

Perpetual Limited  
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13 October 2023

ASX Limited  
ASX Market Announcements Office  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

*Via electronic lodgment*

### **First Quarter FY24 Business Update**

Perpetual Limited advises that it has released the quarterly business update for the period ended 30 September 2023 (as attached).

The release of this announcement was authorised by the Board.

**Yours faithfully**



Sylvie Dimarco  
Company Secretary

13 October 2023

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## First Quarter FY24 Business Update

**Asset Management AUM steady at A\$211.7b, with net inflows of A\$0.1b**

**Continued growth in Corporate Trust and net inflows for Wealth Management**

Perpetual Limited (Perpetual) (ASX:PPT) today released its first quarter business update for the period ending 30 September 2023.

Chief Executive Officer and Managing Director, Rob Adams said, "The September quarter showed a marked improvement in total net flows across our Asset Management business when compared to the June quarter. Delivering positive net inflows despite the current operating environment, with volatility impacting markets and investor confidence globally, demonstrates the quality and diversity of our broad capability set and our emerging strength in distribution.

"Barrow Hanley had a strong quarter, achieving A\$0.5 billion in net inflows across its strategies, underpinned by A\$1.4 billion in net inflows in its global and international strategies, as well as A\$0.6 billion in new flows through the launch of its second Collateralised Loan Obligation offering, offset by outflows in US equities and fixed income strategies. Over the past nine months, Barrow Hanley has seen over A\$1 billion in net inflows, delivering on our expectation at the time of acquisition<sup>1</sup> that Barrow Hanley would move to positive net inflows in the third year of ownership.

"In Trillium, since acquiring the business in 2020, we have nearly doubled AUM from A\$5.6 billion<sup>2</sup> to A\$9.7 billion, including attracting A\$2.3 billion of net inflows.

"Importantly, the integration of Pental Group remains on track. We have seen a moderation in outflows across J O Hambro Capital Management's strategies (with net outflows of \$0.5 billion this quarter compared to A\$2.3 billion in the June quarter), including the International Select strategy, aided by improving relative performance, and we have attracted new clients across a number of J O Hambro strategies during the period.

"Our new business pipeline has continued to grow, supported by strong investment performance with 77%<sup>3</sup> of the Group's strategies outperforming their benchmarks over the important three-year time horizon. We have seen continued strong interest in Barrow Hanley strategies and growing interest in several J O Hambro strategies and expect that positive momentum to continue into the December quarter.

"In our Corporate Trust business, Perpetual Digital continued to attract new, significant clients and performance in the Debt Markets Services and Managed Funds Services businesses remained resilient. In Wealth Management<sup>4</sup>, despite the difficult operating environment, we have seen another quarter of positive net flows and our non-market linked revenue streams continue to perform well."

<sup>1</sup> Acquired on 18 November 2020.

<sup>2</sup> Acquired on 1 July 2020.

<sup>3</sup> Outperformance presented on a gross of fees basis. Investment performance of the strategies may differ once fees and costs are taken into account. Past performance is not indicative of future performance. The disclosure document or product disclosure statement (PDS) of any of the investment strategies should be considered before deciding whether to acquire or hold units in any strategy. Target Market Determinations for the Perpetual funds are available on [www.perpetual.com.au](http://www.perpetual.com.au) or calling 1800 022 033. Target Market Determinations for the Pental funds are available on [www.pentalgroup.com](http://www.pentalgroup.com) or 1300 346 821. Refer to Perpetual's, Pental's, Barrow Hanley's, J O Hambro's, TSW's or Trillium's websites for further performance information.

<sup>4</sup> Formerly Perpetual Private.

## Asset Management

Total assets under management (AUM)<sup>5</sup> were A\$211.7 billion at 30 September 2023, compared to A\$212.1 billion in the June quarter. Net inflows were A\$0.1 billion and favourable currency movements were A\$3.3 billion, which together offset most of the impact of lower investment markets (A\$3.8 billion) through the quarter. Average AUM was A\$215.6 billion compared to A\$211.2 billion in the June quarter.

- **Barrow Hanley's** AUM was A\$70.9 billion, up 1.5% on the June quarter. The increase in AUM was driven by net inflows of A\$0.5 billion and favourable currency movements of A\$1.9 billion, offset by lower markets (A\$1.3 billion). Global and international strategies attracted strong investor interest through the quarter, delivering net inflows of A\$1.4 billion. US equities and fixed income strategies experienced net outflows, with US equities reporting outflows of (A\$0.9 billion) mainly in the Large Cap Value equity strategy. Following the launch of Barrow Hanley's first Collateralised Loan Obligation (CLO) in the March quarter of FY23, the second in a series of CLOs was launched this quarter, delivering A\$0.6 billion in net inflows into the fixed income asset class.
- **J O Hambro Capital Management's (JOHCM)** AUM was A\$40.4 billion, down 1.8% compared to the June quarter, driven by total net outflows of A\$0.5 billion and the impact of lower markets (A\$0.6 billion), partially offset by a favourable exchange rate movement (A\$0.3 billion). Net outflows were A\$0.2 billion in the Americas region and A\$0.3 billion in the Europe, UK and Asia (EUKA) region. In the Americas region, JOHCM's Emerging Markets strategies attracted net inflows of A\$0.5 billion, while there were net outflows in the Global Opportunities (A\$0.2 billion) and International Select strategies in the region (A\$0.5 billion). Net outflows in the EUKA region (A\$0.3 billion) were mainly driven by UK, European and Emerging Markets equities strategies. Global and UK Opportunities strategies saw solid interest in the quarter, together attracting A\$0.2 billion in net inflows.
- **Pendal Asset Management's** AUM was A\$41.0 billion, up 1.7% compared to the June quarter, driven by net inflows of A\$1.0 billion which were partially offset by the impact of a decline in markets of A\$0.3 billion. Net inflows were underpinned by net inflows into cash of A\$1.4 billion.
- **Perpetual Asset Management's** AUM was A\$20.1 billion, down 2.4% compared to the June quarter, impacted by net outflows of \$0.4 billion and lower markets. Net outflows were mainly in Australian equities strategies, multi-asset and cash.
- **Trillium's** AUM was A\$9.7 billion, 3% lower than the June quarter, impacted by lower markets through the quarter. Net inflows were A\$0.1 billion across both global and US equities strategies mainly sourced from the Americas region.
- **TSW's** AUM was A\$29.5 billion, down 2% on the June quarter, with lower markets and outflows contributing. Net outflows were A\$0.5 billion, mainly in the sub-advised International Equity strategy which continues to be impacted by asset allocation shifts from clients within the sub-advisory channel. US and International small and mid-cap strategies realised modest outflows, while fixed income saw outflows in its core fixed income strategy. Favourable foreign exchange movements of A\$0.8 billion largely offset lower markets of A\$0.9 billion.

## Corporate Trust

- Corporate Trust's total Funds Under Administration (FUA) was A\$1.18 trillion as at 30 September 2023, up 1.7% on the prior quarter.
- In the Debt Market Services (DMS) division, FUA was up 1.5% (A\$10.1 billion) compared to the previous quarter. We have seen the banks return to positive growth in the quarter for both ABS and RMBS as they return to the securitisation market post the closure of the Government's Term Funding Facility. Non-bank lenders also continued to access the ABS

<sup>5</sup> For AUM in the US region, a conversion rate of AUD:USD - 0.65 at 30 September 2023 was used, for EUKA AUM, a conversion rate of AUD:GBP - 0.53 at 30 September 2023 was used.

and RMBS market with a slight uplift in issuance and total FUA compared to the previous quarter.

- The Managed Funds Services (MFS) division's FUA was up A\$10.1 billion or 2.1% compared to the previous quarter. Capital flows and valuations were stable in the Real Asset business and Singapore FUA benefited from favourable currency moves, growing by 7.7%. Wholesale Trustee grew by 6.1% with Custody experiencing a slight decrease. Responsible Entity Services FUA was down 0.9% due to net flows and lower asset valuations.
- In Perpetual Digital, we continued to see a solid level of interest in our services, with new clients being onboarded into our Intelligence Platform's new product, Treasury and Finance Intelligence. Laminar Capital's SaaS platform also continued to see strong interest from prospective clients.

### Wealth Management

- Wealth Management's total Funds Under Advice (FUA) was A\$18.4 billion as at 30 September 2023, down 1% compared to the prior quarter's FUA of A\$18.5 billion, with net inflows of A\$0.1 billion and a (A\$0.2 billion) impact from negative market movements. Total average FUA for the three months to 30 September 2023 was A\$18.7 billion, compared to A\$18.6 billion in the June quarter.
- Net inflows were A\$0.1 billion, which included contributions from the Laminar business, along with continued contributions from not-for-profit, philanthropy and high net worth sector clients.

### FY24 Expense Guidance

Perpetual reiterates its FY24 total expense growth guidance of between 27% - 31% (including 12 months of Pandal's expenses), noting that continued weakness in the Australian dollar benefits our offshore revenues, but applies upward pressure on our international expense base.

### Other items

- During the quarter, performance fees of approximately A\$3 million were realised in Perpetual Asset Management and Barrow Hanley.
- Separately, Group Support Services revenue was negatively impacted in the quarter by lower distributions compared to prior years.

### Pandal Group integration update

The integration of Pandal Group continues to progress well, with synergies tracking to plan.

-Ends -

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Appendix - AUM and Flows by Boutique (A\$Bn)

|                              | 30-Jun-23    | Flows      | Other <sup>1</sup> | Foreign Exchange Impacts <sup>2</sup> | 30-Sep-23    |
|------------------------------|--------------|------------|--------------------|---------------------------------------|--------------|
| <b>Boutique</b>              |              |            |                    |                                       |              |
| Barrow Hanley                | 69.8         | 0.5        | (1.3)              | 1.9                                   | 70.9         |
| JOHCM                        | 41.2         | (0.5)      | (0.6)              | 0.3                                   | 40.4         |
| Pendal Asset Management      | 40.3         | 1.0        | (0.3)              | -                                     | 41.0         |
| Perpetual Asset Management   | 20.6         | (0.4)      | (0.1)              | -                                     | 20.1         |
| Trillium Asset Management    | 10.0         | 0.1        | (0.6)              | 0.3                                   | 9.7          |
| TSW                          | 30.1         | (0.5)      | (0.9)              | 0.8                                   | 29.5         |
| <b>Total Perpetual Group</b> | <b>212.1</b> | <b>0.1</b> | <b>(3.8)</b>       | <b>3.3</b>                            | <b>211.7</b> |

Note: Numbers may not add up due to rounding

- 1 Other includes changes in market value of assets, income, re investments and distributions.
- 2 A conversion rate of AUD:USD - 0.65 at 30 September 2023 and a conversion rate of AUD:GBP - 0.53 at 30 September 2023 were used.

AUM and Flows by Asset Class (A\$Bn) (Total group)

| Combined View - All Regions  |                        | 30-Jun-23    | Flows        | Other <sup>1</sup> | Foreign Exchange Impacts <sup>2</sup> | 30-Sep-23    |
|------------------------------|------------------------|--------------|--------------|--------------------|---------------------------------------|--------------|
| Equities                     | Australia              | 28.9         | (0.2)        | (0.5)              | -                                     | 28.2         |
|                              | Global / International | 69.8         | 0.3          | (2.2)              | 1.4                                   | 69.2         |
|                              | UK                     | 8.8          | (0.1)        | 0.3                | (0.1)                                 | 9.0          |
|                              | US                     | 52.3         | (0.9)        | (0.8)              | 1.5                                   | 52.0         |
|                              | Europe                 | 1.5          | (0.1)        | (0.0)              | (0.0)                                 | 1.4          |
|                              | Emerging Markets       | 8.1          | 0.3          | (0.3)              | 0.2                                   | 8.4          |
| <b>Total Equities</b>        |                        | <b>169.4</b> | <b>(0.8)</b> | <b>(3.5)</b>       | <b>3.0</b>                            | <b>168.1</b> |
| Fixed Income                 | Australia              | 10.2         | (0.1)        | 0.1                | -                                     | 10.1         |
|                              | US                     | 10.0         | (0.2)        | (0.3)              | 0.3                                   | 9.8          |
| <b>Total Fixed Income</b>    |                        | <b>20.2</b>  | <b>(0.3)</b> | <b>(0.2)</b>       | <b>0.3</b>                            | <b>19.9</b>  |
| Multi Asset                  |                        | 9.7          | (0.2)        | (0.1)              | 0.1                                   | 9.4          |
| Other                        |                        | 0.8          | 0.0          | (0.0)              | 0.0                                   | 0.9          |
| <b>Total Group (ex cash)</b> |                        | <b>200.1</b> | <b>(1.3)</b> | <b>(3.9)</b>       | <b>3.3</b>                            | <b>198.2</b> |
| Cash                         |                        | 12.0         | 1.3          | 0.1                | 0.0                                   | 13.5         |
| <b>Total Perpetual Group</b> |                        | <b>212.1</b> | <b>0.1</b>   | <b>(3.8)</b>       | <b>3.3</b>                            | <b>211.7</b> |

Note: Numbers may not add up due to rounding

- 1 Other includes changes in market value of assets, income, re investments and distributions.
- 2 A conversion rate of AUD:USD - 0.65 at 30 September 2023 and a conversion rate of AUD:GBP - 0.53 at 30 September 2023 were used.

**AUM and Flows by Asset Class (A\$Bn) (Australia, Americas and EUKA)**

| Australia              |                        | 30-Jun-23   | Flows        | Other <sup>1</sup> | Foreign Exchange Impacts <sup>2</sup> | 30-Sep-23   |
|------------------------|------------------------|-------------|--------------|--------------------|---------------------------------------|-------------|
| Equities               | Australia              | 28.9        | (0.2)        | (0.5)              | -                                     | 28.2        |
|                        | Global / International | 3.1         | 0.3          | (0.0)              | -                                     | 3.3         |
|                        | Emerging Markets       | 1.0         | (0.0)        | (0.0)              | -                                     | 1.0         |
| Total Equities         |                        | 33.0        | 0.0          | (0.6)              | -                                     | 32.5        |
| Fixed Income           | Australia              | 10.2        | (0.1)        | 0.1                | -                                     | 10.1        |
| Multi Asset            |                        | 6.9         | (0.2)        | (0.1)              | -                                     | 6.7         |
| Other                  |                        | 0.7         | (0.0)        | (0.0)              | -                                     | 0.6         |
| <b>Total ex. cash</b>  |                        | <b>50.8</b> | <b>(0.3)</b> | <b>(0.6)</b>       | <b>-</b>                              | <b>49.9</b> |
| Cash                   |                        | 12.0        | 1.3          | 0.1                | -                                     | 13.5        |
| <b>Total Australia</b> |                        | <b>62.8</b> | <b>1.0</b>   | <b>(0.5)</b>       | <b>-</b>                              | <b>63.3</b> |

Note: Numbers may not add up due to rounding

| Americas              |                        | 30-Jun-23    | Flows        | Other <sup>1</sup> | Foreign Exchange Impacts <sup>2</sup> | 30-Sep-23    |
|-----------------------|------------------------|--------------|--------------|--------------------|---------------------------------------|--------------|
| Equities              | Global / International | 52.1         | (0.1)        | (2.2)              | 1.4                                   | 51.3         |
|                       | US                     | 52.3         | (0.9)        | (0.8)              | 1.5                                   | 52.0         |
|                       | Emerging Markets       | 6.9          | 0.5          | (0.3)              | 0.2                                   | 7.4          |
| Total Equities        |                        | 111.3        | (0.5)        | (3.3)              | 3.1                                   | 110.6        |
| Fixed Income          | US                     | 10.0         | (0.2)        | (0.3)              | 0.3                                   | 9.8          |
| Multi Asset           |                        | 2.8          | (0.0)        | (0.1)              | 0.1                                   | 2.8          |
| Other                 |                        | 0.1          | 0.1          | (0.0)              | 0.0                                   | 0.2          |
| <b>Total ex cash</b>  |                        | <b>124.2</b> | <b>(0.7)</b> | <b>(3.6)</b>       | <b>3.4</b>                            | <b>123.4</b> |
| Cash                  |                        | -            | -            | -                  | -                                     | -            |
| <b>Total Americas</b> |                        | <b>124.2</b> | <b>(0.7)</b> | <b>(3.6)</b>       | <b>3.4</b>                            | <b>123.4</b> |

| EUKA                 |                        | 30-Jun-23   | Flows        | Other <sup>1</sup> | Foreign Exchange Impacts <sup>2</sup> | 30-Sep-23   |
|----------------------|------------------------|-------------|--------------|--------------------|---------------------------------------|-------------|
| Equities             | Global / International | 14.6        | 0.0          | 0.0                | (0.1)                                 | 14.6        |
|                      | UK                     | 8.8         | (0.1)        | 0.3                | (0.1)                                 | 9.0         |
|                      | Europe                 | 1.5         | (0.1)        | (0.0)              | (0.0)                                 | 1.4         |
|                      | Emerging Markets       | 0.2         | (0.1)        | (0.0)              | (0.0)                                 | 0.1         |
| Total Equities       |                        | 25.1        | (0.3)        | 0.3                | (0.1)                                 | 25.0        |
| Multi Asset          |                        | -           | -            | -                  | -                                     | -           |
| <b>Total ex cash</b> |                        | <b>25.1</b> | <b>(0.3)</b> | <b>0.3</b>         | <b>(0.1)</b>                          | <b>25.0</b> |
| Cash                 |                        | -           | -            | -                  | -                                     | -           |
| <b>Total EUKA</b>    |                        | <b>25.1</b> | <b>(0.3)</b> | <b>0.3</b>         | <b>(0.1)</b>                          | <b>25.0</b> |

Note: Numbers may not add up due to rounding

- 1 Other includes changes in market value of assets, income, re investments and distributions.
- 2 A conversion rate of AUD:USD - 0.65 at 30 September 2023 and a conversion rate of AUD:GBP - 0.53 at 30 September 2023 were used.

**AUM and Flows by Region and Channel (A\$Bn)**

|                                  | 30-Jun-23    | Flows        | Other <sup>1</sup> | Foreign Exchange Impacts <sup>2</sup> | 30-Sep-23    |
|----------------------------------|--------------|--------------|--------------------|---------------------------------------|--------------|
| <b>Australia</b>                 |              |              |                    |                                       |              |
| Institutional                    | 20.9         | (0.2)        | (0.2)              | -                                     | 20.5         |
| Intermediary & Retail            | 25.9         | 0.0          | (0.3)              | -                                     | 25.6         |
| Westpac                          | 4.0          | (0.2)        | (0.0)              | -                                     | 3.8          |
| <b>Total Australia (ex-cash)</b> | <b>50.8</b>  | <b>(0.3)</b> | <b>(0.6)</b>       | <b>-</b>                              | <b>49.9</b>  |
| Cash                             | 12.0         | 1.3          | 0.1                | -                                     | 13.5         |
| <b>Total Australia</b>           | <b>62.8</b>  | <b>1.0</b>   | <b>(0.5)</b>       | <b>-</b>                              | <b>63.3</b>  |
| <b>EUKA</b>                      |              |              |                    |                                       |              |
| Institutional                    | 13.2         | 0.1          | 0.1                | (0.1)                                 | 13.4         |
| Intermediary                     | 11.9         | (0.3)        | 0.2                | (0.1)                                 | 11.7         |
| <b>Total EUKA</b>                | <b>25.1</b>  | <b>(0.3)</b> | <b>0.3</b>         | <b>(0.1)</b>                          | <b>25.0</b>  |
| <b>Americas</b>                  |              |              |                    |                                       |              |
| Institutional                    | 102.7        | (0.3)        | (2.5)              | 2.9                                   | 102.7        |
| Intermediary                     | 21.6         | (0.4)        | (1.2)              | 0.6                                   | 20.6         |
| <b>Total Americas</b>            | <b>124.2</b> | <b>(0.7)</b> | <b>(3.6)</b>       | <b>3.4</b>                            | <b>123.4</b> |
| <b>Total Perpetual Group</b>     | <b>212.1</b> | <b>0.1</b>   | <b>(3.8)</b>       | <b>3.3</b>                            | <b>211.7</b> |

Note: Numbers may not add up due to rounding

- 1 Other includes changes in market value of assets, income, re investments and distributions.
- 2 A conversion rate of AUD:USD - 0.65 at 30 September 2023 and a conversion rate of AUD:GBP - 0.53 at 30 September 2023 were used.

**Channel definitions:** 'Retail' includes AUM from advisers and individual clients who invest with Perpetual or Pandal directly or in Perpetual's listed vehicles which includes Perpetual Equity Investment Company ('PIC') and Perpetual Credit Income Trust ('PCI') managed by Perpetual Investments Management Limited, and Active ETFs; 'Intermediary' includes AUM from financial advisers who invest with Perpetual or Pandal via external platform providers; 'Institutional' includes AUM from industry superannuation funds and clients who invest large sums directly and under advisory mandates and separately managed accounts; 'Westpac' includes AUM from entities within Westpac Banking Corporation, predominantly BT, that invest under advisory agreements or directly into Pandal Funds.