

BT Wholesale Split Growth Fund

Fact Sheet
December 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	2.48	2.73	3.00
FYDT	14.75	15.33	14.85
6 months	14.75	15.33	14.85
1 year (pa)	13.63	14.67	11.87
2 years (pa)	-10.13	-9.33	-11.87
3 years (pa)	-8.04	-7.20	-7.23
5 years (pa)	1.77	2.72	1.74

Asset allocation

Australian Listed Shares:	20.4%
Overseas Listed Shares:	79.1%
Australian Liquidity (< 180 days):	0.5%

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 31 Dec 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

In Australian dollar terms, the MSCI World (Ex-Australia) Index (Net) was up 2.1% for the quarter though a strengthening US dollar meant that global equity returns in local dollar terms were +4.5%.

Concerns about the strength and durability of the US recovery caused market volatility to jump sharply towards the end of October and debt market worries around Dubai World and Greek government bonds tested investor confidence in November. However, improving signs for the US economy, the ongoing commitment from the government to maintain the fiscal stimulus and signs of stabilisation in the US housing market helped equity markets finish the quarter on a positive note.

The S&P 500 gained 5.5% in the fourth quarter, marking a third consecutive positive quarter. Among the strongest performers were both cyclical sectors such as Consumer Discretionary (+8.6%) and defensive groups like Health Care (+8.5%) and Utilities (6.1%) while the Financials sector (-3.7%) took a back seat after two quarters of leadership. Q3 earnings came in ahead of analyst expectations with 80% of S&P 500 companies reporting numbers above consensus forecasts.

In other economic news, China reported a real GDP growth rate of 8.9% YoY for the third quarter of 2009. European data was mixed with the Eurozone GDP rising by 0.4% QoQ in the third quarter after five straight declines, while the UK remained in recession with a contraction of 0.2% QoQ.

The Australian equity market gained 3.4% over the December quarter and saw out 2009 at its high for the year. After going backwards in October – the market's first decline after registering seven consecutive monthly gains – stocks gathered strength over November and December.

Fund Performance

The portfolio underperformed its benchmark for the quarter. The result was driven by underperformance in our US, Japan, and UK strategies outweighing positive performance in our Continental Europe strategy. The underperformance in the US was due to a weak period in our earnings quality signals outweighing positive performance in our momentum and sustainable growth factors. The negative performance in Japan was mainly due to a weak period in our valuation signals outweighing positive performance in our investor sentiment factors. In the UK, the underperformance was driven by negative performance in our valuation factors outweighing positive performance in our momentum and industry momentum signals. The outperformance in Continental Europe was due to positive performance in our momentum and sustainable growth signals outweighing negative performance in our valuation factors.

Negative performance in stock selection within the Information Technology and Energy sectors outweighed positive performance in stock selection and industry selection within the Financials sector. In terms of sector positioning, we are currently overweight Consumer Discretionary and Industrials while being underweight Utilities.

In Australian equities, gains were driven by a strong performance by the Materials sector (+13.7%) and Resources (+9.8%) on the back of renewed confirmation of the robustness of the China recovery. The Consumer Staples sector also outperformed over the quarter (+4.6%) while Energy stocks fell (-2.5%) on concerns over funding. The banks reported generally good results, however these were in line with expectations. The Banks sector (-3.1% for the period) was also overshadowed by RBA rate hikes each month and by concerns over funding costs and regulatory change.

Strategy/Outlook

The strong liquidity environment that has existed for much of 2009 coupled with continued optimism toward recovering OECD economies has ensured that the market finished the calendar year at its year high.

Global equities manager AQR is now tactically slightly to moderately underweight Value in the US, UK and Continental Europe while in the Japan strategy currently at long-term strategic weight.

In Australian equities, our overarching view remains that the market continues to be in a consolidation phase driven primarily by lack of clarity with regards to the success of the developed economies in weaning themselves off government stimulus. US manufacturing continues to rebound on restocking but the consumer continues to face some headwinds and is not yet in a position to provide a backstop to move the economies sustainably higher. On the other hand the developing nations driven primarily by China have continued to exhibit very sound economic growth fundamentals which has been a key reason why the commodity spectrum has been well supported.



For more information

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

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