

BT Tax Effective Income Fund

Fact Sheet

December 2011



Fund Overview

Product Name	BT Investment Funds
APIR	RFA0034AU
Inception Date	November 2003
Fund Status	Open
Distribution Frequency	Monthly
Fund Size	\$7.13 million
ICR (Management Fee)	1.86% As at 30/06/2011
Initial Fee	4.00%
Asset Class	Diversified Shares
Recommended Investment Timeframe	5 years +
Risk Category	Moderate

Latest unit prices (entry/exit) information is available at www.bt.com.au

Fund Management

The Fund is managed by BT Investment Management Limited (BTIM).

Investment Objective

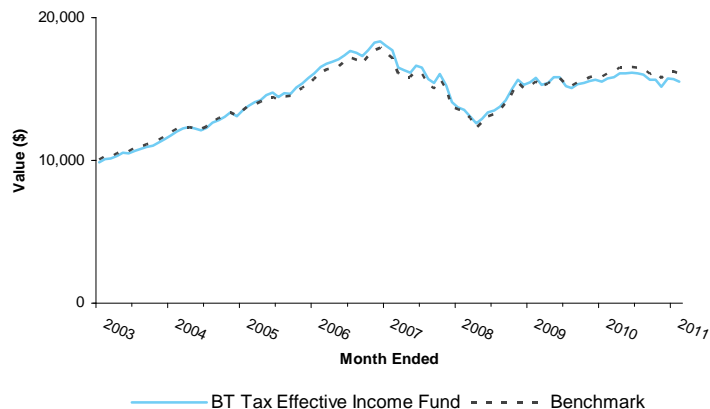
The Fund aims to provide a regular tax effective income as well as some capital growth over the long term to keep pace with inflation.

Investment Strategy

The Fund is an actively managed diversified portfolio that invests in Australian shares, Australian property securities, Australian fixed interest, convertible preference shares, cash and alternative investments that offer attractive income streams. The tax effectiveness arises from dividend imputation from Australian shares and tax deferred income from Australian property securities.

Investment Performance

**Growth of \$10,000 invested
Since inception (net of ongoing fees)**



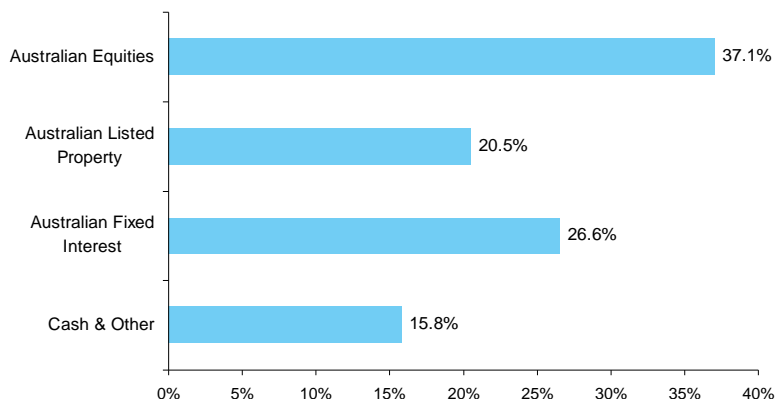
Performance (%) (as at 31/12/2011)	3 months	1 year (pa)	3 years (pa)	5 years (pa)	Since Incep.(pa)
Income Return	0.87	3.79	4.03	7.59	9.96
Growth Return	1.46	-5.07	0.68	-8.83	-4.41
Total Return	2.34	-1.28	4.71	-1.24	5.56
Benchmark Return	2.42	0.21	6.47	-0.02	6.04

Performance returns are calculated net of ICR (Management Fees) and pre tax. Past performance is not a reliable indicator of future performance, the value of your investment can go up and down. Performance figures are calculated in accordance with the Investment and Financial Services Association (IFSA) standards. Total returns are calculated to the last day of each month (unless otherwise indicated) using exit prices and assuming reinvestment of distributions (which may include net realised capital gains from the sale of fund assets). No allowance is made for tax paid as an investor, other than withholding tax on foreign investments (if any).

Asset Allocation

Strategic Asset Allocation	Neutral	Ranges
Australian shares	35	20-50
Australian property	20	10-30
Australian fixed interest	23	10-35
Convertible preference shares	7	0-15
Alternative investments	0	0-5
Cash and other	15	5-50

By Sector Allocation (as at 31/12/2011)



The market exposure (asset allocation) and holdings of the fund may change significantly each day.

Progress of the Portfolio Investment

Fund performance

The fund outperformed its benchmark in the December 2011 quarter. The period was reasonably strong for risk assets, particularly shares and property, with Australian shares up 2.05%. Government bonds continued to rally in the December quarter, contributing to a 1.94% return for Australian fixed interest.

Market outlook

The December 2011 quarter was a strong one for equity markets, with both the MSCI World index and Australian share market rising by around 2.0% over the period. On a hedged basis, the returns for international equities were much stronger at around 7.1%. Australian bond yields continued their rally in the fourth quarter. The 3-year bond yield fell from 3.62% to 3.13% and the 10-year yield from 4.22% to 3.67%. The Reserve Bank cut interest rates by 0.50% over the period with inflation lower than expected. Further monetary policy decisions will be heavily influenced by offshore factors rather than domestic economic conditions. We expect financial markets to remain volatile in the coming months with confidence continuing to wane in the ability of European political leaders to provide a credible solution to sovereign debt issues. While the investment environment remains difficult we believe it provides opportunities to identify companies where negative sentiment has driven share prices below fundamental value.

Other Features

Make an initial investment of \$5,000 or \$2,000 if you set up a Regular Investment Plan. No minimum investment required per Fund.

To invest with BT, ensure you have read the relevant Product Disclosure Statement (PDS) for this fund and then complete a BT Online Application Form. Alternatively, you can request a PDS and application form from our website or call the BT Contact Centre.

BT Margin Lending will loan against this Fund via a BT Margin Loan. The Loan to Value Ratio (LVR) for this Fund is 75%. Lending ratios are subject to change without notice.

More information?

→ Speak to your financial adviser → Visit www.bt.com.au → BT Contact Centre 132 135

BT Funds Management Limited ABN 63 002 916 458, AFSL 233724, BT Funds Management No. 2 Limited ABN 22 000 727 659, AFSL 233720 and Westpac Financial Services Limited ABN 20 000 241 127, AFSL 233716 are the Responsible Entities of the BT Investment Funds Product Disclosure Statement (PDS). BT Funds Management No. 2 Limited ABN 22 000 727 659, AFSL 233720 is the issuer of units in, the BT Tax Effective Income Fund (the Fund). A PDS and Financial Services Guide (FSG) is available for the Fund and can be obtained by calling the BT Contact Centre on 132 135, or visiting www.bt.com.au. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of units in the Fund. The information in this flyer is factual only. It does not constitute financial product advice. Before acting on this information you should seek independent financial and taxation advice to determine its appropriateness to your objectives, financial situation and needs. This flyer provides an overview or summary only and it should not be considered a comprehensive statement on any matter or relied upon as such.

Any investment in the Fund is not an investment in, deposit with or any other liability of Westpac Banking Corporation ABN 33 007 457 141 (the Bank) or any other company in the Westpac Group. It is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. Neither the Bank nor any other company in the Westpac Group has issued, stands behind or otherwise guarantees the capital value or investment performance of the Fund.

