

BT Wholesale Property Securities Fund

Fact Sheet
April 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

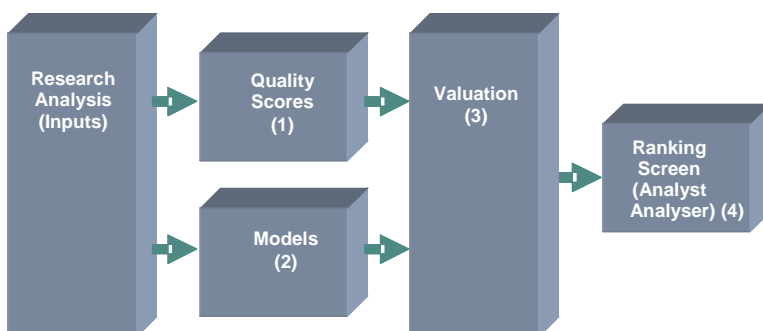
BTIM's investment philosophy is based on the beliefs that:

- 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	0.90	0.96	0.30
3 months	2.95	3.11	1.65
FYDT	8.30	8.88	6.71
6 months	4.68	5.01	3.22
1 year (pa)	2.02	2.68	1.11
2 years (pa)	19.60	20.37	18.50
3 years (pa)	-12.07	-11.52	-15.63
5 years (pa)	-6.08	-5.48	-9.37

Other information

Fund size (as at 30 Apr 2011)	\$97 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 (+0.2%) outperformed the equity market (-0.3%) for the month of April. There was some corporate activity with a bid for Valad and a stock buyback by Challenger Diversified. In addition we saw the A-REITs rolling and extending their debt profiles; this underscores the on going improvement in debt markets. All in all a solid month for the sector.

On a rolling 12 month measure, REIT returns (+1.1%) are behind of the broader share market (ASX 300 Accumulation + 4.9%). Neither return is sufficient reward for patient investors.

In global economic news, S & P put US Government debt (current rating AAA) on negative watch. US GDP for the Q1 2011 came in at a disappointing 1.8% per annum; however we did see a sharp improvement in the crucial US non farm payrolls (+216k for March). This employment data is a good lead indicator on economic recovery in the US. Here in Australia, the RBA left rates unchanged at 4.75% despite the fact that Q1 2011 CPI reading was quite high at 2.7% annualised. Employment numbers were strong at +38 k, while unemployment was steady at 4.9%.

The major change last month was a sharp appreciation of the Australian dollar +6.5% versus the USD and 3.5% against the yen. The stronger currency diminishes the value of foreign earnings and reduces the value of assets held offshore. Consequently it is quite negative for the broader sharemarket and the REIT sector.

In sector news, Blackstone has made a bid for Valad Property Group (BT overweight) at \$1.80 per security cash. The bid underscores the value resident in the Valad balance sheet despite its weak earnings and challenged business model. Challenger Diversified (BT underweight) announced at 10% stock buyback. The move highlights management efforts to close the gap between trading price and underlying NTA.

The REITs are currently taking advantage of much better credit markets: borrowing money from diverse sources; extending maturities and locking in lower debt costs. All of this will be quite positive in the medium term. Readers need only think back to 2007 and 2008 to recall the negative impacts of hostile debt markets.

The best sector returns in April were office trusts (+4.7%) followed by industrial trusts (3.6%). The wooden spoon went to retail trusts (-1.9%); 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 April driven by an overweight in Valad Property Group and Centro Retail. Conversely an underweight position in Commonwealth Office and Charter Hall 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.



For more information

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

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