

BT Wholesale European Share Fund

Fact Sheet
March 2010

ARSN: 087 594 429



About the Fund

The BT Wholesale European Share Fund is an actively managed portfolio of securities, primarily European shares.

The management of BTIM's regional international share assets is outsourced to Boston-based MFS International (U.K) Limited (MFS). A member of the firm's group established the first mutual fund, Massachusetts Investors Trust, in 1924.

Fund objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI Europe (Standard) Index (Net Dividends) in AUD over the medium to long term. The suggested investment timeframe is five years or more.

Investment philosophy

MFS believes that that active management utilising fundamental research and rigorous risk management will lead to superior investment. MFS utilises a team-managed focus on fundamental analysis and thorough valuation discipline to build a high conviction portfolio.

Investment process

The European Equity Team researches companies and industries in order to generate their "best ideas." The research analysts develop investment ideas by obtaining and analysing company and industry information from personal contacts with company management, suppliers, users and competitors, industry consultants, and the research community.



A universe of 500 to 600 European securities is monitored on an ongoing basis. The analysts then examine company fundamentals to further reduce the universe of stocks to 20 to 30 stocks that they will each focus on to develop a detailed earnings and valuation model as well as conduct management interviews to assess the relative attractiveness of each investment. At any given time, approximately 100 to 150 European stocks merit a "buy" rating. The portfolio will typically hold 60-90 stocks.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
3 months	-3.81	-3.58	-3.78
FYDT	11.75	12.53	9.77
6 months	-1.06	-0.57	-2.52
1 year (pa)	18.41	19.37	18.17
2 years (pa)	-9.26	-8.50	-11.81
3 years (pa)	-9.65	-8.83	-11.65
5 years (pa)	1.57	2.50	-0.03

The investment manager for this fund changed on 6th June 2006. Performance before this date may not be directly comparable.

Asset allocation

Netherlands	9.5%
Switzerland	17.6%
France	18.2%
Germany	13.2%
Finland	1.6%
Belgium	1.1%
Italy	2.0%
Spain	2.3%
United Kingdom	28.1%
Cash & Other	6.4%

Other information

Fund size (as at 31 Mar 2010)	\$23 million
Date of inception #	July 1999
Minimum investment	\$50,000
Buy-sell spread	0.40% ¹
Distribution frequency	Quarterly
APIR code	BTA0124AU

MFS started managing the fund in June 2006.

¹ 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	1.00% 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 commentary

European equities struggled to keep pace with global markets in the first quarter. Concerns over Greece's ability to tackle its budget deficit and the sustainability of recoveries in other European countries with large deficits, such as Spain, Portugal, Italy, and the United Kingdom, persisted during the quarter. With the growing threat of debt default on the periphery of the eurozone, Europe's leaders eventually agreed to a financial plan for Greece that would combine aid from the International Monetary Fund and loans from other eurozone members. While the crisis in Greece appeared to be resolved, the downgrading of Portugal's debt by Fitch Ratings, combined with a weak US Treasury auction, kept sovereign debt concerns elevated within Europe.

Economic data was mixed throughout the quarter, raising concerns about the strength of the recovery. The German ZEW index of investor sentiment fell in March for the sixth consecutive month, while in the United Kingdom, consumer demand rose as the recovery gained pace.

Manufacturing and unemployment data indicated further evidence of a recovery. Industrial production beat expectations in Germany, France, and Italy, and unemployment fell unexpectedly in the United Kingdom and Germany. European and UK central banks are expected to keep interest rates on hold as inflationary pressures ease.

The dollar continued to climb against the euro and the pound, as the currencies were driven in opposite directions by economic news and rising risk aversion. The dollar benefited from growing sentiment that the US economy, along with the rest of the world, was experiencing a more sustained recovery. The euro continued to weaken in the face of regional credit problems, while the pound fell as a result of worries over lack of fiscal clarity ahead of the country's general election.

Performance review

The portfolio performed broadly in line with the MSCI Europe Index during the first quarter of 2010.

Contributors

- Stock selection and our overweight position in consumer discretionary.
- Stock selection in telecommunication services
- Stock selection and currency effect in consumer staples
- Individual stocks: Banco Santander, Symrise, Tomkins, Nokia, VT Group and not owning Banco Bilbao Vizcaya

Detractors

- Stock selection in health care and materials
- Individual stocks: UBS, E.ON, GDF Suez, Intesa Sanpaolo and not owning Barclays or Siemens.

Outlook and positioning

Strategy

There has been no change to our investment philosophy or process. We remain focused on high-quality companies with sustainable above-average growth and returns, whose prospects are not reflected in their valuation.

Market

Although improved economic data and strengthening investor confidence suggest the slowdown is behind us, much uncertainty exists. The economic recovery still faces a number of challenges, including still-elevated unemployment, weak consumer spending, and stretched government finances. We continue to expect earnings and profit forecasts to face headwinds as deleveraging pressures margins. In this environment, we will focus our efforts on fundamental research to uncover those companies best positioned to maintain or take additional market share and trading at attractive valuation levels.

Positioning

We remain focused on the long-term prospects for individual companies, and we base our investment decisions on our investment professionals' bottom-up research, not top-down forecasts. We remain focused on uncovering opportunities in stocks whose market valuations are below their intrinsic worth.

At the end of the first quarter, the portfolio was most overweight the health care and consumer discretionary sectors and was most underweight the industrials and financials sectors.



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 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.

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