



BT Classic Investment Funds

Concise Annual Reports
for the year ended
30 June 2011



Concise Annual Reports

The Responsible Entities of the Funds are BT Funds Management Limited ABN 63 002 916 458 and BT Funds Management No. 2 Limited ABN 22 000 727 659. The repayment of capital and the performance of the Funds are not guaranteed by either the Responsible Entities, Westpac Banking Corporation or member companies of the Westpac Group.



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Fund Name	ARSN
BT Active Balanced Fund – NEF	089 133 746
BT Asset Selection Fund	089 300 283
BT Balanced Returns Fund	087 593 057
BT Tax Effective Income Fund – NEF	089 134 136
BT Split Income Fund	087 531 566
BT Monthly Income Fund	087 591 884
BT Diversified Share Fund – NEF	089 133 853
BT Split Growth Fund	087 531 575

Fund Name	ARSN
BT International Share Fund	089 299 356
BT Core Australian Share Fund	089 134 001
BT Select Australian Share Fund	089 299 838
BT Ethical Share Fund	097 575 703
BT Natural Resources Fund	089 134 341
BT Australasian Bond Fund	087 589 222
BT Global Bond Fund	087 593 002

The Funds that comprise the BT Classic Investment Funds are closed to new investors. The Funds are available to existing investors in those Funds for as long as they continuously maintain an investment in the Funds.

The concise financial reports are an extract from the full financial reports. The financial statements and specific disclosures included in the concise financial reports have been derived from the financial reports for the year ended 30 June 2011.

The full financial reports and audit report will be sent to members on request, free of charge. Please call the BT Contact Centre on 132 135 from 8.00am to 6.30pm (Sydney time) Monday to Friday and a copy will be sent to you.

The concise financial reports cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Funds as the full financial reports.

→ **Directors' report for
BT Funds Management
Limited**

30 June 2011

The directors of BT Funds Management Limited (ABN 63 002 916 458), the Responsible Entity of the Funds listed below (the 'Funds'), comprising the BT Classic Investment Funds, present their report together with the concise financial statements of the Funds, for the year ended 30 June 2011.

Registered Fund name	
BT Asset Selection Fund	BT International Share Fund
BT Balanced Returns Fund	BT Select Australian Share Fund
BT Split Income Fund	BT Australasian Bond Fund
BT Monthly Income Fund	BT Global Bond Fund
BT Split Growth Fund	

The directors' report should be read in conjunction with the concise financial statements for the Funds as set out on pages 22 to 68 for the year ended 30 June 2011.

Principal activities

The Funds invest in equities and equity derivatives, unlisted unit trusts, money market securities, fixed interest securities, money market derivatives, fixed interest derivatives and currency contracts in accordance with the provisions of the Funds' Constitutions.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the Funds' activities during the year.

Directors

The following persons held office as directors of the Responsible Entity during the year or since the end of the year and up to the date of this report:

Name	Period of directorship	
	Appointed	Resigned
J Frechtling	2 June 2008	21 February 2011
J Shuttleworth	18 June 2008	
G McGrath	6 February 2009	28 October 2010
S Khan	1 October 2009	28 October 2010
D Lees	7 July 2010	
V Poole	28 October 2010	1 March 2011
L Ralph	21 February 2011	
D Plumb	1 March 2011	
R Davies	1 March 2011	

**Review and results
of operations**

In December 2010, the BT Australasian Bond Fund went from investing in direct investments to primarily interfunding into an unlisted unit trust.

During the year, the Funds continued to invest in accordance with target asset allocations as set out in the governing documents of the Funds and in accordance with the provisions of each Fund's Constitution.

Results

The performance of the Funds, as represented by the results of their operations, were as follows:

Fund		2011		2010	
		\$'000	CPU	\$'000	CPU
BT Asset Selection Fund	Operating profit/(loss) before finance costs attributable to unitholders	3,812		5,242	
	Distribution paid and payable	1,458		1,373	
	Distribution (cents per unit)		4.497		3.757
BT Balanced Returns Fund	Operating profit/(loss) before finance costs attributable to unitholders	10,863		15,680	
	Distribution paid and payable	3,862		3,430	
	Distribution (cents per unit)		3.544		2.695
BT Split Income Fund	Operating profit/(loss) before finance costs attributable to unitholders	2,523		4,166	
	Distribution paid and payable	1,163		1,289	
	Distribution (cents per unit)		2.651		2.565
BT Monthly Income Fund	Operating profit/(loss) before finance costs attributable to unitholders	1,526		2,731	
	Distribution paid and payable	830		938	
	Distribution (cents per unit)		2.520		2.520
BT Split Growth Fund	Operating profit/(loss) before finance costs attributable to unitholders	21,968		21,188	
	Distribution paid and payable	11,002		3,793	
	Distribution (cents per unit)		8.788		3.143
BT International Share Fund	Operating profit/(loss) before finance costs attributable to unitholders	459		1,431	
	Distribution paid and payable	82		118	
	Distribution (cents per unit)		0.685		0.834

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Directors' report for BT Funds Management Limited (continued)

30 June 2011

Fund		2011		2010	
		\$	CPU	\$	CPU
BT Select Australian Share Fund	Operating profit/(loss) before finance costs attributable to unitholders	1,098,285		1,221,842	
	Distribution paid and payable	249,390		277,393	
	Distribution (cents per unit)		2.909		2.887
		\$'000	CPU	\$'000	CPU
BT Australasian Bond Fund	Operating profit/(loss) before finance costs attributable to unitholders	1,031		1,869	
	Distribution paid and payable	612		1,131	
	Distribution (cents per unit)		2.538		5.220
		\$	CPU	\$	CPU
BT Global Bond Fund	Operating profit/(loss) before finance costs attributable to unitholders	(1,338,308)		(299,630)	
	Distribution paid and payable	—		—	
	Distribution (cents per unit)		—		—

Performance

The table below demonstrates the performance of the Funds as represented by the total return, which is calculated as the aggregation of the percentage capital growth and percentage distribution of income. The total return is shown for the past five years to 30 June 2011 and assumes that all distributions were re-invested during that period. These are calculated in accordance with FSC Standard 6.0 Product Performance — calculation and presentation of returns.

Fund		2011	2010	2009	2008	2007
		%	%	%	%	%
BT Asset Selection Fund	Capital growth	4.68	7.12	(16.67)	(18.31)	10.23
	Distribution of income	3.21	2.81	3.14	5.98	4.03
	Total return	7.89	9.93	(13.53)	(12.33)	14.26
BT Balanced Returns Fund	Capital growth	4.21	6.39	(15.01)	(16.43)	8.83
	Distribution of income	2.67	2.12	2.66	5.50	3.64
	Total return	6.88	8.51	(12.35)	(10.93)	12.47
BT Split Income Fund	Capital growth	3.07	6.39	(9.80)	(12.42)	1.29
	Distribution of income	2.97	3.05	4.01	8.08	6.25
	Total return	6.04	9.44	(5.79)	(4.34)	7.54
BT Monthly Income Fund	Capital growth	2.30	5.50	(9.83)	(11.11)	0.55
	Distribution of income	2.90	3.06	4.94	7.36	5.65
	Total return	5.20	8.56	(4.89)	(3.75)	6.20
BT Split Growth Fund	Capital growth	4.41	7.88	(19.04)	(25.18)	10.09
	Distribution of income	4.17	1.60	2.81	2.19	3.01
	Total return	8.58	9.48	(16.23)	(22.99)	13.10
BT International Share Fund	Capital growth	2.48	6.13	(15.42)	(28.65)	4.66
	Distribution of income	0.56	0.70	2.55	0.58	0.76
	Total return	3.04	6.83	(12.87)	(28.07)	5.42
BT Select Australian Share Fund	Capital growth	7.50	8.06	(19.83)	(26.20)	4.14
	Distribution of income	2.49	2.42	2.96	15.39	20.91
	Total return	9.99	10.48	(16.87)	(10.81)	25.05
BT Australasian Bond Fund	Capital growth	1.81	3.23	1.09	(1.55)	(0.70)
	Distribution of income	2.40	5.14	6.39	4.42	3.36
	Total return	4.21	8.37	7.48	2.87	2.66
BT Global Bond Fund	Capital growth	(14.09)	(1.97)	20.30	(2.40)	(14.50)
	Distribution of income	—	—	1.05	3.52	2.59
	Total return	(14.09)	(1.97)	21.35	1.12	(11.91)

Consistent with our statements in the governing documents of the Funds, future performance is not guaranteed. Investors should exercise care in using past performance as a predictor of future performance.

Directors' report for BT Funds Management Limited (continued)

30 June 2011

Unit redemption prices

Unit redemption prices (quoted cum-distribution) are shown as follows:

Fund			2011	2010	2009	2008	2007
			\$	\$	\$	\$	\$
BT Asset Selection Fund	At 30 June		1.5092	1.4261	1.3417	1.6627	1.9678
	Redemption prices year to 30 June	High	1.5444	1.5243	1.6183	1.9787	2.0031
		Low	1.3972	1.2851	1.1683	1.6534	1.7072
BT Balanced Returns Fund	At 30 June		1.4188	1.3467	1.2750	1.5460	1.7966
	Redemption prices year to 30 June	High	1.4472	1.4321	1.5053	1.7996	1.8254
		Low	1.3230	1.2284	1.1275	1.5365	1.5835
BT Split Income Fund	At 30 June		0.9459	0.9087	0.8685	0.9828	1.1070
	Redemption prices year to 30 June	High	0.9483	0.9176	0.9659	1.0850	1.1196
		Low	0.8974	0.8418	0.8186	0.9828	1.0496
BT Monthly Income Fund	At 30 June		0.9097	0.8890	0.8447	0.9639	1.0641
	Redemption prices year to 30 June	High	0.9134	0.8968	0.9523	1.0526	1.0847
		Low	0.8850	0.8386	0.8141	0.9639	1.0374
BT Split Growth Fund	At 30 June		2.2796	2.1382	2.0069	2.4773	3.3006
	Redemption prices year to 30 June	High	2.3941	2.3391	2.5498	3.2649	3.3900
		Low	2.0874	1.8996	1.6884	2.4627	2.7937
BT International Share Fund	At 30 June		1.2712	1.2417	1.1975	1.3843	1.9376
	Redemption prices year to 30 June	High	1.3522	1.3192	1.5195	1.9480	2.0658
		Low	1.2103	1.1428	1.0554	1.3739	1.7435
BT Select Australian Share Fund	At 30 June		1.2584	1.1685	1.0836	1.5865	2.1463
	Redemption prices year to 30 June	High	1.3548	1.3570	1.3506	1.9971	2.1738
		Low	1.1460	1.0273	0.8808	1.5528	1.6923
BT Australasian Bond Fund	At 30 June		1.1115	1.0987	1.0811	1.0572	1.0542
	Redemption prices year to 30 June	High	1.1212	1.0987	1.1131	1.0680	1.0835
		Low	1.0684	1.0459	1.0362	1.0317	1.0512
BT Global Bond Fund	At 30 June		0.6628	0.7715	0.7870	0.6598	0.6721
	Redemption prices year to 30 June	High	0.7886	0.8366	1.0008	0.7505	0.7890
		Low	0.6476	0.6947	0.6444	0.6537	0.6665

The key differences between net assets for unit pricing purposes and net assets as reported in the concise financial statements prepared under Australian Accounting Standards have been outlined below:

Fund		2011	2010
		\$'000	\$'000
BT Asset Selection Fund	Net assets for unit pricing purposes	47,168	49,532
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	—	—
	Effect of classification of net assets attributable to unitholders as liabilities	(47,168)	(49,532)
	Net assets under Australian Accounting Standards	—	—
BT Balanced Returns Fund	Net assets for unit pricing purposes	149,438	160,437
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	(1)	—
	Effect of classification of net assets attributable to unitholders as liabilities	(149,437)	(160,437)
	Net assets under Australian Accounting Standards	—	—
BT Split Income Fund	Net assets for unit pricing purposes	39,700	43,945
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	—	—
	Effect of classification of net assets attributable to unitholders as liabilities	(39,700)	(43,945)
	Net assets under Australian Accounting Standards	—	—
BT Monthly Income Fund	Net assets for unit pricing purposes	28,205	31,506
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	—	—
	Effect of classification of net assets attributable to unitholders as liabilities	(28,205)	(31,506)
	Net assets under Australian Accounting Standards	—	—

Directors' report for BT Funds Management Limited (continued)

30 June 2011

Fund		2011	2010
		\$'000	\$'000
BT Split Growth Fund	Net assets for unit pricing purposes	276,337	255,011
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	—	(41)
	Effect of classification of net assets attributable to unitholders as liabilities	(276,337)	(254,970)
	Net assets under Australian Accounting Standards	—	—
BT International Share Fund	Net assets for unit pricing purposes	14,707	16,100
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	—	—
	Effect of classification of net assets attributable to unitholders as liabilities	(14,707)	(16,100)
	Net assets under Australian Accounting Standards	—	—
		\$	\$
BT Select Australian Share Fund	Net assets for unit pricing purposes	9,584,281	10,951,521
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	(9,721)	(5,889)
	Effect of classification of net assets attributable to unitholders as liabilities	(9,574,560)	(10,945,632)
	Net assets under Australian Accounting Standards	—	—
		\$'000	\$'000
BT Australasian Bond Fund	Net assets for unit pricing purposes	27,787	23,763
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	—	—
	Effect of classification of net assets attributable to unitholders as liabilities	(27,787)	(23,763)
	Net assets under Australian Accounting Standards	—	—
		\$	\$
BT Global Bond Fund	Net assets for unit pricing purposes	7,614,686	9,670,984
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	(4,304)	50,420
	Effect of classification of net assets attributable to unitholders as liabilities	(7,610,382)	(9,721,404)
	Net assets under Australian Accounting Standards	—	—

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial year.

Matters subsequent to the end of the financial year

Apart from the matter disclosed in note 4 to the concise financial statements relating to market volatility, no other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- i_the operations of the Funds in future financial years, or
- ii_the results of those operations in future financial years, or
- iii_the state of affairs of the Funds in future financial years.

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

The results of each Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed, and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Indemnity and insurance of officers

No insurance premiums were paid for out of the assets of the Funds in regards to insurance cover provided to the officers of the Responsible Entity.

Indemnity of auditors

The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of each Fund's property during the year and the number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in the full financial statements, available on request, as disclosed in Note 5 to the concise financial statements.

No fees were paid out of each Fund's property to the directors of the Responsible Entity during the year.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 3 to the concise financial statements.

The values of the Funds' assets and liabilities are disclosed in the balance sheets and derived using the basis set out in Note 1 to the concise financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The following Funds are registered schemes of a kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the directors' report.

BT Asset Selection Fund
BT Balanced Returns Fund
BT Split Income Fund
BT Monthly Income Fund
BT Split Growth Fund
BT International Share Fund
BT Australasian Bond Fund

Amounts for these Funds in the directors' report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

This report is made in accordance with a resolution of the directors of BT Funds Management Limited.



Director
Sydney
20 September 2011



Director

→ **Directors' report for
BT Funds Management
No. 2 Limited**

30 June 2011

The directors of BT Funds Management No. 2 Limited (ABN 22 000 727 659), the Responsible Entity of the Funds listed below (the 'Funds'), comprising the BT Classic Investment Funds, present their report together with the concise financial statements of the Funds, for the year ended 30 June 2011.

Registered Fund name	
BT Active Balanced Fund — NEF	BT Core Australian Share Fund
BT Tax Effective Income Fund — NEF	BT Ethical Share Fund
BT Diversified Share Fund — NEF	BT Natural Resources Fund

The directors' report should be read in conjunction with the concise financial statements for the Funds as set out on pages 22 to 68 for the year ended 30 June 2011.

Principal activities

The Funds invest in equities and equity derivatives, unlisted unit trusts, money market securities, fixed interest securities, money market derivatives, fixed interest derivatives and currency contracts in accordance with the provisions of the Funds' Constitutions.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the Funds' activities during the year.

→ **Directors' report for
BT Funds Management
No. 2 Limited (continued)**

30 June 2011

Directors

The following persons held office as directors of the Responsible Entity during the year or since the end of the year and up to the date of this report:

Name	Period of directorship	
	Appointed	Resigned
J Frechtling	2 June 2008	21 February 2011
J Shuttleworth	18 June 2008	
G McGrath	6 February 2009	28 October 2010
S Khan	1 October 2009	28 October 2010
D Lees	7 July 2010	
V Poole	28 October 2010	1 March 2011
L Ralph	21 February 2011	
D Plumb	1 March 2011	
R Davies	1 March 2011	

**Review and results
of operations**

During the year, the Funds continued to invest in accordance with target asset allocations as set out in the governing documents of the Funds and in accordance with the provisions of each Fund's Constitution.

Results

The performance of the Funds, as represented by the results of their operations, were as follows:

Fund		2011		2010	
		\$'000	CPU	\$'000	CPU
BT Active Balanced Fund — NEF	Operating profit/(loss) before finance costs attributable to unitholders	6,900		9,201	
	Distribution paid and payable	1,743		1,538	
	Distribution (cents per unit)		2.545		1.909
BT Tax Effective Income Fund — NEF	Operating profit/(loss) before finance costs attributable to unitholders	5,995		9,863	
	Distribution paid and payable	3,453		2,914	
	Distribution (cents per unit)		3.309		2.381
		\$	CPU	\$	CPU
BT Diversified Share Fund — NEF	Operating profit/(loss) before finance costs attributable to unitholders	700,552		983,051	
	Distribution paid and payable	125,689		48,528	
	Distribution (cents per unit)		1.292		0.440
		\$'000	CPU	\$'000	CPU
BT Core Australian Share Fund	Operating profit/(loss) before finance costs attributable to unitholders	13,136		14,310	
	Distribution paid and payable	2,545		2,558	
	Distribution (cents per unit)		5.510		5.150
		\$	CPU	\$	CPU
BT Ethical Share Fund	Operating profit/(loss) before finance costs attributable to unitholders	811,377		699,793	
	Distribution paid and payable	135,636		117,010	
	Distribution (cents per unit)		1.559		1.374
		\$'000	CPU	\$'000	CPU
BT Natural Resources Fund	Operating profit/(loss) before finance costs attributable to unitholders	8,752		5,764	
	Distribution paid and payable	4,828		1,773	
	Distribution (cents per unit)		78.502		28.083

→ **Directors' report for
BT Funds Management
No. 2 Limited (continued)**

30 June 2011

Performance

The table below demonstrates the performance of the Funds as represented by the total return, which is calculated as the aggregation of the percentage capital growth and percentage distribution of income. The total return is shown for the past five years to 30 June 2011 and assumes that all distributions were re-invested during that period. These are calculated in accordance with FSC Standard 6.0 Product Performance — calculation and presentation of returns.

Fund		2011	2010	2009	2008	2007
		%	%	%	%	%
BT Active Balanced Fund — NEF	Capital growth	5.06	7.78	(16.30)	(22.02)	1.78
	Distribution of income	2.04	1.62	2.53	9.41	11.72
	Total return	7.10	9.40	(13.77)	(12.61)	13.50
BT Tax Effective Income Fund — NEF	Capital growth	2.30	6.22	(18.00)	(19.09)	(0.72)
	Distribution of income	3.83	2.84	5.33	8.62	19.84
	Total return	6.13	9.06	(12.67)	(10.47)	19.12
BT Diversified Share Fund — NEF	Capital growth	5.13	7.72	(17.03)	(20.87)	13.58
	Distribution of income	1.32	0.49	0.63	0.40	0.46
	Total return	6.45	8.21	(16.40)	(20.47)	14.04
BT Core Australian Share Fund	Capital growth	7.53	8.10	(19.63)	(23.21)	8.76
	Distribution of income	1.88	1.73	2.37	11.54	15.25
	Total return	9.41	9.83	(17.26)	(11.67)	24.01
BT Ethical Share Fund	Capital growth	7.25	6.78	(23.74)	(20.04)	12.66
	Distribution of income	1.38	1.15	2.33	7.38	17.76
	Total return	8.63	7.93	(21.41)	(12.66)	30.42
BT Natural Resources Fund	Capital growth	13.71	10.84	(39.28)	(0.16)	23.46
	Distribution of income	9.54	5.44	2.99	15.10	16.56
	Total return	23.25	16.28	(36.29)	14.94	40.02

Consistent with our statements in the governing documents of the Funds, future performance is not guaranteed. Investors should exercise care in using past performance as a predictor of future performance.

Unit redemption prices

Unit redemption prices (quoted cum-distribution) are shown as follows:

Fund		2011	2010	2009	2008	2007	
		\$	\$	\$	\$	\$	
BT Active Balanced Fund — NEF	At 30 June		1.3350	1.2560	1.1880	1.5350	1.9580
	Redemption prices year to 30 June	High	1.3690	1.3440	1.4150	1.8200	1.9930
		Low	1.2360	1.1300	1.0310	1.5210	1.6950
BT Tax Effective Income Fund — NEF	At 30 June		0.9020	0.8730	0.8220	1.0560	1.4240
	Redemption prices year to 30 June	High	0.9230	0.9370	1.0170	1.2860	1.4450
		Low	0.8630	0.7970	0.7290	1.0550	1.2220
BT Diversified Share Fund — NEF	At 30 June		1.0380	0.9800	0.9090	1.0950	1.3860
	Redemption prices year to 30 June	High	1.1000	1.0920	1.1390	1.4000	1.4190
		Low	0.9640	0.8740	0.7630	1.0900	1.1600
BT Core Australian Share Fund	At 30 June		3.1270	2.9080	2.7030	3.7730	4.8900
	Redemption prices year to 30 June	High	3.3720	3.3820	3.3490	4.7620	4.9530
		Low	2.8540	2.5420	2.1880	3.7010	3.8690
BT Ethical Share Fund	At 30 June		1.2030	1.1180	1.0510	1.4800	1.9620
	Redemption prices year to 30 June	High	1.2970	1.3050	1.3620	1.8830	1.9800
		Low	1.0980	0.9890	0.8540	1.4370	1.4680
BT Natural Resources Fund	At 30 June		7.0410	5.9930	5.4080	9.7710	9.6420
	Redemption prices year to 30 June	High	8.3930	6.9710	8.4640	10.5460	9.7510
		Low	5.6210	4.8160	3.2550	7.1990	6.2150

→ **Directors' report for
BT Funds Management
No. 2 Limited (continued)**

30 June 2011

The key differences between net assets for unit pricing purposes and net assets as reported in the concise financial statements prepared under Australian Accounting Standards have been outlined below:

Fund		2011	2010
		\$'000	\$'000
BT Active Balanced Fund — NEF	Net assets for unit pricing purposes	89,647	97,982
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	35	(8)
	Effect of classification of net assets attributable to unitholders as liabilities	(89,682)	(97,974)
	Net assets under Australian Accounting Standards	—	—
BT Tax Effective Income Fund — NEF	Net assets for unit pricing purposes	87,967	100,870
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	—	(52)
	Effect of classification of net assets attributable to unitholders as liabilities	(87,967)	(100,818)
	Net assets under Australian Accounting Standards	—	—
		\$	\$
BT Diversified Share Fund — NEF	Net assets for unit pricing purposes	9,934,733	10,764,283
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	6,963	(2,325)
	Effect of classification of net assets attributable to unitholders as liabilities	(9,941,696)	(10,761,958)
	Net assets under Australian Accounting Standards	—	—
		\$'000	\$'000
BT Core Australian Share Fund	Net assets for unit pricing purposes	137,828	139,426
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	(200)	(156)
	Effect of classification of net assets attributable to unitholders as liabilities	(137,628)	(139,270)
	Net assets under Australian Accounting Standards	—	—

Fund		2011	2010
		\$	\$
BT Ethical Share Fund	Net assets for unit pricing purposes	10,660,328	9,682,870
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	—	—
	Effect of classification of net assets attributable to unitholders as liabilities	(10,660,328)	(9,682,870)
	Net assets under Australian Accounting Standards	—	—
		\$'000	\$'000
BT Natural Resources Fund	Net assets for unit pricing purposes	38,486	36,075
	Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	(206)	(253)
	Effect of classification of net assets attributable to unitholders as liabilities	(38,280)	(35,822)
	Net assets under Australian Accounting Standards	—	—

→ **Directors' report for
BT Funds Management
No. 2 Limited (continued)**

30 June 2011

**Significant changes in state
of affairs**

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial year.

**Matters subsequent to the
end of the financial year**

Apart from the matter disclosed in note 4 to the concise financial statements relating to market volatility, no other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- i_ the operations of the Funds in future financial years, or
- ii_ the results of those operations in future financial years, or
- iii_ the state of affairs of the Funds in future financial years.

**Likely developments and
expected results of operations**

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

The results of each Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed, and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

**Indemnity and insurance
of officers**

No insurance premiums were paid for out of the assets of the Funds in regards to insurance cover provided to the officers of the Responsible Entity.

Indemnity of auditors

The auditors of the Funds are in no way indemnified out of the assets of the Funds.

**Fees paid to and interests
held in the Funds by the
Responsible Entity or
its associates**

Fees paid to the Responsible Entity and its associates out of each Fund's property during the year and the number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in the full financial statements, available on request, as disclosed in Note 5 to the concise financial statements.

No fees were paid out of each Fund's property to the directors of the Responsible Entity during the year.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 3 to the concise financial statements.

The values of the Funds' assets and liabilities are disclosed in the balance sheets and derived using the basis set out in Note 1 to the concise financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The following Funds are registered schemes of a kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities and Investments Commission (ASIC) relating to the 'rounding off' of amounts in the directors' report.

- BT Active Balanced Fund – NEF
- BT Tax Effective Income Fund – NEF
- BT Core Australian Share Fund
- BT Natural Resources Fund

Amounts for these Funds in the directors' report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

This report is made in accordance with a resolution of the directors of BT Funds Management No. 2 Limited.



Director
Sydney
20 September 2011



Director



Auditor's independence declaration

As lead auditor for the audit of BT Classic Investment Funds for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the BT Classic Investment Funds during the year.

Claire Keating
Partner
PricewaterhouseCoopers

Sydney
20 September 2011

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Statements of comprehensive income

For the year ended
30 June 2011

	Notes	BT Active Balanced Fund – NEF		BT Asset Selection Fund	
		2011	2010	2011	2010
		\$'000		\$'000	
Investment income					
Interest income		20	15	8	3
Dividend income		671	1,224	—	—
Distribution income		3,304	2,856	2,035	5,538
Net gains/(losses) on financial instruments held at fair value through profit or loss		4,788	7,129	2,318	327
Other investment income		—	15	—	—
Total net investment income/(loss)		8,783	11,239	4,361	5,868
Expenses					
Responsible Entity's fees		1,640	1,805	524	579
Transaction costs		18	6	—	2
Other operating expenses		225	227	25	45
Total operating expenses		1,883	2,038	549	626
Operating profit/(loss)		6,900	9,201	3,812	5,242
Financing costs attributable to unitholders					
Distributions to unitholders	2	(1,743)	(1,538)	(1,458)	(1,373)
(Increase)/decrease in net assets attributable to unitholders	3	(5,157)	(7,663)	(2,354)	(3,869)
Profit/(loss) for the year		—	—	—	—
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	—	—

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

BT Balanced Returns Fund		BT Tax Effective Income Fund – NEF		BT Split Income Fund		BT Monthly Income Fund	
2011	2010	2011	2010	2011	2010	2011	2010
\$'000		\$'000		\$'000		\$'000	
35	33	22	21	9	7	7	5
—	—	783	1,555	—	—	—	—
6,755	17,170	4,259	3,479	1,685	2,716	1,195	1,714
6,928	1,595	2,826	7,051	1,350	2,002	837	1,577
—	3	—	21	—	—	—	—
13,718	18,801	7,890	12,127	3,044	4,725	2,039	3,296
2,546	2,844	1,695	1,999	417	453	441	486
1	6	29	78	—	—	—	—
308	271	171	187	104	106	72	79
2,855	3,121	1,895	2,264	521	559	513	565
10,863	15,680	5,995	9,863	2,523	4,166	1,526	2,731
(3,862)	(3,430)	(3,453)	(2,914)	(1,163)	(1,289)	(830)	(938)
(7,001)	(12,250)	(2,542)	(6,949)	(1,360)	(2,877)	(696)	(1,793)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—

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Statements of comprehensive income (continued)

For the year ended
30 June 2011

	Notes	BT Diversified Share Fund – NEF		BT Split Growth Fund	
		2011	2010	2011	2010
		\$		\$'000	
Investment income					
Interest income		1,745	1,878	112	56
Dividend income		95,426	186,070	933	1,630
Distribution income		248,932	153,619	13,103	5,333
Net gains/(losses) on financial instruments held at fair value through profit or loss		605,609	934,347	11,382	17,444
Net Responsible Entity's fees		—	—	—	—
Other investment income		3	2,343	—	13
Total net investment income/(loss)		951,715	1,278,257	25,530	24,476
Expenses					
Responsible Entity's fees		205,663	232,239	2,914	2,757
Transaction costs		2,416	5,642	28	56
Other operating expenses		43,084	57,325	620	475
Total operating expenses		251,163	295,206	3,562	3,288
Operating profit/(loss)		700,552	983,051	21,968	21,188
Financing costs attributable to unitholders					
Distributions to unitholders	2	(125,689)	(48,528)	(11,002)	(3,793)
(Increase)/decrease in net assets attributable to unitholders	3	(574,863)	(934,523)	(10,966)	(17,395)
Profit/(loss) for the year		—	—	—	—
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	—	—

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

BT International Share Fund		BT Core Australian Share Fund		BT Select Australian Share Fund		BT Ethical Share Fund	
2011	2010	2011	2010	2011	2010	2011	2010
\$'000		\$'000		\$		\$	
—	—	38	31	2,333	2,245	1,192	747
—	—	4,624	4,621	347,041	354,618	—	—
—	—	649	647	53,179	67,831	393,480	366,152
377	1,314	10,659	11,936	839,411	949,463	675,741	582,858
41	55	—	—	—	—	—	—
41	62	8	55	561	4,632	1	1
459	1,431	15,978	17,290	1,242,525	1,378,789	1,070,414	949,758
—	—	2,360	2,509	133,087	143,811	177,654	175,852
—	—	145	159	11,136	13,059	—	—
—	—	337	312	17	77	81,383	74,113
—	—	2,842	2,980	144,240	156,947	259,037	249,965
459	1,431	13,136	14,310	1,098,285	1,221,842	811,377	699,793
(82)	(118)	(2,545)	(2,558)	(249,390)	(277,393)	(135,636)	(117,010)
(377)	(1,313)	(10,591)	(11,752)	(848,895)	(944,449)	(675,741)	(582,783)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—

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Statements of comprehensive income (continued)

For the year ended
30 June 2011

	Notes	BT Natural Resources Fund		BT Australasian Bond Fund	
		2011	2010	2011	2010
		\$'000		\$'000	
Investment income					
Interest income		8	3	309	668
Dividend income		422	417	—	—
Distribution income		77	45	711	619
Net gains/(losses) on financial instruments held at fair value through profit or loss		9,079	6,052	195	877
Net Responsible Entity's fees		—	—	—	—
Other investment income		—	6	—	—
Total net investment income/(loss)		9,586	6,523	1,215	2,164
Expenses					
Responsible Entity's fees		747	657	77	181
Transaction costs		4	5	1	1
Other operating expenses		83	97	106	113
Total operating expenses		834	759	184	295
Operating profit/(loss)		8,752	5,764	1,031	1,869
Financing costs attributable to unitholders					
Distributions to unitholders	2	(4,828)	(1,773)	(612)	(1,131)
(Increase)/decrease in net assets attributable to unitholders	3	—	—	(419)	(738)
– arising from operations		(3,877)	(4,084)	—	—
– arising from differences in valuation used in unit pricing compared to financial statements		(47)	93	—	—
Profit/(loss) for the year		—	—	—	—
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	—	—

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

BT Global Bond Fund	
2011	2010
\$	
224,327	354,451
—	—
—	—
(1,385,835)	(459,240)
—	—
356	6,841
(1,161,152)	(97,948)
107,582	128,767
—	—
69,574	72,915
177,156	201,682
(1,338,308)	(299,630)
—	—
1,338,308	299,630
—	—
—	—
—	—
—	—
—	—

Balance sheets

As at 30 June 2011

	Notes	BT Active Balanced Fund – NEF ¹		BT Asset Selection Fund ¹	
		2011	2010	2011	2010
		\$'000		\$'000	
Assets					
Cash and cash equivalents		257	1,207	741	525
Margin accounts		124	—	58	—
Accrued income		2,222	1,666	1,092	588
Due from brokers — receivable for securities sold		304	202	—	—
Receivables		11	13	2	1
Financial assets held at fair value through profit or loss		88,708	95,876	46,533	49,082
Total assets		91,626	98,964	48,426	50,196
Liabilities					
Distribution payable	2	1,743	809	1,086	614
Due to brokers — payable for securities purchased		—	22	127	—
Payables		199	159	44	50
Financial liabilities held at fair value through profit or loss		2	—	1	—
Total liabilities (excluding net assets attributable to unitholders)		1,944	990	1,258	664
Net assets attributable to unitholders — liability	3	89,682	97,974	47,168	49,532

The above balance sheets should be read in conjunction with the accompanying notes.

BT Balanced Returns Fund ¹		BT Tax Effective Income Fund – NEF		BT Split Income Fund ¹		BT Monthly Income Fund ¹	
2011	2010	2011	2010	2011	2010	2011	2010
\$'000		\$'000		\$'000		\$'000	
13,760	11,340	12,385	20,423	4,500	4,180	3,883	3,737
151	—	—	57	18	—	9	—
3,403	1,872	1,644	1,109	810	531	558	375
329	—	—	658	—	—	67	—
17	18	11	14	—	—	3	3
135,379	149,292	75,215	80,588	35,277	39,952	23,805	27,513
153,039	162,522	89,255	102,849	40,605	44,663	28,325	31,628
3,146	1,679	1,095	210	771	427	65	74
—	—	—	1,504	—	—	—	—
456	406	193	269	134	291	55	48
—	—	—	48	—	—	—	—
3,602	2,085	1,288	2,031	905	718	120	122
149,437	160,437	87,967	100,818	39,700	43,945	28,205	31,506

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Balance sheets (continued)

As at 30 June 2011

	Notes	BT Diversified Share Fund – NEF		BT Split Growth Fund	
		2011	2010	2011	2010
		\$		\$'000	
Assets					
Cash and cash equivalents		49,503	123,501	5,861	4,354
Margin accounts		—	—	65	166
Accrued income		209,117	141,965	10,356	4,482
Due from brokers — receivable for securities sold		21,443	29,102	—	295
Receivables		1,480	1,711	1,101	645
Financial assets held at fair value through profit or loss		9,796,338	10,563,596	270,420	250,358
Total assets		10,077,881	10,859,875	287,803	260,300
Liabilities					
Distribution payable	2	117,398	48,528	9,659	3,510
Due to brokers - payable for securities purchased		—	3,149	—	30
Payables		18,787	46,240	1,807	1,699
Financial liabilities held at fair value through profit or loss		—	—	—	91
Total liabilities (excluding net assets attributable to unitholders)		136,185	97,917	11,466	5,330
Net assets attributable to unitholders — liability	3	9,941,696	10,761,958	276,337	254,970

The above balance sheets should be read in conjunction with the accompanying notes.

BT International Share Fund		BT Core Australian Share Fund		BT Select Australian Share Fund		BT Ethical Share Fund	
2011	2010	2011	2010	2011	2010	2011	2010
\$'000		\$'000		\$		\$	
17	10	1,336	2,974	264,979	366,448	10,000	10,000
—	—	235	135	10,348	6,245	—	—
—	—	1,036	1,050	70,700	81,941	80,073	16,746
—	—	567	724	38,203	56,722	90,725	—
5	7	19	18	824	11,023	1,665	76,361
14,704	16,123	135,507	134,813	9,277,656	10,460,443	10,626,303	9,679,491
14,726	16,140	138,700	139,714	9,662,710	10,982,822	10,808,766	9,782,598
19	38	—	—	27,384	11,915	36,344	4,676
—	—	670	83	40,721	6,427	—	74,788
—	2	234	261	9,697	11,029	112,094	20,264
—	—	168	100	10,348	7,819	—	—
19	40	1,072	444	88,150	37,190	148,438	99,728
14,707	16,100	137,628	139,270	9,574,560	10,945,632	10,660,328	9,682,870

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Balance sheets (continued)

As at 30 June 2011

	Notes	BT Natural Resources Fund		BT Australasian Bond Fund	
		2011	2010	2011	2010
		\$'000		\$'000	
Assets					
Cash and cash equivalents		3,420	2,005	10	4,016
Margin accounts		128	55	—	7
Accrued income		12	5	467	190
Due from brokers — receivable for securities sold		132	—	—	—
Receivables		6	4	85	79
Financial assets held at fair value through profit or loss		39,618	35,650	27,533	19,833
Total assets		43,316	37,719	28,095	24,125
Liabilities					
Distribution payable	2	4,828	1,773	216	338
Due to brokers — payable for securities purchased		—	—	82	—
Payables		84	55	10	24
Financial liabilities held at fair value through profit or loss		124	69	—	—
Total liabilities (excluding net assets attributable to unitholders)		5,036	1,897	308	362
Net assets attributable to unitholders — liability	3	38,280	35,822	27,787	23,763
Represented by:					
Fair value of outstanding units based on redemption value		38,486	36,075	—	—
Adjustments arising from different unit pricing and financial statement principles		(206)	(253)	—	—
Net assets attributable to unitholders — liability		38,280	35,822	—	—

The above balance sheets should be read in conjunction with the accompanying notes.

BT Global Bond Fund	
2011	2010
\$	
1,011,644	218,180
—	—
68,533	91,503
—	92,466
—	57,563
6,577,926	9,314,303
7,658,103	9,774,015
—	—
—	—
26,672	18,001
21,049	34,610
47,721	52,611
7,610,382	9,721,404
—	—
—	—
—	—

→ **Statements of changes in equity**

For the year ended
30 June 2011

	BT Active Balanced Fund – NEF		BT Asset Selection Fund	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	—	—	—	—
Profit/(loss) for the year	—	—	—	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	—
Transactions with owners in their capacity as owners	—	—	—	—
Total equity at the end of the financial year	—	—	—	—

	BT Diversified Share Fund – NEF		BT Split Growth Fund	
	2011	2010	2011	2010
	\$	\$	\$'000	\$'000
Total equity at the beginning of the financial year	—	—	—	—
Profit/(loss) for the year	—	—	—	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	—
Transactions with owners in their capacity as owners	—	—	—	—
Total equity at the end of the financial year	—	—	—	—

	BT Natural Resources Fund		BT Australasian Bond Fund	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	—	—	—	—
Profit/(loss) for the year	—	—	—	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	—
Transactions with owners in their capacity as owners	—	—	—	—
Total equity at the end of the financial year	—	—	—	—

BT Balanced Returns Fund		BT Tax Effective Income Fund – NEF		BT Split Income Fund		BT Monthly Income Fund	
2011	2010	2011	2010	2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$'000	\$'000
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—

BT International Share Fund		BT Core Australian Share Fund		BT Select Australian Share Fund		BT Ethical Share Fund	
2011	2010	2011	2010	2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000	\$	\$	\$	\$
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—

BT Global Bond Fund	
2011	2010
\$	\$
—	—
—	—
—	—
—	—
—	—
—	—

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

The above statements of changes in equity should be read in conjunction with the accompanying notes.

→ **Statements of cash flows**For the year ended
30 June 2011

	BT Active Balanced Fund – NEF		BT Asset Selection Fund	
	2011	2010	2011	2010
	\$'000		\$'000	
Cash flows from operating activities				
Proceeds from sale of financial instruments held at fair value through profit or loss	62,599	58,270	8,111	35,629
Purchase of financial instruments held at fair value through profit or loss	(48,320)	(50,599)	(1,658)	(31,949)
Transaction costs	(18)	(6)	—	(2)
Dividends received	804	708	—	—
Interest received	20	15	8	3
Distributions received	46	168	15	3,698
Other income received/(paid)	2	13	(1)	—
Responsible Entity's fees received/(paid)	(1,653)	(1,806)	(526)	(582)
Payment of other expenses	(224)	(226)	(29)	(45)
Net cash inflow/(outflow) from operating activities	13,256	6,537	5,920	6,752
Cash flows from financing activities				
Proceeds from applications by unitholders	1,825	6,697	28	117
Payments for redemptions by unitholders	(15,859)	(12,685)	(5,443)	(6,077)
Distributions paid	(172)	(747)	(289)	(620)
Net cash inflow/(outflow) from financing activities	(14,206)	(6,735)	(5,704)	(6,580)
Net increase/(decrease) in cash and cash equivalents	(950)	(198)	216	172
Cash and cash equivalents at the beginning of the year	1,207	1,390	525	353
Effects of foreign currency exchange rate changes on cash and cash equivalents	—	15	—	—
Cash and cash equivalents at the end of the year	257	1,207	741	525

The above statements of cash flows should be read in conjunction with the accompanying notes.

BT Balanced Returns Fund		BT Tax Effective Income Fund – NEF		BT Split Income Fund		BT Monthly Income Fund	
2011	2010	2011	2010	2011	2010	2011	2010
\$'000		\$'000		\$'000		\$'000	
26,881	113,658	73,032	79,562	7,904	24,340	5,672	16,798
(1,925)	(91,922)	(62,736)	(66,326)	(688)	(18,490)	(373)	(12,273)
(1)	(6)	(29)	(78)	—	—	—	—
—	—	782	1,010	—	—	—	—
34	33	22	21	9	7	7	5
629	11,403	791	970	196	1,048	182	540
1	3	3	21	—	—	—	1
(2,559)	(2,867)	(1,720)	(2,009)	(425)	(460)	(445)	(489)
(307)	(254)	(171)	(188)	(107)	(99)	(72)	(80)
22,753	30,048	9,974	12,983	6,889	6,346	4,971	4,502
998	1,434	300	1,252	51	123	—	2
(20,695)	(30,171)	(17,064)	(13,794)	(6,121)	(4,241)	(4,079)	(3,456)
(636)	(1,211)	(1,248)	(1,483)	(500)	(1,283)	(746)	(919)
(20,333)	(29,948)	(18,012)	(14,025)	(6,570)	(5,401)	(4,825)	(4,373)
2,420	100	(8,038)	(1,042)	319	945	146	129
11,340	11,235	20,423	21,465	4,180	3,236	3,737	3,608
—	5	—	—	1	(1)	—	—
13,760	11,340	12,385	20,423	4,500	4,180	3,883	3,737

→ **Statements of cash flows
(continued)**

For the year ended
30 June 2011

	BT Diversified Share Fund – NEF		BT Split Growth Fund	
	2011	2010	2011	2010
	\$		\$'000	
Cash flows from operating activities				
Proceeds from sale of financial instruments held at fair value through profit or loss	8,297,828	4,948,702	75,428	44,375
Purchase of financial instruments held at fair value through profit or loss	(6,761,780)	(4,087,458)	(76,918)	(53,629)
Transaction costs	(2,416)	(5,642)	(28)	(56)
Dividends received	115,070	105,356	1,101	929
Interest received	1,758	1,867	111	56
Distributions received	4,467	14,331	147	226
Other income received/(paid)	234	2,560	1	13
Responsible Entity's fees received/(paid)	(207,370)	(233,757)	(2,848)	(2,500)
Payment of other expenses	(43,364)	(60,518)	(578)	(378)
Net cash inflow/(outflow) from operating activities	1,404,427	685,441	(3,584)	(10,964)
Cash flows from financing activities				
Proceeds from applications by unitholders	223,197	249,488	39,127	36,824
Payments for redemptions by unitholders	(1,691,618)	(1,598,879)	(32,931)	(26,538)
Distributions paid	(8,989)	(5,061)	(1,105)	(1,705)
Net cash inflow/(outflow) from financing activities	(1,477,410)	(1,354,452)	5,091	8,581
Net increase/(decrease) in cash and cash equivalents	(72,983)	(669,011)	1,507	(2,383)
Cash and cash equivalents at the beginning of the year	123,501	788,472	4,354	6,737
Effects of foreign currency exchange rate changes on cash and cash equivalents	(1,015)	4,040	—	—
Cash and cash equivalents at the end of the year	49,503	123,501	5,861	4,354

The above statements of cash flows should be read in conjunction with the accompanying notes.

BT International Share Fund		BT Core Australian Share Fund		BT Select Australian Share Fund		BT Ethical Share Fund	
2011	2010	2011	2010	2011	2010	2011	2010
\$'000		\$'000		\$		\$	
1,884	4,980	78,222	97,214	7,277,256	9,408,053	1,596,877	2,922,791
(88)	(134)	(66,668)	(83,496)	(5,138,022)	(8,119,722)	(1,703,307)	(2,317,073)
—	—	(145)	(159)	(11,136)	(13,059)	—	—
—	—	4,152	2,551	318,904	196,961	—	—
—	—	38	31	2,315	2,369	1,191	744
—	—	258	322	26,784	35,351	—	—
42	58	7	51	760	4,592	(92)	(400)
42	55	(2,361)	(2,505)	(134,419)	(143,198)	(176,896)	(174,560)
(2)	(5)	(327)	(312)	(17)	(77)	(81,035)	(71,597)
1,878	4,954	13,176	13,697	2,342,425	1,371,270	(363,262)	359,905
86	6	326	596	26,485	8,000	1,880,720	2,342,961
(1,916)	(4,864)	(14,230)	(10,644)	(2,417,155)	(1,125,602)	(1,514,999)	(2,698,642)
(41)	(157)	(910)	(1,194)	(53,218)	(80,490)	(2,459)	(4,224)
(1,871)	(5,015)	(14,814)	(11,242)	(2,443,888)	(1,198,092)	363,262	(359,905)
7	(61)	(1,638)	2,455	(101,463)	173,178	—	—
10	71	2,974	454	366,448	187,152	10,000	10,000
—	—	—	65	(6)	6,118	—	—
17	10	1,336	2,974	264,979	366,448	10,000	10,000

→ **Statements of cash flows**
(continued)

For the year ended
30 June 2011

	BT Natural Resources Fund		BT Australasian Bond Fund	
	2011	2010	2011	2010
	\$'000		\$'000	
Cash flows from operating activities				
Proceeds from sale of financial instruments held at fair value through profit or loss	13,471	12,829	31,475	8,079
Purchase of financial instruments held at fair value through profit or loss	(8,453)	(7,830)	(38,656)	(5,097)
Transaction costs	(4)	(5)	(1)	(1)
Dividends received	367	383	—	—
Interest received	8	3	430	682
Distributions received	71	43	78	43
Other income received/(paid)	(2)	6	9	(8)
Responsible Entity's fees received/(paid)	(739)	(656)	(95)	(181)
Payment of other expenses	(80)	(103)	(104)	(119)
Net cash inflow/(outflow) from operating activities	4,639	4,670	(6,864)	3,398
Cash flows from financing activities				
Proceeds from applications by unitholders	181	224	7,896	4,840
Payments for redemptions by unitholders	(2,891)	(3,221)	(4,965)	(6,911)
Distributions paid	(511)	(503)	(73)	(161)
Net cash inflow/(outflow) from financing activities	(3,221)	(3,500)	2,858	(2,232)
Net increase/(decrease) in cash and cash equivalents	1,418	1,170	(4,006)	1,166
Cash and cash equivalents at the beginning of the year	2,005	807	4,016	2,850
Effects of foreign currency exchange rate changes on cash and cash equivalents	(3)	28	—	—
Cash and cash equivalents at the end of the year	3,420	2,005	10	4,016

The above statements of cash flows should be read in conjunction with the accompanying notes.

BT Global Bond Fund	
2011	2010
\$	
7,959,132	9,726,717
(6,528,106)	(9,038,838)
—	—
—	710
246,608	424,876
—	—
1,891	27,678
(109,415)	(208,538)
(69,632)	(25,100)
1,500,478	907,505
2,041,368	2,815,024
(2,747,491)	(3,862,692)
—	—
(706,123)	(1,047,668)
794,355	(140,163)
218,180	337,896
(891)	20,447
1,011,644	218,180

**BT Active Balanced Fund
– NEF**

The total return for 2011 was 7.10%, consisting of 5.06% capital growth and 2.04% income distribution. The Fund underperformed its benchmark by 1.41%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year. International markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

Australian bonds fared much better than their global counterparts over the year in a volatile environment. While bond markets were resilient over the first part of the financial year, the June quarter saw increased volatility driven largely by the Greek sovereign debt crisis.

Meanwhile, the Australian Listed Property sector returned 5.87% (S&P/ASX 300 Property) for the period, underperforming the broader Australian equities sector by 6.03% (S&P/ASX 300).

BT Asset Selection Fund

The total return for 2011 was 7.89%, consisting of 4.68% capital growth and 3.21% income distribution. The Fund underperformed its benchmark by 0.62%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year. International markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

Australian bonds fared much better than their global counterparts over the year in a volatile environment. While bond markets were resilient over the first part of the financial year, the June quarter saw increased volatility driven largely by the Greek sovereign debt crisis.

Meanwhile, the Australian Listed Property sector returned 5.87% (S&P/ASX 300 Property) for the period, underperforming the broader Australian equities sector by 6.03% (S&P/ASX 300).

BT Balanced Returns Fund

The total return for 2011 was 6.88%, consisting of 4.21% capital growth and 2.67% income distribution. The Fund underperformed its benchmark by 1.30%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year. International markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

Australian bonds fared much better than their global counterparts over the year in a volatile environment. While bond markets were resilient over the first part of the financial year, the June quarter saw increased volatility driven largely by the Greek sovereign debt crisis.

Meanwhile, the Australian Listed Property sector returned 5.87% (S&P/ASX 300 Property) for the period, underperforming the broader Australian equities sector by 6.03% (S&P/ASX 300).

BT Tax Effective Income Fund – NEF

The total return for 2011 was 6.13%, consisting of 2.30% capital growth and 3.83% income distribution. The Fund underperformed its benchmark by 1.88%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year. International markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

The Australian bond market registered positive returns over the year in a volatile environment. Starting the year at 4.56%, 3-year bond yields reached a high of 5.38% in the December quarter before falling to 4.76% over the second half of the year. 10-year bond yields started the financial year at 5.11%, reaching a high of 5.75%

→ **Discussion and analysis
(continued)**

For the year ended
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**BT Tax Effective Income Fund
– NEF (continued)**

in the March quarter before falling over the last quarter of the period to end the financial year at 5.21%.

Meanwhile, the Australian Listed Property sector returned 5.87% (S&P/ASX 300 Property) for the period, underperforming the broader Australian equities sector by 6.03% (S&P/ASX 300).

BT Split Income Fund

The total return for 2011 was 6.04%, consisting of 3.07% capital growth and 2.97% income distribution. The Fund underperformed its benchmark by 0.83%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year. International markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

Australian bonds fared much better than their global counterparts over the year in a volatile environment. While bond markets were resilient over the first part of the financial year, the June quarter saw increased volatility driven largely by the Greek sovereign debt crisis.

Meanwhile, the Australian Listed Property sector returned 5.87% (S&P/ASX 300 Property) for the period, underperforming the broader Australian equities sector by 6.03% (S&P/ASX 300).

BT Monthly Income Fund

The total return for 2011 was 5.20%, consisting of 2.30% capital growth and 2.90% income distribution. The Fund underperformed its benchmark by 1.40%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year. International markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

Australian bonds fared much better than their global counterparts over the year in a volatile environment. While bond markets were resilient over the first part of the financial year, the June quarter saw increased volatility driven largely by the Greek sovereign debt crisis. Meanwhile, the Australian Listed Property sector returned 5.87% (S&P/ASX 300 Property) for the period, underperforming the broader Australian equities sector by 6.03% (S&P/ASX 300).

BT Diversified Share Fund – NEF

The total return for 2011 was 6.45%, consisting of 5.13% capital growth and 1.32% income distribution. The Fund underperformed its benchmark by 1.10%.

In local currency terms, global share markets had mixed results over the year: US (S&P 500 +3.11%), Europe (MSCI Europe +7.31%), Japan (MSCI Japan -10.84) and Asia (MSCI Asia ex-Japan -0.85%). Overall world markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year.

BT Split Growth Fund

The total return for 2011 was 8.58%, consisting of 4.41% capital growth and 4.17% income distribution. The Fund underperformed its benchmark by 0.51%.

In local currency terms, global share markets had mixed results over the year: US (S&P 500 +3.11%), Europe (MSCI Europe +7.31%), Japan (MSCI Japan -10.84) and Asia (MSCI Asia ex-Japan -0.85%). Overall world markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year.

BT International Share Fund

The total return for 2011 was 3.04%, consisting of 2.48% capital growth and 0.56% income distribution. The Fund outperformed its benchmark by 0.38%.

In local currency terms, global share markets had mixed results over the year: US (S&P 500 +3.11%), Europe (MSCI Europe +7.31%), Japan (MSCI Japan -10.84) and Asia (MSCI Asia ex-Japan -0.85%). Overall world markets were up a modest 2.66% (MSCI World ex-Australia) in Australian dollar terms.

Stocks rose in the first half of the financial year as a result of some positive economic signs, fiscal stimulus and government rescue plans outweighing debt concerns in Europe. Volatility increased in the March quarter due to escalating problems in the Middle East and the shock of the Japanese earthquake and tsunami, which saw Japanese markets struggle. The financial year ended with escalating concerns in Greece and acute fears of contagion into other countries and the broader financial sector. As market confidence about the strength of the recovery waned, the market was driven down largely by cyclical sectors.

BT Core Australian Share Fund

The total return for 2011 was 9.41%, consisting of 7.53% capital growth and 1.88% income distribution. The Fund underperformed its benchmark by 2.49%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year.

Results this year reinforced the notion of a two speed economy with a booming resources sector driven by industrialisation in developing countries and strong base metal prices. Meanwhile, the domestic economy produced lacklustre returns, while weaker performance in the last quarter of the financial year saw the more defensive Telecoms and Consumer Staples sectors gain favour.

BT Select Australian Share Fund

The total return for 2011 was 9.99%, consisting of 7.50% capital growth and 2.49% income distribution. The Fund underperformed its benchmark by 1.91%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year.

Results this year reinforced the notion of a two speed economy with a booming resources sector driven by industrialisation in developing countries and strong base metal prices. Meanwhile, the domestic economy produced lacklustre returns, while weaker performance in the last quarter of the financial year saw the more defensive Telecoms and Consumer Staples sectors gain favour.

BT Ethical Share Fund

The total return for 2011 was 8.63%, consisting of 7.25% capital growth and 1.38% income distribution. The Fund underperformed its benchmark by 3.27%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year.

Results this year reinforced the notion of a two speed economy with a booming resources sector driven by industrialisation in developing countries and strong base metal prices. Meanwhile, the domestic economy produced lacklustre returns, while weaker performance in the last quarter of the financial year saw the more defensive Telecoms and Consumer Staples sectors gain favour.

→ **Discussion and analysis
(continued)**

For the year ended
30 June 2011

BT Natural Resources Fund

The total return for 2011 was 23.25%, consisting of 13.71% capital growth and 9.54% income distribution. The Fund outperformed its benchmark by 4.54%.

The Australian equity market performed strongly at the start of the financial year helped by a booming resources sector. Despite an incredibly eventful start to 2011, including the Queensland floods, the earthquake in Christchurch and the Japanese earthquake and tsunami, the March quarter saw the Australian equity market rise further still. The last quarter of the financial year saw three consecutive negative months, largely driven by macroeconomic themes, including concerns over the strength of the US recovery, European sovereign debt and monetary tightening in China. Overall, the market (S&P/ASX 300) finished 11.90% higher for the financial year.

Results this year reinforced the notion of a two speed economy with a booming resources sector driven by industrialisation in developing countries and strong base metal prices.

BT Australasian Bond Fund

The total return for 2011 was 4.21%, consisting of 1.81% capital growth and 2.40% income distribution. The Fund underperformed its benchmark by 1.34%.

The Australian bond market registered positive returns over the year in a volatile environment. Starting the year at 4.56%, 3-year bond yields reached a high of 5.38% in the December quarter before falling to 4.76% over the second half of the period. While 10-year bond yields started the financial year at 5.11%, reaching a high of 5.75% in the March quarter before falling over the last quarter of the period to end the financial year at 5.21%.

The Reserve Bank of Australia ('RBA') kept rates relatively steady over the period with the only rise occurring in November, increasing the cash rate from 4.50% to 4.75%. This move was not widely anticipated but the prospect of rising inflation in the medium term drove the RBA's decision. Controversially, financial institutions increased standard variable home loan rates by up to 45 basis points shortly after. The year ended with the multi speed nature of the Australian economy continuing.

BT Global Bond Fund

The total return for 2011 was -14.09%, consisting of -14.09% capital growth and 0.00% income distribution. The Fund underperformed its benchmark by 1.30%.

Global fixed interest markets rallied during the September quarter in response to weak US economic data and supportive policy action by the US Federal Reserve. The December quarter saw markets driven largely by policy and political headlines and by better data helping to calm fears of a potential double-dip recession. Sovereign risk

dominated European fixed interest markets, as headlines continued to surround Greece, Spain, Portugal and Ireland.

The March quarter saw surprisingly resilient fixed income markets despite military intervention by NATO in Libya, the devastating tsunami in Japan and ongoing fiscal concerns in Europe. The year ended with increased volatility driven largely by the Greek sovereign debt crisis, but as markets saw temporary relief on the impending Greek default, bond yields increased and risk assets recovered. US 10-year yields rose from 2.93% to 3.16% over the period.

Note 1
**Summary of significant
accounting policies**

The concise financial statements cover the following Funds which were constituted on:

Fund	Date
BT Active Balanced Fund – NEF	15 September 1999
BT Asset Selection Fund	9 June 1989
BT Balanced Returns Fund	8 February 1991
BT Tax Effective Income Fund – NEF	15 September 1999
BT Split Income Fund	1 March 1984
BT Monthly Income Fund	8 February 1991
BT Diversified Share Fund – NEF	15 September 1999
BT Split Growth Fund	1 March 1984
BT International Share Fund	9 June 1989
BT Core Australian Share Fund	15 September 1999
BT Select Australian Share Fund	24 September 1999
BT Ethical Share Fund	23 July 2001
BT Natural Resources Fund	13 April 1984
BT Australasian Bond Fund	21 May 1986
BT Global Bond Fund	21 May 1986

The registered office of the Responsible Entities and the Funds is Level 20, Westpac Place, 275 Kent Street, Sydney, NSW, 2000.

The principal accounting policies applied in the preparation of these concise financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

a_Basis of preparation

These concise financial statements have been prepared in accordance with Australian Accounting Standards, Accounting Standard AASB 1039: Concise Financial Reports, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001 in Australia.

The concise financial statements are an extract from the full financial statements.

The financial statements and specific disclosures included in the concise financial statements have been derived from the full financial statements. The concise financial statements cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Funds as the full financial statements.

The concise financial statements have been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Compliance with International Financial Reporting Standards

The concise financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

b_Financial instruments

i_Classification

The Funds' investments are classified as at fair value through profit or loss they comprise:

→ Financial instruments held for trading

Derivative financial instruments such as futures, forward contracts, warrants, options and swaps are included under this classification. The Funds do not designate any derivatives as hedges in a hedging relationship.

→ Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts, unlisted equity instruments and commercial paper.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Funds' documented investment strategies. The Funds' policies are for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

ii_Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership.

iii_Measurement

a_Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Funds measure a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statements of comprehensive income.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Funds is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Funds recognise the difference in profit or loss to reflect a change in factors, including time, which market participants would consider in setting a price.

→ **Fair value estimation**

The carrying amounts of the Funds' assets and liabilities at the balance sheet date approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statements of comprehensive income.

→ **Fair value in an active market**

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets held by the Funds is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Funds hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair value for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

→ **Fair value in an inactive or unquoted market**

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black-Scholes option valuation model.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts.

b_ Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in the statements of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statements of comprehensive income.

iv_ Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheets when there is a legally enforceable right to offset the

recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**c_Net assets attributable
to unitholders**

Units are redeemable at the unitholders' option and are classified as financial liabilities as the Funds are required to distribute their distributable income. The units can be put back to the Funds at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Funds.

d_Cash and cash equivalents

For the purposes of presentation in the statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, cash management trusts and bank overdrafts.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds' main income generating activity.

e_Investment income

Interest income and expenses are recognised in the statements of comprehensive income for all debt instruments using the effective interest method.

Interest income is recognised in the statements of comprehensive income as it accrues, using the original effective interest rate of the instrument calculated at acquisition or origination date. Interest income includes the amortisation of any discount or premium or other differences between initial carrying amount of an interest-bearing instrument and its amount calculated on an effective interest rate basis.

Dividend income is recognised on the ex-dividend date.

Trust distributions (including distributions from cash management trusts) are recognised on a present entitlement basis.

f_Expenses

All expenses, including Responsible Entity fees are recognised in the statements of comprehensive income on an accruals basis.

g_Income tax

Under current legislation, the Funds are not subject to income tax provided the taxable income of the Funds are fully distributed either by way of cash or reinvestment (ie unitholders are presently entitled to the income of the Funds).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Funds are not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Funds to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

The Funds may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statements of comprehensive income.

h_Distributions

In accordance with the Funds' Constitutions, the Funds distribute their distributable income, and any other amounts determined by the Responsible Entities, to unitholders by cash or reinvestment. The distributions are recognised in the statements of comprehensive income as finance costs attributable to unitholders.

i_Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statements of comprehensive income as finance costs attributable to unitholders.

j_Foreign currency translation

i_Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which they operate ('the functional currency'). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and are regulated. The Australian dollar is also the Funds' presentation currency.

ii_Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statements of comprehensive income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

k_Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within three business days. A provision for impairment of amounts due

from brokers is established when there is objective evidence that the Funds will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

l_Accrued income

Accrued income may include amounts for dividends, trust distributions and interest. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment. Amounts are generally received within 45 days of being recorded as receivables.

m_Receivables

Receivables include such items as Reduced Input Tax Credits (RITC) and application monies receivable from unitholders.

n_Payables

Payables include liabilities, accrued expenses and redemption monies owing by the Funds which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the balance sheets as unitholders are presently entitled to the distributable income under the Funds' Constitutions.

o_Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

p_Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as investment management fees have been passed onto the Funds. The Funds qualify for RITC at a rate of 75%; hence investment management fees, custodial fees and other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO).

Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheets. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

q_Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are

fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entities, independent of the area that created them. Models are calibrated by back testing to actual transactions to ensure that outputs are reliable.

To the extent practicable, models use observable data. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

r_ New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. Management's assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretations is set out below:

i_ AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010 Amendment to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded.

The Funds have not yet decided when to adopt AASB 9. Management does not expect this will have a significant impact on the Funds' financial statements as the Funds do not hold any available-for-sale investments.

ii_ Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government related entities to disclose details of all transactions with the government and other

government related entities. The Funds will apply the amended standard from 1 July 2011. The amendments are not expected to have any effect on the Funds' financial statements.

iii_AASB 2010-6 Amendments to Australian Accounting Standards

— Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments are not expected to have any impact on the Funds' disclosures. The Funds intend to apply the amendment from 1 July 2011.

iv_Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 July 2010/1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Funds do not expect that any adjustments will be necessary as a result of applying the revised rules.

s_Rounding of amounts

The following Funds are entities of the kind referred to in Class Order 98/100 (as amended), issued by the ASIC, relating to the "rounding off" of amounts in the concise financial statements.

BT Active Balanced Fund – NEF
BT Asset Selection Fund
BT Balanced Returns Fund
BT Tax Effective Income Fund – NEF
BT Split Income Fund
BT Monthly Income Fund
BT Split Growth Fund
BT International Share Fund
BT Core Australian Share Fund
BT Natural Resources Fund
BT Australasian Bond Fund

Amounts in the concise financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

t_Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

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Note 2. Distributions to unitholders

		BT Active Balanced Fund – NEF				BT Asset Selection Fund			
		2011		2010		2011		2010	
		\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid	31 July	—	—	—	—	—	—	—	—
	31 August	—	—	—	—	—	—	—	—
	30 September	—	—	—	—	194	0.560	236	0.610
	31 October	—	—	—	—	—	—	—	—
	30 November	—	—	—	—	—	—	—	—
	31 December	—	—	664	0.800	129	0.390	366	0.970
	31 January	—	—	—	—	—	—	—	—
	28 February	—	—	—	—	—	—	—	—
	31 March	—	—	65	0.080	49	0.150	157	0.430
	30 April	—	—	—	—	—	—	—	—
	31 May	—	—	—	—	—	—	—	—
Distribution payable	30 June	1,743	2.545	809	1.029	1,086	3.397	614	1.747
		1,743	2.545	1,538	1.909	1,458	4.497	1,373	3.757

		BT Monthly Income Fund				BT Diversified Share Fund – NEF			
		2011		2010		2011		2010	
		\$'000	CPU	\$'000	CPU	\$	CPU	\$	CPU
Distributions paid	31 July	74	0.210	82	0.210	—	—	—	—
	31 August	73	0.210	81	0.210	—	—	—	—
	30 September	72	0.210	81	0.210	—	—	—	—
	31 October	71	0.210	80	0.210	—	—	—	—
	30 November	70	0.210	79	0.210	—	—	—	—
	31 December	69	0.210	78	0.210	8,291	0.080	—	—
	31 January	68	0.210	78	0.210	—	—	—	—
	28 February	68	0.210	77	0.210	—	—	—	—
	31 March	67	0.210	77	0.210	—	—	—	—
	30 April	67	0.210	76	0.210	—	—	—	—
	31 May	66	0.210	75	0.210	—	—	—	—
Distribution payable	30 June	65	0.210	74	0.210	117,398	1.212	48,528	0.440
		830	2.520	938	2.520	125,689	1.292	48,528	0.440

BT Balanced Returns Fund				BT Tax Effective Income Fund – NEF				BT Split Income Fund			
2011		2010		2011		2010		2011		2010	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
—	—	—	—	229	0.200	254	0.200	—	—	—	—
—	—	—	—	224	0.200	254	0.200	—	—	—	—
189	0.160	593	0.430	222	0.200	252	0.200	90	0.190	89	0.170
—	—	—	—	221	0.200	250	0.200	—	—	—	—
—	—	—	—	218	0.200	249	0.200	—	—	—	—
527	0.460	948	0.700	215	0.200	247	0.200	235	0.510	557	1.090
—	—	—	—	212	0.200	245	0.200	—	—	—	—
—	—	—	—	208	0.200	242	0.200	—	—	—	—
—	—	210	0.170	206	0.200	239	0.200	67	0.150	216	0.430
—	—	—	—	203	0.200	237	0.200	—	—	—	—
—	—	—	—	200	0.200	235	0.200	—	—	—	—
3,146	2.924	1,679	1.395	1,095	1.109	210	0.181	771	1.801	427	0.875
3,862	3.544	3,430	2.695	3,453	3.309	2,914	2.381	1,163	2.651	1,289	2.565

BT Split Growth Fund				BT International Share Fund				BT Core Australian Share Fund			
2011		2010		2011		2010		2011		2010	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	164	0.140	18	0.140	26	0.160	781	1.670	1,601	3.200
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
614	0.500	—	—	26	0.220	33	0.220	1,451	3.150	391	0.790
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
729	0.590	119	0.100	19	0.160	21	0.160	313	0.690	566	1.160
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
9,659	7.698	3,510	2.903	19	0.165	38	0.294	—	—	—	—
11,002	8.788	3,793	3.143	82	0.685	118	0.834	2,545	5.510	2,558	5.150

**Note 2. Distributions to unitholders
(continued)**

		BT Select Australian Share Fund				BT Ethical Share Fund			
		2011		2010		2011		2010	
		\$	CPU	\$	CPU	\$	CPU	\$	CPU
Distributions paid	30 September	97,860	1.050	150,951	1.550	—	—	—	—
	31 December	105,048	1.250	52,163	0.550	99,292	1.150	112,334	1.320
	31 March	19,098	0.250	62,364	0.660	—	—	—	—
Distribution payable	30 June	27,384	0.359	11,915	0.127	36,344	0.409	4,676	0.054
		249,390	2.909	277,393	2.887	135,636	1.559	117,010	1.374

		BT Natural Resources Fund				BT Australasian Bond Fund			
		2011		2010		2011		2010	
		\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid	30 September	—	—	—	—	134	0.580	43	0.190
	31 December	—	—	—	—	262	1.100	750	3.490
	31 March	—	—	—	—	—	—	—	—
Distribution payable	30 June	4,828	78.502	1,773	28.083	216	0.858	338	1.540
		4,828	78.502	1,773	28.083	612	2.538	1,131	5.220

		BT Global Bond Fund			
		2011		2010	
		\$	CPU	\$	CPU
Distributions paid	30 September	—	—	—	—
	31 December	—	—	—	—
	31 March	—	—	—	—
Distribution payable	30 June	—	—	—	—
		—	—	—	—

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→ **Notes to the financial statements**
(continued)

For the year ended
30 June 2011

Note 3. Net assets
attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	BT Active Balanced Fund – NEF				BT Asset Selection Fund			
	2011	2010	2011	2010	2011	2010	2011	2010
	No.'000	No.'000	\$'000	\$'000	No.'000	No.'000	\$'000	\$'000
Opening balance	78,637	81,006	97,974	93,582	35,159	38,391	49,532	50,484
Applications	1,397	5,246	1,825	6,697	18	76	28	117
Redemptions	(12,059)	(9,709)	(15,911)	(12,460)	(3,680)	(4,131)	(5,443)	(6,077)
Units issued upon reinvestment of distributions	510	2,094	637	2,492	487	823	697	1,139
Increase/(decrease) in net assets attributable to unitholders	—	—	5,157	7,663	—	—	2,354	3,869
Closing balance	68,485	78,637	89,682	97,974	31,984	35,159	47,168	49,532

	BT Split Income Fund				BT Monthly Income Fund			
	2011	2010	2011	2010	2011	2010	2011	2010
	No.'000	No.'000	\$'000	\$'000	No.'000	No.'000	\$'000	\$'000
Opening balance	48,828	52,688	43,945	44,573	35,521	39,344	31,506	33,074
Applications	55	136	51	123	—	2	—	2
Redemptions	(6,431)	(4,867)	(5,975)	(4,385)	(4,538)	(3,935)	(4,090)	(3,460)
Units issued upon reinvestment of distributions	349	871	319	757	104	110	93	97
Increase/(decrease) in net assets attributable to unitholders	—	—	1,360	2,877	—	—	696	1,793
Closing balance	42,801	48,828	39,700	43,945	31,087	35,521	28,205	31,506

	BT International Share Fund				BT Core Australian Share Fund			
	2011	2010	2011	2010	2011	2010	2011	2010
	No.'000	No.'000	\$'000	\$'000	No.'000	No.'000	\$'000	\$'000
Opening balance	12,997	16,222	16,100	18,935	47,946	50,498	139,270	135,472
Applications	69	5	86	6	104	190	326	596
Redemptions	(1,530)	(3,580)	(1,916)	(4,567)	(4,489)	(3,404)	(14,194)	(10,608)
Units issued upon reinvestment of distributions	48	350	60	413	516	662	1,635	2,058
Increase/(decrease) in net assets attributable to unitholders	—	—	377	1,313	—	—	10,591	11,752
Closing balance	11,584	12,997	14,707	16,100	44,077	47,946	137,628	139,270

As stipulated within the Funds' Constitution, each unit represents a right to an individual share in that Fund and does not extend to a right to the underlying assets of that Fund.

BT Balanced Returns Fund				BT Tax Effective Income Fund – NEF			
2011	2010	2011	2010	2011	2010	2011	2010
No.'000	No.'000	\$'000	\$'000	No.'000	No.'000	\$'000	\$'000
120,363	138,530	160,437	173,557	115,809	128,221	100,818	105,007
711	1,048	998	1,434	332	1,388	300	1,252
(14,795)	(21,920)	(20,758)	(30,325)	(18,889)	(15,458)	(17,013)	(13,867)
1,303	2,705	1,759	3,521	1,470	1,658	1,320	1,477
—	—	7,001	12,250	—	—	2,542	6,949
107,582	120,363	149,437	160,437	98,722	115,809	87,967	100,818

BT Diversified Share Fund – NEF				BT Split Growth Fund			
2011	2010	2011	2010	2011	2010	2011	2010
No.	No.	\$	\$	No.'000	No.'000	\$'000	\$'000
11,028,978	12,336,427	10,761,958	11,175,525	120,898	113,905	254,970	222,598
213,968	246,258	223,197	249,488	54,087	16,823	125,833	37,053
(1,608,488)	(1,583,183)	(1,666,152)	(1,624,345)	(51,257)	(12,097)	(119,180)	(26,538)
48,518	29,476	47,830	26,767	1,737	2,267	3,748	4,462
—	—	574,863	934,523	—	—	10,966	17,395
9,682,976	11,028,978	9,941,696	10,761,958	125,465	120,898	276,337	254,970

BT Select Australian Share Fund				BT Ethical Share Fund			
2011	2010	2011	2010	2011	2010	2011	2010
No.	No.	\$	\$	No.	No.	\$	\$
9,381,925	10,102,220	10,945,632	10,889,955	8,659,672	8,818,985	9,682,870	9,239,974
12,969	14,270	16,485	18,000	9,131,092	1,995,296	11,450,798	2,417,750
(1,900,156)	(906,084)	(2,417,155)	(1,125,602)	(8,985,406)	(2,270,297)	(11,250,590)	(2,698,642)
143,357	171,519	180,703	218,830	83,544	115,688	101,509	141,005
—	—	848,895	944,449	—	—	675,741	582,783
7,638,095	9,381,925	9,574,560	10,945,632	8,888,902	8,659,672	10,660,328	9,682,870

**Note 3. Net assets
attributable to unitholders (continued)**

	BT Natural Resources Fund				BT Australasian Bond Fund			
	2011	2010	2011	2010	2011	2010	2011	2010
	No.'000	No.'000	\$'000	\$'000	No.'000	No.'000	\$'000	\$'000
Opening balance	6,315	6,561	35,822	33,654	21,937	22,562	23,763	23,679
Applications	24	37	181	224	15,188	4,574	16,576	4,909
Redemptions	(409)	(509)	(2,909)	(3,214)	(12,543)	(6,482)	(13,632)	(6,911)
Units issued upon reinvestment of distributions	220	226	1,262	1,167	613	1,283	661	1,348
Increase/(decrease) in net assets attributable to unitholders	—	—	3,877	4,084	—	—	419	738
Increase/(decrease) in net assets attributable to unitholders other than from operations	—	—	47	(93)	—	—	—	—
Closing balance	6,150	6,315	38,280	35,822	25,195	21,937	27,787	23,763

BT Global Bond Fund			
2011	2010	2011	2010
No.	No.	\$	\$
12,596,305	14,039,703	9,721,404	11,050,265
2,855,468	3,726,197	1,985,150	2,833,462
(3,975,686)	(5,169,595)	(2,757,864)	(3,862,693)
—	—	—	—
—	—	(1,338,308)	(299,630)
—	—	—	—
11,476,087	12,596,305	7,610,382	9,721,404

→ **Notes to the financial statements
(continued)**

For the year ended
30 June 2011

**Note 4
Events occurring after the
reporting period**

The Funds invest directly or indirectly in equities/property trusts and are consequently exposed to the market risk associated with these investments.

Since the end of the reporting period, share markets have experienced a period of significant volatility, impacting on the valuation of the investment portfolio.

As the investments are measured at their 30 June 2011 fair values in the concise financial statements, this volatility in value is not reflected in the statements of comprehensive income or the balance sheets.

As the Funds allocate all of their investment income to unitholders, the volatility in value of investments has been reflected in the current unit price, resulting in a corresponding change in net assets attributable to unitholders.

There were no other significant events which have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the balance sheets as at 30 June 2011 or on the results and cash flows of the Funds for the year ended on that date.

**Note 5
Full financial statements**

Further financial information can be obtained from the full financial statements which are available, free of charge, on request from the BT Contact Centre on 132 135 from 8.00am to 6.30pm (Sydney time) Monday to Friday.

**Note 6
Investments in suspended
unit trusts**

As noted in the balance sheets, the Funds hold less than 5% of their investments in suspended unit trusts. For further information, please refer to the full financial statements, which as indicated in Note 5, are available on request.

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→ **Directors' declaration for** For the year ended
BT Funds Management 30 June 2011
Limited

The directors of BT Funds Management Limited, the Responsible Entity for the Funds listed below, declare that, in their opinion, the concise financial statements of the Funds for the year ended 30 June 2011, as set out on pages 22 to 68 comply with Accounting Standard AASB 1039: Concise Financial Reports.

Registered Fund name
BT Asset Selection Fund
BT Balanced Returns Fund
BT Split Income Fund
BT Monthly Income Fund
BT Split Growth Fund
BT International Share Fund
BT Select Australian Share Fund
BT Australasian Bond Fund
BT Global Bond Fund

The concise financial statements are an extract from the full financial statements for the year ended 30 June 2011.

The financial statements and specific disclosures included in the concise financial statements have been derived from the full financial statements for the year ended 30 June 2011.

The concise financial statements cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Funds as the full financial statements, which as indicated in Note 5, are available on request.

This declaration is made in accordance with a resolution of the directors of BT Funds Management Limited.



Director
Sydney
20 September 2011



Director

→ **Directors' declaration for** For the year ended
BT Funds Management 30 June 2011
No. 2 Limited

The directors of BT Funds Management No. 2 Limited, the Responsible Entity for the Funds listed below, declare that, in their opinion, the concise financial statements of the Funds for the year ended 30 June 2011, as set out on pages 22 to 68 comply with Accounting Standard AASB 1039: Concise Financial Reports.

Registered Fund name
BT Active Balanced Fund – NEF
BT Tax Effective Income Fund – NEF
BT Diversified Share Fund – NEF
BT Core Australian Share Fund
BT Ethical Share Fund
BT Natural Resources Fund

The concise financial statements are an extract from the full financial statements for the year ended 30 June 2011.

The financial statements and specific disclosures included in the concise financial statements have been derived from the full financial statements for the year ended 30 June 2011.

The concise financial statements cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Funds as the full financial statements, which as indicated in Note 5, are available on request.

This declaration is made in accordance with a resolution of the directors of BT Funds Management No. 2 Limited.



Director
Sydney
20 September 2011



Director



Independent auditor's report to the unitholders of BT Classic Investment Funds

Report on the concise financial report

The accompanying concise financial report of BT Classic Investment Funds ("the Funds") comprises the balance sheets as at 30 June 2011, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and related notes, derived from the audited financial reports of the following funds:

BT Active Balanced Fund - NEF	BT International Share Fund
BT Asset Selection Fund	BT Core Australian Share Fund
BT Balanced Returns Fund	BT Select Australian Share Fund
BT Tax Effective Income Fund - NEF	BT Ethical Share Fund
BT Split Income Fund	BT Natural Resources Fund
BT Monthly Income Fund	BT Australasian Bond Fund
BT Diversified Share Fund - NEF	BT Global Bond Fund
BT Split Growth Fund	

collectively known as BT Classic Investment Funds for the year ended 30 June 2011. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' responsibility for the concise financial report

The directors of the Responsible Entities are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Funds for the year ended 30 June 2011. Our audit report on the financial report for the year was signed on 6 September 2011 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year.

PricewaterhouseCoopers, ABN 22 780 433 737
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2020, SYDNEY NSW 1211
T: +61 2 8266 0000, F: +61 2 8266 0000, www.pwc.com/au



These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1029 Concise Financial Reports.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion on the financial report

In our opinion, the concise financial report of the BT Classic Investment Funds for the year ended 30 June 2011 complies with Australian Accounting Standard AASB 1029 Concise Financial Reports.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read 'Claire Keating', written in a cursive style.

Claire Keating
Partner

Sydney
20 September 2011



Contact BT

- Our registered address is:
Level 20, Westpac Place
275 Kent Street
Sydney NSW 2000
- BT Contact Centre
132 135
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