BT Wholesale Global Fixed Interest Fund

Fact Sheet
November 2011

ARSN: 009 567 558

BT Investment Management

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

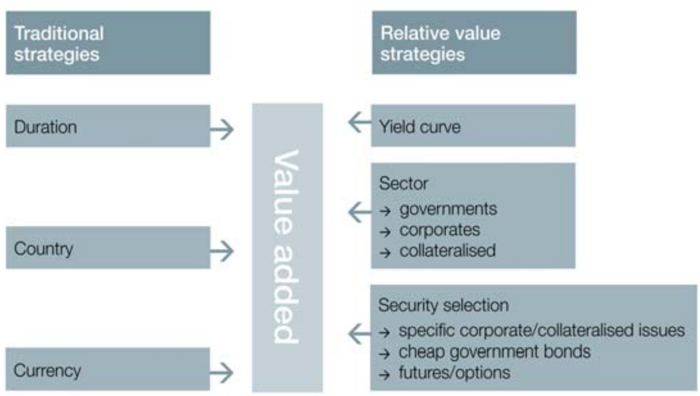
The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Barclays Capital Global Aggregate Bond Index, hedged to AUD, over the medium term. The suggested investment timeframe is three years or more.

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 (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	-1.43	-1.39	-0.20
3 months	-0.16	-0.04	1.19
FYDT	1.84	2.06	4.43
6 months	1.81	2.04	4.66
1 year (pa)	5.64	6.15	8.43
2 years (pa)	7.59	8.12	8.53
3 years (pa)	9.65	10.20	9.50
5 years (pa)	6.42	6.96	8.23

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 30 November 2011)

Belgium	1.4%
France	2.2%
Germany	4.3%
Italy	4.6%
Netherlands	1.7%
Spain	2.7%
United Kingdom	7.4%
Other Europe	11.3%
Japan	11.4%
Canada	2.8%
USA	49.0%
Cash & Other	1.2%

Duration

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

Other information

Fund size (as at 30 Nov 2011)	$80 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*

* You should refer to the latest Product Disclosure Statement for full details of fees and other costs you may be charged.

Market review

International market performance in November has been driven by the ongoing European crisis. Optimism created by the new solutions was soon shattered by the worsening economic reality, with GDP forecasts for 2012 and 2013 being lowered for Europe. Market contagion broadened as evidenced by Italian ten-year government bond yields rising to the highest level since 1998. Later in the month market optimism was buoyed by a possible workaround of the EU treaties to impose fiscal discipline. Furthermore, in the face of the deteriorating financial and economic conditions, the six major central banks lowered the USD liquidity swap facility by 50 basis points. China also cut the reserve requirement ratio by 50 basis points. In the US, the economic data was generally stronger than expected, which mitigated the concerns over the slow progress of the budget Super Committee. Over the month, the US and UK ten-year yields rallied 4 and 12 basis points respectively. Japanese yields rose by only 2 basis points. Australia outperformed the US with the ten-year yield spread closing lower at 1.86%. The Australian currency rebounded into the end of the month and the trade-weighted index depreciated 1.30%. Risk assets (equities and commodities) initially sold off but rallied strongly at the end of the month.

Fund performance

Overall, our underweight duration positioning in the Dollar Bloc and overweight in Canada had negative impacts on performance. Our overweight Australia position outperformed this month.

Our overweight position in the Euro Bloc and our position on the Euro curve flattener position detracted from performance. Our overweight to Germany vs. France and other core European countries performed strongly earlier in the month, but ended close to flat on renewed optimism for a European solution.

Our underweight position in Japan had a slight positive impact as industrial production and rebuilding continue with the help of economic stimulus.

Strategy & outlook

November saw more GDP forecast downgrades across developed economies. The European sovereign crisis worsened with apparent contagion taking hold of more countries. While leading indicators linger at subdued levels, there is limited fiscal capacity to meet the much wanted fiscal support. Market volatility will remain high as it starts to price in the binary outcomes of either a fiscal union or a Euro breakup. Although the US economy appears to be improving, the sustainability is questionable with consumption growth funded by dissaving.

BT Investment Management

For more information

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