

# BT Wholesale Partner International Shares Core (MFS)

June 2010



## BT Partner Funds – BT presents the world's best equity style managers

The BT Partner Funds proposition is to select and continuously monitor the world's best equity investment managers, domestically and from around the world, in the three style classifications of Growth, Value and Core.

### Fund objective

The Fund aims to provide an overall return that exceeds its benchmark over the recommended investment timeframe. This Fund invests in international shares with a core investment style, and is currently managed by MFS.

### About core investment style

Core investment managers do not have a predetermined growth or value bias. They purchase shares that they believe are either undervalued or have above average growth potential. This investment approach moderates the cyclical swings from growth and value investing and can outperform over the full business cycle.

### About MFS

MFS Institutional Advisors, Inc. (MFS) is America's oldest mutual fund company being established in Massachusetts in 1924. Headquartered in Boston, and with an extensive global presence, MFS has an enviable track record of international equity investing.

### MFS:

- is a style-neutral active manager
- believes that active management and bottom-up fundamental research are the best means of identifying companies with attractive earnings growth and subsequent capital appreciation
- employs a process that considers a range of growth and value factors in constructing their portfolios, which limits the development of biases from a particular style and therefore moderates cyclical market swings
- has an extensive and collaborative global research team with superior knowledge of local cultures and markets. Their strength in research differentiates them from peers.

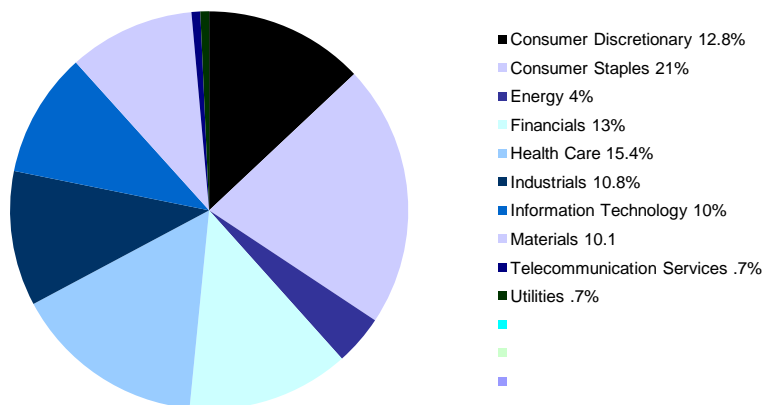
### Fund facts

Minimum suggested investment period	5 years
Date of inception	July 2004
Risk profile	Dynamic
Product size (\$m)	\$395.3
Management fee	1.05% pa
APIR code	BTA0248AU

### Performance vs benchmark (% pa)

(%) pa	3 months	1 year	3 years	5 years	Since incept.
Total returns (pre-fee)	-4.13	9.88	-5.96	0.94	1.82
Total returns (post-fee)	-4.39	8.73	-6.95	-0.12	0.72
MSCI World ex Australia Index	-4.81	5.22	-11.47	-2.16	-0.90

### Sector allocation



## Manager history

Manager	Appointed	Replaced
MFS Institutional Advisors	May 2007	
Wellington Management Company	July 2004	May 2007

## Commentary from MFS

Our overweight position in the consumer staples sector, which outperformed the broad market for the quarter, positively impacted relative performance. Our overweight position is driven by our high conviction in individual companies, rather than by top-down, macroeconomic themes. Our focus has been on companies that have a good mix of products and therefore are able to maintain earnings growth and profit margins in diverse economic conditions.

Our underweight position in utilities & communications detracted from relative performance. The sector, which is generally considered defensive, declined less than the broad market over the second quarter. Our underweight position has been driven by lack of companies with sustainable, above-average growth and return prospects and attractive valuations in the sector, regardless of particular stages of economic cycles.

## Outlook from MFS

We continue to favour high-quality companies with enduring business models, clear competitive advantages, resilient earnings and cash flows, high returns on capital, and strong balance sheets. We believe these companies are best positioned to outperform the market over the long term, regardless of the pace of a global economic recovery. While our positioning relative to the benchmark has not changed significantly over the past several quarters, we have incrementally increased our exposure to less economically sensitive businesses that had become more attractively valued following the market rally that started in March 2009. We continue to monitor shifts within the market and take advantage of relative valuation opportunities as they emerge. Our strategy relies on a consistent, disciplined investment approach and rigorous bottom-up research, rather than short-term macroeconomic forecasts. As we move beyond the initial stage of a market recovery, we believe company fundamentals and stock selection are becoming more important, and we are well positioned in this environment.

## Top 10 holdings

Stock	Weight %
Heineken NV	2.58
Linde AG	2.53
Nestle SA	2.50
Reckitt Benckiser Group PLC	2.09
Diageo PLC	1.83
Walt Disney Co	1.83
LVMH Moet Hennessy Louis Vuitton SA	1.82
Bank of New York Mellon Corp	1.77
Roche Holding AG	1.77
NIKE Inc	1.74

## Key performance contributors and detractors

Key performers	Contribution %
BP PLC	0.34
Nestle S.A.	0.24
General Mills Inc	0.16
Burberry Group Plc	0.16
Smucker J M Co	0.15

Key detractors	Detraction %
HOYA Corporation	-0.13
Bank of New York Mellon Corp.	-0.16
Apple Inc.	-0.21
Walgreen Co	-0.26
State Street Corp	-0.26



## What to do next

- See your adviser
- Visit [www.bt.com.au](http://www.bt.com.au)
- Call 1800 813 886

BT Funds Management Limited ABN 63 002 916 458 is the responsible entity of the BT Partner International Core 1 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](http://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.