

23 April 2021

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

Dear Sir/Madam

Third Quarter 2021 Business Update

Perpetual Limited advises that it has released the quarterly business update for the period ended 31 March 2021 (as attached).

If shareholders or other interested parties have any queries regarding the update, they can contact:

Investors:

Marisa Zammit
Head of Investor Relations
Perpetual Limited
Tel: +61 425 282 805
marisa.zammit@perpetual.com.au

Media:

Emma Rumble
General Manager, Corporate Affairs & Investor Relations
Perpetual Limited
Tel: +61 2 9229 3998
emma.rumble@perpetual.com.au

Yours faithfully



Sylvie Dimarco
Company Secretary
(Authorising Officer)

About Perpetual

Perpetual is an independent financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, go to www.perpetual.com.au

ASX Announcement

23 April 2021

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

Perpetual Limited (ASX:PPT) (“Perpetual”) Third Quarter Business Update

- Perpetual’s total Assets under Management (AUM) was A\$95.3 billion¹ as at 31 March 2021
- Perpetual Asset Management International’s total AUM was A\$71.6 billion, up 8% inclusive of Trillium Asset Management (Trillium) and Barrow Hanley Global Investors (Barrow Hanley)
- Perpetual Asset Management Australia’s total AUM of A\$23.7 billion, up 4% driven by positive market returns and strong investment performance
- Perpetual Corporate Trust’s Funds under Administration (FUA) of A\$942.9 billion, up 1%
- Continued momentum from the adviser growth strategy in Perpetual Private with Funds under Advice (FUA) of A\$16.1 billion, up 4% including A\$0.2 billion positive net inflows for the quarter
- Solid execution on strategy and increasingly well positioned to capitalise on growth opportunities

Chief Executive Officer and Managing Director, Rob Adams said, “We continued to see considerable momentum across all our divisions during the quarter and we are well positioned to capitalise on key growth opportunities.

“Our asset management teams have remained true-to-label and have delivered very strong performance during the quarter across all our capabilities. Our Australian Equities team and Barrow Hanley’s investment teams in particular, have achieved another very strong quarter of relative outperformance, which augurs well for future growth.²

“We remain on track in building-out our global distribution capability with quality appointments now in place in Australia, the United States, and most recently in the UK following regulatory approval which was successfully achieved during the quarter. We are now increasingly well-positioned to take the world-class investment capabilities of Trillium, Barrow Hanley and Perpetual to key markets around the world.³

“Building on the positive momentum we are seeing in Trillium, we are delighted to have announced Trillium’s increased commitment into the UK market as it focuses on delivering its nearly 40-year track record of ESG investing and shareholder advocacy for clients in the UK and Europe.

¹ Total AUM translated at AUD:USD 0.76 as at 31 March 2021. PAMA and PAMI AUM is combined and remains subject to customary verification procedures. Barrow Hanley AUM is net of clients who have confirmed their intention to terminate as part of the acquisition client consent process

² As at 31 March 2021. See www.perpetual.com.au and www.barrowhanley.com for relevant fund performance. Past performance is not indicative of future performance. The product disclosure statements (PDS) of any of PAMAs funds should be considered before deciding whether to acquire or hold units in any fund. All PDS for all PAMA funds are available on Perpetual’s website

³ Subject to relevant regulatory approval in new markets

“As part of the move, we have attracted a team of senior investment professionals to spearhead the launch of new global ESG equity strategies, led by Ian Warmerdam who joins as Lead Portfolio Manager. Ian joins us from Janus Henderson Investors, where he spent 18 years, most recently as Director of Global Equities managing both global equities and EAFE⁴ select strategies.

“Ian will be joined by Jamie Mariani, who has been appointed as Portfolio Manager. Jamie’s experience includes 11 years at Martin Currie where he was Head of Research, focused on global equities.

“Graham Kitchen takes up the role of Chairman of the UK Board.⁵ Graham has over 30 years of investment management expertise. He worked at Janus Henderson for over 14 years managing equities portfolios and most recently was an Executive Committee Member and Global Head of Equities.

“Based in Edinburgh, the investment team will begin to roll out a suite of global ESG-focused equities strategies with support from a distribution and compliance team based in the UK.

“These important appointments bring together a team with some of the deepest experience in the region to support our growth plans for Trillium as we continue to be primed for the growing demand in Europe and around the globe for quality, integrated ESG investment strategies.

“Perpetual Corporate Trust (PCT) continues its growth trajectory and is capitalising on new opportunities across its three businesses, extending mandates with new and existing clients and is on track to launch its new digital treasury and finance intelligence product next quarter.

“We have delivered another quarter of positive net flows in Perpetual Private (PP) driven by continued new flows from our adviser growth strategy, and our enhanced family office services announced in February are already generating increased interest from new clients.

“PP also achieved a significant milestone in March and was officially appointed as the first Trustee of the Noongar Boojda Trust, the largest trust appointment representing Aboriginal and Torres Strait Islander community interests in Perpetual’s history.”

Unrealised gains on financial assets⁶ were \$3 million for the quarter and \$7.5 million for the year to date. As advised at our Investor Day in December 2020 these gains will be excluded from our revised definition of UPAT.⁷

“We have executed well on our strategic priorities including bedding down our recent acquisition of Barrow Hanley, building our global distribution channels, continued product development and now adding new investment capabilities. While remaining focused on execution, we will continue to identify and explore complementary inorganic opportunities that build scale and capability across all our businesses,” Mr Adams said.

Perpetual Asset Management Australia

Perpetual Asset Management Australia’s (PAMA) AUM as at 31 March 2021 was \$23.7 billion or 4% higher than at 31 December 2020.

Net outflows for the three months ending 31 March 2021 were \$275 million, primarily from intermediary clients out of Australian Equities. These have been more than offset by \$1.3 billion in asset growth driven by improved market conditions and strong relative fund performance.⁸

⁴ European Australasian and the Far East

⁵ Subject to Financial Conduct Authority (FCA) approval

⁶ Unrealised gains are unaudited and as at 31 March 2021

⁷ For further information refer to the Investor Presentation lodged with the ASX on 9 December 2020

⁸ As at 31 March 2021. See www.perpetual.com.au for relevant fund performance. Past performance is not indicative of future performance. The product disclosure statements (PDS) of any of PAMA’s funds should be considered before deciding whether to acquire or hold units in any fund. All PDS for all funds are available on Perpetual’s website

Total average AUM for the three months ended 31 March 2021 was \$23.1 billion, compared to \$23.5 billion for the December quarter.

Mr Adams said, "There has been some improvement to net outflows during the quarter and we have seen inflows into cash and fixed income strategies and our contemporary offerings including the Diversified Real Return Fund and the Global Innovation Share Fund."

"Perpetual's investment teams are delivering solid performance for our clients, in particular our Australian equities funds have performed exceptionally well relative to their respective benchmarks over the quarter. Our Wholesale Australian Share Fund, Concentrated Equity Fund and Ethical SRI Fund are now 12.1%, 9.4% and 13.7% ahead of their respective benchmarks over 1 year to 31 March 2021.⁹

"We are pleased with the nature of discussions with clients across our capabilities, and our recent appointments to the Australian distribution team are also supporting our plans to return to growth."

"We saw positive momentum in terms of research ratings over the period, with ratings reaffirmed for a number of our funds, including a 'Recommended' rating from both Lonsec and Zenith for the Perpetual Wholesale Global Share Fund, which is now managed by Barrow Hanley."¹⁰

The performance of our investment capabilities can be found on our website www.perpetual.com.au/investments/pricing-and-performance

Perpetual Asset Management International

Perpetual Asset Management International (PAMI) AUM closed at A\$71.6 billion (US\$54.6 billion)¹¹ as at 31 March 2021 up 8% from 31 December 2020. Total average AUM for the three months ending 31 March 2021, was A\$67.6 billion (US\$51.9 billion).

Net outflows for the three months ending 31 March 2021 were A\$892 million (US\$683 million), driven by the institutional channel offset by A\$5.3 billion (US\$4.1 billion) in asset growth as a result of positive market movement, strong relative investment performance and a positive currency impact of A\$783 million.

Mr Adams said, "We continued to see the positive net flow profile build for Trillium, with strong flows of A\$204 million (US\$156 million) during the quarter and AUM reaching A\$6.7 billion (US\$5.1 billion), representing growth of 19% since acquisition.¹² We remain confident of continued growth given the strong global trend toward ESG investing, Trillium's unique heritage in this critical space and their strong relative investment performance.

"Performance across Trillium's capabilities is strong, and we are particularly pleased with Barrow Hanley's recent investment performance which has improved significantly this quarter across all capabilities as markets have rotated towards value investing in recent months.

"Investor interest in Trillium's range of strategies in Australia, the US and Europe is strong, with increasing engagement across a number of institutional prospects, and we are seeing a sustained uptick in client searches in all three markets.

"We are ahead in our plans to build out our global distribution team and when combined with strong investment performance across our capabilities, we are increasingly well positioned for future growth."

⁹ All performance has been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for contribution or withdrawal fees or taxation (except in the case of superannuation funds). Past performance is not indicative of future performance

¹⁰ The rating issued 18 March 2021 are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). The Zenith Rating for PER0733AU assigned 4 March 2021 by Zenith Investment Partners (ABN 27 130 132 627, AFSL 226872)". See appendix for full disclaimer

¹¹ Total AUM is translated at AUD:USD 0.76 as at 31 March 2021. AUM is combined and remains subject to customary verification procedures. As part of the client consent process Barrow Hanley AUM net of clients who have terminated or confirmed their intention to terminate

¹² At 30 June 2020 acquired Trillium AUM for A\$5.6 billion (US\$3.8 billion) see ASX announcement dated 30 June 2020

During the quarter, the Wholesale Global Share Fund managed by Barrow Hanley received recommended ratings from Lonsec and Zenith and Trillium was named in the Real Leaders Top 100 Impact Companies Globally and Best ESG Investment Integration 2020 in the Capital Finance International Judging Panel Awards.¹³

The client consent process for the Barrow Hanley acquisition is now complete following the end of a 150-day period from the acquisition date of 17 November 2020 as agreed under the equity purchase agreement. Perpetual has determined that US\$308.5 million is the final purchase price representing 89.6% of AUM of clients having consented to the change in ownership and this has been conveyed to BrightSphere Investment Group ("BSIG").¹⁴

Please see link for Trillium investment performance details: <https://trilliuminvest.com>

Please see link for Barrow Hanley performance details: <https://www.barrowhanley.com>

Perpetual Corporate Trust

Perpetual Corporate Trust's (PCT) Funds under Administration (FUA) was \$942.9 billion,¹⁵ up 1% from \$936.2 billion from 31 December 2020.

Mr Adams said, "PCT continues to outperform and deliver strong growth from existing clients, new client mandates and new client wins in a competitive environment.

"While overall DMS FUA was down 2%, we saw strong growth in the non-bank RMBS sector, winning new clients, with total non-bank FUA up 12% driven by the current growth in housing credit which we expect to continue.

"The MFS business continued to see growth in clients and FUA across all products including Trustee, Custody, Responsible Entity and Investment Management and a large client win in Responsible Entity which started in March 2021 delivering FUA growth for the quarter.

"The MFS business continues to demonstrate the valuable and critical role played as an independent responsible entity in navigating and managing competitive bids from Macquarie Agricultural Funds Management Limited as trustee of Macquarie Agricultural Fund – Corp Australia 2 (MAFM) and most recently ROC Private Equity Pty Ltd in the ongoing proposed acquisition of Vitalharvest Freehold Trust (ASX:VTH).

Perpetual Private

Funds under Advice (FUA) for Perpetual Private was \$16.1 billion as at 31 March 2021, 4% higher than at 31 December 2020. The \$0.6 billion increase in FUA was due to \$0.2 billion in positive net flows and \$0.5 billion from positive market and other movements.¹⁶

Total average FUA for the three months to 31 March 2021 was \$15.7 billion, compared to \$14.9 billion reported for the three months ending 31 December 2021.

Mr Adams said, "As we announced in February, we have enhanced our family office services that focusses on ultra-high net worth clients and family offices through the creation of a new team. They are tasked with developing and extending Perpetual's existing family office service offering. It has been a seamless transition and we have already seen interest from prospective clients.

¹³ See full footnote in Appendices

¹⁴ As foreshadowed in the Investor Presentation 'Equity Raising: Acquisition of Barrow, Hanley, Mewhinney & Strauss LLC' lodged with the ASX on 27 July 2020, the anticipated consideration payment of US\$319 million has been adjusted to reflect the level of Barrow Hanley client consents received

¹⁵ Includes Singapore FUM translated at the spot rate at 31 March 2021

¹⁶ Other" includes fiduciary flows and distributions as noted in the OFR as at 31 December 2020 page 22

“Our work with the Noongar Boodja Trust via our Native Title and Community and Social Investments Teams commenced in March which is a significant role for Perpetual and largest ever settlement of Aboriginal and Torres Strait Islander community interests. It’s a key moment for our Native Title team as they take the next step alongside the Noongar communities towards a fully realised self-determined future.”

Appendices

- PAMA and PAMI AUM and flows data by channel and asset class

For more information please contact:

Investors:

Marisa Zammit
Head of Investor Relations
Perpetual Limited
Tel: +61 425 282 805
marisa.zammit@perpetual.com.au

Media:

Jon Snowball
Domestique
+61 477 946 068
jon@domestiqueconsulting.com.au

Appendix - PAMA and PAMI AUM and flows data by channel and asset class

AUM & Flows by Investor Channel in \$Bn

Combined View - PAMA & PAMI (AUD)

	31-Dec-20	Flows	Other ¹	Foreign Exchange Impacts	31-Mar-21
Retail	4.3	(0.1)	0.3	-	4.5
Intermediary	17.6	(0.1)	1.0	0.1	18.6
Institutional	66.4	(1.0)	5.2	0.7	71.3
Listed Investment Company	0.9	0.0	0.0	-	0.9
Total	89.2	(1.2)	6.5	0.8	95.3

Perpetual Asset Management, Australia

	31-Dec-20	Flows	Other ¹	Foreign Exchange Impacts	31-Mar-21
Retail	4.3	(0.1)	0.3	-	4.5
Intermediary	12.1	(0.2)	0.7	-	12.6
Institutional	5.4	0.0	0.3	-	5.7
Listed Investment Companies	0.9	0.0	0.0	-	0.9
Total	22.7	(0.3)	1.3	-	23.7

Perpetual Asset Management, International (AUD)

	31-Dec-20	Flows	Other ¹	Foreign Exchange Impacts	31-Mar-21
Intermediary	5.4	0.1	0.4	0.1	6.0
Institutional	61.0	(1.0)	4.9	0.7	65.6
Total	66.5	(0.9)	5.3	0.8	71.6

Perpetual Asset Management, International (USD)

	31-Dec-20	Flows	Other ¹	Foreign Exchange Impacts	31-Mar-21
Intermediary	4.2	0.1	0.3	-	4.6
Institutional	47.0	(0.8)	3.8	-	50.0
Total	51.2	(0.7)	4.1	-	54.6

AUM & Flows by Asset Class in \$Bn

Combined View - PAMA & PAMI (AUD)

	31-Dec-20	Net flows	Other ¹	Foreign exchange impacts	31-Mar-21
Australian equities	13.0	(0.3)	1.1	-	13.8
US equities	42.2	(0.9)	4.9	0.5	46.7
Global equities	12.4	(0.2)	1.1	0.1	13.4
Total equities	67.6	(1.4)	7.1	0.6	74.0
Fixed income	20.8	0.3	(0.6)	0.1	20.6
Other	0.8	(0.0)	0.0	-	0.8
Total all asset classes	89.2	(1.2)	6.5	0.8	95.3

Perpetual Asset Management, Australia

	31-Dec-20	Net flows	Other ¹	Foreign exchange impacts	31-Mar-21
Australian equities	13.0	(0.3)	1.1	-	13.8
Global equities	1.2	0.0	0.2	-	1.4
Total equities	14.2	(0.3)	1.3	-	15.2
Cash & Fixed Interest	7.7	0.0	(0.0)	-	7.7
Other	0.8	(0.0)	0.0	-	0.8
Total all asset classes	22.7	(0.3)	1.3	-	23.7

Perpetual Asset Management, International (AUD)

	31-Dec-20	Net flows	Other ¹	Foreign exchange impacts	31-Mar-21
US equities	42.2	(0.9)	4.9	0.5	46.7
Global equities	11.2	(0.2)	0.9	0.1	12.0
Total equities	53.4	(1.1)	5.9	0.6	58.8
Fixed income	13.1	0.2	(0.6)	0.1	12.9
Total all asset classes	66.5	(0.9)	5.3	0.8	71.6

Perpetual Asset Management, International (USD)

	31-Dec-20	Net flows	Other ¹	Foreign exchange impacts	31-Mar-21
US equities	32.5	(0.7)	3.8	-	35.6
Global equities	8.6	(0.2)	0.7	-	9.2
Total equities	41.1	(0.9)	4.5	-	44.8
Fixed income	10.1	0.2	(0.5)	-	9.8
Total all asset classes	51.2	(0.7)	4.1	-	54.6

¹ Other includes changes in market value of assets, income, re investments, distributions, and asset class rebalancing within the Group's diversified funds

Numbers may not add up due to rounding

As part of the client consent process Barrow Hanley AUM net of clients who have terminated or confirmed their intention to terminate

Asset Class Conversation rate AUD:USD 0.76 at 31 March 2021

Channel definitions: 'Retail' includes AUM from advisers and individual clients who invest with Perpetual directly; 'Intermediary' includes AUM from financial advisers who invest with Perpetual 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; 'Listed investment vehicles AUM' includes the net tangible assets of Perpetual Equity Investment Company ('PIC') and Perpetual Credit Income Trust ('PCI') managed by Perpetual Investments Management Limited

Footnote 10:

Lonsec Disclaimer: The rating issued 18 March 2021 are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.

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Footnote 13:

Disclosure: Real Leaders "Top Impact Companies" Award 2021 The Real Leaders "Top Impact Companies" award is not indicative of the future performance of Trillium Asset Management. Past performance is not a guarantee of future results. The Real Leaders Impact Awards rank nominated companies based on their Force for Good score, 3-year x revenue x growth. Trillium ranked #57 of 150 companies. Real Leaders reviewed applications from over 1,000 companies. The Real Leaders Impact Awards require applicants to pay a fee for submitting their application. Trillium paid a required application fee of \$75 to Real Leaders.

Disclosure: The CFI.co Best ESG Investment Integration Award is not indicative of the future performance of Trillium Asset Management. Past performance is not a guarantee of future results. Companies were nominated based on a wide variety of criteria including, but not limited to, recognition of the relevance for investors of environmental, social and governance (ESG) factors, global view acknowledging the full spectrum of risks and opportunities, alignment of financial performance and wider impact, and ethical business behaviour. CFI.co reviewed 1,859 independent nominations for asset managers in the US for this award. Trillium did not pay a fee for consideration or nomination for this award.