

Goldman Sachs Emerging Companies Conference 2012

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Agenda

1. BTIM History
2. Multi-Boutique Model
3. BTIM Strategy
4. FUM and Fund Performance
5. 1H12 Financials
6. Questions

1. BTIM History

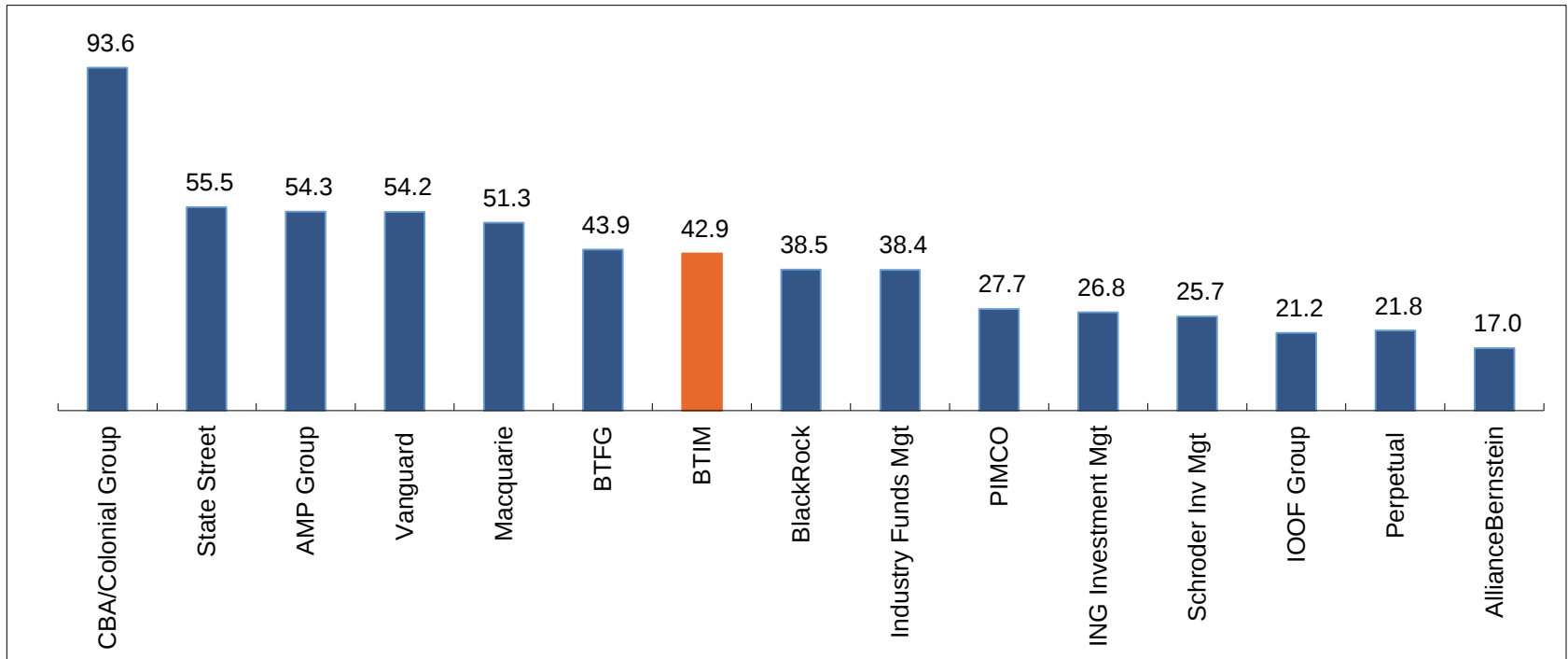
Brief History of BT Investment Management (BTIM)

- 1984 – BT entered the retail funds management history in Australia
- 1998 – Deutsche Bank bought Bankers Trust and its subsidiaries
- 1999 – DB sold BT Australia to Principal Financial Group
- 2002 – Westpac acquired Rothschild Asset Management
- 2002 – Westpac acquired BT Financial Group
 - The BTIM business represents the combination of three different businesses – the investment management business of BT Financial Group, Rothschild Australia and Westpac Investment Management
- 2007 – BTIM is listed on the Australian stock exchange
 - Westpac maintained a c.60% shareholding with 40% floated
- 2011 – BTIM acquired 100% of JO Hambro Capital Management, a UK boutique fund manager
- 2012 – Current Market Capitalisation* approximately A\$575m

*As at 9 May 2012

BTIM leading funds management business with highly recognised “BT” brand in Australia & “JO Hambro” in UK

Industry Positioning by FUM (\$M)¹

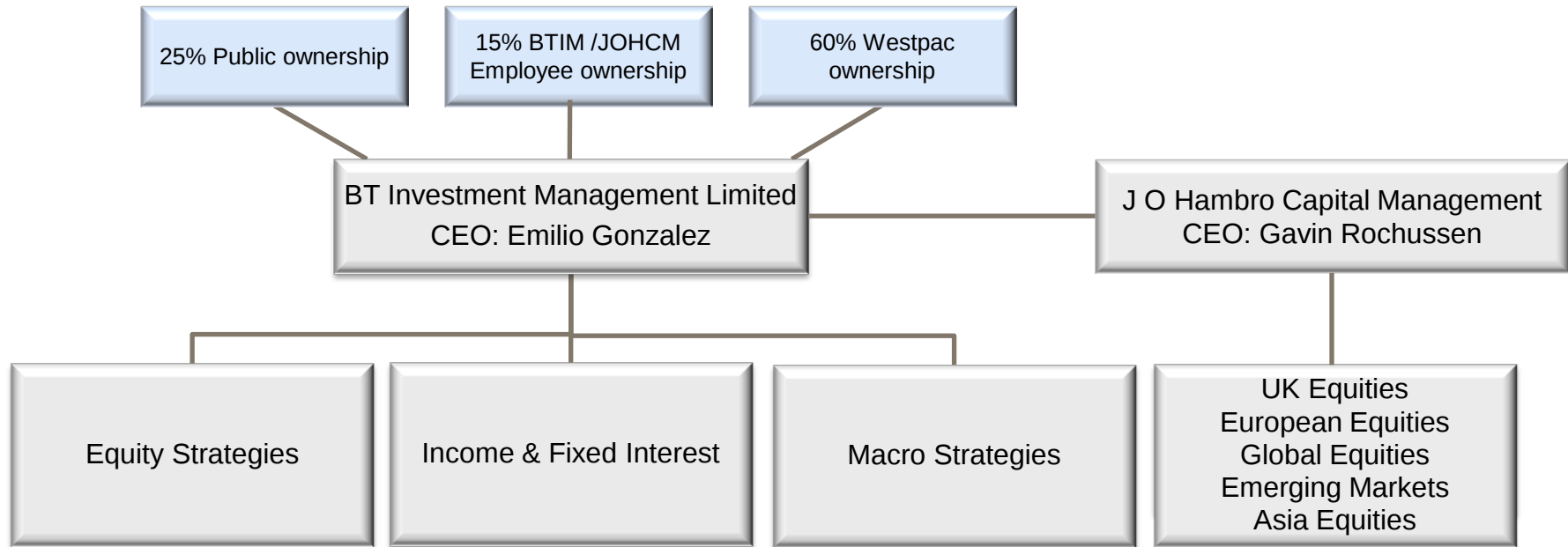


→ 7th largest funds management business in Australia

¹Morningstar Market Share Quarterly Report, as at December 2011
BTIM figures as reported to the ASX

2. Multi Boutique Model

BTIM - Culture of independence and staff ownership



- Separately listed with independent Board of Directors → Stock code: BTT
- Pure investment management firm of 217 staff → 126 at BTIM (Australia) and 91 at JOHCM (UK)
- Equity participation and boutique profit share provides alignment of interests



Boutique structure attracts and retains highest calibre investors

Note: Ownership percentages on a fully diluted basis including converting notes issued to JOHCM staff

Multi boutique model - overview

- Fund managers focused on running portfolios with support areas the responsibility of the corporate
- Rewards for success with equity that is 'real'
- Common equity promotes collaboration and success of each boutique
- Uncapped profit share arrangement
- Boutiques benefit from single platform, institutional grade support, balance sheet, brand and distribution
- Creates performance lead culture
- Clear alignment between clients, PM's and shareholders

3. BTIM Strategy

BTIM strategy

Three core strategy objectives

1. Grow our exposure to the wholesale channel
2. Leverage our competitive advantage from being part of The Westpac Group
3. Build out our boutique model to attract and expand into other investment capabilities that provide growth and diversification to our business
 - JOHCM most important initiative in delivering on this objective

What is Wholesale and why is it important

Wholesale

- Represents fund flow through intermediaries such as platforms and IFA's
- Market segment is approximately \$250Bn¹ in size
- BT brand is strong
- Higher margin business
- Exposed to legislated superannuation market, particularly SMSF market through financial planners
- Have economies of scale given platform is already in place
- Current FUM of \$3.9Bn in this segment should be higher given our brand, position and product offering

Recent Initiatives

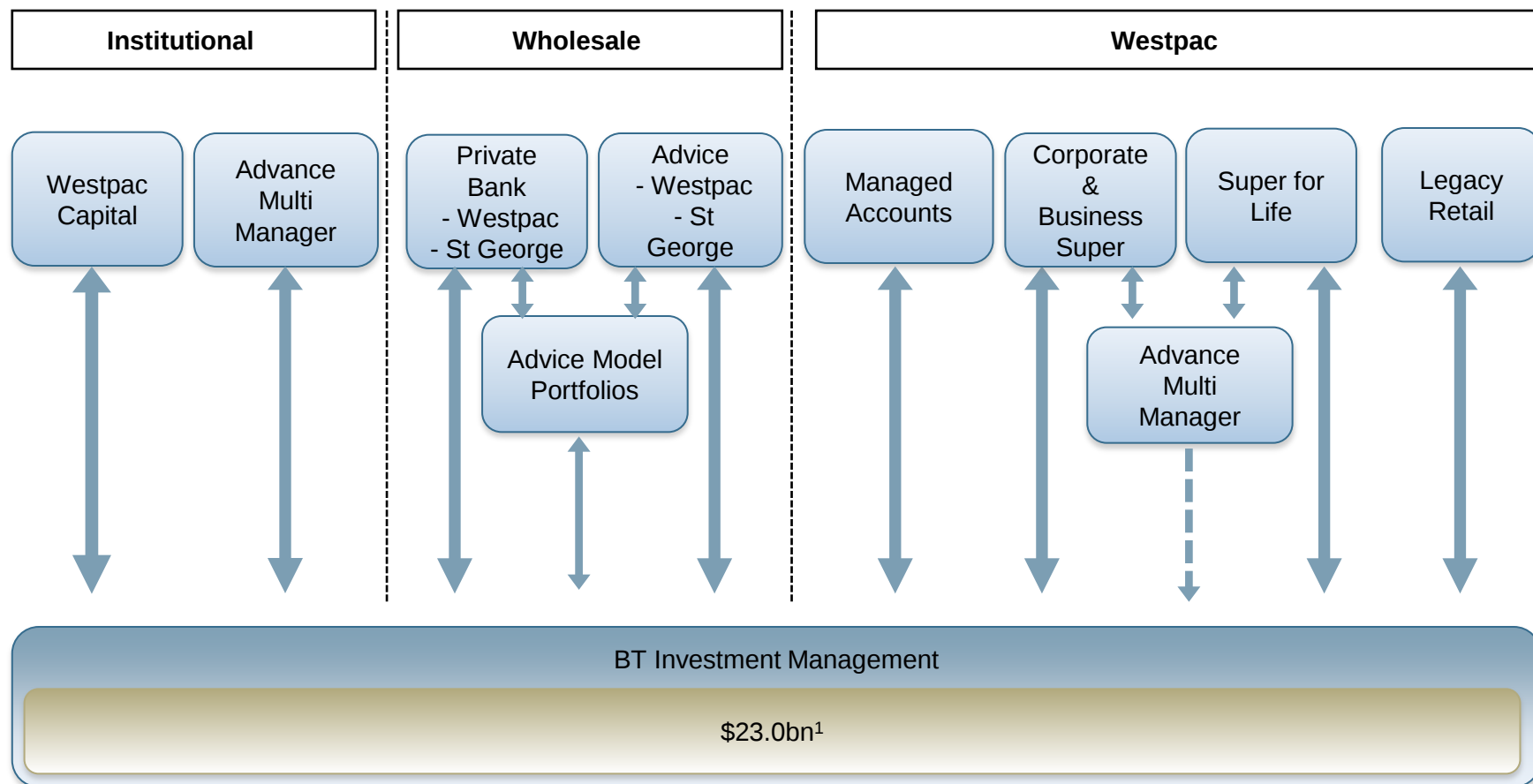
- Launched two new income products
- Launching Emerging Markets Fund
- Launched national roadshow for advisers
- Improved representation in model portfolios
- Improved ratings in cash, fixed income and diversified funds

Source: ¹ Plan for Life Quarterly Wholesale Funds Report, as at 31 December 2011

What is our relationship with the Westpac Group and why is it a strategic focus

- BT Financial Group is a significant player in Australian Wealth Management market
- Westpac/BTFG is the largest BTIM shareholder and largest client
- Work with different distribution channels across BTFG's wealth segment:
 - Institutional: mandates based on institutional type relationships
 - Wholesale: FUM arising from intermediaries/HNW clients
 - Legacy Retail: legacy book is off platform and in structural decline
 - Other: includes superannuation and managed accounts
- Competitive advantage as relationship provides access to adviser networks, private client businesses, multi-manager products, corporate and retail super across BTFG
- BTIM required to deliver on investment performance, client service, and competitive product offerings

The Westpac Group relationship



Source: ¹BTIM - as at 31 March 2012

BTIM strategy : Building out our multi-boutique model

JOHCM Acquisition (GBP 209m or AUD 325m) – October 2011

Attractiveness to BTIM

→ Similar philosophy and culture

- Active equity management
- Client and investment performance focused
- Culture attracts and retains investment talent
- Investment independence

→ Aligned business model

- Separate investment teams share common platform
- Teams rewarded on the success of their own funds
- Alignment through equity ownership

→ Value creation

JOHCM acquisition – Benefits to BTIM

JOHCM acquired to drive growth, increase margins and create a more diversified investment management business with two powerful brands

→ **Drives growth**

- High growth business
- Broad range of strategies with significant capacity
- New markets and clients

→ **Increases revenue margins**

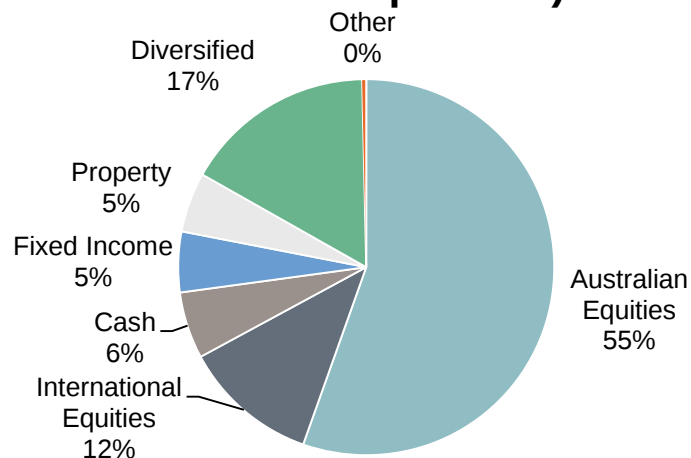
- Access to higher margin business

→ **Enhances diversification**

- By revenue, asset class and clients

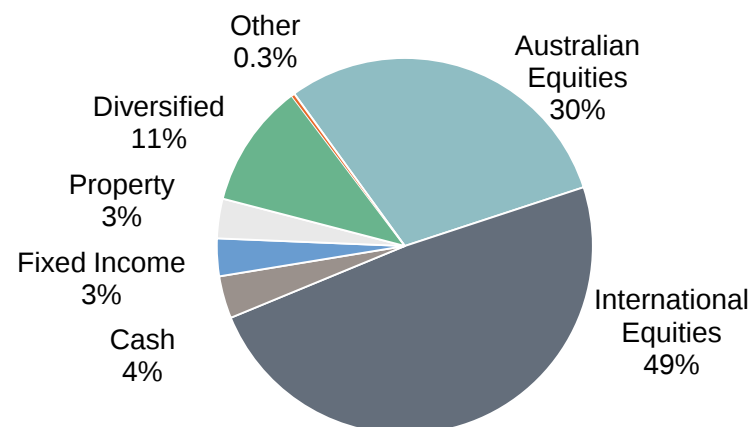
BTIM Group – a diversified business

Fee revenue by asset class (pre-JOHCM acquisition)



FY11	A\$m
Australian Equities	68.7
International Equities	14.5
Cash	7.1
Fixed Income	6.5
Property	6.4
Diversified	20.4
Other	0.4
Total	123.9

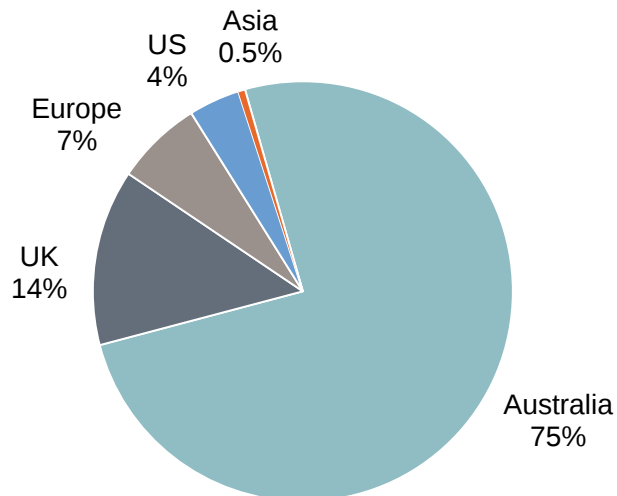
Fee revenue by asset class (post-JOHCM acquisition)



1H12	A\$m
Australian Equities	26.8
International Equities	43.8
Cash	3.3
Fixed Income	2.9
Property	3.0
Diversified	9.6
Other	0.2
Total	89.6

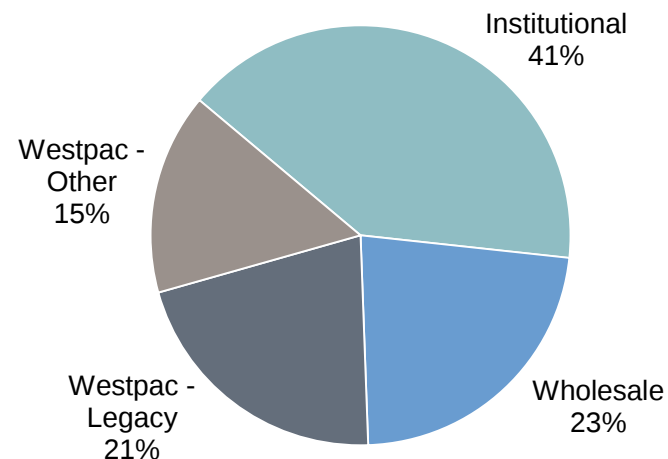
BTIM Group – a diversified business

FUM by client domicile



31 Mar 2012	A\$bn
Australia	34.5
UK	6.2
Europe	3.1
US	1.8
Asia	0.2
Total	45.8

FUM by channel

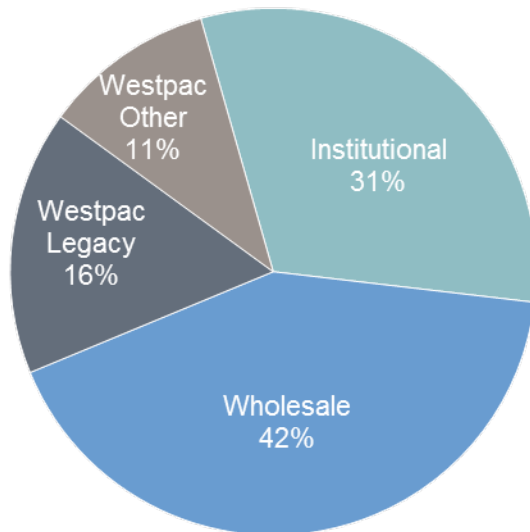


31 Mar 2012	A\$bn
Institutional	18.6
Wholesale	10.4
Westpac – Legacy	9.7
Westpac – Other	7.1
Total	45.8

BTIM Group – a diversified business

Group fee revenue by channel

1H12 fee revenue: \$89.6m



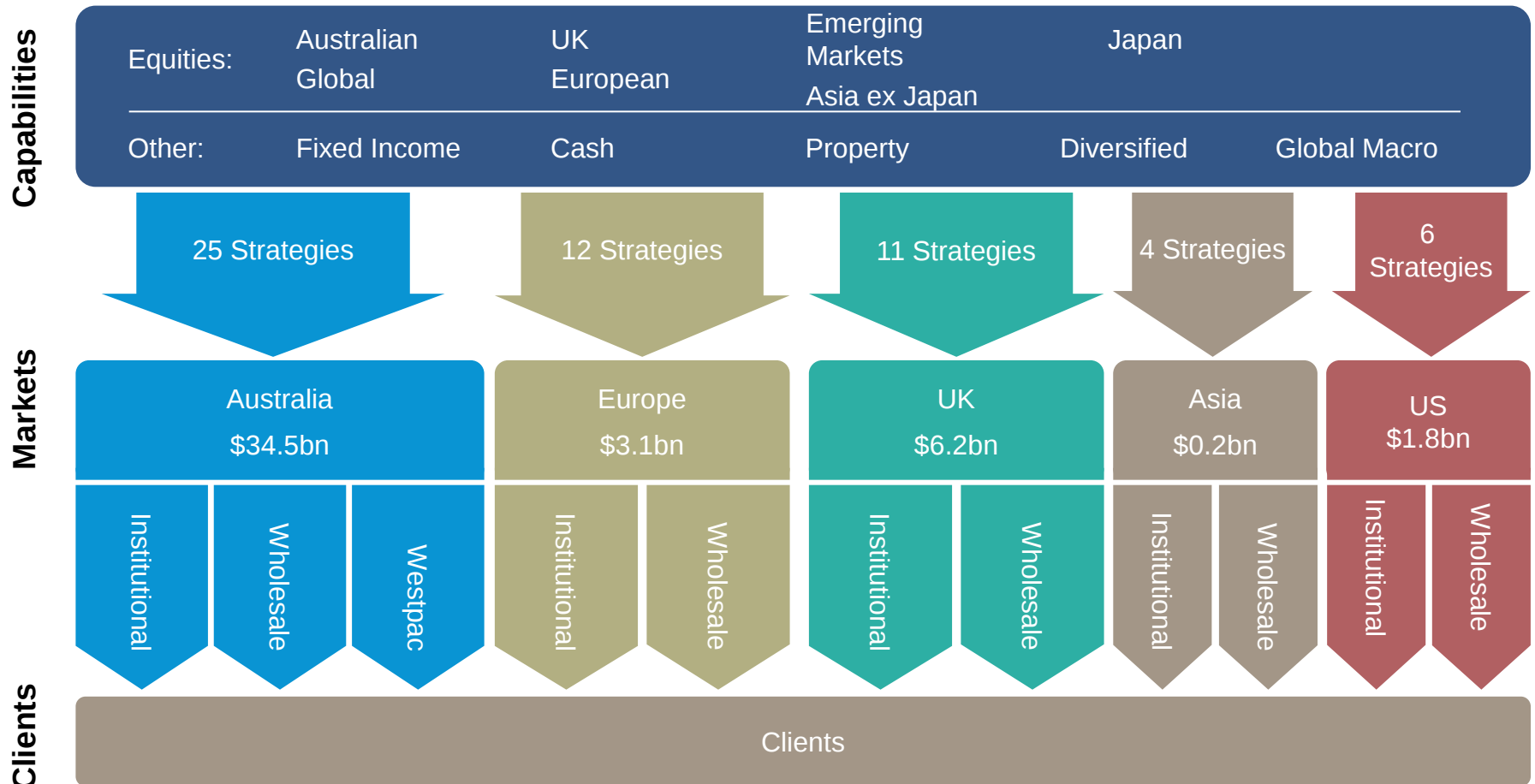
Fee margins by channel¹

1H12 fee margin: 0.39%

	BTIM	JOHCM
Institutional	0.22%	0.57%
Wholesale	0.73%	0.67%
Westpac – Legacy	0.31%	-
Westpac – Other	0.27%	-
Total	0.31%	0.62%

¹ Fee margins exclude performance fees

BTIM strategy



4. FUM and fund performance

FUM flows by asset class (6 months ended 31 March 2012)

	30-Sep-11	Net	Market	FX	31-Mar-12
\$bn	Closing FUM	Flows	Performance	Impact	Closing FUM
Australian Equities	12.0	(0.8)	1.2	–	12.4
International Equities:					
Global	5.5	0.1	0.7	(0.1)	6.2
UK	3.9	(0.1)	0.5	(0.2)	4.1
Europe	2.4	0.1	0.3	(0.1)	2.7
Emerging Markets	0.6	0.3	0.1	(0.0)	1.0
Asia	0.7	0.0	0.1	(0.0)	0.8
Property	1.5	(0.0)	0.1	–	1.6
Cash	7.5	0.5	0.2	–	8.2
Fixed Income	3.7	(0.1)	0.2	–	3.8
Diversified	4.7	(0.1)	0.3	–	4.9
Other	0.1	(0.0)	(0.0)	–	0.1
Total FUM	42.6	(0.1)	3.7	(0.4)	45.8

→ Australian Equities outflows driven by one mandate loss and legacy book attrition

→ Strong emerging markets +\$300m and Global +\$250m flows in JOHCM being driven primarily through institutional demand

→ Cash inflows through the institutional channel but can be transactional in nature

Strong fund performance

Quartile rankings of top 20 funds by revenue

Fund	Quartile Performance ⁽¹⁾		
	1 Year	3 Year	5 Year
BT Wholesale Core Australian Share Fund	Q2	Q3	Q2
BT Wholesale Focus Australian Share Fund	Q3	Q2	Q3
BT Wholesale Imputation Fund	Q2	Q4	Q2
BT Wholesale Ethical Share Fund	Q3	Q4	Q3
BT Wholesale Australian Long Short Fund	Q1	Q2	N/A
BT Wholesale Smaller Companies Fund	Q1	Q2	Q2
BT Wholesale MicroCap Opportunities Fund	Q1	Q1	Q1
BT Wholesale Property Securities Fund	Q2	Q2	Q1
BT Wholesale Core Global Share Fund	Q2	Q2	Q3
BT Wholesale Global Property Securities Fund	Q1	Q1	Q1
BT Wholesale Active Balanced Fund	Q3	Q3	Q3
BT Wholesale Enhanced Cash Fund	Q1	Q2	Q2
JOHCM UK Equity Income Fund	Q2	Q1	Q1
JOHCM UK Opportunities Fund	Q1	Q2	Q1
JOHCM UK Growth Fund	Q4	Q2	Q2
JOHCM Continental European Fund	Q2	Q1	Q1
JOHCM European Select Values Fund	Q1	Q1	Q1
JOHCM Global Select Fund	Q3	Q2	N/A
JOHCM Global Emerging Markets Fund	Q2	N/A	N/A
JOHCM Japan Fund	Q1	Q3	Q1

(1) Performance is pre-fee, pre-tax.

Source: Lipper and Mercer fund rankings as at 31 March 2012.

Quartile rankings for BT Institutional funds have been shown where Wholesale fund rankings are not available.

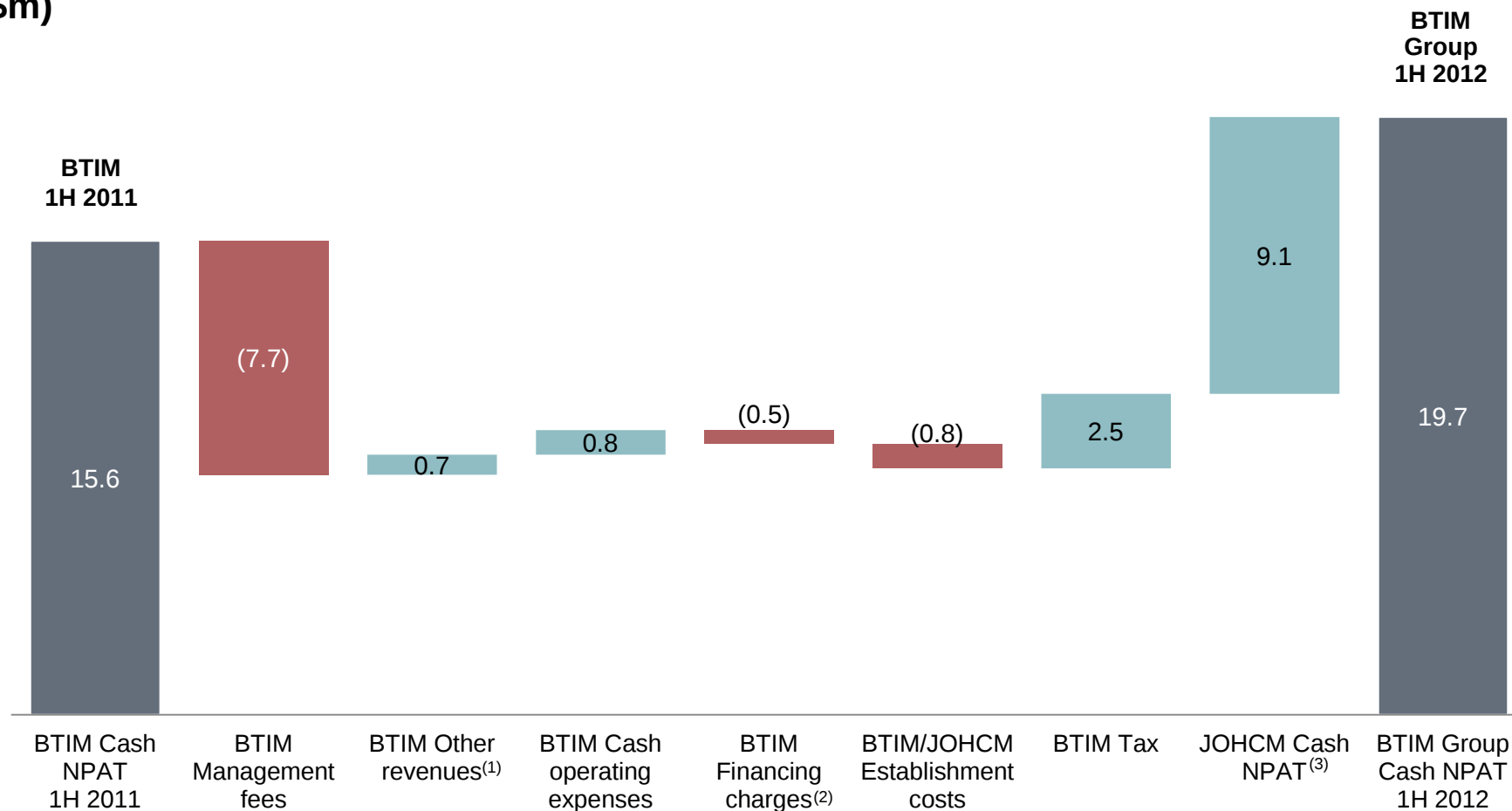
% of funds across quartile rankings



5. Financials

Cash NPAT

(\$m)



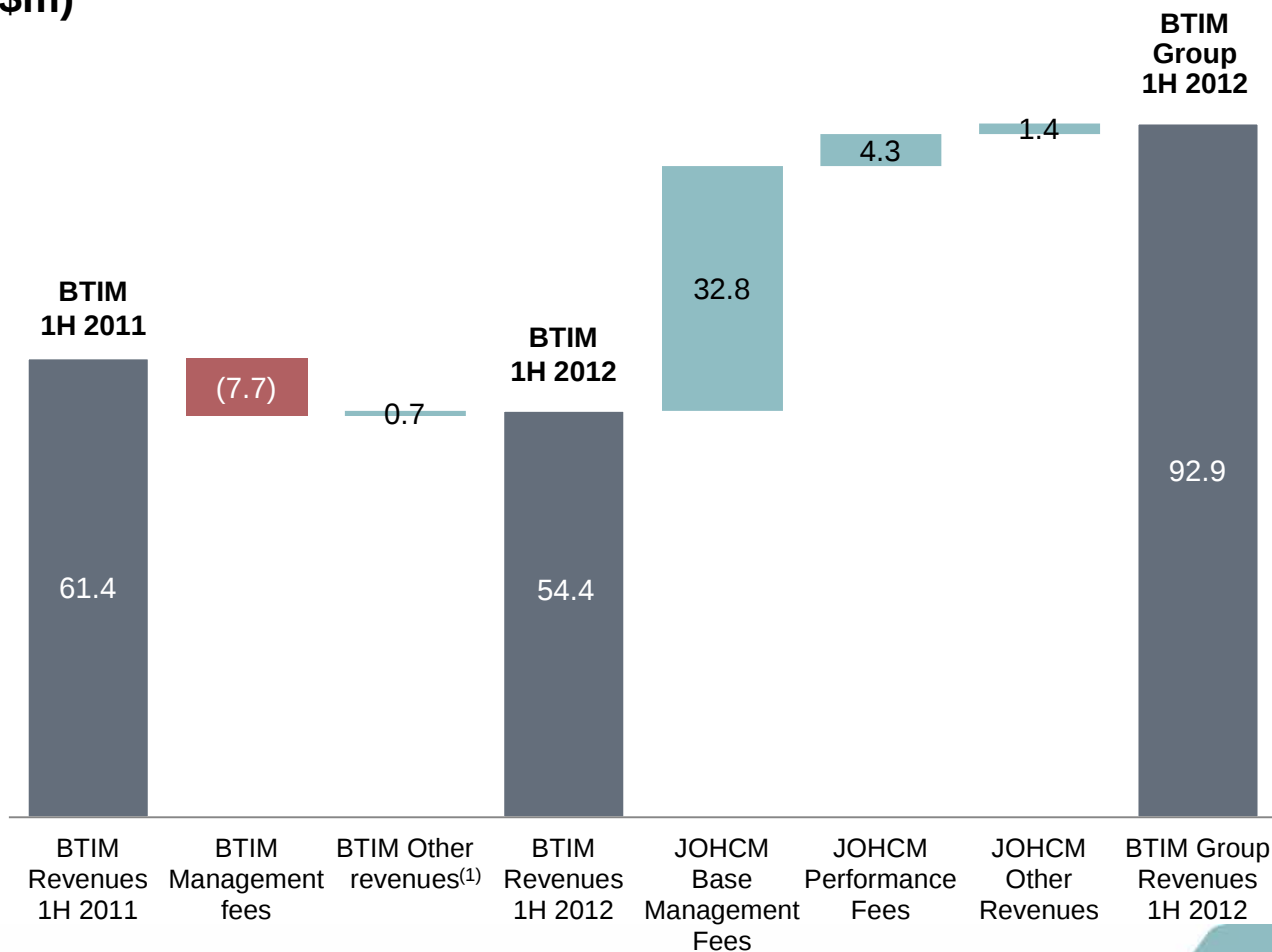
(1) Other Revenue includes interest revenue and net FX gains.

(2) Financing charges relate to interest on loan notes issued by BTIM as part of the JOHCM acquisition

(3) JOHCM Cash NPAT includes external financing with HSBC

Revenues

(\$m)

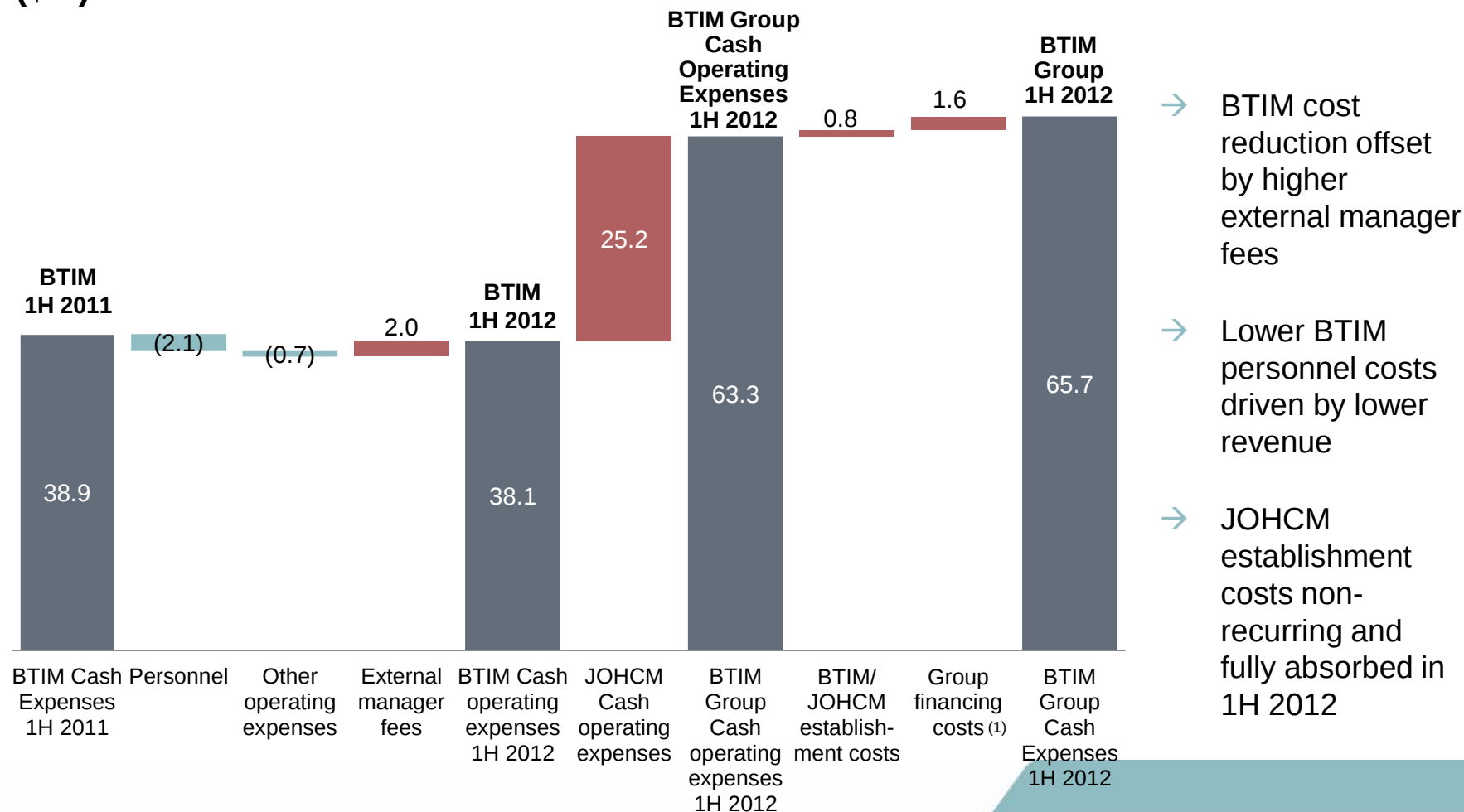


- BTIM revenues impacted by lower market level and prior year outflows
- Average All Ords down 11% from prior period
- JOHCM performance fees recognised at December driven by European Select Values, Continental European and UK Opportunities strategies

(1) Other Revenue includes interest revenue and net FX gains.

Cash expenses

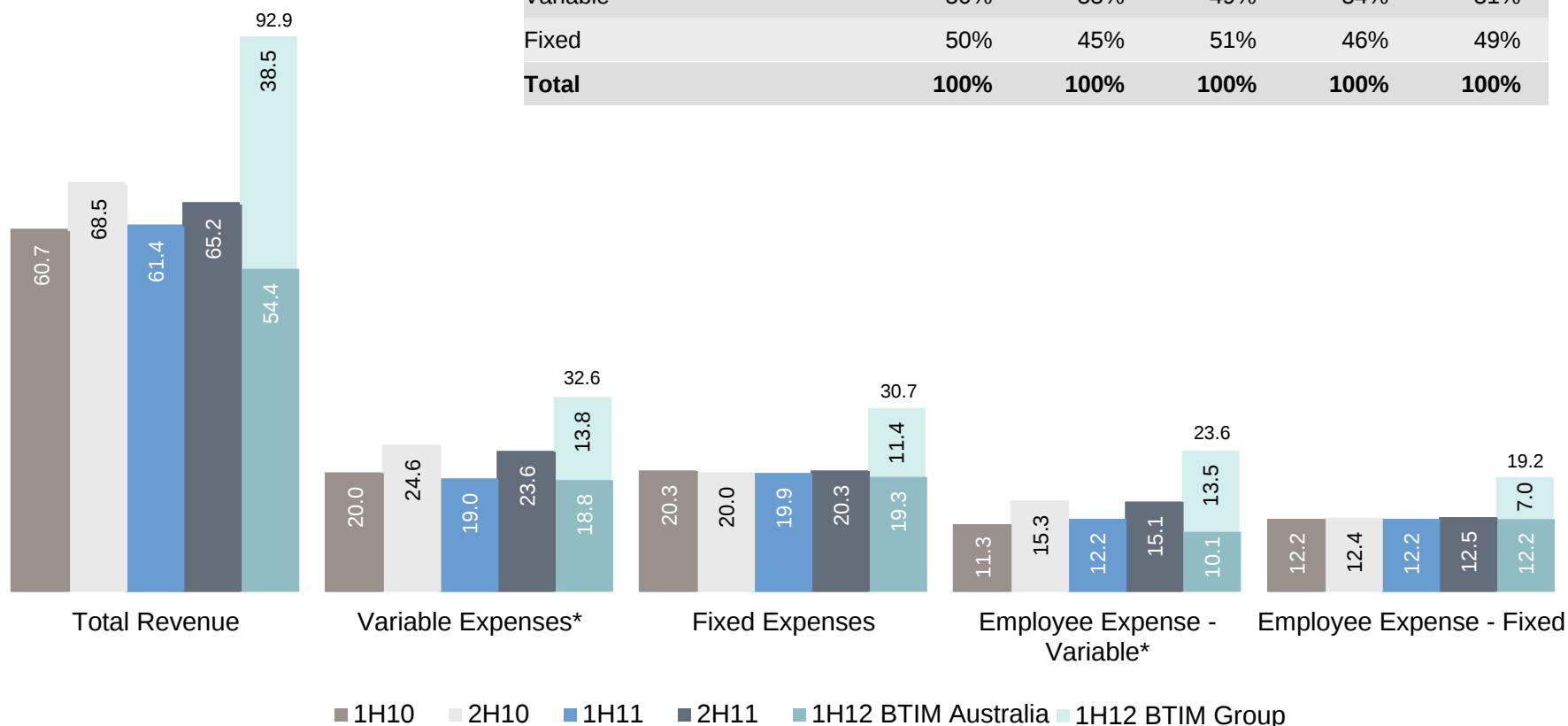
(\$m)



(1) Group financing costs include interest on loan notes and interest on external debt with HSBC

Fixed vs variable operating expenses

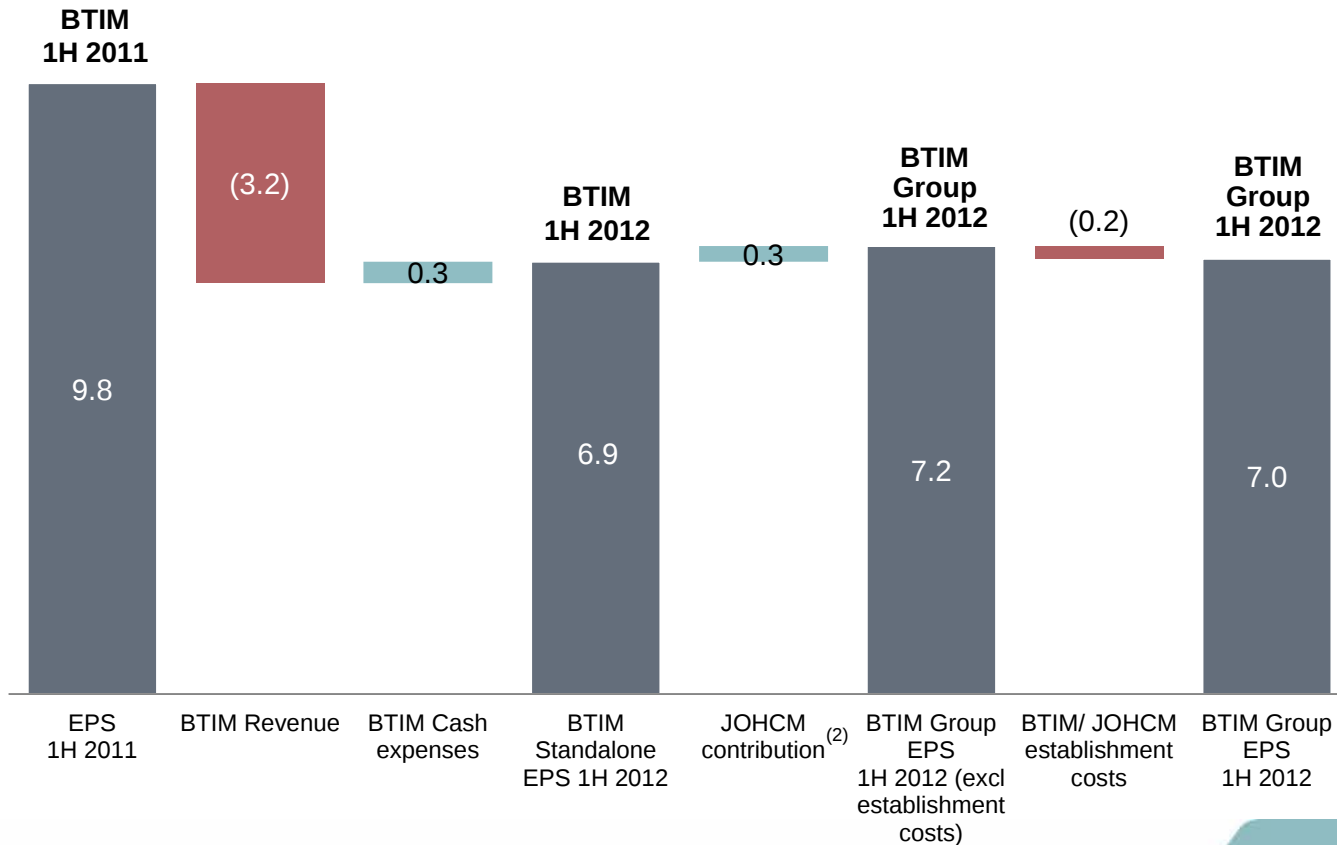
% Breakdown	1H10	2H10	1H11	2H11	1H12
Variable*	50%	55%	49%	54%	51%
Fixed	50%	45%	51%	46%	49%
Total	100%	100%	100%	100%	100%



* Note: Variable expenses include fund expenses that are linked to FUM and employee expenses that are linked to profit; Expenses exclude financing charges and BTIM/JOHCM establishment costs

Earnings per share – cash NPAT basis

Earnings per share⁽¹⁾ (cps)



→ JOHCM acquisition is Cash NPAT EPS accretive in first 6 months post transaction

(1) All items shown are tax effected

(2) JOHCM contribution includes financing costs associated with the transaction

6. Questions

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