



BT Wholesale Multi-manager Fixed Interest Fund

September 2011



Fund objective

The Fund aims to provide consistent income and relatively stable returns with low potential for capital loss in the short term. The Fund invests predominantly in global and Australian fixed interest instruments through a number of leading investment managers.

Investment approach

The Fund allows you to select a single investment option that diversifies across 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 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.

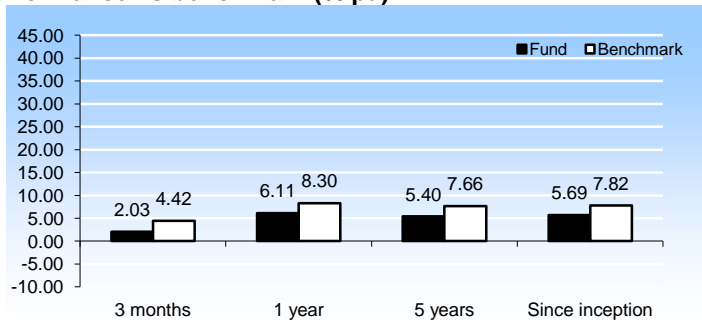
Latest portfolio update

Wellington Management added value over the quarter from macro and quantitative strategies. In particular, interest rate strategies contributed positively to performance results. A tactical long position in US, Swedish and German bonds all added value to the Fund. In contrast, credit strategies including an overweight exposure to investment grade corporate bonds detracted somewhat from performance for the quarter; whilst currency strategies were flat. Perennial Investment Partners underperformed the benchmark over the quarter. Interest rate strategies detracted over the quarter as bond yields fell sharply causing bond prices to become overvalued. Perennial's portfolio positioning was on the basis that markets had become extremely pessimistic and had priced in a potential 'double dip' recessionary environment in the US and Europe. Such a scenario was at odds with the fundamentals of the Australian economy (even though it had softened somewhat) and Perennial's assessment of fair value in the bond market. As a result, Perennial continues to maintain a defensive interest rate strategy.

Fund facts

Minimum suggested investment period	3 years
Date of inception	May 2006
Risk profile	Moderate
Product size (\$m)	\$138.7
Management fee	0.60% pa
APIR code	BTA0260AU

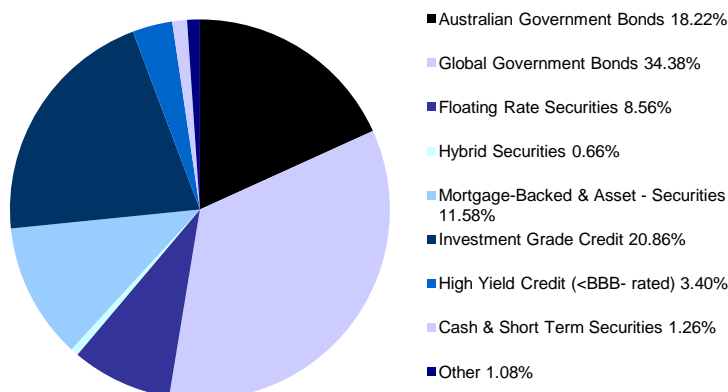
Performance vs benchmark (% pa)



- Investment returns are retail net of fees.
- The benchmark for the Fund is the S&P/ASX 300 Accumulation Index. Further details can be found on BT Online.

The third quarter of 2011 was marked by significant volatility including a historic US sovereign debt downgrade in early August by Standard & Poor's. It was marked by a broad based re-pricing of global risk in equity, currency, government and corporate bond markets as well as widespread deterioration of global economic data. Against this backdrop the yield on the debt of safe haven markets such as the US and Germany dropped steadily over the course of the quarter and ten year interest rates ended the September quarter comfortably below 2%. This deterioration of the global economic environment was clearly illustrated by the evolution of European Central Bank (ECB) rhetoric over the course of the quarter. At their first meeting of the quarter on July 7, the ECB elected to hike short term interest rates by 0.25% to 1.5% in an effort to contain inflationary pressure. However, as economic data, particularly leading indicators began to deteriorate; ECB rhetoric became increasingly more dovish suggesting the possibility of a December quarter interest rate cut should economic activity continue to slow. The US Federal Reserve evidenced similar concerns about the global economic outlook and at its August 9 meeting committed to keeping interest rates on hold until mid 2013 in an effort to decrease financial market uncertainty and depress yields at intermediate points on the yield curve. The Australian bond market tracked but lagged the sharp rally in yields in the US bond market in the September quarter. The downtrend in Australian bond yields was largely driven by weak sentiment about the domestic and global economic outlook, together with concerns over European sovereign debt risk. Over the quarter, domestic bond markets continued to price in aggressive monetary policy easing by the Reserve Bank of Australia (RBA).

Sector allocation



Regional allocation

Region	Portfolio (%)
North America	27.27
UK	3.18
Europe	20.34
Asia Pacific (ex Australia & Japan)	2.40
Australia	6.51
Middle East & Africa	36.58
Emerging Europe	0.33
Latin & South America	2.18

Credit allocation

Rating	Portfolio (%)
AAA	55.84
AA	20.75
A	11.63
BBB	8.94
BB	1.65
B	1.27
CCC and Lower	0.28
Not Rated	0.16
A1+	0.16
A1	1.65



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 Fixed Interest 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.