

# BT Investment Management

2014 Half Year Results ending 31 March 2014

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Emilio Gonzalez, Chief Executive Officer  
Cameron Williamson, Chief Financial Officer

30 April 2014

1. **Half Year in Review**
2. **FUM flows**
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# Half Year in Review

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|                      |   |
|----------------------|---|
| <b>STRONG RESULT</b> | <ul style="list-style-type: none"><li>• Cash NPAT up 143% pcp</li><li>• Fee Revenue up 91% pcp:<ul style="list-style-type: none"><li>• Management Fees up 40% pcp</li><li>• Performance Fees up 243% pcp</li></ul></li><li>• Cash EPS up 137% pcp</li><li>• Interim dividend up 100% pcp</li></ul>  |
| <b>GROWTH</b>        | <ul style="list-style-type: none"><li>• Strong momentum across FUM growth, fee revenue, and margins</li><li>• Continuing to add capabilities onto global asset management platform</li><li>• Success of new products delivering growth and margin expansion</li><li>• Strong flows from UK wholesale funds (OEICS)</li><li>• US flows building momentum</li><li>• Strong investment performance supporting growth</li></ul> |
| <b>GLOBAL</b>        | <ul style="list-style-type: none"><li>• Global expansion of new teams increasing FUM capacity</li><li>• Building into new markets</li><li>• Launched new products in 1H14</li><li>• On the ground presence in distribution and investment management in major financial regions globally</li></ul>  |

# Financial Highlights

|                               | 1H14     | 1H13     | % Change |
|-------------------------------|----------|----------|----------|
| → Cash NPAT                   | \$83.1m  | \$34.2m  | ↑ 143%   |
| → Statutory NPAT              | \$78.3m  | \$22.8m  | ↑ 243%   |
| → Fee Revenue                 | \$255.3m | \$133.8m | ↑ 91%    |
| - <i>Base Management Fees</i> | \$137.8m | \$98.1m  | ↑ 40%    |
| - <i>Performance Fees</i>     | \$114.7m | \$33.5m  | ↑ 243%   |
| → Operating Expenses          | \$152.6m | \$88.7m  | ↑ 72%    |
| → Operating Profit Margin     | 40%      | 34%      | ↑ 19%    |
| → Cash EPS                    | 28.0 cps | 11.8 cps | ↑ 137%   |
| → Interim Dividend            | 16.0 cps | 8.0 cps  | ↑ 100%   |
| → Average FUM                 | \$61.3b  | \$48.5b  | ↑ 26%    |

# Business Highlights

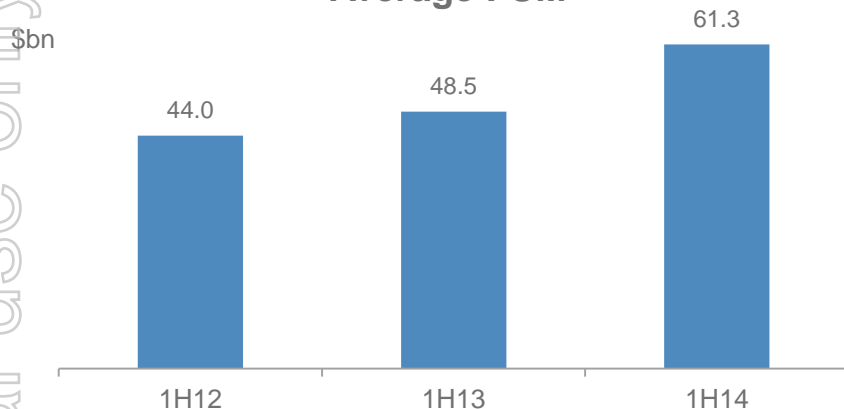
- Outstanding performance from JOHCM
  - Performance fees of \$113.6m for the 12 months to 31 December 2013
  - Continuing to experience strong inflows in the wholesale<sup>1</sup> channel
- Margin expansion with operating profit margin expanding from 34% in 1H13 to 40% in 1H14
- New product offerings delivering FUM growth
  - Equity Income Series
  - US mutual funds
- JOHCM now managing BTIM's previously sub-advised Asian FUM of \$400m
- Higher markets and lower \$A
  - Average level of S&P/ASX 300 Index up 12% on pcp
  - Average level of MSCI ACWI (GBP) Index up 15% on pcp
  - Average level of AUD vs GBP down 15% on pcp

1: Wholesale channel represents platforms, financial planners and private banks

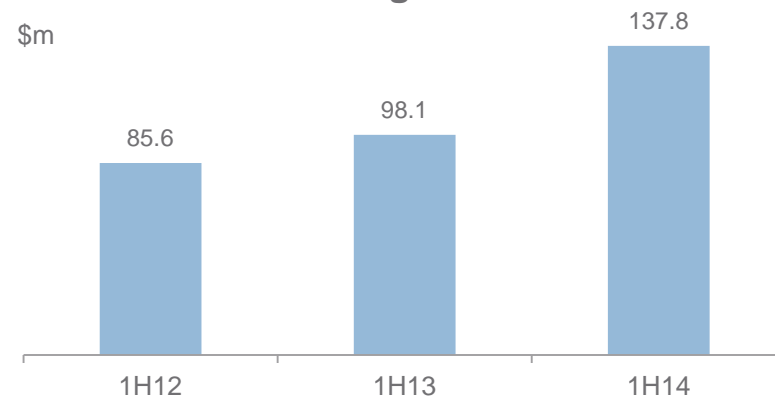
# Growth Momentum

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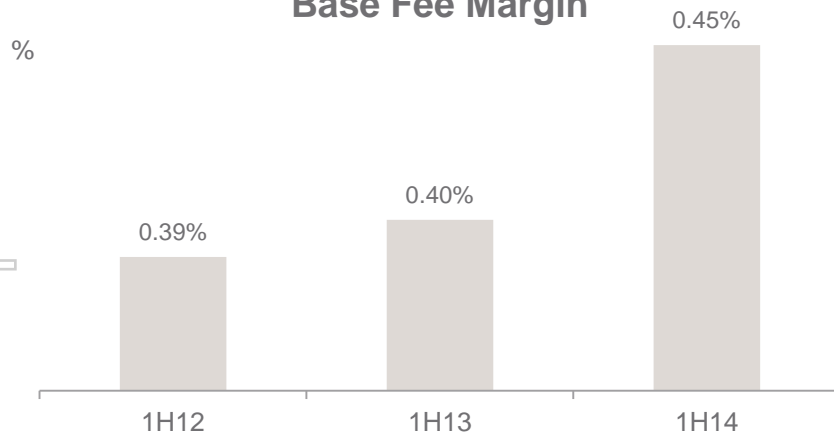
## Average FUM



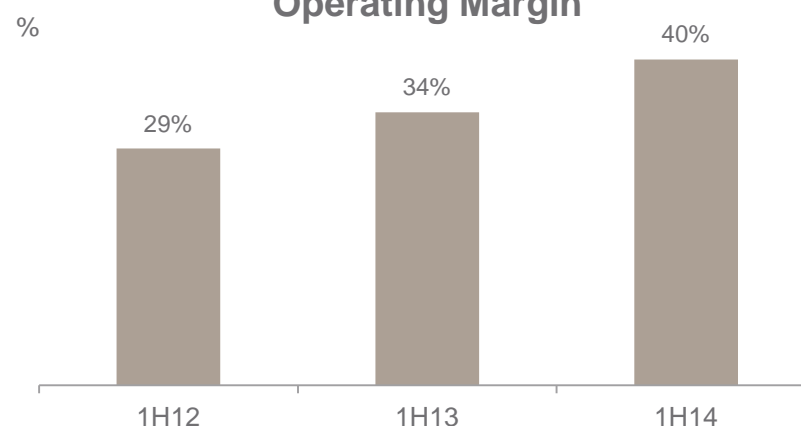
## Base Management Fees



## Base Fee Margin



## Operating Margin



# Delivering Investment Strategies<sup>1</sup> Globally

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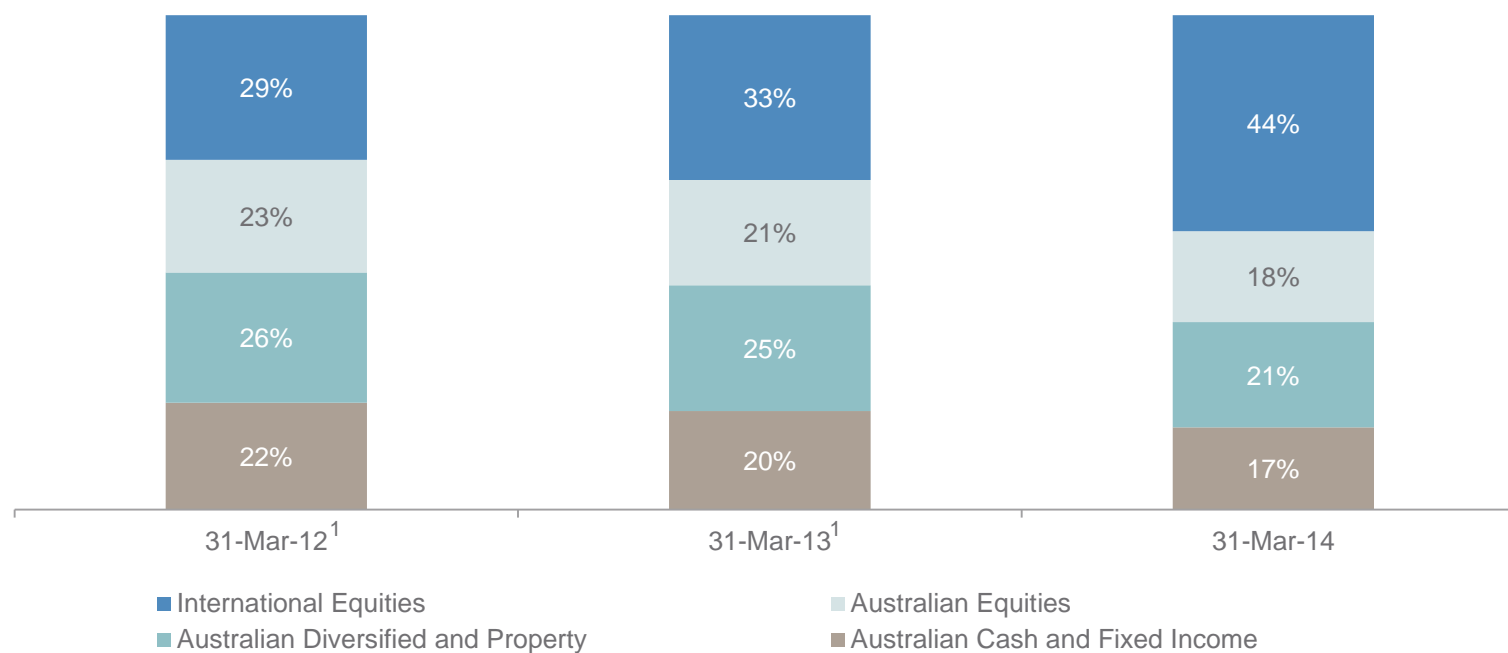


→ Building out on-the-ground investment capabilities, with sales support, across each of the key financial regions globally

1. Investment strategies refer to products distributed in these regions

# Diversified Portfolio of Assets

## FUM split by Asset Class

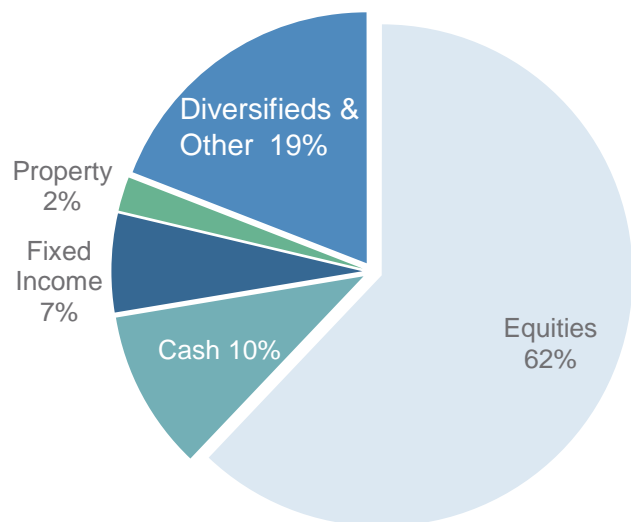


1. 31-Mar-12 & 31-Mar-13 Diversifieds FUM has been reclassified in line with current classification for purposes of comparison

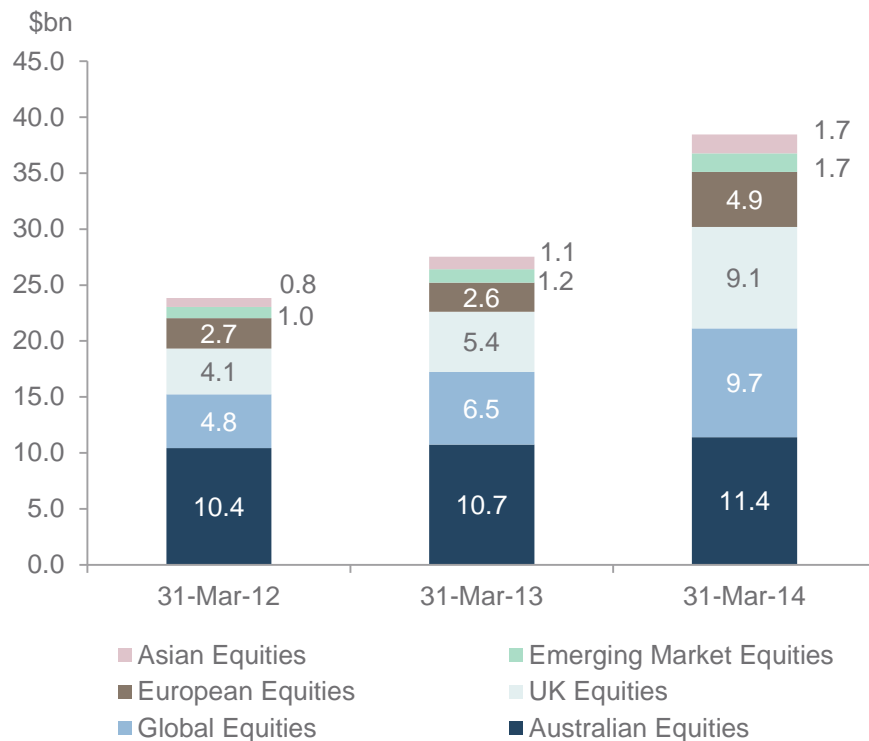


# Growth and Diversification within Equities

## 1H14 FUM by Asset Class

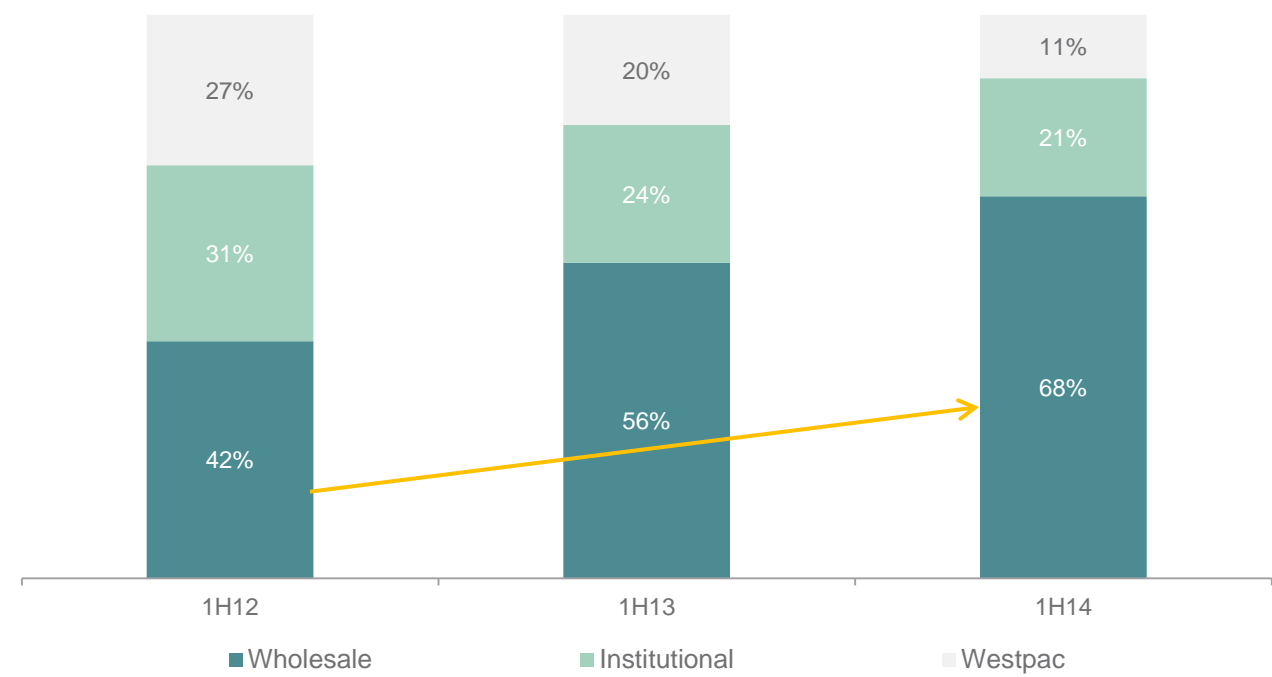


## Equities FUM by Region Invested



# Growth in Higher Margin Wholesale Channel

Percentage of Fee Revenue by Channel



- Westpac
  - Superannuation
  - Retail
  - Managed accounts
- Institutional Clients
  - Government funds
  - Industry funds
  - Pension funds
  - Corporate funds
  - Sovereign funds
- Wholesale Clients
  - Platforms
  - Financial planning groups
  - Private banks

# Strong Investment Performance

→ 97% of FUM has outperformed<sup>1</sup> over 3 years and 89% over 5 years

| Asset Classes             | FUM<br>at 31 March 2014<br>(\$bn) | % of FUM<br>outperformed <sup>1</sup><br>3 Year | % of FUM<br>outperformed <sup>1</sup><br>5 Year |
|---------------------------|-----------------------------------|---|---|
| Australian Equities       | 11.4                              | 100%  | 68%   |
| International Equities:   |                                   |   |   |
| Global                    | 9.7                               | 100%  | 100%  |
| UK                        | 9.1                               | 100%  | 100%  |
| Europe                    | 4.9                               | 100%  | 100%  |
| Emerging Markets          | 1.7                               | 100%  | N/A   |
| Asia                      | 1.7                               | 100%  | 100%  |
| Property                  | 1.4                               | 100%  | 99%   |
| Cash                      | 6.4                               | 100%  | 100%  |
| Fixed Income <sup>2</sup> | 2.8                               | 89%   | 100%  |
| Diversified               | 11.8                              | 98%   | 89%   |
| Other <sup>2</sup>        | 1.2                               | 0%  | 4%  |
| <b>Total FUM</b>          | <b>62.1</b>                       | <b>97%</b>                                      | <b>89%</b>                                      |

1. Fund performance is pre-fee, pre-tax and relative to the fund benchmark

2. \$1.1bn has been moved from Fixed Income to Other as it is managed to an alternative benchmark

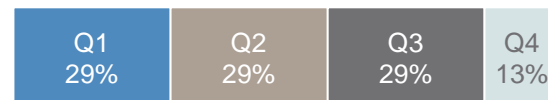
# Performance of Core Funds

## Relative to Benchmark

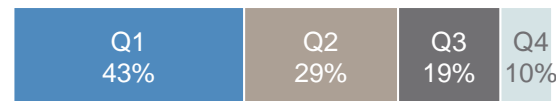
|   | 1 Year (pa) | 3 Years (pa) | 5 Years (pa) |
|---|-------------|--------------|--------------|
| BT Institutional Core Australian Share Sector Trust | +2.33%      | +1.11%       | +0.14%       |
| BT Wholesale Focus Australian Share Fund            | +4.44%      | +0.79%       | +0.80%       |
| BT Institutional Imputation Sector Trust            | -0.01%      | +0.51%       | -0.70%       |
| BT Wholesale Australian Long Short Fund             | +2.85%      | +2.52%       | +1.73%       |
| BT Institutional Smaller Companies Sector Trust     | +13.40%     | +15.35%      | +12.59%      |
| BT Wholesale MicroCap Opportunities Fund            | +31.66%     | +25.62%      | +30.83%      |
| BT Institutional Property Sector Trust              | -0.46%      | +0.38%       | +0.62%       |
| BT Institutional Core Global Share Sector Trust     | +3.00%      | +2.26%       | +2.63%       |
| BT Institutional Global Property Sector Trust       | +1.83%      | +0.81%       | +0.53%       |
| BT Wholesale Active Balanced Fund                   | +1.86%      | +0.53%       | +0.78%       |
| BT Wholesale Fixed Interest Fund                    | -0.07%      | +0.32%       | +0.89%       |
| BT Wholesale Enhanced Cash Fund                     | +0.76%      | +1.36%       | +2.11%       |
| JOHCM UK Equity Income Fund                         | +9.57%      | +7.75%       | +8.16%       |
| JOHCM UK Opportunities Fund                         | +2.83%      | +4.77%       | +1.18%       |
| JOHCM UK Growth Fund                                | +18.21%     | +8.00%       | +7.00%       |
| JOHCM UK Dynamic Fund                               | +12.59%     | +8.48%       | +7.85%       |
| JOHCM Continental European Fund                     | +8.09%      | +4.86%       | +5.52%       |
| JOHCM European Select Values Fund                   | +2.61%      | +5.55%       | +9.89%       |
| JOHCM Global Select Fund                            | +10.17%     | +3.82%       | +3.08%       |
| JOHCM International Select Fund                     | +7.62%      | +4.51%       | +4.34%       |
| JOHCM Emerging Markets Fund                         | +2.69%      | +3.10%       | N/A          |
| JOHCM Global Emerging Markets Opportunities Fund    | +5.27%      | N/A          | N/A          |
| JOHCM Japan Fund                                    | -1.92%      | +4.07%       | +2.68%       |
| JOHCM Asia ex Japan Fund                            | +2.67%      | N/A          | N/A          |
| JOHCM Asia ex Japan Small & MidCap Fund             | -1.89%      | N/A          | N/A          |

### % of core funds across quartile rankings

1  
Year



3  
Year



5  
Year



■ Q1 ■ Q2 ■ Q3 ■ Q4

Note: Fund performance is pre-fee, pre-tax and relative to the fund benchmark

Source: Lipper and Mercer fund rankings as at 31 March 2014



# Industry Recognition

## BTIM (Australia)

- Winner of the “**Best of the Best Fund Manager**” in Australia award by Money Magazine
- Winner of the “**Fund House of the Year Award – Australia**” in the 2014 Asian Investor Investment Performance Awards
- Nominated<sup>1</sup> for Money Management / Lonsec Fund Manager of the Year awards in Australia for:
  - Global Equities Category: **BT Global Emerging Markets Fund**
  - Multi-Sector Category: **BT Future Goals Fund**
  - Asset Allocator of the Year: **BT Future Goals Fund**
  - Retirement Product Innovation Category: **BT Equity Income Series**

## JOHCM

- Winner of a Platinum Award - 2014 Portfolio Adviser Fund Awards
  - Equity Income Category: **JOHCM UK Equity Income Fund**
- Winner of a 2013 European Funds Trophy
  - European Large Cap Category: **JOHCM European Select Values Fund**
- Winner of two categories of the 2014 Lipper Funds Award (Austria) – 10 year
  - Equity – Europe ex UK Category: **JOHCM Continental European Fund**
  - Equity – Europe Category: **JOHCM European Select Values Fund**

1. Winners to be announced on 22 May 2014

## 2. FUM flows

# FUM Flows by Channel

| \$bn                         | 30-Sep-13<br>Closing<br>FUM | Net<br>Flows | Other <sup>1</sup> | FX<br>Impact | 31-Mar-14<br>Closing<br>FUM | Breakdown of Net Flows |            | Fee Margin |       |
|------------------------------|-----------------------------|--------------|--------------------|--------------|-----------------------------|------------------------|------------|------------|-------|
|                              |                             |              |                    |              |                             | BTIM                   | JOHCM      | BTIM       | JOHCM |
| Institutional                | 22.3                        | (0.7)        | 1.0                | 0.3          | 22.9                        | (0.4)                  | (0.3)      | 0.23%      | 0.60% |
| Wholesale                    | 17.6                        | 1.9          | 0.8                | 0.6          | 20.9                        | 0.1                    | 1.8        | 0.77%      | 0.67% |
| Westpac – Other <sup>2</sup> | 8.8                         | 0.0          | 0.2                | -            | 9.0                         | 0.0                    | -          | 0.30%      |       |
| <b>BTIM Group Core Funds</b> | <b>48.7</b>                 | <b>1.2</b>   | <b>2.0</b>         | <b>0.9</b>   | <b>52.8</b>                 | <b>(0.3)</b>           | <b>1.5</b> |            |       |
| Westpac - Legacy             | 9.6                         | (0.5)        | 0.2                | -            | 9.3                         | (0.5)                  | -          | 0.32%      |       |
| <b>Total BTIM</b>            | <b>58.3</b>                 | <b>0.7</b>   | <b>2.2</b>         | <b>0.9</b>   | <b>62.1</b>                 | <b>(0.8)</b>           | <b>1.5</b> |            |       |

- Institutional outflows driven by a combination of cash and fixed income, and global equities
- Wholesale inflows received in the Global/International Select funds, UK Equity Income funds, Japan fund, and the BT Equity Income Series
- Revenue fee margins highest in wholesale channel

1. Other: includes market movement, investment performance & distributions  
 2. Westpac Other: includes superannuation and managed accounts

# FUM Flows by Asset Class

| \$bn                    | 30-Sep-13<br>Closing FUM | Net Flows  |              |                    | 31-Mar-14<br>Closing FUM |
|-------------------------|--------------------------|------------|--------------|--------------------|--------------------------|
|                         |                          | Core       | Legacy       | Other <sup>1</sup> |                          |
| Australian Equities     | 11.3                     | 0.0        | (0.1)        | 0.2                | 11.4                     |
| International Equities: |                          |            |              |                    |                          |
| Global                  | 8.5                      | 0.2        | 0.0          | 1.0                | 9.7                      |
| UK                      | 7.7                      | 0.6        | -            | 0.8                | 9.1                      |
| Europe                  | 3.9                      | 0.4        | 0.0          | 0.6                | 4.9                      |
| Emerging Markets        | 1.5                      | 0.1        | -            | 0.1                | 1.7                      |
| Asia                    | 1.5                      | 0.2        | 0.0          | 0.0                | 1.7                      |
| Property                | 1.4                      | 0.0        | 0.0          | 0.0                | 1.4                      |
| Cash                    | 6.6                      | (0.1)      | 0.0          | (0.1)              | 6.4                      |
| Fixed Income            | 4.0                      | (0.2)      | 0.0          | 0.1                | 3.9                      |
| Diversified             | 11.8                     | 0.0        | (0.4)        | 0.4                | 11.8                     |
| Other                   | 0.1                      | 0.0        | -            | 0.0                | 0.1                      |
| <b>Total FUM</b>        | <b>58.3</b>              | <b>1.2</b> | <b>(0.5)</b> | <b>3.1</b>         | <b>62.1</b>              |

- Strong inflows into UK and European funds
- Asian flows predominantly into the Japan Fund
- US mutual fund channel driving global flows
- Experienced outflows in cash and fixed income
- Legacy outflows in line with historical rates

1. Other includes market movement, investment performance, distributions & FX



## 4. Financials

# Financial Highlights – 1H14 v 1H13

Strength in the underlying business and performance fees contribute to higher Cash NPAT

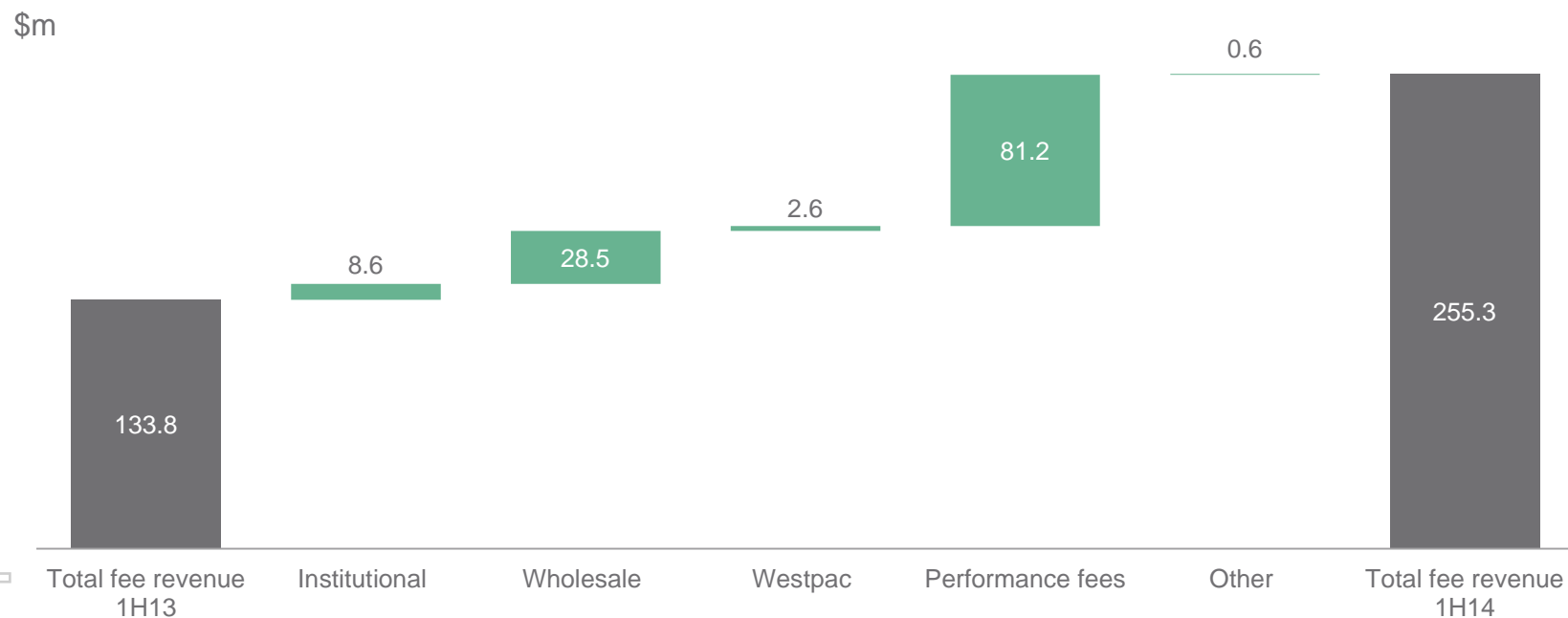
| \$m                                  | 1H13 <sup>1</sup> | 1H14           | Mvmt          | Change %    |
|--------------------------------------|-------------------|----------------|---------------|-------------|
| Avg FUM (\$b)                        | 48.5              | 61.3           | 12.8          | 26%         |
| Base Fee Margin                      | 0.40%             | 0.45%          | 0.05%         | 12%         |
| Base management fees                 | 98.1              | 137.8          | 39.7          | 40%         |
| Performance fees                     | 33.5              | 114.7          | 81.2          | 243%        |
| Other fee revenue                    | 2.2               | 2.8            | 0.6           | 29%         |
| <b>Total fee revenue</b>             | <b>133.8</b>      | <b>255.3</b>   | <b>121.5</b>  | <b>91%</b>  |
| Employee expenses                    | (66.6)            | (125.1)        | (58.5)        | 88%         |
| Operating expenses                   | (22.1)            | (27.5)         | (5.4)         | 24%         |
| <b>Total cash operating expenses</b> | <b>(88.7)</b>     | <b>(152.6)</b> | <b>(63.9)</b> | <b>72%</b>  |
| <b>Operating profit</b>              | <b>45.1</b>       | <b>102.7</b>   | <b>57.6</b>   | <b>128%</b> |
| Net investment income                | 2.1               | 5.9            | 3.8           | 177%        |
| Financing charges                    | (1.3)             | (0.8)          | 0.5           | (37%)       |
| Tax                                  | (11.7)            | (24.7)         | (13.0)        | 110%        |
| <b>Cash NPAT</b>                     | <b>34.2</b>       | <b>83.1</b>    | <b>48.9</b>   | <b>143%</b> |
| Operating profit margin              | 34%               | 40%            | 6%            | 19%         |
| <b>Cash EPS (cps)</b>                | <b>11.8</b>       | <b>28.0</b>    | <b>16.2</b>   | <b>137%</b> |

- Cash NPAT (+143%) and EPS (+137%) on pcp
- Higher average FUM and fee margin expansion driving revenue growth
- Strong performance fees
- Higher employee expenses linked to revenue growth
- Increased operating expenses mainly variable
- Higher net investment income driven by realised seed capital gains
- Operating profit margin improved to 40%

1. Some 1H13 items have been re-classified for consistency purposes

# Fee Revenue

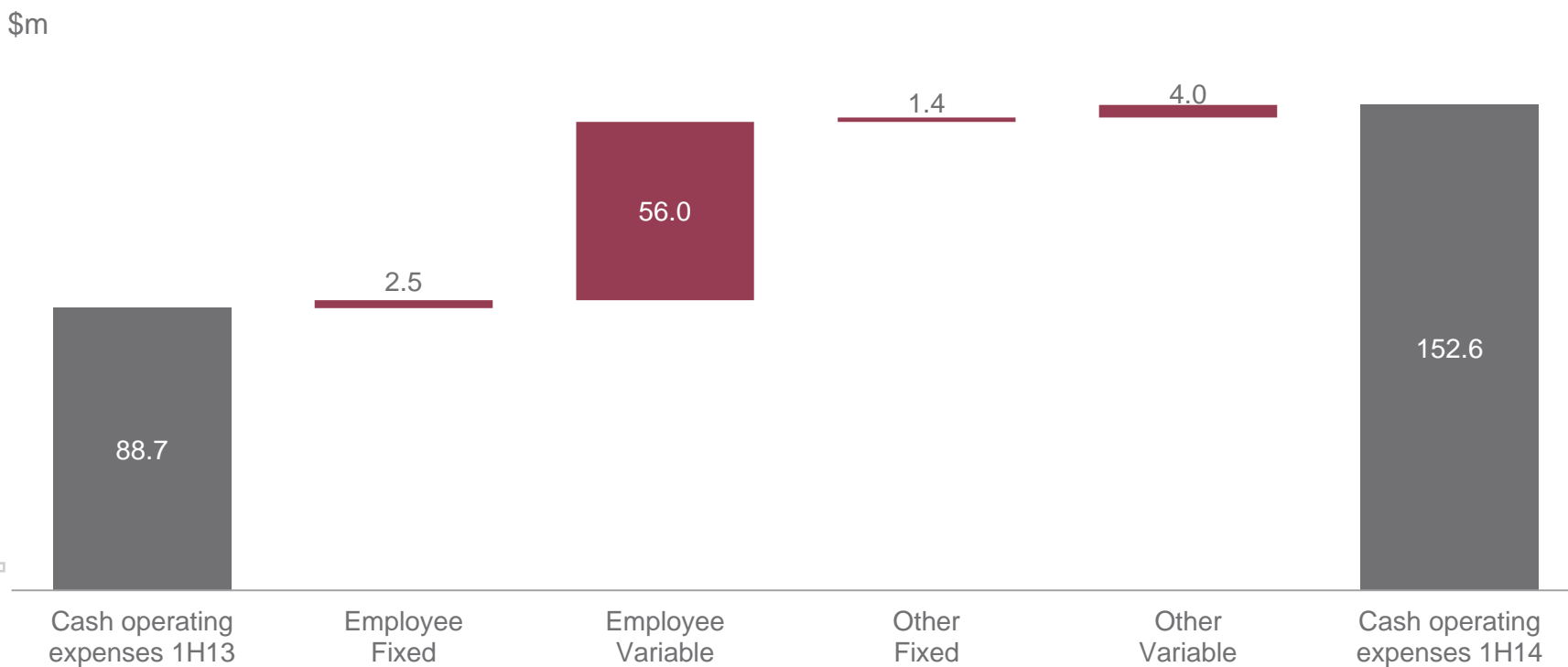
→ Positive increases across all sources of revenue



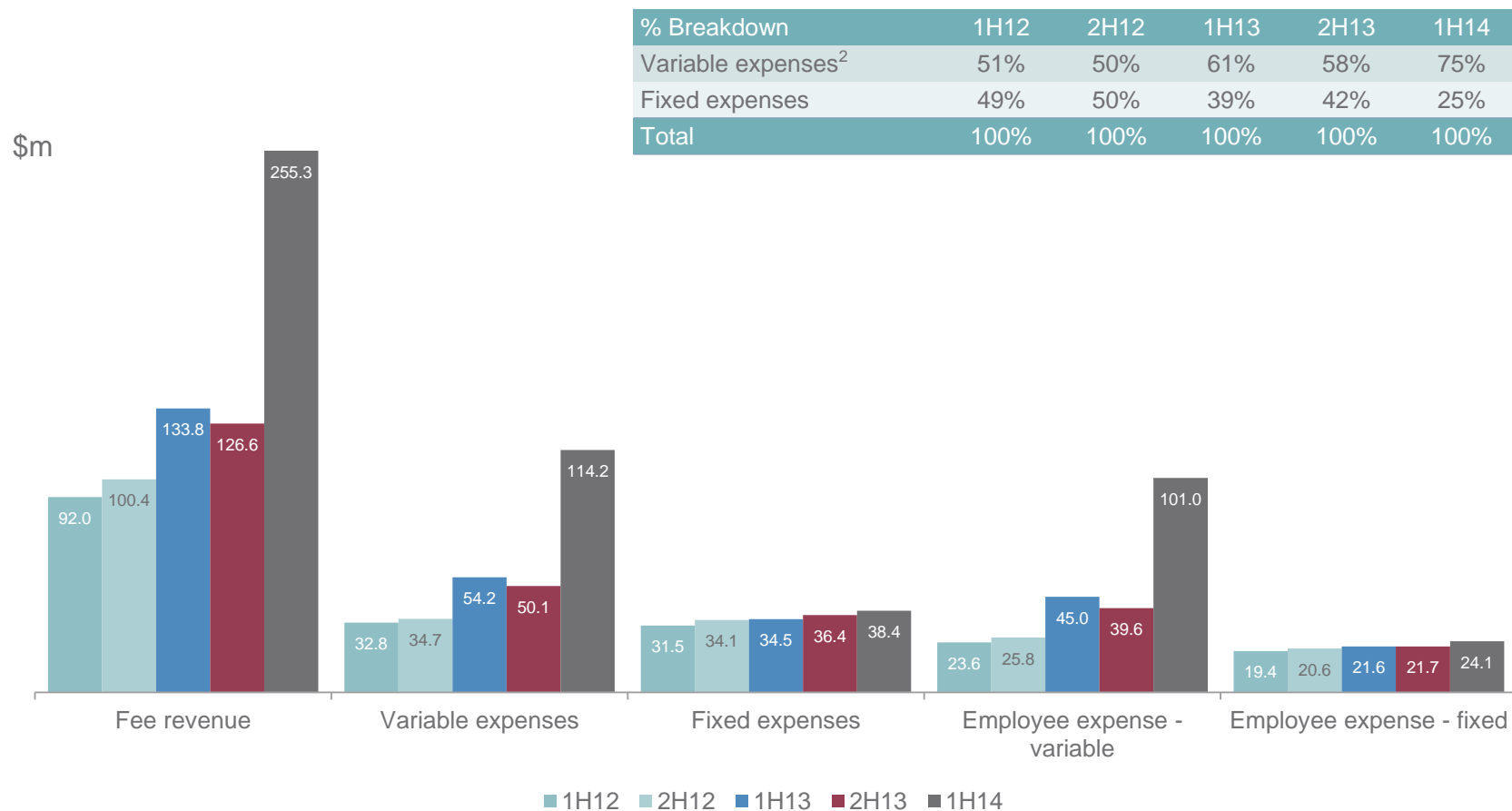
1. Westpac revenue includes legacy book and superannuation/managed account channels

# Operating Expenses

→ Variable employee expenses linked to FUM growth and higher performance fees



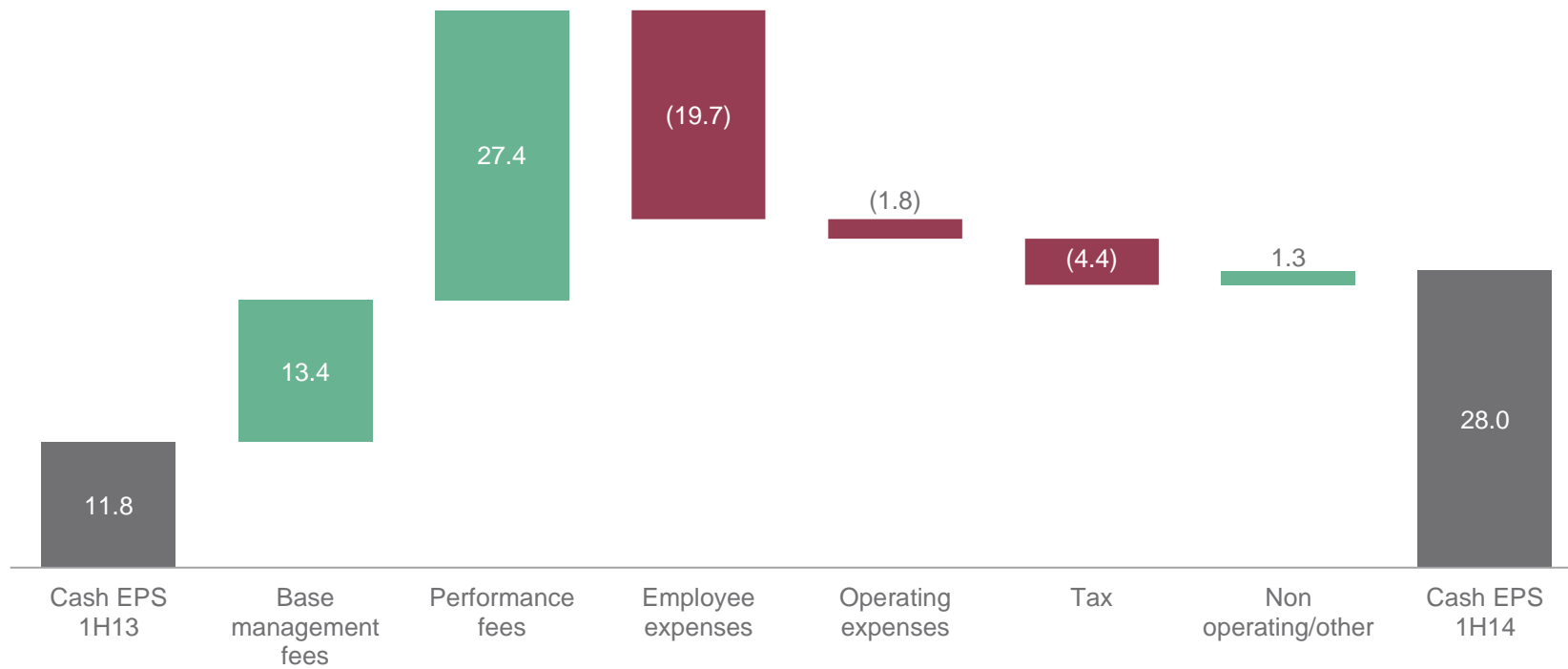
# Fixed v Variable Operating Expenses<sup>1</sup>



1. Some FY12-13 items have been re-classed for consistency purposes
2. Variable expenses include fund expenses that are linked to FUM and employee expenses that are linked to profit

# Cash EPS

(cps)



# Balance sheet

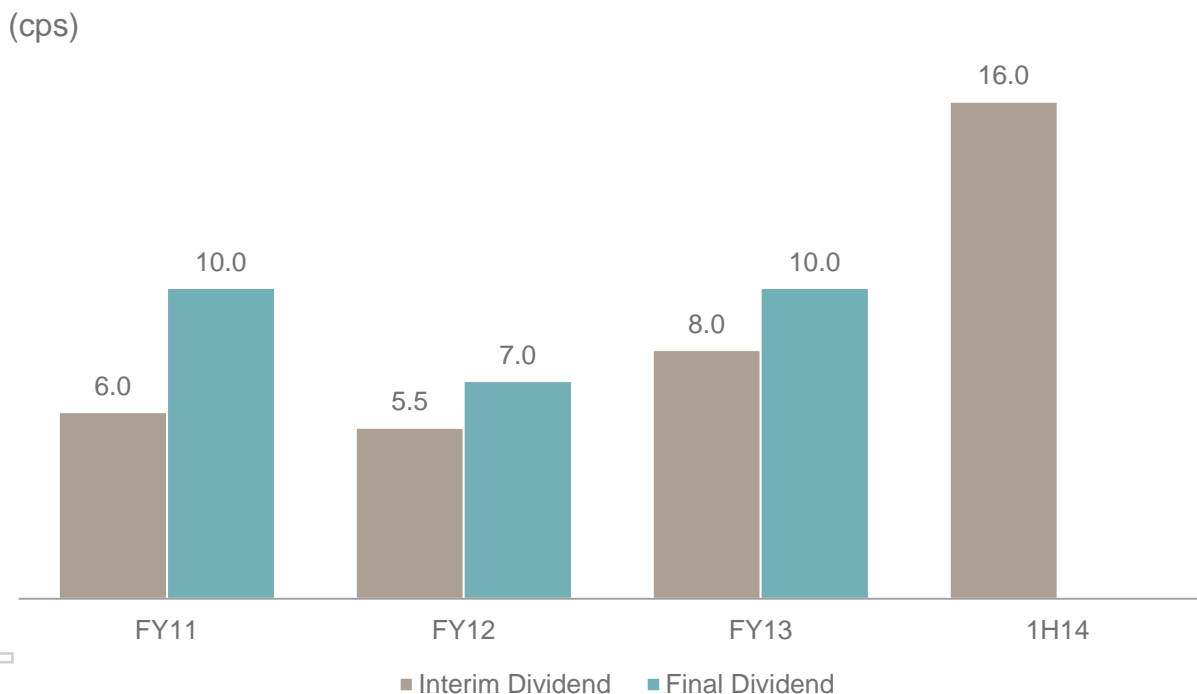
| \$m                                 | Sep 2013     | Mar 2014     | Mvmt         |
|-------------------------------------|--------------|--------------|--------------|
| Cash                                | 83.6         | 107.7        | 24.1         |
| Other current assets                | 44.6         | 53.4         | 8.8          |
| <b>Current assets</b>               | <b>128.2</b> | <b>161.1</b> | <b>32.9</b>  |
| Property, plant & equipment         | 3.1          | 2.6          | (0.5)        |
| Intangible assets                   | 571.9        | 581.0        | 9.1          |
| Other non-current assets            | 63.5         | 97.3         | 33.8         |
| <b>Non-current assets</b>           | <b>638.5</b> | <b>680.9</b> | <b>42.4</b>  |
| <b>Total assets</b>                 | <b>766.7</b> | <b>842.0</b> | <b>75.3</b>  |
| Current borrowings <sup>1</sup>     | 17.4         | 25.4         | 8.0          |
| Other current liabilities           | 91.3         | 101.4        | 10.1         |
| <b>Current liabilities</b>          | <b>108.7</b> | <b>126.8</b> | <b>18.1</b>  |
| Non-current borrowings <sup>1</sup> | 63.9         | 49.8         | (14.1)       |
| Other non-current liabilities       | 32.6         | 44.1         | 11.5         |
| <b>Non-current liabilities</b>      | <b>96.5</b>  | <b>93.9</b>  | <b>(2.6)</b> |
| <b>Total liabilities</b>            | <b>205.2</b> | <b>220.7</b> | <b>15.5</b>  |
| <b>Net assets</b>                   | <b>561.5</b> | <b>621.3</b> | <b>59.8</b>  |
| Contributed equity                  | 469.8        | 458.5        | (11.3)       |
| Reserves                            | 67.0         | 88.4         | 21.4         |
| Retained earnings                   | 24.7         | 74.4         | 49.7         |
| <b>Total equity</b>                 | <b>561.5</b> | <b>621.3</b> | <b>59.8</b>  |

- Strong balance sheet as at 31 Mar 2014
- Net current assets of +\$35m & Net Tangible Assets of +\$68m
- Business generating strong cash flows
- DRP remains active with debt declining
- Net assets continue to grow with profitability

1. Current and non-current borrowings include converting notes that are equity settled

# Dividends

Interim dividend of 16.0 cents per share, an increase of 100% on pcp



- Interim dividend declared of 16.0 cps
- Dividend to be 35% franked
- Increase of 100% on pcp and increase of 60% on final dividend in FY13
- DRP to continue with zero discount to allocation price



## 5. Strategy Update

# Strategy Focus

Strategy platform – continuing to invest in future growth opportunities

Building-out a Global Asset Management Business

**Focus on  
increasing  
share of higher  
margin  
channels**

**Build on  
current  
distribution  
channels**

**Expand  
investment  
capabilities**

**Grow in new  
and existing  
markets**

# Strategy Update

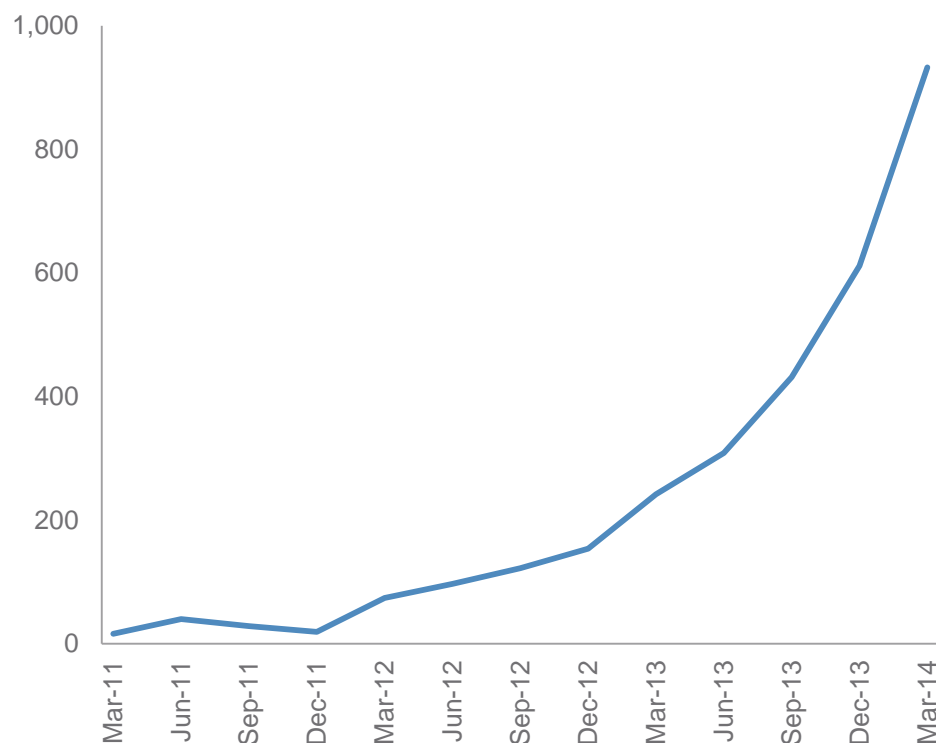
- Strategy on track to continue to deliver sustained growth
- Building out a global asset management business across investments and distribution with a strong operational platform
- Scalable structure with flexibility to add new investment teams over time
- Proven ability to attract and retain high calibre staff
- Seeded and invested in new teams with product development capability to grow in new and existing markets

# Strategy Update – Growth Engines

## US market provides growth opportunities

- US strategy showing strong FUM growth across multiple products
  - Global Select
  - International Select
  - GEM Opportunities
  - International Small Cap
  - Asia ex-Japan
- FUM raised in US mutual funds in 1H14 – US\$505 million

US Mutual Funds - Cumulative Net Flows (US\$m)

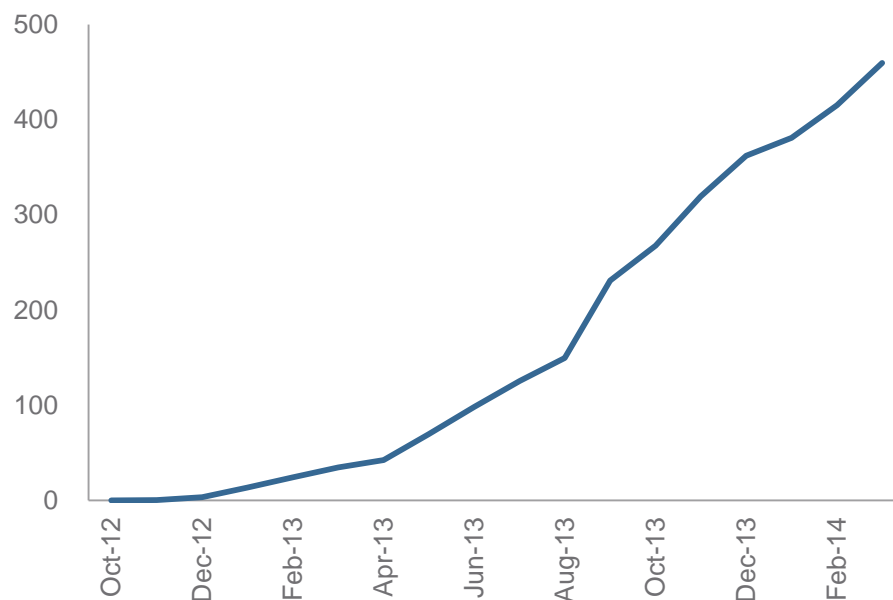


# Strategy Update – Growth Engines

## Success of new products adding to growth story

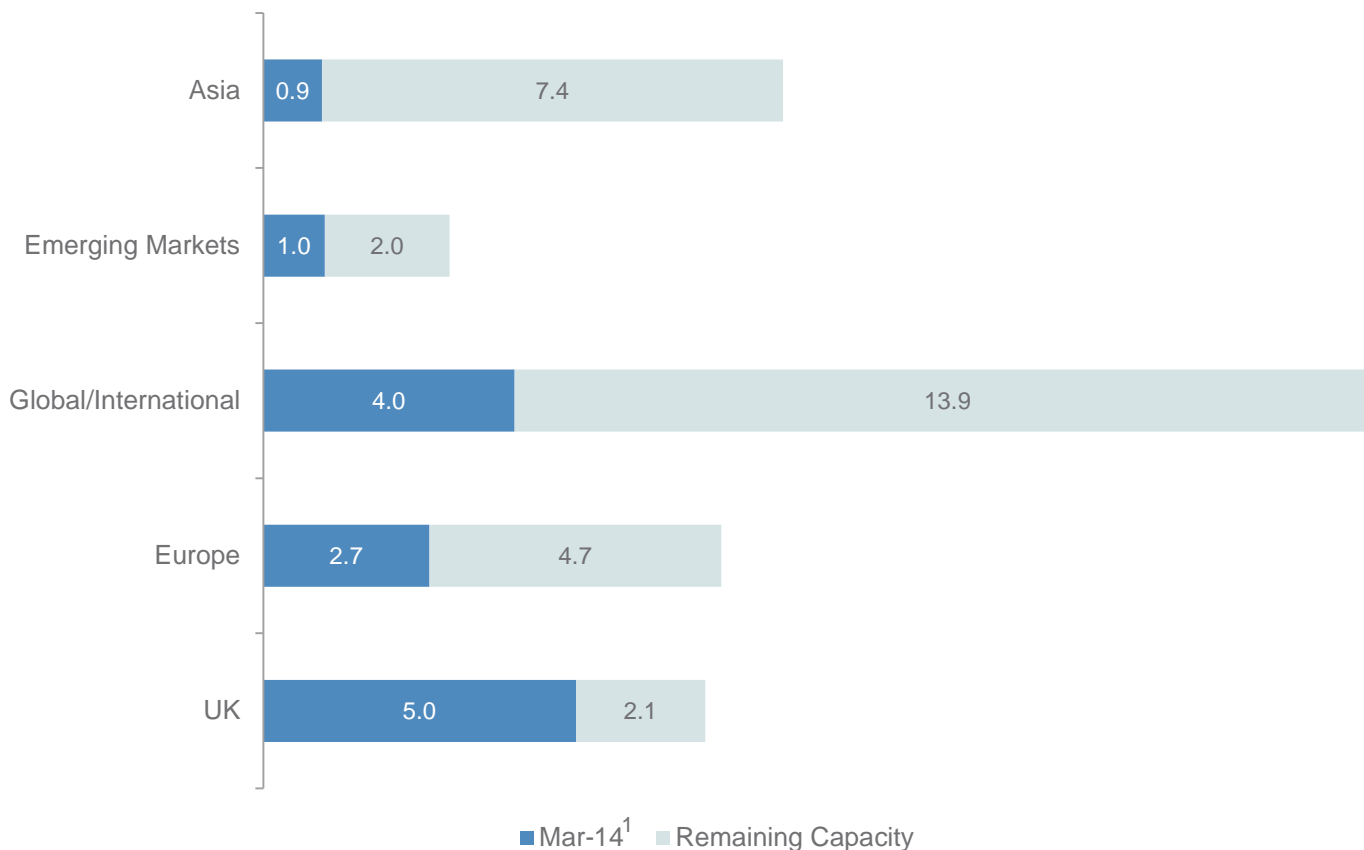
- New products add to FUM capacity and provide for future growth
- Launched 3 new products offshore in 1H14
  - International Small Cap Fund
  - Global Sharia Fund
  - Japan Dividend Growth Fund
- Strong success in new products such as the BT Equity Income Series confirms strategy is on track

Equity Income Series – FUM (A\$m)



# JOHCM Fund Capacity (£bn)

Global expansion and addition of new teams increasing FUM capacity



1. FUM shown as at 31 March 2014 includes FUM managed on behalf of BTIM (Australia)

Source: JOHCM as at 31 March 2014

# Summary & Outlook

## Strong financial position

- Business is in a strong financial position
- Higher markets, higher average FUM, performance fees and net inflows all contributing to growth and margin expansion
- Strength underpinned by the diversity across products, channels, geographies and capabilities
- Investment performance remains strong
- Success of new products adding to growth and margin expansion
- Expansion of capabilities and distribution globally is opening up new growth opportunities
- Given record FUM levels, strong net inflows, building into new markets and the development of new products, we are confident of continued growth

## 6. Questions



## 7. Appendices

# Segment P&L

| \$m                                  | 1H14              |               |                |               |                | Mvmt          | Change %    |
|--------------------------------------|-------------------|---------------|----------------|---------------|----------------|---------------|-------------|
|                                      | 1H13 <sup>1</sup> | BTIM          | JOHCM          | Inter-segment | Group          |               |             |
| Avg FUM (\$b)                        | 48.5              | 38.0          | 23.5           | (0.2)         | 61.3           | 12.8          | 26%         |
| Margin (mgt fee excludes perf. fee)  | 0.40%             | 0.33%         | 0.64%          | -             | 0.45%          | 0.05%         | 12%         |
| Base management fees                 | 98.1              | 63.1          | 75.0           | (0.3)         | 137.8          | 39.7          | 40%         |
| Performance fees                     | 33.5              | 1.1           | 113.6          | -             | 114.7          | 81.2          | 243%        |
| Other fee revenue                    | 2.2               | 1.0           | 1.8            | -             | 2.8            | 0.6           | 29%         |
| <b>Total fee revenue</b>             | <b>133.8</b>      | <b>65.2</b>   | <b>190.4</b>   | <b>(0.3)</b>  | <b>255.3</b>   | <b>121.5</b>  | <b>91%</b>  |
| Employee expenses                    | (66.6)            | (29.2)        | (95.9)         | -             | (125.1)        | (58.5)        | 88%         |
| Operating expenses                   | (22.1)            | (18.5)        | (9.3)          | 0.3           | (27.5)         | (5.4)         | 24%         |
| <b>Total cash operating expenses</b> | <b>(88.7)</b>     | <b>(47.7)</b> | <b>(105.2)</b> | <b>0.3</b>    | <b>(152.6)</b> | <b>(63.9)</b> | <b>72%</b>  |
| <b>Operating profit</b>              | <b>45.1</b>       | <b>17.5</b>   | <b>85.2</b>    | <b>-</b>      | <b>102.7</b>   | <b>57.6</b>   | <b>128%</b> |
| Net investment income                | 2.1               | 1.3           | 4.9            | (0.3)         | 5.9            | 3.8           | 177%        |
| Financing charges                    | (1.3)             | (0.5)         | (0.6)          | 0.3           | (0.8)          | 0.5           | (37%)       |
| Tax                                  | (11.7)            | (5.6)         | (19.1)         | -             | (24.7)         | (13.0)        | 110%        |
| <b>Cash NPAT</b>                     | <b>34.2</b>       | <b>12.7</b>   | <b>70.4</b>    | <b>-</b>      | <b>83.1</b>    | <b>48.9</b>   | <b>143%</b> |
| <b>Operating profit margin</b>       | <b>34%</b>        | <b>27%</b>    | <b>45%</b>     | <b>-</b>      | <b>40%</b>     | <b>6%</b>     | <b>19%</b>  |

1. Some 1H13 items have been re-classified for consistency purposes

# Cash EPS Calculation

## Number of Shares

| (m)   | 1H13         | 1H14         |
|---|--------------|--------------|
| Weighted average ordinary shares on issue             | 271.7        | 281.0        |
| Weighted average converting notes on issue            | 17.0         | 15.7         |
| <b>Weighted average fully diluted shares on issue</b> | <b>288.7</b> | <b>296.7</b> |

## Cash EPS Calculation

|   | 1H13         | 1H14         |
|---|--------------|--------------|
| <b>Cash Net Profit After Tax (\$m)</b>                    | <b>34.2</b>  | <b>83.1</b>  |
|   |              |              |
| Weighted average ordinary shares on issue (m)             | 271.7        | 281.0        |
| <b>Weighted average fully diluted shares on issue (m)</b> | <b>288.7</b> | <b>296.7</b> |
|   |              |              |
| <b>EPS based on Cash NPAT (cps)</b>                       | <b>11.8</b>  | <b>28.0</b>  |

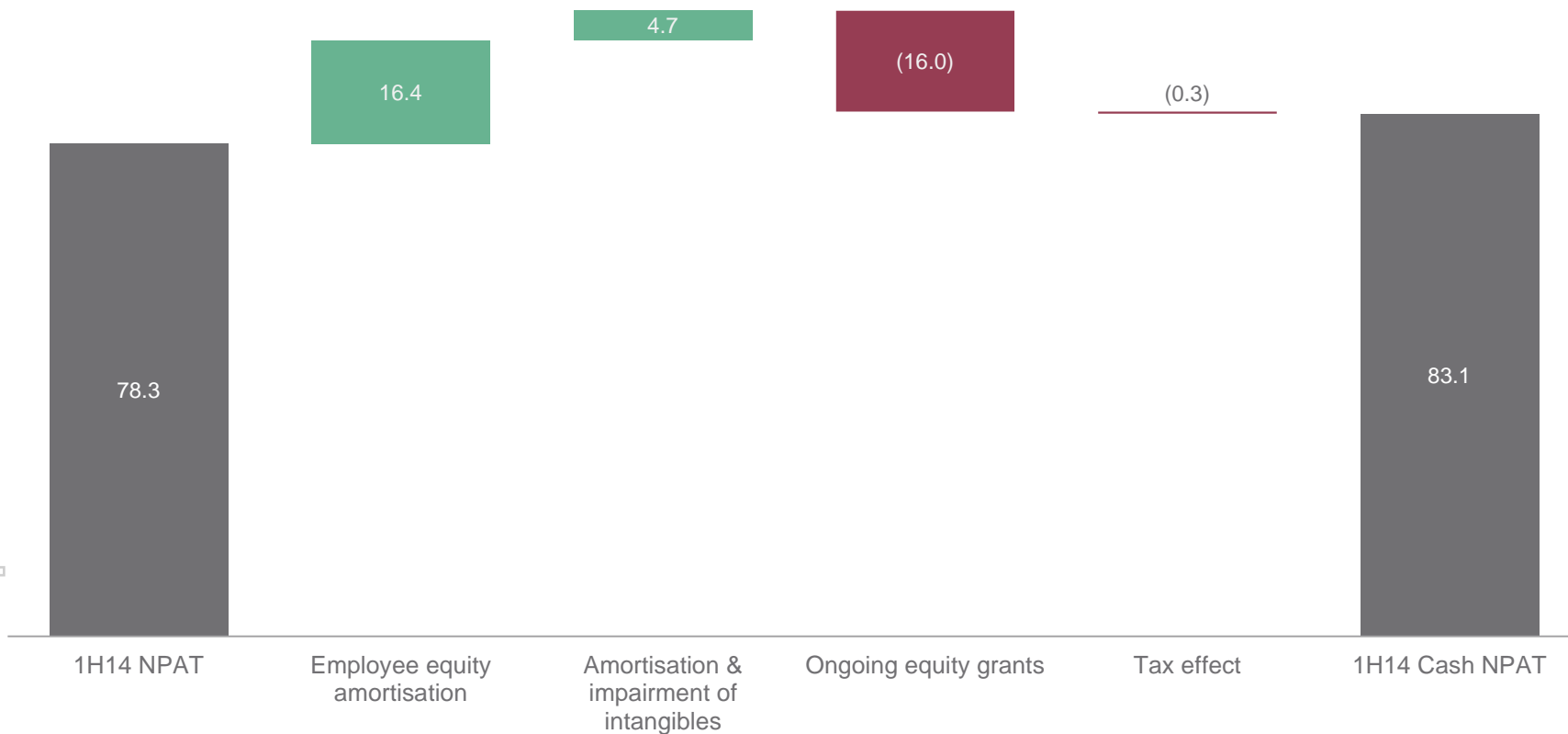
# Performance fees

| Fund  | FUM \$m<br>31 Mar 14   | Performance<br>period to | Benchmark   | Participation<br>Rate % |
|---|------------------------|--------------------------|---|-------------------------|
| <b>BTIM</b>   |                        |                          |   |                         |
| BT Wholesale Australian Long Short Fund <sup>1</sup>                                  | 219                    | 30 June                  | S&P/ASX 200 Accum Index   | 15%                     |
| BT Wholesale Microcap Opportunities Fund <sup>1</sup>                                 | 195                    | 30 June                  | S&P/ASX Small Ord Accum Index                                       | 20%                     |
| BT Wholesale Focus Australian Share Fund  | 129                    | 30 June                  | S&P/ASX 300 Accum Index   | 15%                     |
| BT Wholesale Mid Cap Fund <sup>1</sup>  | 36                     | 30 June                  | BT Midcap Customised Index  | 20%                     |
| <b>JOHCM<sup>2</sup></b>  |                        |                          |   |                         |
| UK Equity Income Fund <sup>1</sup>  | 4,615                  | 31 December              | FTSE All-Share TR Index   | 15%                     |
| Global Select Fund  | 2,543                  | 31 December              | MSCI ACWI NR Index (net dividends reinvested)                       | 15%                     |
| UK Opportunities Fund   | 2,293                  | 31 December              | FTSE All-Share TR Index   | 15%                     |
| European Select Values Fund <sup>1</sup>  | 1,790                  | 31 December              | MSCI Europe NR Index (net dividends reinvested)                     | 15%                     |
| Continental European Fund <sup>1</sup>  | 1,785                  | 31 December              | MSCI Europe ex UK NR Index (net dividends reinvested)               | 15%                     |
| Japan Fund  | 1,088                  | 31 December              | TOPIX TR Index  | 15%                     |
| UK Growth Fund <sup>1</sup>   | 580                    | 31 December              | FTSE All-Share TR Index   | 15%                     |
| UK Dynamic Fund <sup>1</sup>  | 270                    | 31 December              | FTSE All-Share TR Index   | 15%                     |
| Global Emerging Markets Opportunities Fund  | 167                    | 31 December              | MSCI Emerging Markets NR Index (net dividends reinvested)           | 15%                     |
| Asia ex Japan Fund <sup>1</sup>   | 161                    | 31 December              | MSCI AC Asia ex Japan NR Index (net dividends reinvested)           | 15%                     |
| Global Emerging Markets Fund  | 86                     | 31 December              | MSCI Emerging Markets NR Index (net dividends reinvested)           | 15%                     |
| Asia ex Japan Small and Mid Cap Fund  | 26                     | 31 December              | MSCI AC Asia ex Japan Small Cap NR Index (net dividends reinvested) | 15%                     |
| Global Opportunities Fund <sup>1</sup>  | 20                     | 31 December              | MSCI ACWI NR Index (net dividends reinvested)                       | 15%                     |
| All European Dynamic Growth Fund  | 18                     | 31 December              | MSCI Europe NR Index (net dividends reinvested)                     | 15%                     |
| Japan Dividend Growth Fund  | 4                      | 31 December              | TOPIX TR 100 Index  | 15%                     |
| <b>Total funds with performance fees</b>  | <b>16,025</b>          |                          |   |                         |
| <b>BTIM performance fees accrued in funds but not realised until 30 June 2014 \$m</b> | <b>6.7<sup>3</sup></b> |                          |   |                         |

1. Funds above their high water mark as at 31 March 2014
2. JOHCM includes OEIC FUM converted at 31 March 2014 spot rate of 0.5549
3. BTIM also earned \$1.1m performance fees in 1H14 for mandates with a 31 December performance period. These have been recognised in the 1H14 result.

# Adjustments from Statutory NPAT to Cash NPAT

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