

BT Wholesale Multi-manager Conservative Fund

Monthly report – 31 December 2020

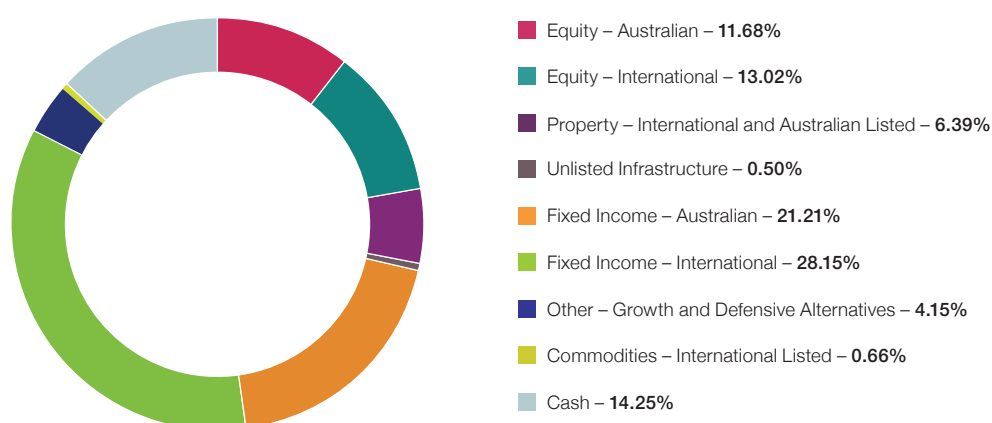
Fund overview

Inception date	22 October 2001
APIR code	BTA0222AU
Fund size (AUD millions)	\$366.23
Investment objective	To provide income with a low risk of capital loss over the short to medium term, with some capital growth over the long term.
Recommended investment timeframe	3 years
Minimum initial investment	\$500,000
Distribution frequency	Monthly
Management costs (%) pa ¹	0.60
Buy/sell spread (%)	0.23 / 0.00

Performance review²

Period ending 31 December 2020	1 month	3 months	1 year	3 years	5 years	Since inception
	%	%	%	% pa	% pa	% pa
Total Net return	0.52	3.83	2.40	4.28	4.62	4.74
Growth return	0.17	3.37	(1.32)	0.95	0.12	(0.44)
Distribution return	0.35	0.46	3.72	3.33	4.50	5.18

Actual asset allocation³



Fund update

The BT Wholesale Multi-manager Conservative Fund produced a positive return over the December quarter, resulting in a positive 12 month performance.

The December quarter started with investor optimism as markets climbed higher during early October. However, investor sentiment soured mid-month as uncertainty over the US election and climbing COVID-19 cases reversed much of the gains. The Nov 3 US election coupled with approvals for a series of vaccinations resulted in strong equity returns during November that persisted into December, despite being softened by further lockdowns and increasing case rates into the western holiday period.

The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, was the stand out performer over the quarter, returning 13.8%, thanks in part to the Australian response to the pandemic and the additional monetary stimulus the RBA has been able to deliver through rate cuts. Global developed equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, returned 11.7% over the quarter vs. a 5.7% increase in the unhedged index. The Australian Dollar appreciated against its developed market peers due to continuing global risk-on sentiment, ending the quarter buying 76.9c USD, up from 71.6c at the start of the quarter. Emerging markets measured by the MSCI Emerging Markets AUD Index returned 11.2%.

The domestic and international listed property sectors returned strongly over the quarter. The domestic listed property sector returned 13.2% but global listed property lagged, returning 10.6%, as measured by the S&P/ASX 300 A-REIT Index and the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index respectively.

Global bond yields reached record lows during the COVID-19 pandemic but increased during the December 2020 quarter. Domestic yields, as measured by the Australian 10 year government bond yield rose 18bps, leaving yields at 97bps, compared to 137bps 12 months prior. International yields followed a similar path, with US 10 year yields rising 23bps. A further tightening in credit spreads helped to offset some of the rise in yields, resulting in a -0.1% return for the Bloomberg Ausbond Composite 0+ Yr Index. International fixed interest markets, as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged index returned 0.8%.

Over the quarter funds with higher allocations to growth assets outperformed those with a higher allocation to defensive assets, due to equity markets outperforming fixed interest assets.

Asset allocation ranges

Asset class	Investment managers	SAA ranges %
Equity – Australian	BlackRock; FIL Limited; First Sentier Investors Realindex; Nikko AM; Pental; Platypus; Solaris; Vinva	0 – 31
Equity – International	Ardevora; BlackRock; First Sentier Investors Realindex; Hermes; Pental; River & Mercantile; T.Rowe Price; Wellington	0 – 31
Property – Australian and International Listed	BlackRock; Heitman; Pental; Principal	0 – 20
Unlisted Infrastructure	First Sentier Investors	0 – 17
Fixed Income – Australian	AMP; Janus Henderson; Pental	2 – 42
Fixed Income – International	Kapstream; Mellon; PIMCO; TCW; TwentyFour; Wellington; Western	7 – 47
Other – Growth & Defensive Alternatives	Angelo, Gordon & Co.; BlackRock; CVC Credit Partners; ICG; PIMCO; Wellington	0 – 22
Commodities – International Listed	Janus Henderson	0 – 6
Cash	BlackRock; Pental	0 – 34

Footnotes

1. The Management Costs included in this fact sheet are inclusive of the Management Fee and any Performance Fees and includes the effect of GST (net of RITC). They do not include other indirect costs. Refer to the Product Disclosure Statement and online disclosures for further information.
2. Past performance is not a reliable indicator of future performance. Performance returns are calculated net of management fees and costs. Growth and Distribution returns may not equal the Total Net return due to rounding.
3. Allocations may not equal 100% due to rounding.

For more information

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The information in this document has been prepared by BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 ('BTFM').

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BTFM is the responsible entity of the BT Wholesale Multi-manager Conservative Fund, ARSN 098 405 479 ('Fund'). A Product Disclosure Statement ('PDS') is available for the Fund and can be obtained by calling the Contact Centre on 132 135, or visiting www.bt.com.au. The Financial Services Guide ('FSG') for BTFM can also be obtained via the Product Disclosure Statement page on www.bt.com.au. Any retail client should obtain and consider the PDS for the Fund and the FSG before deciding whether to acquire, continue to hold or dispose of units in the Fund.

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