Perpetual GROUP

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28 February 2024

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

Via electronic lodgement

Perpetual Half Year Financial Results

Please find attached the following announcements for release to the market:

Appendix 4D

1H24 ASX Announcement

1H24 Results Presentation

Half Yearly Report and Accounts

✓ **Operating and Financial Review – 31 December 2023**

This release has been authorised by the Board of Directors of Perpetual Limited.

Yours faithfully

Sylvie Dimarco

Sylvie Dimarco
Company Secretary

Operating and Financial Review

For the 6 months ended 31 December 2023

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Notes

Note that in this review:

- 1H24 refers to the financial reporting period for the 6 months ended 31 December 2023
- 2H23 refers to the financial reporting period for the 6 months ended 30 June 2023
- 1H23 refers to the financial reporting period for the 6 months ended 31 December 2022

with similar abbreviations for previous and subsequent periods.

This is a review of Perpetual's operations for the 6 months ended 31 December 2023 (1H24). It also includes a review of its financial position as at 31 December 2023.

The following information should be read in conjunction with the Group's unaudited consolidated financial statements and associated notes for 1H24.

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

Contents

1 About Perpetual

1.1 Overview

Perpetual Limited (Perpetual) is a diversified global financial services firm operating in asset management, wealth management and trustee services. Perpetual services a global client base from offices in Australia, the United States, the United Kingdom, Europe and Asia. 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. The recent acquisition of Pendal Group brings together two of Australia's most respected active asset management brands to create a global leader in multi-boutique asset management with approximately A$214 billion in assets under management. Perpetual's larger, significantly more diverse asset management business provides a greater ability to manage the business through investment cycles. The broader array of investment capabilities across regions, investment styles and asset sectors, better positions the business to deliver sustainable growth and improved shareholder returns over time.

1.1.1 Strategy

Perpetual's vision is to create enduring prosperity for its clients, people, communities and shareholders. Perpetual creates enduring prosperity by offering trusted services in Asset Management, Wealth Management and Corporate Trust.

Perpetual's long history has led to the evolution of our businesses, leading us to have a unique combination of businesses that positions us well to navigate global markets and to deliver positive outcomes to our clients. This combination includes exposure to non-market linked revenues; and exposure to a broad array of investment capabilities across regions, global markets and global thematics.

Asset Management's vision is to be a market leading global multi-boutique asset management business, with world-class differentiated active investment capabilities designed to meet the evolving needs of our clients in our chosen markets (US, Europe, UK, Asia and Australia). The Pendal Group acquisition has brought to Asset Management complementary strengths in key strategies, regions and operating capabilities. Combined with Perpetual's pre-existing asset management business, the Pendal acquisition provides a global, scalable growth platform for Asset Management.

Wealth Management's vision is to empower families, businesses and communities to achieve their aspirations by delivering advisory service excellence. With a trusted fiduciary heritage, Wealth Management assists clients with a "protect" and "grow" investment philosophy for managing their wealth as their income and needs change over a lifetime.

Corporate Trust's vision is to be the most trusted fiduciary and the leading digital solutions provider to the banking and financial services industry, with a mission to support the delivery of its clients' strategies through the provision of service excellence and digital solutions. Corporate Trust builds on its strategy of enabling client success by leveraging its long-standing relationships and supporting its clients with innovative and automated digital solutions to help them meet business challenges today and into the future.

To support our strategy in each of these businesses, Perpetual Group has committed to the following strategic imperatives.

Strategic imperatives		
Client First	**Simplify**	**Sustainable Growth**
• Provide trusted advice and stewardship • Deliver a high quality client experience • Deliver strong investment performance • Be an Employer of choice to attract and retain the best talent • Set strong industry standards in all that we do	• Complete successful integration and synergy realisation • Seek areas of simplification across portfolio of businesses • Focus on areas where the Group adds value • Maintain focus on building a simple, efficient, secure and scalable platform • Drive proactive risk management and strong governance standards	• Unlock benefits of our global multi-boutique model and distribution network • Leverage strengths in sustainable investing to build competitive advantage • Targeted investment in growth engines • Continue build-out of innovative digital solutions

On 6 December 2023, the Board announced a Strategic Review to explore the benefits of unlocking additional value for Perpetual shareholders through the separation of Perpetual's Corporate Trust and Wealth Management businesses and creating a more focused Asset Management business.

1.1.2 Operating Segments & Principal Activities

Asset Management is a global multi-boutique asset management business offering an extensive range of specialist and differentiated investment capabilities through six boutique and seven brands in key regions globally. Within Australia, Perpetual and Pendal Group have a broad range of capabilities across Australian and global equities, credit, fixed income, multi-asset and ESG. We have an established and growing presence in the US, the UK and Europe through Barrow Hanley, J O Hambro Capital Management (J O Hambro), Trillium and Thompson, Siegel and Walmsley (TSW). Trillium and Regnan, specialist ESG-focused asset management businesses, provide leading global sustainable and impact-driven investment strategies in equities, fixed income and multi-asset.

The **Wealth Management** business consists of Perpetual Private and three other distinct specialist businesses (Fordham, Jacaranda and Priority Life), offering a unique mix of wealth management, advice and trustee services to individuals, families, businesses, not-for-profit organisations and Indigenous communities throughout Australia. Each of the businesses offers a diverse range of capabilities: Perpetual Private provides strategic advice on superannuation and retirement planning, general investment, asset protection, insurance, tax management, estate planning, aged care, social security, succession planning and philanthropy; Fordham acts exclusively for private business owners and their families to manage their businesses and build and protect their wealth; and Jacaranda Financial Planning provides high quality investment and strategic advice to the pre-retiree segment of the wealth management market. Priority Life is a specialist insurance business focused on meeting the needs of medical specialists and other professionals across Australia.

Our **Corporate Trust** business is a leading provider of fiduciary and digital solutions to the banking and financial services industry in Australia and Singapore. It administers securitisation portfolios, investment and debt structures to protect the interests of our clients' investors. Corporate Trust supports clients locally and overseas with a unique offering through five key service offerings: Debt Market Services; Managed Fund Services; Perpetual Asia, headquartered in Singapore; Perpetual Digital, which provides data services and software-as-a-service products; and Laminar Capital, which provides fixed income dealing, treasury and advisory services to government organisations, superannuation funds, local councils, authorised deposit-taking institutions (ADIs), not-for-profits, wealth managers and sophisticated investors.

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, People & Culture and Sustainability.

1.2 Group Financial Performance

Profitability and Key Performance Indicators

FOR THE PERIOD	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23	1H24 v 1H23
Operating revenue	657.8	625.5	388.3	5%	69%
Total expenses	(522.4)	(496.3)	(298.3)	(5%)	(75%)
Underlying profit before tax (UPBT)	**135.3**	**129.2**	**90.0**	**5%**	**50%**
Tax expense	(37.2)	(33.0)	(23.0)	(13%)	(62%)
Underlying profit after tax (UPAT)[1]	**98.2**	**96.2**	**67.0**	**2%**	**46%**
Significant items[2]	(63.6)	(63.9)	(40.3)	0%	(58%)
Net profit after tax (NPAT)	**34.5**	**32.2**	**26.8**	**7%**	**29%**

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.
2. Significant items include (refer to Appendix A and Appendix B for further details):

	PROFIT/(LOSS) AFTER TAX		
FOR THE PERIOD	1H24 $M	2H23 $M	1H23 $M
Transaction, Integration and Strategic Review costs	(35.8)	(45.4)	(34.6)
- Trillium	(1.4)	(1.7)	(1.8)
- Barrow Hanley	(1.8)	(0.7)	(4.7)
- Pendal Group	(27.3)	(36.5)	(26.6)
- Other	(5.3)	(6.5)	(1.5)
Non-cash amortisation of acquired intangibles	(34.3)	(30.6)	(10.0)
Unrealised gains/losses on financial assets	5.4	15.4	1.0
Accrued incentive compensation liability	1.0	(3.4)	3.4
Total significant items	**(63.6)**	**(63.9)**	**(40.3)**

KEY PERFORMANCE INDICATORS (KPI)	1H24	2H23	1H23	1H24 v 2H23	1H24 v 1H23
Profitability					
UPBT margin on revenue (%)	21	21	23	(0)	(3)
Shareholder returns					
Diluted earnings per share (EPS)[1] on NPAT (cps)	29.9	25.0	46.1	20%	(35%)
Diluted earnings per share (EPS)[1] on UPAT (cps)	85.0	81.2	115.4	5%	(26%)
Dividends (cps)[4]	65.0	65.0	90.0	-	(28%)
Franking rate (%)[5]	35	40	40		
Dividend payout ratio (%)[6]	75	76	80		
Return on Equity (ROE)[2] on NPAT (%)	3.0	4.0	5.9	(1.0)	(2.9)
Return on Equity (ROE)[2] on UPAT (%)	8.6	11.8	14.8	(3.2)	(6.2)
Growth					
Perpetual average assets under management (AUM) $B[3]	220.4	208.3	100.4	6%	120%
Average funds under advice (FUA) $B	18.6	18.4	17.8	1%	4%
Closing Debt Markets Services FUA $B	715	691	694	4%	3%
Closing Managed Funds Services FUA $B	482	471	450	2%	7%

1. Diluted EPS is calculated using the weighted average number of ordinary shares and potential ordinary shares on issue of 115,488,759 for 1H24 (2H23: 83,014,616 and 1H23: 58,099,004).
2. 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.
3. Refer to Appendix C for a breakdown by operating segment.
4. 1H23 made up of a special dividend of 35c paid on 8 Feb 2023 and an interim dividend of 55c paid on 31 March 2023.
5. The franking rate for the 1H23 special dividend paid on 8 February 2023 was 100%. The 1H23 interim dividend were paid using a 40% franking rate.
6. The payout ratio on the 1H23 special dividend of 81% calculated on Perpetuals earnings from 1 July 2022 – 30 September 2022. The 1H23 interim dividend payout ratio of 80% calculated based on the combined earnings of Perpetual and Pendal for the period 1 October 2022 – 31 December 2022.

1.2.1 Financial Performance

For the 6 months to 31 December 2023, Perpetual's UPAT was $98.2 million and NPAT was $34.5 million.

1H24 UPAT was 46% higher than 1H23 principally due to:

- Acquisition of the Pendal Group through the boutiques of Pendal, J O Hambro and TSW
- Higher Wealth Management non-market related revenue relating to Fordham & Priority Life and the higher interest rate environment
- Partially offset by:
    - Continued investment in the global build-out of the Asset Management business to support organic business growth; and
    - Higher interest expense following the debt raise to partially fund the Pendal Group acquisition and rises in official interest rates over the period.

Compared to 2H23, 1H24 UPAT was 2% higher primarily due to:

- Steady growth from Wealth Management and Corporate Trust divisions
- Higher investment revenue from Group Investments
- Partially offset by:
    - Increased interest expense due to a higher average interest rate over the period; and
    - Lower Asset Management contribution.

1H24 NPAT was 29% higher than 1H23 driven by the Pendal Group acquisition.

The key drivers of revenue and expenses at the 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 driver of revenue in Asset Management is the value of assets under management (AUM), which is primarily influenced by the level of the US, European and Australian equity markets. Wealth Management's main driver of revenue is funds under advice (FUA) and for Corporate Trust it is funds under administration (FUA). Revenue is sensitive 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[1] – inflows, outflows and distributions; and changes in pricing policy, channel and product mix.

In 1H24, Perpetual generated $657.8 million of total operating revenue, which was $269.5 million or 69% higher than 1H23. Revenue growth was primarily driven by the Pendal Group acquisition. Further growth was delivered through Corporate Trust, Wealth Management non-market and Group Investments interest income.

Performance fees earned in 1H24 were $5.4 million[2], $1.8 million lower than 1H23 primarily due to lower fees earned in Wealth Management.

Compared to 2H23, Revenue was $32.3 million or 5% higher mainly due to foreign exchange impacts and higher equity markets in Asset Management, higher investment income in Group Investments and growth within Managed Funds Services in Corporate Trust.

1. FUA refers to both funds under advice in Wealth Management and funds under administration in Corporate Trust.

2. Includes performance fees earned by Asset Management and Wealth Management.

1.2.3 Expenses

Total expenses in 1H24 were $522.4 million, $224.1 million or 75% higher than 1H23, impacted by:

- Acquisition of the Pendal Group;
- Higher interest expense following official interest rate rises and the funding costs relating to the Pendal Group acquisition;
- Variable Remuneration;
- Foreign exchange movement;
- Enterprise investment in technology, cyber security and regulatory compliance; and
- Continued investment in growth initiatives in Corporate Trust.

Compared to 2H23, Total expenses were $26.1 million or 5% higher due to:

- Foreign exchange movement;
- Variable Remuneration;
- Higher interest expense following official interest rate rises and the funding costs relating to the Pendal Group acquisition; and
- Enterprise investment in technology, cyber security and regulatory compliance.

1.2.4 Shareholder Returns and Dividends

The Board announced a 35% franked ordinary dividend for 1H24 of 65 cents per share, to be paid on 8 April 2024. This represents a payout ratio of 75% of 1H24 UPAT.

This is in line with Perpetual's dividend policy to pay dividends within a range of 60% to 90% of UPAT 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 3.0% for 1H24 compared to 4.0% in 2H23.

Perpetual's return on equity (ROE) on UPAT was 8.6% for 1H24 compared to 11.8% in 2H23.

1.3 Group Financial Position

BALANCE SHEET AS AT	1H24 $M	2H23[1] $M	1H23 $M
Assets			
Cash and cash equivalents	189.5	263.2	133.6
Receivables	208.0	209.9	132.3
Structured products - EMCF assets	161.6	163.9	174.4
Liquid investments	332.1	291.4	149.9
Goodwill and other intangibles	2,583.7	2,660.9	948.8
Tax assets	135.8	149.2	64.3
Property, plant and equipment	169.3	104.9	71.3
Other assets	44.5	41.7	30.0
Total assets	**3,824.6**	**3,885.1**	**1,704.6**
Liabilities			
Payables	121.0	118.6	102.9
Structured products - EMCF liabilities	161.6	164.2	175.5
Derivative financial instruments	-	-	11.3
Tax liabilities	163.9	166.2	15.9
Employee benefits	175.1	219.3	83.2
Lease liabilities	162.2	90.9	65.8
Provisions	4.2	9.4	10.9
Borrowings	713.7	734.4	277.0
Accrued incentive compensation	50.1	50.7	46.3
Other liabilities	17.5	16.3	33.5
Total liabilities	**1,569.3**	**1,570.0**	**822.3**
Net assets	**2,255.3**	**2,315.1**	**882.3**
Shareholder funds			
Contributed equity	2,146.4	2,133.3	828.1
Reserves	146.6	184.4	28.2
Retained earnings	(37.7)	(2.6)	26.0
Total equity	**2,255.3**	**2,315.1**	**882.3**

1. Prior period comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group.

DEBT METRICS	1H24 $M	2H23 $M	1H23 $M
Corporate debt $M[1]	722.2	745.0	288.9
Corporate debt to capital ratio%[2]	24.3%	23.9%	24.7%
Interest coverage (times)[3]	5x	8x	14x
NTA per share ($)[4]	**(2.34)**	**(2.63)**	**(1.59)**

CASHFLOW FOR THE PERIOD	1H24 $M	2H23 $M	1H23 $M
Net cash from/(used in) operating activities	82.6	136.4	(1.6)
Net cash used in investing activities	(54.9)	(237.7)	(6.3)
Net cash (used in)/from financing activities	(90.4)	263.4	(41.8)
Effective movements in exchange rates on cash held	(11.0)	(32.5)	7.9
Net (decrease)/ increase in cash and cash equivalents	**(73.7)**	**129.6**	**(41.8)**

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.

1.3.1 Balance Sheet Analysis

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

- **Goodwill and other intangibles** decreased by $77.2 million due to the amortisation of customer contracts during the period;
- **Employee benefits** decreased by $44.3 million following the payment of short-term incentives during the period; and
- **Borrowings** decreased by $20.7 million primarily due to repayment of debt during the period.

1.3.2 Capital Management

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

- maximising returns to shareholders;
- enabling the Group's strategy;
- ensuring compliance with the Group's risk appetite statement and regulatory requirements; and
- maintaining liquidity lines and cash balance well in excess of regulatory and working capital requirements

Perpetual maintains a conservative balance sheet with responsible 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.

During 1H24, the Group has maintained its balance sheet strength through:

- continuing to maintain the overall credit quality of the Group's risk assets;
- maintaining syndicated debt facility arrangements. Arrangements consist of a revolving loan with a maximum commitment of $175 million AUD or equivalent, a term loan facility with a maximum commitment of $128 million USD or equivalent, a redrawable bank guarantee facility with a maximum commitment of $160 million AUD, a revolving loan

facility with a maximum commitment of $215 million AUD, a term loan facility with a maximum commitment of £115 million GBP or equivalent and a term loan facility with a maximum commitment of $45 million USD or equivalent.

The Group uses a rolling forecast of net cash flows to assess its capital requirements. The model requires capital to be set aside for forecast net cash outflows (3 month average of a rolling 12 month forecast) offset by heavily discounted revenue forecasts, and any known capital commitments. At the end of 1H24, Perpetual Group held $361 million of available liquid funds, well in excess of the total base capital requirements of $73 million.

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 1H24, cash and cash equivalents decreased by $73.7 million to $189.5 million as at 31 December 2023. This decrease was predominantly driven by the payment of the final FY23 dividend and repayment of debt during the period, offset by inflows from operating cash activities.

1.3.4 Debt

Perpetual's corporate debt as at 31 December 2023 was $722.2 million compared to $745.0 million at the end of FY23. $10 million of debt was repaid during the period, with the remaining movement due to favourable changes in foreign exchange rates. An additional $135.0 million of debt facilities remain undrawn as at 31 December 2023. $148.9 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 24.3% (FY23: 23.9%) at the end of 1H24.

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

Financial Accountability Regime (FAR) Bill 2023

The Financial Accountability Regime Bill 2023 ('the Bill') establishes a regime to impose accountability, deferred remuneration, and notification obligations on directors and senior executives of financial entities in the banking, insurance, and superannuation sectors.

The Bill was introduced to Parliament on 8 February 2023 and received Royal Assent on 14 September 2023. Since then, ASIC and APRA have commenced joint consultation on the administration of the regime and have released a FAR implementation timeline to assist industry in planning for change.

The Group is considering the impact of the regime on the Group.

Climate-related Financial Disclosures

The Government is introducing standardised, internationally-aligned, mandatory reporting requirements for large businesses to make disclosures regarding governance, strategy, risk management, targets and metrics, as part of its commitment to ensuring greater transparency and accountability for Australians and investors.

Treasury sought feedback on the design and implementation of a broad framework through two rounds of consultation during 2023 and on 12 January 2024, the exposure draft legislation was released for further consultation.

In addition, the Australian Accounting Standards Board (AASB) is consulting on proposed climate-related financial disclosure requirements across three Australian Sustainability Reporting Standards.

A phased approach will apply, with very large entities required to comply for financial years commencing between 1 July 2024 and 30 June 2025, and all entities covered by the reforms required to comply by financial years commencing on or after 1 July 2027.

The Group is assessing the impacts and participating in industry working groups to respond to submissions.

Greenwashing Guidance

On 14 June 2022, ASIC released an information sheet (INFO 271) for issuers of managed funds and superannuation products to help issuers avoid 'greenwashing' when offering or promoting sustainability-related products. Following this, ASIC released a further report (Report 763 – *ASIC's recent greenwashing interventions*) in May 2023, disclosing the 35 interventions it has made in response to its greenwashing surveillance, and 'how and why' ASIC has taken action against greenwashing.

The Group has conducted gap analysis and has updated disclosure documents, marketing materials and related collateral as appropriate, to ensure alignment with the ASIC guidance.

ASIC Derivative Transaction Reporting Rules

On 20 December 2022, ASIC released the new derivative transaction reporting rules, which will take effect from the deferred date of 21 October 2024.

The new rules follow two rounds of consultation, in November 2020 (CP 334) and May 2022 (CP 361), containing significant changes to the way transactions are to be reported and how reporting entities should approach its reporting.

Work is underway in implementing the changes within the Group.

Quality of Advice Review

On 7 December 2023, Treasury released the Government's final response to the Quality of Advice review ('QAR') with consultation currently underway on the design of draft legislation which is then expected to be progressed to Parliament before the end of the year pending other government priorities.

In the final response, the Government has committed to:

- introduce a modernised and flexible best interests' duty which will apply to all providers of advice to ensure the provision of high quality advice that meets consumers' needs' (and remove the existing safe harbour steps);
- introduce a new class of financial advice provider to support an increase in the availability and affordability of simple personal advice' (these advisers will not be able to charge a fee or receive a commission);
- legislate 'consistent rules on what advice topics can be paid for via superannuation' and allow 'funds to consider a broader range of a member's personal and household circumstances such as debt, spouse's income, or age pension eligibility'; and
- replace 'Statements of Advice with a more fit-for-purpose, principles-based, advice record'.

Although the Group is not actively participating in industry consultation into the design of the draft legislation, they are continuing to review and consider the impact of any QAR changes to the Group as they are released.

International

EU – Sustainable Financial Disclosure Regulation (SFDR)

SFDR level 2 came into force on 1 January 2023 which requires mandatory implementation of the Regulatory Technical Standards (RTS). Previously under Level 1 firms could use the "comply or explain" principle. The RTS lays out the detailed annual reporting disclosure requirements that in-scope firms must comply with. The goal of making the RTS mandatory is to ensure the market gets all the information they need to make informed decisions, and that they understand the sustainability of financial products. RTS reporting requirements include principle adverse impact (PAI) indicators, pre-contractual disclosures, periodic disclosures and website disclosures. In addition, on 30 June 2023 firms were required to publish PAI statements regarding sustainability factors on their websites. The Group engaged external compliance consultants to assist with ensuring compliance with the new requirements.

EU – The Digital Operational Resilience Act (DORA)

DORA comes into force on 17 January 2025 is designed to consolidate and upgrade Information and Communications Technology (ICT) risk requirements throughout the financial sector to ensure that all participants in the financial system are subject to a common set of standards to mitigate ICT risks for their operations. DORA aims to ensure that all participants in the financial system have the necessary safeguards in place to mitigate cyber-attacks and other risks. The legislation will require firms to ensure that they can withstand all types of ICT-related disruptions and threats. It also introduces an oversight framework for critical third-party providers, such as cloud service providers. An implementation project is being scoped to address the relevant requirements.

UK – Consumer Duty

Consumer Duty rules came into force on 31 July 2023. The Consumer Duty consists of a new Consumer Principle that requires UK regulated firms to act to deliver good outcomes for retail customers. The outcomes are supported by cross-cutting rules requiring firms to act in good faith, avoid causing foreseeable harm and enable and support customers to pursue their financial objectives. The Duty will cover products and services sold to retail clients which extends to firms that are involved in the manufacture or supply of products and services even if they do not have a direct relationship with the end consumer. The implementation project is complete.

UK – Investment Research Review

The Investment Research Review, otherwise known as the Kent Report, was published on 10 July 2023 and commissioned by the government to independently review investment research and its contribution to UK capital markets competitiveness. In particular, the review covered the impact of the current legislative and regulatory environment on the provision and quality of research including the MiFID II unbundling rules. Many in the industry have noted there has been a decline in investment coverage in the UK and that the pricing of research in the UK post-MiFID II is "broken". The report notes various recommendations, including 1) a research platform to help generate research, 2) allowing more options to pay for research, and 3) allowing greater access to investment research for retail investors. The FCA have confirmed that they will review the report and its recommendations and engage with market participants to consult on potential regulatory changes concerning the purchase of investment research. Final rules are expected in 2024.

UK – Sustainability Disclosure Requirements (SDR)

The FCA has published its final SDR rules which come into effect during 2024. These rules contain sustainability disclosure requirements and a new classification and labelling system for sustainable investment products. They also contain a new anti-greenwashing rule that will require UK regulated firms to ensure that sustainability claims are clear, fair and not misleading. An implementation project has commenced.

UK – Task Force on Climate-related Financial Disclosures (TCFD)

The FCA has set out new TCFD aligned rules for investor-facing, climate-related reporting by asset managers. This will require both public entity level disclosures in respect of all products and services and product level disclosures in respect of UK-domiciled funds. Relevant UK entities will be required to carry out reporting by 30 June 2024. An implementation project is underway.

US – Private Fund Advisers Rule

In August 2023, the SEC adopted new rules that will expand the regulatory compliance obligations for all advisers to private funds with an aim to (i) provide private fund investors with increased transparency (quarterly reporting rule) and (ii) prohibit fund advisers from engaging in activities that are particularly susceptible to conflicts of interest (preferential treatment and restricted activities rules). The rule was adopted on 14 September 2023 with staggered compliance dates of September 2024 and March 2025 for the new requirements. The Group will implement required changes within its US business.

US – ESG Disclosures for Investment Advisers and Investment Companies

The SEC proposed amendments to rules and disclosure forms to promote consistent, comparable, and reliable information for investors concerning funds' and advisers' incorporation of ESG factors. An extended public comment period closed 1 November 2022. If the proposed rules are adopted, the Group will work through implementation with its US businesses.

US – Tailored Shareholder Reports for Mutual Funds

In October 2022, the SEC adopted rule and form amendments (first proposed in August 2020) for mutual funds and exchange-traded funds that will substantially impact the content and scope of disclosure for shareholder reports, as well as amendments that will require fee comparability in fund advertising. These amendments reflect the SEC's goal of requiring funds to present key information to shareholders clearly and concisely. The rules came into effect on 24 January 2023 with the final compliance date in December 2025.

US – Open-End Fund Liquidity Risk Management Rule Amendments and Swing-Pricing Proposal

In November 2022, the SEC proposed significant amendments to the liquidity risk management framework governing US registered funds. If approved as proposed, the amendments would have the potential to significantly constrain some existing registered fund portfolios and strategies, most notably for funds that focus on certain bank loans with non-standard settlement cycles and non-US investments (including those with settlement times that may extend temporarily due to, for example, local holidays). The amendments would impose other significant changes on the US registered fund industry, including mandating swing pricing and "hard close" requirements that fundamentally change the way open-end funds operate. If the rules are adopted, the Group will work through implementation with its US businesses.

US – Fund Names Rule Amendment

The rule expands US registered fund's 80% investment policy requirement to apply to any fund name containing terms that suggest the fund focuses its investments in a particular type of investment or investments; a particular industry or group of industries; particular countries or geographic regions; or investments that have, or whose issuers have, particular characteristics (e.g., "growth," "value," terms indicating that the fund's investment decisions incorporate one or more ESG factors, and thematic terms). The Rule creates additional compliance obligations with respect to assessments of holdings that count toward such 80% policy, ongoing monitoring and SEC reporting requirements, as well as material updates to prospectus disclosures. The rule was adopted on 20 September 2023 with a final compliance date of 11 December 2025. The Group will implement required changes within its US business.

US – Custody (Safeguarding) Rule Amendment

In February 2023, the SEC proposed new rules and amendments to existing rules regarding custody of client assets, which would, if adopted, redesignate the current Custody Rule as a new Safeguarding Rule to: (i) expand the types of assets subject to the Safeguarding Rule; (ii) expand the definition of custody to include discretionary trading authority; and (iii) impose substantial new custody requirements for US investment advisers intended to protect clients. In a break from existing market practice, the rule would impose new requirements for the US advisers to enter into written agreements with each client's qualified custodian and to obtain "reasonable assurances" concerning enumerated provisions that address safeguarding of client assets.

Singapore – MAS Business Continuity Management ('BCM') Guidelines June 2022

MAS has released updated BCM Guidelines ('Guidelines'), which aim to share industry best practices, as well as emphasise the need for financial institutions ('FI') to take an end-to-end service-centric view in ensuring the continuous delivery of critical business services to their customers. The guidelines have incorporated public feedback from two rounds of consultations, as well as key learnings from the COVID-19 pandemic. The extent and degree to which an FI implements the Guidelines should be commensurate with the nature, size, risk profile and complexity of its business operations. FI's should meet the new Guidelines and establish a BCM audit plan within 12 months following its issuance (June 2023). The first BCM audit should be conducted within 24 months of the Guidelines' issuance (by June 2024). The Group continues to work through implementation with its Singapore businesses.

Singapore – MAS Guidelines on Outsourcing (Financial Institutions other than Banks)

MAS has released updated guidelines on risk management practices pertaining to the management of outsourcing arrangements for financial institutions other than banks. These guidelines will take effect from 11 December 2024 and apply to all financial institutions (with the exception of banks and merchant banks) in Singapore and set out MAS' expectations of an institution that has entered into any outsourcing agreement or is planning to outsource its business activities to a service provider. Institutions are expected to exercise appropriate due diligence on their outsourcing arrangements and be ready to demonstrate to MAS their observance of the Guidelines on Outsourcing. Institutions are encouraged to implement all risk management practices contained in the Guidelines on Outsourcing for outsourcing arrangements involving a MAS-regulated entity. The extent and degree to which an institution implements the risk management practices should be commensurate with the nature of risks in, and materiality of, the outsourcing arrangement. The Group is currently reviewing the impact of the rules for implementation with its Singapore 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 dedicated Risk and Compliance functions, led by the Chief Risk and Sustainability Officer, which have day to day responsibility for the design, implementation and maintenance of Perpetual's Risk Management Framework (RMF), and an independent Internal Audit department.

The RMF is underpinned by the 'Three Lines of Accountability model' (3LOA). This model sees the first line, being business unit management, accountable for the day-to-day identification, management and ownership of risks. Perpetual's Risk, Compliance and Client Advocacy 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 RMF and 3LOA 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 risk and compliance training, defined governance processes and delegation of authorities.

1.4.3 Key Business Risks

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

Risk Category	Risk Description/Impact	Risk Mitigants
Strategy and Execution	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 results in a poorly designed and/or executed strategy impacting Perpetual's market position and client value proposition.	• Considered strategic and business planning processes, including well-defined Mergers and Acquisitions (M&A) Framework and Integration Programs • Strategic measures cascaded through performance management • Application of Risk Appetite Statement in strategic decision-making and monitoring • Ongoing monitoring by Perpetual's Executive Committee (ExCo) and reporting to Perpetual's Board on strategic execution and achievement of intended benefits • Execution of Pendal integration program and oversight by board integration committee
Management of Change	Risks arising from ineffectively managing the portfolio of change and/or the design and execution of delivering and embedding change associated with Perpetual's strategic priorities and/or business initiatives. Risk includes impacts to the realisation of benefits; and/or ability to deliver change initiatives to plan or expectations; and/or unintended consequences for our people, clients and/or business.	• Well-defined and embedded change management governance, practices, processes, systems, and training • Adequate resourcing of change management initiatives • Ongoing monitoring and reporting on a portfolio view of change across the organisation, including change experience and post implementation reviews
People	Risk arising from an inability to attract, engage, mobilise and retain experienced, quality people at appropriate levels to execute Perpetual's business strategy, particularly in key investment management roles.	• Succession planning, talent identification programs, retention strategies, remuneration benchmarking and 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 • Employee Assistance Program • Employee engagement monitoring

Risk Category	Risk Description/Impact	Risk Mitigants
Financial, Market and Treasury	Risk that the strength of Perpetual's balance sheet, profitability or liquidity are inadequate for its business activities.	• Budget planning process • Reconciliation and review processes • Regular income and expense, debt and equity reviews
	Risk that Perpetual breaches its regulatory, legal, tax and/or financial reporting obligations. Risk includes incorrect interpretation of requirements across jurisdictions resulting in inappropriate financial accounting, reporting, lodgements and transfer pricing risk or related disclosures.	• Tax Governance Policy • Tax Risk Management Policy • Internal and external auditor
	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 • Ongoing monitoring of key balance sheet metrics
	Impacts on profitability due to currency fluctuations	• Treasury Risk Management Program • The US and UK denominated debt has been designated as a net investment hedge in a foreign operation and provides a natural hedge for US and UK denominated business line
Investment	Risk arising from non-adherence to investment style and/or investment governance, ineffective investment strategies and/or in adequate management of investment risks (including market, credit and liquidity) within the funds or client accounts that results in underperformance relative to peers, objectives, and benchmarks.	• 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
Product and Distribution	Risk that products and client solutions fail to remain contemporary and do not meet clients' expectations resulting in an inability to deliver budgeted fund and revenue inflows. Risk that the design and/or execution of the distribution strategy is ineffective, resulting in a failure to positively identify, engage, retain and grow new and/or existing channels.	• Well-defined product and distribution strategy aligned with overall group strategy • Established product governance frameworks in place • Approved business case for all new products including how the product will comply with regulatory obligations • Conflicts of Interests framework • Avoidance of business practices and partnerships which may result in adverse outcomes
Business Resilience, Operational and Fraud	Risk arising from inadequate, failed or disrupted processes, systems or people due to internal or external events. This includes (but is not limited to) processing errors, 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 • Robust Insurance program covering all material insurable risks to the Perpetual Group • Risk awareness programs regarding the potential for fraud or financial crime events
Information Technology (IT)	Risk arising from failed, corrupted, or inadequate information systems resulting from inadequate infrastructure, applications, cloud services and support. Includes (but is not limited to) loss of integrity and availability of critical data as well as business disruption resulting from a failure of technology or IT service provider to meet business requirements.	• Continued execution of technology modernisation programs • Business continuity planning and disaster recovery programs • Independent assurance • Oversight by Board technology and cyber committee

Risk Category	Risk Description/Impact	Risk Mitigants
Cyber / Data Security	Risk arising from breached 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, or inappropriate retention of data, as well as business disruption resulting from a cyber security event.	• Defined information security strategy, programs and IT security policies • Implementation of operational security technology (including firewalls and antivirus) • Dedicated Security Operations Centre (providing 24x7 coverage) • Establishment of global mandate for security across the Perpetual Group • Security assurance testing of key systems (including penetration testing, red teaming and vulnerability management) • Information security response plans and regular testings • Business continuity planning and disaster recovery programs • Independent assurance • Information security risk awareness programs • Ongoing, automated phishing training and testing of employees • Third party IT due diligence processes • Cyber Insurance • Oversight by Board technology and cyber committee
Outsourcing	Risk that Perpetual servicing arrangements and/or services performed by external service providers, including related and third parties, are not appropriate and/or are not managed in line with the servicing contract or the operational standards.	• Partner 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
Sustainability and Responsible Investing	Risk arising from inadequate or inappropriate integration of sustainability-related considerations in strategic, business and investment decision-making. Includes the risk of not meeting the evolving stakeholder expectations, such as products to meet client needs, 'greenwashing' or meeting disclosure requirements.	• Development and implementation of a sustainability strategy framework – Perpetual's Prosperity Plan and 'Planet', 'People', 'Communities' and 'Governance' commitments • Partnered with well-regarded, environmental and socially responsible partners • Continued build out of ESG Investment capability across Perpetual's global business reinforcing our commitment to sustainability and responsible investing • Well-defined and embedded governance framework • Sustainable Finance Disclosure Regulation (SFDR) implementation
Compliance and Legal	The risk that Perpetual breaches its compliance and legal obligations (including licence conditions and client commitments). Risk includes an inability to effectively respond to regulatory change.	• Independent legal and compliance team, and training across teams • Compliance obligations are documented and monitored • Issues and beach management framework • Controls testing in the form of control self-assessment • Independent assurance
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 Perpetual's internal and external stakeholders.	• Effective Risk Management Framework that sets out how risk is managed, including Three Lines of Accountability risk model and application of Perpetual's Risk Appetite Statement which outlines the risk behaviours expected of all Perpetual directors, employees and contractors • Mandated training on Perpetual's Code of Conduct, Conflicts of Interest and Risk Management Framework and behaviours of all staff that form part of the performance assessment process • Media monitoring • Staff surveys which include risk culture related questions • Whistleblowing arrangements managed by an independent vendor

1.5 Outlook

Perpetual Group has three quality businesses with scale and significant revenue streams.

On 6 December 2023, the Board announced a Strategic Review to explore the benefits of unlocking additional value for Perpetual shareholders through the separation of Perpetual's Corporate Trust and Wealth Management businesses and creating a more focused Asset Management business.

Perpetual remains focused on delivering synergies and improving net flows in our Asset Management business, maintaining growth in Wealth Management through its differentiated advice model and capabilities, and continuing to demonstrate resilience and growth in Corporate Trust, supported by strong client relationships and Perpetual Digital. In addition, the Group is committed to unlocking benefits from simplifying our business and successfully completing the strategic review to unlock value for our shareholders.

We will continue to provide quarterly business updates on the underlying drivers of our business, the execution of our strategy and market conditions.

Part 2
Review of Businesses

2 Review of Businesses

The results and drivers of financial performance in 1H24 for the three Perpetual Group 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 Asset Management

2.1.1 Business Overview

The Asset Management segment[1] consists of six investment boutiques:

- **Barrow Hanley** – a US based diversified investment management firm offering value-focused investment strategies spanning global equities, US equities and fixed income. The business is 75% owned by Perpetual with the remaining interest in the firm held by employees.
- **J O Hambro Capital Management (J O Hambro)** – a boutique investment management business with offices in the UK, Europe, Asia and the US specialising in the active management of equities across a range of global and regional equity strategies, global impact and sustainable strategies.
- **Pendal**[2] – an Australian-based investment manager managing assets across Australian and global equities, sustainable and ethical, multi-asset, bond, income and defensive strategies.
- **Perpetual Asset Management** – an Australian-based investment manager offering an extensive range of specialist investment capabilities including Australian and global equities, Australian credit and fixed income, multi-asset as well as environmental, social and governance (ESG) focused products.
- **Thompson, Siegel and Walmsley (TSW)** – a US-based value-oriented investment management and advisory company, operating primarily in the long-only equity (International and US) and fixed income asset classes.
- **Trillium Asset Management** – based out of the US, offering ESG investment management strategies and products. The firm has been a value-led, impact driven and ESG-focused asset management business since its foundation in 1982. Trillium combines impactful investment solutions with active ownership. The firm manages equity, fixed income, and alternative investment solutions for institutions, intermediaries, high net worth individuals, as well as charitable and non-profit organisations with the goal to provide both positive impact and long-term value to these clients.

[1] Perpetual acquired Pendal Group in January 2023, bringing the J O Hambro, Pendal and Thompson, Siegel and Walmsley boutiques into the Asset Management business of Perpetual Group.
[2] Includes Regnan branded investment strategies.

2.1.2 Financial Performance

FOR THE PERIOD	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23	1H24 v 1H23
Management Fees by asset class[1]					
- Equities[2]	381.1	358.5	150.0	6%	154%
- Cash and fixed income	30.2	29.8	19.7	1%	53%
- Multi Asset	20.5	19.8	7.8	4%	164%
- Other AUM related	2.1	2.1	1.2	-	70%
Total AUM related Management Fees	**433.9**	**410.2**	**178.7**	**6%**	**143%**
Performance Fees by asset class					
- Equities	4.8	6.8	2.7	(30%)	79%
- Cash and fixed income	0.6	0.6	0.5	4%	30%
- Other AUM related	-	0.6	-	(100%)	-
Total Performance fees	**5.4**	**8.0**	**3.2**	(32%)	71%
Non-AUM related revenue	**0.4**	**0.3**	**0.2**	29%	63%
Total revenue	**439.6**	**418.4**	**182.0**	**5%**	**142%**
Operating expenses[2]	(321.2)	(298.5)	(139.2)	(8%)	(131%)
EBITDA	**118.4**	**119.9**	**42.8**	**(1%)**	**176%**
Depreciation and amortisation	(9.8)	(9.0)	(4.2)	(8%)	(135%)
Equity remuneration expense	(12.0)	(13.3)	(2.2)	10%	Large
Interest expense	(0.9)	(1.0)	(0.4)	14%	(146%)
Underlying profit before tax	**95.8**	**96.5**	**36.1**	**(1%)**	**165%**

1. Revenue by asset class now presents Multi Asset separately from Equities and Cash and Fixed Income.
2. Includes $4.2m revenue reclass between revenue and expenses of wholesale platform fees in 1H24 to align JOHCM boutique with Perpetual Group.

In 1H24, Asset Management reported underlying profit before tax of $95.8 million which was $59.7 million or 165% higher than 1H23. This was driven by the acquisition of the Pendal Group in 2H23 through the boutiques of J O Hambro, Pendal and TSW.

1H24 underlying profit before tax was $0.7 million or 1% lower than 2H23 driven by relatively higher variable remuneration expenses. Both revenue and expenses were higher, principally impacted by foreign exchange movements and the additional 11 days of Pendal Group contribution.

The cost to income ratio in 1H24 was 78%, compared to 77% in 2H23 and 80% in 1H23.

2.1.3 Drivers of Performance

Revenue

Asset Management generated revenue of $439.6 million in 1H24, an increase of $257.6 million or 142% higher than 1H23. The increase was driven by the contribution of Pendal Group boutiques.

Revenue was $21.2 million or 5% higher than 2H23 due to the higher average AUM over the period supported by foreign exchange movements and improved equity markets, partially offset by net outflows. Revenue was further supported in 1H24 with an additional 11 days of Pendal group contribution and a platform fee reclass between revenue and expenses. This was partially offset lower performance fees over the period.

Performance fees of $5.4 million were earned in 1H24, $2.2 million or 71% higher than 1H23. Compared to 2H23, Performance fees were $2.6 million or 32% lower. Performance fees in 1H24 were mainly generated across the following funds:

- Perpetual Pure Microcap Fund
- Barrow Hanley mandate for the Perpetual Select International Share Fund
- J O Hambro UK Dynamic Fund
- J O Hambro Continental Europe Fund
- Perpetual Exact Market Return Fund

Other non-AUM related revenue includes interest earned on operational accounts.

Revenue Margin

FOR THE PERIOD	1H24 bps	2H23 bps	1H23 bps	1H24 v 2H23	1H24 v 1H23
By asset class[1]					
- Equities	46	46	41	-	5
- Cash and fixed income	19	19	27	-	(8)
- Multi Asset	43	43	53	-	(10)
- Other AUM related	4	5	7	(1)	(3)
Average revenue margin	**41**	**42**	**39**	**(1)**	**2**

1. Revenue margin now presents Multi Asset separately from Equities and Cash and Fixed Income.

Average revenue margins for 1H24 have increased by 2 bps to 41 bps, compared to 1H23, largely due to the contribution of Pendal Group AUM with an asset mix towards Equities with higher margins. Average revenue margin was marginally lower compared to 2H23 from the lower performance fees received.

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

Equities: Revenue represent fees earned on Australian, Global/International, UK, US, European and Emerging Markets equities products. Revenue in 1H24 was $381.1 million. The average margin in 1H24 was 46 bps, consistent to 2H23 however impacted by lower performance fees in the period. Compared to 1H23, the margin improvement was due to the contribution of Pendal Group AUM.

Cash and fixed income: Revenue is derived from the management of cash and fixed income products. Revenue in 1H24 was $30.2 million. The 1H24 revenue margin of 19 bps was consistent to 2H23, but lower than 1H23 due to Pendal Group contribution.

Multi Asset: Revenue in 1H24 was $20.5 million. The 1H24 revenue margin of 43 bps was stable compared to 2H23.

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

1H24 Total expenses of $343.9 million increased by $198.0 million or 136% higher than 1H23 driven by Pendal Group expenses.

Compared to 2H23, total expenses were $22.0 million or 7% higher due to foreign exchange movements, additional period contribution from the Pendal Group, the platform fee reclass from revenue, together with an increase in variable remuneration.

2.1.4 Assets Under Management

Closing AUM summary

			AUM MOVEMENTS				NET FLOWS		
AT END OF		1H24 $B	Net flows $B	Other[1] $B	Foreign Exchange Impacts $B	2H23 $B	1H24 $B	2H23 $B	1H23 $B
Equities	Australia	29.5	(0.6)	1.2	-	28.9	(0.6)	(0.9)	(0.7)
	Global / International	69.9	(1.4)	3.1	(1.7)	69.8	(1.4)	(2.5)	1.7
	UK	8.8	(0.4)	0.6	(0.2)	8.8	(0.4)	(0.3)	-
	US	52.2	(2.1)	3.4	(1.4)	52.3	(2.1)	(2.1)	(4.4)
	Europe	1.4	(0.2)	0.1	(0.0)	1.5	(0.2)	0.1	-
	Emerging Markets	8.4	0.4	0.1	(0.2)	8.1	0.4	1.0	0.8
Total Equities		**170.2**	**(4.3)**	**8.5**	**(3.5)**	**169.4**	**(4.3)**	**(4.8)**	**(2.7)**
Fixed Income	Australia	10.3	(0.2)	0.3	-	10.2	(0.2)	(1.6)	(0.2)
	US	10.0	(0.2)	0.4	(0.3)	10.0	(0.2)	0.3	(0.1)
Total Fixed Income		**20.3**	**(0.4)**	**0.8**	**(0.3)**	**20.2**	**(0.4)**	**(1.3)**	**(0.3)**
Multi Asset		9.5	(0.4)	0.3	(0.1)	9.7	(0.4)	(0.4)	(0.0)
Other		0.9	(0.0)	0.0	(0.0)	0.8	(0.0)	(0.1)	(0.0)
Total asset classes (ex-cash)		**200.9**	**(5.1)**	**9.6**	**(3.8)**	**200.1**	**(5.1)**	**(6.6)**	**(3.0)**
Cash		13.0	0.8	0.3	-	12.0	0.8	1.4	0.1
Total asset classes[2]		**213.9**	**(4.3)**	**9.9**	**(3.8)**	**212.1**	**(4.3)**	**(5.2)**	**(2.9)**
Institutional		141.1	(2.9)	10.3	(3.2)	136.8	(2.9)	(4.1)	(3.0)
Intermediary & Retail		57.1	(1.9)	0.3	(0.7)	59.3	(1.9)	(2.1)	(0.0)
Westpac		2.7	(0.3)	(1.0)	-	4.0	(0.3)	(0.4)	-
Total distribution channels (ex-cash)		**200.9**	**(5.1)**	**9.6**	**(3.8)**	**200.1**	**(5.1)**	**(6.6)**	**(3.0)**
Cash		13.0	0.8	0.3	-	12.0	0.8	1.4	0.1
Total distribution channels		**213.9**	**(4.3)**	**9.9**	**(3.8)**	**212.1**	**(4.3)**	**(5.2)**	**(2.9)**

1. Includes changes in market value of assets, income, reinvestments, distributions and asset class rebalancing within the Group's diversified funds.
2. AUM by asset class now presents Multi Asset separately from Equities and Cash and Fixed Income.

AUM

Asset Management AUM as at 31 December 2023 was $213.9 billion, an increase of $1.8 billion on 2H23. The increase was driven by the improvement in equity markets and investment performance, partly offset by net outflows and closing foreign exchange impacts. The outflows were predominantly across US & Global/International Equities strategies managed by J O Hambro and TSW.

2.2 Wealth Management

2.2.1 Business Overview

Wealth Management (formerly known as Perpetual Private) is one of Australia's leading wealth management businesses focused on the comprehensive needs of families, businesses, and communities.

Wealth Management aims to empower families, businesses, and communities to achieve their aspirations by delivering advisory service excellence. Wealth Management utilises a targeted client segment approach to grow its FUA by offering quality advice and wealth management services to established wealthy, ultra-high net worth clients and family offices, business owners, medical practitioners and other professionals, not for profit organisations and Indigenous communities.

Wealth Management is one of Australia's largest managers of philanthropic funds. Philanthropy and fiduciary services remain an important part of our heritage and contributor to our business.

2.2.2 Financial Performance

FOR THE PERIOD	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23	1H24 v 1H23
Market related revenue	73.0	71.3	73.8	2%	(1%)
Non-market related revenue	38.0	39.1	33.2	(3%)	15%
Total revenue	111.0	110.4	107.0	1%	4%
Operating expenses	(77.7)	(77.8)	(77.6)	0%	(0%)
EBITDA	**33.3**	**32.6**	**29.3**	**2%**	**14%**
Depreciation and amortisation	(4.6)	(4.3)	(4.8)	(7%)	4%
Equity remuneration expense	(2.3)	(2.4)	(2.2)	4%	(4%)
Interest expense	(0.4)	(1.1)	(0.2)	57%	(92%)
Underlying profit before tax	**26.0**	**24.9**	**22.1**	**5%**	**18%**
Funds under advice ($B)					
Closing FUA	$19.1B	$18.5B	$17.9B	3%	7%
Average FUA	$18.6B	$18.4B	$17.8B	1%	4%
Market related revenue margin	79bps	77bps	83bps	2bps	(4)bps

2.2.3 Drivers of Performance

In 1H24, Wealth Management reported underlying profit before tax of $26.0 million, $3.9 million or 18% higher than 1H23 and $1.2 million or 5% higher than 2H23.

The increase on 1H23 was mainly driven by continued growth of the business across all segments, ongoing contribution from Jacaranda in the pre-retiree segment, strong Fordham performance and a higher interest rate environment.

The increase on 2H23 was mainly driven by higher equity markets, organic growth of the business and a lower interest operating expense.

The cost to income ratio in 1H24 was 77% compared to 78% in 2H23 and 79% in 1H23.

Revenue

Wealth Management generated revenue of $111.0 million in 1H24, $4.0 million or 4% higher than 1H23 and $0.6 million or 1% higher than 2H23.

Market related revenue was $73.0 million, $0.8 million or 1% lower than 1H23 and $1.7 million or 2% higher than 2H23. The decrease on 1H23 was mainly due to lower performance fees. Performance fees revenue in 1H23 was $4.1 million and nil received in 1H24.

The increase on 2H23 was due to continued growth of the business and higher equity markets.

Non-market related revenue was $38.0 million, $4.8 million or 15% higher than 1H23 and $1.1 million or 3% lower than 2H23. The increase on 1H23 was mainly driven by strong Fordham performance and a higher interest rate environment. The decrease on 2H23 was mainly due to the typically lower first half insurance revenue.

Wealth Management's market related revenue margin was 79 bps in 1H24 compared to 83 bps in 1H23 (78 bps excluding performance fees) and 77 bps in 2H23. There were no performance fees received in 1H24.

Expenses

Total expenses for Wealth Management in 1H24 were $85.0 million and relatively stable compared to the prior periods being $0.2 million higher than 1H23 and $0.5 million or 1% lower than 2H23.

2.2.4 Funds under advice

Wealth Management's FUA at the end of 1H24 was 19.1 billion, $1.2 billion or 7% higher than 1H23 primarily due to positive net flows, investment performance and improvement in equity markets.

Wealth Management's FUA at the end of 1H24 was $0.6 billion or 3% higher than 2H23 primarily due to investment performance and improvement in equity markets.

Net flows of $0.1billion was $0.1billion lower than 1H23 and $0.2 billion lower than 2H23 due to higher-than-average outflows from Not for Profit and Native title segment to fund client community payments and projects.

AT END OF	1H24 $B	Net flows $B	Other[1] $B	2H23 $B	1H23 $B
Total FUA	19.1	0.1	0.6	18.5	17.9

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

2.3 Corporate Trust

2.3.1 Business Overview

Corporate Trust is the leading provider of corporate trustee, agency, custody and digital solutions to the managed funds and debt capital markets industry comprising of the following:

Debt Market Services - provides a holistic suite of products which include trustee, agency, trust management, accounting, document custody and standby servicing solutions to the global debt capital markets and securitisation industry.

Managed Funds Services - provides services including independent responsible entity, custodian, wholesale trustee, investment management and accounting. Singapore products include trustee, agency and escrow services. Managed Funds Services has 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.

Perpetual Digital - combines Corporate Trust's existing digital assets and the Laminar Capital platform to provide innovative solutions to Corporate Trust clients. Perpetual Digital provides a holistic and growing number of products including Data Services (RBA & ESMA regulatory, investor and intermediary reporting), Perpetual Roundtables (benchmarking, industry and client portfolio insights) and our new Perpetual Intelligence SaaS products which provide a multitude of digital solutions to the banking and financial services industry. Laminar Capital, a specialist debt markets and advisory business, includes the Treasury Direct Platform and the new specialised capability of Laminar's ESG Risk Score.

2.3.2 Financial Performance

FOR THE PERIOD	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23	1H24 v 1H23
Debt Market Services	38.1	38.9	38.3	(2%)	(1%)
Managed Funds Services	41.1	38.3	39.0	7%	5%
Perpetual Digital	12.2	12.1	11.3	1%	8%
Total revenue	91.4	89.3	88.7	2%	3%
Operating expenses	(44.8)	(43.4)	(41.7)	(3%)	(7%)
EBITDA	**46.5**	**45.9**	**46.9**	**1%**	**(1%)**
Depreciation and amortisation	(4.3)	(4.3)	(4.1)	(0%)	(5%)
Equity remuneration expense	(1.3)	(1.4)	(1.0)	4%	(38%)
Interest expense	(0.2)	(0.3)	(0.3)	31%	32%
Underlying profit before tax	**40.8**	**40.0**	**41.7**	**2%**	**(2%)**

In 1H24 Corporate Trust reported underlying profit before tax of $40.8 million, $0.9 million or 2% lower than 1H23 and $0.8 million or 2% higher than 2H23. The cost to income ratio in 1H24 was 55%, as compared to 53% in 1H23 and 55% in 2H23.

2.3.3 Drivers Of Performance

Revenue

Corporate Trust generated revenue of $91.4 million in 1H24, $2.7 million or 3% higher than in 1H23 and $2.1 million or 2% higher than 2H23. The main drivers of the improvement by business line were as detailed below.

In 1H24, Debt Markets Services revenue was $38.1 million, $0.2 million or 1% lower than in 1H23 and $0.8 million or 2% lower than 2H23. The slight decrease on the comparative 1H23 and 2H23 was due to lower average FUA over the period.

In 1H24, Managed Funds Services revenue was $41.1 million, $2.0 million or 5% higher than 1H23 and $2.7 million or 7% higher than 2H23. The increase was primarily due to continued market activity within commercial property, both in Australia and Singapore.

In 1H24, Perpetual Digital revenue was $12.2 million, $0.9 million or 8% higher than 1H23 and $0.1 million or 1% higher than 2H23. The increase was primarily due to the continued organic growth from Laminar Capital since its 2021 acquisition together with continued growth from new and existing clients.

Expenses

Total expenses for Corporate Trust in 1H24 were $50.6 million, $3.6 million or 8% higher than 1H23 and $1.3 million or 3% higher than 2H23.

The increase in expenses on 1H23 and 2H23 was mainly driven by continued investment in new SaaS products for clients and digital transformation of Corporate Trust's operating legacy technology systems, particularly for payments and registry functions. There was additional spend supporting the business growth together with enterprise investment in technology, cyber security and regulatory compliance.

2.3.4 Funds Under Administration

AT END OF	1H24 $B	2H23 $B	1H23 $B	1H24 v 2H23	1H24 v 1H23
Public Market Securitisation					
RMBS - bank (ADI)	61.2	52.4	54.3	17%	13%
RMBS - non bank	85.2	79.3	83.0	8%	3%
ABS & CMBS	64.5	60.7	61.7	6%	5%
Balance Sheet Securitisation					
RMBS - repos	390.1	393.3	393.1	(1%)	(1%)
Covered bonds	99.8	89.2	83.4	12%	20%
Debt Market Services - Securitisation[1]	**700.9**	**674.9**	**675.5**	4%	4%
Corporate and Structured Finance	14.5	16.2	18.4	(11%)	(21%)
Total Debt Market Services	**715.5**	**691.1**	**693.9**	4%	3%
Custody	245.3	244.5	229.6	0%	7%
Wholesale Trustee	124.8	115.7	117.2	8%	7%
Responsible Entity	52.0	52.1	51.6	(0%)	1%
Singapore	60.3	59.0	51.5	2%	17%
Managed Funds Services	**482.4**	**471.4**	**449.9**	2%	7%
Total FUA	**1,197.8**	**1,162.5**	**1,143.8**	**3%**	**5%**

1. Includes warehouse and liquidity finance facilities.

Corporate Trust had FUA of $1,198 billion at the end of 1H24, $54 billion or 5% higher than in 1H23 and $35 billion or 3% higher than 2H23. The main drivers of this FUA growth by business line is detailed below.

At the end of 1H24, FUA in the Debt Market Services business was $715 billion, an increase of $21 billion or 3% on 1H23 and an increase of $24 billion or 3% on 2H23. The movement was driven by the recent improvement across all Public Market Securitisation segments and covered bonds, however partially offset by slight decline from repos and Corporate and Structured Finance.

At the end of 1H24, Managed Funds Services FUA was $482 billion, an increase of $32 billion or 7% on 1H23 and an increase of $11 billion or 2% on 2H23. The increase was driven by growth mainly across Custody, Wholesale Trustee and Singapore.

2.4 Group Support Services

2.4.1 Business Overview

Group Support Services consist of Group Investments (inclusive of Seed Funding), CEO, Finance, Corporate Affairs, Marketing, Legal, Audit, Risk, Compliance, Company Secretary, Technology, Project & Change Management, Operations, Product, People & Culture and Sustainability. It provides technology, operations, vendor management, marketing, property, legal, risk, 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 and expense, financing costs, ASX listing fees and distributions of employee-owned units of acquired entities are also retained within Group Support Services.

2.4.2 Financial Performance

FOR THE PERIOD	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23	1H24 v 1H23
Interest Income	3.8	3.0	0.9	28%	Large
Other Income	11.8	4.3	9.8	173%	21%
Total revenue	15.7	7.3	10.7	116%	47%
Operating expenses	(8.0)	(14.7)	(10.9)	45%	26%
EBITDA	**7.7**	**(7.4)**	**(0.2)**	Large	Large
Depreciation and amortisation	(5.2)	(1.1)	(1.2)	Large	Large
Equity remuneration expense	(0.9)	(0.1)	(0.3)	Large	(183%)
Interest expense	(28.9)	(23.6)	(8.1)	(22%)	Large
Underlying profit before tax	**(27.2)**	**(32.2)**	**(9.9)**	**(15%)**	**(174%)**

2.4.3 Drivers of Performance

Revenue

In 1H24, Group Investments revenue was $15.7 million, $5.0 million or 47% higher than 1H23 and $8.4 million or 116% higher than 2H23. The increase on 1H23 was due to higher interest income due to higher cash balances following the Pendal Group acquisition. The increase on 2H23 was primarily due to a release of an earnout provision.

Expenses

Total expenses, comprising operating expenses, depreciation, amortisation, equity remuneration and interest expenses for Group Support Services in 1H24 were $42.9 million, $22.3 million or 108% higher than in 1H23 and $3.4 million or 9% higher than in 2H23. The increase in total expenses on 1H23 was predominantly due to funding costs for the Pendal Group acquisition and higher interest rates in the period. 1H24 depreciation and amortisation were higher due to acceleration of premises amortisation as result of a lease modification. These costs were offset with a related operating expense reduction.

Part 3
Appendices

3 Appendices

3.1 Appendix A: Segment Results

PERIOD	1H24					2H23					1H23				
	Asset Management	**Wealth Management**	**Corporate Trust**	**Group Support Services**	**Total**	**Asset Management**	**Wealth Management**	**Corporate Trust**	**Group Support Services**	**Total**	**Asset Management**	**Wealth Management**	**Corporate Trust**	**Group Support Services**	**Total**
	$M	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Operating revenue	439.6	111.0	91.4	15.7	657.8	418.4	110.4	89.3	7.3	625.5	182.0	107.0	88.7	10.7	388.3
Operating expenses	(321.2)	(77.7)	(44.8)	(8.0)	(451.7)	(298.5)	(77.8)	(43.4)	(14.7)	(434.4)	(139.2)	(77.6)	(41.7)	(10.9)	(269.5)
EBITDA	**118.4**	**33.4**	**46.6**	**7.7**	**206.0**	**119.9**	**32.6**	**45.9**	**(7.4)**	**191.1**	**42.8**	**29.3**	**46.9**	**(0.2)**	**118.9**
Depreciation and amortisation	(9.8)	(4.6)	(4.3)	(5.2)	(23.9)	(9.0)	(4.3)	(4.3)	(1.1)	(18.7)	(4.2)	(4.8)	(4.1)	(1.2)	(14.2)
Equity remuneration	(12.0)	(2.3)	(1.3)	(0.9)	(16.5)	(13.3)	(2.4)	(1.4)	(0.1)	(17.2)	(2.2)	(2.2)	(1.0)	(0.3)	(5.7)
EBIT	**96.6**	**26.5**	**40.9**	**1.6**	**165.7**	**97.6**	**25.9**	**40.2**	**(8.6)**	**155.1**	**36.5**	**22.4**	**41.9**	**(1.8)**	**99.0**
Interest expense	(0.9)	(0.4)	(0.2)	(28.9)	(30.4)	(1.0)	(1.1)	(0.3)	(23.6)	(25.9)	(0.4)	(0.2)	(0.3)	(8.1)	(9.0)
UPBT	**95.8**	**26.0**	**40.8**	**(27.2)**	**135.3**	**96.5**	**24.9**	**40.0**	**(32.2)**	**129.2**	**36.1**	**22.1**	**41.7**	**(9.9)**	**90.0**
Significant Items Pre Tax	(80.4)	(2.1)	(0.5)	(0.6)	(83.6)	**(119.3)**	**(3.0)**	**(0.8)**	**38.0**	(85.0)	**(15.0)**	(2.8)	(1.1)	(26.1)	(45.0)
Reportable Segment NPBT	**15.4**	**24.0**	**40.3**	**(27.8)**	**51.8**	**(22.7)**	**21.9**	**39.2**	**5.8**	**44.2**	**21.1**	**19.3**	**40.5**	**(36.0)**	**45.0**

3.1.1 Breakdown of Significant Items Pre-Tax

PERIOD	1H24					2H23					1H23				
	Asset Management	Wealth Management	Corporate Trust	Group Support Services	Total	Asset Management	Wealth Management	Corporate Trust	Group Support Services	Total	Asset Management	Wealth Management	Corporate Trust	Group Support Services	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Transaction, Integration and Strategic Review costs[1]	(43.9)	(0.8)	0.1	(6.5)	(51.1)	(80.6)	(1.6)	(0.2)	22.0	(60.3)	(8.6)	(1.3)	(0.5)	(27.2)	(37.7)
Trillium	(1.9)	-	-	-	(1.9)	(2.0)	-	-	-	(2.0)	(2.0)				(2.0)
Barrow Hanley	(4.8)	-	-	-	(4.8)	(1.0)	-	-	-	(1.0)	(6.6)				(6.6)
Pendal[2]	(37.2)	-	-	-	(37.2)	(77.6)	-	-	27.2	(50.4)	-			(27.2)	(27.2)
Other	-	(0.8)	0.1	(6.5)	(7.2)	0.1	(1.6)	(0.2)	(5.2)	(6.9)	(0.1)	(1.3)	(0.5)	-	(1.9)
Non-cash amortisation of acquired intangibles[3]	(38.0)	(1.3)	(0.6)	-	(39.9)	(35.1)	(1.4)	(0.6)	-	(37.1)	(11.1)	(1.5)	(0.6)		(13.2)
Unrealised gains/losses on financial assets[4]	0.3	-	-	5.9	6.2	0.7	-	-	16.0	16.7	0.4	-	-	1.2	1.6
Accrued incentive compensation liability[5]	1.2	-	-	-	1.2	(4.3)	-	-	-	(4.3)	4.3	-	-	-	4.3
Significant Items Pre Tax	(80.4)	(2.1)	(0.5)	(0.6)	(83.6)	(119.3)	(3.0)	(0.8)	38.0	(85.0)	(15.0)	(2.8)	(1.1)	(26.0)	(45.0)

1. Relates to costs associated with the acquisition/establishment of Barrow Hanley, Trillium, Pendal Group and other entities and Strategic Review costs. Costs include professional fees, administrative and general expenses and staff costs related to specific retention and performance grants.
2. 1H23 costs have been restated to show all costs related to Pendal Group acquisition under Asset Management.
3. Relates to amortisation expense on customer contracts and non-compete agreements acquired through business combinations.
4. Relates to unrealised mark to market gains and losses on EMCF, seed fund investments and financial assets held for regulatory purposes.
5. This liability reflects the value of employee-owned units in Barrow Hanley.

3.2 Appendix B: Bridge for 1H24 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, 1H24 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;
- 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; and
- accrued incentive compensation liability.

		OFR adjustments								
	1H24 Statutory Accounts	EMCF[1]	Transaction, Integration and Strategic Review costs				Non-cash amortisation of acquired intangibles	Unrealised gains/losses on financial assets	Accrued incentive compensation liability	1H24 OFR
			Trillium	Barrow Hanley	Pendal Group	Other				
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Revenue	671.3	(3.5)			-	-		(10.0)		657.8
Staff related expenses excluding equity remuneration expense	(357.3)		0.8	2.6	19.7	2.6			(1.2)	(332.7)
Administrative and general expenses	(131.8)			2.2	5.9	4.6				(119.1)
Distributions and expenses relating to structured products	(3.5)	3.5								-
Equity remuneration expense	(27.0)		1.0		9.6	-				(16.5)
Depreciation and amortisation expense	(63.8)						39.9			(23.9)
Financing costs	(36.2)			-	2.0	-		3.8		(30.4)
Total expenses	(619.5)	3.5	1.9	4.8	37.2	7.2	39.9	3.8	(1.2)	(522.4)
Net profit before tax	**51.7**	**-**	**1.9**	**4.8**	**37.2**	**7.2**	**39.9**	**(6.2)**	**(1.2)**	**135.3**
Income tax expense	(17.2)	-	(0.5)	(3.0)	(10.0)	(1.9)	(5.6)	0.9	0.2	(37.2)
Net profit after tax	**34.5**	**-**	**1.4**	**1.8**	**27.3**	**5.3**	**34.3**	**(5.4)**	**(1.0)**	**98.2**
Significant Items (net of tax)										
Transaction, Integration and Strategic Review costs										
- Trillium										(1.4)
- Barrow Hanley										(1.8)
- Pendal Group										(27.3)
- Other										(5.3)
Non-cash amortisation of acquired intangibles										(34.3)
Unrealised gains/losses on financial assets										5.4
Accrued incentive compensation liability										1.0
Net profit after tax attributable to equity holders										**34.5**

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: Average Assets Under Management

FOR THE PERIOD in Australian Dollars		1H24 $B	2H23 $B	1H23 $B	1H24 v 2H23	1H24 v 1H23
Equities	Australia	28.5	28.0	11.7	2%	144%
	Global / International	69.7	64.1	16.5	9%	Large
	US	52.3	50.6	45.3	3%	16%
	UK	8.9	8.2	-	8%	-
	Europe	1.5	1.3	-	9%	-
	Emerging Markets	8.4	6.9	1.1	21%	Large
Total Equities		**169.2**	**159.1**	**74.5**	**6%**	**127%**
Fixed income	Australia	10.1	10.9	4.9	(7%)	106%
	US	9.8	9.9	9.2	(1%)	6%
Multi Asset		9.5	9.3	2.9	3%	Large
Other		0.9	0.8	0.7	3%	26%
Total Asset Management Average AUM (ex Cash)		**199.5**	**190.0**	**92.3**	**5%**	**116%**
Cash		13.1	10.7	0.8	22%	Large
Total Asset Management Average AUM		**212.6**	**200.7**	**93.1**	**6%**	**128%**
Wealth Management average AUM		**7.8**	**7.6**	**7.3**	**2%**	**7%**
Total Group average AUM		**220.4**	**208.3**	**100.4**	**6%**	**120%**

3.4 Appendix D: Full Time Equivalent Employees

AT END OF	1H24	2H23	1H23
Asset Management[1]	508	536	266
Wealth Management	469	468	419
Corporate Trust	322	307	299
Group Support Services[1]	560	552	426
Total operations	**1,859**	**1,870**	**1,411**
Permanent	1,839	1,845	1,378
Contractors	21	24	33
Total operations	**1,859**	**1,870**	**1,411**

1. 2H23 FTE restated to reflect transfer of a function between Group Support Services and Asset Management

3.5 Appendix E: Dividend History

Perpetual's payout ratio is in line with Perpetual's dividend policy to pay dividends within the range of 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
1H24	Interim	8 April 2024	65 cents	35%	30%	Not determined at time of publication
FY23	Final	29 Sep 2023	65 cents	40%	30%	$20.64
FY23	Interim	31 Mar 2023	55 cents	40%	30%	$21.39
FY23	Special	8 Feb 2023	35 cents	100%	30%	$26.08
FY22	Final	30 Sep 2022	97 cents	100%	30%	$25.18
FY22	Interim	1 Apr 2022	112 cents	100%	30%	$34.67
FY21	Final	24 Sep 2021	96 cents	100%	30%	$41.31
FY21	Interim	26 Mar 2021	84 cents	100%	30%	$32.34
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

3.6 Glossary

3LOA	Three Lines of Accountability model
AASB	Australian Accounting Standards Board
ABS	Asset backed securities
ADI	Authorised deposit-taking institution
All Ords	All Ordinaries Price Index
AM	Asset Management
APRA	Australian Prudential Regulatory Authority
Ars	Appointed Representatives
ARCC	Audit, Risk and Compliance Committee
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian Dollars
AUM	Assets under management
B	Billion
BCM	Business Continuity Management
BEAR	Banking Executive Accountability Regime
bps	Basis point (0.01%)
CEO	Chief executive officer
CMBS	Commercial mortgage-backed securities
COVID-19	Coronavirus disease
cps	Cents per share
CT	Corporate Trust
DORA	Digital Operational Resilience Act
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
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ExCo	Perpetual's Executive Committee
FAR	Financial Accountability Regime
FCA	Financial Conduct Authority
FI	Financial Institutions
FTE	Full time equivalent employee
FUA	Funds under advice (for Wealth Management) or funds under administration (for Corporate Trust)
Group	Perpetual Limited and its controlled entities (the consolidated entity) and the consolidated entity's interests in associates
GBP	British Pounds
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards

IIP	Investing in Product – portfolio managers can invest deferred incentives into units in their own funds, aligning deferred remuneration to client outcomes
IT	Information technology
J O Hambro	J O Hambro Capital Management
KPI	Key performance indicator
Large	Percentage change exceeds +/-200%
M	Million
M&A	Mergers and Acquisitions
MAS	Monetary Authority of Singapore
NPBT	Net profit before tax
NPAT	Net profit after tax
NTA	Net tangible asset
OFR	Operating and Financial Review
PAI	Principle adverse impact
Pendal	Pendal Asset Management
Pendal Group	Acquired 23rd January 2023 consisting of the Pendal, J O Hambro and TSW boutiques
RAS	Risk Appetite Statement
Regnan	A trading name of J O Hambro specialising in impact investment
RBA	Reserve Bank of Australia
RMBS	Residential mortgage-backed securities
RMF	Risk Management Framework
ROE	Return on equity
RSE	Registrable Superannuation Entity
RTS	Regulatory Technical Standards
SaaS	Software-as-a-Service
SDR	Sustainable Disclosure Requirements
SEC	Securities and exchange commission
SFDR	Sustainable Finance Disclosure Regulation
TCFD	Task Force on Climate-related Financial Disclosures
TSW	Thompson, Siegel and Walmsley
UK	United Kingdom
UPAT	Underlying profit after tax
UPBT	Underlying profit before tax
US	United States
USD	United States Dollars
WH&S	Work health and safety

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