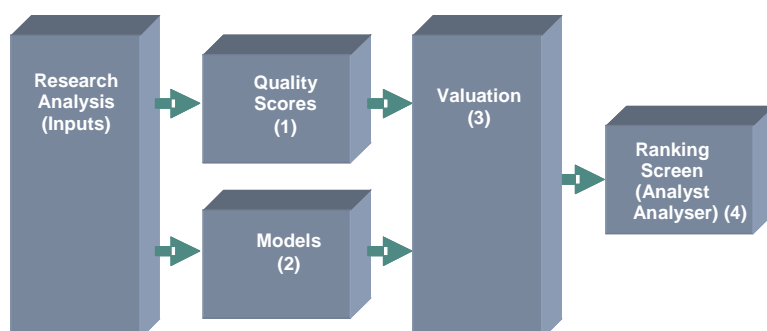
BTIM's investment philosophy is based on the beliefs that:

- 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	-1.80	-1.74	-1.95
3 months	4.31	4.48	3.73
FYDT	7.33	7.85	6.38
6 months	3.47	3.80	2.52
1 year (pa)	5.21	5.88	4.74
2 years (pa)	22.18	22.96	21.95
3 years (pa)	-11.11	-10.55	-14.55
5 years (pa)	-6.24	-5.65	-9.46

Other information

Fund size (as at 31 Mar 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 (-1.95%) underperformed the equity market (up 0.8%) for the month of March. The weakness in the REITs over the month probably reflected outflows of Japanese capital which were repatriated to fund forthcoming insurance payouts.

On a rolling 12 month measure, REIT returns (up 4.7%) are slightly ahead of the broader share market (ASX 300 Accumulation up 3.8%). Although neither return is sufficient reward for patient investors.

In hindsight equity returns for March were actually quite resilient in light of the tragic news from Japan and continued instability across many of the oil producing nations in the Middle East.

In economic news, employment fell by 10,000; the first fall since August 2009. Consumer and business confidence were mixed. Both the AUD and bond rates were largely unchanged over the month. The RBA left cash rates on hold at 4.75%.

In sector news, Investa has agreed terms to take over the management of ING Office (BT overweight). The combined group will have considerable scale (\$8.3bn of office assets) and expertise in office management. The transaction is well crafted with clear guidelines around related party transactions and directors' roles. Also in the office sector, Charter Hall Group increased their stake in Charter Hall Office to around 10% of the register. There is considerable pressure on the CQO (BT underweight) to sell its entire US asset base which should underpin the stock near term.

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 March were office trusts (+2.4%) followed by industrial trusts (-2.3%). The wooden spoon went to retail trusts (-3.6%); with poor newsflow in the sector (Colorado and RedGroup Retail both in administration).

Fund Performance

The portfolio was ahead of benchmark for the month of March driven by an overweight in ALE Property Group and Charter Hall Retail. Conversely an underweight position in ING Industrial and Commonwealth Office 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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