



BT Wholesale Multi-manager Balanced Fund

June 2010

Fund objective

The Fund aims to maximise returns above inflation with a medium risk of fluctuations in capital values in the short term and provide an overall return which exceeds its benchmark over five years or more.

Investment approach

The Multi-manager funds allow you to select a single investment option that diversifies across asset classes, investment managers and investment management styles. This diversification helps reduce overall risk and aims to improve consistency of returns by minimising the impact on overall performance resulting from any one style, asset class or manager.

Manager selection

The BT Multi-manager funds are built, monitored and rebalanced by Advance Investment Solutions – who research, select and blend investment managers from around the world and actively manage the strategy, manager selection and performance of the funds. Advance Investment Solutions regularly meets with the investment managers and conducts an intense investigation of everything, from their investment philosophy and current market views, to how well the investment manager’s team is working together or how they would react in periods of high volatility.

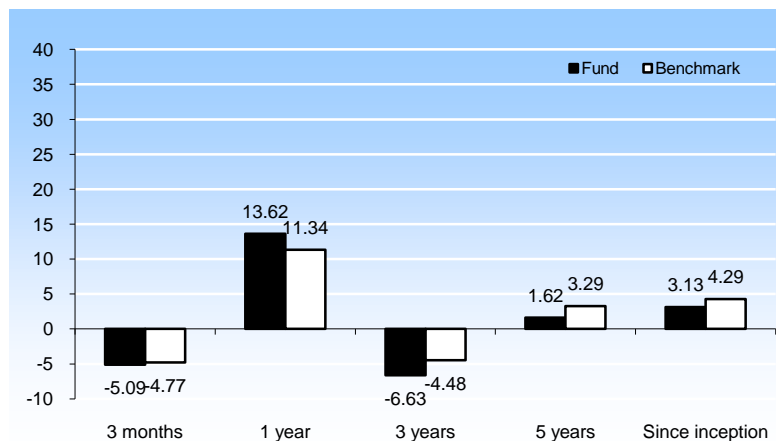
Latest portfolio update

During the June quarter, increased levels of uncertainty in investment markets saw performance of growth sectors lag defensive sectors as investors sought out safe haven assets. It is of no surprise that the returns for the Balanced Multi-manager Fund fell into negative territory over the June quarter. Although our overweight to growth assets detracted from performance it is pleasing to note that collectively manager selection added value. In particular, the largest manager contribution came from all of the underlying international share managers and managers in our alternatives allocations continued to add value. Within diversified property, all of the underlying managers benefitted from the risk trade reversal and outperformed their respective benchmarks. From an asset allocation perspective, the Asian equity allocation added value, although the manager underperformed for the quarter.

Fund facts

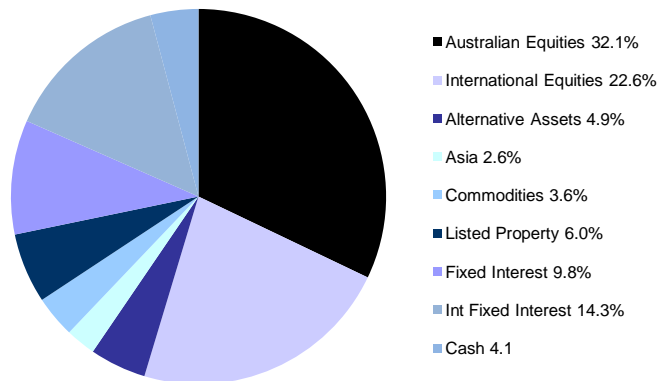
Minimum suggested investment period	5 years
Date of inception	October 2001
Risk profile	Moderate
Product size (\$m)	\$1,381.9
Management fee	0.87% pa
APIR code	BTA0221AU

Performance vs benchmark (% pa)



- Investment returns are wholesale – net of fees.
- The benchmark for the Fund is created from a blend of indices based on the Fund’s exposure to different asset classes. Details of the particular market indices used for the Fund’s benchmark can be found on BT Online.

Asset allocation



Global equity markets declined in the June quarter as the European sovereign debt crisis and uncertainty about global economic growth weighed down sentiments. Global equities hedged in Australian dollar tumbled 10.9% over the quarter, whilst in unhedged Australian dollar terms the index posted a 4.8% fall. The Australian dollar slid 8.4% against the US dollar over the quarter. The weakness in the Australian dollar against other major currencies was the major cause of the divergence in performance between hedged and unhedged global equity returns.

The Australian equity market also moved lower during the quarter, taking its lead from falling global equity markets as investors continued to move away from risky assets. The S&P/ASX 200 Accumulation Index fell by 11.1% over the quarter, underperforming both the local currency and unhedged global equities indices.

Domestic fixed interest performed favourably over the quarter as bond yields moved lower when investors became risk averse in light of European debt concerns. The Reserve Bank of Australia raised the official cash rate on two occasions during the quarter, amounting to a total increase of 50 basis points to 4.50%. The UBS Composite All Maturities Index posted a positive 3.6% return.

Globally, sovereign bond yields moved lower as investors looked for “safe haven investments” over concerns that several EU governments may not be able to service their huge sovereign debt burden. Other factors which contributed to the flight to safety included stagnant US employment, financial sector regulation, stagnate residential property values, falls in commodity prices, an anticipated slowing in growth in China and deflation concerns. The Barclays Global Aggregate Bond Index (Hedged) returned 3.4% over the quarter.

Hedged global listed property performed poorly over the quarter, as did Australian listed property. The S&P/ASX 200 Property Accumulation index recorded a fall of 1.3%, whilst the hedged global REIT index moved 6.3% lower. Investor risk aversion and the flight to the safety of bonds and cash continued to weigh on the listed property sector.

Managers		
Australian Equities	BT Northcape Ausbil Schroders	Alleron Celeste Contango
International Equities	AQR MFS Trilogy Tradewinds Lion	Schroders Lazard Mellon State Street
Property	Perennial European Investors CBRE	
Alternative Assets	Mellon AQR	Credit Suisse Grosvenor
Australian Fixed Interest	CFS	Perennial
International Fixed Interest	Standish Franklin Templeton	Wellington
Cash	IMS Kapstream	



What to do next

- See your adviser
- Visit www.bt.com.au
- Call 1800 813 886

BT Funds Management Limited ABN 63 002 916 458 is the responsible entity of the Multi-manager Balanced Fund (Fund) and is the issuer of units in the Fund. A Product Disclosure Statement (PDS) is available for the Fund and can be obtained by calling 1800 813 886 or online at www.bt.com.au. You should obtain and consider the PDS before deciding whether to acquire, or continue to hold, units in the Fund. This fact sheet has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. Total returns for the Fund are calculated to the last day of each month using exit prices. Total return figures assume distributions are reinvested and issuer fee and expenses are deducted but contribution fees (where payable) and taxes are not. Returns are historical and past performance is not a reliable indicator of future performance. This fact sheet is updated quarterly and is accurate at the time of publishing. We may change the investment characteristics of the Fund at any time.