Perpetual Limited
ABN 86 000 431 827

Angel Place,
Level 18, 123 Pitt Street
Sydney NSW 2000
Australia

Phone +61 9229 9000
www.perpetual.com.au

18 February 2021

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

Perpetual Half Year Financial Results

The following announcements to the market are provided:

Appendix 4D

1H21 ASX Announcement

1H21 Results Briefing

Half Yearly Report and Accounts

✓ **Operating and Financial Review – 31 December 2020**

Yours faithfully,

Sylvie Dimarco

Sylvie Dimarco
Company Secretary
(Authorising Officer)

OPERATING AND FINANCIAL REVIEW

For the 6 months ended 31 Dec 2020

Perpetual Limited

ABN 86 000 431 82

Notes

Note that in this review:

- 1H21 refers to the financial reporting period for the 6 months ended 31 December 2020
- 2H20 refers to the financial reporting period for the 6 months ended 30 June 2020
- 1H20 refers to the financial reporting period for the 6 months ended 31 December 2019

with similar abbreviations for previous and subsequent periods.

This is a review of Perpetual's operations for the 6 months ended 31 December 2020 (1H21). It also includes a review of its financial position as at 31 December 2020.

The following information should be read in conjunction with the Group's unaudited consolidated financial statements and associated notes for 1H21.

All amounts shown are stated in Australian dollars unless otherwise noted and are subject to rounding.

Additional information is available on the Group's website www.perpetual.com.au.

A glossary of frequently used terms and abbreviations can be found at the end of the review.

Disclaimer

The following information should be read in conjunction with the Group's unaudited consolidated financial statements and associated notes for the 6 months ended 31 December 2020 and should also be read in conjunction with the audited financial statements and notes thereto contained in the Annual Report for the financial year ended 30 June 2020 (FY20). The Group's unaudited consolidated financial statements for the 6 months ended 31 December 2020 were subject to independent review by KPMG.

No representation or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in this review (any of which may change without notice). To the maximum extent permitted by law, the Perpetual Group, its Directors, officers, employees, agents and contractors and any other person disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence) for any direct or indirect loss or damage which may be suffered through use of or reliance on anything contained in or omitted from this review.

This review contains forward looking statements. These forward-looking statements should not be relied upon as a representation or warranty, express or implied, as to future matters. Prospective financial information has been based on current expectations about future events but is, however, subject to risks, uncertainties, contingencies and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information. The Perpetual Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this review, subject to disclosure requirements applicable to the Group.

OPERATING AND FINANCIAL REVIEW

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

TABLE OF CONTENTS

Perpetual

Section 1

REVIEW OF GROUP

1 ABOUT PERPETUAL

1.1 OVERVIEW

Perpetual Limited (Perpetual) is an independent Australian diversified financial services firm operating in asset management, financial advisory and trustee services. Perpetual services a global client base from its Head office in Sydney, Australia as well as its international offices in the United States, Singapore and presence in Hong Kong. Perpetual earns the majority of its revenue from fees charged on assets under either management, advice or administration. Revenue is influenced by movement in the underlying asset values, margin on assets and net client flows. The business model provides Perpetual with recurring revenue streams and leverage to movement in asset values. As a provider of high-quality financial services, employment costs comprise the largest component of the Group's expenses.

1.1.1 STRATEGY

Perpetual's vision is to be the "most trusted in financial services"[1].

Perpetual's strategy seeks to build on the foundation of three core businesses, forming a scalable business model supported by shared central services and a strong brand.

In pursuing its growth strategy, the Group has determined the following strategic imperatives:

- Client first – delivering exceptional products and outstanding service
- Future fit – a scalable business platform that empowers our people to deliver high performance; and
- New Horizons – adding new capabilities and building a global footprint

Perpetual Asset Management's vision is to create a globally diversified platform of high-quality asset management capabilities delivered by the two operating segments of Perpetual Asset Management, Australia (PAMA) and Perpetual Asset Management, International (PAMI). Perpetual Asset Management will provide a foundation for sustained quality growth by offering world-class investment capabilities, expanding its global distribution footprint and investment in a contemporary and scalable operating platform.

Perpetual Private's vision is to empower families, businesses and communities to achieve their aspirations by delivering advisory service excellence.

With a client centred fiduciary heritage, Perpetual Private reaches into segments where client goals are aligned to a "protect first" and then "grow" investment philosophy.

Perpetual Corporate Trust's vision is to be the "most trusted fiduciary and leading digital solutions provider in the financial services industry" with a mission to support the delivery of our client's strategy through the provision of service excellence and digital solutions. A strategic focus on leveraging our long-standing relationships to enable our clients with innovative, and automated digital solutions to help them meet business challenges today and into the future.

1.1.2 OPERATING SEGMENTS & PRINCIPAL ACTIVITIES

Perpetual Asset Management, Australia – provides investment products and services to domestic retail, corporate, superannuation and institutional clients, with investment capabilities spanning Australian equities, credit and fixed income, multi-asset and global equities.

Perpetual Asset Management, International – provides investment products and services to global retail and institutional clients, including a distribution presence in the United States and Hong Kong. Investment management firm, Barrow, Hanley, Mewhinney & Strauss, LLC (Barrow Hanley), and boutique ESG investment management firm, Trillium Asset Management, LLC (Trillium), form part of this operating segment to offer a breadth of high-quality global investment capabilities to our clients.

Perpetual Private – is an advisory services business focused on the comprehensive needs of families, businesses and communities. Support for clients spreads across financial advice, portfolio management, risk, estate administration, trustee services and tax and accounting. The business is focused on client service excellence and attracting and retaining exceptional talent to meet those standards in our chosen segments.

Perpetual Corporate Trust – provides a broad range of products to the debt capital markets and managed funds industries both domestically and internationally from our business lines. **Debt Market Services** includes trustee, document custodian, agency, trust management, accounting, standby servicing, and reporting solutions. It also includes Data & Analytics Solutions, which provides data services, industry

[1] Measured as part of an annual brand strengths survey with the Perpetual Private target market and the Perpetual Asset Management, Australia retail target market.

roundtables, and our new software as a service (Perpetual Business Intelligence) platform supporting the banking and financial services industry. **Managed Funds Services** includes responsible entity, wholesale trustee, custodian, investment management and accounting. **Singapore** products include SREIT trustee, trustee, and agency.

The business units are supported by **Group Support Services** comprising Group Investments, CEO, Finance, Corporate Affairs, Marketing, Legal, Audit, Risk, Compliance, Company Secretary, Technology, Project & Change Management, Operations, Product and People & Culture.

1.2 GROUP FINANCIAL PERFORMANCE

PROFITABILITY AND KEY PERFORMANCE INDICATORS

FOR THE PERIOD	1H21 $M	2H20 $M	1H20 $M	1H21 v 2H20	1H21 v 1H20
Operating revenue	280.6	236.5	254.1	19%	10%
Total expenses	(208.5)	(180.5)	(170.5)	(16%)	(22%)
Underlying profit before tax (UPBT)	72.1	56.0	83.6	29%	(14%)
Tax expense	(19.6)	(16.3)	(24.7)	(20%)	21%
Underlying profit after tax (UPAT)[1]	52.6	39.6	58.9	33%	(11%)
Significant items[6]	(23.4)	(9.2)	(7.4)	154%	217%
Net profit after tax (NPAT)	29.2	30.4	51.6	(4%)	(43%)

Key Performance Indicators (KPI)					
Profitability					
UPBT margin on revenue (%)	26	24	33	2	(7)
Shareholder returns					
Diluted earnings per share (EPS)[2] on NPAT (cps)	53.0	63.2	108.4	(16%)	(51%)
Diluted earnings per share (EPS)[2] on UPAT (cps)	95.6	82.3	123.9	16%	(23%)
Dividends (cps)	84.0	50.0	105.0	68%	(20%)
Franking rate (%)	100	100	100	-	-
Dividend payout ratio[3] (%)	90	60	83	30	7
Return on Equity (ROE)[4] on NPAT (%)	7.5	9.2	15.6	(1.7)	(8.1)
Return on Equity (ROE)[4] on UPAT (%)	13.5	12.0	19.8	1.5	(6.3)
Growth					
Perpetual average assets under management (AUM) $B[5]	51.0	30.3	33.0	68%	54%
Average funds under advice (FUA) $B	14.7	14.4	14.9	2%	(2%)
Closing Debt Markets Services FUA $B	628.3	656.1	498.4	(4%)	26%
Closing Managed Funds Services FUA $B	307.9	285.8	274.1	8%	12%

1. Underlying profit after tax (UPAT) attributable to equity holders of Perpetual Limited reflects an assessment of the result for the ongoing business of the Group as determined by the Board and management. UPAT has been calculated in accordance with ASIC's Regulatory Guide 230 - Disclosing non-IFRS financial information. Refer to Appendix B for a reconciliation of the adjustments between Statutory Accounts and the OFR. UPAT attributable to equity holders of Perpetual Limited is disclosed as it is useful for investors to gain a better understanding of Perpetual's financial results from normal operating activities.
   Please note: 2H20 and 1H20 UPAT has been restated based on the revised definition of UPAT (refer to Appendix A and Appendix B for further details).
2. Diluted EPS is calculated using the weighted average number of ordinary shares and potential ordinary shares on issue of 55,016,449 for 1H21 (2H20: 48,149,280 and 1H20: 47,576,451 shares). The weighted average number of ordinary shares used in the basic and diluted earnings per share calculation for the current and comparative period were adjusted retrospectively in accordance with AASB 133 Earnings per Share following the issues of new shares at a discount to market value during the period.
3. Dividends paid / payable as a proportion of UPAT on ordinary fully paid shares at the end of each reporting period.
4. The return on equity (ROE) quoted in the above table is an annualised rate of return based on actual results for each period. ROE is calculated using the UPAT or NPAT attributable to equity holders of Perpetual Limited for the period, divided by average equity attributable to equity holders of Perpetual Limited, multiplied by the number of such periods in a calendar year in order to arrive at an annualised ROE.
5. Refer to Appendix C for a breakdown by operating segment.
6. Significant items include (refer to Appendix A and Appendix B for further details):

FOR THE PERIOD	PROFIT/(LOSS) AFTER TAX 1H21 $M	2H20 $M	1H20 $M
Transaction and Integration costs	(20.9)	(1.9)	-
- Trillium	(1.4)	(1.9)	-
- Barrow Hanley	(19.2)	-	-
- Other	(0.2)	-	-
Non-cash amortisation of acquired intangibles	(4.5)	(1.8)	(2.4)
Unrealised gains/losses on financial assets	3.5	(0.6)	(0.4)
Tax-effected fair value movements	(1.5)	-	-
Operating Model Review costs	(0.0)	(5.0)	(4.6)
Total significant items	(23.4)	(9.2)	(7.4)

1.2.1 FINANCIAL PERFORMANCE

For the 6 months to 31 December 2020, Perpetual's UPAT[1] was $52.6 million and NPAT was $29.2 million.

1H21 UPAT was 11% lower than 1H20 principally due to the decline in average assets under management within Perpetual Asset Management, Australia driven by net outflows and the impact of prior period distributions. This was partially offset by Perpetual Asset Management, International and its two completed acquisitions of Barrow Hanley and Trillium and higher performance fees.

1H21 UPAT was 33% higher than 2H20 driven by Perpetual Asset Management, International and its two completed acquisitions of Barrow Hanley and Trillium and higher performance fees.

1H21 NPAT was 43% lower than 1H20 and 4% lower than 2H20, due to the UPAT result as discussed above and significant items (refer to Appendix A).

The key drivers of revenue and expenses at Group level are summarised below. Analysis of performance for each of Perpetual's operating segments is provided in Section 2.

1.2.2 REVENUE

The main drivers of total revenue are the value of assets under management (AUM) in Perpetual Asset Management, Australia and Perpetual Asset Management, International, which are primarily influenced by the level of the US, Global and Australian equity markets. Perpetual Private's main driver of total revenues are funds under advice (FUA) and for Perpetual Corporate Trust it is funds under administration (FUA).

In 1H21, Perpetual generated $280.6 million of total operating revenue, which was $26.6 million or 10% higher than 1H20, and $44.2 million or 19% higher than 2H20. Revenue growth was primarily driven by the newly formed operating segment of Perpetual Asset Management, International through the two completed acquisitions of Barrow Hanley and Trillium, higher performance fees and continued growth within Perpetual Corporate Trust. This was partially offset by the impact of net outflows within Perpetual Asset Management, Australia.

Performance fees earned in 1H21 were $8.3 million, which was $7.5 million higher than 1H20, and $5.7 million higher than 2H20[2].

Note that revenue sensitivity may vary due to a number of factors, including but not limited to: the performance of funds under the Group's management and advice; the exposure to currency volatility; the impact and timing of flows on AUM and FUA[3] – inflows, outflows and distributions; and changes in pricing policy, channel and product mix.

1.2.3 EXPENSES

Total expenses in 1H21 were $208.5 million, $38.0 million or 22% higher than 1H20, and $28.0 million or 16% higher than 2H20, which was mainly driven by:

- the acquisitions of Barrow Hanley and Trillium
- higher variable remuneration;
- partially offset by operating model benefits.

1.2.4 SHAREHOLDER RETURNS AND DIVIDENDS

The Board announced an interim fully franked ordinary dividend for 1H21 of 84 cents per share to be paid on 26 March 2021.

This represents a payout ratio of 90% for the 6 months ended 31 December 2020. This is at the top end of Perpetual's dividend policy to pay dividends within a range of 60% to 90% of U

PAT[4] on an annualised basis and maximising returns to shareholders.

The Dividend Reinvestment Plan (DRP) will be operational for the interim dividend. No discount will apply and the DRP will be met by issuing new shares.

Perpetual's return on equity (ROE) on NPAT was 7.5% for the period compared with 15.6% in 1H20.

Perpetual's return on equity (ROE) on NPAT was 13.5% for the period compared with 19.8% in 1H20.

---

[1] 1H20 and 2H20 UPAT and significant items have been restated based on the revised definition of UPAT (refer to Appendix A and Appendix B for further details).

[2] Includes performance fees earned by Perpetual Asset Management, Australia, Perpetual Asset Management, International and Perpetual Private. Please note previous disclosures of performance fees included Perpetual Asset Management, Australia only.

[3] FUA refers to both funds under advice in Perpetual Private and funds under administration in Perpetual Corporate Trust.

[4] For further details, please refer to page 16 of the Investor Day Presentation (lodged with ASX on 9th December 2020).

1.3 GROUP FINANCIAL PERFORMANCE

BALANCE SHEET

AS AT	1H21 $M	2H20 $M	1H20 $M
Assets			
Cash and cash equivalents	172.1	164.1	261.7
Receivables	117.5	92.0	98.7
Structured products - EMCF assets	216.2	236.4	239.9
Liquid investments	133.7	80.7	79.1
Goodwill and other intangibles	870.3	444.5	373.4
Tax assets	35.5	40.0	29.0
Property, plant and equipment	98.6	89.5	99.5
Other assets	21.4	21.9	23.8
Total assets	1,665.3	1,169.1	1,205.1
Liabilities			
Payables	75.9	90.2	47.1
Structured products - EMCF liabilities	215.7	236.2	239.5
Tax liabilities	18.4	30.7	25.0
Employee benefits	79.0	66.1	41.7
Lease liabilities	89.9	82.7	93.0
Provisions	7.5	8.9	7.9
Borrowings	219.4	-	87.0
Accrued incentive compensation	41.4	-	-
Other liabilities	12.0	-	-
Total liabilities	759.2	514.8	541.2
Net assets	906.1	654.3	663.9
Shareholder funds			
Contributed equity	820.8	539.8	536.8
Reserves	(10.9)	19.4	14.0
Retained earnings	96.2	95.2	113.1
Total equity	906.1	654.4	663.9

DEBT METRICS	1H21	2H20	1H20
Corporate debt $M[1]	224.6	0.0	87.0
Corporate debt to capital ratio[2] %	19.9%	0.0%	11.6%
Interest coverage calculation for continuing operations (times)[3]	30x	33x	42x
NTA per share ($)[4]	0.42	3.95	5.97

CASHFLOW FOR THE PERIOD	1H21 $M	2H20 $M	1H20 $M
Net cash from operating activities	23.7	85.6	64.2
Net cash used in investing activities	(472.7)	(44.2)	(29.0)
Net cash from/(used in) financing activities	463.1	(139.0)	(73.1)
Effective movements in exchange rates on cash held	(6.1)	0.0	0.0
Net increase/(decrease) in cash and cash equivalents	8.0	(97.6)	(37.9)

1. Corporate Debt represents the gross corporate debt excluding the offset of capitalised debt costs.
2. Corporate debt / (corporate debt + equity).
3. EBIT / gross interest expense in accordance with banking covenants.
4. Calculation includes lease assets and liabilities. The decrease in NTA per share is due to an increase in shares on issue from the Group's equity raise and SPP in 1H21, as well as an increase in intangible assets from the acquisitions of Barrow Hanley and Trillium.

1.3.1 BALANCE SHEET ANALYSIS

Key movements in Perpetual's consolidated balance sheet are described below.

Liquid investments increased by $53.0 million to $133.7 million as at 31 December 2020 primarily due to additional seed fund investments in connection with the Barrow Hanley and Trillium acquisitions.

Goodwill and other intangibles increased by $425.8 million due to the acquisition of Barrow Hanley during the period.

Accrued Incentive Compensation balances reflects a profit sharing plan relating to key employees at Barrow Hanley and was added to the balance sheet upon completion of the acquisition.

Borrowings increased by $219.4 million due to the drawdown of $224.6 million in debt to fund the acquisition of Barrow Hanley and was partially offset by capitalised debt costs of $5.2 million.

Contributed equity has increased by $281.0 million, primarily due to the institutional share placement and share purchase plan during the period. The equity raises resulted in proceeds of $270.1 million (net of costs).

Total reserves have decreased by $30.3 million due to movements in the foreign currency translation reserve which was impacted by fluctuations in the value of the US dollar relative to the Australian dollar.

1.3.2 CAPITAL MANAGEMENT

Perpetual's principles for its capital management are as follows:

i) maximising returns to shareholders

ii) enabling the Group's strategy

iii) ensuring compliance with the Group's risk appetite statement and regulatory requirements; and

iv) withstanding shocks to the market.

Perpetual maintains a conservative balance sheet with low gearing levels. As part of its capital management strategy, the Group continually reviews options to ensure that it is optimising its use of capital and maximising returns to shareholders.

The Group uses a risk-based capital model to assess its capital requirements. The model requires capital to be set aside for operational, credit and market risk and any known capital commitments.

At the end of 1H21, total base capital requirements were $118 million compared to $336 million of available liquid funds.

During 1H21, the Group has maintained its balance sheet strength through:

- continuing to maintain the overall credit quality of the Group's risk assets
- refinancing during the period and entering into new syndicated facility arrangements. Arrangements consist of a multi-currency term loan with a maximum commitment of $117 million USD or equivalent, a multi-currency revolving loan facility with a maximum commitment of $78 million USD or equivalent, a multi-currency revolving loan facility with a maximum commitment of $100 million AUD or equivalent and a bank guarantee facility with a maximum commitment of $135 million AUD to be used primarily for satisfying regulatory requirements; and
- continued discretionary expense management within each business unit and support group.

1.3.3 LIQUIDITY

The Group actively manages liquidity risk by preparing cash flow forecasts for future periods, reviewing them regularly with senior management, maintaining a committed credit facility, and engaging regularly with its debt providers.

In 1H21, cash and cash equivalents increased by $8.0 million to $172.1 million as at 31 December 2020. This increase was driven by the cash inflows resulting from the institutional share placement, share purchase plan and the drawdown of debt. These inflows were only partially offset by the outflows associated with the Barrow Hanley acquisition.

1.3.4 DEBT

Perpetual's corporate debt as at 31 December 2020 is $224.6 million following the implementation of a syndicated facility in November. The facility was drawn to fund the acquisition of Barrow Hanley. An additional $128.5 million of debt facilities remain undrawn as at 31 December 2020. $130.7 million of bank guarantees have been issued under the syndicated facilities. The bank guarantees are not shown on the balance sheet.

The facility is subject to the Group meeting certain debt covenants including shareholder funds as a percentage of total assets, a maximum ratio of gross debt to EBITDA and a minimum interest cover. The Group complied with all the relevant covenants throughout the period.

The Group's gearing ratio is 19.9% (1H20: 11.6%) at the end of 1H21. The Group intends to repay debt related to the Barrow Hanley acquisition within 5 years of completion.

1.4 REGULATORY DEVELOPMENTS AND BUSINESS RISKS

1.4.1 REGULATORY DEVELOPMENTS

The financial services industry continues to be subject to legislative and regulatory reform which affects or could affect the Group's operations globally.

The following summarises key regulatory change projects that commenced in the last reporting period or are set to commence in this period.

AUSTRALIA

Modern Slavery Statement

The Group has implemented a Modern Slavery risk framework. The scope of work included assessing the Modern Slavery risks in the operations and supply chains of the Group. Perpetual Limited will issue a Modern Slavery Statement by 31 March 2021 for its controlled entities.

Design and Distribution Obligations

The Group has a project underway to implement the requirements of the Design and Distribution Obligations across Perpetual's product and distribution arrangements by the legislative effective date of 5 October 2021.

Financial Accountability Regime (FAR)

The Government proposes to extend the Banking Executive Accountability Regime (BEAR) to all APRA regulated entities, including RSE licensees - the Financial Accountability Regime (FAR).

In terms of next steps, it is anticipated the Government will:

- introduce legislation in early 2021; and
- separately consult on extending the regime to entities solely regulated by ASIC, in line with the further commitment the Government made in response to the Royal Commission.

The FAR will be jointly administered by APRA and ASIC. There are penalties for both entities and individuals if they contravene their FAR obligations.

The Group has commenced a project to consider the impact of the regime and ensuring compliance of the Group in line with the proposed start date of the FAR regime.

Financial Services Royal Commission

The legislation implementing a number of recommendations of the Hayne Royal Commission, received Royal Assent in December 2020. The most significant changes impacting the Group are the changes to the breach reporting regime. The amendments significantly expand the obligation to lodge breach reports and include prescriptive requirements as to timing of lodgement of breach reports. We are currently working on implementation of these changes into our existing breach reporting process.

COVID-19

The main Commonwealth Government economic stimulus packages impacting the Group has been the early release of superannuation. This enabled the $20,000 early release rules for superannuation (the ER Scheme). Specifically, if eligible, clients were allowed to redeem $10,000 in 2019/2020 and $10,000 in 2020/2021 from their superannuation balances (eligibility requirements apply but these are determined by the ATO). The ATO sent batches of determinations to trustees after 21 April 2020 and trustees had an obligation to make the payments as soon as practicable (guidance suggests 5 business days).

In the period from 1 July 2020 to 31 December 2020, we received and processed 2,410 withdrawal requests equating to $17.6 million in eligible withdrawals from total of $3.7 billion in Superannuation related AUM.

Perpetual Limited as the consolidated entity has not qualified for or received any payments to date under the JobKeeper program.

Payment Times Reporting Act

This Act which received Royal Assent in October 2020 requires Perpetual to provide a semi-annual report to the payment terms regulator on the Group's small business payment terms and practices. The reporting requirements are still being analysed.

INTERNATIONAL

US – SEC Advisor Advertisement Rule Changes

Amended Rule 206(4)-1 is a modernised marketing rule that impacts advertising and marketing for registered Investment Advisors. We are currently working through the impacts of this on our US Businesses.

1.4.2 BUSINESS RISKS

Risk management framework

Perpetual's approach to risk management globally is based on a Risk Appetite Statement set by the Perpetual Board, which outlines the risk boundaries and minimum expectations of Perpetual Management. The Board's Audit, Risk and Compliance Committee (ARCC) is responsible for overseeing Perpetual's risk management process. Perpetual has a dedicated Risk and Compliance function, led by the Chief Risk Officer, which has day to day responsibility for the design, implementation and maintenance of Perpetual's risk management framework, and an independent Internal Audit department.

The risk management framework is underpinned by the 'Three Lines of Defence model'. This model sees the first line, being business unit management, accountable for the day-to-day identification and management of risks. Perpetual's Risk and Compliance functions represent the second line and are responsible for overseeing first line activities. Internal Audit provides independent assurance, representing the third line, and has an independent reporting line to the Chair of the ARCC.

The Group's risk management framework and the Three Lines of Defence model are designed to manage and formulate responses to the key business risks faced by the Group which are set out below.

The primary mitigants in place to manage these risks include Perpetual's risk and compliance frameworks, policies, clearly defined behaviours and performance assessment process, education and compliance training, defined governance processes and delegation of authorities.

1.4.3 RISKS RELATING TO COVID-19

COVID-19 continues to have an impact on global economies and financial markets, resulting in significant economic uncertainty and market volatility. It has also led to material structural shifts in the behaviour of the economy and unprecedented actions by financial markets, governments and regulators. The consolidated entity continues to monitor the impact of COVID-19 on its operations, control environment and financial reporting as developments arise.

This has resulted in several of the risk categories below to be heightened as the Group continues to respond to the challenges introduced by the pandemic.

With the recent acquisition of both Barrow Hanley and Trillium in the US, the consolidated entity has also evaluated the impact of COVID-19 on its US operations. Whilst the consolidated entity's business remains fully operational, there have been impacts on the working environment in the US, similar to that in Australia, with the majority of staff working remotely for the reporting period. All of the consolidated entity's businesses continue to operate in line with government regulations and guidance.

Perpetual's Pandemic Response Plan was developed in line with regulatory guidance and defines an escalating series of response measures based on the World Health Organisation and Government pandemic alert levels. The plan was activated in January 2020 and has seen us implement enhanced measures as the pandemic worsened. Key measures include:

- Perpetual's crisis management processes have been activated with multiple teams established to monitor all aspects of the response including key risks, safety, business continuity, technology, business performance and fund liquidity
- remote working from home has been successfully implemented for all teams
- travel restrictions on domestic and international travel are currently in place
- enhanced hygiene and cleaning practices have been implemented in Perpetual's offices
- heightened monitoring of material service providers is in place to ensure they are responding effectively; and
- enhanced monitoring and oversight by the Perpetual Executive Committee and the Perpetual Limited Board has been developed to identify, monitor and manage key business risks that have escalated through COVID-19.

Perpetual continues to operate at full capacity and the crisis response teams continue to meet regularly to review the current situation and respond accordingly.

1.4.4 KEY BUSINESS RISKS

The key business risks faced by Perpetual are set out below.

Risk Category	Risk Description/Impact	Risk Mitigants
Strategic	Risk arising from adverse strategic decisions, improper implementation of strategic decisions, a lack of responsiveness to industry changes or exposure to economic, market or demographic considerations that affect Perpetual's market position and client value proposition.	- Considered strategic and business planning processes - Strategic measures cascaded through performance management - Application of Risk Appetite Statement in strategic decision-making and monitoring
People	Risk arising from an inability to attract, engage and retain quality and appropriate people to execute Perpetual's business strategy, particularly in key investment management roles.	- Succession planning, talent identification programs, remuneration benchmarking, reporting to the People and Remuneration Committee - Alignment of remuneration outcomes, including asset manager (portfolio manager and investment analyst) remuneration, to longer term value creation for shareholders and clients - Employee engagement monitoring
	Risk arising from an inability to safeguard our people, clients and suppliers from work health and safety (WH&S) issues with potential detrimental impact.	- Well defined WH&S policies, procedures and training - WH&S Committee - Incident and injury management processes
Financial	Risk that the strength of Perpetual's balance sheet, profitability or liquidity are inadequate for its business activities. This includes inappropriate accounting, financial reporting, or related disclosures.	- Budget planning process - Reconciliation and review processes - Regular income and expense, debt and equity reviews - Internal and external auditors
	Exposure to, or reliance on, revenue streams linked to equity markets resulting in potentially volatile earnings (revenue diversity and asset pricing market risk).	- Diversification of revenue sources - Active management of the cost base
	Impacts on profitability due to currency fluctuations	- Treasury Risk Management Framework - The US denominated debt has been designated as a net investment hedge in a foreign operation and provides a natural hedge for US denominated business lines
Investment	Risk arising from ineffective investment strategies relative to peers and benchmarks, non-adherence to investment style and investment governance or inadequate management of market, credit and liquidity risks within the funds or client accounts.	- Well defined and disciplined investment processes and philosophy for selection - Established investment governance frameworks in place - Robust pre-and post-trade investment compliance - Independent fund and mandate monitoring and reporting

Risk Category	Risk Description/Impact	Risk Mitigants
Operational	Risk arising from inadequate or failed internal processes, systems, people or from external events. This includes (but is not limited to) process, fraud or an event which disrupts business continuity.	- Clearly defined policies, procedures, roles and responsibilities - Controls testing in the form of control self-assessment - Effective issues management processes to respond to events that may arise - Business continuity planning and disaster recovery programs - Independent assurance
Information Technology & Cyber Security	Risk arising from failed, corrupted, breached or inadequate information systems resulting from inadequate infrastructure, applications, cloud services, security controls and support. includes (but is not limited to) loss of confidentiality, integrity and availability of sensitive or critical data as well as business disruption resulting from a cyber security event or failure of technology service provider to meet business requirements.	- Defined information security program and IT security policies - Implementation of operational security technology (including firewalls and antivirus) - Security (penetration) testing of key systems - Information security response plans - Business continuity planning and disaster recovery programs - Independent assurance
Outsourcing	Risk that Perpetual enters into inappropriate servicing arrangements and/or services performed by external service providers, including related and third parties, are not managed in line with the servicing contract or the operational standards.	- Partnered with well-regarded and proven strategic partners - Outsourced relationships are managed at a senior level - Outsourcing and vendor management framework - Legal contracts / service level agreements in place and monitored - Independent assurance
Environmental, Social & Governance	Risk arising from conduct by Perpetual directors, employees or contractors that does not align with our environmental, social and governance responsibilities.	- Partnered with well-regarded, environmental and socially responsible partners - Acquisition of Trillium has increased ESG Investment capability and reinforced our commitment to ESG - Established and well-defined governance framework - Well defined and disciplined ESG investment processes and philosophy for selection - Mandated training on Perpetual's Code of Conduct and behaviours expected of all staff
Compliance & Legal	Risk that Perpetual breaches its compliance and legal obligations (including licence conditions and client commitments).	- Independent legal and compliance team, and training across teams - Compliance obligations are documented and monitored - Clearly defined policies, procedures, roles and responsibilities - Controls testing in the form of control self-assessment - Independent assessment of issues for compliance implications - Independent assurance

Risk Category	Risk Description/Impact	Risk Mitigants
Conduct	Risk arising from conduct by Perpetual's directors, employees or contractors that is unethical or does not align with Perpetual's values, policies or expected behaviours or, the expectation of Perpetuals internal and external stakeholders.	- Effective risk management framework that sets out how risk is managed, including Three Lines of Defence risk model and application of risk appetite statement which outlines the risk behaviours expected of all Perpetual directors, employees and contractors - Mandated training on Perpetual's Code of Conduct and Risk Management Framework and behaviours of all staff that form part of the performance assessment process - Partnered with well-regarded, environmental and socially responsible partners - Media monitoring - Net Promoter Score measurement and reporting - Whistleblowing arrangements managed by an independent vendor

1.5 OUTLOOK

While the external environment continues to be challenging for the financial services industry as a result of an uneven and volatile post pandemic global recovery, the outlook for Perpetual remains positive in the medium to long term.

The strength of the Perpetual brand, built over generations as a leading provider of fiduciary services, has created a confidence and trust that gives the Group a solid foundation for future growth.

Perpetual's strategy aims to grow and further diversify the business by building world-class investment and distribution capabilities to provide greater diversification by business line, geography and asset class. The completion of the acquisition of US based asset managers Barrow Hanley in November 2020 and Trillium in June 2020 are transformational milestones for Perpetual accelerating our strategy and positioning us well for future growth.

Our proven advice model and strong fiduciary heritage provides us with unique competitive advantages at a time when the advice industry in Australia is undergoing significant change. This has enabled us to attract new talent and to grow our adviser base. We continue to grow longstanding relationships across our corporate trust offerings, which will be further deepened as we continue to provide product and service innovation.

Each of our operating divisions are well-placed to deliver for our clients through investment in new products and innovative solutions, while driving strong performance from our existing capabilities. Together with our strong balance sheet, diversified business model and the continuing progress with our global distribution strategy, Perpetual is well positioned to deliver improved growth.

Perpetual

Section 2

REVIEW OF BUSINESSES

2 REVIEW OF BUSINESSES

The results and drivers of financial performance in 1H21 for the four Perpetual operating segments are described in the following sections. A description of revenues and expenses at the Group Support Services level is also provided.

2.1 PERPETUAL ASSET MANAGEMENT, AUSTRALIA

2.1.1 BUSINESS OVERVIEW

Perpetual Asset Management, Australia is a highly regarded and award-winning investment manager, with a strong heritage of managing retail and institutional client assets, offering a broad range of investment, superannuation and retirement savings products. The business manages investments across a range of asset classes, including Australian equities, global equities, multi-asset, Australian credit and fixed income to drive sustained growth. It services a diverse range of client types, from large institutional investors through to smaller retail investors.

2.1.2 FINANCIAL PERFORMANCE

FOR THE PERIOD	1H21 $M	2H20 $M	1H20 $M	1H21 v 2H20	1H21 v 1H20
Revenue by asset class					
- Equities	61.7	61.2	75.3	1%	(18%)
- Cash and fixed income	15.1	15.6	16.4	(3%)	(8%)
- Other AUM related	2.2	2.2	2.7	(4%)	(20%)
- Other non-AUM related	0.0	0.0	0.0	140%	48%
Total revenue[1]	**79.1**	**79.0**	**94.5**	**0%**	**(16%)**
Operating expenses	(55.1)	(54.2)	(50.3)	(2%)	(10%)
EBITDA[1]	**24.0**	**24.8**	**44.2**	**(3%)**	**(46%)**
Depreciation and amortisation	(2.6)	(3.1)	(3.3)	17%	22%
Equity remuneration expense	(2.9)	(3.2)	(3.6)	11%	20%
Interest expense	(0.1)	(0.1)	(0.1)	6%	36%
Underlying profit before tax[1]	**18.5**	**18.4**	**37.2**	**1%**	**(50%)**

1. 2H20 and 1H20 Total Revenue, EBITDA and Underlying profit before tax have been restated based on the revised definition of UPAT (refer to Appendix A and Appendix B for further details)

In 1H21, Perpetual Asset Management, Australia reported underlying profit before tax of $18.5 million, $18.7 million or 50% lower than 1H20, and $0.1 million or 1% higher than 2H20.

The decrease on 1H20 was largely driven by a decline in average AUM to $23.4 billion due to net outflows, lower average equity markets and prior period distributions.

The slight increase on 2H20 was largely driven by higher performance fees and higher equity markets, partially offset by the impact of net outflows and prior period distributions.

The cost to income ratio in 1H21 was 77% compared to 61% in 1H20 and 77% in 2H20.

2.1.3 DRIVERS OF PERFORMANCE

Revenue

Perpetual Asset Management, Australia generated revenue of $79.1 million in 1H21, $15.4 million or 16% lower than in 1H20, and flat to 2H20.

The decrease in revenue on 1H20 was mainly driven by lower average AUM due to the impact of net outflows, lower average equity markets and prior period distributions, partially offset by higher equity performance fees.

1H21 revenue was flat to 2H20 mainly driven by higher equity performance fees and higher average equity markets, offset by the impact of net outflows and prior period distributions.

Average AUM revenue margins in 1H21 were 68 basis points (bps), 4 bps lower than 1H20, and 2 bps higher than 2H20. Excluding performance fees earned, underlying average margins of 62 bps decreased by 9 bps compared to 1H20 and 2 bps compared to 2H20.

The margin decrease excluding performance fees is mainly driven by change in mix towards lower margin products in cash and fixed income and the impact of repricing.

Movements in average margins usually result from changes in the mix of AUM between lower-margin institutional and higher-margin retail investors, as well as changes in the mix of asset classes such as cash and fixed income (generally lower margin) and equities (generally higher margin) and the contribution of performance fees earned.

Expenses

Total expenses, comprising operating expenses, depreciation, amortisation, equity remuneration and interest expense, for Perpetual Asset Management, Australia in 1H21 were $60.6 million, $3.3 million or 6% higher than in 1H20, and flat to 2H20.

The increase in expenses on 1H20 was mainly due to higher variable remuneration, partially offset by lower costs incurred in pursuing the Group's inorganic strategy and operating model benefits.
Higher variable remuneration compared to 2H20 was fully offset by lower costs incurred in pursuing the Group's inorganic strategy and operating model benefits.

2.1.4 ASSETS UNDER MANAGEMENT

Revenue margin

FOR THE PERIOD	1H21 bps	2H20 bps	1H20 bps	1H21 v 2H20	1H21 v 1H20
By asset class:					
- Equities	92	85	85	7	7
- Cash and fixed income	33	36	43	(3)	(10)
- Other AUM related	57	56	62	1	(5)
Average revenue margin	**68**	**66**	**72**	**2**	**(4)**

Performance fees ($M)

FOR THE PERIOD	1H21 $M	2H20 $M	1H20 $M	1H21 v 2H20	1H21 v 1H20
By asset class:					
- Equities	5.2	1.8	(0.3)	3.4	5.5
- Cash and fixed income	0.8	0.7	0.8	0.1	(0.0)
Total performance fees	**6.0**	**2.6**	**0.5**	**3.5**	**5.5**

PAMA closing AUM summary ($B)

	AUM MOVEMENTS				NET FLOWS		
	1H21	Net flows	Other[1]	2H20	1H21	2H20	1H20
	$B	$B	$B	$B	$B	$B	$B
Institutional	5.4	(1.5)	0.5	6.3	(1.5)	-	(0.2)
Intermediary	12.1	(0.8)	1.3	11.7	(0.8)	(0.8)	(1.0)
Retail	4.3	(0.2)	0.5	4.0	(0.2)	(0.3)	(0.3)
Listed Investment Vehicles	0.9	0.0	0.1	0.8	0.0	-	-
All distribution channels	**22.7**	**(2.5)**	**2.3**	**22.8**	**(2.5)**	**(1.1)**	**(1.5)**
Australian equities	13.0	(1.6)	2.0	12.6	(1.6)	(0.6)	(2.5)
Global equities	1.2	(0.1)	0.2	1.1	(0.1)	(0.1)	-
Equities	14.2	(1.7)	2.2	13.7	(1.7)	(0.7)	(2.5)
Cash and fixed income	7.7	(0.8)	0.1	8.4	(0.8)	(0.4)	1.1
Other[2]	0.8	(0.0)	0.1	0.8	(0.0)	-	(0.1)
All asset classes	**22.7**	**(2.5)**	**2.3**	**22.8**	**(2.5)**	**(1.1)**	**(1.5)**

1. Includes changes in market value of assets, income, reinvestments, distributions and asset class rebalancing within the Group's diversified funds.
2. 2H20 closing AUM has been restated for Trillium, which is now reported under Perpetual Asset Management, International AUM.

The drivers of revenue margins by asset class are described below:

Equities: Revenues represent fees earned on Australian and Global equities products. Revenue in 1H21 was $61.7 million, a decrease of 18% on 1H20 and an increase of 1% on 2H20.

1H21 Revenue was negatively impacted by lower average AUM compared to 1H20 as a result of net outflows, prior period distributions, and lower average equity markets, partially offset by higher performance fees. The increase compared to 2H20 was due to higher average equity markets and higher performance fees, partially offset by the impact of net outflows and prior period distributions. The average margin in 1H21 was 92 bps, 7 bps higher than 1H20 and 2H20, mainly due to higher performance fees.

Cash and fixed income: Revenues are derived from the management of cash and fixed income products. Revenue in 1H21 was $15.1 million, a decrease of 8% on 1H20 and 3% on 2H20. The decrease was mainly driven by the impact of prior year net outflows in higher margin products and the impact of repricing in 1H21. The 1H21 revenue margin of 33 bps decreased by 10 bps when compared to 1H20 and 3 bps when compared to 2H20 mainly driven by change in mix towards lower margin product and the impact of repricing.

Other AUM related: Revenue mainly includes management fees for external funds on the WealthFocus platform. Revenue in 1H21 was $2.2 million, a decrease of $0.5 million on 1H20 and flat on 2H20.

Other non-AUM related: Revenue includes the interest earned on operational bank accounts across the business.

AUM

Perpetual Asset Management, Australia AUM as at 31 December 2020 was $22.7 billion, with net outflows of $2.5 billion during 1H21.

Points of note in relation to the AUM and flows data for 1H21:

- outflows in the institutional channel were primarily in Australian Equities and cash and fixed interest (low margin enhanced cash mandate)
- outflows in the intermediary channel were primarily in Australian Equities.

2.2 PERPETUAL ASSET MANAGEMENT, INTERNATIONAL

2.2.1 BUSINESS OVERVIEW

Perpetual Asset Management, International is a newly formed operating segment and includes all asset management operations outside of Australia.

PAMI provides investment products and services to global retail and institutional clients, including a distribution presence in the United States and Hong Kong. Investment management firm, Barrow Hanley, and boutique ESG investment management firm, Trillium, form part of this operating segment to offer a breadth of high-quality global investment capabilities to our clients.

2.2.2 FINANCIAL PERFORMANCE

FOR THE PERIOD in Australian Dollars	1H21 $M	2H20 $M	1H20 $M	1H21 v 2H20	1H21 v 1H20
Revenue by asset class:					
- Equities	32.7	N/A	N/A	N/A	N/A
- Fixed Income	5.5	N/A	N/A	N/A	N/A
- Other	0.1	N/A	N/A	N/A	N/A
Total Revenue	**38.3**	**N/A**	**N/A**	**N/A**	**N/A**
Operating expenses	(26.3)	N/A	N/A	N/A	N/A
EBITDA	**11.9**	**N/A**	**N/A**	**N/A**	**N/A**
Depreciation and amortisation	(0.8)	N/A	N/A	N/A	N/A
Equity remuneration expense	(0.6)	N/A	N/A	N/A	N/A
Interest expense	(0.1)	N/A	N/A	N/A	N/A
Underlying profit before tax	**10.5**	**N/A**	**N/A**	**N/A**	**N/A**

The financial performance includes Trillium (completion date of 30 June 2020) and Barrow Hanley (completion date of 17 November 2020).

In 1H21, Perpetual Asset Management, International reported underlying profit before tax of $10.5 million. 1H21 revenue was $38.3 million and 1H21 total expenses were $27.8 million.

Average AUM revenue margins in 1H21 were 36 basis points (bps) or 34 bps excluding performance fees earned. Fixed Income average margins of 33 bps includes performance fees earned. Underlying average margins in Fixed Income (excluding performance fees earned) were 19 bps.

2.2.3 ASSETS UNDER MANAGEMENT

Revenue margin

FOR THE PERIOD	1H21 bps	2H20 bps	1H20 bps	1H21 v 2H20	1H21 v 1H20
By asset class:					
- Equities	37	N/A	N/A	N/A	N/A
- Fixed Income	33	N/A	N/A	N/A	N/A
Average revenue margin	**36**	**N/A**	**N/A**	**N/A**	**N/A**

Performance fees in Australian Dollars ($M)

FOR THE PERIOD	1H21 $M	2H20 $M	1H20 $M	1H21 v 2H20	1H21 v 1H20
By asset class:					
- Equities	-	N/A	N/A	N/A	N/A
- Fixed Income	2.3	N/A	N/A	N/A	N/A
Total performance fees	**2.3**	**N/A**	**N/A**	**N/A**	**N/A**

PAMI closing AUM summary in US Dollars ($B)

	AUM MOVEMENTS					NET FLOWS		
	1H21	Net flows	Other[1]	Foreign Exchange Impacts	2H20	1H21	2H20	1H20
	$B	$B	$B	$B	$B	$B	$B	$B
Institutional	47.0	(0.5)	46.5	-	1.0	(0.5)	-	-
Intermediary	4.2	(0.0)	1.3	-	2.9	(0.0)	-	-
All distribution channels	**51.2**	**(0.5)**	**47.9**	**-**	**3.8**	**(0.5)**	**-**	**-**
US equities	32.5	(0.4)	30.1	-	2.7	(0.4)	-	-
Global equities	8.6	(0.0)	7.6	-	1.1	(0.0)	-	-
Equities	41.1	(0.4)	37.7	-	3.8	(0.4)	-	-
Fixed income	10.1	(0.1)	10.2	-	-	(0.1)	-	-
All asset classes	**51.2**	**(0.5)**	**47.9**	**-**	**3.8**	**(0.5)**	**-**	**-**

PAMI closing AUM summary in Australian Dollars ($B)

	AUM MOVEMENTS					NET FLOWS		
	1H21	Net flows	Other[1]	Foreign Exchange Impacts	2H20	1H21	2H20	1H20
	$B	$B	$B	$B	$B	$B	$B	$B
Institutional	61.0	(0.6)	63.9	(3.6)	1.4	(0.6)	-	-
Intermediary	5.4	(0.1)	1.8	(0.5)	4.2	(0.1)	-	-
All distribution channels	**66.5**	**(0.7)**	**65.7**	**(4.1)**	**5.6**	**(0.7)**	**-**	**-**
US equities	42.2	(0.5)	41.4	(2.6)	4.0	(0.5)	-	-
Global equities	11.2	(0.0)	10.4	(0.7)	1.6	(0.0)	-	-
Equities	53.4	(0.6)	51.7	(3.4)	5.6	(0.6)	-	-
Fixed income	13.1	(0.1)	14.0	(0.8)	-	(0.1)	-	-
All asset classes	**66.5**	**(0.7)**	**65.7**	**(4.1)**	**5.6**	**(0.7)**	**-**	**-**

1. Includes changes in market value of assets, income, reinvestments, distributions and asset class rebalancing within the Group's diversified funds and Barrow Hanley AUM of $61.9 billion AUD ($45.0 billion USD) converted at AUD:US 0.73 at the date of completion.

AUM

Perpetual Asset Management, International AUM as at 31 December 2020 was $51.2 billion USD.

Outflows in the institutional channel were mainly in US Equities.

2.3 PERPETUAL PRIVATE

2.3.1 BUSINESS OVERVIEW

Perpetual Private is an advisory services business focused on the comprehensive needs of families, businesses and communities.

Perpetual Private aims to empower families, businesses and communities to achieve their aspirations by delivering advisory service excellence. Perpetual Private utilises a targeted client segment approach to grow its FUA by offering specialised advisory services to compensation trusts, high net worth families, business owners, not for profit organisations, native title trusts and medical specialists.

Perpetual Private is one of Australia's largest managers of philanthropic funds, with $3.2 billion in FUA for charitable trusts and endowment funds as at the end of 1H21.

2.3.2 FINANCIAL PERFORMANCE

FOR THE PERIOD	1H21 $M	2H20 $M	1H20 $M	1H21 v 2H20	1H21 v 1H20
Market related revenue	61.1	59.3	62.8	3%	(3%)
Non-market related revenue	28.1	30.1	30.7	(7%)	(9%)
Total revenues	89.2	89.5	93.5	(0%)	(5%)
Operating expenses	(66.3)	(68.5)	(66.8)	3%	1%
EBITDA	**23.0**	**20.9**	**26.8**	**10%**	**(14%)**
Depreciation and amortisation[1]	(5.5)	(4.9)	(5.8)	(13%)	6%
Equity remuneration expense	(1.7)	(2.0)	(1.4)	17%	(16%)
Interest expense	(0.5)	(0.5)	(0.5)	0%	3%
Underlying profit before tax[1]	**15.3**	**13.6**	**19.0**	**13%**	**(19%)**
Funds under advice ($B)					
Closing FUA	$15.5B	$14.3B	$15.2B	8%	2%
Average FUA	$14.7B	$14.4B	$14.9B	2%	(2%)
Market related revenue margin	83bps	82bps	84bps	1bps	(2bps)

1. 2H20 and 1H20 Depreciation and amortisation and Underlying profit before tax have been restated based on the revised definition of UPAT (refer to Appendix A and Appendix B for further details)

In 1H21, Perpetual Private reported underlying profit before tax of $15.3 million, $3.7 million or 19% lower than 1H20, and $1.7 million or 13% higher than 2H20.

The decrease on 1H20 was mainly driven by lower market related revenue, combined with lower non-market related revenue impacted by economic slow-down and low interest rate environment. The increase on 2H20 is mainly due to lower operating expenses.

Perpetual Private experienced continued new client growth within the high net worth segment in 1H21, supported by Adviser Growth Strategy. The cost to income ratio in 1H21 was 83% compared to 80% in 1H20 and 85% in 2H20.

2.3.3 DRIVERS OF PERFORMANCE

Revenue

Perpetual Private generated revenue of $89.2 million in 1H21, $4.3 million or 5% lower than 1H20 and flat to 2H20.

Market related revenue was $61.1 million, $1.6 million or 3% lower than 1H20 and $1.8M or 3% higher than 2H20.

The decrease compared to 1H20 is mainly due to lower average equity markets and fiduciary income fees, partially offset by positive net flows. The increase compared to 2H20 is mainly due to higher average equity markets and positive net flows.

Non-market related revenue was $28.1 million, $2.6 million or 9% lower than 1H20 and $2.0 million or 7% lower than 2H20, mainly driven by the impact of lower interest rates. The impact of the economic slow-down on Fordham and transactional revenue compared to 1H20, was offset by Priority Life (acquisition completed in November 2019).

Perpetual Private's market related revenue margin was 83 bps in 1H21 compared to 84 bps in 1H20 and 82 bps in 2H20.

Expenses

Total expenses, comprising operating expenses, depreciation, amortisation, equity remuneration and interest expense, for Perpetual Private in 1H21 were $73.9 million, $0.6 million or 1% lower than 1H20 and $2.0 million or 3% lower than 2H20. The impact of operating model benefits and lower remediation costs related to legacy matters, were partially offset by continued investment in supporting future business growth.

2.3.4 FUNDS UNDER ADVICE

	1H21 $B	Net flows $B	Other[1] $B	2H20 $B	1H20 $B
Total FUA	15.5	0.4	0.8	14.3	15.2

1. Includes reinvestments, distributions, income and asset growth.

Perpetual Private's FUA at the end of 1H21 was $15.5 billion, $0.3 billion or 2% higher than 1H20 and $1.2 billion or 8% higher than 2H20, primarily due to higher equity markets (closing) and positive net flows, supported by Adviser Growth Strategy.

2.4 PERPETUAL CORPORATE TRUST

2.4.1 BUSINESS OVERVIEW

Perpetual Corporate Trust is a leading provider of corporate trustee, custodian and digital solutions to the debt capital markets and managed funds industries both comprising of the following:

- **Debt Markets Services** – provides a holistic suite of products which include trustee, agency, trust management, accounting, document custody and standby servicing solutions to the Australian debt capital markets and securitisation industry. Debt Markets Services includes the Data & Analytics Solutions business which comprises Data Services (RBA & ESMA regulatory, investor and intermediary reporting), Roundtables (portfolio insights and benchmarking) and our new Perpetual Business Intelligence software as a service platform providing digital solutions to the financial services industry.
- **Managed Funds Services** – provides independent responsible entity, custodian, wholesale trustee, investment management and accounting. Singapore products include SREIT trustee, trustee and agency. We have a global client base serviced from our Singapore and Australian offices, administrating a broad range of asset classes including property and infrastructure, debt, fixed income, equity, private equity, emerging markets, and hedge funds.

2.4.2 FINANCIAL PERFORMANCE

FOR THE PERIOD	1H21 $M	2H20 $M	1H20 $M	1H21 v 2H20	1H21 v 1H20
Debt Market Services	36.9	36.7	33.2	0%	11%
Managed Funds Services	28.8	28.0	27.6	3%	4%
Total revenues	65.6	64.7	60.8	1%	8%
Operating expenses	(29.3)	(31.3)	(26.9)	6%	(9%)
EBITDA	**36.3**	**33.4**	**33.9**	**9%**	**7%**
Depreciation and amortisation[1]	(4.4)	(3.1)	(4.0)	(40%)	(10%)
Equity remuneration expense	(0.5)	(0.6)	(0.4)	22%	(9%)
Interest expense	(0.2)	(0.2)	(0.3)	4%	20%
Underlying profit before tax[1]	**31.2**	**29.4**	**29.2**	**6%**	**7%**

1. 2H20 and 1H20 Depreciation and amortisation and Underlying profit before tax have been restated based on the revised definition of UPAT (refer to Appendix A and Appendix B for further details).

In 1H21, Perpetual Corporate Trust reported underlying profit before tax of $31.2 million, $2.0 million or 7% higher than 1H20, and $1.8 million or 6% higher than 2H20. The cost to income ratio in 1H21 was 52% compared to 52% in 1H20 and 55% in 2H20.

2.4.3 DRIVERS OF PERFORMANCE

Revenue

Perpetual Corporate Trust generated revenue of $65.6 million in 1H21, $4.8 million or 8% higher than 1H20, and $0.9 million or 1% higher than 2H20. The main drivers of the improvement by business line were as detailed below.

In 1H21, Debt Markets Services revenue was $36.9 million, $3.6 million or 11% higher than 1H20, and $0.1 million higher than 2H20. The primary drivers for the increase on 1H20 were underlying growth in securitisation revenue particularly from RMBS non bank clients and in lower margin RMBS repos due to our bank clients' access to the RBA's term funding facility. Revenue growth from securitisation compared to 2H20 was partially offset by lower transactional revenue in Data & Analytics Solutions.

In 1H21, Managed Funds Services revenue was $28.8 million, $1.2 million or 4% higher than 1H20, and $0.8 million or 3% higher than 2H20. The increase was mainly driven by growth from both local and overseas clients for custodian services.

Expenses

Total expenses, comprising operating expenses, depreciation, amortisation, equity remuneration, and interest expense, for Perpetual Corporate Trust in 1H21 were $34.4 million, $2.8 million or 9% higher than 1H20, and $0.9 million or 2% lower than 2H20.

The increase in expenses on 1H20 was mainly driven by costs to support new service offerings and increased client volumes. The reduction in expenses compared to 2H20 was mainly due to timing of operating expenses related to the transformation of core trustee operating systems.

2.4.4 FUNDS UNDER ADMINISTRATION

AS AT	1H21 $B	2H20 $B	1H20 $B	1H21 v 2H20	1H21 v 1H20
Public Market Securitisation					
RMBS - bank (ADI)[1]	65.5	72.9	69.4	(11%)	(6%)
RMBS - non bank[1]	56.9	58.5	52.0	(3%)	9%
CMBS and ABS	39.5	41.9	43.0	(6%)	(8%)
Balance Sheet Securitisation					
RMBS - repos	367.7	384.3	240.8	(5%)	53%
Covered bonds	80.3	80.5	77.7	(0%)	3%
Debt Markets Services - Securitisation[2]	609.8	638.0	482.9	(5%)	26%
Corporate Debt	18.5	18.1	15.5	2%	20%
Total Debt Markets Services	628.3	656.1	498.4	(4%)	26%
Custody	163.9	158.1	147.1	4%	11%
Wholesale Trustee	75.1	64.3	63.5	14%	18%
Responsible Entity	32.2	28.9	30.7	10%	5%
Singapore	36.7	34.6	32.7	6%	12%
Managed Funds Services	307.9	285.8	274.1	7%	12%
Total FUA	**936.2**	**941.9**	**772.5**	**(1%)**	**21%**

1. Prior year RMBS – bank (ADI) and RMBS – non bank FUA has been restated during 1H21 to correct a mis-classification of a number of RMBS – bank and non bank clients. The correction had no impact on the total Public Market Securitisation FUA.
2. Includes warehouse and liquidity finance facilities.

At the end of 1H21, Securitisation FUA in the Debt Markets Services business was $609.8 billion, an increase of $126.9 billion or 26% on 1H20, and a decrease of $28.2 billion or 5% on 2H20. The movement was driven by:

- Lower margin RMBS – repos supporting our bank clients' access to the RBA's term funding facility were the main driver of the increase compared to 1H20 and decrease compared to 2H20
- Lower issuances across RMBS – bank (ADI) and RMBS – non bank compared to 2H20
- RMBS (bank and non bank) runoff rates in 1H21 have been higher than in 1H20 and 2H20

At the end of 1H21, Managed Funds Services FUA was $307.9 billion, an increase of $33.8 billion or 12% on 1H20, and an increase of $22.1 billion or 7% on 2H20. The increase was driven by growth in all segments.

2.5 PERPETUAL GROUP SERVICES

2.5.1 BUSINESS OVERVIEW

Group Support Services consist of Group Investments, CEO, Finance, Corporate Affairs, Marketing, Legal, Audit, Risk, Compliance, Company Secretary, Technology, Project & Change Management, Operations, Product and People & Culture and provides technology, operations, vendor management, marketing and branding, property, legal, risk and financial management, and human resources support to the business units.

Costs retained by Group Support Services reflect costs that management deems to be associated with corporate functions rather than reportable business segment activity. These include costs associated with the Board of Directors and 50% of the costs associated with the Group Executives of each of the Group Support Services business units. Costs and revenues associated with the capital structure of the Group, including interest income, financing costs and ASX listing fees are also retained within Group Support Services.

2.5.2 FINANCIAL PERFORMANCE

FOR THE PERIOD	1H21 $M	2H20 $M	1H20 $M	1H21 v 2H20	1H21 v 1H20
Interest Income	0.2	1.1	2.0	(78%)	(88%)
Other Income[1]	8.2	2.2	3.2	274%	152%
Total revenue[1]	8.4	3.3	5.3	158%	60%
Operating expenses	(8.6)	(6.7)	(3.9)	(29%)	(121%)
EBITDA[1]	**(0.3)**	**(3.4)**	**1.4**	**(93%)**	**119%**
Depreciation and amortisation	(0.6)	(0.7)	(1.4)	9%	54%
Equity remuneration expense	(0.3)	(0.4)	(0.3)	29%	(15%)
Interest expense	(2.2)	(0.9)	(1.5)	(143%)	(52%)
Underlying profit before tax[1]	**(3.4)**	**(5.4)**	**(1.8)**	**38%**	**(87%)**

1. 2H20 and 1H20 Other Income, Total Revenue, EBITDA and Underlying profit before tax have been restated based on the revised definition of UPAT (refer to Appendix A and Appendix B for further details).

2.5.3 DRIVERS OF PERFORMANCE

Revenue

In 1H21, revenue from the Group's cash holdings and principal investments was $8.4 million, $3.1 million or 60% higher than in 1H20, and $5.1 million or 158% higher than in 2H20. The increase was driven by higher distribution income received from unit trust investments held for investing in product (IIP) and seed fund investments, partially offset by lower interest income.

Unrealised gains of investing in product (IIP) were higher in 1H21 than in 1H20, but lower than in 2H20.

Expenses

Total expenses, comprising operating expenses, depreciation, amortisation, equity remuneration and interest expense for Group Support Services in 1H21 were $11.8 million, $4.7 million or 67% higher than in 1H20, and $3.1 million or 35% higher than in 2H20.

The primary drivers of the increase in expenses were related to distributions on employee owned units in Barrow Hanley, expenses related to consolidated seed funds in connection with acquisitions, and higher variable remuneration; and for 1H20, the receipt of one-off insurance claims.

Section 3

APPENDICES

3.1 APPENDIX A: SEGMENT RESULTS

PERIOD	1H21					
	Perpetual Asset Management, International	Perpetual Asset Management, Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total
	$M	$M	$M	$M	$M	$M
Operating revenue[1]	38.3	79.1	89.2	65.6	8.4	280.6
Operating expenses	(26.3)	(55.1)	(66.3)	(29.3)	(8.6)	(185.7)
EBITDA[1]	**11.9**	**24.0**	**23.0**	**36.3**	**(0.3)**	**94.9**
Depreciation and amortisation[1]	(0.8)	(2.6)	(5.5)	(4.4)	(0.6)	(13.9)
Equity remuneration	(0.6)	(2.9)	(1.7)	(0.5)	(0.3)	(5.9)
EBIT[1]	**10.6**	**18.5**	**15.8**	**31.4**	**(1.2)**	**75.2**
Interest expense	(0.1)	(0.1)	(0.5)	(0.2)	(2.2)	(3.1)
UPBT[1]	**10.5**	**18.5**	**15.3**	**31.2**	**(3.4)**	**72.1**
Significant Items Pre Tax[1]	(27.2)	0.3	(1.0)	(1.7)	3.9	(25.8)
Reportable Segment NPBT[1]	**(16.7)**	**18.8**	**14.3**	**29.5**	**0.5**	**46.4**

PERIOD	2H20					
	Perpetual Asset Management, International	Perpetual Asset Management, Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total
	$M	$M	$M	$M	$M	$M
Operating revenue[1]	-	79.0	89.5	64.7	3.3	236.5
Operating expenses	-	(54.2)	(68.5)	(31.3)	(6.7)	(160.8)
EBITDA[1]	**-**	**24.8**	**20.9**	**33.4**	**(3.4)**	**75.7**
Depreciation and amortisation[1]	-	(3.1)	(4.9)	(3.1)	(0.7)	(11.8)
Equity remuneration	-	(3.2)	(2.0)	(0.6)	(0.4)	(6.2)
EBIT[1]	**-**	**18.4**	**14.1**	**29.7**	**(4.5)**	**57.7**
Interest expense	-	(0.1)	(0.5)	(0.2)	(0.9)	(1.7)
UPBT[1]	**-**	**18.4**	**13.6**	**29.4**	**(5.4)**	**56.0**
Significant Items Pre Tax[1]	-	(2.1)	(0.8)	(1.7)	(7.8)	(12.5)
Reportable Segment NPBT[1]	**-**	**16.3**	**12.8**	**27.7**	**(13.2)**	**43.5**

PERIOD	1H20					
	Perpetual Asset Management, International	Perpetual Asset Management, Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total
	$M	$M	$M	$M	$M	$M
Operating revenue[1]	-	94.5	93.5	60.8	5.3	254.1
Operating expenses	-	(50.3)	(66.8)	(26.9)	(3.9)	(147.8)
EBITDA[1]	**-**	**44.2**	**26.8**	**33.9**	**1.4**	**106.2**
Depreciation and amortisation[1]	-	(3.3)	(5.8)	(4.0)	(1.4)	(14.5)
Equity remuneration	-	(3.6)	(1.4)	(0.4)	(0.3)	(5.8)
EBIT[1]	**-**	**37.3**	**19.5**	**29.5**	**(0.3)**	**85.9**
Interest expense	-	(0.1)	(0.5)	(0.3)	(1.5)	(2.3)
UPBT[1]	**-**	**37.2**	**19.0**	**29.2**	**(1.8)**	**83.6**
Significant Items Pre Tax[1]	-	(0.0)	(1.6)	(1.7)	(7.2)	(10.5)
Reportable Segment NPBT[1]	**-**	**37.2**	**17.4**	**27.5**	**(9.0)**	**73.1**

1. 2H20 and 1H20 Operating revenue, EBITDA, Depreciation and amortisation, EBIT, UPBT, Significant items Pre Tax and Net Profit before tax have been restated based on the revised definition of UPAT.

3.1.1 BREAKDOWN OF SIGNIFICANT ITEMS PRE TAX

PERIOD	1H21						2H20						1H20					
	Perpetual Asset Management, International	Perpetual Asset Management, Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total	Perpetual Asset Management, International	Perpetual Asset Management, Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total	Perpetual Asset Management, International	Perpetual Asset Management, Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Transaction and Integration costs[1]	(22.1)	-	-	-	(0.3)	(22.4)	-	(2.0)	-	-	-	(2.0)	-	-	-	-	-	-
Trillium	(1.6)	-	-	-	-	(1.6)	-	(2.0)	-	-	-	(2.0)	-	-	-	-	-	-
Barrow Hanley	(20.5)	-	-	-	-	(20.5)	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(0.3)	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash amortisation of acquired intangibles[2]	(3.3)	-	(1.0)	(1.7)	-	(6.1)	-	-	(0.8)	(1.7)	-	(2.5)	-	-	(1.6)	(1.7)	-	(3.4)
Unrealised gains/losses on financial assets[3]	-	0.3	-	-	4.2	4.5	-	(0.1)	-	-	(0.7)	(0.8)	-	(0.0)	-	-	(0.6)	(0.6)
Tax-effected fair value movements[4]	(1.8)	-	-	-	-	(1.8)	-	-	-	-	-	-	-	-	-	-	-	-
Operating Model Review costs	-	-	-	-	(0.0)	(0.0)	-	-	-	-	(7.1)	(7.1)	-	-	-	-	(6.6)	(6.6)
Significant Items Pre Tax	(27.2)	0.3	(1.0)	(1.7)	3.9	(25.8)	-	(2.1)	(0.8)	(1.7)	(7.8)	(12.5)	-	(0.0)	(1.6)	(1.7)	(7.2)	(10.5)

1. Relates to costs associated with the acquisitions of Barrow Hanley and Trillium. Costs include professional fees, administrative and general expenses and staff costs related to deal specific retention and performance grants.
2. Relates to the amortisation expense on intangible assets acquired through business combinations. Comparative has been represented to align with the Company's new definition of UPAT.
3. Relates to unrealised mark to market gains and losses on EMCF, seed fund investments and financial assets held against the Operational Risk Financial Requirements reserve for regulatory purposes.
4. Relates to fair value movements on the accrued incentive compensation liability. This liability reflects the 25% of employee owned units in Barrow Hanley.

3.2 APPENDIX B: BRIDGE FOR 1H21 STATUTORY ACCOUNTS AND OFR

UPAT represents Perpetual's measure of the results for the ongoing business of the Group as determined by the Board and management. UPAT has been calculated in accordance with ASIC's Regulatory Guide 230 – Disclosing non-IFRS financial information has been followed when presenting this information. UPAT attributable to equity holders of Perpetual Limited has not been audited by the Group's external auditors, however, the adjustments have been extracted from the books and records that have been reviewed. Underlying profit after tax attributable to equity holders of Perpetual Limited is disclosed as it is useful for investors to gain a better understanding of Perpetual's financial results from normal operating activities.

Post completion of Barrow Hanley acquisition in November 2020, the definition of UPAT was revised to reflect changes to the Group's operating cash flows from both existing and future opportunities. As shown in the table below, 1H21 reporting adjusted NPAT for the four types of significant items:

- those that are material in nature and in Perpetual's view do not reflect normal operating activities
- non-cash tax-effected amortisation of acquired intangibles (1H20 and 2H20 have been restated)
- tax-effected unrealised gains/losses on financial assets, this excludes unrealised gains/losses on financial assets held as a hedge to the Investing in Product scheme (1H20 and 2H20 have been restated)
- tax-effected fair value movement on employee owned units in Barrow Hanley

		OFR adjustments							
	1H21 Statutory Accounts	EMCF[1]	Transaction and Integration costs			Non-cash amortisation of acquired intangibles	Unrealised gains/losses on financial assets	Tax-effected fair value movements	1H21 OFR
			Trillium	Barrow Hanley	Other				
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	285,837	(677)	-	-			(4,527)		280,633
Staff related expenses excluding equity remuneration expense	(133,605)		113	6,697				1,841	(124,954)
Occupancy expenses	(3,713)								(3,713)
Administrative and general expenses	(71,027)		612	13,056	313				(57,046)
Distributions and expenses relating to structured products	(677)	677							-
Equity remuneration expense	(5,925)		13	54					(5,859)
Depreciation and amortisation expense	(19,914)					6,063			(13,851)
Financing costs	(4,604)		885	649					(3,070)
Total expenses	(239,465)	677	1,624	20,452	313	6,063	-	1,841	(208,494)
Net profit before tax	**46,372**	**-**	**1,624**	**20,456**	**313**	**6,063**	**(4,527)**	**1,841**	**72,138**
Income tax expense	(17,193)		(199)	(1,219)	(94)	(1,523)	1,050	(387)	(19,564)
Net profit after tax	**29,179**	**-**	**1,425**	**19,236**	**219**	**4,539**	**(3,478)**	**1,454**	**52,574**
Significant Items (net of tax)									
Transaction and Integration costs									
- Trillium									(1,425)
- Barrow Hanley									(19,236)
- Other									(219)
Non-cash amortisation of acquired intangibles									(4,539)
Unrealised gains/losses on financial assets									3,478
Tax-effected fair value movements									(1,454)
Operating Model Review costs									-
Net profit after tax attributable to equity holders									**29,179**

1. Income from the EMCF structured products is recorded on a net basis, for statutory purposes, revenue and distributions are adjusted to reflect the gross revenue and expenses of these products.

3.3 APPENDIX C: PERPETUAL AVERAGE ASSETS UNDER MANAGEMENT

FOR THE PERIOD in Australian Dollars	1H21 $B	2H20 $B	1H20 $B	1H21 v 2H20	1H21 v 1H20
By asset class:					
- Australian equities	12.3	13.3	16.4	(8%)	(25%)
- Global equities	1.1	1.1	1.3	(1%)	(16%)
- Cash and fixed income	9.2	8.6	7.7	7%	20%
- Other	0.8	0.8	0.9	(4%)	(15%)
PAMA average AUM	**23.4**	**23.8**	**26.3**	**(2%)**	**(11%)**
By asset class:					
- US equities	13.6	N/A	N/A	N/A	N/A
- Global equities	4.1	N/A	N/A	N/A	N/A
- Fixed income	3.4	N/A	N/A	N/A	N/A
PAMI average AUM[1]	**21.0**	**N/A**	**N/A**	**N/A**	**N/A**
PP average AUM	**6.5**	**6.5**	**6.7**	**(0%)**	**(3%)**
Total average AUM	**51.0**	**30.3**	**33.0**	**68%**	**54%**

FOR THE PERIOD in US Dollars	1H21 $B	2H20 $B	1H20 $B	1H21 v 2H20	1H21 v 1H20
By asset class:					
- US equities	10.1	N/A	N/A	N/A	N/A
- Global equities	3.0	N/A	N/A	N/A	N/A
Total equities	**13.1**	**N/A**	**N/A**	**N/A**	**N/A**
Fixed income	2.5	N/A	N/A	N/A	N/A
PAMI average AUM[1]	**15.6**	**N/A**	**N/A**	**N/A**	**N/A**

1. Average AUM for 1H21 includes 2 months of Barrow Hanley.

3.4 APPENDIX D: FULL TIME EQUIVALENT EMPLOYEES

AT END OF	1H21	2H20	1H20
Perpetual Asset Management, International	147	-	-
Perpetual Asset Management, Australia	82	90	86
Perpetual Private[1]	360	379	352
Perpetual Corporate Trust[1]	203	161	149
Group Support Services[1]	356	369	342
Total operations	**1,148**	**999**	**929**
Permanent	1,142	974	907
Contractors	5	25	22
Total operations	**1,148**	**999**	**929**

1. 1H21 FTE reflects transfer of functions such as document custody and standby servicing from Group Support Services to Perpetual Corporate Trust and functions such as client adminstration from Perpetual Private to Group Support Services.

3.5 APPENDIX E: DIVIDEND HISTORY

Perpetual's dividend policy is to a payout ratio range of between 60% and 90% of UPAT on an annualised basis. An extended history of Perpetual's dividends paid including the dividend reinvestment price can be found via this link: https://www.perpetual.com.au/about/shareholders/dividend-history

Year	Dividend	Date paid	Dividend per share	Franking rate	Company tax rate	DRP price
FY21	Interim	26 Mar 2021	84 cents	100%	30%	Not determined at time of publication
FY20	Final	25 Sep 2020	50 cents	100%	30%	$28.54
FY20	Interim	27 Mar 2020	105 cents	100%	30%	$28.06
FY19	Final	30 Sep 2019	125 cents	100%	30%	$36.70
FY19	Interim	29 Mar 2019	125 cents	100%	30%	$41.62
FY18	Final	8 Oct 2018	140 cents	100%	30%	$42.20
FY18	Interim	26 Mar 2018	135 cents	100%	30%	$50.34
FY17	Final	29 Sep 2017	135 cents	100%	30%	$52.33
FY17	Interim	24 Mar 2017	130 cents	100%	30%	$51.86
FY16	Final	28 Sep 2016	130 cents	100%	30%	$45.93

3.6 GLOSSARY

ABS	Asset backed securities
ADI	Authorised deposit-taking institution
All Ords	All Ordinaries Price Index
APRA	Australian Prudential Regulatory Authority
ARCC	Audit, Risk and Compliance Committee
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
AUD	Australian Dollars
AUM	Assets under management
B	Billion
BEAR	Banking Executive Accountability Regime
bps	Basis point (0.01%)
CEO	Chief executive officer
COVID-19	Coronavirus disease
CMBS	Commercial mortgage backed securities
cps	Cents per share
DPS	Dividend(s) per share
DRP	Dividend Reinvestment Plan
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation of intangible assets, equity remuneration expense, and significant items
EMCF	Perpetual Exact Market Cash Fund
EPS	Earnings per share
ER	Early Release
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
FAR	Financial Accountability Regime
FASEA	Financial Adviser Standards and Ethics Authority
FSRC	Financial Services Royal Commission
FTE	Full time equivalent employee
FUA	Funds under advice or funds under administration
FVTPL	Fair value through profit and loss
Group	Perpetual Limited and its controlled entities (the consolidated entity) and the consolidated entity's interests in associates
HNW	High net worth
IFRS	International Financial Reporting Standards
IIP	Investing in Product
IT	Information technology
KPI	Key performance indicator
M	Million
NM	Not meaningful
NPBT	Net profit before tax
NPAT	Net profit after tax

NTA	Net tangible asset
N/A	Not applicable
OFR	Operating and Financial Review
PAMA	Perpetual Asset Management, Australia
PAMI	Perpetual Asset Management, International
PCT	Perpetual Corporate Trust
PP	Perpetual Private
RBA	Reserve Bank of Australia
RMBS	Residential mortgage-backed securities
ROE	Return on equity
RSE	Registrable Superannuation Entity
SREIT	Singapore real estate investment trust
S&P	Standard & Poor's
UPAT	Underlying profit after tax
UPBT	Underlying profit before tax
US	United States
USD	US Dollars
WH&S	Work health and safety

Perpetual

NEW SOUTH WALES
Angel Place
Level 18, 123 Pitt Street
Sydney NSW 2000

QUEENSLAND
Central Plaza 1
Level 15, 345 Queen Street
Brisbane QLD 4000

AUSTRALIAN CAPITAL TERRITORY
Level 9, Nishi, 2 Phillip Law St,
Canberra ACT 2601

VICTORIA
Level 28 and 29 Rialto South Tower 525 Collins Street
Melbourne VIC 3000

SOUTH AUSTRALIA
Level 11, 101 Grenfell Street
Adelaide SA 5000

WESTERN AUSTRALIA
Exchange Tower
Level 29, 2 The Esplanade
Perth WA 6000

SINGAPORE
16 Collyer Quay #07-01
Singapore 049318

TRILLIUM ASSET MANAGEMENT, LLC:

BOSTON
Two Financial Center
60 South Street, Suite 1100
Boston, MA 02111
USA

SAN FRANCISCO
160 Spear Street, Suite 250
San Francisco, CA 94105
USA

PORTLAND
721 NW Ninth Avenue, Suite 250
Portland, OR 97209
USA

BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC:

DALLAS
JP Morgan Chase Tower
2200 Ross Avenue, 31st floor
Dallas, TX 75201
USA

HONG KONG
Unit 22, Level 10
BOC Group Life Assurance Tower
136 Des Voeux Road Central,
Central Hong Kong