

BT Wholesale Property Securities Fund

Fact Sheet
August 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

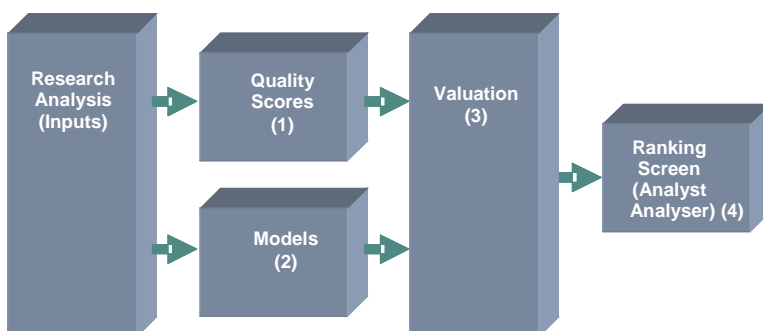
BTIM's investment philosophy is based on the beliefs that:

- 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	1.89	1.94	2.89
3 months	-4.95	-4.79	-4.48
FYDT	-4.07	-3.97	-3.74
6 months	-5.83	-5.53	-6.07
1 year (pa)	-1.67	-1.05	-2.63
2 years (pa)	1.63	2.28	1.58
3 years (pa)	-9.00	-8.43	-12.10
5 years (pa)	-8.81	-8.23	-12.12

Other information

Fund size (as at 31 Aug 2011)	\$112 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*
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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

August was a volatile month for investors with ratings agency S&P's announcing an unprecedented downgrade of US government debt. In addition there increasing signs of stress in the Eurozone debt markets. Investors quickly moved to safe havens around the globe. Many bond markets saw yields trade to record lows as investors ducked for cover.

It was a strong month for AREIT investors comforted by a solid reporting season and reasonably upbeat outlook statements for 2012. The sector provided a total return of 2.9% ahead of the broader market which was down 2%.

Capital management is increasingly a feature of the market. Five AREITs are now running active buybacks, three more are planning to commence buybacks. In addition Charter Hall Office received a buy out proposal for their Australian assets provided that their US asset sale programme completes. In total \$2bn of capital could be returned to the sector over the next year, this equates to 3.5% of total sector market cap. The AREIT sector is trading at an 8% discount to NTA and there is plenty of investor appetite for high quality direct property assets.

Financial markets globally continue to be on edge with a slew of poor economic data coming from the US, most notably 2Q GDP growth was revised down to an annual rate of 1.0% and non farm payrolls up at 117K for July.

In Australia unemployment ticked above 5%, business confidence was up but consumer confidence fell sharply. Building approvals also fell sharply (-18% YTD). The 10-year Australian bond yield slumped 44bps to 4.45%, the lowest level since May 2009.

The main investment theme for the month was a flight to earnings safe havens and away from any form of risk. A number of retail trusts rallied sharply after selling off on concerns about a weak consumer. At the other end of the spectrum the weakest performances were recorded by trusts with high beta, high gearing and low liquidity.

The best sector returns in August were Retail trusts +6.5% followed by Diversified trusts +1.1%; conversely, the weakest sector was Industrial (-4.4%) while Office trusts posted -0.7%.

Fund performance

The portfolio was down for the month of August driven by overweights in Centro Retail (-12.8% for the month), ING Office (-3.9%) and Goodman Group (-4.4%) and underweights in Westfield Retail (+11.2% for the month) and Westfield Group (+5.5%). Underweight positions in Stockland (-2%), Australand (0%) and Charter Hall Office assisted performance.

Strategy & outlook

During August, we increased our holdings in Westfield Group, Commonwealth Office and built a position in Transurban. We funded these purchases by reducing in GPT, and Macquarie Airports.

At current prices, the sector is trading on a 12.1 x PE, it is delivering a 6.5% distribution yield and 2-3% pa medium term growth. Earnings and balance sheets are stable. We expect improving capital management and strong support for high quality direct property to provide improving returns for 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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