

BT Wholesale Asian Share Fund

Fact Sheet
September 2011

ARSN: 087 593 468



About the Fund

The BT Wholesale Asian Share Fund is an actively managed fund that invests in shares selected from the Asian region (excluding Japan and Australia). The Fund can invest in any market in the Asian region that offers attractive opportunities including Korea, Hong Kong, Taiwan, Singapore, China, Malaysia, Thailand, Indonesia, the Philippines, India and Pakistan.

The management of BTIM's regional international share assets is outsourced to MFS International (U.K) Limited (MFS), a member of the Boston-based Massachusetts Financial Services group. 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 AC Asia ex Japan (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 stock selection based on bottom-up fundamental research is the most consistent method of generating alpha and that a long term focus allows us to capitalise on opportunities created by investors with shorter-term investment horizons. MFS seeks to invest in high quality companies with above average growth and reasonable valuations.

Investment process

The MFS, Asia Pacific ex-Japan Equity strategy is to invest in companies with sustainable fundamentals or significant potential for improvement in earnings and returns, whose value is not fully recognised by the market. Overall, portfolio construction focuses on bottom-up best ideas at weights that reflect conviction levels and, with risk controls at multiple levels.



The security selection process begins with a universe of approximately 600 Asian securities, of which around 400 are covered by analysts. The portfolio will typically hold 45-65 stocks.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
3 months	-10.35	-10.17	-12.84
FYDT	-10.35	-10.17	-12.84
6 months	-11.68	-11.36	-15.80
1 year (pa)	-10.19	-9.41	-14.89
2 years (pa)	-0.83	0.03	-3.73
3 years (pa)	2.90	3.76	1.64
5 years (pa)	-0.12	0.74	-0.47

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

Asset allocation (as at 30 September 2011)

Hong Kong	16.6%
Singapore	4.1%
China	26.6%
India	13.6%
Thailand	3.7%
Indonesia	4.3%
Malaysia	1.8%
Taiwan	12.0%
South Korea	12.7%
Cash & Other	4.6%

Other information

Fund size (as at 30 Sep 2011)	\$213 million
Date of inception #	August 1996
Minimum Investment	\$25,000
Buy-sell spread	0.50% ¹
Distribution frequency	Quarterly
APIR code	BTA0054AU

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 review

Asian companies in general still have favourable long-term growth prospects, and relatively strong balance sheets with comparatively low levels of debt. However, the accumulated impact of tighter monetary policies and a deteriorating global growth outlook is beginning to weigh on the near-term growth outlook for Asian economies. Despite generally strong economic fundamentals, inflation has been a primary issue of concern in Asia over the past year, with governments throughout the region implementing interest rate hikes and other monetary tightening policies. The combination of continued tightening in large markets such as China, India and Indonesia, coupled with slower GDP growth are likely to soften the overall demand for Asian businesses. Signs of economic deceleration in the US, renewed sovereign debt concerns in Europe, and disruptions to global supply chains in the aftermath of the March 2011 earthquake in Japan also may impact Asian companies who depend on global markets.

Nevertheless, we believe structurally healthier economies in Asia will continue to benefit from a number of positive secular factors, including favourable demographic trends, growing international and intra-Asia trade, increasing domestic consumption, an expanding middle class, improving infrastructure, and continued liberalization and structural reforms.

Fund performance

The portfolio outperformed its benchmark in the September quarter. Contributors included stock selection in financials, information technology and energy, individual stocks: China Unicom, Sands China, Dairy Farm International, and Want Want China Holdings. Detractors included stock selection and underweight position in utilities, stock selection in industrials and individual stocks: Maanshan Iron & Steel, China Pacific Insurance, Acer. An underweight position in China Mobile also detracted.

Strategy & outlook

We continue to focus on bottom-up stock selection as the primary source of alpha, looking for reasonably valued companies that have strong visibility in their earnings, shareholder-friendly managements, and sustainable competitive advantages that can help them outperform through economic cycles. Meanwhile, we are aware of the macroeconomic situation in Asian markets as part of our investment process. While we expect near-term volatility in equity markets and corporate earnings, we believe that the current market environment enables us to invest in high-quality companies (those with significant free cash flow, solid balance sheets and strong management teams) at relatively attractive valuations. That investment will potentially provide us with a strong upside over the next three to five years.



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 Wholesale Asian Share 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.

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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