BT Wholesale Global Fixed Interest Fund

Fact Sheet
December 2011

ARSN: 009 567 558

BT Investment Management

Income and Yield Investments

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

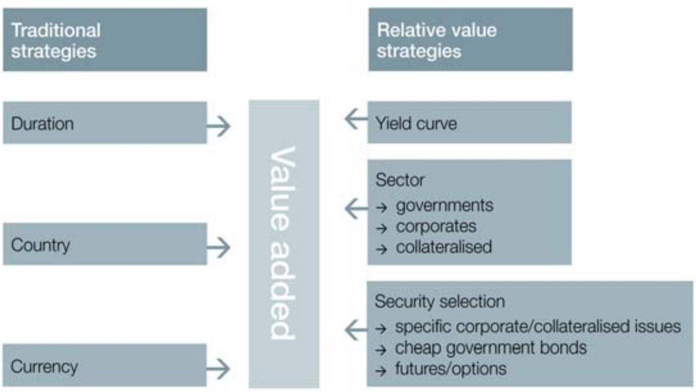
The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Barclays Capital Global Aggregate Bond Index, hedged to AUD, over the medium term. The suggested investment timeframe is three years or more.

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	2.17	2.21	1.90
3 months	1.52	1.65	2.04
FYDT	4.05	4.32	6.41
6 months	4.05	4.32	6.41
1 year (pa)	7.95	8.48	10.51
2 years (pa)	9.06	9.60	9.89
3 years (pa)	9.40	9.95	9.27
5 years (pa)	6.96	7.50	8.73

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 December 2011)

Belgium	1.5%
France	2.4%
Germany	4.3%
Italy	4.7%
Netherlands	1.3%
Spain	3.0%
United Kingdom	8.0%
Other Europe	9.5%
Japan	12.7%
Canada	3.1%
USA	48.6%
Cash & Other	0.9%

Duration

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

Other information

Fund size (as at 31 Dec 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 December has been driven by the progress of European crisis and the strength of US recovery. The EU summit proposed to rein in member countries' fiscal deficit, with the ESM target date to be brought forward and capacity ceiling reassessed, subject to member approvals. The summit also looked for international contributions but without participation so far. Notwithstanding that economic growth estimates were downgraded, the financial markets volatility lowered toward year end, as the ECB provided banks with more liquidity by conducting a three-year LTRO transaction and cutting reserve requirements. On the other side of Atlantic, there were more signs of recovery in the US. Apart from the upbeat leading indicators, recent data saw continued improvements in labour and housing markets. Over the month, the US, UK and Japan ten-year yields rallied 19 basis points, 33 basis points and 8 basis points, respectively. Australia outperformed the US with the ten-year yield spread closing lower at 1.79%. The Australian currency rebounded into the end of the month and the trade-weighted index appreciated 1.21%. Risk assets (equities and commodities) stabilised with the US equity market outperforming other markets.

Fund performance

In the Dollar Bloc, overall, our overweight duration positioning in Australia and Canada provided a positive impact to the portfolio against the negative performance of our underweight US positioning.

In the Pan-Europe Bloc, our positioning on Germany vs. France and other core countries outperformed, mitigating some of the underperformance in our underweight Euro Bloc and Sweden positioning. There was overall optimistic sentiment with regards to the Eurozone crisis.

In the Asia/EM Bloc our underweight position in Japan and Non-Japan Asia countries had a negative impact on performance. Concerns about economic growth affected market sentiment.

Strategy & outlook

Progress in Europe has been slow and uncertainty will remain in the foreseeable future. Fiscal austerity, among other policies, is necessary to bring back market confidence. European banks will probably reduce international lending to repair their balance sheets and thus Asian economies will face increasing currency volatility due to international capital repatriation. Although disparity of recovery is evident between the US and Europe, the sustainability of the US recovery is questionable with a slowing Europe.

BT Investment Management

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 Financial Services Council (**FSC**) 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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