

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, property, 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 March 2011 managed over \$36bn for investors.

Investment philosophy and style — property securities

BTIM's Australian Property Investments team draws on the expertise of its Australian equities and income strategies teams, as well as the considerable resources of strategic global property partner AEW.

The team believes market inefficiencies provide opportunities for well-researched and disciplined investors to identify securities mispriced against what they believe is their fundamental value.

Its property investments research is based on a strong valuation framework to fit an increasingly complex property investment environment — something that has proven to be effective (even in the volatile market conditions we've experienced since 2008). The process utilises a range of proprietary valuation methodology, supplemented by third party research, a program of company visits, property inspections and macroeconomic analysis.

Investment process — property securities

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.

The investment team

The BTIM property securities investment team is led by Peter Davidson, who has over 20 years' industry experience, and is supported by a team of two portfolio managers/analysts and a specialist LPT dealer.

The team has a deep knowledge and understanding of the property securities market in Australia and also draws on the resources of BTIM's other specialist teams, ie macro, income and equity strategies. As at 31 March 2011, the team managed over \$1.6bn in Australian property securities assets.

Reason Advance selected BTIM

Led by Peter Davidson, the property securities investment team has a deep knowledge and understanding of the property securities market in Australia. We like the fact that the team draws on the resources of BTIM's other specialist teams, such as macro, income and equity strategies. We're also pleased with the way its bottom-up and valuation-driven investment process has proven to be effective, even in the volatile market conditions we've experienced since 2008.

Contact Centre: 1800 819 935

Adviser Services: 1300 361 864

advance.com.au

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The logo for ADVANCE, featuring the word "ADVANCE" in a bold, black, sans-serif font. A red horizontal line is drawn across the middle of the letters, starting from the left and ending under the 'A'.

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