

## Shareholder update

### BT Investment Management Limited delivers record result with Cash NPAT of \$173.1 million for the year ended 30 September 2017

Dear Shareholder,

BT Investment Management Limited (BTIM) has announced a record result for the fifth consecutive financial year. Statutory net profit after tax of \$147.5 million was up four per cent, and cash net profit after tax (Cash NPAT) increased 11 per cent to \$173.1 million. Cash earnings per share (Cash EPS) of 55.3 cents was nine per cent higher than last year.

The Board has declared a final dividend of 26.0 cents per share, up eight per cent compared to the previous corresponding period, while total dividends for the 2017 financial year increased by three cents to 45.0 cents representing a seven per cent increase on the 2016 dividends.

The final dividend will be 25 per cent franked and paid on 20 December 2017 to ordinary shareholders at record date 8 December 2017.

	FY 2017	FY 2016	Change
Full year to 30 September:			
➤ Cash NPAT	<b>\$173.1m</b>	\$156.0m	+11%
➤ Statutory NPAT	<b>\$147.5m</b>	\$142.0m	+4%
➤ Fee Revenue	<b>\$491.0m</b>	\$493.9m	-1%
➤ Base Management Fees	<b>\$447.2m</b>	\$399.8m	+12%
➤ Base Management Fee Margin	<b>50bps</b>	50bps	-
➤ Performance Fees	<b>\$37.9m</b>	\$77.2m	-51%
➤ Operating Expenses	<b>\$281.9m</b>	\$297.0m	-5%
➤ Operating Margin	<b>43%</b>	40%	+7%
➤ Cash EPS	<b>55.3cps</b>	50.8cps	+9%
➤ Dividends	<b>45.0cps</b>	42.0cps	+7%
➤ Average FUM	<b>\$90.4b</b>	\$80.2b	+13%
As at 30 September:			
➤ Closing FUM	<b>\$95.8b</b>	\$84.0b	+14%

The 2017 Financial Year was a milestone year for BTIM marking the tenth anniversary of our public listing. Since listing BTIM has delivered a total shareholder return, which measures both share price and dividend growth, of 264 per cent. This compares very favourably with the 33 per cent return delivered by the S&P/ASX 200 Accumulation Index over the same period, and demonstrates the strength and resilience of our business.

This year was another successful year on the back of strong net inflows of \$4.7 billion across all channels, with good flows into the US pooled funds, and ongoing support from our institutional clients. Higher global markets and the positive inflows contributed to a 14 per cent increase in FUM to \$95.8 billion as at 30 September 2017. Average FUM rose by 13 per cent to \$90.4 billion, which led to a 12 per cent increase in base management fee revenue to \$447.2 million.

It is pleasing to report that the strong growth in our underlying business offset the negative impact of lower performance fees and adverse currency movements to deliver a Cash NPAT result 11 per cent higher than last year and an increased dividend to you, our shareholders.

We continue to deliver strong long-term investment performance, with 82 per cent of FUM exceeding their respective benchmarks over three years and 95 per cent over five years.

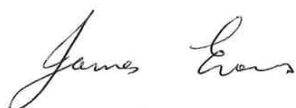
The result achieved this year is a testament to the successful execution of our long-term strategy to build out a diversified global asset management business. In the year ahead, we will continue our strategy by investing in investment talent, expanding our capabilities and building out our US business to deliver investment performance for our clients and returns for our shareholders.

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 and have not previously elected to do so must complete a DRP Instruction Form and return it to BTIM's share registry, Link Market Services, by no later than 5:00pm on 11 December 2017. The DRP Instruction Form can be obtained at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

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

Yours faithfully

A handwritten signature in cursive script that reads "James Evans".

James Evans

Chairman

BT Investment Management