

BT Wholesale Property Securities Fund

Fact Sheet
March 2011

ARSN: 087 593 584



Property Investments

About the Fund

The BT Wholesale Property Securities Fund invests primarily in Australian listed property-related investments including listed property trusts, developers and infrastructure investments, both directly and indirectly. In addition, up to 15% of the Fund can be invested in international listed property-related investments and around 5% of the Fund will generally be invested in unlisted property investments.

Fund objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 Property Accumulation Index over the medium to long term. The suggested investment timeframe is five years or more.

Investment style

BTIM's property securities investment style is active, bottom-up and valuation-driven with stock selection driven by absolute valuations.

Investment philosophy

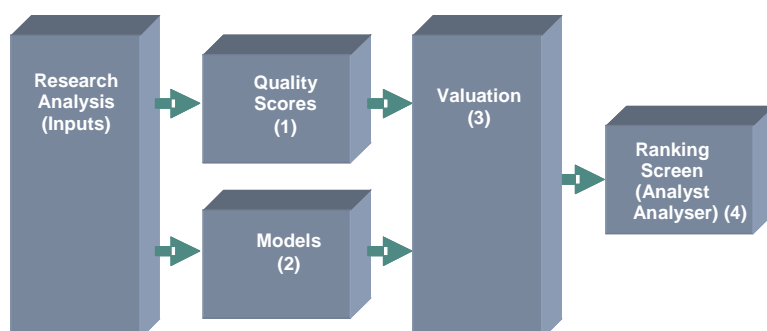
BTIM's investment philosophy is based on the beliefs that:

- market inefficiencies provide opportunities for well researched and disciplined investors to identify and purchase securities that are mispriced compared to what we consider to be their fundamental value;
- quality companies will outperform over time. BTIM's Listed Property Team place a high emphasis on quality scores to identify the best business franchises; and
- active investment management will outperform passive alternatives over a full market cycle

Investment process

The Property Securities investment process starts with comprehensive research utilising a range of proprietary valuation methodology and continues to four steps:

1. Scoring of quality factors
2. Financial modelling
3. Valuation
4. Stock Ranking



Investment team

BTIM's Head of Property Securities, Peter Davidson has over 20 years industry experience and is supported by a team of two portfolio managers/analysts and a specialist LPT dealer. The team also draws 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)	
1 month	-1.80	-1.74	-1.95
3 months	4.31	4.48	3.73
FYDT	7.33	7.85	6.38
6 months	3.47	3.80	2.52
1 year (pa)	5.21	5.88	4.74
2 years (pa)	22.18	22.96	21.95
3 years (pa)	-11.11	-10.55	-14.55
5 years (pa)	-6.24	-5.65	-9.46

Other information

Fund size (as at 31 Mar 2011)	\$98 million
Date of inception	November 1997
Minimum investment	\$50,000
Buy-sell spread	0.50% [#]
Distribution frequency	Quarterly
Currency management	Foreign currency exposure is hedged
Cash holdings	Up to 20%
Tracking error guideline	2-5%
APIR code	BTA0061AU

[#] 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	0.65% 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

The Listed Property Trust sector provided a total return of 3.7% in the March 2011 quarter. The broader share market was up by 3.1% over the same period. Over the past year the LPT sector is up by 4.7% against a broader market which is up by 3.8%.

The December quarter saw a sharp increase in confidence about the recovery in the US economy. The enthusiasm for this recovery was dampened by concerns about the Chinese economy slowing, European debt concerns, civil unrest in the oil producing Middle East and finally the tragic Japanese earthquake and tsunami. In hindsight we could well say that market was resilient in the face of considerable headwinds.

In economic news, employment fell by 10,000 in February 2011; the first fall since August 2009. Consumer and business confidence were mixed with credit growth muted. Reflecting this the RBA remained on hold with cash rates steady 4.75%.

In the LPT sector, we saw a change of management at ING office, which is now replaced by the management team from Investa Office Fund. This shift adds scale and expertise to the ING Office Fund. A Goldman led consortium completed their acquisition of the ING Industrial Trust.

We also saw a solid reporting season with some earnings upgrades largely driven by lower quality items. Nonetheless, the earnings downgrade cycle appears to be over for the sector. Importantly, there are increasing signs that the debt markets have re-opened and bankers are competing to lend out to better rated LPTs.

Over the quarter, returns from the various LPT sub-sectors were all positive. The diversified sector performed well (+5.1%). Office returns were stellar (+10.1%) on increasing corporate activity in the sector (potential bidders circling Charter Hall Office assets). Retail stocks managed paltry (+1.6%). This low return reflected indigestion following the Westfield Retail issue. In addition concern is mounting about the challenge posed by the growth of online shopping expenditure here in Australia.

Looking forward, earnings growth for the LPT market will be 2 % for the near term FY11-FY12, but thereafter earnings momentum should improve.

Fund performance

The portfolio performed above benchmark over the March 2011 quarter with an overweight position in Centro Retail and Valad Property adding to performance. On the negative side of the ledger, our underweight position in Ardent and Charter Hall Office Trust detracted from performance.

Strategy & outlook

At current prices, the sector is trading on a 13.1 x PE, it is delivering a 6% distribution yield and 3% p.a. medium term growth. Earnings and balance sheets are stable. We look to improving direct property and equity markets for the next leg up in the sector. We would recommend the REIT sector to investors looking for a defensive entry back into the share market.



For more information

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

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