

BT Investment Management Limited

Annual General Meeting

Friday 7 December 2012



Board of Directors



Carolyn Hewson



James Evans



Emilio Gonzalez
CEO



Brian Scullin
Chairman



Brad Cooper



Andrew Fay

Senior Management Team



Geraldine Bouquet
*Head of Human
Resources*



Phil Stockwell
*Chief Operating
Officer*



Cameron Williamson
*Chief Financial
Officer*



Brian Wright
*Head of Corporate
Development*

1. **Introduction**
2. **Chairman's Address**
3. **Chief Executive Officer's Address**
4. **Consideration of Financial Reports**
5. **Questions**
6. **Re-election Directors**
7. **Adoption of the Remuneration Report**
8. **Amendment of the Company's Constitution**
9. **Meeting closed**

Voting Cards

Shareholder Voting Card



**Entitled to vote
and address the
meeting**

Non-Voting Shareholder Card



**Not entitled to
vote, but may
address the
meeting**

Visitor Card



**Not entitled to
vote or address
the meeting**

Proxy votes

- To be valid, proxies must have been lodged with Link Market Services at least 48 hours prior to this meeting
- Valid proxies received will be displayed prior to the resolution being considered by the meeting
- With the exception of the Remuneration Report, the Chairman will vote undirected proxies in favour of each resolution
- For the resolution relating to the Remuneration Report, the Chairman will vote undirected proxies where expressly authorised to do so
- All resolutions will be decided on a poll

2. Chairman's address



Brian Scullin

FY12 highlights

- Successful execution on JOHCM acquisition
- Transformation into a global asset management business
- Growth in FUM by 9% to \$46.6 billion
- Continued success in fixed interest – nominated as Fund Manager of the Year
- Launch of innovative products – high yield, regular income with low volatility
- Step-change in our business:
 - Revenue up 52% to \$192.5 million
 - Cash NPAT¹ up 36% to \$41.5 million

1. FY11 Cash NPAT was normalised to exclude transaction costs associated with the J O Hambro Capital Management (JOHCM) acquisition. Statutory NPAT is \$21.4m (FY11 - \$16.9m).

Strategic advantage

- Pure investment management business
- Diversity across asset classes, clients and products
- Exposure to growth in offshore markets
- Strong domestic brand with access to distribution



Unique set of competitive advantages to deliver long term shareholder value

Capital Management

- Total FY12 dividends of 12.5 cps fully franked
- Payout of 86% of Cash NPAT
 - Within payout target range of 80-90% of Cash NPAT
- As proportion of offshore earnings grow the level of franking credits to decline
- Activation of Dividend Reinvestment Plan (DRP)

Outlook

Business in a strong position for growth

- Global events, heightened market volatility and investor sentiment will continue to impact fund flows
- Improvement in investor sentiment requires moderation in market volatility
- Support in Australia from increasing Compulsory Superannuation Guarantee
- BTIM Group well positioned to deliver long-term shareholder value

3. Chief Executive Officer's Address



Emilio Gonzalez

Financial highlights

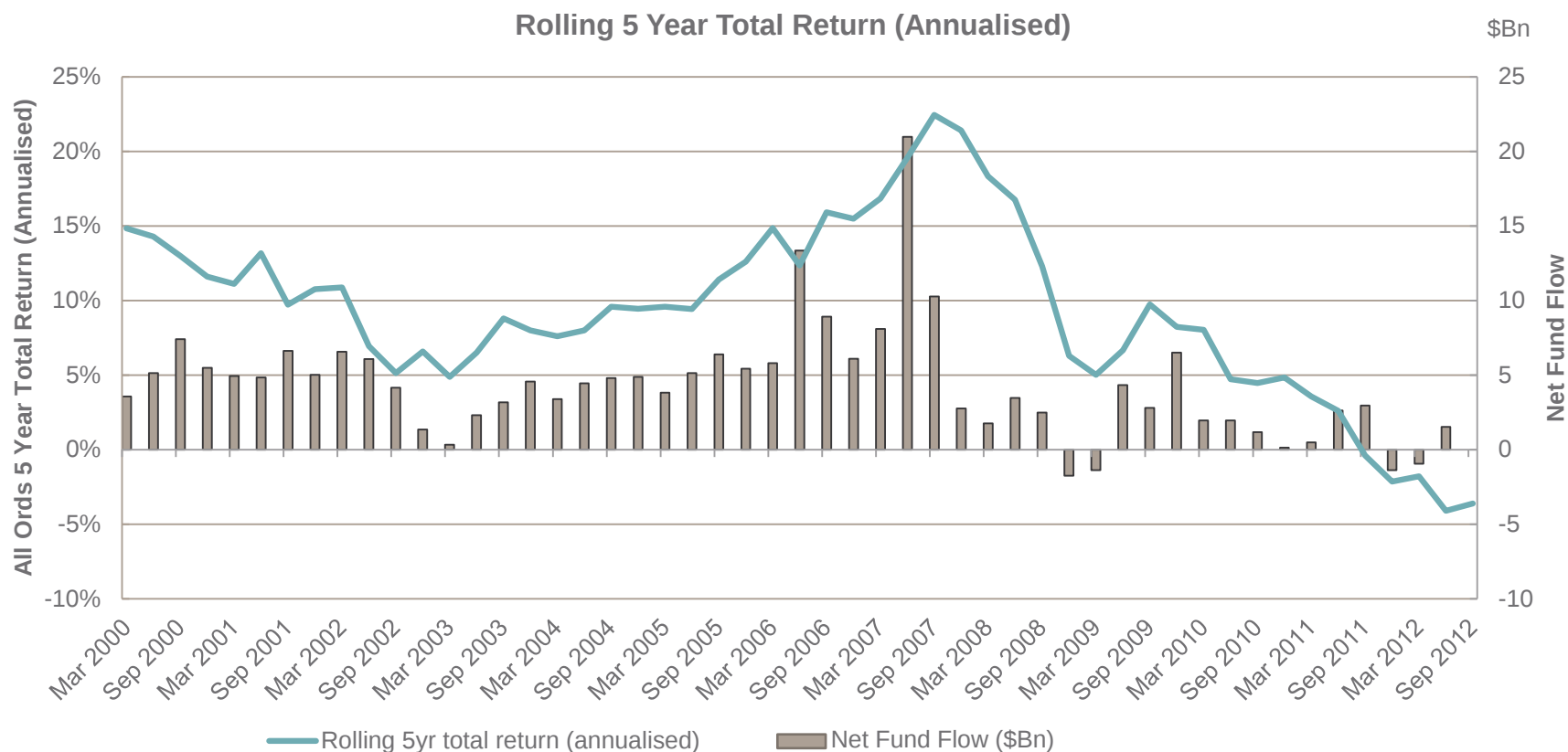
- Cash net profit after tax up 36% to \$41.5 million
- Averaged funds under management up 27% to \$44.6 billion
- Group net outflows of \$0.6 billion
- Revenues up 52% to \$192.5 million
- Pre-tax cash expenses up 63% to \$135.2 million
- Cash EPS down 22% primarily due to lower market averages compared to previous corresponding period

All Ordinaries Index

Rolling 5 Year Total Return (Annualised)

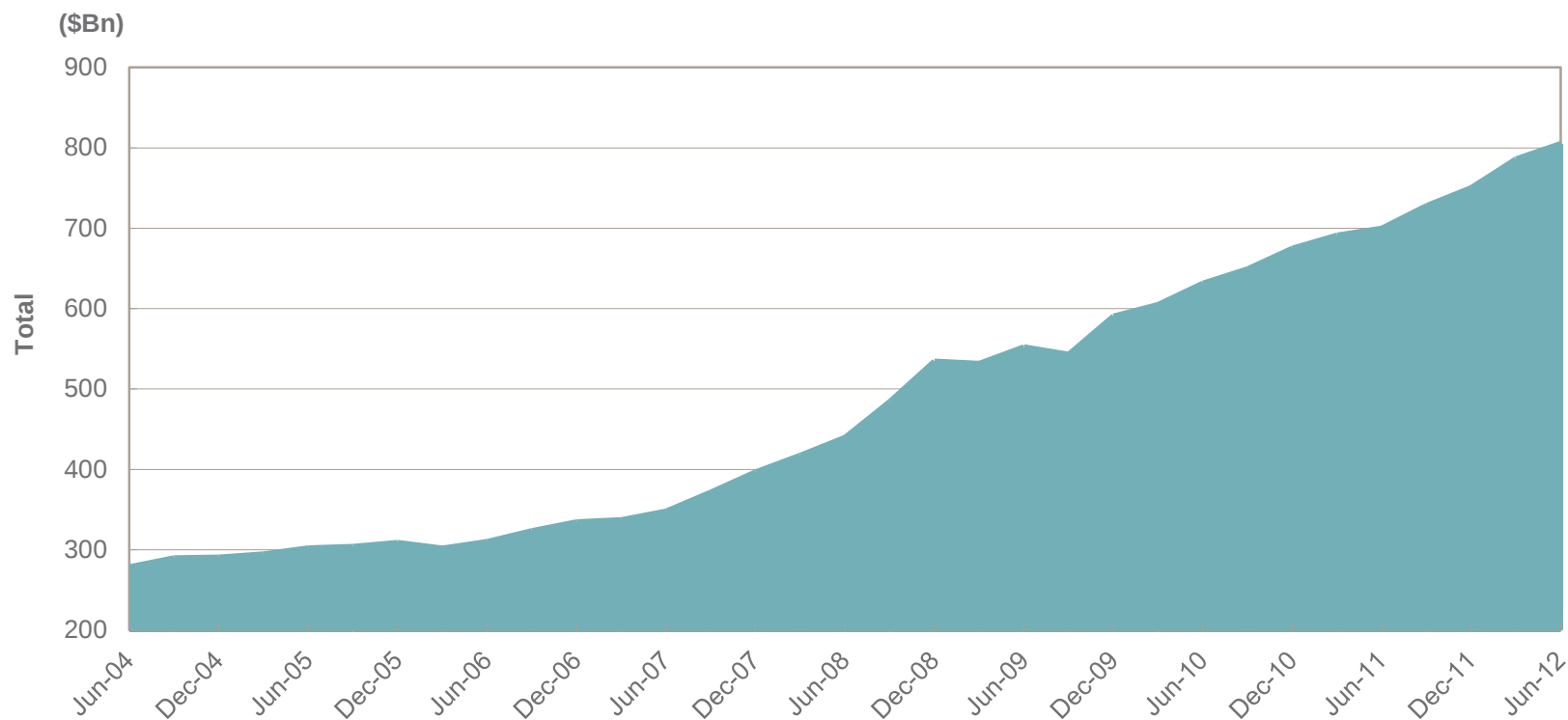


All Ordinaries Index



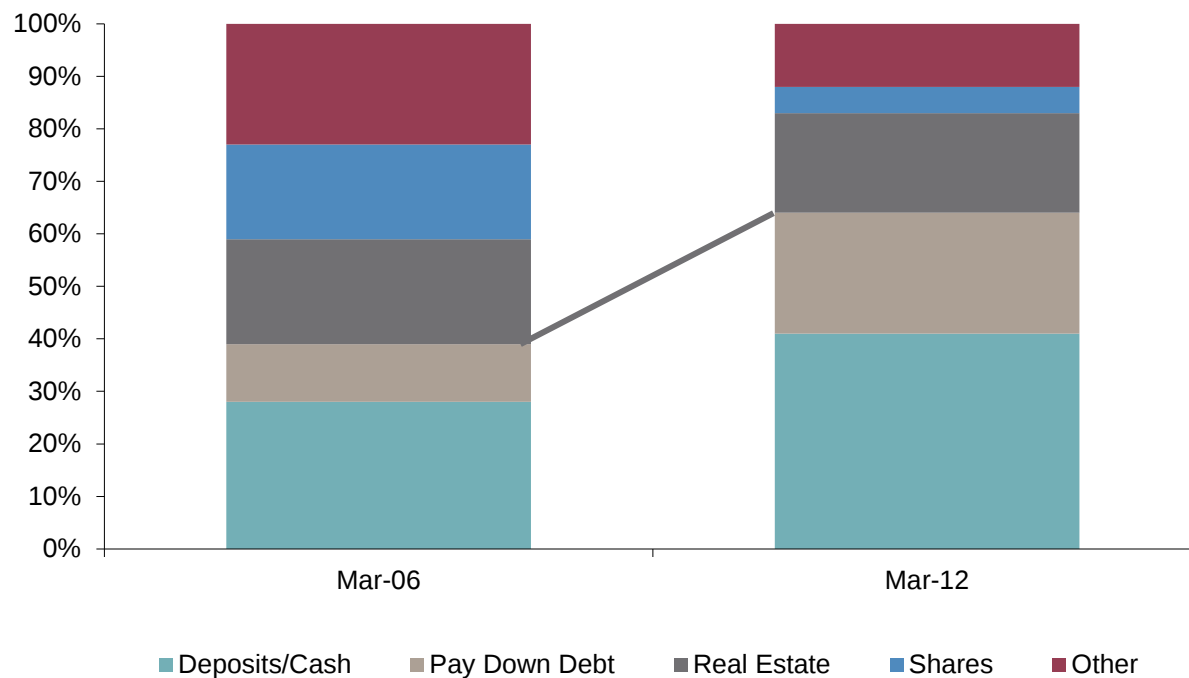
Source: Net Fund Flow, Plan for Life, Market Overview – 14 September 2012

Term Deposits – Total



Sourced: APRA's Quarterly Banking Statistics Publication

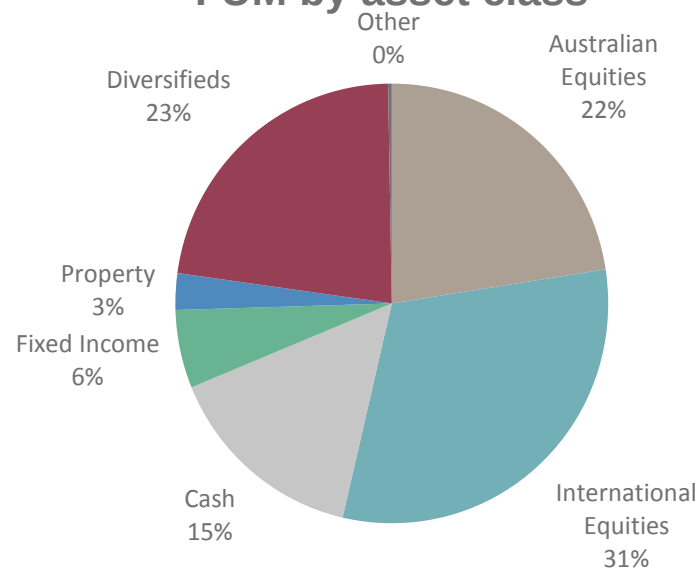
New conservatism – wisest place for saving



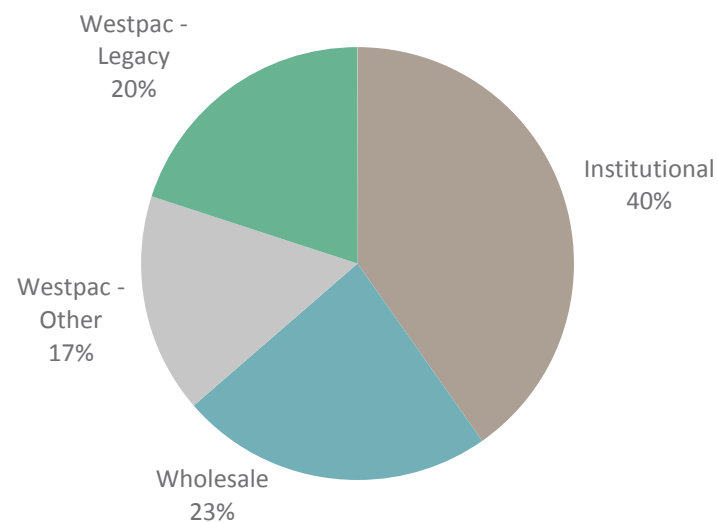
Source: Westpac, Macquarie – November 2012

BTIM Group – a well diversified business

FUM by asset class



FUM by channel



Period end September 2012

FUM& flows by channel

\$bn	30-Sep-11 Closing FUM ¹	Net Flows	Market Performance	FX Impact	30-Sep-12 Closing FUM	Breakdown of Net Flows	
						BTIM	JOHCM
Institutional	17.0	0.2	1.7	(0.1)	18.8	(0.4)	0.6
Wholesale	9.4	0.2	1.4	(0.1)	10.9	(0.3)	0.5
Westpac - Other ²	6.6	0.2	0.8	-	7.6	0.2	-
BTIM Group Core Funds	33.0	0.6	3.9	(0.2)	37.3	(0.5)	1.1
Westpac - Legacy	9.6	(1.2)	0.9	-	9.3	(1.2)	-
Total BTIM	42.6	(0.6)	4.8	(0.2)	46.6	(1.7)	1.1

1. 30 Sep 11 Closing FUM includes JOHCM FUM of \$9.9bn
2. Westpac Other includes superannuation and managed accounts

JOHCM - Update

- Smooth transition of ownership
- Positive fund flows of \$1.1 billion
- All fund ratings retained
- Retention of investment and management personnel
- Good demand for Global, Emerging Markets and UK Equity Income
- Launch of Asia funds

BT Equity Income Series

New products tapping into growing demand for income

Client needs	→	Product offering
→ More income		✓ 8.5% to 10% income target (inclusive of franking)
→ Regular income		✓ Monthly distributions
→ Cash flow certainty		✓ Income known up to 6 months in advance
→ Capital stability		✓ Hedge out substantial market risk – low volatility
→ Access to funds		✓ Daily liquidity
→ Trusted and known brand		✓ BT Investment Management
→ Capital growth		✓ Potential for some capital growth

Business strategy

- Expansion of investment capability platform
- Access to distribution of the broader Westpac Group
- Expanded presence in Australian retail market place

4. Consideration of financial statements and reports

Resolution:

To consider BT Investment Management's Financial Report, Director's Report and Auditor's Report

Questions

If you have a question regarding the Financial Report, Director's Report or the Auditor's Report , please:

- Proceed to one of the microphones
- Show your voting card to the attendant
- Tell the attendant your name



6. Re-election of Directors

Resolution 2(a) – Re-election of Brad Cooper



Questions – Re-election of Brad Cooper

If you have a question regarding the re-election of Brad Cooper please:

- Proceed to one of the microphones
- Show your voting card to the attendant
- Tell the attendant your name



Proxy votes – Re-election of Brad Cooper

The following proxies have been received for this resolution:

Votes for:	201,867,975	99.5%
Open:	791,932	0.4%
Votes against:	257,170	0.1%
Total:	202,917,777	100.0%

Re-election of Brad Cooper

SHAREHOLDER / PROXYHOLDER ADMISSION / VOTING CARD			
POLL VOTING			
In a poll, please mark a box below to indicate your voting intention.			
	For	Against	Abstain
Resolution 2(a) Re-elect Brad Cooper as a Director	☐	☐	☐
Resolution 2(b) Re-elect James Evans as a Director	☐	☐	☐
Resolution 3 Adoption of the Remuneration Report	☐	☐	☐
Resolution 4 Amendment to Rule 6 of Company Constitution	☐	☐	☐

→ Please vote by marking the **“For”**, **“Against”** or **“Abstain”** box with a tick (✓) cross (✕) or other mark, against Resolution 2(a)

→ Please retain your voting card until you have voted on the final resolution

6. Re-election of Directors

Resolution 2(b) – Re-election of James Evans



Questions – Re-election of James Evans

If you have a question regarding the re-election of James Evans please:

- Proceed to one of the microphones
- Show your voting card to the attendant
- Tell the attendant your name



Proxy votes – Re-election of James Evans

The following proxies have been received for this resolution:

For:	201,950,901	99.5%
Open:	797,051	0.4%
Against:	161,459	0.1%
Total:	202,909,411	100.0%

Re-election of James Evans

SHAREHOLDER / PROXYHOLDER ADMISSION / VOTING CARD			
POLL VOTING			
In a poll, please mark a box below to indicate your voting intention.			
	For	Against	Abstain
Resolution 2(a) Re-elect Brad Cooper as a Director	☐	☐	☐
Resolution 2(b) Re-elect James Evans as a Director	☐	☐	☐
Resolution 3 Adoption of the Remuneration Report	☐	☐	☐
Resolution 4 Amendment to Rule 6 of Company Constitution	☐	☐	☐

→ Please vote by marking the “**For**”, “**Against**” or “**Abstain**” box with a tick (✓) cross (✕) or other mark, against Resolution 2(b)

→ Please retain your voting card until you have voted on the final resolution

7. Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following ordinary resolution:

That the remuneration report for BT Investment Management Limited for the year ended 30 September 2012, be adopted.

Questions – Remuneration Report

If you have a question regarding the Remuneration Report please:

- Proceed to one of the microphones
- Show your voting card to the attendant
- Tell the attendant your name



Proxy votes – Remuneration Report

The following proxies have been received for this resolution:

For:	200,837,448	99.0%
Open:	759,582	0.4%
Against:	1,298,733	0.6%
Total:	202,765,091	100.0%

Adoption of the Remuneration Report

SHAREHOLDER / PROXYHOLDER ADMISSION / VOTING CARD			
POLL VOTING			
In a poll, please mark a box below to indicate your voting intention.			
	For	Against	Abstain
Resolution 2(a) Re-elect Brad Cooper as a Director	☐	☐	☐
Resolution 2(b) Re-elect James Evans as a Director	☐	☐	☐
Resolution 3 Adoption of the Remuneration Report	☐	☐	☐
Resolution 4 Amendment to Rule 6 of Company Constitution	☐	☐	☐

→ Please vote by marking the “**For**”, “**Against**” or “**Abstain**” box with a tick (✓) cross (✕) or other mark, against Resolution 3

→ Please retain your voting card until you have voted on the final resolution

8. Amendment of Rule 6 of the Company's Constitution

To consider and, if thought fit, to pass the following special resolution:

That Rule 6 of the Constitution be amended by:

- (a) inserting immediately after "Except with the consent of shareholders in a general meeting" the words *"or with the prior written consent of any shareholder who holds more than 50% of the issued fully paid ordinary shares in the Company,"*;
- (b) inserting in paragraph (a) immediately after *"in one transaction or a series of related transactions,"* the words *"in any twelve month period,"*; and
- (c) inserting at the end of Rule 6 the sentence *"This rule will cease to apply on and from the first time on or after 7 December 2012, there is no shareholder holding more than 50% of the issued fully paid ordinary shares in the Company."*

Amendment of Rule 6 of the Company's Constitution

If the Special Resolution is passed, Rule 6 will read as follows:

Except with the consent of shareholders in a general meeting or with the prior written consent of any shareholder who holds more than 50% of the issued fully paid ordinary shares in the Company, the Company must not:

- (a) except as contemplated by paragraph (b), whether in one transaction or a series of related transactions, in any twelve month period, issue or agree to issue Securities that on completion of the transaction or series of related transactions would increase the aggregate number of Securities on issue by 10% or more; or
- (b) issue or agree to issue Securities to employees (or their nominees, spouses or associates under an employee share plan or option plan or similar incentive arrangement (Employee Plans), if immediately following any such issue the aggregate number of all Securities issued under those Employee Plans to current employees would be greater than 15% of Securities on issue. For the avoidance of doubt, this rule does not prevent the Company from satisfying employee incentive payments through the purchase of Securities rather than the issue of Securities.

This rule will cease to apply on and from the first time on or after 7 December 2012, there is no shareholder holding more than 50% of the issued fully paid ordinary shares in the Company.

Questions – Amendment of Rule 6 of the Constitution

If you have a question regarding the Amendment of Rule 6 of the Company's Constitution please:

- Proceed to one of the microphones
- Show your voting card to the attendant
- Tell the attendant your name



Proxy votes – Amendment of Rule 6 of the Constitution

The following proxies have been received for this resolution:

For:	190,144,250	93.6%
Open:	810,351	0.4%
Against:	12,117,292	6.0%
Total:	202,765,091	100.0%

Adoption of the Amendment of Rule 6 of Company Constitution

SHAREHOLDER / PROXYHOLDER ADMISSION / VOTING CARD			
POLL VOTING			
In a poll, please mark a box below to indicate your voting intention.			
	For	Against	Abstain
Resolution 2(a) Re-elect Brad Cooper as a Director	☐	☐	☐
Resolution 2(b) Re-elect James Evans as a Director	☐	☐	☐
Resolution 3 Adoption of the Remuneration Report	☐	☐	☐
Resolution 4 Amendment to Rule 6 of the Company's Constitution	☐	☐	☐

→ Please vote by marking the “**For**”, “**Against**” or “**Abstain**” box with a tick (✓) cross (x) or other mark, against Resolution 4

→ Please retain your voting card until you have voted on the final resolution

Voting papers

Please place your completed voting papers in the ballot boxes provided by Link Market Services.

The results of the polls will be available later this afternoon at:

www.btim.com.au

or

www.asx.com.au

8. Meeting Closed

The formal part of the meeting is now closed.

Please remain for presentations by Crispin Murray, BTIM's Head of Equities and Vimal Gor, BTIM's Head of Income & Fixed Interest.

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