

BT Wholesale Partner International Shares Core (MFS)

September 2011



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.

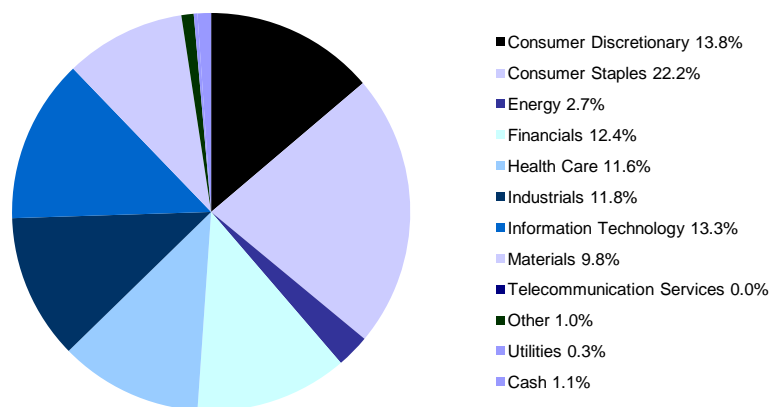
Fund facts

Minimum suggested investment period	5 years
Date of inception	July 2004
Risk profile	Dynamic
Product size (\$m)	\$390.0
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)	-9.07	-2.57	-3.30	-3.89	1.02
Total returns (post-fee)	-9.31	-3.58	-4.31	-4.89	-0.06
MSCI World ex Australia Index	-7.99	-4.52	-7.02	-7.45	-1.52

Sector allocation



Manager history

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

Commentary from MFS

The fund underperformed for the quarter. Main detractors were stock selection in health care, leisure and retailing, underweight positions in utilities and communications. An overweight position in the euro had a negative currency impact on relative performance as the euro depreciated during the quarter. At individual stock level, Erste Group Bank, Schneider Electric, Heineken, Linde, Akzo Nobel, State Street, UBS and not holding Apple detracted.

Contributors to performance were stock selection and underweight positions in autos and housing as well as an underweight position in energy and stock selection in basic materials. A modest cash holding for transactional purpose positively impacted relative performance as the market depreciated over the quarter. Individual stocks to contribute were Colgate-Palmolive, Reckitt Benckiser, Diageo, Visa, Target, HOYA, Cisco Systems and Nike.

Outlook from MFS

Our positioning in the strategy has not changed significantly over the past quarter. We continue to focus on high-quality companies with sustainable above-average growth and returns, whose prospects are not reflected in their valuation. We have maintained overweight positions in a number of consumer staple companies, which we believe have strong brands and diverse geographical footprints that should enable them to grow at above-average rates, as well as strong balance sheets, good cash flow generation and attractive valuations. We remain overweight in several high-quality luxury retailers, whose long-term growth and return prospects are increasingly driven by strong economic growth and expanding wealth in emerging markets. Medical technology is another area of overweight, where we have found a number of companies with growth opportunities driven by long-term demographic trends, and stock prices trading at attractive valuations.

Top 10 holdings

Stock	Weight %
Linde AG	3.30
Reckitt Benckiser Group PLC	3.11
Heineken NV	2.71
Nestle SA	2.50
Walt Disney Co	2.39
Diageo PLC	2.33
Accenture PLC	2.28
Oracle Corp	1.94
Canadian National Railway Co	1.79
Danone	1.74

Key performance contributors and detractors

Key performers	Contribution %
Colgate-Palmolive Co	0.21
Visa Inc.	0.18
Target Corporation	0.18
HOYA Corporation	0.17
Cisco Systems Inc.	0.16

Key detractors	Detraction %
Linde AG	-0.53
Schneider Electric S.A.	-0.52
Heineken Intl. N.V.	-0.51
Erste Group Bank AG	-0.51
Bayer	-0.40



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 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. 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.