

# BT Wholesale Future Goals Fund

**Fact Sheet**  
**December 2010**

ARSN: 087 593 682



## About the Fund

The BT Wholesale Future Goals Fund provides investors with a diversified portfolio of Australian and international shares, Australian and international property securities, Australian and international fixed interest, cash and alternative investments. The Fund has a significant weighting towards growth assets.

### 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. 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 process

The underlying investments in the BT Wholesale Future Goals Fund are managed by BTIM together with a number of external partners. BTIM manages investments in the asset classes of Australian shares, Australian fixed interest and cash, Australian property securities and alternative investments. These investments are augmented by our arrangements with leading global investment managers who have a competitive advantage in the management of global asset classes. These include: AQR Capital Management LLC for international shares and AEW Capital Management LP for global property securities.

### Investment team

The Fund is managed by BTIM's Macro Strategies team headed 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<sup>1</sup> (as at 31 December 2010)

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
3 months	3.12	3.37	3.10
FYDT	6.99	7.50	7.73
6 months	6.99	7.50	7.73
1 year (pa)	1.55	2.47	2.84
2 years (pa)	9.98	10.98	10.70
3 years (pa)	-5.00	-4.14	-3.12
5 years (pa)	1.42	2.33	2.79

## Asset allocations (as at 31 December 2010)

Australian Listed Shares:	43.7%
Overseas Listed Shares:	24.5%
Australian Fixed Interest:	7.8%
Overseas Fixed Int (inc Mortgages):	4.2%
Property Trusts	5.6%
Global Listed Property	3.3%
Alternative Assets	7.9%
Australian Liquidity (< 180 days):	2.9%

## Investment guidelines

Asset allocation ranges (%)	Neutral Position	Ranges	
		Min	Max
Australian shares	45	35	55
International shares	25	17	37
Australian fixed interest	8	0	20
International fixed interest	4	0	20
Australian property	5	0	10
Global property	3	0	10
Alternative investments	8	0	20
Cash	2	0	10

## Other information

Fund size (as at 31 Dec 2010)	\$9 million
Date of inception	July 1999
Minimum investment	\$50,000
Buy-sell spread	0.39% <sup>#</sup>
Distribution frequency	Quarterly
APIR code	BTA0125AU

## Fees

Management fee	0.98% 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.

<sup>1</sup> The asset allocation neutral position, asset allocation ranges and the benchmark have changed over time. As it is historical information, the fund performance reflects the asset allocation neutral positions and ranges that have applied over time. The benchmark performance shown is that of the combined benchmarks that the fund has aimed to exceed over time.

<sup>#</sup> The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

## Market review

Global equity markets had a strong final quarter in 2012 with the MSCI World ex Australia delivering an 8.5% return. For Australian investors with unhedged currency exposure, this return was 2.9% as the Australian dollar rallied against the MSCI basket of currencies over the quarter.

The Australian Share market had a strong final quarter for 2010, returning 4.6%. The resources sectors lead the way returning 13%, which was the largest quarterly outperformance of the broader market since the second quarter of 2008. While resources rallied off the back of higher commodity prices, the banks underperformed with the majors coming under fire after raising interest rates by more than the Reserve bank's hike. Some investors were also cautious about regulatory initiatives affecting the sector, which turned out to be less cumbersome than first feared.

In economic news the RBA raised interest rates once to 4.75%, which continued to put pressure on consumer based stocks. US data was generally positive, consolidating the view that the US recovery was gaining traction. However, continuing weak employment numbers and weak core inflation prompted the Fed to initiate their program of large-scale asset purchases

## Fund performance

The portfolio posted a positive return during December quarter with Australian Listed Property and International Fixed Interest within the asset classes posting a negative return.

In relative terms, the portfolio outperformed its benchmark, with strong outperformance from alternative assets being the strongest contributor to excess return. Australian and International Fixed Interest as well as International Equities were also contributors to return while Global Property was the main detractor.

## Strategy and outlook

As we move in to the new year, three main factors affecting global markets are as follows; US economic recovery, the continuing sovereign debt issues in Europe and the threat of inflation in Asian countries, particularly China.

From a Global equity market point of view, encouraging signs remain despite the risks. After a couple of years of effective rationalisation, corporate America now looks in good shape, with strong corporate balance sheets and very high levels of cash flow generation. Thus far however, corporates have been relatively cautious in terms of putting their cash to use. With highly supportive monetary conditions and a US government whose main priority leading up to the 2012 election will be job creation, conditions are well-suited for increased corporate activity and more aggressive growth strategies, particularly as valuation levels are not onerous.

The clear risk to domestic equities is that higher inflation in China persists, which may lead authorities to curtail credit growth more aggressively. The resulting softening in the property market would see softer demand for commodities with clear implications for the resource sector. Australia continues to be characterised by the 'two speed economy' with increased higher interest rates proving a strong headwind for the consumer based domestic economy and continuing strong activity in the resource related sectors. However, we believe that there will continue to be investment opportunities in companies across the breadth of the market, particularly as valuations are quite supportive to the broader financial sector. Globally, sovereign debt levels are high and yields are low. The spread between the Equity earnings yield and bond yields are also stretched. Therefore a continued economic recovery may well push government yields higher.



## For more information

Please call 1800 813 886, contact your business development representative or visit [www.btim.com.au](http://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.

If market movements, cash flows or changes in the nature of an investment (eg a change in credit rating) cause the Fund to exceed any of the investment ranges or limits in this document, this will be rectified by BTIM (RE) as soon as reasonably practicable after becoming aware of it. If BTIM (RE) does so, it will have no other obligations in relation to these circumstances. The procedures, investment ranges, benchmarks and limits specified in this document are accurate as at the date of its issue, and BTIM (RE) reserves the right to vary these from time to time.

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