



Investment
Management

19 March 2018

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Investor Number: [Investor No]

Dear Investor,

Important Notice

Changes to the BT Wholesale European Share Fund (APIR: BTA0124AU, ARSN: 087 594 429)

We are writing to notify you of some important changes relating to the BT Wholesale European Share Fund (**Fund**).

What is the change?

Following a review, J O Hambro Capital Management Limited (**JOHCM**) will replace MFS International (U.K.) Limited (**MFS**) as the investment manager of the Fund. This change will take place on or around 23 April 2018.

The Fund will continue to be an actively managed portfolio of European shares investing in companies listed in countries within the MSCI Europe (Standard) Index and opportunistically in companies domiciled outside Europe, from time to time.

Whilst both MFS and JOHCM utilise a bottom up, fundamental stock selection process with a focus on value and high quality businesses, JOHCM adopts a more active approach to portfolio construction. JOHCM's investment process for European shares is a high conviction, contrarian approach that seeks to identify companies they believe to be undervalued in the near term but offer long term capital growth.

The JOHCM strategy is also benchmark agnostic, meaning that the benchmark's weights are not used as a reference point during portfolio construction. With JOHCM's investment approach being less constrained by the benchmark than MFS, they are able to focus on risk-adjusted returns rather than benchmark relative returns. As a result, JOHCM will build a more concentrated portfolio (typically between 20-25 stocks) reflecting their best investment ideas.

Why do we think the change in manager will be a better outcome for investors?

We believe that JOHCM's more active and benchmark agnostic approach to portfolio construction will deliver an improved investment outcome to investors compared to the more benchmark aware approach of MFS.

What will be staying the same?

The Fund's investment return objective will stay the same: *'The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI Europe (Standard) Index (Net Dividends) in AUD over the medium to long term.'*

We believe it is important for investors to be able to continue to measure and compare the Fund's performance against the market even though the JOHCM strategy is benchmark agnostic.

There will also be no changes to the Fund's management costs of 1.00% pa and buy-sell spread of 0.30%.

About J O Hambro Capital Management Limited

JOHCM is a boutique investment firm with investment offices in London, Singapore, New York and Boston and is a wholly owned subsidiary of BT Investment Management Limited.

JOHCM actively manages a range of different global and regional equity investment strategies. As at 31 December 2017, JOHCM has £31.3bn of assets under management across 23 equities strategies covering UK, US, Europe, Japan, Asia ex Japan, global and emerging markets. Over 85% of JOHCM's strategies are currently ranked within the top quartile of their respective industry peer groups.

What do you need to do?

No action is required. You will be able to continue to invest or withdraw from the Fund.

An updated Product Disclosure Statement (**PDS**) reflecting the change in investment manager will be available on www.btim.com.au in early May 2018. If you would like a hard copy of the PDS, please contact BT Customer Relations.

If you have any questions about your investment or would like further information regarding the manager change, please contact BT Customer Relations on 1800 813 886 (for Australian investors) or +612 8220 7120 (for overseas investors including New Zealand) from Monday to Friday, 8.00am and 5.30pm (Sydney time) or speak to your financial adviser.

Yours sincerely,



Joanne White
Head of Client Services
BT Investment Management Limited