

BT Investment Management

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Manager profile

Company overview

BT Investment Management (BTIM) is one of Australia's largest funds management companies, and provides a diverse range of investment choices for both individual and institutional investors.

BTIM's vision is to combine the benefits of a strong institutional foundation and performance-focused culture with a 'multi-boutique' specialist investment approach. BTIM believes this approach positions it with the potential to achieve outstanding risk-adjusted returns for its clients. Its investment teams develop products in asset classes such as equities, bonds, fixed income and alternative investments, where it believes its investment capabilities and processes have a comparative advantage. It also focuses on utilising a large, talented resource pool and applying disciplined investment processes to generate true-to-label performance.

BTIM is listed on the Australian Stock Exchange and as at 31 December 2009 managed over A\$36.2 billion for investors.

Investment philosophy and style

BTIM is an active manager focused on generating alpha from both bottom-up and top-down strategies. This alpha is targeted across a variety of products to meet the changing demands of investors. BTIM believes market inefficiencies can be identified and exploited, and that these inefficiencies can result in

periods where markets and securities are mispriced. It believes this mispricing can arise for a number of reasons, such as differing interpretations of global market information, access to information and differing expectations about the investment potential of specific securities, reluctance to take profits or sell at a loss and other behavioural patterns. BTIM believes that while securities tend to revert back to their true or inherent value over time, it identifies these inefficiencies and exploits them through its active investment approach and rigorous research.

Investment process

To ensure performance consistency, BTIM believes it's also important to focus on signals and triggers that generate long-term flows within and across asset classes. These beliefs are captured in its investment process, which focuses on extracting alpha from multiple sources.

The management of risk is also central to BTIM's investment philosophy and is embedded in its investment process. It believes that risks must be understood, quantified and controlled before investment decisions undertaken in a risk-controlled environment can improve the consistency of returns.

BTIM utilises the following core capabilities to generate consistent and sustainable performance.

- Investment edge via unique and diversified skill sets.
- Disciplined and well-defined investment process.

- Commitment to continuous development and innovation.
- Information sharing and cross team collaboration.
- Fundamental analysis and quantitative technology combined to maximise information ratios.
- Sophisticated risk management to identify, isolate and control the optimal risks across portfolios.

BTIM aims to deliver investment management products and services for clients across most listed asset classes using a multi-boutique culture with internal and external ownership structures. It internally manufactures alpha and builds products across equity, income and macro strategies. These strategies are further improved by external alpha sourcing including partnerships with leading global and domestic external investment managers with complementary capabilities.

Reason Advance selected BTIM

We're impressed by BTIM's risk awareness across all aspects of its Australian share research and portfolio construction. We have tailored a high conviction mandate from BTIM to leverage off of their best ideas and strong stock selection skills. We believe that BTIM's assessment of macro economic risks combined with a high conviction portfolio strategy will minimise shorter-term underperformance while delivering stronger performance for our clients over the medium timeframe.

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advance.com.au

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