BT Wholesale Core Global Share Fund

Fact Sheet
April 2011

ARSN: 089 938 492

BT Investment Management

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.

Performance[1]

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	-1.29	-1.21	-1.55
3 months	-2.19	-1.96	-2.89
FYDT	4.03	4.86	4.10
6 months	2.92	3.42	2.66
1 year (pa)	1.04	1.92	0.45
2 years (pa)	5.04	5.92	3.85
3 years (pa)	-3.99	-3.20	-5.61
5 years (pa)	-6.02	-5.19	-5.14

Country Allocation (as at 30 April 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 30 Apr 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*

* 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

In the Global equity markets, the US S&P500 market was up by 2.8%, with a lot of companies posting better than expected Q1 earnings. This was despite some mixed economic news and concern as to how the economy reacts post the QE2 stimulus package. In Europe returns were also strong, particularly in Germany which rallied by 6.7% and in the UK, which was up by 2.7%.

For local unhedged investors however, the continuing strength of the Australian dollar meant that the MSCI World Ex Australia index returned a negative number (-1.6%) despite most countries posting a positive number. The local currency version of the index returned +2.2%.

Fund Performance

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

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

The BT currency overlay strategy was up for April 2011. During the month we were long Australian Dollar and US Dollar while we were short the Canadian Dollar, the Euro and Sterling. The largest contributors to performance were the short Canadian Dollar and Sterling positions. The largest detractor to the performance was the long US Dollar position.

Outlook

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

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For more information

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