

BT Wholesale Property Securities Fund

Fact Sheet
October 2011

ARSN: 087 593 584



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

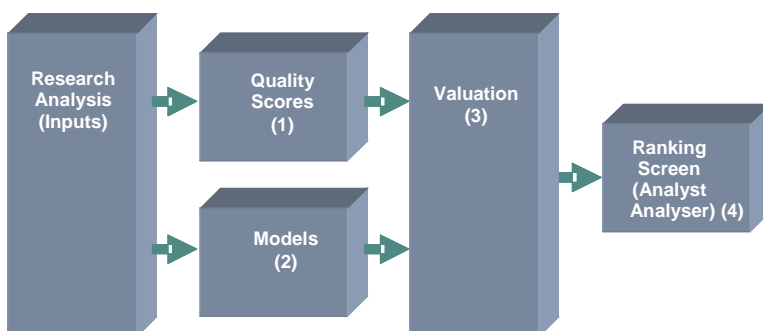
BTIM's investment philosophy is based on the beliefs that:

- 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	3.77	3.82	3.78
3 months	0.95	1.11	1.90
FYDT	-4.96	-4.75	-4.67
6 months	-5.84	-5.55	-5.42
1 year (pa)	-1.44	-0.82	-2.38
2 years (pa)	1.19	1.83	1.01
3 years (pa)	-0.02	0.61	-1.42
5 years (pa)	-9.85	-9.28	-13.11

Other information

Fund size (as at 31 Oct 2011)	\$114 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

October was a strong month for investors with signs of improvement in the US economy and some progress in the Eurozone debt negotiations. China reported moderating growth slightly below expectations. The good news boosted equity markets; the SP500 (+10.8%) had its best month since December 1991.

The AREIT sector (+3.84%) underperformed the broader market (+7.2%). Over the past year AREITs (-2.2%) have outperformed the broader market by 1.5%.

In corporate news, WDC sold a half share in Cairns Central Shopping Centre for \$261m, a strong price which underscores asset values in the retail centre. The Centro Retail Board recommended a merger of a number of the Centro Entities, a move which should lead to a new \$3 billion AREIT emerging from the ashes of the old corporate structure. There are six active buybacks in the sector, buying back stock at an average of 18% discount to NTA.

Financial markets globally jumped on growing investor confidence. In the US 3Q GDP increased at an annual rate of 2.5% the strongest number for a year, non-farm payroll numbers were up 104,000 for the month of September, but the unemployment rate held steady at 9.1%.

In Australia retail sales for August were up by 0.6% beating expectations for two months in a row. Employment growth was solid at 20 400 new jobs and unemployment improved to 5.2%.

The major investment theme was the 'risk on' trade with Industrials the best performing sector and groups with active earnings outperforming. The weakest performances were recorded by the retail trusts.

The best stock returns in October were from Charter Hall (+16.7%), Australand (+13.0%) and Mirvac (+9.0%). The worst performing stocks for the month were Bunnings Warehouse (2.1%) and Westfield (-0.6%).

Fund performance

The portfolio was flat for the month of October driven by overweights in Goodman (+4.6%), Charter Hall and Mirvac. Underweights in Australand (+13%) and overweight to Centro Retail (+1.6%) detracted from performance.

Strategy & outlook

At current prices, the sector is trading on an 11.8 x PE, and delivering a 6.5% distribution yield and 2-3% p.a. 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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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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