

Perpetual Limited  
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24 April 2024

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

*Via electronic lodgment*

### Third Quarter FY24 Business Update

Perpetual Limited advises that it has released the quarterly business update for the period ended 31 March 2024 (as attached).

The release of this announcement was authorised by the Board.

**Yours faithfully**



Sylvie Dimarco  
Company Secretary

24 April 2024

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## Third Quarter FY24 Business Update

**Asset Management AUM up 6% to A\$227 billion, supported by positive market and currency movements**

**Robust performance from Corporate Trust and Wealth Management**

Perpetual Limited (Perpetual) (ASX:PPT) today released its third quarter business update for the period ending 31 March 2024.

Chief Executive Officer and Managing Director, Rob Adams said, "Through the quarter, all three of our businesses – Asset Management, Wealth Management and Corporate Trust – demonstrated their strength, underpinned by positive market dynamics in the main markets in which we operate.

"In Asset Management, stronger equity markets in all key regions, as well as favourable currency movements, saw a 6% uplift in our Assets Under Management (AUM), offsetting what was a disappointing quarter of net outflows of A\$5.2 billion. Importantly, the continued overall growth in AUM, despite net outflows, highlights the benefits of our global, diversified, multi-boutique model and exposure to a range of equity markets, regions and currencies, as well as client channels.

"We continue to progress the integration of Pandal Group and we are ahead of plan to deliver our targeted synergies of A\$80 million in run-rate synergies by January 2025.

"In distribution, through the quarter we welcomed a new Head of EUKA Distribution (announced in February) and across all regions we have been improving our focus on retaining existing clients across our boutiques, whilst also continuing to build our new business pipeline, leveraging our solid investment performance<sup>1</sup>. In recent weeks we have won more than A\$3.5 billion in new client monies and additional flows from existing clients, which are expected to fund over the next six months. This includes the third CLO<sup>2</sup> fund in the series launched by Barrow Hanley in FY22.

"In Corporate Trust, our digital service offerings continue to grow and both our Debt Markets Services and Managed Funds Services businesses remain resilient in a higher interest rate environment.

"In Wealth Management, our Funds Under Advice (FUA) grew further, supported by stronger equity markets through the quarter.

"The Strategic Review that was announced in December, has progressed and is now in its final stages. We expect to provide a detailed update by 8 May 2024."

<sup>1</sup> 69% of strategies outperformed their benchmark over three years to 31 March 2024, and 78% of strategies outperformed their benchmarks over five years to 31 March 2024. Outperformance presented on a gross of fees basis. Investment performance of the strategies may differ once fees and costs are taken into account. Past performance is not indicative of future performance. The disclosure document or product disclosure statement (PDS) of any of the investment strategies should be considered before deciding whether to acquire or hold units in any strategy. Target Market Determinations for the Perpetual funds are available on [www.perpetual.com.au](http://www.perpetual.com.au) or calling 1800 022 033. Target Market Determinations for the Pandal funds are available on [www.pandalgroup.com](http://www.pandalgroup.com) or 1300 346 821. Refer to Perpetual's, Pandal's, Barrow Hanley's, J O Hambro's, TSW's or Trillium's websites for further performance information.

<sup>2</sup> Collateralised Loan Obligation.

## Asset Management

Total AUM<sup>3</sup> was A\$227.4 billion at 31 March 2024, compared to A\$213.9 billion at 31 December 2023. A positive impact from market movements of A\$11.9 billion as well as currency movements (A\$6.8 billion) more than offset net outflows of A\$5.2 billion. Average AUM was higher at A\$220.3 billion compared to A\$209.6 billion in the December quarter.

- **Barrow Hanley's** AUM was A\$79.3 billion, up 8.6% on the December quarter. The increase in AUM was driven by favourable equity market movements of A\$4.4 billion, and currency movements of A\$3.3 billion offset partially by net outflows of A\$1.4 billion. Emerging market strategies attracted continued investor interest through the quarter, delivering net inflows of A\$0.2 billion. US equities and Global and international strategies reported net outflows of A\$1.4 billion and A\$0.3 billion respectively.
- **J O Hambro Capital Management's (JOHCM)** AUM was A\$40.4 billion, up 1.4% compared to the December quarter, driven by positive equity market movements of A\$2.5 billion and currency movements (A\$1.6 billion), offset by net outflows of A\$3.5 billion. As previously disclosed, the portfolio manager for the UK Dynamic strategy left Perpetual Group and during the quarter there were net outflows of A\$2.2 billion in that strategy. There were also net outflows in the International Select (A\$1.3 billion) and Global Select strategies (A\$0.3 billion). The Global Opportunities strategy reported net inflows over the quarter of A\$0.5 billion.
- **Pendal Asset Management's** AUM was A\$44.6 billion, up 6.3% compared to the December quarter, driven by net inflows of A\$0.9 billion and positive markets of A\$1.7 billion. Total net inflows were underpinned by net inflows into cash of A\$1.5 billion.
- **Perpetual Asset Management's** AUM was A\$21.4 billion, up 4.9% compared to the December quarter, supported by positive markets. Net outflows of A\$0.3 billion were mainly in Australian equities and multi-asset strategies, while Australian fixed income saw positive net inflows.
- **Trillium's** AUM was A\$10.9 billion, 9.3% higher than the December quarter, driven by positive markets (A\$0.5 billion) and favourable currency movements (A\$0.5 billion). Net outflows were A\$0.1 billion, mainly in the Sustainable Opportunities and ESG Core strategies.
- **TSW's** AUM was A\$30.9 billion, up 7.4% on the December quarter, driven by positive market movements (A\$1.6 billion) and currency movements (A\$1.4 billion). Net outflows of A\$0.8 billion were largely in various sub-advised accounts in the International Large Cap Equity strategy as well as in the US Mid-cap Value strategy.

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

## Corporate Trust

- Corporate Trust's total Funds Under Administration (FUA) was A\$1.2 trillion as at 31 March 2024, flat on the prior quarter.
- In the Debt Market Services (DMS) division, FUA was A\$712 billion, down 0.4% compared to the previous quarter. Higher margin non-bank securitisation saw growth of 3.6% in the quarter, offset by a slower quarter for bank securitisation. Asset Backed Securities (ABS) and Commercial Mortgage-Backed Securities (CMBS) FUA was up slightly over the period.
- The Managed Funds Services (MFS) division's FUA was A\$486 billion, up 0.7% compared to the previous quarter. Within MFS, Responsible Entity Services FUA increased, benefitting from strong performance across funds. Wholesale Trustee services (servicing offshore investors) also saw an increase in FUA as new trusts were seeded or assets were acquired

<sup>3</sup> For AUM in the US region, a conversion rate of AUD:USD - 0.65 at 31 March 2024 was used, for EUKA AUM, a conversion rate of AUD:GBP - 0.52 at 31 March 2024 was used.

through the period. Custody FUA was flat on the previous quarter while Singapore FUA was impacted by client asset revaluations.

- During the quarter, Perpetual Digital launched its new Payments and Registry Intelligence platform, following a multi-year project to replace six legacy applications with a contemporary purpose-built solution. The new solution allows Corporate Trust to manage payment and registry services for its trustee and custody business via a digital platform, creating greater efficiencies for the business and an improved client experience. Additionally, a new international fixed income capability was launched in the Fixed Income Intelligence product through the quarter, supporting an expansion of service offerings to existing clients and with a focus on attracting clients in the wealth management sector.

### Wealth Management

- Wealth Management's total FUA was A\$20.0 billion as at 31 March 2024, up 5% compared to the prior quarter, underpinned by positive market movements of A\$0.9 billion. Net flows were flat.
- Total average FUA for the three months to 31 March 2024 was A\$19.5 billion, compared to A\$18.4 billion in the December quarter.
- In line with the strategy to improve the Wealth Management product offering for clients, a new ESG reporting offering, launched in the prior quarter, was actively marketed to clients within the high-net-worth and philanthropic segments, with positive early feedback.

### FY24 Expense Guidance

FY24 total expense growth is now expected to be in the range of 32% - 34%. The devaluation of the Australian dollar relative to the US dollar and British pound since December 2023 has had a material impact on the expense guidance<sup>4</sup>. Note that conversely, a devaluation of the Australian dollar relative to the US dollar and British pound benefits Perpetual's revenue.

The cost to income ratio<sup>5</sup> for the Group has been relatively stable for the financial year to 31 March 2024.

### Strategic Review

Perpetual is in the final stages of its Strategic Review, announced in December, and will be in a position to provide a detailed update by Wednesday, 8 May 2024.

- Ends -

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<sup>4</sup> Previous FY24 expense growth guidance was based on a AUD:USD exchange rate of 0.67 and AUD:GBP of 0.54. The revised guidance for FY24 is based on a AUD:USD exchange rate of 0.65 and AUD:GBP of 0.52.

<sup>5</sup> Cost to income ratio based on underlying revenue and total underlying expenses.

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

	31-Dec-23	Flows	Other <sup>1</sup>	Foreign Exchange Impacts <sup>2</sup>	31-Mar-24
<b>Boutique</b>					
Barrow Hanley	73.0	(1.4)	4.4	3.3	79.3
JOHCM	39.8	(3.5)	2.5	1.6	40.4
Pendal Asset Management	42.0	0.9	1.7	-	44.6
Perpetual Asset Management	20.3	(0.3)	1.3	-	21.4
Trillium Asset Management	10.0	(0.1)	0.5	0.5	10.9
TSW	28.7	(0.8)	1.6	1.4	30.9
<b>Total Perpetual Group</b>	<b>213.9</b>	<b>(5.2)</b>	<b>11.9</b>	<b>6.8</b>	<b>227.4</b>

Note: Numbers may not add up due to rounding

- 1 Other includes changes in market value of assets, income, re investments and distributions.
- 2 A conversion rate of AUD:USD - 0.65 at 31 March 2024 and a conversion rate of AUD:GBP - 0.52 at 31 March 2024 were used.

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

Combined View - All Regions		31-Dec-23	Flows	Other <sup>1</sup>	Foreign Exchange Impacts <sup>2</sup>	31-Mar-24
Equities	Australia	29.5	(0.5)	2.2	-	31.2
	Global / International	69.9	(1.9)	3.9	3.0	74.9
	UK	8.8	(2.4)	0.3	0.3	7.0
	US	52.2	(1.7)	4.6	2.5	57.6
	Europe	1.4	(0.2)	0.0	0.1	1.3
	Emerging Markets	8.4	0.2	0.2	0.3	9.1
Total Equities		170.2	(6.4)	11.1	6.2	181.1
Fixed Income	Australia	10.3	(0.1)	0.1	-	10.4
	US	10.0	-	0.0	0.5	10.5
Total Fixed Income		20.3	(0.0)	0.2	0.5	20.9
Multi Asset		9.5	(0.2)	0.5	0.1	9.9
Other		0.9	(0.1)	0.0	0.0	0.8
<b>Total Group (ex cash)</b>		<b>200.9</b>	<b>(6.8)</b>	<b>11.8</b>	<b>6.8</b>	<b>212.7</b>
Cash		13.0	1.6	0.2	-	14.7
<b>Total Perpetual Group</b>		<b>213.9</b>	<b>(5.2)</b>	<b>11.9</b>	<b>6.8</b>	<b>227.4</b>

Note: Numbers may not add up due to rounding

- 1 Other includes changes in market value of assets, income, re investments and distributions.
- 2 A conversion rate of AUD:USD - 0.65 at 31 March 2024 and a conversion rate of AUD:GBP - 0.52 at 31 March 2024 were used.

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

Australia		31-Dec-23	Flows	Other <sup>1</sup>	Foreign Exchange Impacts <sup>2</sup>	31-Mar-24
Equities	Australia	29.5	(0.5)	2.2	-	31.2
	Global / International	3.4	0.1	0.3	-	3.9
	Emerging Markets	1.0	0.0	0.1	-	1.1
Total Equities		33.9	(0.5)	2.6	-	36.1
Fixed Income	Australia	10.3	(0.1)	0.1	-	10.4
Multi Asset		6.8	(0.2)	0.3	-	6.9
Other		0.7	(0.1)	(0.0)	-	0.6
Total ex. cash		51.7	(0.8)	3.1	-	54.0
Cash		13.0	1.6	0.2	-	14.7
Total Australia		64.7	0.7	3.2	-	68.7

Note: Numbers may not add up due to rounding

Americas		31-Dec-23	Flows	Other <sup>1</sup>	Foreign Exchange Impacts <sup>2</sup>	31-Mar-24
Equities	Global / International	52.0	(2.3)	2.4	2.4	54.5
	US	52.2	(1.7)	4.6	2.5	57.6
	Emerging Markets	7.3	0.2	0.1	0.3	7.9
Total Equities		111.5	(3.8)	7.1	5.2	120.1
Fixed Income	US	10.0	0.0	0.0	0.5	10.5
Multi Asset		2.7	(0.0)	0.2	0.1	3.0
Other		0.2	(0.0)	0.0	0.0	0.2
Total ex cash		124.4	(3.8)	7.3	5.9	133.8
Cash		0.0	0.0	0.0	0.0	0.0
Total Americas		124.4	(3.8)	7.3	5.9	133.8

EUKA		31-Dec-23	Flows	Other <sup>1</sup>	Foreign Exchange Impacts <sup>2</sup>	31-Mar-24
Equities	Global / International	14.5	0.4	1.1	0.6	16.4
	UK	8.8	(2.4)	0.3	0.3	7.0
	Europe	1.4	(0.2)	0.0	0.1	1.3
	Emerging Markets	0.1	(0.0)	0.0	0.0	0.1
Total Equities		24.8	(2.2)	1.4	0.9	24.9
Multi Asset		0.0	0.0	0.0	0.0	0.0
Total ex cash		24.8	(2.2)	1.4	0.9	24.9
Cash		0.0	0.0	0.0	0.0	0.0
Total EUKA		24.8	(2.2)	1.4	0.9	24.9

Note: Numbers may not add up due to rounding

1 Other includes changes in market value of assets, income, re investments and distributions.

2 A conversion rate of AUD:USD - 0.65 at 31 March 2024 and a conversion rate of AUD:GBP - 0.52 at 31 March 2024 were used.

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

	31-Dec-23	Flows	Other <sup>1</sup>	Foreign Exchange Impacts <sup>2</sup>	31-Mar-24
<b>Australia</b>					
Institutional	22.7	(0.3)	1.3	-	23.7
Intermediary & Retail	26.3	(0.4)	1.6	-	27.5
Westpac	2.7	(0.1)	0.2	-	2.8
<b>Total Australia (ex-cash)</b>	<b>51.7</b>	<b>(0.8)</b>	<b>3.1</b>	<b>-</b>	<b>54.0</b>
Cash	13.0	1.6	0.2	-	14.7
<b>Total Australia</b>	<b>64.7</b>	<b>0.7</b>	<b>3.2</b>	<b>-</b>	<b>68.7</b>
<b>EUKA</b>					
Institutional	13.4	(0.9)	0.7	0.5	13.7
Intermediary	11.4	(1.3)	0.7	0.4	11.2
<b>Total EUKA</b>	<b>24.8</b>	<b>(2.2)</b>	<b>1.4</b>	<b>0.9</b>	<b>24.9</b>
<b>Americas</b>					
Institutional	105.0	(2.4)	6.0	4.9	113.6
Intermediary	19.4	(1.4)	1.3	0.9	20.2
<b>Total Americas</b>	<b>124.4</b>	<b>(3.8)</b>	<b>7.3</b>	<b>5.9</b>	<b>133.8</b>
<b>Total Perpetual Group</b>	<b>213.9</b>	<b>(5.2)</b>	<b>11.9</b>	<b>6.8</b>	<b>227.4</b>

Note: Numbers may not add up due to rounding

1 Other includes changes in market value of assets, income, re investments and distributions.

2 A conversion rate of AUD:USD - 0.65 at 31 March 2024 and a conversion rate of AUD:GBP - 0.52 at 31 March 2024 were used.

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