

BT Wholesale Split Growth Fund

Fact Sheet
September 2009

ARSN: 087 594 198



About the Fund

The Fund is a diversified share portfolio that invests primarily in Australian and international shares.

Key benefits of the Fund:

- provides investors with the potential for income as well as capital growth
- allows for diversification across Australian and international shares
- offers access to investment solutions provided by some of the leading investment managers globally.

Fund objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Fund's benchmark over the medium to long term. The suggested investment timeframe is five years or more.

Benchmark

The benchmark for the Fund is created from a blend of indices based on the Fund's exposure to different asset classes. The benchmark is calculated by using the weighted average asset allocation neutral position and the index returns for each asset class.

Investment process

BTIM's investment process for the Fund applies an active management approach across all asset classes. The underlying investments in the Fund are managed by BTIM together with external partners.

BTIM's Australian Equities team manages the Australian shares asset class; AQR Capital Management LLC (AQR) manages the Fund's international shares.

BTIM's investment process for shares is based on our core investment style and is unrestricted by a growth or value bias. Our team is focused on generating independent and unique investment ideas, so as to exploit opportunities not yet considered by the market.

AQR's disciplined approach uses bottom-up fundamental security selection indicators to generate excess returns through under and overweighting stocks and industries relative to the benchmark. Currency decisions for international shares are actively managed by BTIM's Macro Strategies team.

Investment team

The Fund is managed by BTIM's Multi-Strategies team headed up by Robert Swift who has more than 25 years industry experience. The team has a diverse skill set, combining a range of global and domestic market experience and drawing 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)	
3 months	11.98	12.26	11.50
FYDT	11.98	12.26	11.50
6 months	22.39	22.90	20.03
1 year (pa)	-2.28	-1.44	-7.62
2 years (pa)	-13.01	-12.24	-14.04
3 years (pa)	-7.34	-6.50	-6.61
5 years (pa)	2.47	3.38	2.32

Asset allocation

Australian Listed Shares:	21.1%
Overseas Listed Shares:	78.1%
Australian Liquidity (< 180 days):	0.8%

Investment guidelines

Asset allocation ranges (%)	Neutral position	Ranges	
		Min	Max
Australian shares	20	15	25
International shares	80	75	85

Other information

Fund size (as at 30 Sep 2009)	\$5 million
Date of inception	July 1999
Minimum investment	\$50,000
Minimum balance	\$50,000
Buy-sell spread	0.42%
Income distribution frequency	Quarterly
APIR code	BTA0126AU

Fees

Management fee	0.99% 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

After soaring over 8% for July, the equity markets slowed down in August and September but continued to rise. In Australian dollar terms, the MSCI World (Ex-Australia) Index (Net) was up 7.1% for the quarter though in local dollar terms the gain was 14.6% due to a strong rally in the AUD.

Data from the US and Europe was more mixed but did suggest a turning point: nearly 1m jobs were lost from US non-farm payrolls between May and August but the pace of decline slowed, and in September the ISM manufacturing index crossed the 'expansionary' threshold for the first time since January 2008. Q2 GDP suggested that the US recession may be nearing an end, falling at an annualised rate of 1.0% while the Fed maintained its Fed Funds target range of 0 to 0.25% throughout Q3 2009.

In the US, the S&P 500 was up 15.0% in Q3, close to topping the 15.2% rally of the June quarter. The September close was 56.3% above the 2009 closing low of March 9th. As in Q2 the Financials sector (+25.1%) led the pack as investors responded to a continued easing of credit markets. Cyclical sectors such as Consumer Discretionary (+18.8%) and Materials (+21.0%) also fared well while defensive groups such as Telcos (+3.9%) lagged. Q2 earnings for the S&P500 were reported down 28% on the previous year, better than the anticipated 36% fall.

The Australian equity market gained 21.6% over the September quarter on improved growth prospects and greater investor optimism as economic indicators pointed to a short and shallow downturn. There was a general rotation to cyclical sectors on signs that the Australian economy was stabilising. Banks (+35.6%) was the strongest sector as concerns eased about the loan loss cycle. However Resources (+11%) underperformed as commodity prices were mixed in AUD terms.

Fund Performance

In this environment fund returns were up solidly for the quarter continuing the strong market rally that started in March this year and reflecting significant gains in both global and domestic equities.

The portfolio outperformed its benchmark for the quarter. Both stock selection and currency selection in the international share portfolios were positive for the period. Stock selection was driven by positive performance in the US and Continental Europe strategies. Outperformance in the US was mainly due to a positive performance in our valuation factors outweighing negative performance in our momentum signals. In Continental Europe, the positive performance was driven by a good quarter in the valuation and earnings quality signals outweighing negative performance in our momentum factors.

The Australian equity portfolio also outperformed the benchmark over the period with the portfolio's overweight position in Asciano contributing to returns. We believe the company's strong balance sheet and good cash flow will continue to be supported by positive economic fundamentals over the medium term.

Strategy/Outlook

Global equities manager AQR continues to maintain an underweight to Value in the US and Continental Europe. AQR also has a slight underweight to Value in the UK and are currently at long-term strategic weight in Japan.

In Australian equities, the drivers of the positive market sentiment remain in place. The developed economies have seen a stabilisation of growth after what was an unprecedented free fall at the beginning of the year, the Chinese economy is accelerating, which is driving better Asian growth and demand for commodities, and the extremely loose monetary policy is generating surplus liquidity which is finding its way into investment markets.



For more information

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

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