

BT Wholesale Property Securities Fund

**Fact Sheet
December 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

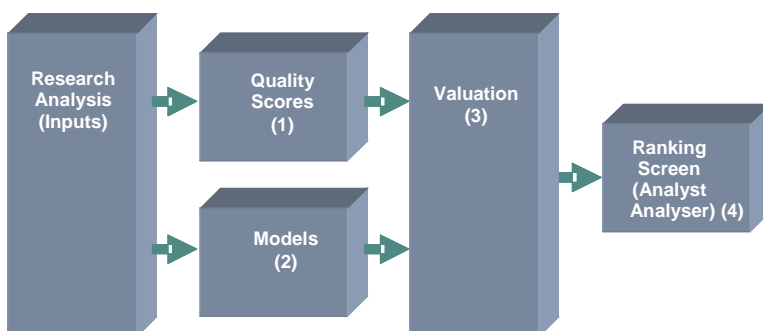
BTIM's investment philosophy is based on the beliefs that:

- 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	-2.19	-2.13	-2.55
3 months	4.00	4.16	3.81
FYDT	-4.75	-4.44	-4.64
6 months	-4.75	-4.44	-4.64
1 year (pa)	-0.68	-0.05	-1.56
2 years (pa)	-0.64	-0.01	-1.12
3 years (pa)	3.55	4.21	2.32
5 years (pa)	-12.01	-11.45	-15.19

Other information

Fund size (as at 31 Dec 2011)	\$113 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

December was a lackluster month for both A REITs (-2.7%) and equities (ASX 200 -1.4%). Over calendar 2011, A REITs outperformed equities by 9.0%. This is the first year since 2006 that AREITs outperformed the broader market.

In corporate news, the newly created Centro Retail Australia (ASX code: CRF) started trading. The new vehicle was created by amalgamation of number of Centro vehicles. There were several retailer downgrades over the month (Billabong, JB Hi Fi and Kathmandu) which highlights very weak retail conditions especially in apparel.

The general theme in the A REIT sector is simply undervalued trusts selling assets and buying back stock. In December, 3 trusts sold assets (Stockland, Mirvac and ING Office) and 6 trusts have been buying back stock.

In Australia the RBA cut the cash rate to 4.25% in response to weakness in Europe and softer domestic conditions business conditions. Employment was weak in November with the reported unemployment rate ticking up to 5.3%. Building approvals fell sharply (-10.7%) with private housing approvals particularly weak - 7.5%.

In the US 3Q11 GDP was revised down to 1.8% (annual rate). There are some positive signs for the US, with better employment and housing numbers: the critical non farm payrolls up by 120k in November and housing starts up 9%, the highest level since April 2010.

The best stock returns in December were from Centro Retail (+6.3%), and Charter Hall Office (+5.5%). The weaker stocks over the month were two retail trusts: Westfield Group (-4.8%) and CFS Retail (-5.0%) and two residential names Mirvac (-5.6%) and Australand (-4.8%).

Fund performance

The portfolio outperformed the benchmark for the month, driven by our overweight positions in Centro Retail Australia (+6.3%) and Charter Hall Retail (+3.1%). An underweight to Commonwealth Office (+1.72%) was our largest detractor.

Strategy & outlook

At current prices, the sector is trading on an 11.6x PE, it is delivering a 6.7% 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. We would recommend the LPTs to investors looking for a defensive entry back into the share market.



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.

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