

BT Wholesale Property Securities Fund

Fact Sheet
December 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

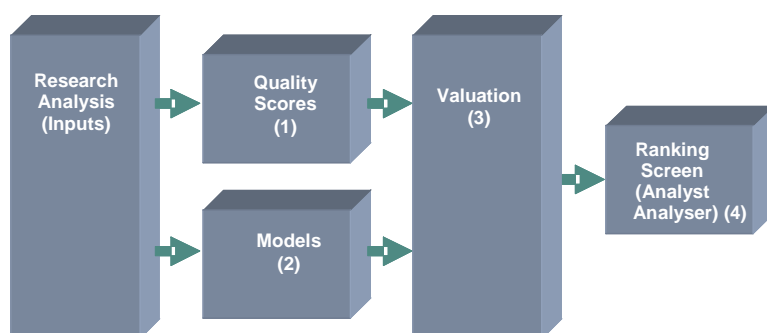
BTIM's investment philosophy is based on the beliefs that:

- 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	-2.19	-2.13	-2.55
3 months	4.00	4.16	3.81
FYDT	-4.75	-4.44	-4.64
6 months	-4.75	-4.44	-4.64
1 year (pa)	-0.68	-0.05	-1.56
2 years (pa)	-0.64	-0.01	-1.12
3 years (pa)	3.55	4.21	2.32
5 years (pa)	-12.01	-11.45	-15.19

Other information

Fund size (as at 31 Dec 2011)	\$113 million
Date of inception	November 1997
Minimum investment	\$25,000
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 market remained relatively resilient through yet another difficult quarter. The sector was up 3.8% in the December 2011 quarter, with the broader share market up 2.1% over the same period. Over calendar 2011 the LPT sector has outperformed equities, which is the first time since 2006. For the year, the sector is down by 1.8% against a broader market which is down by 11.0%.

The December quarter saw unprecedented volatility as sentiment see-sawed on global macro concerns. In October equity markets had their best month in over 20 years as the US data pointed to a strengthening US economy. November was a turbulent month which saw stocks ending higher. Tensions across the Eurozone lead to changes of government in Greece and Italy. Italian bond rates blew out above 7% as confidence fell in that country's ability to weather the Eurozone crisis.

In Australia, labour data was mixed: employment went up by 30k jobs but the unemployment rate rose to 5.3%. The RBA cut rates twice over the quarter taking cash rates from 4.75% to 4.25%. Meanwhile in the US, reported GDP growth trended down from 2.5% to 1.8%.

The general theme in the A REIT sector continues to be trusts selling assets and buying back undervalued stock. In December, three trusts sold assets (Stockland, Mirvac and ING Office) and six trusts were buying back stock. There is strong appetite for investment grade property assets from a number of offshore sovereign wealth funds and private investors.

In December three listed retailers (JB Hi Fi, Billabong and Kathmandu) announced profit downgrades highlighting weakness in general retail conditions. Apparel footwear department stores and electronics are all particularly weak. Ultimately this weakness should feed through to slower growth for the listed retail trusts. Reflecting these concerns, retail was the weakest sub sector returning 1.6% over the quarter while the diversified trusts up by 6.5%.

Fund performance

The portfolio outperformed the benchmark for the quarter ended December 2011. An overweight position in Centro Retail Australia and Charter Hall Group were our best contributors. On the negative side of the ledger, our underweight position in Commonwealth Office and Stockland were our largest detractors.

Strategy & outlook

We are overweight industrial and non-discretionary retail funded by underweights in discretionary retail and office. The sector is trading on an 11.6x PE and a 6.7% distribution yield. Earnings growth for FY12 should be in range of 2-3%.



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 Financial Services Council (FSC) 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.

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