

BT Wholesale European Share Fund

**Fact Sheet
December 2011**

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 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 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	-0.84	-0.58	-0.09
FYDT	-13.35	-12.98	-14.83
6 months	-13.35	-12.98	-14.83
1 year (pa)	-7.57	-6.78	-11.07
2 years (pa)	-7.46	-6.66	-9.97
3 years (pa)	-2.94	-2.11	-5.14
5 years (pa)	-7.83	-7.01	-10.06

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

Asset allocation (as at 31 December 2011)

Switzerland	19.8%
Netherlands	8.1%
Germany	14.1%
Denmark	3.2%
Portugal	0.8%
France	12.8%
Italy	1.6%
Spain	2.8%
United Kingdom	30.8%
Cash & Other	6.0%

Other information

Fund size (as at 31 Dec 2011)	\$12 million
Date of inception #	July 1999
Minimum investment	\$25,000
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 review

The recent downgrades in the credit ratings of European economies have increased market uncertainty about the future of the eurozone. Investors have bid down the market in an apparent decision that efforts of leaders to solve the crisis and prevent its contagion have been inadequate.

Fund performance

The portfolio underperformed its benchmark during the December quarter. Detractors included stock selection in consumer staples, our overweight position in KBC Groep, Homeserve Plc and Erste Group Bank AG and not owning Total S.A.

Contributors included an underweight to utilities; stock selection in the information technology and consumer discretionary; as well as our overweight positions in Bayer and Linde AG and not holding Telefonica S.A.

Strategy & outlook

Applying our principles of fundamental research with a keen eye on valuation, we continue to exhibit a focus on high quality companies with sustainable above-average growth and returns whose prospects are not fully reflected in their valuation.

We continue to own consumer staples companies where we have found several holdings with strong brands and diverse geographical exposure that are attractively valued. We believe that the companies we own are in solid financial health, generate good cash flow and will deliver better than market returns over the long term.

In energy, we remain underweight as we are not finding as many opportunities with compelling valuations. While we continue to steer away from those companies whose earnings are very dependent on any given commodity price, we do own shares of a mining company that we believe is well managed, subject to less geo-political risk than its peers, and that is trading at an attractive valuation relative to its growth prospects. Our basic materials exposure is tied to specific specialty chemical companies which we believe offer more stable, longer-term earnings potential.

We remain underweight to the utilities sector as we believe the opportunities for companies to generate above market levels of growth are limited as they struggle with the pressure of intense competition and a changing regulatory environment.

We continue to remain underweight financials. We recognize the banking industry remains strategically challenged due to the ongoing issues regarding sovereign debt and the requirement for capital replenishment, and we remain focused on avoiding downside risk.



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 European 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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