

BT Wholesale Global Fixed Interest Fund

Fact Sheet
October 2011

ARSN: 009 567 558



About the Fund

The BT Wholesale Global Fixed Interest Fund actively seeks out investment opportunities within a broad portfolio of international fixed interest securities.

The management of BTIM's global fixed interest portfolios is outsourced to US-based BlackRock Financial Management Inc., a premier provider of international investment services across a broad range of asset classes. BlackRock has a cross-disciplinary team approach, which enables BTIM to benefit from the pooled expertise of all BlackRock's resources: its investment and risk management professionals, and its highly sophisticated, integrated, proprietary analytical tools.

Fund objective

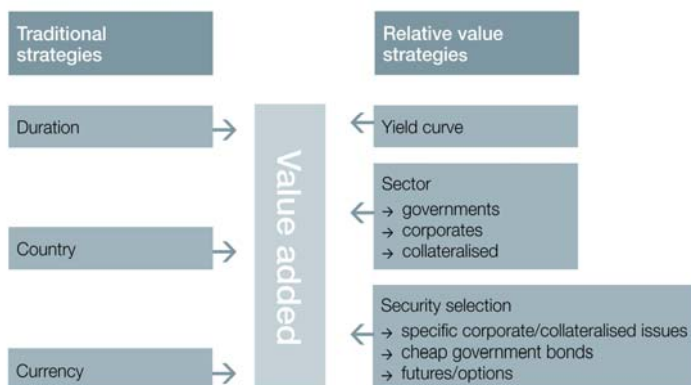
The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Barclays Capital Global Aggregate Bond Index, hedged to AUD, over the medium term. The suggested investment timeframe is three years or more.

Investment approach

BlackRock's Global Bond philosophy is an extension of its risk-controlled approach that focuses on active sector/sub-sector rotation and security selection. BlackRock believes that this strategy is particularly well suited to today's dynamic global fixed income markets where the opportunity for relative value has increased.

Investment process

BlackRock's investment team employs multiple strategies to add value with an emphasis on exploiting relative value along the yield curve, across sectors and between individual securities. While value is also derived from traditional strategies, active exposures to country, currency and duration relative to the benchmark tend to be limited. In general, BlackRock expects 35% of value add to come from traditional strategies (duration, country and currency), while 65% is expected to come from relative value strategies (sector, security and yield curve).



BlackRock's portfolio construction is a two-stage process:

- Formulate strategies around major macro factors: country/bloc, currency and duration exposures
- Focus on relative value considerations: yield curve positioning, rotation between sectors and sub-sectors, and security selection are the key decision drivers

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	0.81	0.85	0.34
3 months	2.37	2.50	3.10
FYDT	3.32	3.49	4.64
6 months	4.57	4.81	6.33
1 year (pa)	6.35	6.87	7.84
2 years (pa)	9.11	9.65	9.33
3 years (pa)	10.25	10.80	10.67
5 years (pa)	6.89	7.43	8.48

On 3rd November 2008 the benchmark name for this fund was changed to Barclays Capital Global Aggregate Bond Index Hedged to AUD.

Asset allocation (as at 31 October 2011)

Belgium	1.5%
France	1.6%
Germany	4.0%
Italy	4.0%
Netherlands	1.9%
Spain	3.1%
United Kingdom	8.0%
Other Europe	13.2%
Japan	8.3%
Canada	2.8%
USA	50.1%
Cash & Other	1.5%

Duration

Portfolio duration is managed to +/- 1 year of the benchmark's duration.

Other information

Fund size (as at 31 Oct 2011)	\$81 million
Date of inception	July 2002
Minimum investment	\$25,000
Buy-sell spread	0.20% [#]
Distribution frequency	Semi-annual
APIR code	RFA0032AU

[#] 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	0.53% 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 market continued to gyrate based on the machinations unfolding within Europe. Market participants remain sceptical of a grand solution being implemented in time to protect larger markets such as Italy, Spain and even France. This has been reflected in the widening of French spreads vs. Bunds to all time high levels. The ability of the troika to contain Italian yields below 5% remains the key metric going forward and with current 10 yr yields at close to 7%, it will be challenging for Italy to access the primary market in any meaningful way.

Outside of Europe investors were greeted with better than expected economic data in the US pointing to 2-2.5% Q3 GDP growth. This compares markedly to the recessionary implications being priced into the market only a few months prior. Earnings by and large came in at or above expectations although Financials remained in the spotlight with concerns around exposures to peripherals and access to longer term financing being in focus.

China released disappointing PMI data highlighting that country's dilemma over when to ease monetary policy in order to cushion GDP growth estimates. Elsewhere emerging markets have stabilized following the large scale sell-off with flows into bond funds returning to positive territory on the month.

Fund performance

Performance in October continued to be driven by the situation unfolding in Europe. Market participants closely followed the results leading into and following the meeting of EU leaders on October 23rd. The market gyrated from risk-on to risk-off upon the release of various market rumours, but as a whole risk assets recovered from the sell-off experienced in both August and September. In this market our more conservative duration positioning across Europe favoring the credit of Germany versus other triple AAA markets performed well as French and other peripheral spreads continued to widen versus Germany. Curve flattening biases across markets turned negative on the month after a strong September performance.

Following the extreme sell-off over the past two months, risk assets across the board rallied significantly in October. Our small overweight in US financials performed well as a number of strongly capitalized banks performed well on the month. Our positioning in European financials performed well given our focus on strongly capitalized banks in Core Europe.

Strategy & outlook

The outlook for global markets continues to hinge on a successful resolution to the crisis in Europe. Despite more optimistic economic data from the US, the risk of Europe pulling global economies into a recession has increased. A valid solution that provides a long term solution to the problems in the Eurozone will be the only way forward. The US has enjoyed a respite from the contentious debt ceiling debate that concluded in August, but we will again see if politicians can reach a consensus on longer term deficit reduction programs as the debt super-committee will be meeting in late November. Preliminary data points to an impasse between Democrats and Republicans centered on any revenue enhancing programs which would be voted down by Republicans. Finally attention will continue to focus on China as economic growth continues to decelerate putting pressure on the Central Bank to scale back from the aggressive tightening policy over the last year.



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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