

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

BT INVESTMENT MANAGEMENT LIMITED

ABN

28 126 365 822

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares

Converting notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 107,906,977 million ordinary shares pursuant to the entitlement offer

Approximately 18 million converting notes to be issued in connection with the proposed acquisition

(as described in the replacement prospectus dated 18 August 2011 (Prospectus)) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares.

3 classes of converting notes on the terms described in annexure A. |

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<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>New shares (including upon conversion) will rank pari passu with all other fully paid ordinary shares on issue</p>						
<p>5 Issue price or consideration</p>	<p>A\$2.15 per share</p> <p>A\$2.32 per converting note</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose is to raise funds to be used to partly fund the cash consideration for the acquisition of J O Hambro Capital Management</p> <p>The purpose of the issue of converting notes is part consideration for the acquisition and part incentive arrangements for investment managers and employees of J O Hambro Capital Management</p>						
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>20 September 2011 in respect of shares issued under the entitlement offer</p> <p>Various dates in respect of the converting notes (see annexure A)</p>						
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table> <tr> <th data-bbox="695 1648 991 1693">Number</th><th data-bbox="991 1648 1283 1693">⁺Class</th></tr> <tr> <td data-bbox="695 1693 991 1760">267,906,977</td><td data-bbox="991 1693 1283 1760">Ordinary shares</td></tr> <tr> <td data-bbox="695 1760 991 1915">Approximately 18, 000,000</td><td data-bbox="991 1760 1283 1915">Converting notes</td></tr> </table>	Number	⁺ Class	267,906,977	Ordinary shares	Approximately 18, 000,000	Converting notes
Number	⁺ Class						
267,906,977	Ordinary shares						
Approximately 18, 000,000	Converting notes						

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		Not applicable	Not applicable

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	As per existing fully paid ordinary shares
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Yes, shareholder approval under the constitution is required but not otherwise
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12	Is the issue renounceable or non-renounceable?	Non-renounceable in respect of the new shares, although entitlements not taken up were offered for sale in a shortfall bookbuild process to eligible institutional investors Not applicable in respect of the converting notes
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13	Ratio in which the ⁺ securities will be offered	4 new shares for every 5 existing shares held Converting notes will convert on a 1 for 1 basis, subject to adjustments (see annexure A)
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14	⁺ Class of ⁺ securities to which the offer relates	Ordinary shares Converting notes
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15	⁺ Record date to determine entitlements	24 August 2011 in respect of the new shares Not applicable in respect of the converting notes
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
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+ See chapter 19 for defined terms.

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17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the next whole new share
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	9 September 2011 in respect of the new shares
20	Names of any underwriters	Macquarie Capital (Australia) Limited (ABN 79 123 199 548), UBS AG, Australia Branch (ABN 47 088 129 613) in respect of the Entitlement Offer
21	Amount of any underwriting fee or commission	A maximum fee of A\$2,900,000 depending on the success of the capital raising
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not applicable
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	26 August 2011

⁺ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	⁺ Despatch date	20 September 2011

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

⁺ See chapter 19 for defined terms.

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- | | | |
|----|--|-----------------------|
| 38 | Number of securities for which +quotation is sought | Not applicable |
| 39 | Class of +securities for which quotation is sought | Not applicable |
| 40 | <p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>Not applicable</p> |

+ See chapter 19 for defined terms.

41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable	
42	<p>Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the securities in clause 38)</p>	Number	⁺ Class
		Not applicable	Not applicable

⁺ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 20/9/2011

Print name:

Christopher Millard

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+ See chapter 19 for defined terms.

Annexure A

CONVERTING NOTES AS PART CONSIDERATION

The Company will, upon completion of the acquisition, issue converting notes (the "Converting Notes") to certain of the vendors as part of the consideration due to them. The principal terms of these converting notes are as follows:

Terms of issuance and rights of noteholders

- The Converting Notes will be unsecured, mandatorily converting notes and have a face value equal to the theoretical ex-rights price following the Entitlement Offer, less any returns of capital.
- Noteholders will be entitled to receive a coupon payment equal to the amount of any dividend that would have been payable to the noteholders on any applicable dividend payment date if the Converting Notes had been converted into shares immediately prior to the relevant record date, together with such additional amount as is required to give the noteholders the same after-tax return as if it had been a payment of a dividend.
- Converting Notes will not confer on any noteholder an entitlement to vote at a general meeting of the Company and will constitute subordinated obligations of the Company. No interest will accrue on the Converting Notes.
- Converting Notes will only be transferrable with the consent of the board of directors of the Company. Shares issued upon conversion of converting notes the "Conversion Shares") will not be subject to any restriction on transfer or disposal.

Conversion of notes

- Converting Notes will convert on a 1 for 1 basis subject to an increase in respect of bonus share issues or an adjustment for a reorganisation, or cessation of the noteholder's employment with J O Hambro Capital Management.
- Subject to the Company being in a "blackout period" (as defined in the Company's trading policies published from time to time in accordance with Listing Rule 12.9), in which case conversion will be delayed until the end of the blackout period, the Noteholder ceasing employment with J O Hambro Capital Management under certain circumstances or the Converting Notes having converted at an earlier time as a result of a change in control, the Converting Notes shall convert as follows:
 - 50% shall convert into shares on the third anniversary of issuance.
 - The remaining 50% shall convert into shares on the fourth anniversary of issuance.
- Notes of a noteholder who has ceased employment with J O Hambro Capital Management under certain circumstances will only convert after the fifth anniversary of issuance.
- Upon the announcement of any proposed change of control, all of the unconverted Converting Notes held by the noteholder at such time shall immediately convert into shares and rank equally with all other shares on issue.
- The Company will use best endeavours to obtain quotation of the Conversion Shares on the ASX as soon as practicable after the applicable conversion date and subject to being entitled to do so, shall issue a cleansing notice that complies with sections 708A(5) and 708A(6) of the Corporations Act as soon as practicable and in any event no later than 5 Business Days after issue of the Conversion Shares.

+ See chapter 19 for defined terms.

CONVERTING NOTES AS PART OF THE INCENTIVES ARRANGEMENTS

The Company also intends to issue certain converting notes to investment managers and employees of J O Hambro Capital Manager upon completion of the acquisition as part of their incentives arrangements. The terms of these converting notes are to be finalised prior to their issuance upon completion of the acquisition. The converting notes will be issued as follows:

Equity Fund Manager Incentive Scheme converting notes

- Fund managers who held entitlements in the existing Equity Fund Manager Incentive Scheme of J O Hambro Capital Management will receive converting notes on or shortly after completion of the acquisition.
- These converting notes will be subject to transfer restrictions and will convert over multiple years.
- During the period up until conversion, fund managers will be entitled to receive an amount equivalent to dividends paid by the Company.
- If there is a change of control in relation to the Company, the acceleration of any rights to shares shall be at the discretion of the board of directors of the Company.

Employee equity converting notes

- Following completion, employees with at least 12 month service will be issued converting notes, whose conversion will be subject to a performance condition linked to the growth in operating earnings of J O Hambro Capital Management (excluding performance fees) over multiple years.
- These converting notes will convert over multiple years.
- The J O Hambro Capital Management Chief Executive Officer will be issued additional converting notes which shall vest on the fifth anniversary of the date of grant provided that growth in operating earnings of J O Hambro Capital Management (excluding performance fees) exceeds a pre-determined level over the multi-year period.
- If there is a change of control in relation to the Company, the acceleration of any rights to shares shall be at the discretion of the board of directors of the Company.
- During the period of until conversion, the converting notes will be subject to transfer restrictions.
- If the performance conditions are not met, the converting notes will be forfeited.
- If an employee ceases employment with J O Hambro Capital Management other than in certain circumstances, the converting notes will be forfeited.

+ See chapter 19 for defined terms.