



Financial
Group

BT Investment Management



The BT Interview series:
The Aussie Market Outlook with Crispin Murray

Crispin Murray – Head of Australian Equities

Martin Franc – Head of Sales, BT Investment Management

Current Australian Market Outlook

“ How long do you expect this momentum to continue in the Australian Market? ”

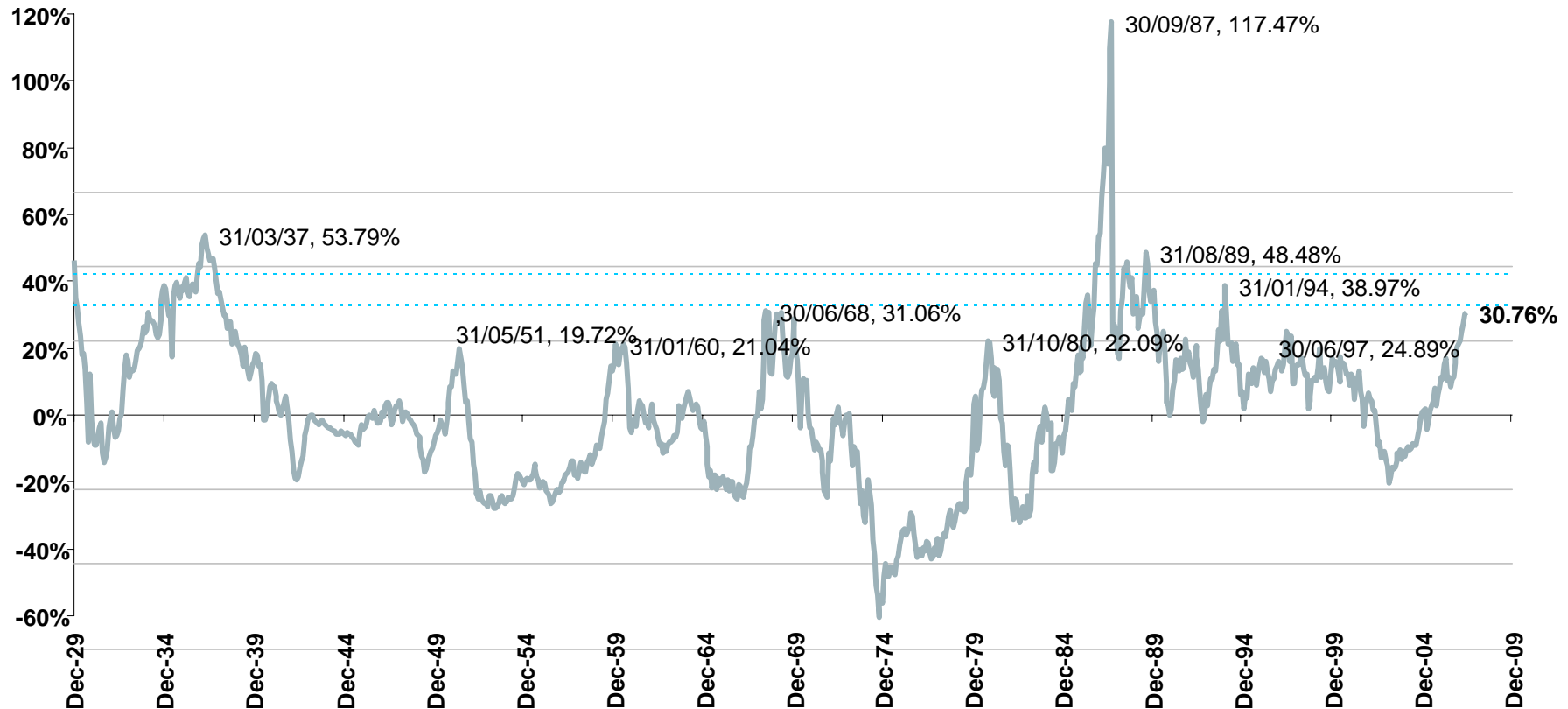
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Q&A

Bull market significant in historic context...

All-Ords Accum Index: Non-Linear Regression Model

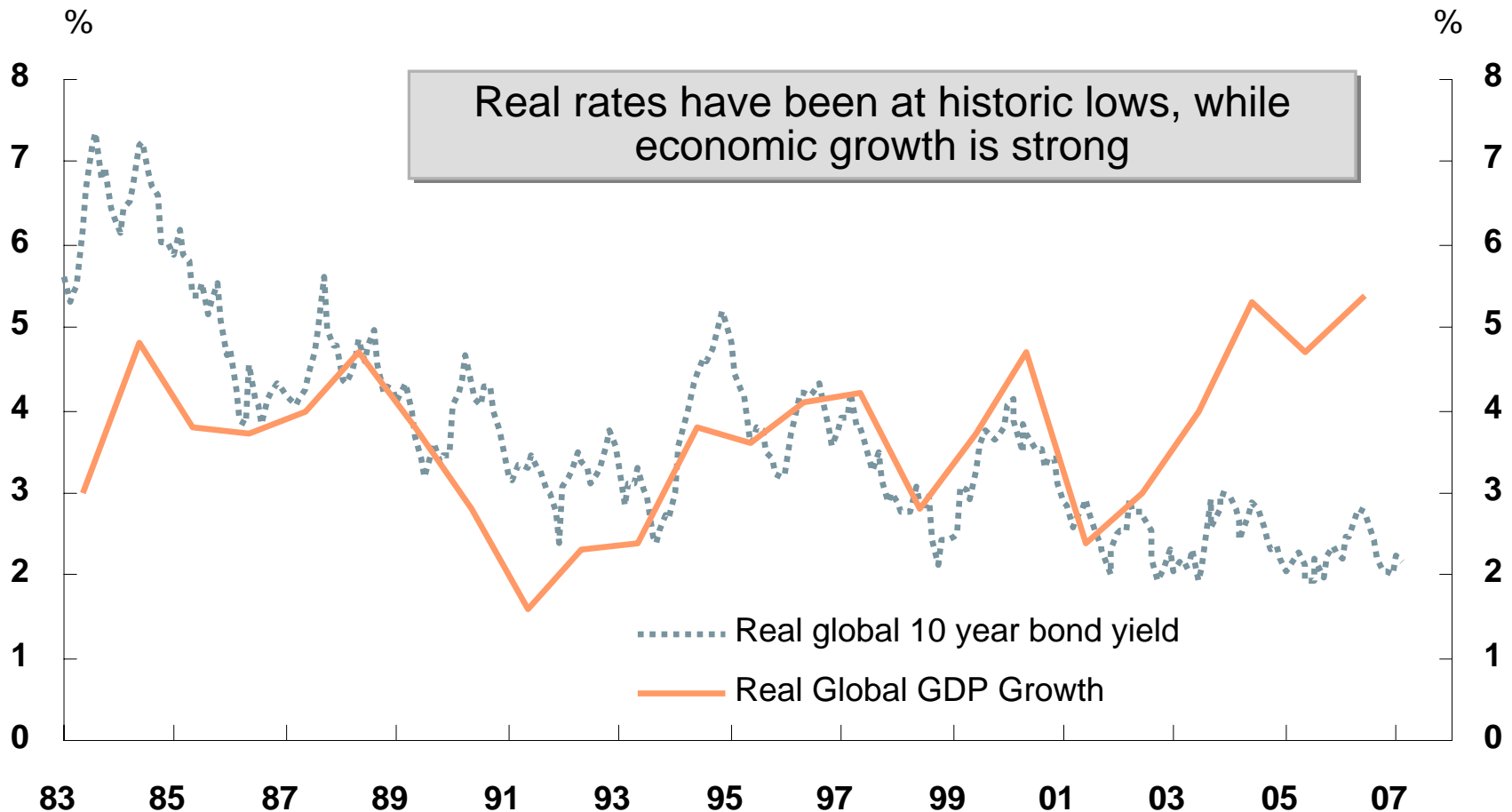
Average level of over-valuation from 9 previous blow-offs since 1929 is 41.95%. Average of previous 8 (excluding Sep-1987) 32.50%.



Key market drivers - Globalisation

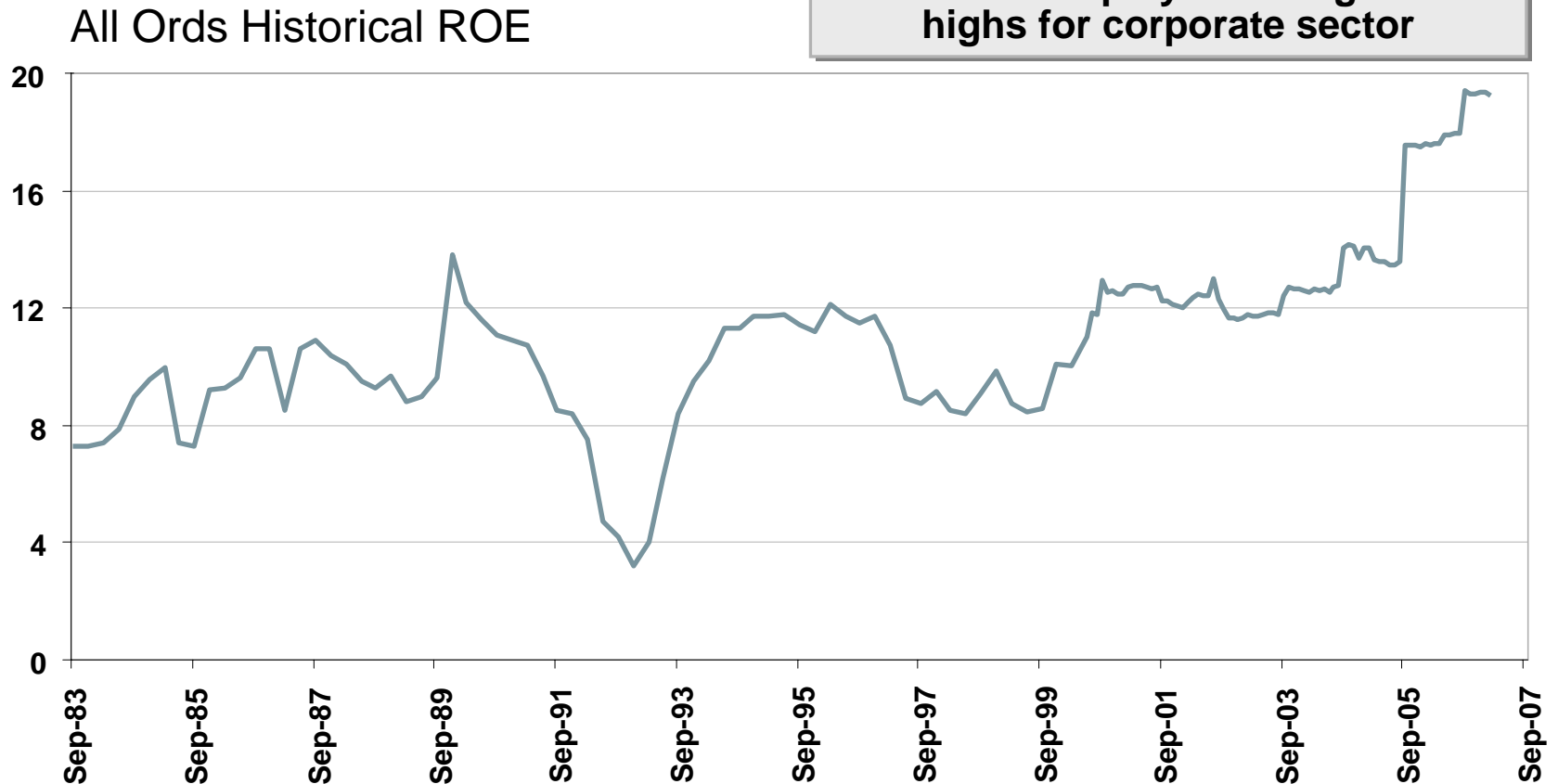


Key market drivers - Low real rates



Impact = Rising corporate returns

Returns on equity reaching record highs for corporate sector

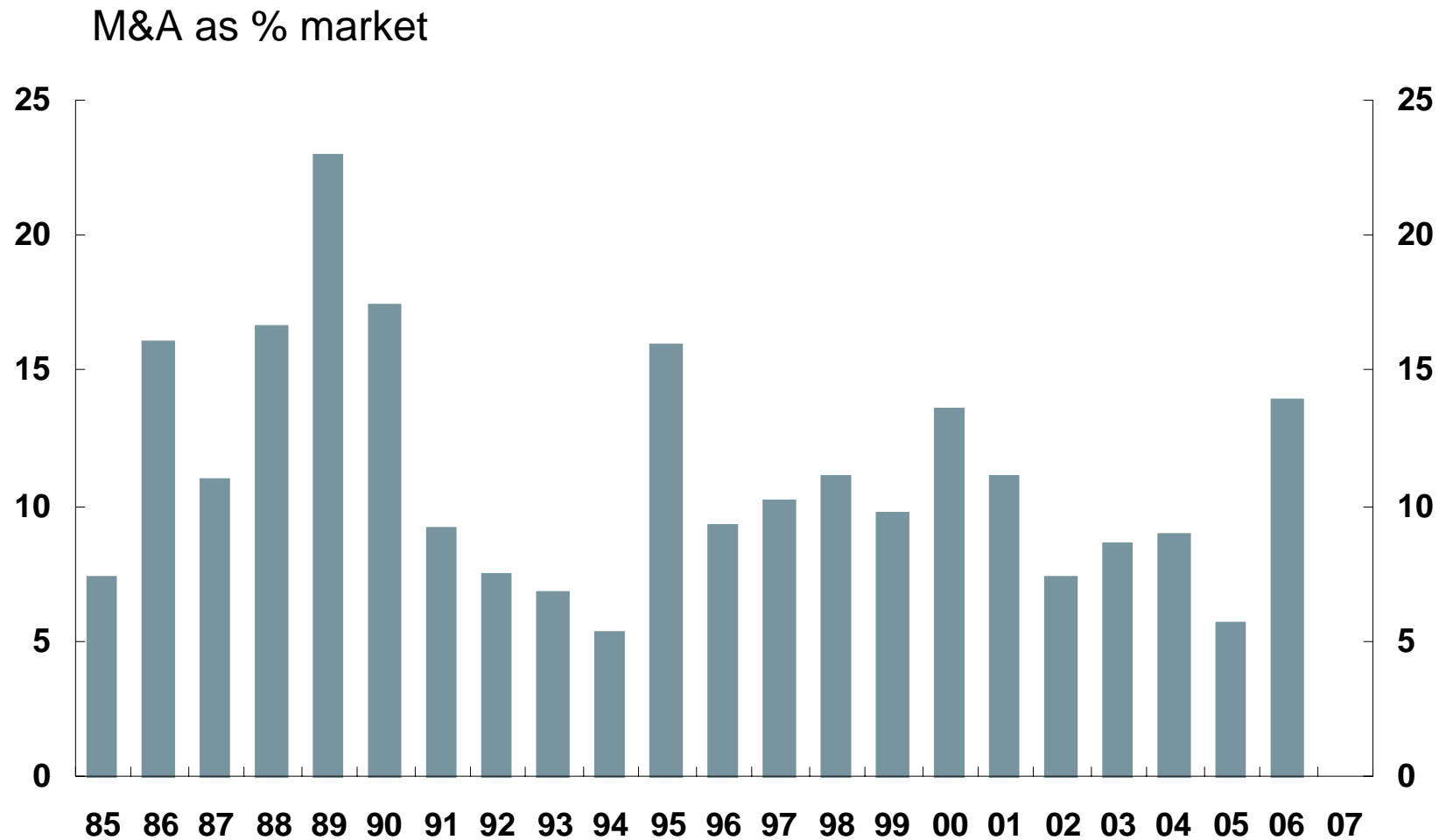


“ What has been the impact of M&A activity on the portfolio? ”

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...as does the M&A boom



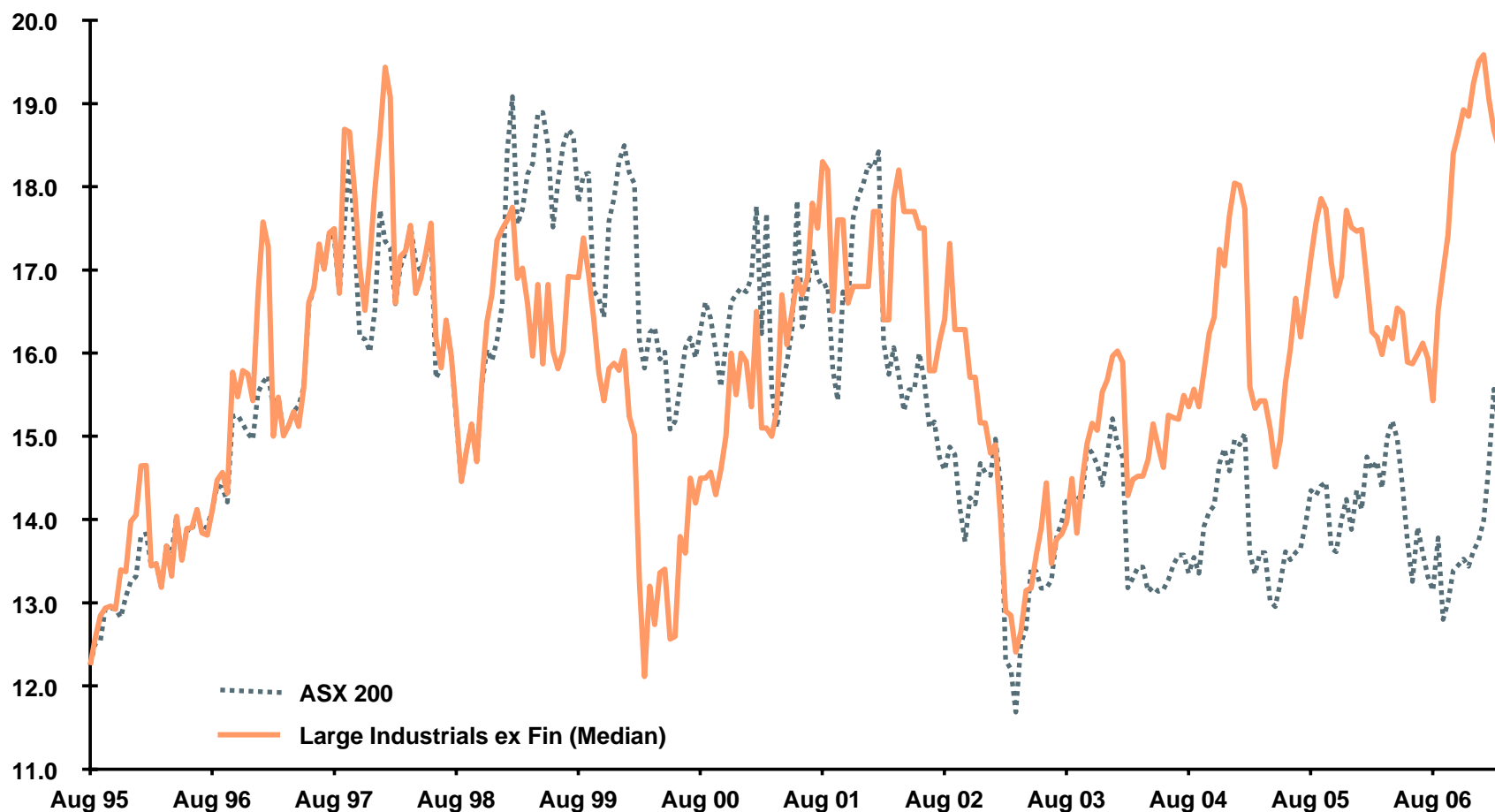
“ What is your view on current
P/E valuations? ”

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Q&A

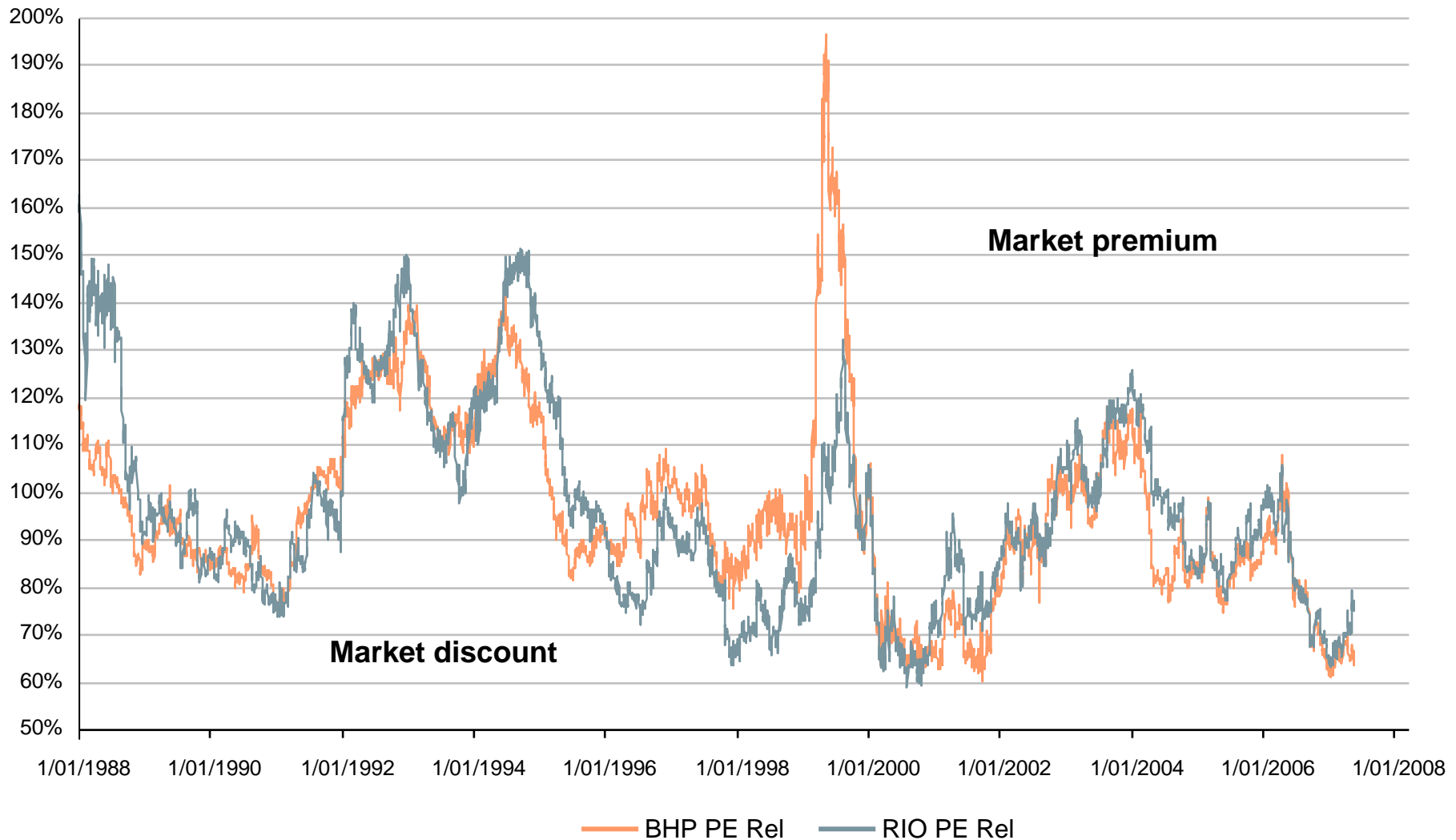
P/E valuations - market

Absolute PER Chart - ASX 200 versus Large Industrials ex Financials Median PER



Source: IRESS

On a PE relative resources look cheap



“ What stocks have been impacted by
the rising Aussie Dollar / declining
US Dollar? ”

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Q&A

“ How has the recent flood of
superannuation impacted markets? ”

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“ **How have BT Australian Equity funds performed in recent months?** ”

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Q&A

How have BT Australian Equity funds performed in recent months?

June 2007	6 Months %	Active return %	1 year %	Active return %	3 year %	Active return %	5 year %	Active return %
BT Focus Australian*	11.17	-1.78	31.91	2.70	-	-	-	-
BT Imputation Fund	14.05	1.10	33.45	4.24	31.71	5.31	23.86	4.54
BT Core Australian	12.48	-0.47	26.46	-2.75	28.04	1.64	21.06	1.73
S&P/ASX 300	12.9	-	29.2	-	26.4	-	19.3	-



Source: BT Financial Group

Performance is before fees/before tax as at 30 June 2007

Past performance is not an indicator of future performance

* Focus Fund Inception: 1/4/2005

“ What have been your best stock picks and the main detractors from performance? ”

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“ What sectors/stocks do you feel will be the best performers over the next 12 months? ”

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Q&A

“ Are there any new developments in your team structure? ”

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Q&A

BT Investment Management: People

Large Cap

Crispin Murray	(4/16)		
Tim Barker	(15/24)	Glynn Meth	(15/23)
Misha Collins	(4/13)	Andrew Waddington	(8/20)
Jack Chemello	(4/10)	Sondal Bensen	(8/8)
Ashley Smith	(5/11)	Oliver Renton	(3/3)

Small Cap

Paul Hannan	(7/14)
Noel Webster	(2/13)
Patrick Teodorowski	(2/2)
Oliver Coulon	(1/2)

Property

Peter Davidson	(12/22)
Cynthia Hardy	(1/5)
Daniel Moore	(1/1)

Quant

Simon Elimelakh	(9/16)
Rajinder Singh	(5/5)
John Foundas	(1/3)
Cameron Fouladi	(1/10)

Dealing

Brett Backhouse	(16/16)
Jason Hooker	(15/15)
Simon Hammer	(5/7)

“ With the growth in BT’s funds under management, what disciplines are we exercising in managing capacity? ”

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Q&A

“ What’s on the radar regarding new products? ”

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Q&A

For more information:

A link to today's webcast will be sent to you later this week for you to access on demand.

For more information:

- Please contact your business development representative
- Call BT on 132 135
- Visit BT at www.bt.com.au

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