

BT Wholesale Property Securities Fund

Fact Sheet
July 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

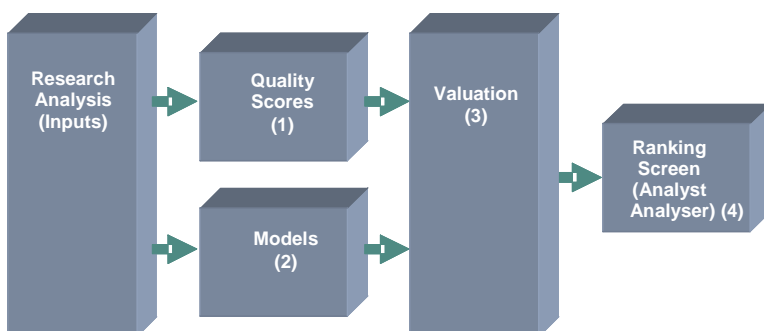
BTIM's investment philosophy is based on the beliefs that:

- 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	-5.85	-5.79	-6.45
3 months	-6.73	-6.58	-7.18
FYDT	-5.85	-5.79	-6.45
6 months	-3.98	-3.67	-5.66
1 year (pa)	-0.07	0.57	-2.04
2 years (pa)	8.05	8.73	7.91
3 years (pa)	-6.69	-6.10	-10.13
5 years (pa)	-8.52	-7.94	-11.96

Other information

Fund size (as at 31 Jul 2011)	\$109 million
Date of inception	November 1997
Minimum investment	\$25,000
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*
----------------	-----------

* 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 was down sharply in July (-6.6%) underperforming the equity market (-2.6%). It was yet another difficult month for equity investors as concerns surrounding the lifting of the US debt ceiling and a possible US credit downgrade overwhelmed investors. This combined with ongoing soft data coming out of the US and European debt issues will continue to weigh heavily on the market.

News flow within the AREIT sector was mixed with Commonwealth Property (CPA) positively surprising the market with the sale of 259 George St, Sydney on a very firm 6.3% cap rate. Not surprising CPA was the best performing AREIT for the month (+1.1%). MGR sold a 50% interest in its development at 8 Chifley Square, Sydney to K-REIT Asia on a cap rate of 6.65%. A group of US hedge funds were unsuccessful in replacing the manager of Charter Hall Office with Moss Capital. Investa was approved as the new manager of what was the ING Office Fund and will introduce a new management fee based on the fund's market cap, better aligning shareholders interests with those of the manager.

In the US, the data was very soft with the unemployment rate increasing from 9.1% to 9.2%. Second quarter US GDP growth was an annualized 1.3% and first quarter GDP growth was revised down from 1.9% to 0.4%. Consumer spending was particularly weak in the second quarter growing just 0.1%. In China the central bank lifted interest rates for the 5th time in nine months with the lending rate now at 6.56%.

In Australia, the NAB Business confidence Index dropped six points to zero and the Westpac consumer confidence index dropped 8.3% to 92.8, the lowest reading since May 2009. The CPI was very strong +3.6%, driven by food prices +27% (a result of floods) as well as increases in petrol and rents. Private sector credit growth fell 0.1% in June with housing credit (+0.3%) more than offset by weak business lending

(-0.7%). Not surprisingly ten year bond yields fell 40 basis points in the month of July and the RBA left the cash rate steady at 4.75%.

The best sector returns in July were Office (+0%) followed by Industrial trusts (-3.5%). The worst performing sector was the Retail trusts (-7.9%); following a number of downgrades from the listed retailers and ongoing fears about internet retailing.

Fund performance

The portfolio was ahead of benchmark for the month of July with an overweight in both Centro Retail Group and Investa Office Fund assisting performance. Our underweight position in Charter Hall Office Fund was the largest detractor from performance.

Strategy & outlook

At current prices, the sector is trading on a 12 x PE, it is delivering a 6-7% 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

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 Property Securities 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.