

BT Wholesale Core Global Share Fund

Fact Sheet
June 2011

ARSN: 089 938 492



About the Fund

The BT Wholesale Core Global Share Fund is an actively managed portfolio of international shares. The shares are managed by Connecticut-based AQR Capital Management, LLC (AQR) with a currency overlay provided by BT Investment Management (BTIM).

AQR are fundamental investors who use quantitative strategies to maintain a highly diversified and risk controlled portfolio that reflects AQR's valuation and momentum philosophy.

Fund objective

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

Investment style

The investment style is to seek to generate returns by active trading in both stocks and currency.

Investment process

The Fund's investment process separates the stock and currency investment decisions with the majority of the Fund's risk allocation relating to stock selection.

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.

Separate regional stock selection models are utilised to tailor stock and industry selection considerations to the different global equity markets within the benchmark.

AQR employs a quantitative and model driven investment process with teams conducting ongoing research on security selection indicators, portfolio construction, optimisation, trading techniques and technology.

Currency decisions are actively managed by BTIM's Macro Strategies team which seeks to produce risk adjusted returns by actively investing in a portfolio of currency instruments. The process incorporates the rigour and discipline of a quantitative process with fundamental drivers and qualitative analysis. The strategy invests primarily in the global currency forwards market and may also use other currency derivatives to express the portfolio manager's active views.

Investment team

Founded in 1998, AQR Capital Management is an investment management firm employing a disciplined multi-asset, global research process. AQR's diverse client base includes some of the largest institutional investors across the US, Europe and Asia. AQR's team spans a variety of backgrounds including fund management and academic finance. The research of AQR's principals is internationally renowned and has resulted in numerous published papers in a variety of professional journals since 1991.

BTIM's Macro Strategies Team aims to generate alpha and develop global products from a range of top down strategies. The team's analysts and portfolio managers each have more than 10 years experience running investment strategies. Joe Bracken is the Head of the Macro Strategies team and Cameron Fouladi is the Portfolio Manager primarily responsible for BTIM's Currency portfolios.

Performance¹

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-1.57	-1.52	-2.07
3 months	-2.07	-1.86	-2.91
FYDT	3.20	4.18	2.66
6 months	1.75	2.22	0.87
1 year (pa)	3.20	4.18	2.66
2 years (pa)	5.25	6.18	3.93
3 years (pa)	-1.17	-0.33	-3.28
5 years (pa)	-5.71	-4.89	-5.15

Country Allocation (as at 30 June 2011)

France	5.3%
Germany	4.7%
Ireland	3.9%
Netherlands	1.4%
Sweden	1.7%
Switzerland	1.5%
United Kingdom	10.2%
Hong Kong	1.3%
Japan	9.5%
Canada	5.6%
USA	51.4%
Cash & Other	3.7%

Other information

Fund size (as at 30 Jun 2011)	\$200 million
Date of inception ¹	October 1992
Minimum investment	\$25,000
Buy-sell spread	0.40% [#]
Distribution frequency	Annual
APIR code	RFA0821AU

[#] 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	0.97% 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.

¹ Please note AQR started managing the fund from June 2006. Historical returns prior to June 2006 do not reflect AQR, investment performance.

Market review

In global equities markets, most of the world's major indices were down in this quarter as risk appetite diminished due to the same reasons explained above in the Australian market section. The loss of 0.5% in the MSCI World Accumulation index follows three quarters of gains. As was the case in the local market, more defensive sectors fared relatively better and biggest underperformers were Financials and energy related sectors, given the fall in the oil price. Clearly some of these issues were felt more acutely in some regions than others. The US market fared relatively well with the S&P500 down 0.4% over period, mainly due to a positive start (but then falling for six consecutive weeks). Company news was mainly positive and Q2 reporting season was generally positive and the market was also buoyed by increased levels of corporate activity. As period went on however, macro issues dominated and with the end of the second period of quantitative easing, softer economic numbers and concerns over the strength of the recovery and US fiscal situation in particular worrying investors. In Europe, sovereign debt concerns were once again front and centre and escalated further towards the end of the quarter. The Euro Stoxx50 Index was down in -1.6% in local currency terms. The Japanese Nikkei index recovered slightly over the quarter, up 0.6% after the tragic earthquake and ensuing nuclear crisis rocked the nation earlier in the year.

Emerging markets fared even worse than developed markets, even though many of the current issues are emanating from developed markets. All the BRIC indexes underperformed the US and most of the European developed markets, reflecting the perceived higher risk in those markets

Fund performance

The portfolio outperformed the benchmark for the quarter driven by positive performance in all four of the core regions. The outperformance in Continental Europe was due to positive performance in our momentum and industry momentum signals outweighing negative performance in our valuation factor.

Outperformance in the US was driven by positive performance in our momentum and sustainable growth signals outweighing negative performance in our valuation and industry momentum factors. The outperformance in Japan was due to positive performance in our industry valuation and industry momentum signals outweighing negative performance in our valuation factor. Outperformance in the UK was driven by positive performance in our momentum and valuation signals outweighing negative performance in our industry momentum factor. Positive performance in stock selection within the Industrials sector outweighed negative performance in stock selection within the Information Technology sector. In terms of sector positioning, we are currently overweight Industrials while being underweight Information Technology.

The BT Currency overlay was a contributor to performance over the quarter.

Strategy & outlook

We are now underweight Value in the US and Continental Europe, while being overweight Value in the UK and at our long term strategic weight in Japan.



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.

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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