

BT Wholesale Ethical Share Fund

**Fact Sheet
April 2011**

ARSN: 096 328 219



Social Responsible Investments

About the Fund

The BT Wholesale Ethical Share Fund is an actively managed portfolio of Australian shares which seeks to ensure that funds are invested in an ethical or socially responsible manner. Investors are becoming increasingly aware of the link between a company's sustainability focus and its long term success and profitability. As a result, ethical fund investing combines the best of both worlds – the potential to achieve strong performance over the long term while contributing to a sustainable environment.

Fund objective

The Fund aims to provide a return (before fees) that exceeds the S&P/ASX300 Accumulation Index over the medium to long term. The suggested investment timeframe is five years or more.

Investment approach

The Fund will not invest in companies which:

- directly mine uranium for the purpose of weapons manufacture
- produce alcohol or tobacco
- manufacture or provide gaming facilities
- manufacture weapons and armaments
- have been subject to environmental and/or human rights prosecutions

Investment process

The Fund uses the same investment process as BTIM's flagship Australian equities products with the addition of sustainability screens.

1. The negative screen effectively determines the investment universe of the BT Wholesale Ethical Share Fund
2. The positive screen identifies companies for active consideration, given their focus on the production of sustainable goods and services. The ethical screen is provided by Regnan Governance Research and Engagement, a leading independent research organisation. Examples of positively screened companies include those that derive greater than 20% of their revenue from sustainable technologies, products and services.

Investment team

BTIM's ten-member Equity Strategies team is one of the largest in the Australian funds management industry. The portfolio managers for the Fund are Crispin Murray and Rajinder Singh, who have a combined 28 years industry experience. Crispin is also Head of Equity Strategies.

Investment guidelines

Ex-ante (forward looking) tracking error	2.0% - 6.0%
Min/max stock position	+/-4%
Min/max sector position	+/-6%
Number of stocks	50-90

Fees

Management fee	0.95% pa*
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CERTIFIED BY RIAA

BT Investment Management (RE) Limited ABN 17 126 390 627, AFSL 316 455, has been certified by RIAA according to the strict disclosure practices required under the Responsible Investment Certification Program. The Certification Symbol signifies that an investment product or service takes environmental, social, ethical or governance considerations into account along with financial returns. See www.responsibleinvestment.org for details.

* You should refer to the latest Product Disclosure Statement for full details of fees and other costs you may be charged.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-0.38	-0.31	-0.32
3 months	3.55	3.78	2.69
FYDT	14.69	15.60	16.50
6 months	5.96	6.46	5.64
1 year (pa)	2.69	3.67	4.87
2 years (pa)	14.59	15.69	17.86
3 years (pa)	-1.95	-1.02	-0.45
5 years (pa)	2.61	3.56	2.61

Asset allocation (as at 30 April 2011)

Energy	13.3%
Materials	29.8%
Industrials	12.3%
Consumer Discretionary	6.1%
Consumer Staples	0.8%
Health Care	2.2%
Information Technology	1.0%
Telecommunication Services	2.6%
Utilities	1.4%
Financials ex Property Trusts	26.1%
Property Trusts	1.7%
Cash & Other	2.7%

Top 10 holdings (as at 30 April 2011)

BHP Billiton Limited	11.6%
Westpac Banking Corporation	8.3%
Commonwealth Bank of Australia Ltd	6.2%
Rio Tinto Limited	6.0%
National Australia Bank Limited	4.9%
Origin Energy Limited	4.4%
ANZ Banking Group Limited	4.3%
Newcrest Mining Limited	3.7%
Asciano Limited	3.2%
Amcors Limited	2.6%

Other information

Fund size (as at 30 Apr 2011)	\$168 million
Date of inception	May 2001
Minimum investment	\$50,000
Buy-sell spread	0.50% [#]
Distribution frequency	Quarterly
APIR code	RFA0025AU

[#] The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

Market Review

The Australian share market lost ground in April with the S&P ASX 300 Accumulation index losing 0.3% over the month. Mixed metal prices, curtailed production volumes due to the recent floods and concerns of over tightening in China pushed the resources sector lower. Stocks in the consumer sectors also continued to face headwinds with softer sales numbers and higher CPI numbers weighing on the retailers in particular. The enduring strength of the Australian dollar was key another factor that affected the market during the period with the local currency rallying through the US\$1.09 mark and hence impacted those businesses with exposure to US dollar earnings.

Corporate activity in the Australian market continued over the month with Barrick Gold's bid for Equinox being accepted by the board. Other news included the binding agreement between Sinopec (the China Petroleum and Chemical Corporation) and APLNG the venture (involving Origin Energy) in Gladstone QLD, which is a reflection of the increasing investor interest in LNG projects throughout the world. One deal that didn't get through was the Singapore Stock Exchange's bid for the ASX, which was rejected by the Australian government.

In economic news, the RBA kept rates on hold during the month but short term rates increased with higher than expected CPI numbers increasing the market's expectations of rate rises. On the global front, S&P put US government debt on negative watch and Eurozone sovereign issues continue with Portugal now seeking assistance from the EU. In China, the central bank continued to increase both rates and reserve requirements.

Fund Performance

The portfolio performed in line with its benchmark over the period.

The largest contributor to performance over the month was our overweight position in Equinox Minerals. Canadian company, Barrick Gold Corporation made an all cash offer of C\$7.3 for Equinox, which was accepted by the board. This superseded a previous bid of C\$6.3 from Chinese company Minmetals Resources. The opportunistic bid Minmetals was quite significant in that it re-emphasised China's continued attempts to buy up quality resource assets, which supports the long term structural growth story for commodities. The share price rallied by 38% during the period, reflecting the value of the Barrick bid.

Also contributing to performance was our overweight position to Transfield Services, which was up nearly 6% over the period. The company confirmed its earnings guidance even though the flooding and poor weather across Australia has delayed some of their work, particularly in the minerals division. We remain positive about the prospects for the company given the large amount of contracts that the company will be tendering for in forthcoming months.

The largest detractor from relative performance was Wesfarmers, which the portfolio does not hold as it fails the portfolio's ethical criteria. The month saw Wesfarmers outperform the market and return nearly 5%, buoyed by encouraging like for like sales numbers from Coles. While Bunnings and Target were also strong, Kmart and Officeworks were weaker.

Also detracting from performance was our overweight position to haulage and ports operator, Asciano, which fell by over 5% over the month. Productivity in all the company's main divisions continue to be hampered by the effects of the floods in Queensland and persistent poor weather conditions mean that coal haulage volumes remain subdued. As such, expectations for earnings to June this year have been further tempered. On a longer time horizon however, Asciano remains a compelling investment opportunity and will be in a prime position to benefit from the substantial expansion of resource volumes, which we believe will see the company to continue to win coal haulage contracts.

Outlook

The Australian Share market faces some short term headwinds. The enduring strength of the Australian dollar, the impending fiscal tightening and the completion of QE2 in the US, higher oil prices and the looming spectre of inflation across the globe have all tempered optimism. Furthermore there is concern that the resource sector is susceptible to a fall due to corrections in commodity prices in what is an uncertain global environment.

However, we remain positive about the amount of opportunities currently available across the spectrum of the market. We may well see a rotation out of resource related companies as risk appetite wanes but this is likely to provide sound buying opportunities at attractive valuation points. This is particularly the case for those companies that are exposed to the significant amount of investment in resource infrastructure projects that is currently taking place in Australia. This is likely to be the source of significant earnings growth over the next couple of years and we believe that this domestic investment will be a key factor in driving the economy forward. There are very positive developments in the LNG industry in particular and Sinopec's recent binding agreement with the APLNG JV is a significant milestone.

The domestic economy does continue to struggle. Credit growth remains lacklustre and consumers remain focussed on saving rather than spending. The prospect of further interest rate risks later this year is unlikely to change that sentiment. We believe the multi-speed economy will continue to weigh on a number of domestic sectors notably steel and residential construction. Where we see some emerging opportunities is in some of the defensive names which have lagged the market for some time and offer attractive valuations.



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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