

2016 Half Year Results

ending 31 March 2016

Emilio Gonzalez, CFA
Group Chief Executive Officer

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5 May 2016

1 1H16 Highlights**2 FUM and Flows****3 Financials****4 Strategy Update****5 Summary****6 Questions****7 Appendices**

1H16 Highlights

Continued execution of growth strategy

- Uninterrupted growth despite volatile market conditions
 - Increasing margins
 - Continued net inflows
 - Increased performance fees
 - Record interim dividend
- Benefiting from geographic and product diversity
- Investing in the business
 - Expanding investment capabilities
 - New Global Executive Committee

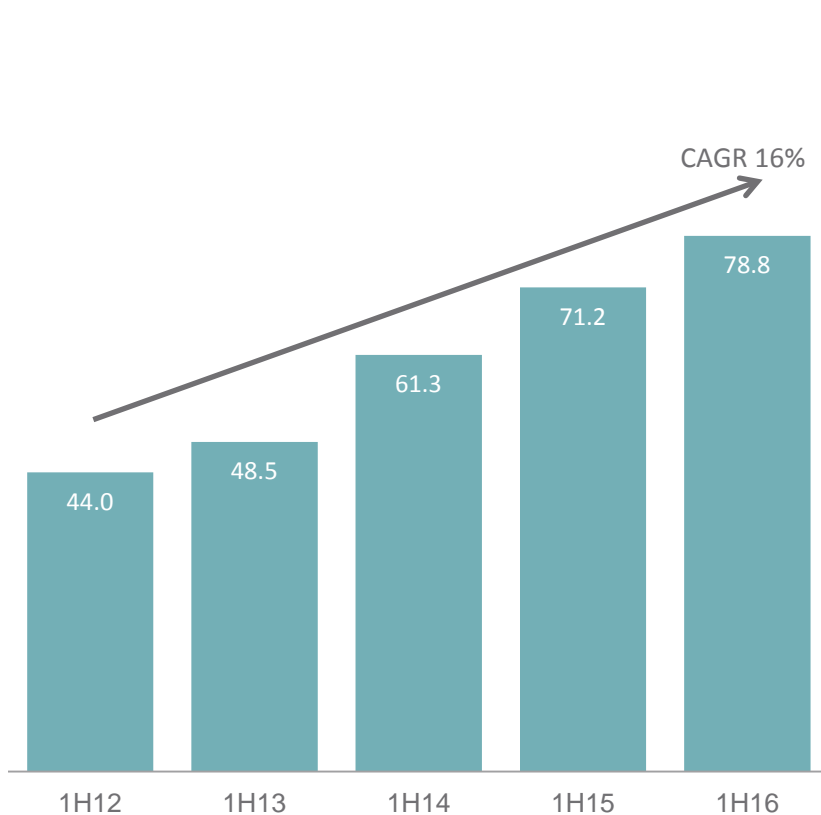
Financial highlights

	1H15	1H16	% Change
→ Fee Revenue	\$211.8m	\$279.0m	+32%
- Base Management Fees	\$170.4m	\$195.7m	+15%
- Base Management Fee Margin	0.48%	0.50%	+4%
- Performance Fees	\$38.0m	\$74.9m	+97%
→ Operating Expenses	\$131.0m	\$167.6m	+28%
→ Cash NPAT	\$66.5m	\$88.6m	+33%
→ Statutory NPAT	\$61.9m	\$78.3m	+26%
→ Operating Profit Margin	38%	40%	+5%
→ Cash EPS	22.1c	29.1c	+32%
→ Interim Dividend	17.0cps	18.0cps	+6%
→ Average FUM	\$71.2b	\$78.8b	+11%

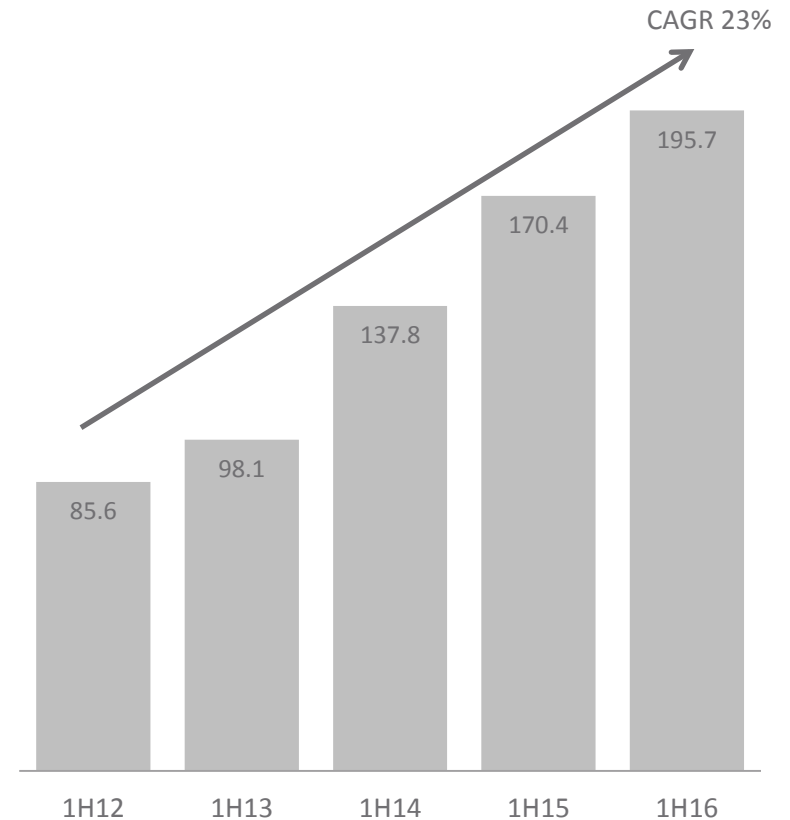
Revenue growth momentum

Increasing average FUM over 5 years

AVERAGE FUM (\$b)



BASE FEE REVENUE¹ (\$m)

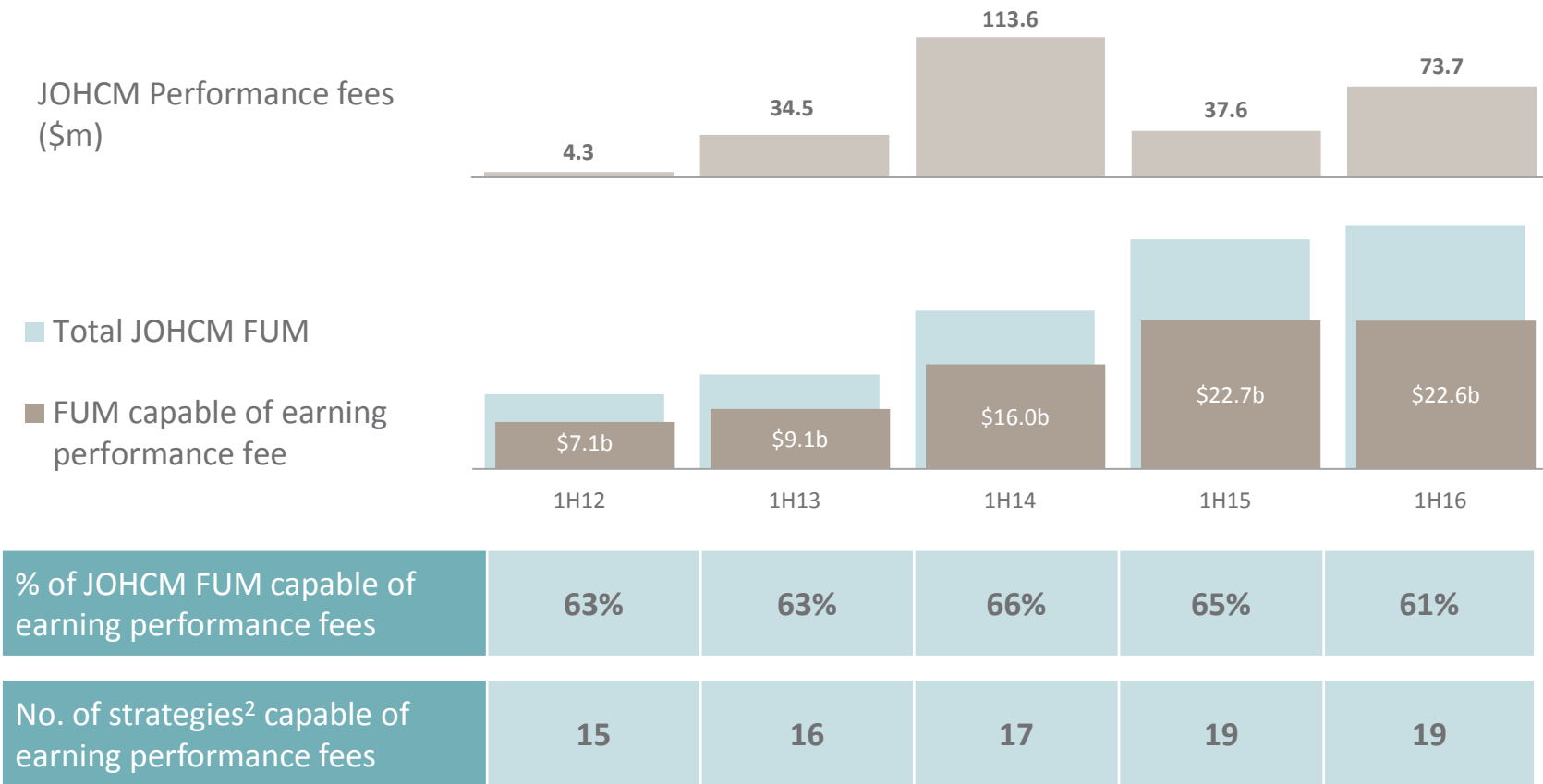


1. Base Fee Revenue does not include performance or transaction fees

Increasing capacity to earn performance fees

JOHCM funds

→ Performance fees of \$73.7¹ million earned in JOHCM funds for 2015 calendar year

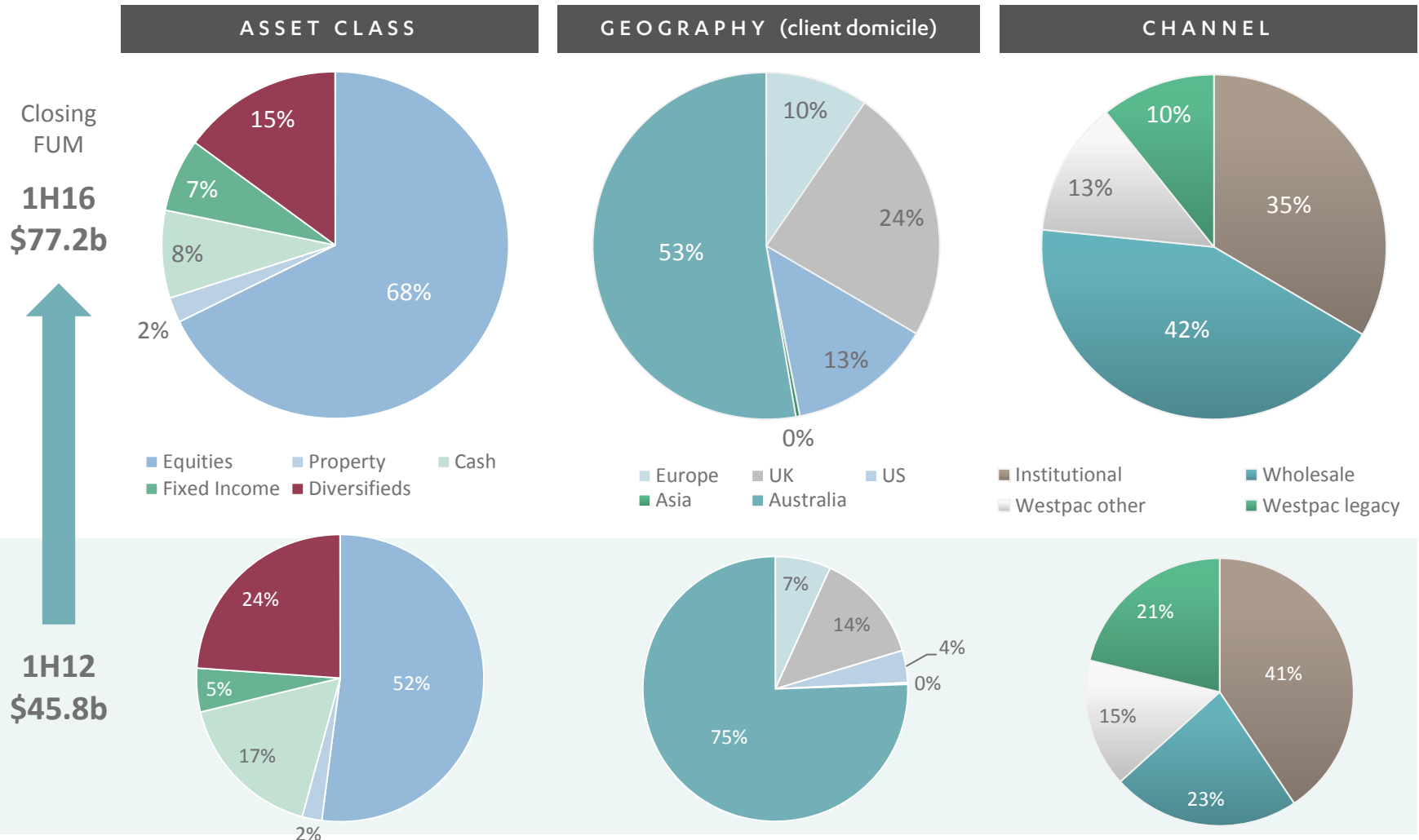


1. Represents £35.8 million

2. Strategies refers to funds and separate mandates

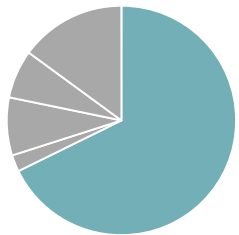
Business diversity

Diverse across asset class, geography and channel



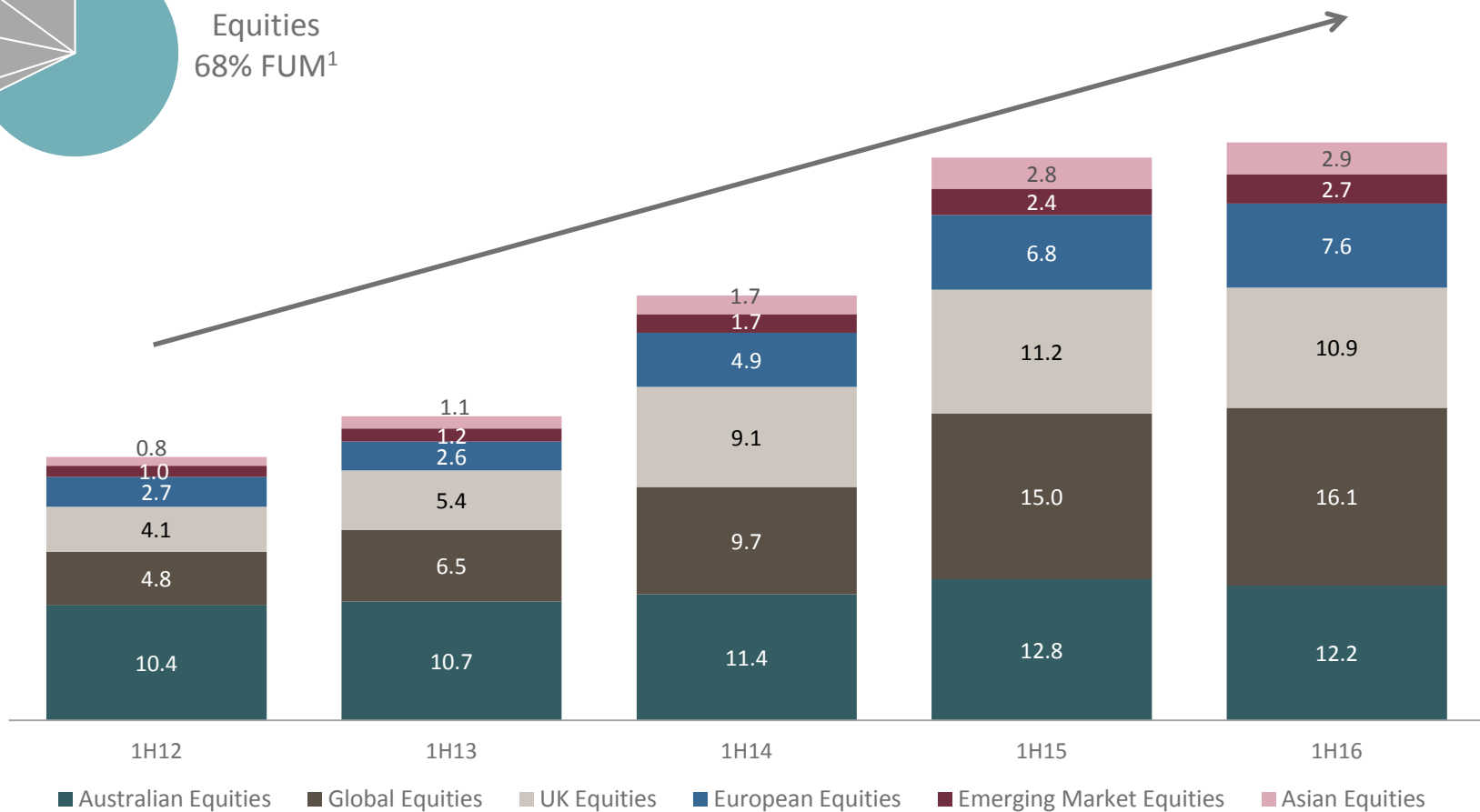
Growing global equities portfolio

Diverse across strategies



FUM by Strategy (\$b)

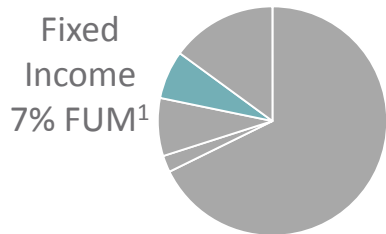
CAGR 22%



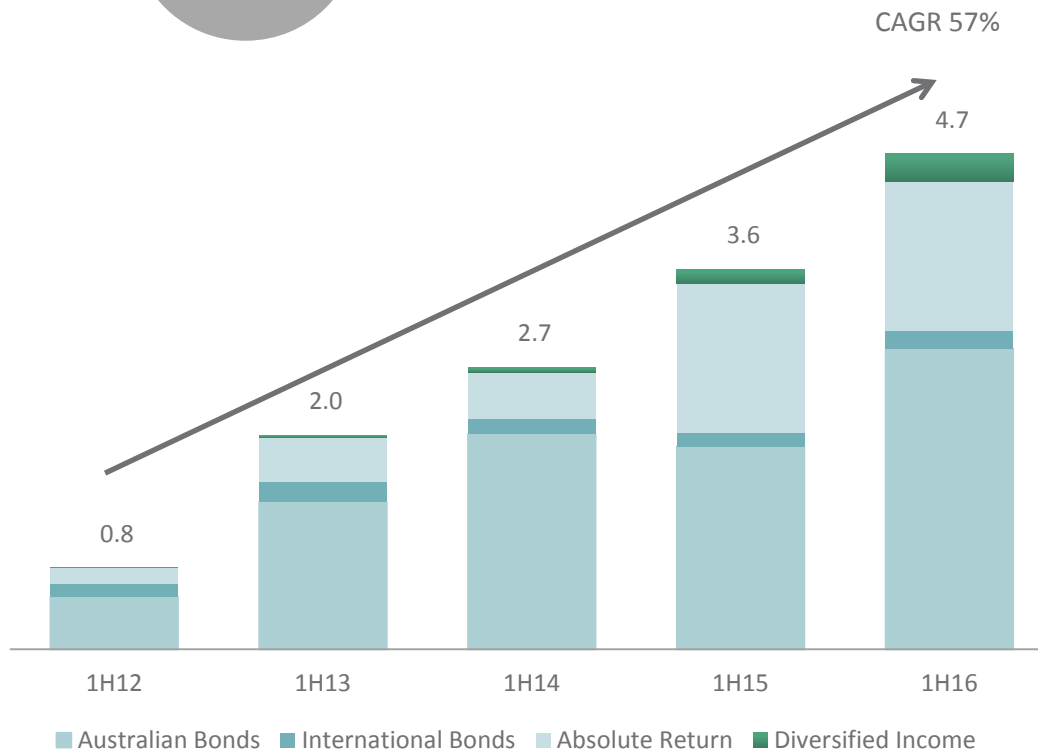
1. Represents closing FUM

Growing fixed income book

Developing products to meet increasing demand



FUM by Strategy (\$b)²



- Demographic changes driving increased demand for income products
- Growth of new products
 - Absolute return
 - Diversified income
- Strong investment performance

1. Represents closing FUM
2. Excludes cash-like mandates

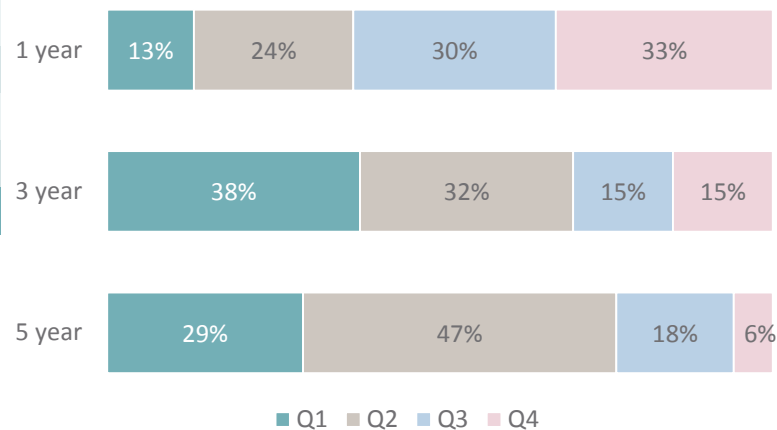
Investment performance

Strong long term outperformance

Asset Classes	FUM 31 March 2016 (\$b) ¹	% FUM outperformed ¹ 3 Year	% FUM outperformed ¹ 5 Year
Equities			
Australian	12.2	97%	100%
Global/International	16.1	99%	99%
UK	10.9	100%	100%
European	7.6	100%	100%
Emerging Markets	2.7	100%	100%
Asian	2.9	39%	100%
Property	1.8	17%	94%
Cash	6.3	100%	100%
Fixed Income	4.7	89%	86%
Diversified	11.5	100%	95%
Other	0.5	N/A	N/A
Total FUM	77.2	95%	98%

- 95% of FUM has outperformed¹ over 3 years and 98% over 5 years
- 70% of funds in 1st and 2nd quartile over 3 years and 76% over 5 years
- Softer performance in 1Q 2016 calendar year

% of funds² across quartile rankings



1. Fund performance is pre-fee, pre-tax and relative to the fund benchmark; % of FUM outperforming relates to FUM with sufficient track record only
2. Funds represent funds on offer under prospectus with Lipper/Mercer rankings

Source: Lipper and Mercer fund rankings as at 31 March 2016

Investment performance

Relative to benchmark

	1 Year (pa)	3 Years (pa)	5 Years (pa)
BT Wholesale Core Australian Share Fund	+1.09%	+2.26%	+1.60%
BT Wholesale Focus Australian Share Fund	+2.78%	+4.57%	+2.36%
BT Wholesale Imputation Fund	-1.48%	+0.36%	+0.56%
BT Wholesale Australian Long Short Fund	+0.61%	+2.30%	+2.33%
BT Wholesale Mid Cap Fund	+1.97%	+5.25%	+6.05%
BT Wholesale Smaller Companies Fund	+6.09%	+8.07%	+11.49%
BT Wholesale MicroCap Opportunities Fund	+9.67%	+21.95%	+22.34%
BT Wholesale Property Securities Fund	-0.98%	-0.31%	+0.21%
BT Wholesale Core Global Share Fund	+0.05%	+1.24%	+1.50%
BT Wholesale Active Balanced Fund	-1.10%	+1.72%	+0.99%
BT Wholesale Conservative Outlook Fund	-1.18%	+0.88%	+0.56%
BT Wholesale Fixed Interest Fund	-2.00%	+0.09%	+0.24%
BT Wholesale Monthly Income Plus Fund	-0.21%	+3.32%	+2.88%
BT Pure Alpha Fixed Income Fund	-5.19%	-0.08%	N/A
BT Wholesale Enhanced Cash Fund	+0.08%	+0.54%	+0.99%

	1 Year (pa)	3 Years (pa)	5 Years (pa)
JOHCM UK Equity Income Fund	-1.37%	+2.88%	+4.41%
JOHCM UK Opportunities Fund	+11.64%	+5.54%	+5.63%
JOHCM UK Growth Fund	-8.42%	+2.08%	+2.52%
JOHCM UK Dynamic Fund	-0.80%	+3.80%	+4.84%
JOHCM Continental European Fund	+5.54%	+5.13%	+4.45%
JOHCM European Select Values Fund	+10.86%	+5.59%	+6.12%
JOHCM Global Select Fund	-9.11%	+3.55%	+2.41%
JOHCM International Select Fund	-2.60%	+7.01%	+5.70%
JOHCM Global Opportunities Fund	+16.69%	+7.86%	N/A
JOHCM Emerging Markets Fund	+3.35%	+2.71%	+2.95%
JOHCM Global Emerging Markets Opportunities Fund	+0.24%	+4.59%	N/A
JOHCM Japan Fund	-2.01%	-3.36%	+0.82%
JOHCM Asia ex Japan Fund	+2.06%	+2.51%	N/A
JOHCM Asia ex Japan Small & Mid Cap Fund	+10.24%	+8.32%	N/A

Note: Fund performance is pre-fee, pre-tax and relative to the fund benchmark.
Australian domestic funds represent the flagship fund for the asset class.

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Continued net inflows

Positive inflows and market performance offset by stronger AUD

\$b	30-Sep-15	Net		FX	31-Mar-16	Breakdown of Net Flows		Fee Margin	
	Closing FUM	Flows	Other ¹	Impact	Closing FUM	BTIM	JOHCM	BTIM	JOHCM
Institutional	26.2	1.0	1.3	(1.5)	27.0	0.0	1.0	0.25%	0.58%
Wholesale									
Australia	5.4	0.1	0.1	-	5.6	0.1	-	0.76%	-
OEICs	22.5	0.0	0.9	(3.2)	20.2	-	0.0	-	0.65%
US Pooled	6.0	1.0	0.5	(0.9)	6.6	-	1.0	-	0.81%
Westpac - Other ²	9.9	0.0	0.0	-	9.9	0.0	-	0.29%	-
BTIM Group Core Funds	70.0	2.1	2.8	(5.6)	69.3	0.1	2.0	0.35%	0.66%
Westpac - Legacy	8.4	(0.6)	0.1	-	7.9	(0.6)	-	0.30%	-
Total BTIM FUM	78.4	1.5	2.9	(5.6)	77.2	(0.5)	2.0	0.34%	0.66%

- Net inflows of \$1.5b despite market volatility
- JOHCM equity funds inflows of \$2.0b – driven by US pooled funds and segregated mandates
- Stronger AUD negatively impacted FUM - AUD appreciated 16% vs GBP from 30 September 2015

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

2. Westpac Other: represents institutional IMA managing retail and corporate superannuation and managed accounts

FUM and flows by asset class

Net inflows of \$2.1 billion in Core funds

\$b	30-Sep-15	Net Flows			31-Mar-16
	Closing FUM	Core	Legacy	Other ¹	Closing FUM
Equities					
Australian	11.6	0.4	(0.1)	0.3	12.2
Global/International	16.0	0.7	0.0	(0.6)	16.1
UK	12.1	0.3	-	(1.5)	10.9
European	7.7	0.4	0.0	(0.5)	7.6
Emerging Markets	2.3	0.5	-	(0.1)	2.7
Asian	3.1	0.2	0.0	(0.4)	2.9
Property	1.7	0.0	0.0	0.1	1.8
Cash	6.1	0.2	0.0	0.0	6.3
Fixed Income	5.5	(0.7)	0.0	(0.1)	4.7
Diversified	11.9	0.0	(0.5)	0.1	11.5
Other	0.4	0.1	0.0	0.0	0.5
Total FUM	78.4	2.1	(0.6)	(2.7)	77.2

- Positive flows across all equities categories
- Global equities +\$0.7b, European equities +\$0.4b, and Australian equities +\$0.3b
- Fixed income FUM impacted by redemption of low margin cash-like mandate (\$1.1b)

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

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Financial highlights

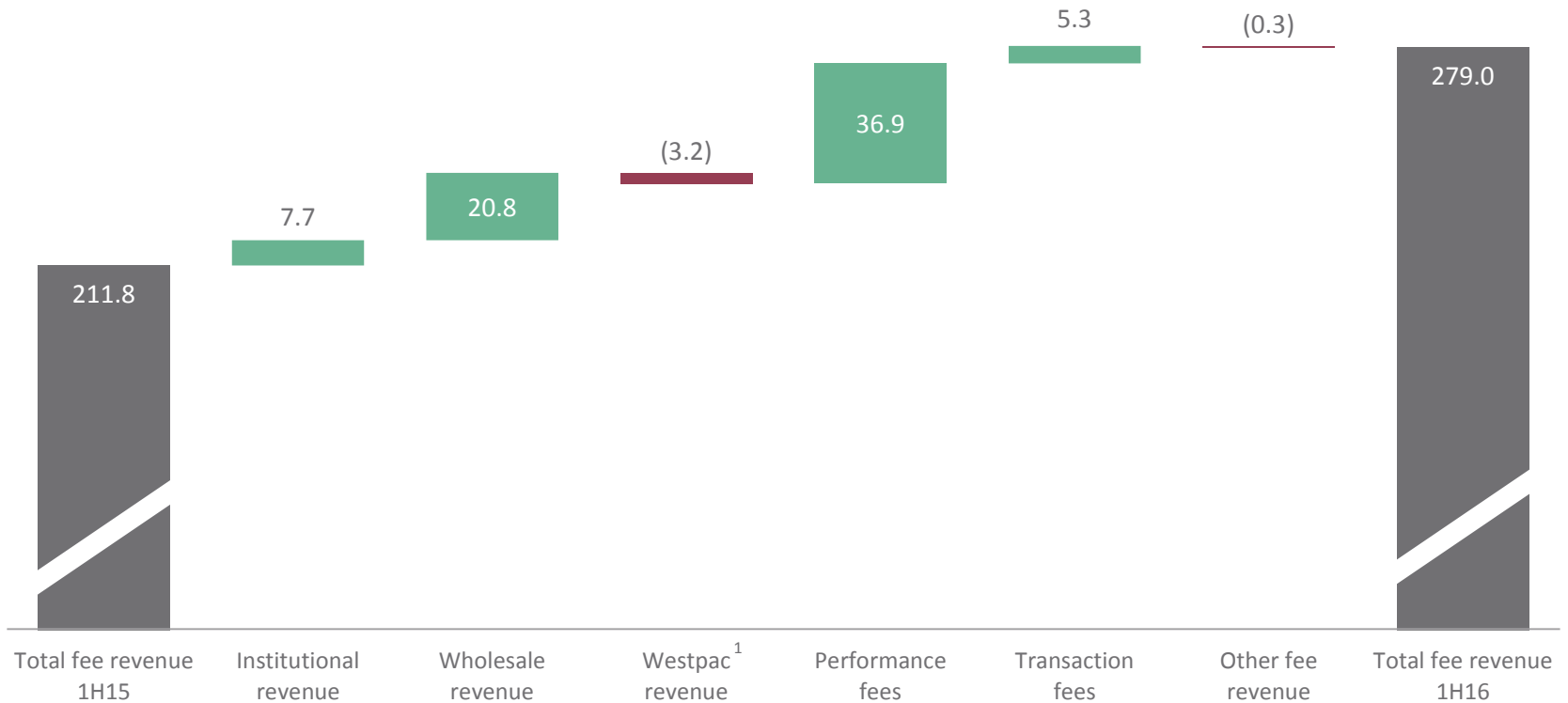
Key performance drivers continuing to grow

\$m	1H15	1H16	Change
Avg FUM (\$b)	71.2	78.8	+11%
Base fee margin	0.48%	0.50%	+4%
Base management fees	170.4	195.7	+15%
Performance fees	38.0	74.9	+97%
Transaction fees	2.2	7.5	+242%
Other fee revenue	1.2	0.9	-28%
Total fee revenue	211.8	279.0	+32%
Employee expenses	(100.1)	(134.1)	+34%
Operating expenses	(30.9)	(33.5)	+8%
Total cash operating expenses	(131.0)	(167.6)	+28%
Operating profit	80.8	111.4	+38%
Net investment income	3.5	2.2	-36%
Financing charges	(0.6)	(0.4)	-40%
Tax	(17.2)	(24.6)	+43%
Cash NPAT	66.5	88.6	+33%
Operating profit margin	38%	40%	+5%
Cash EPS	22.1	29.1	+32%

- Average FUM +11%
 - Strong net inflows
 - Lower \$A versus pcip
- Base management fees +15% driven by higher average FUM and expanding fee margins
- Performance fees significantly higher
- Growth in transaction fees from demand for Significant Investor Visa (SIV) product
- Operating expenses higher with increase in variable employee costs on higher revenue
- Increased fixed costs expected in 2H16 vs 1H16
- Cash NPAT +33%, Cash EPS +32%

Fee revenue

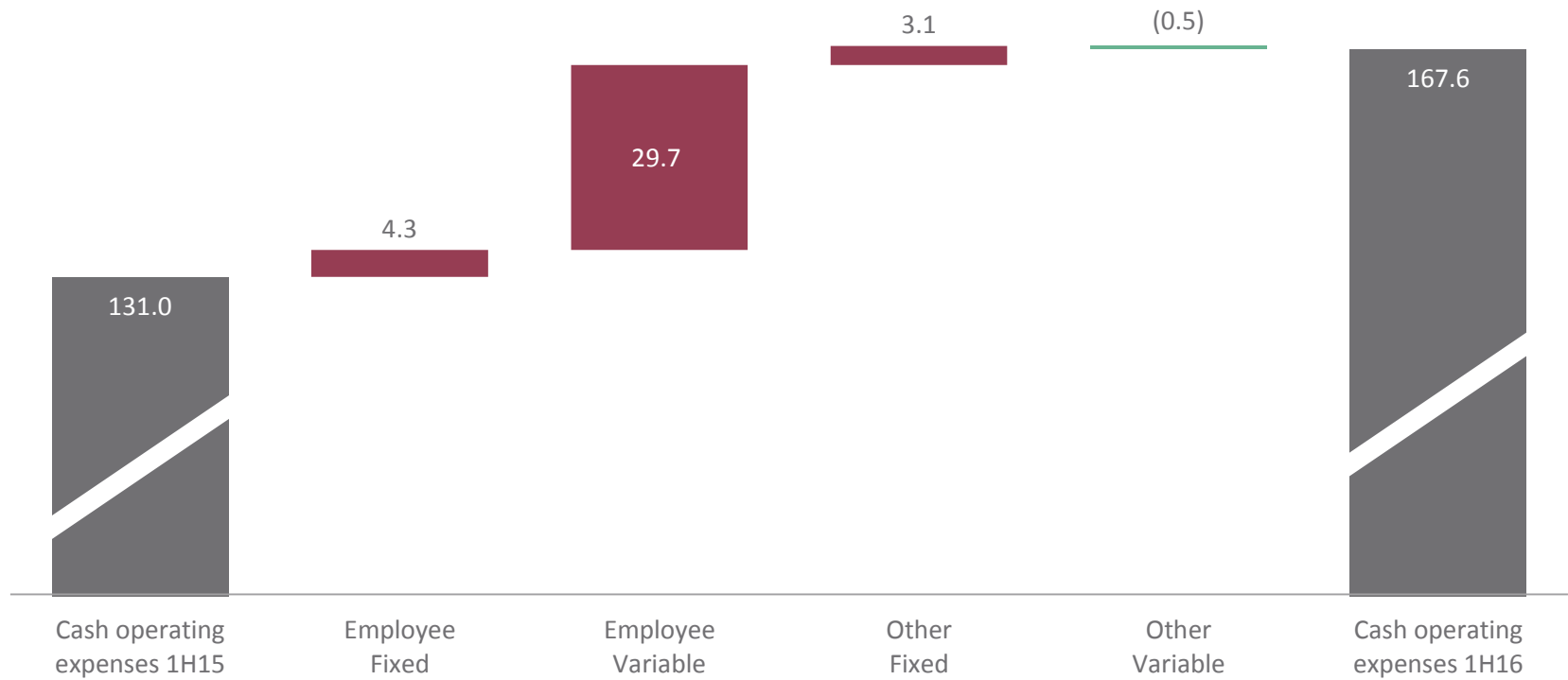
\$m



1. Westpac revenue: represents institutional IMA managing retail and corporate superannuation and managed accounts

Operating expenses

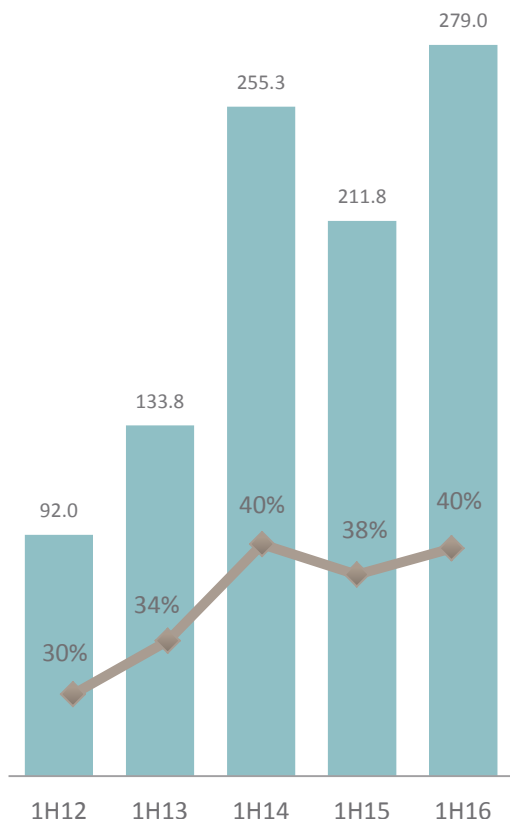
\$m



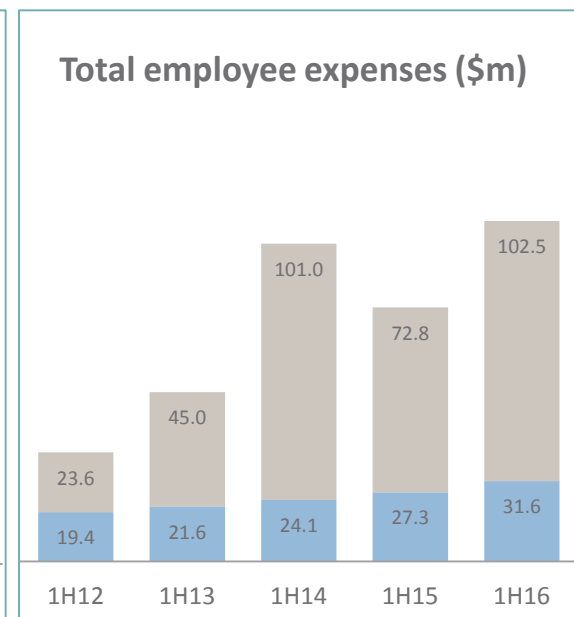
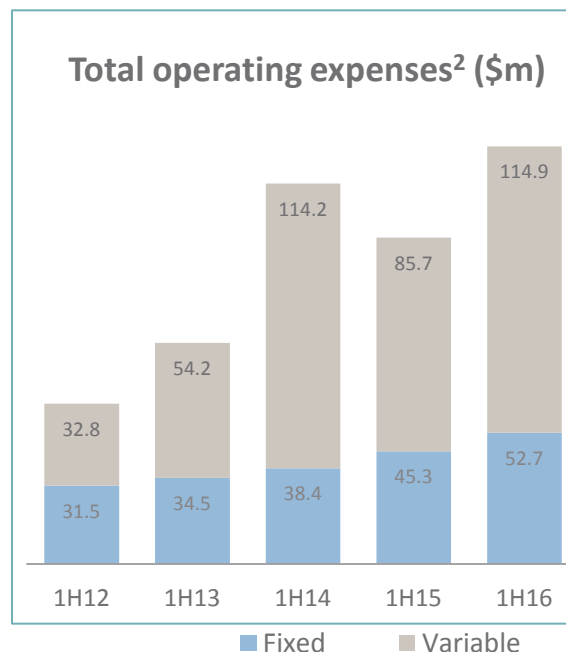
Fixed vs. variable expenses

Revenue growing faster than expenses

Revenue (\$m) and operating margin (%)



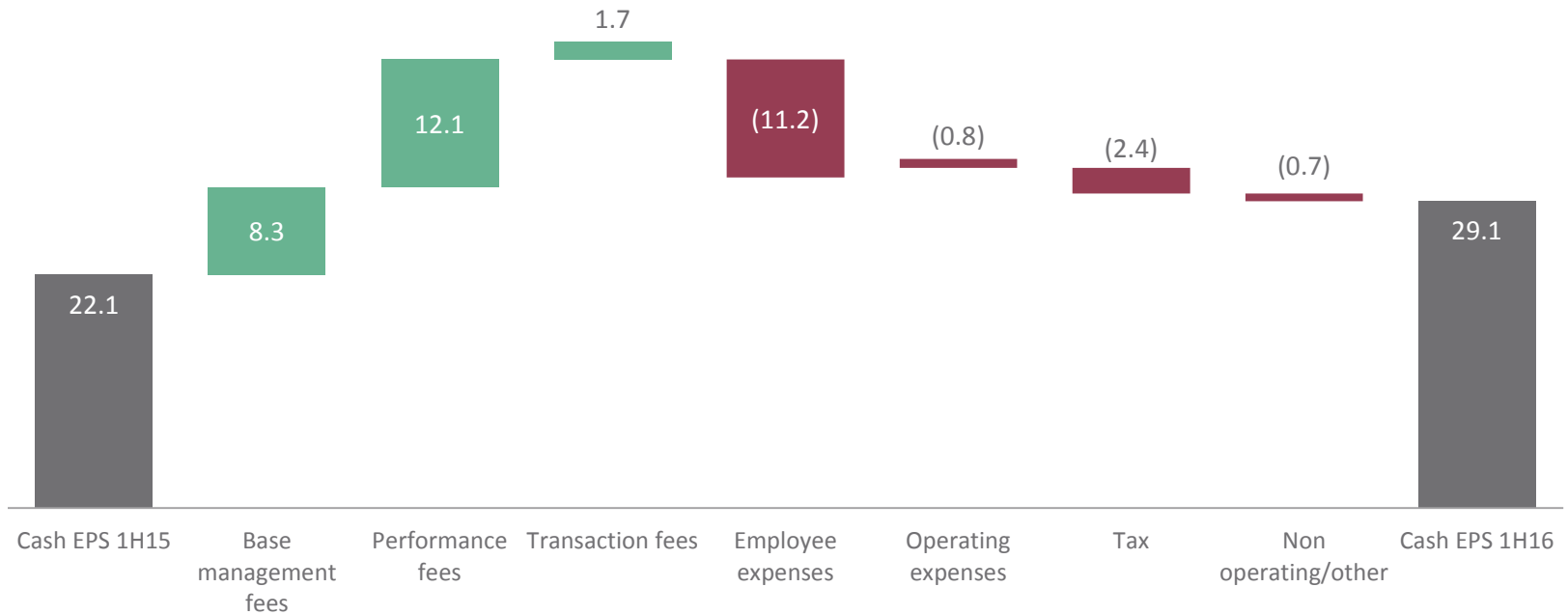
% Breakdown	1H12	1H13	1H14	1H15	1H16
Fixed expenses	49%	39%	25%	35%	31%
Variable expenses ¹	51%	61%	75%	65%	69%
Total	100%	100%	100%	100%	100%



1. Variable expenses include fund expenses that are linked to FUM & employee expenses that are linked to profit
2. Total operating expenses includes employee expenses

Cash EPS

(cps)



Balance sheet strength

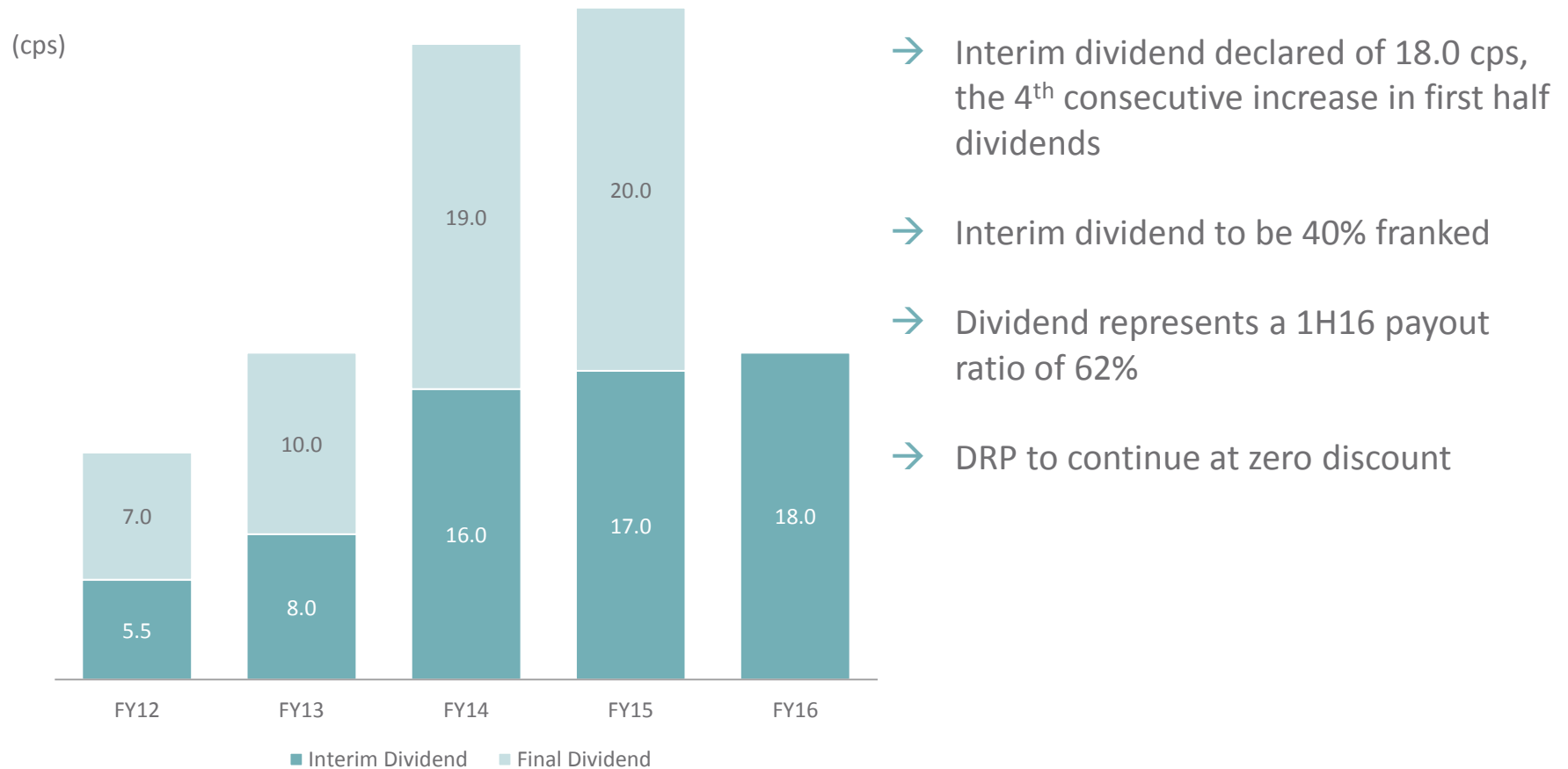
\$m	Mar 2015	Sep 2015	Mar 2016	Change ¹
Cash and cash equivalents	111.0	166.8	147.0	(19.8)
Bank debt and loan notes	(43.0)	(18.0)	(26.4)	(8.4)
Net cash	68.0	148.8	120.6	(28.2)
Undrawn debt facilities	51.3	86.7	58.1	(28.6)
Total equity	688.4	761.9	731.1	(30.8)
Less: Intangibles and equity settled converting notes	(583.4)	(622.5)	(578.6)	43.9
Net tangible assets (NTA)	105.0	139.4	152.5	13.1
Gearing Ratios				
Debt / equity	6%	2%	4%	2%
Debt / operating profit	31%	11%	13%	2%
Debt / NTA	41%	13%	17%	4%
Interest coverage	100x	133x	202x	69x

- Balance sheet strong with continued upward NTA trend
- Cash balance seasonally lower however net cash position improving year-on-year
- Loan notes fully redeemed as at 31 March 2016
- Debt facility available for seeding and operational purposes, subject to re-finance by 30 Sep 2016
- Comfortable gearing ratios provide platform for growth
- No significant change to regulatory capital requirements – c.\$17m

1. Change represents variance between March 2016 and September 2015

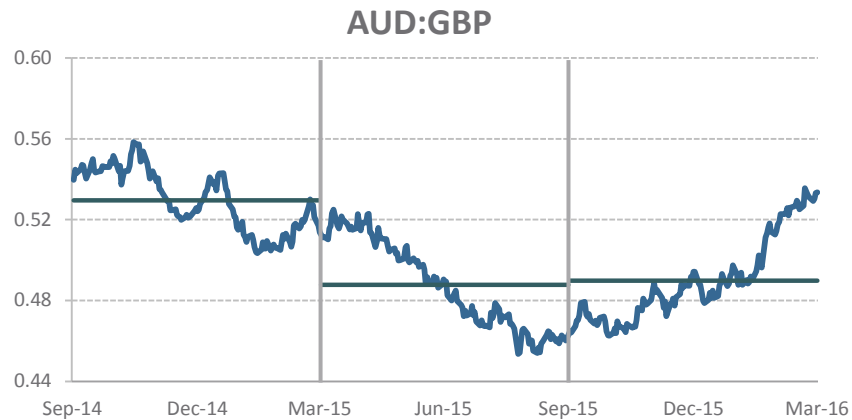
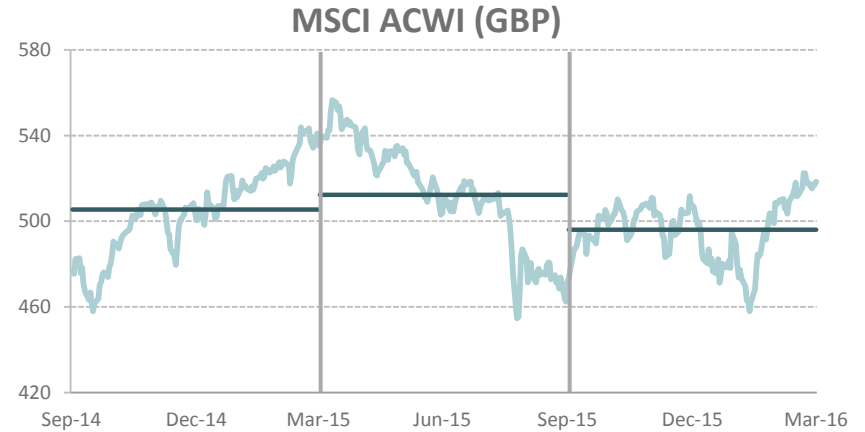
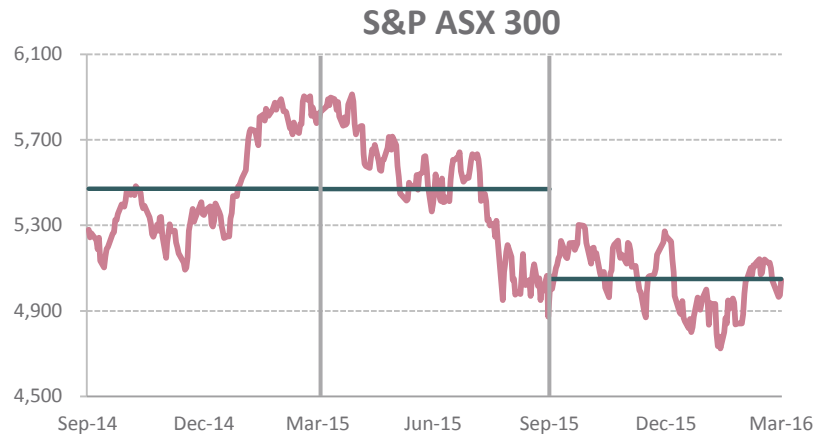
Continued growth in dividends

Record Interim dividend of 18.0 cents per share, up 6%



Key Sensitivities

Impact of markets and foreign currency movements



— Half Year Average

	Movement ¹	Revenue (annualised)	EPS
Markets	+/- 1%	+/- \$3.8m	+/- 0.7 cps
FX (AUD/GBP)	+/- 1%	-/+ \$3.0m	-/+ 0.4 cps

1. Represents 1% upfront movement from 31 March 2016 position

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Strategy focus

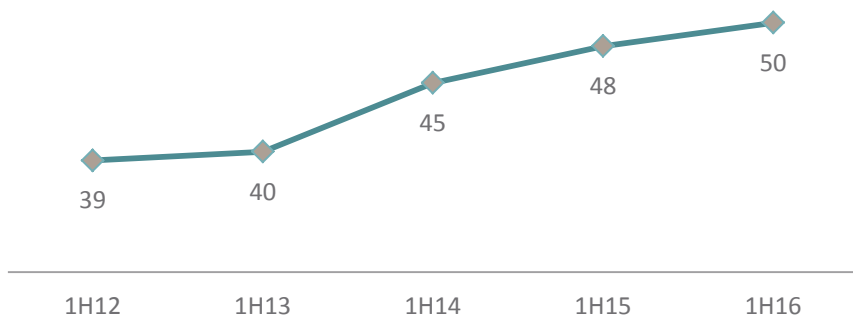
Building out a Global Asset Management business

- Price discipline, channel management and product development focused on improving revenue margins
- Disciplined capacity management for the preservation of investment performance
- Expansion of investment capabilities for future growth
- Organic growth through extension strategies and product development
- Establishment of Global Executive Committee to create management bandwidth and maintain focus on growth
- What about Brexit?

Increasing revenue margins

Channel management

Average Base Management Fee Margin (bps)



→ Continued increase in average base management fee margins.

→ 1H15-1H16 +2 bps

→ 1H12-1H16 +11 bps

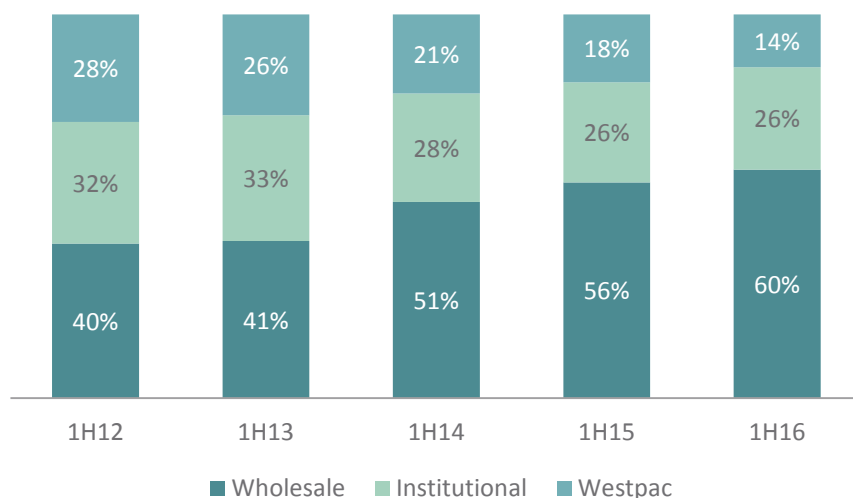
→ Increased percentage of flows through higher margin wholesale channel

→ 1H15-1H16 56%→60%

→ 1H12-1H16 40%→60%

→ New products targeting higher margin contribution. Average revenue margin of FUM raised from new products since 2012: 53bps.

Base Management Fee by Channel (%)



Capacity management

Managing fund capacity whilst continuing to build for growth

- Capacity is managed to ensure investment performance is not compromised
- Funds are soft-closed at pre-determined FUM levels¹
- Ongoing investment in new teams and extension strategies provides for future growth
- Model allows strong investment performance not compromised by asset growth whilst providing for future growth

Current Soft Closed Strategies (as at 31 March 2016)

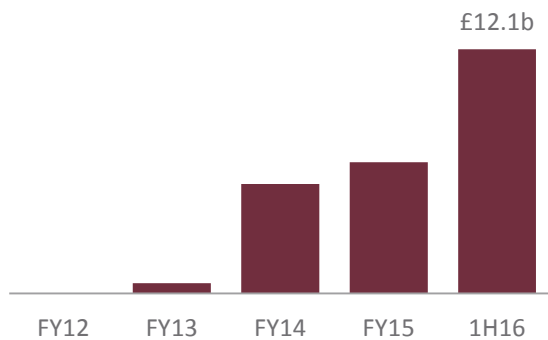
Strategy	March 16 FUM (£b)	Date of Soft Close
Japan	0.5	Apr-13
UK Equity Income	2.4	Oct-13
International Select	4.0	Jul-15
Global Select	3.0	Mar-16
European Select Values	2.2	Mar-16

1. Fund capacity levels are set at inception and beta adjusted over time

Capacity management

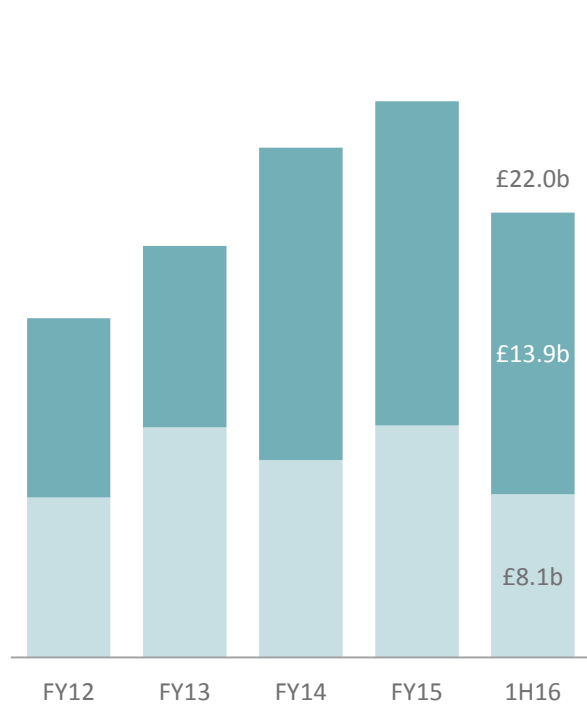
Preserving investment performance and building for growth

Preserving Performance



FUM of soft closed strategies

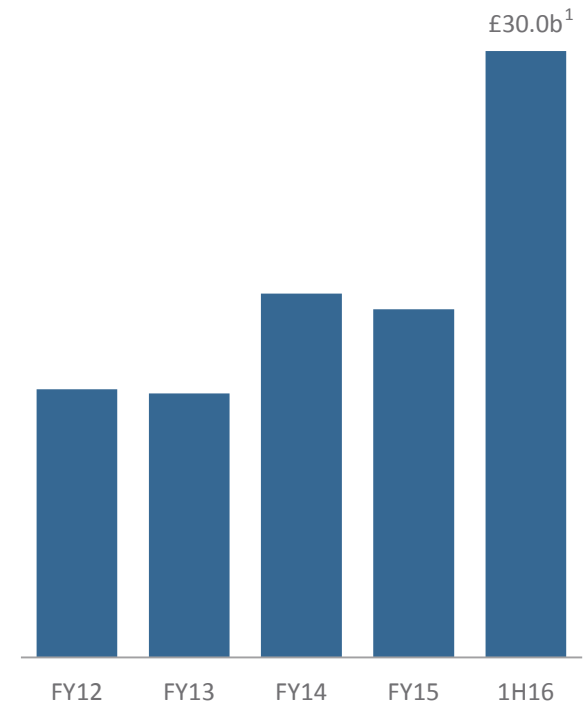
Current Growth



Capacity of strategies with >3yr track record

FUM of open strategies

Future Growth



Capacity of strategies with <3yr track record

1. Includes £10.7b (AUD20.0b) of Sydney based global equity team but excludes Australian equities and fixed interest

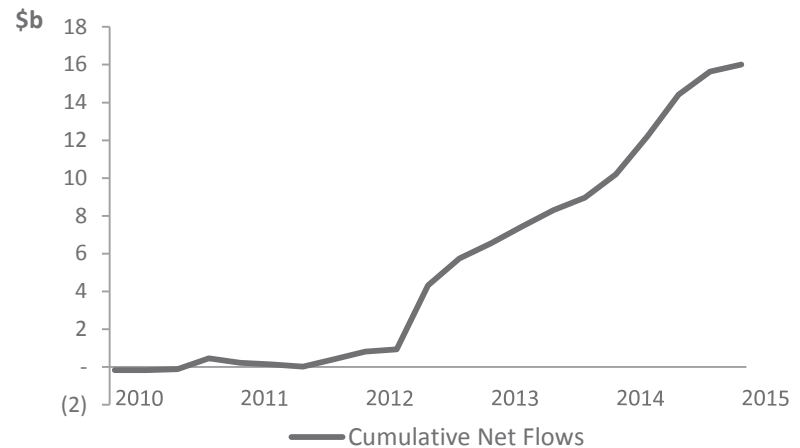
Expanded investment capabilities

Adding investment capability in a growing asset class

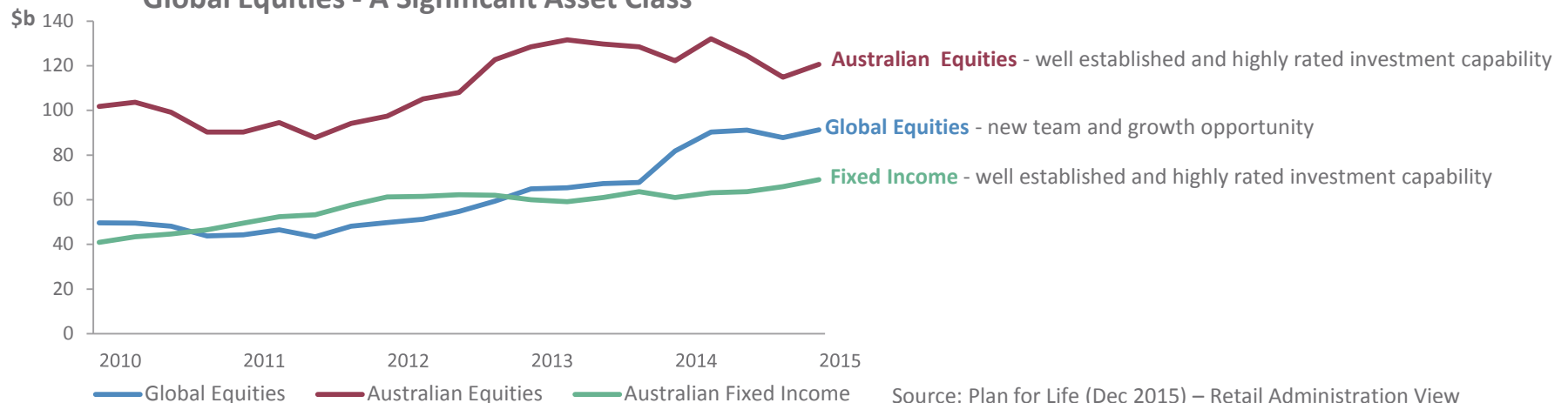
New Sydney based global equities team

Strategy:	Concentrated long-only global equities
Investment strategies:	Ashley Pittard (19 years investment experience in global equities)
Team size:	5-7 individuals
Capacity:	AUD 20 billion
Key market:	Australian retail segment

Global Equities – A Growing Asset Class



Global Equities - A Significant Asset Class



Source: Plan for Life (Dec 2015) – Retail Administration View

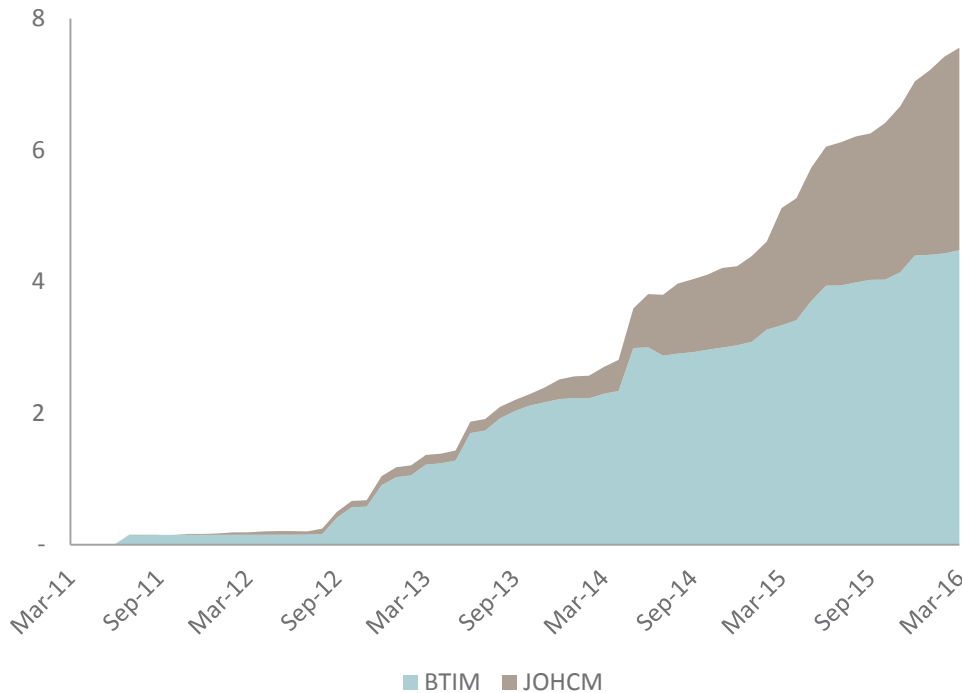
Organic growth

Investment in new initiatives has raised \$7.6b in FUM

Investment in new initiatives gradually adding to FUM

New initiatives

Cumulative net flows (\$b)



- Investment in new initiatives adding to FUM
- Proven capability in bringing product to market
- Current annualised revenue of new initiatives launched over the last five years is \$40m

Note: New initiatives are new products and investment strategies launched since March 2011

Establishment of Global Executive Committee

Driving global business growth

- Business now significantly larger than 5 years ago across every dimension
- Greater breadth across the business requires management bandwidth for ongoing execution of strategy
- Global Executive Committee to focus on growth opportunities for the Group
- Risk and Finance function centralised, all other functions continue to be run from current locations

Global Executive Committee

Group Chief Executive Officer and Managing Director, Emilio Gonzalez – Sydney

Group Chief Financial Officer, Cameron Williamson – Sydney

Group Executive, JOHCM Group Chief Executive Officer, Gavin Rochussen - London

Group Executive, BTIM (Australia) Chief Executive Officer, (tba) – Sydney

Group Chief Risk Officer, (tba) – London

BREXIT – UK referendum on the EU

- UK referendum on EU takes place on 23 June 2016
- The implications of an “out” vote is nothing more than guesswork at this stage
- Polling data on referendum is inconclusive
- Business is in a strong position to effectively manage outcome

JOHCM FUM breakdown across fund type (31 March 2016)

Fund type	£b	Description	Status
UK onshore funds	4.3	Operate under umbrella fund registered in UK	~94% of FUM with UK based clients
OEIC offshore funds	7.2	Operate under umbrella fund registered in Ireland	~46% of FUM with UK based clients
US pooled vehicles	3.5	DST and US mutual funds	Unlikely to have any impact
Segregated mandates	5.1	Institutional IMA's	Unlikely to have any impact
	20.1		

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Summary

- Business performance remains strong against background of volatile markets – higher FUM, revenues and margins
- 4th consecutive year of growth in interim dividends
- Continued growth opportunities across existing investment strategies
- Long term investment performance remains strong
- \$A level higher than 1H16 and 2H15 average levels
- Portfolio diversity provides for resilience

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Segment Profit and Loss

\$m	1H16					Change	Change %
	1H15	BTIM	JOHCM	Inter-segment	Group		
Avg FUM (\$b)	71.2	40.5	38.9	(0.6)	78.8	7.6	+11%
Base fee margin	0.48%	0.34%	0.66%	-	0.50%	0.02%	+4%
Base management fees	170.4	67.9	128.7	(0.9)	195.7	25.3	+15%
Performance fees	38.0	1.2	73.7	-	74.9	36.9	+97%
Transaction fees	2.2	7.5	-	-	7.5	5.3	+242%
Other fee revenue	1.2	0.9	0.0	-	0.9	(0.3)	-28%
Total fee revenue	211.8	77.5	202.4	(0.9)	279.0	67.2	+32%
Employee expenses	(100.1)	(36.1)	(98.0)	-	(134.1)	(34.0)	+34%
Operating expenses	(30.9)	(20.2)	(14.2)	0.9	(33.5)	(2.6)	+8%
Total cash operating expenses	(131.0)	(56.3)	(112.2)	0.9	(167.6)	(36.6)	+28%
Operating profit	80.8	21.2	90.2	-	111.4	30.6	+38%
Net investment income	3.5	5.3	(2.7)	(0.4)	2.2	(1.3)	-36%
Financing charges	(0.6)	(0.5)	(0.3)	0.4	(0.4)	0.2	-40%
Tax	(17.2)	(8.1)	(16.5)	-	(24.6)	(7.4)	+43%
Cash NPAT	66.5	17.9	70.7	-	88.6	22.1	+33%
Operating profit margin	38%	27%	45%	-	40%	2%	+5%

Cash EPS calculation

Number of shares

(m)	1H15	1H16
Weighted average ordinary shares on issue	290.6	300.4
Weighted average converting notes on issue	10.1	4.1
Weighted average fully diluted ordinary shares on issue	300.7	304.5

Cash EPS calculation

	1H15	1H16
Cash Net Profit After Tax (\$m)	66.5	88.6
Weighted average fully diluted ordinary shares on issue (m)	300.7	304.5
EPS based on Cash NPAT (cps)	22.1	29.1

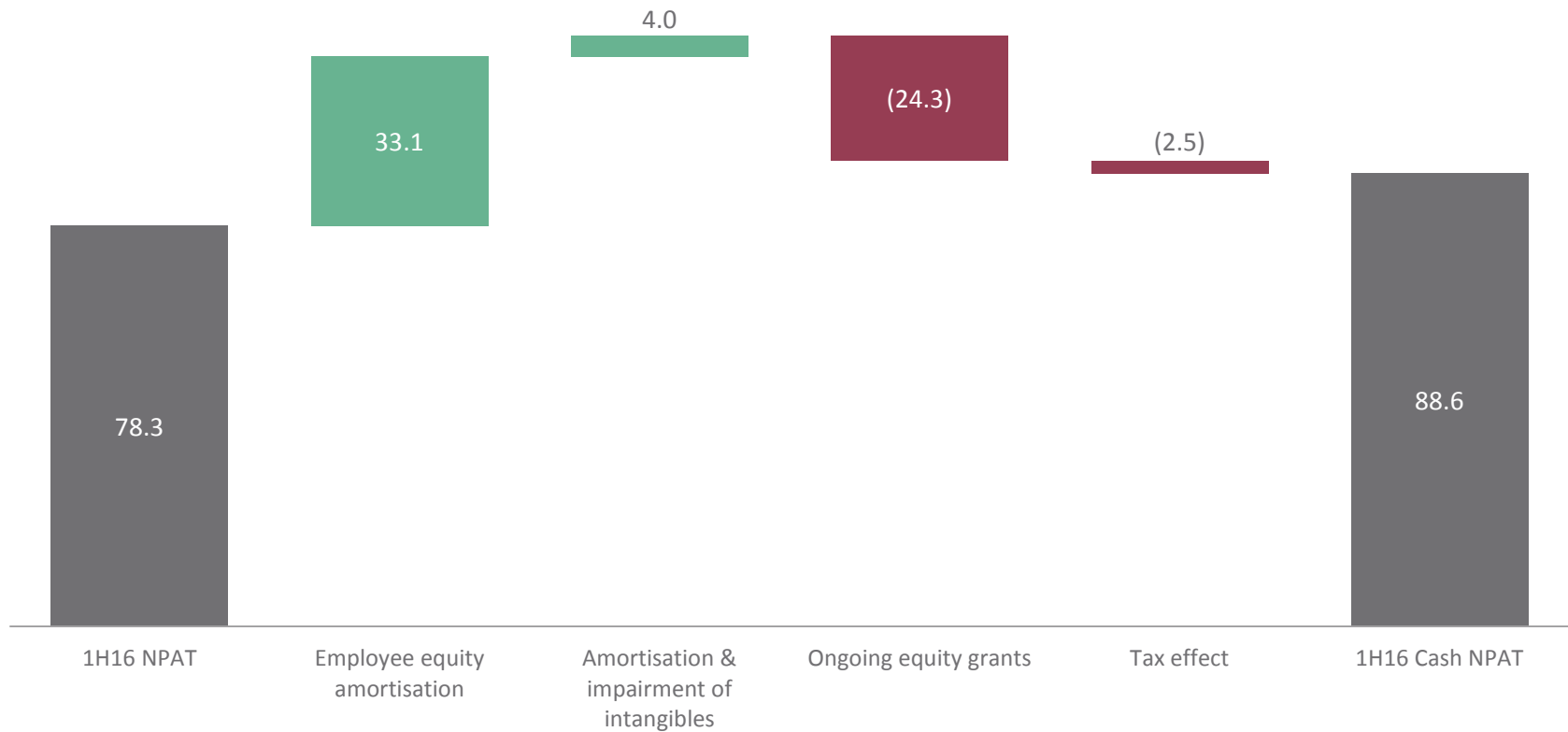
Performance fees

Fund ¹	FUM \$m 31 Mar 16	Performance fee period to	Benchmark	Participation Rate %
BTIM				
BT Wholesale Australian Long Short Fund ¹	249	30 June	S&P/ASX 200 Accum Index	20%
BT Wholesale Microcap Opportunities Fund ¹	232	30 June	S&P/ASX Small Ord Accum Index	15%
BT Wholesale Mid Cap Fund	219	30 June	BT Midcap Customised Index	20%
BT Wholesale Focus Australian Share Fund ¹	145	30 June	S&P/ASX 300 Accum Index	15%
Mandates	1,642	Various	Various	
JOHCM²				
UK Equity Income Fund	4,529	31 December	FTSE All-Share TR Index	15%
Global Select Fund	3,687	31 December	MSCI ACWI NR Index (net dividends reinvested)	15%
European Select Values Fund ¹	3,527	31 December	MSCI Europe NR Index (net dividends reinvested)	15%
Continental European Fund ¹	3,114	31 December	MSCI Europe ex UK NR Index (net dividends reinvested)	15%
UK Opportunities Fund ¹	3,031	31 December	FTSE All-Share TR Index	15%
Japan Fund	908	31 December	TOPIX TR Index	15%
UK Growth Fund	653	31 December	FTSE All-Share TR Index	15%
UK Dynamic Fund	583	31 December	FTSE All-Share TR Index	15%
Asia Ex Japan Fund	579	31 December	MSCI AC Asia ex Japan NR Index (net dividends reinvested)	15%
Global Emerging Markets Opportunities Fund	348	31 December	MSCI Emerging Markets NR Index (net dividends reinvested)	15%
Global Opportunities Fund ¹	293	31 December	MSCI ACWI NR Index (net dividends reinvested)	15%
Japan Dividend Growth Fund	163	31 December	TOPIX 100 TR Index	15%
Asia Ex Japan Small & Mid Cap Fund	135	31 December	MSCI AC Asia ex Japan Small Cap NR Index (net dividends reinvested)	15%
Global Emerging Markets Fund	40	31 December	MSCI Emerging Markets NR Index (net dividends reinvested)	15%
Mandates	1,033	31 December	Various	
Total funds/mandates with performance fees	25,111			
Current status of BTIM performance fees with performance period ending 30 June 2016	2.3			

1. Funds above their high water mark as at 31 March 2016

Adjustments from Statutory to Cash NPAT

\$m



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