BT Sustainable Conservative Fund

Formerly known as
"BT Wholesale Ethical Conservative Fund"

Fact Sheet
March 2010

ARSN: 090 651 924

BT Investment Management

Social Responsible Investments

About the Fund

The Fund is a diversified portfolio that invests principally in Australian fixed interest securities, cash and a limited amount of Australian shares.

Key benefits of the Fund

- → provides investors with the potential for income as well as capital growth
- → allows for diversification across a number of asset classes
- → offers access to companies assessed as demonstrating superior environmental practices and sustainable product and service offerings.

Fund objective

The Fund aims to provide a real return over inflation over the medium term to meet the objectives of conservative investors including tax exempt entities whilst excluding companies which do not meet the Fund's sustainable guidelines. The suggested investment timeframe is three years or more.

Investment approach

BTIM's investment philosophy is based on active management and operates on two levels:

- → All BTIM's underlying managers and products have an active management approach which seeks to deliver consistent risk-adjusted outperformance by exploiting investment opportunities that arise due to the inefficient market pricing of securities
- → BTIM places significant importance on determining the optimal long term Strategic Asset Allocation and disciplined rebalancing.

The Australian fixed interest component of the Fund is an actively managed combination of corporate, semi-government and government debt and short-term money market securities.

The investment process for Australian shares is managed by BTIM's Australian Equities team and has the addition of sustainability screens.

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. Details of the particular market indices used for the Fund's benchmark can be found on our website at

http://www.btim.com.au/AllFunds and clicking on your fund page.

Investment team

The Fund is managed by BTIM's Macro Strategies team headed up by Joe Bracken who has more than 15 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: Income Strategies and Equity Strategies.

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
3 months	0.92	1.15	1.25
FYDT	9.18	9.94	9.36
6 months	2.54	3.00	2.93
1 year (pa)	11.47	12.50	11.36
2 years (pa)	4.51	5.47	5.79
3 years (pa)	3.72	4.68	4.87
5 years (pa)	6.88	7.86	7.02

Asset allocations

Australian Listed Shares:	28.1%
Australian Fixed Interest:	46.3%
Australian Liquidity (< 180 days):	25.6%

Other information

Fund size (as at 31 Mar 2010)	$69.3 million
Date of inception	September 1989
Minimum investment	$50,000
Buy-sell spread	0.20%#
Distribution frequency	Semi-annual
APIR code	RFA0811AU

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	0.90% pa*

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

RESPONSIBLE SUSTAINABLE INVESTMENT ® CERTIFIED BY RIAA

BT Investment Management Limited ABN 17 126 390 627, AFSL 316455, has been certified by RIAA according to the strict disclosure practices required under the Responsible Investment Certification Program. The Certification Symbol signifies that an investment product or service takes environmental, social, ethical or governance considerations into account along with financial returns. See www.responsibleinvestment.org for details.

Market review

The Australian sharemarket gained just +1.3% over the quarter. The reporting season saw positive surprises outweighing negative ones, though guidance and outlook statements were frequently guarded. Banks were one of the best performing sectors, up nearly 6%, boosted by good results, and updates which underlined that the loan loss cycle is proving milder than previously expected.

Australian economic data in the first quarter underlined the strength of the local economy. Building approvals and retail sales mostly beat expectations while the unemployment rate declined to only 5.3% – far lower than in Europe or the US.

The Reserve Bank of Australia surprised many forecasters by leaving the cash rate target unchanged at its February meeting but resumed the tightening cycle in March with a 25 basis point hike to 4.0%. Major bond markets were little changed over Q1 with Australian 10-year bonds rising 1.4% over the quarter to end at 5.78%. Meanwhile the Australian dollar gained 2.2% against the USD.

Fund performance

The portfolio underperformed the benchmark over the March quarter.

Australian equities underperformed with the main detractor being the portfolio's overweight position in defensive Metcash. Concerns around competition in the retail sector continue to weigh on Metcash, despite clear evidence that both Woolworths and Coles are not choosing to price aggressively.

The portfolio's Australian fixed interest component contributed to outperformance overall. The Government fixed interest component added to returns while credit strategies detracted.

Strategy and outlook

In Australian equities, the rally in equity markets off their recent lows has reinforced our view that we remain in a consolidation phase. We are now 12 months on from the turn in the markets as the potential financial crisis was averted and the domestic economy started its recovery. The market has re-rated back to its long-term valuation, contingent on a recovery in earnings of 20% in the 2011 financial year. It is the confidence in this earnings recovery which will drive the markets from here.

Government bond yields are likely to rise further from here, as long as the economic recovery remains intact. Inflation is not yet a concern, but needs to be monitored. Bond issues with an explicit government guarantee continued to outperform its respective commonwealth government bonds. In the macro portfolio, we remain aggressively overweight this sector and we expect this sector to continue performing well as the government has withdrawn its guarantee to the banks and states.

BT Investment Management

For more information

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

BT Investment Management (RE) Limited ABN 17 126 390 627, AFSL 316 455, is the responsible entity and issuer of units in the BT Sustainable Conservative Fund. A Product Disclosure Statement (PDS) is available for the Fund and can be obtained by contacting your business development representative on 1800 813 886 or visiting www.btim.com.au. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of units in the Fund. This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. An investment in the Fund is not a deposit with or any other liability of the Westpac Banking Corporation (ABN 33 007 457 141) or any other Company in the Westpac Group of companies.

Performance figures are calculated in accordance with the Investment & Financial Services Association (IFSA) 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.

BT Investment Management (RE) Limited is a member of the Westpac Group. Neither BT Investment Management (RE) Limited, nor any other company in the Westpac Group, guarantees the repayment of capital or the performance of the product or any particular rate of return.

BT® is a registered trade mark of BT Financial Group Pty Ltd and is used under licence.