

Perpetual Limited
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24 July 2024

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

Via electronic lodgment

Fourth Quarter FY24 Business Update

Perpetual Limited advises that it has released the quarterly business update for the period ended 30 June 2024 (as attached).

The release of this announcement was authorised by the Board.

Yours faithfully



Sylvie Dimarco
Company Secretary

ASX Announcement

24 July 2024

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Fourth Quarter FY24 Business Update

Steady performance from Corporate Trust and Wealth Management

Asset Management AUM of A\$215 billion, down ~5%, impacted by flows, markets and currency movements

Perpetual Limited (Perpetual) (ASX:PPT) today released its fourth quarter business update for the period ending 30 June 2024.

Chief Executive Officer and Managing Director, Rob Adams said, "The June quarter showed a mixed performance across our business divisions, with Corporate Trust and Wealth Management delivering steady performance, while Asset Management experienced a difficult quarter impacted by net outflows, markets and currency movements.

"Our Asset Management business was impacted by the timing of several institutional client redemptions and short term delays in expected new institutional inflows in specific strategies, as well as softer equity markets in Australian and global indices.

"J O Hambro, TSW and Trillium boutiques saw net outflows in global and international strategies over the period. In Australia, Pental had a challenging quarter with outflows in cash (cyclical, low margin) and Australian equities, driven by manager rationalisation following a super fund merger and outflows from lower margin former Westpac AUM. In Barrow Hanley, while there were outflows in US equities, we had solid client interest in Barrow Hanley's emerging markets strategies, as well as fixed income strategies.

"Overall, investment performance has been robust with 66% of our strategies outperforming over a three-year basis to 30 June 2024¹.

"The distribution team continue to focus heavily on client retention, as well as new client growth. In this regard, the September quarter has started well, with new institutional client wins in excess of A\$3 billion, which we referred to in our March Business Update, expected to fund this quarter, as well as additional institutional wins across a variety of equity strategies and boutiques."

Asset Management

Total AUM² was A\$215.0 billion as at 30 June 2024, compared to A\$227.4 billion at 31 March 2024. This was primarily due to the impact from negative market movements and distributions of A\$1.4 billion, currency movements (A\$2.1 billion) and net outflows of A\$8.9 billion. Average AUM was A\$219.8 billion compared to A\$220.3 billion in the March quarter.

¹ 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 or calling 1800 022 033. Target Market Determinations for the Pental funds are available on 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.

² For AUM in the US region, a conversion rate of AUD:USD - 0.66 at 30 June 2024 was used, for EUKA AUM, a conversion rate of AUD:GBP - 0.52 at 30 June 2024 was used.

- **Barrow Hanley's** AUM was A\$77.2 billion, down 2.7% on the March quarter. The decrease in AUM was mainly driven by unfavourable equity markets and currency movements of A\$1.6 billion over the period. Net outflows were A\$0.5 billion. Emerging market strategies continued to attract investor interest through the quarter, delivering net inflows of A\$0.8 billion. US equities and Global/international strategies reported net outflows of A\$1.4 billion and A\$0.5 billion respectively. Fixed income reported inflows of A\$0.6 billion, supported by the launch of the third collateralised loan obligation fund (A\$0.4 billion).
- **J O Hambro Capital Management's (JOHCM)** AUM was A\$37.3 billion, down 7.5% compared to the March quarter, driven by net outflows of A\$2.2 billion, and both negative market and currency movements of A\$0.2 billion and A\$0.5 billion respectively. Net outflows were concentrated in the Global Select (A\$0.7 billion), International Select (A\$0.3 billion) and UK Dynamic (A\$0.8 billion) strategies.
- **Pendal Asset Management's** AUM was A\$41.0 billion, down 8.0% compared to the March quarter, driven by net outflows of A\$3.4 billion and negative markets of A\$0.1 billion. Net outflows were in the Large Cap (A\$1.1 billion), Diversified (A\$0.7 billion) and cash (A\$0.9 billion) strategies.
- **Perpetual Asset Management's** AUM was A\$20.8 billion, down 2.7% compared to the March quarter, impacted by negative markets and distributions (A\$0.3 billion) and outflows (A\$0.3 billion). Net outflows were mainly in Australian equities, multi-asset and cash strategies, while Australian fixed income strategies continued to see positive net inflows.
- **Trillium's** AUM was A\$9.4 billion, 13.6% lower than the March quarter, driven by net outflows of A\$1.5 billion. Outflows were concentrated in the Global Equity strategy (A\$1.4 billion) which lost a single, large, low margin emulated portfolio client.
- **TSW's** AUM was A\$29.2 billion, down 5.3% on the March quarter, driven by negative outflows (A\$1.0 billion), currency impacts (A\$0.4 billion) and adverse market movements (A\$0.2 billion). Net outflows of A\$1.0 billion were largely due to part-redemptions from various sub-advised accounts in the International Equity strategy.

Investment performance information can be found in each of Perpetual's, Pendal's, Barrow Hanley's, J O Hambro's, TSW's or Trillium's websites.

Corporate Trust

- Corporate Trust's total Funds Under Administration (FUA) reached over A\$1.2 trillion at 30 June 2024, up slightly on the prior quarter.
- In the Debt Market Services (DMS) division, FUA was A\$711 billion, flat on the prior quarter. Both non-bank securitisation and bank public market securitisation saw solid growth in the quarter as banks returned to the public markets. Balance sheet securitisation was lower as banks actively managed their balance sheet. Asset Backed Securities (ABS) and Commercial Mortgage-Backed Securities (CMBS) FUA which comprises personal loans, auto and credit cards, grew over the period.
- The Managed Funds Services (MFS) division's FUA was A\$496 billion, up 2% compared to the previous quarter. Growth in the quarter was supported by FUA growth in Responsible Entity Services FUA, benefitting from positive performance and FUA growth across funds, as well as Wholesale Trustee services (servicing offshore investors), as new trusts were seeded or assets were acquired through the period. Custody FUA saw a slight increase while Singapore FUA was impacted by client asset revaluations.
- During the quarter, the digital business, including Laminar Capital, continued its positive momentum leveraging recently launched capabilities.

Wealth Management

- Wealth Management's total FUA was A\$19.8 billion as at 30 June 2024, down 1% on the prior quarter driven by negative market movements (A\$0.4 billion), which were partially offset by net inflows. Net inflows were A\$0.2 billion over the quarter.
- Average FUA for the three months to 30 June 2024 was A\$19.7 billion, an increase of 1% compared to A\$19.5 billion in the March quarter.

FY24 Expense Guidance & Significant Items

Perpetual expects expense growth for FY24 to be at the lower end of its previously communicated FY24 expense guidance of 32% - 34% growth for the financial year. The cost to income ratio³ for the Group has been relatively stable for the financial year.

Significant items post tax for FY24 are expected to be within the range of A\$140 million to A\$150 million⁴. This includes integration costs relating to the Pandal acquisition, separation and transaction costs related to the Scheme of Arrangement with KKR, costs relating to acquired intangibles amortisation, unrealised gains/losses on financial assets, as well as fair value movements on accrued incentive compensation.

Pandal Group integration update

The integration of Pandal Group has progressed well. Perpetual confirms that it remains ahead of plan on its targeted A\$80 million⁵ of synergies as at 30 June 2024. Further information will be announced as part of Perpetual's full year results in August 2024.

Scheme of Arrangement

In May 2024, Perpetual entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") for it to acquire 100% of Perpetual's Wealth Management and Corporate Trust businesses for total cash consideration of A\$2.175 billion by way of a Scheme of Arrangement (Scheme). Perpetual Limited will become a standalone asset management business that is debt free and has substantial scale across regions.

The Scheme is subject to a Perpetual shareholder vote (amongst other conditions). Proceeds will be determined post repayment of outstanding Perpetual Group debt, any tax payable, as well as separation and transaction costs, including customary business-specific net debt adjustments at completion. Shareholders will also retain their current ownership in a more streamlined and debt-free global Asset Management business.

The estimated cash proceeds to shareholders will be communicated to shareholders at Perpetual's FY24 results in August 2024.

2024 Full Year Results

Perpetual's full year results will be announced on Thursday 29 August 2024 at 11am AEST. Further details will be released to the market soon.

- Ends -

³ Cost to income ratio based on underlying revenue and total underlying expenses.

⁴ Subject to audit.

⁵ Perpetual's target is to deliver \$80 million in run-rate synergies by January 2025.

For more information please contact:

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

	31-Mar-24	Flows	Other ¹	Foreign Exchange Impacts ²	30-Jun-24
Boutique					
Barrow Hanley	79.3	(0.5)	(0.6)	(1.0)	77.2
JOHCM	40.4	(2.2)	(0.2)	(0.5)	37.3
Pendal Asset Management	44.6	(3.4)	(0.1)	0.0	41.0
Perpetual Asset Management	21.4	(0.3)	(0.3)	-	20.8
Trillium Asset Management	10.9	(1.5)	0.1	(0.1)	9.4
TSW	30.9	(1.0)	(0.2)	(0.4)	29.2
Total Perpetual Group	227.4	(8.9)	(1.4)	(2.1)	215.0

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 - 0.66 at 30 June 2024 and a conversion rate of AUD:GBP - 0.52 at 30 June 2024 were used.

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

Combined View - All Regions		31-Mar-24	Flows	Other ¹	Foreign Exchange Impacts ²	30-Jun-24
Equities	Australia	31.2	(1.3)	(0.5)	0.0	29.4
	Global / International	74.9	(4.2)	(0.9)	(1.0)	68.8
	UK	7.0	(0.9)	0.3	(0.1)	6.3
	US	57.6	(1.4)	(0.5)	(0.8)	54.9
	Europe	1.3	(0.2)	(0.0)	(0.0)	1.1
	Emerging Markets	9.1	0.2	0.2	(0.1)	9.4
Total Equities		181.1	(7.7)	(1.5)	(1.9)	169.9
Fixed Income	Australia	10.4	0.1	(0.0)	0.0	10.5
	US	10.5	0.6	0.0	(0.1)	11.0
Total Fixed Income		20.9	0.7	0.0	(0.1)	21.4
Multi Asset		9.9	(0.8)	(0.1)	(0.0)	9.0
Other		0.8	(0.0)	(0.0)	(0.0)	0.8
Total Group (ex cash)		212.7	(7.9)	(1.6)	(2.1)	201.1
Cash		14.7	(1.0)	0.2	0.0	13.9
Total Perpetual Group		227.4	(8.9)	(1.4)	(2.1)	215.0

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 - 0.66 at 30 June 2024 and a conversion rate of AUD:GBP - 0.52 at 30 June 2024 were used.

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

Australia		31-Mar-24	Flows	Other ¹	Foreign Exchange Impacts ²	30-Jun-24
Equities	Australia	31.2	(1.3)	(0.5)	0.0	29.4
	Global / International	3.9	0.0	(0.2)	(0.0)	3.7
	Emerging Markets	1.1	(0.6)	(0.0)	0.0	0.5
Total Equities		36.1	(1.9)	(0.7)	(0.0)	33.5
Fixed Income	Australia	10.4	0.1	(0.0)	0.0	10.5
Multi Asset		6.9	(0.8)	(0.1)	0.0	6.0
Other		0.6	(0.0)	(0.0)	0.0	0.5
Total ex. cash		54.0	(2.6)	(0.8)	(0.0)	50.5
Cash		14.7	(1.0)	0.2	0.0	13.9
Total Australia		68.7	(3.6)	(0.6)	(0.0)	64.4

Note: Numbers may not add up due to rounding

Americas		31-Mar-24	Flows	Other ¹	Foreign Exchange Impacts ²	30-Jun-24
Equities	Global / International	54.5	(3.4)	(0.6)	(0.7)	49.8
	US	57.6	(1.4)	(0.5)	(0.8)	54.9
	Emerging Markets	7.9	0.7	0.2	(0.1)	8.8
Total Equities		120.1	(4.0)	(1.0)	(1.6)	113.5
Fixed Income	US	10.5	0.6	0.0	(0.1)	11.0
Multi Asset		3.0	(0.0)	0.0	(0.0)	3.0
Other		0.2	(0.0)	0.0	(0.0)	0.2
Total ex cash		133.8	(3.5)	(0.9)	(1.8)	127.7
Cash		0.0	0.0	0.0	0.0	0.0
Total Americas		133.8	(3.5)	(0.9)	(1.8)	127.7

EUKA		31-Mar-24	Flows	Other ¹	Foreign Exchange Impacts ²	30-Jun-24
Equities	Global / International	16.4	(0.8)	(0.1)	(0.2)	15.3
	UK	7.0	(0.9)	0.3	(0.1)	6.3
	Europe	1.3	(0.2)	(0.0)	(0.0)	1.1
	Emerging Markets	0.1	(0.0)	0.0	(0.0)	0.1
Total Equities		24.9	(1.8)	0.1	(0.3)	22.9
Multi Asset		0.0	0.0	0.0	0.0	0.0
Total ex cash		24.9	(1.8)	0.1	(0.3)	22.9
Cash		0.0	0.0	0.0	0.0	0.0
Total EUKA		24.9	(1.8)	0.1	(0.3)	22.9

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 - 0.66 at 30 June 2024 and a conversion rate of AUD:GBP - 0.52 at 30 June 2024 were used.

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

	31-Mar-24	Flows	Other ¹	Foreign Exchange Impacts ²	30-Jun-24
Australia					
Institutional	23.7	(2.5)	(0.2)	(0.0)	20.9
Intermediary & Retail	27.5	(0.1)	(0.6)	0.0	26.8
Westpac	2.8	(0.1)	(0.0)	0.0	2.8
Total Australia (ex-cash)	54.0	(2.6)	(0.8)	(0.0)	50.5
Cash	14.7	(1.0)	0.2	0.0	13.9
Total Australia	68.7	(3.6)	(0.6)	(0.0)	64.4
EUKA					
Institutional	13.7	(1.0)	(0.0)	(0.2)	12.5
Intermediary	11.2	(0.8)	0.1	(0.2)	10.4
Total EUKA	24.9	(1.8)	0.1	(0.3)	22.9
Americas					
Institutional	113.6	(2.9)	(0.6)	(1.5)	108.6
Intermediary	20.2	(0.6)	(0.3)	(0.3)	19.1
Total Americas	133.8	(3.5)	(0.9)	(1.8)	127.7
Total Perpetual Group	227.4	(8.9)	(1.4)	(2.1)	215.0

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 - 0.66 at 30 June 2024 and a conversion rate of AUD:GBP - 0.52 at 30 June 2024 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.