BT Wholesale Partner International Shares Value (Tradewinds)

September 2011

BT Financial Group

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 investments 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 it benchmark over the recommended investment timeframe. This Fund invests in International shares with a value investment style, and is currently managed by Tradewinds.

About value investment style

Value investment managers look for bargains—companies that have fallen out of favour with the market and are currently undervalued. They purchase shares below their 'intrinsic value' where they expect that value to be recognised by other investors in the future.

About Tradewinds

Tradewinds Global Investors, LLC is a specialist global equities manager based in Los Angeles. As at 30 September 2009, they manage over $24 billion USD in assets across an array of actively managed strategies on behalf of institutional, high net-worth and managed account clients.

Tradewinds

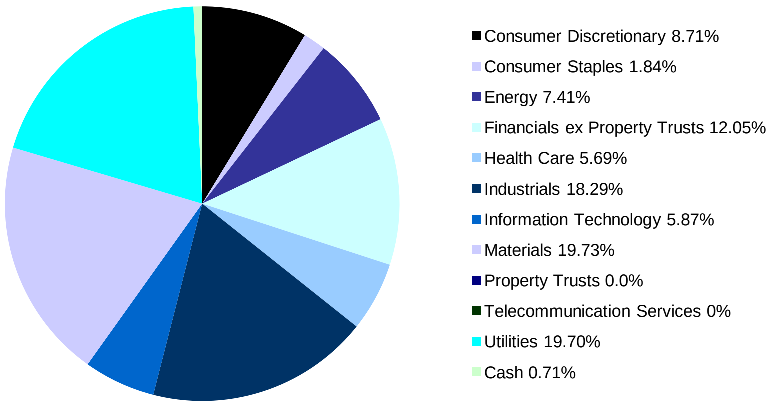
- → is a research driven,fundamentals based manager employing a value-orientated investment process that is designed to find appealing investment opportunities across all market capitalisations anywhere across the globe.
- → employs seasoned, successful investment professionals forming strong convictions leading to a portfolio that can be very different to that of the benchmark
- → opportunistically seeks to identify undervalued companies considering absolute valuation and security pricing in the context of industry and market conditions
- → seeks to add value through bottom-up research aimed at selecting undervalued securities that are believed to be mispriced, misperceived or under-followed, and that have the prospect of strong or improving business fundamentals.

Fund facts	
Minimum suggested investment period	5 years
Date of inception	November 2002
Risk profile	Dynamic
Product size ($m)	$313.6
Management fee	1.05% pa
APIR code	BTA0245AU

Performance vs benchmark (% pa)

(%) pa	3 months	1 year	3 years	5 years	Since incept.
Total returns (pre-fee)	-2.03	1.22	-4.44	-7.98	-0.40
Total returns (post-fee)	-2.29	0.16	-5.44	-8.94	-1.49
MSCI World ex Australia Index	-7.99	-4.52	-7.02	-7.45	-1.27

Sector allocation



Manager history

Manager	Appointed	Replaced
Tradewinds Global Investors, LLC	November 2009	
Bernstein Investment Research & Management	May 2005	November 2009
Bank of Ireland Asset Management	November 2002	May 2005

Commentary from Tradewinds

Global equities markets took a decidedly negative turn starting in late July, declining by over 15% partly on the possibility of the U.S. AAA long-term credit rating being downgraded amid rancorous political wrangling over the debt ceiling. Possibility turned into reality on the 5th of August when S&P cut its rating of the U.S. to AA+. Lacking a clear model to contextualize the historically unprecedented move, markets settled into a wide channel of volatility for the rest of August through September. Equities dynamically rose and feel during this time of alternating positive and negative economic data, news flow regarding continuing European economic troubles and renewed global stimulus efforts. By the end of the quarter, equities had tumbled to a degree not seen since the depths of the 2008 global financial crisis.

Given the context of such tumultuous markets, we believe there is a growing availability of appealing investment opportunities due to the common reaction of avoiding risk rather than attempting to manage it. We believe that stocks become less risky as they fall to cheaper valuations. While we're not pleased with negative investment performance on an absolute basis, we're quite glad to take advantage of current pricing weakness in companies with what we view as strong prospects. Cash, bonds and real estate currently seem rather perilous to us; though historically rich margins and historically low levels of corporate taxation give us pause regarding the broad equities market, and we anticipate continued major swings in performance, we believe specific undervalued equities offer investors one of the few avenues for protecting and increasing capital over the long-term.

Outlook from Tradewinds

We continue to apply our value-oriented investment style focusing on company specific fundamentals and opportunistic investing in undervalued global securities whose capitalisations are $100 million and up. Currently, the Fund's largest sector concentrations are in Materials, Industrials and Financials. The smallest weightings are in Consumer Staples, Consumer Discretionary and Health Care.

Top 10 holdings

Stock	Weight %
Newmont Mining Copr	4.44
Eli Lilly & Co.	3.78
Electricite de France SA	3.53
Barrick Gold Corp	3.39
Best Buy Co Inc.	3.14
Cameco Corp	3.09
American International Group	3.07
Nippon Telegraph and Tel	2.74
Wal-Mart Stores	2.65
East Japan Railway	2.61

Key performance contributors and detractors

Key performers	Contribution %
Newmont Mining Corp	0.67
Barrick Gold Corp	0.25
East Japan Railway Co	0.19
Chesapeake Energy	0.14
Futaba Corp	0.13

Key detractors	Detraction %
Cameco Corp	-1.10
Electricite de France SA	-0.95
RusHydro JSC ADS	-0.78
American International	-0.61
Thales SA	-0.59

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