

Shareholder Update

BT Investment Management Limited delivers record result with Cash NPAT of \$132.5 million and a 28 per cent increase in base management fees

Dear Shareholder,

I am pleased to inform you that BT Investment Management Limited (BTIM) today announced a record result for the year ending 30 September 2015 with cash net profit after tax (Cash NPAT) of \$132.5 million and statutory NPAT of \$126.4 million. Cash earnings per share (Cash EPS) were 44.0 cents compared to 42.6 cents in the previous year.

The Board has declared a final dividend of 20.0 cents per share, up 5.3 per cent compared to the previous corresponding period. Total dividends for the year were 37.0 cents per share, an increase of 6 per cent on the previous year.

The final dividend will be 40 per cent franked and paid on 18 December 2015 to ordinary shareholders on record on 4 December 2015.

	FY 2015	FY 2014	% change
Year ended 30 September:			
➤ Cash NPAT	\$132.5m	\$127.0m	+4%
➤ Statutory NPAT	\$126.4m	\$121.5m	+4%
➤ Fee Revenue	\$436.6m	\$420.7m	+4%
➤ Base Management Fees	\$371.1m	\$289.7m	+28%
➤ Base Management Fee Margin	49 bps	46 bps	+7%
➤ Performance Fees	\$51.9m	\$121.8m	-57%
➤ Operating Expenses	\$268.2m	\$258.5m	+4%
➤ Operating Margin	39%	39%	-
➤ Cash EPS	44.0cps	42.6cps	+3%
➤ Dividends	37.0cps	35.0cps	+6%
➤ Average FUM	\$75.2b	\$63.1b	+19%
As at 30 September:			
➤ Closing FUM	\$78.4b	\$66.4b	+18%

It is pleasing that our strategy is delivering increased returns to our shareholders. On a three-year basis, BTIM has delivered a 493 per cent total shareholder return, ranking it number one out of the companies included in the S&P/ASX 200 Index. This is a strong endorsement for our strategy, business model and the people that work across the BTIM Group.

This year's record result saw strong growth in base management fees and record net inflows, reflecting the strength and diversity of BTIM's business. Net inflows totalled \$5.7 billion, driven by demand for the offshore JOHCM equity funds, domestic fixed income strategies and newer products launched in Australia. The record inflows, investment outperformance and a lower Australian dollar contributed to an increase in funds under management of \$12.0 billion to \$78.4 billion, as at 30 September 2015. Base management fee revenue increased by 28 per cent compared to the prior year. On a half yearly basis this represents the eighth consecutive half-on-half year increase in base management fees.

Strong investment outcomes are being delivered for our clients, supporting the record net inflows. 97 per cent of funds under management have outperformed their respective benchmark over three years, and 99 per cent over five years for the period ending 30 September 2015.

In the last 12 months a key focus area of the business has been to build our market position in the US. It is pleasing to report that we have seen ongoing success in distributing our range of equity funds which saw excellent growth, attracting \$3.3 billion in net inflows.

Our long-term strategy is focused on delivering superior investment performance for our clients, identifying investment talent to further diversify and provide for future growth, and investing in our global distribution channels to be able to better leverage our investment capabilities.

The Board announced that the Dividend Reinvestment Plan (DRP) will remain active for the final dividend payment, with shares issued at a zero discount to the allocation price as determined by the DRP rules. The DRP allows shareholders to reinvest in additional BTIM shares with no commission or brokerage costs.

Shareholders who wish to participate in the DRP for the final dividend and have not previously elected to participate in the DRP must complete a DRP Instruction Form and return it to BTIM's share registry, Link Mark Services, by no later than 5:00pm on 7 December 2015. The DRP Instruction Form can be obtained at www.linkmarketservices.com.au.

I encourage you to review BTIM's results in more detail on our website: www.btim.com.au or under announcements on the ASX website: www.asx.com.au.

Yours faithfully,

James Evans
Chairman, BT Investment Management