Perpetual Limited
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29 August 2024

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

Perpetual FY24 Financial Results

The following announcements to the market are provided:

- FY24 Appendix 4E
- FY24 ASX Announcement
- FY24 Full Year Statutory Accounts
- FY24 Results Presentation
- ✓ FY24 Operating and Financial Review
- Appendix 4G
- FY24 Corporate Governance Statement

Yours faithfully,

Sylvie Dimarco
Company Secretary
(Authorising Officer)

Operating and Financial Review

For the 12 months ended 30 June 2024

Perpetual Limited
ABN 86 000 431 827

Perpetual GROUP

Notes

Note that in this review:

- FY24 refers to the financial reporting period for the 12 months ended 30 June 2024
- 1H24 refers to the financial reporting period for the 6 months ended 31 December 2023
- 2H24 refers to the financial reporting period for the 6 months ended 30 June 2024

with similar abbreviations for previous and subsequent periods.

This is a review of Perpetual's operations for the 12 months ended 30 June 2024 (FY24). It also includes a review of its financial position as at 30 June 2024.

The following information should be read in conjunction with the Group's audited consolidated financial statements and associated notes for FY24.

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

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

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

Disclaimer

The following information should be read in conjunction with the Group's audited consolidated financial statements and associated notes for the 12 months ended 30 June 2024 contained in the Annual Report for the financial year ended 30 June 2024 (FY24). The Group's audited consolidated financial statements for the 12 months ended 30 June 2024 were subject to an independent audit by KPMG.

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

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

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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 acquisition of Pendal Group in January 2023 brought together two of Australia's most respected active asset management brands to create a global leader in multi-boutique asset management with approximately A$215 billion in assets under management. Perpetual's larger, significantly more diverse asset management business provides increased leverage to global markets and 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.

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.

- Client first – delivering exceptional products and outstanding service
- Simplify – completing the successful integration of Pendal and seeking areas of simplification across our portfolio of businesses
- Sustainable growth – unlocking the benefits of our global multi-boutique model

On 6 December 2023, the Board announced a Strategic Review to explore the benefits of unlocking additional value for Perpetual shareholders. Following a comprehensive Strategic Review process, the Board determined that becoming a pure-play global Asset Management business through a demerger, combined with the separation of the Wealth Management and Corporate Trust businesses, would provide superior value for shareholders. On 8 May 2024, Perpetual entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”) who will acquire 100% of the two businesses via a Scheme of Arrangement (Scheme), for total cash consideration of A$2.175 billion. Completion is anticipated to occur in February 2025, subject to satisfaction of customary Conditions. Following the anticipated completion, Perpetual will become a standalone, global multi-boutique Asset Management business with scale, diversified investment strategies, and supported by a leaner and more streamlined structure, with a strong balance sheet.

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.

The **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, Strategy, 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	FY24 $M	FY23 $M	FY24 v FY23	FY24 v FY23
Operating revenue	1,335.0	1,013.8	321.2	32%
Total expenses	(1,051.4)	(794.6)	(256.8)	(32%)
Underlying profit before tax (UPBT)	**283.6**	**219.2**	**64.4**	**29%**
Tax expense	(77.4)	(56.0)	(21.4)	(38%)
Underlying profit after tax (UPAT)[1]	**206.1**	**163.2**	**43.0**	**26%**
Significant items[2]	(678.3)	(104.2)	(574.1)	Large
Net (loss)/profit after tax (NPAT)	**(472.2)**	**59.0**	**(531.2)**	**Large**

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	**FY24 $M**	**FY23 $M**	**FY24 v FY23**	**FY24 v FY23**	**2H24 $M**	**1H24 $M**	**2H23 $M**	**1H23 $M**
Transaction, Integration and Strategic Review costs	(84.2)	(80.0)	(4.2)	(5%)	(48.4)	(35.8)	(45.4)	(34.6)
- Trillium	(2.7)	(3.5)	0.7	21%	(1.3)	(1.4)	(1.7)	(1.8)
- Barrow Hanley	(5.2)	(5.4)	0.2	3%	(3.4)	(1.8)	(0.7)	(4.7)
- Pendal Group	(47.5)	(63.1)	15.6	25%	(20.2)	(27.3)	(36.5)	(26.6)
- Other	(28.7)	(8.0)	(20.7)	Large	(23.4)	(5.3)	(6.5)	(1.5)
Non-cash amortisation of acquired intangibles	(57.2)	(40.6)	(16.6)	(41%)	(22.9)	(34.3)	(30.6)	(10.0)
Unrealised gains/losses on financial assets	6.6	16.4	(9.8)	60%	1.2	5.4	15.4	1.0
Accrued incentive compensation liability	(10.4)	-	(10.4)	-	(11.4)	1.0	(3.4)	3.4
Impairment losses on non-financial assets	(533.1)	-	(533.1)	-	(533.1)	-	-	-
Total significant items	**(678.3)**	**(104.2)**	**(574.1)**	**Large**	**(614.7)**	**(63.6)**	**(63.9)**	**(40.3)**

KEY PERFORMANCE INDICATORS (KPI)	FY24	FY23	FY24 v FY23	FY24 v FY23
Profitability				
UPBT margin on revenue (%)	21	22	(0)	
Shareholder returns				
Diluted earnings per share (EPS)[1] on NPAT (cps)	(409.0)	71.1	(480.1)	Large
Diluted earnings per share (EPS)[1] on UPAT (cps)	178.6	196.6	(18.1)	(9%)
Dividends (cps)[4]	118.0	155.0	(37.0)	(24%)
Franking rate (%)[5]	42	40	2	
Dividend payout ratio (%)[6]	65	78	(13)	
Return on Equity (ROE)[2] on NPAT (%)	(23.0)	3.6	(26.6)	
Return on Equity (ROE)[2] on UPAT (%)	10.0	9.9	0.1	
Growth				
Perpetual average assets under management (AUM) $B[3]	224.5	154.4	70.1	45%
Average funds under advice (FUA) $B	19.1	18.1	1.0	5%
Closing Debt Markets Services FUA $B	711	691	20	3%
Closing Managed Funds Services FUA $B	496	471	24	5%

1. Diluted EPS is calculated using the weighted average number of ordinary shares and potential ordinary shares on issue of 115,447,151 for FY24 (FY23: 83,014,616).
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. FY23 included a special dividend of 35c paid on 8 Feb 2023.
5. FY24 interim dividend paid using 35% franking rate and final dividend at 50%. In FY23 the franking rate for the special dividend paid on 8 February 2023 was 100%. Both the interim and final dividends for FY23 were paid using a 40% franking rate.
6. The FY23 payout ratio of 78% on full year UPAT includes the 3 months of Pendal earnings from 1 October 2022 to 31 December 2022.

1.2.1 Financial Performance

For the 12 months to 30 June 2024, Perpetual's UPAT was $206.1 million and NPAT was a loss of $472.2 million.

FY24 UPAT was 26% higher than FY23 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
- Continued Corporate Trust growth across all three business lines
- Group Investments revenue from earnout releases, higher interest rates and return on seed and CLO investments
- Partially offset by:
  - Higher variable remuneration following improved business performance
  - Higher interest expense following the debt raise to partially fund the Pendal Group acquisition and rises in official interest rates over the period.

FY24 NPAT was $531.2 million lower than FY23 impacted by a $547.4 million pre-tax impairment charge on non-financial assets, together with Separation and Pendal Group integration costs. A non-cash impairment charge was recognised against the carrying value of goodwill and other intangibles, resulting in the partial write-down of the current book value of the J O Hambro and TSW boutiques in the Asset Management division.

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 FY24, Perpetual generated $1335.0 million of total operating revenue, which was $321.2 million or 32% higher than FY23. Asset Management revenue growth was primarily driven by the Pendal Group acquisition, combined with higher average AUM supported by foreign exchange impacts and higher equity markets. Further growth was delivered through Corporate Trust, Wealth Management non-market and Group Investments income.

Performance fees earned in FY24 were $15.8 million[2], $0.6 million higher than FY23 with the $4.7 million Asset Management increase offset by the absence of fees earned in Wealth Management.

1.2.3 Expenses

Total expenses in FY24 were $1051.4 million, $256.8 million or 32% higher than FY23, impacted by:

- Full year impact of the acquisition of the Pendal Group;
- Higher interest expense following official interest rate rises and the funding costs relating to the Pendal Group acquisition;

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.

- Variable Remuneration;
- Foreign exchange movement;
- Enterprise investment in technology, cyber security and regulatory compliance;
- Distributions on employee-owned unit in Barrow Hanley; and
- Continued investment in growth initiatives in Corporate Trust & Wealth Management.

1.2.4 Shareholder Returns and Dividends

The Board announced a final 50% franked ordinary dividend for 2H24 of 53 cents per share, to be paid on 4 October 2024. This represents a payout ratio of 56% of 2H24 UPAT and 65% on full year 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 final dividend. No discount will apply and the DRP will be met by issuing new shares.

Perpetual's return on equity (ROE) on NPAT was -23.0% for FY24 compared to 3.6% in FY23.

Perpetual's return on equity (ROE) on UPAT was 10.0% for FY24 compared to 9.9% in FY23.

1.3 Group Financial Position

BALANCE SHEET AS AT	2H24 $M	1H24 $M	2H23[1] $M	1H23 $M
Assets				
Cash and cash equivalents	221.3	189.5	263.2	133.6
Receivables	224.4	208.0	209.9	132.3
Structured products - EMCF assets	159.9	161.6	163.9	174.4
Liquid investments	381.7	332.2	291.4	149.9
Goodwill and other intangibles	2,061.7	2,583.7	2,660.9	948.8
Tax assets	145.8	135.8	149.2	64.3
Property, plant and equipment	162.2	169.3	104.9	71.3
Other assets	42.4	44.5	41.7	30.0
Total assets	**3,399.2**	**3,824.6**	**3,885.1**	**1,704.6**
Liabilities				
Payables	103.2	121.0	118.6	102.9
Structured products - EMCF liabilities	159.5	161.6	164.2	175.5
Derivative financial instruments	-	-	-	11.3
Tax liabilities	166.8	163.9	166.2	15.9
Employee benefits	301.7	175.1	219.3	83.2
Lease liabilities	154.7	162.2	90.9	65.8
Provisions	4.5	4.2	9.4	10.9
Borrowings	679.0	713.7	734.4	277.0
Accrued incentive compensation	65.3	50.1	50.7	46.3
Other liabilities	23.4	17.5	16.3	33.5
Total liabilities	**1,658.1**	**1,569.3**	**1,570.0**	**822.3**
Net assets	**1,741.1**	**2,255.3**	**2,315.1**	**882.3**
Shareholder funds				
Contributed equity	2,174.0	2,146.4	2,133.3	828.1
Reserves	182.9	146.6	184.4	28.2
Retained earnings	(615.8)	(37.7)	(2.6)	26.0
Total equity	**1,741.1**	**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	FY24 $M	FY23 $M	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Corporate debt $M[1]	685.5	745.0	685.5	722.2	745.0	288.9
Corporate debt to capital ratio%[2]	28.2%	23.9%	28.2%	24.3%	23.9%	24.7%
Interest coverage (times)[3]	5x	8x	5x	5x	8x	14x
NTA per share ($)[4]	**(2.60)**	**(2.63)**	**(2.60)**	**(2.34)**	**(2.63)**	**(1.59)**

CASHFLOW FOR THE PERIOD	FY24 $M	FY23 $M	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Net cash from/(used in) operating activities	296.4	134.8	213.8	82.6	136.4	(1.6)
Net cash used in investing activities	(97.9)	(244.0)	(43.0)	(54.9)	(237.7)	(6.3)
Net cash (used in)/from financing activities	(229.3)	221.6	(138.9)	(90.4)	263.4	(41.8)
Effective movements in exchange rates on cash held	(11.1)	(24.60)	(0.1)	(11.0)	(32.5)	7.9
Net (decrease)/ increase in cash and cash equivalents	**(41.8)**	**87.8**	**31.9**	**(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 $599.2 million due to the $547.4 million impairment of J O Hambro and TSW together with the amortisation of customer contracts during the period of $51.8 million;
- **Liquid Investments** increased by $90.3 million due to continued investment in Collateralised Loan Obligations (CLO), seed portfolio and the Investing in Product (IIP) remuneration scheme;
- **Property, plant and equipment** increased by $57.3 million primarily due to lease modification for Angel Place;
- **Employee benefits** increased by $82.4 million due to a full year accrual of Pendal group and cash retention for strategic review of $15.3 million;
- **Lease Liabilities** increased by $63.8 million primarily due to lease modification for Angel Place; and
- **Borrowings** decreased by $55.4 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 FY24, the Group has maintained its balance sheet strength through:

- continuing to maintain the overall credit quality of the Group's risk assets; and

- 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. At the end of FY24, Perpetual Group held $135 million of surplus available liquid funds (net of accrued dividends).

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 FY24, cash and cash equivalents decreased by $41.8 million to $221.3 million as at 30 June 2024. This decrease was predominantly driven by net debt repayments.

1.3.4 Debt

Perpetual's corporate debt as at 30 June 2024 was $685.5 million compared to $745.0 million at the end of FY23. A net debt repayment of $50 million was made during the period, with the remaining movement due to unfavourable changes in foreign exchange rates. An additional $185.0 million of debt facilities remain undrawn as at 30 June 2024. $149 million of bank guarantees have been issued under the syndicated facility. 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. Given the impairment announced on 26 August 2024, the Consolidated Entity has disclosed its borrowings as current liabilities in accordance with the accounting standards. Subsequent to year end, the Consolidated Entity obtained a waiver from the banking syndicate with respect to debt covenant clauses associated with impairment. As a result of the waiver, subsequent to year end, the borrowings will be classified as non-current with the debt not due for repayment until 22 November 2025 for its 3-year facilities and 22 November 2026 for its 4-year facilities. The Consolidated Entity continues to be able to meet its funding and liquidity requirements.

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

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.

ASIC Derivative Transaction Reporting Rules

On 20 December 2022, ASIC released the new derivative transaction reporting rules, which will take effect from 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. Further technical guidance and amendments were proposed under CP 375 to address outstanding matters from the prior consultation papers.

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"), which outlined a number of proposed reforms to the financial advice regime in Australia.

The first tranche ("Tranche 1") of changes adopts 7 of the Government's recommendations to the QAR final report and Tranche 2 represents a further 5 recommendations, which is being developed in the second half of 2024.

Tranche 1, which commenced the day after the Act received Royal Assent (on 9 July 2024) includes the following provisions:

- Superannuation trustees should be able to pay a fee from a member's superannuation account to an adviser for personal advice provided to the member about the member's interest in the fund on the direction of the member. Subsequent amendments made to the S99FA of the SIS Act based on the industry feedback.
- Introduction of a legislative requirement of a single consent form and abolition of Fee Disclosure Statements plus a flexibility for renewal of consent.
- FSG information can be made available to clients by visiting the financial service providers website.
- Introducing new standardised consent requirements for life risk insurance.

- Simply and clarify the provisions governing conflicted remuneration, in particular that monetary or non-monetary benefits given by a client are not conflicted remuneration along with the removal of consequential exceptions (added as relevant).

The Group has assessed the impact of the Tranche 1 changes to the Group and developed and plan for implementation by January 2025.

International

Ireland – Individual Accountability Framework (effective December 2023)

The Central Bank of Ireland (“CBI”) put in place a legislative framework which promotes a culture of good governance and greater individual accountability in all regulated financial services providers. The IAF introduced three new types of conduct standards to which PISEL employees and directors are subject, namely business conduct standards, common Conduct Standards and additional Conduct Standards. In addition, the existing fitness and probity regime has been enhanced in a number of aspects and further enforcement powers have been granted to the regulator. In order to implement this, policies have been amended and drafted as required and training provided.

CBI Guidance on Operational Resilience (effective December 2023)

This guidance sets out how firms should respond to, recover and learn from an operational disruption which affects the delivery of critical or important business services. Boards and senior management are obliged to take appropriate actions to ensure that operational resilience frameworks are well designed, are operating effectively and are sufficiently robust. This guidance came into effect in December 2023 and an operational resilience framework (which leverages that of key service providers) has been put in place.

EU – The Digital Operational Resilience Act (DORA)

DORA comes into force on 17 January 2025 and 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. In addition, the European Supervisory Authorities have published a series of Regulatory Technical Standards (“RTSs”) which provide further colour on the regulatory requirements to be implemented.

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. On 10 April 2024, the FCA published a Consultation Paper: "Payment Optionality for Investment Research". This covers one aspect of the Kent Report - Recommendation 2 which created an option for bundled execution and research payments. The FCA will consider the other recommendations at a later date.

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. As part of this, there is a new anti-greenwashing rule that requires UK regulated firms to ensure that sustainability claims in relation to UK funds are clear, fair and not misleading. This came into effect 31 May 2024. The labelling rules come into effect on 31 July 2024 and the naming and marketing rules come into effect on 2 December 2024. Currently the labelling and naming and marketing rules only apply to our funds. On 23 April 2024, the FCA published a Consultation Paper on the applicability of the SDR to portfolio management services (segregated mandates). The Government also intends to consult on whether the disclosure and labelling regime should be extended to apply to Overseas Funds Regime (OFR) funds which in our context are the Irish domiciled funds which sold into the UK. This consultation is likely to run from Q3 2024. If, following consultation, the Government chooses to extend the regime to OFR funds, the FCA expects that it would need to make rules (subject to consultation processes) reflecting that decision. The FCA's process would run separately, with a consultation published after the Government's decision.

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. Where firms meet the specified AUM threshold, they are required to produce 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 were required to carry out reporting by 30 June 2024. The TCFD reporting has been completed and published on the JOHCM website.

US – Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information

In June 2024, the SEC adopted rule amendments that will require US investment companies and advisers, as well as other financial counterparties, to adopt written policies and procedures for incident response programs to address unauthorized access or use of customer information. The amendments will also broaden the scope of information covered by the requirements to safeguard customer records. The final compliance date will be on or around December 2025. The Group is currently implementing required changes within its US business.

US – Amendments to Form PF (Private Fund Reporting)

In February 2024, the US Commodity Futures Trading Commission and the SEC jointly adopted amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds. The amendment will become effective March 2025 and the Group is working through implementation.

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 – 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.

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 Singapore business has updated the relevant processes to integrate these changes.

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 (committee dissolved 31/7/24)

Risk Category	Risk Description/Impact	Risk Mitigants
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
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

Risk Category	Risk Description/Impact	Risk Mitigants
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
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 testing • 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

Risk Category	Risk Description/Impact	Risk Mitigants
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 breach 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

On 6 December 2023, the Board announced a Strategic Review to explore the benefits of unlocking additional value for Perpetual shareholders. Following a comprehensive Strategic Review process, the Board determined that becoming a pure-play global Asset Management business through a demerger, combined with the separation of the Wealth Management and Corporate Trust businesses, would provide superior value for shareholders. On 8 May 2024, Perpetual entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") who will acquire 100% of the two businesses via a Scheme of Arrangement (Scheme), for total cash consideration of A$2.175 billion. Completion is anticipated to occur in February 2025, subject to satisfaction of customary Conditions. Following the anticipated completion, Perpetual will become a standalone, global multi-boutique Asset Management business with scale, diversified investment strategies, and supported by a leaner and more streamlined structure, with a strong balance sheet.

As Perpetual Group works towards the completion of the transaction it remains focused on delivering value across its three quality businesses:

- Asset Management – improving net flows in our Asset Management business and right-sizing the cost base in line with a pure-play, global multi-boutique Asset Management business
- Wealth Management – maintaining growth in Wealth Management through its differentiated advice model and capabilities
- Corporate Trust – continuing to demonstrate resilience and growth in Corporate Trust, supported by strong client relationships and Perpetual Digital

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 FY24 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	FY24 $M	FY23 $M	FY24 v FY23	FY24 v FY23	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Management Fees by asset class[1]								
- Equities	764.8	508.4	256.4	50%	383.7	381.1	358.5	150.0
- Cash and fixed income	61.4	49.6	11.8	24%	31.2	30.2	29.8	19.7
- Multi Asset	41.1	27.5	13.6	49%	20.6	20.5	19.8	7.8
- Other AUM related	3.7	3.3	0.4	11%	1.6	2.1	2.1	1.2
Total AUM related Management Fees	**871.0**	**588.8**	**282.2**	**48%**	**437.1**	**433.9**	**410.2**	**178.7**
Performance Fees by asset class								
- Equities	14.5	9.5	4.9	52%	9.7	4.8	6.8	2.7
- Cash and fixed income	1.3	1.1	0.3	24%	0.7	0.6	0.6	0.5
- Other AUM related	-	0.6	(0.6)		-	-	0.6	-
Total Performance fees	**15.8**	**11.1**	**4.7**	**42%**	**10.4**	**5.4**	**8.0**	**3.2**
Non-AUM related revenue	**0.8**	**0.5**	**0.2**	**44%**	**0.4**	**0.4**	**0.3**	**0.2**
Total revenue	**887.6**	**600.4**	**287.2**	**48%**	**447.9**	**439.6**	**418.4**	**182.0**
Operating expenses	(652.6)	(437.7)	(214.9)	49%	(331.4)	(321.2)	(298.5)	(139.2)
EBITDA	**235.0**	**162.8**	**72.2**	**44%**	**(116.6)**	**118.4**	**119.9**	**42.8**
Depreciation and amortisation	(18.4)	(13.2)	(5.2)	39%	(8.6)	(9.8)	(9.0)	(4.2)
Equity remuneration expense	(14.3)	(15.5)	1.2	(7%)	(2.4)	(12.0)	(13.3)	(2.2)
Interest expense	(1.8)	(1.4)	(0.4)	27%	(0.9)	(0.9)	(1.0)	(0.4)
Underlying profit before tax	**200.4**	**132.7**	**67.8**	**51%**	**104.7**	**95.8**	**96.5**	**36.1**

1. Revenue by asset class now presents Multi Asset separately from Equities and Cash and Fixed Income.

In FY24, Asset Management reported underlying profit before tax of $200.4 million which was $67.8 million or 51% higher than FY23. This was driven by the acquisition of the Pendal Group in 2H23 through the boutiques of J O Hambro, Pendal and TSW.

The cost to income ratio in FY24 was 77%, compared to 78% in FY23.

2.1.3 Drivers of Performance

Revenue

Asset Management generated revenue of $887.6 million in FY24, an increase of $287.2 million or 48% higher than FY23. The increase was mainly driven by the $256.9 million contribution of Pendal Group boutiques (which benefitted from higher average AUM and performance fees for the period), together with the $30.0 million contribution from heritage boutiques benefitted by higher average AUM over the period supported by foreign exchange movements and improved equity markets.

Performance fees of $15.8 million were earned in FY24, $4.7 million or 42% higher than FY23. Performance fees in FY24 were mainly generated across the following funds:

- Pendal Microcap Opportunities Fund
- Perpetual Pure Microcap Fund
- Perpetual Pure Equity Alpha Fund
- J O Hambro UK Dynamic Fund
- Barrow Hanley Mandate for the Perpetual Select International Share Fund
- Perpetual Exact Market Return Fund
- TSW WPS Capital and Direct Funds
- J O Hambro Continental Europe Fund

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

Revenue Margin

FOR THE PERIOD	FY24 bps	FY23 bps	FY24 v FY23	FY24 v FY23	2H24 bps	1H24 bps	2H23 bps	1H23 bps
By asset class[1]								
- Equities	45	44	1	2%	45	46	46	41
- Cash and fixed income	18	22	(3)	(15%)	18	19	19	27
- Multi Asset	43	45	(2)	(4%)	43	43	43	53
- Other AUM related	4	6	(2)	(37%)	3	4	5	7
Average revenue margin	**41**	**41**	**0**	**0%**	**41**	**41**	**42**	**39**

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

Average revenue margins for FY24 have remained stable at 41 bps compared to FY23 with the contribution of Pendal group with a mix towards higher margin equities being offset by lower margins from Cash and Multi Asset products.

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 FY24 was $764.8 million. The average margin in FY24 was 45 bps, 1 bp higher than FY23 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 FY24 was $61.4 million. The FY24 revenue margin of 18 bps was lower than FY23 due to Pendal Group contribution.

Multi Asset: Revenue in FY24 was $41.1 million. The FY24 revenue margin of 43 bps was lower than FY23 due to Pendal Group.

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

FY24 Total expenses of $687.1 million increased by $219.3 million or 47% higher than FY23 driven by Pendal Group expenses.

Heritage Perpetual expenses were 11% or $20 million higher due to variable remuneration increase and due to improved revenue performance, foreign exchange impacts and investment in technology.

2.1.4 Assets Under Management

		AUM MOVEMENTS					NET FLOWS			
AT END OF		FY24 $B	Net flows $B	Other[1] $B	Foreign Exchange Impacts $B	FY23 $B	2H24 $B	1H24 $B	2H23 $B	1H23 $B
Equities	Australia	29.4	(2.5)	3.0	-	28.9	(1.9)	(0.6)	(0.9)	(0.7)
	Global / International	68.8	(7.4)	6.1	0.4	69.8	(6.0)	(1.4)	(2.5)	1.7
	UK	6.3	(3.6)	1.1	0.1	8.8	(3.2)	(0.4)	(0.3)	-
	US	54.9	(5.2)	7.5	0.3	52.3	(3.1)	(2.1)	(2.1)	(4.4)
	Europe	1.1	(0.5)	0.1	0.0	1.5	(0.3)	(0.2)	0.1	-
	Emerging Markets	9.4	0.7	0.5	0.0	8.1	0.4	0.4	1.0	0.8
Total Equities		**169.9**	**(18.5)**	**18.2**	**0.8**	**169.4**	**(14.2)**	**(4.3)**	**(4.8)**	**(2.7)**
Fixed Income	Australia	10.5	(0.1)	0.4	-	10.2	0.0	(0.2)	(1.6)	(0.2)
	US	11.0	0.4	0.5	0.0	10.0	0.6	(0.2)	0.3	(0.1)
Total Fixed Income		**21.4**	**0.3**	**0.9**	**0.0**	**20.2**	**0.7**	**(0.4)**	**(1.3)**	**(0.3)**
Multi Asset		9.0	(1.5)	0.7	0.0	9.7	(1.1)	(0.4)	(0.4)	(0.0)
Other		0.8	(0.1)	0.0	0.0	0.8	(0.1)	(0.0)	(0.1)	(0.0)
Total asset classes (ex-cash)		**201.1**	**(19.8)**	**19.9**	**0.9**	**200.1**	**(14.7)**	**(5.1)**	**(6.6)**	**(3.0)**
Cash		13.9	1.3	0.6	-	12.0	0.6	0.8	1.4	0.1
Total asset classes[2]		**215.0**	**(18.4)**	**20.4**	**0.9**	**212.1**	**(14.1)**	**(4.3)**	**(5.2)**	**(2.9)**
Institutional		142.0	(12.8)	17.5	0.6	136.8	(10.0)	(2.9)	(4.1)	(3.0)
Intermediary & Retail		56.3	(6.5)	3.2	0.3	59.3	(4.6)	(1.9)	(2.1)	(0.0)
Westpac		2.8	(0.4)	(0.8)	-	4.0	(0.1)	(0.3)	(0.4)	-
Total distribution channels (ex-cash)		**201.1**	**(19.8)**	**19.9**	**0.9**	**200.1**	**(14.7)**	**(5.1)**	**(6.6)**	**(3.0)**
Cash		13.9	1.3	0.6	-	12.0	0.6	0.8	1.4	0.1
Total distribution channels		**215.0**	**(18.4)**	**20.4**	**0.9**	**212.1**	**(14.1)**	**(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 30 June 2024 was $215.0 billion, an increase of $2.9 billion on FY23. The increase was driven by the improvement in equity markets, investment performance and closing foreign exchange impacts partly offset by net outflows. 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	FY24 $M	FY23 $M	FY24 v FY23	FY24 v FY23	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Market related revenue	147.6	145.1	2.5	2%	74.6	73.0	71.3	73.8
Non-market related revenue	79.1	72.3	6.8	9%	41.1	38.0	39.1	33.2
Total revenue	226.8	217.4	9.4	4%	115.7	111.0	110.4	107.0
Operating expenses	(159.8)	(155.4)	(4.4)	(3%)	(82.1)	(77.7)	(77.8)	(77.6)
EBITDA	**67.0**	**62.0**	**5.0**	**8%**	**33.6**	**33.3**	**32.6**	**29.3**
Depreciation and amortisation	(7.8)	(9.1)	1.3	15%	(3.2)	(4.6)	(4.3)	(4.8)
Equity remuneration expense	(4.6)	(4.6)	(0.0)	(1%)	(2.3)	(2.3)	(2.4)	(2.2)
Interest expense	(0.6)	(1.3)	0.7	53%	(0.2)	(0.4)	(1.1)	(0.2)
Underlying profit before tax	**54.0**	**47.0**	**7.0**	**15%**	**27.9**	**26.0**	**24.9**	**22.1**
Funds under advice ($B)								
Closing FUA	$19.8B	$18.5B	$1.2B	7%	$19.8B	$19.1B	$18.5B	$17.9B
Average FUA	$19.1B	$18.1B	$1.0B	5%	$19.6B	$18.6B	$18.4B	$17.8B
Market related revenue margin	77bps	80bps	-	(4bps)	76bps	79bps	77bps	83bps

2.2.3 Drivers of Performance

In FY24, Wealth Management reported underlying profit before tax of $54.0 million, $7.0 million or 15% higher than FY23.

The increase on FY23 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 cost to income ratio in FY24 was 76% compared to 78% in FY23.

In FY24, Wealth Management rolled out a new ESG analysis offering to clients through our exclusive arrangement with a New York based, ESG technology specialist. The improvement of services across multiple segments have been reflected in the clients' higher NPS results.

Revenue

Wealth Management generated revenue of $226.8 million in FY24, $9.4 million or 4% higher than FY23.

Market related revenue was $147.6 million, $2.5 million or 2% higher than FY23. The increase on FY23 was mainly due to continued growth of the business and higher equity markets. Non-market related revenue was $79.1 million, $6.8 million or 9% higher than FY23. The increase on FY23 was mainly driven by strong Fordham performance, revised pricing of non-market related fees and services and a higher interest rate environment.

Wealth Management's market related revenue margin was 77 bps in FY24 compared to 80 bps in FY23 (78 bps excluding performance fees). There were no performance fees received in FY24.

Expenses

Total expenses for Wealth Management in FY24 were $172.8 million, $2.4 million or 1% higher than FY23. The increase in expenses on FY23 was mainly driven by continued investment in staff and technology to support future business growth.

2.2.4 Funds under advice

Wealth Management's FUA at the end of FY24 was $19.8 billion, $1.2 billion or 7% higher than FY23 primarily due to positive net flows, investment performance and improvement in equity markets.

Net flows of $0.2 billion was $0.2 billion lower than FY23 due to higher-than-average outflows from the Native Title segment to fund client community payments and projects.

AT END OF	FY24	Net flows	Other[1]	FY23	2H24	1H24	2H23	1H23
	$B	$B	$B	$B	$B	$B	$B	$B
Total FUA	19.8	0.2	1.2	18.5	19.8	19.1	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, document custody and standby servicing solutions to the global debt capital markets and securitisation industry.

Managed Fund 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	FY24	FY23	FY24 v	FY24 v	2H24	1H24	2H23	1H23
	$M	$M	FY23	FY23	$M	$M	$M	$M
Debt Market Services	78.4	77.2	1.1	1%	40.2	38.1	38.9	38.3
Managed Funds Services	83.9	77.4	6.5	8%	42.8	41.1	38.3	39.0
Perpetual Digital	25.6	23.4	2.2	9%	13.4	12.2	12.1	11.3
Total revenue	187.8	178.0	9.8	6%	96.4	91.4	89.3	88.7
Operating expenses	(91.8)	(85.1)	(6.7)	(8%)	(47.0)	(44.8)	(43.4)	(41.7)
EBITDA	**96.0**	**92.9**	**3.1**	**3%**	**49.4**	**46.5**	**45.9**	**46.9**
Depreciation and amortisation	(7.8)	(8.4)	0.6	7%	(3.5)	(4.3)	(4.3)	(4.1)
Equity remuneration expense	(2.7)	(2.4)	(0.4)	(16%)	(1.4)	(1.3)	(1.4)	(1.0)
Interest expense	(0.5)	(0.5)	0.0	6%	(0.3)	(0.2)	(0.3)	(0.3)
Underlying profit before tax	**85.0**	**81.6**	**3.4**	**4%**	**44.2**	**40.8**	**40.0**	**41.7**

In FY24, Corporate Trust generated underlying profit before tax of $85.0 million, $3.4 million or 4% higher than FY23 with growth across all three business lines. The cost to income ratio remained relatively flat in FY24 at 54.7%, as compared to 54.1% in FY23.

2.3.3 Drivers Of Performance

Revenue

Corporate Trust generated revenue of $187.8 million in FY24, $9.8 million or 6% higher than in FY23. The main drivers of the improvement by business line were as detailed below.

In FY24, Debt Markets Services revenue was $78.4 million, $1.1 million or 1% higher than in FY23. Growth in revenue was predominantly driven by growth in the average FUA securitisation portfolio from new and existing clients in the bank and non-bank RMBS sectors, offset by lower activity in the document custody and agency trustee businesses.

In FY24, Managed Funds Services revenue was $83.9 million, $6.5 million or 8% higher than FY23. The increase was primarily due to continued market activity within commercial property, both in Australia and Singapore.

In FY24, Perpetual Digital revenue was $25.6 million, $2.2 million or 9% higher than FY23. The increase was primarily due to the continued organic growth from Laminar Capital, together with sales of the new SaaS products.

Expenses

Total expenses for Corporate Trust in FY24 were $102.8 million, $6.5 million or 7% higher than FY23. The increase in expenses was mainly due to continued investment in new SaaS products for clients to drive future growth, combined with implementation of PCT's new enterprise cloud payments and registry intelligence SaaS platform replacing PCT's legacy technology systems. There was additional investment for group technology infrastructure, cyber security and maintain regulatory compliance.

2.3.4 Funds Under Administration

AT END OF	FY24 $B	FY23 $B	FY24 v FY23	FY24 v FY23	2H24 $B	1H24 $B	2H23 $B	1H23 $B
Public Market Securitisation								
RMBS - bank (ADI)	63.9	52.4	11.5	22%	63.9	61.2	52.4	54.3
RMBS - non bank	89.5	79.3	10.2	13%	89.5	85.2	79.3	83.0
ABS & CMBS	67.1	60.7	6.4	11%	67.1	64.5	60.7	61.7
Balance Sheet Securitisation								
RMBS - repos	372.7	393.3	(20.6)	(5%)	372.7	390.1	393.3	393.1
Covered bonds	101.5	89.2	12.3	14%	101.5	99.8	89.2	83.4
Debt Market Services - Securitisation[1]	**694.7**	**674.9**	**19.8**	**3%**	**694.7**	**700.9**	**674.9**	**675.5**
Corporate and Structured Finance	16.0	16.2	(0.2)	(2%)	16.0	14.5	16.2	18.4
Total Debt Market Services	**710.7**	**691.1**	**19.6**	**3%**	**710.7**	**715.5**	**691.1**	**693.9**
Custody	245.1	244.5	0.5	0%	245.1	245.3	244.5	229.6
Wholesale Trustee	135.6	115.7	19.8	17%	135.6	124.8	115.7	117.2
Responsible Entity	56.0	52.1	3.9	7%	56.0	52.0	52.1	51.6
Singapore	59.1	59.0	0.1	0%	59.1	60.3	59.0	51.5
Managed Funds Services	**495.7**	**471.4**	**24.3**	**5%**	**495.7**	**482.4**	**471.4**	**449.9**
Total FUA	**1,206.4**	**1,162.5**	**43.9**	**4%**	**1,206.4**	**1,197.8**	**1,162.5**	**1,143.8**

1. Includes warehouse and liquidity finance facilities.

Corporate Trust had FUA of $1,206.4 billion at the end of FY24, $43.9 billion or 4% higher than in FY23. The main drivers of this FUA growth by business line is detailed below.

At the end of FY24, FUA in the Debt Market Services business was $710.7 billion, an increase of $19.6 billion or 3% on FY23. The movement was driven by growth across all the Market Securitisation segments with notably banks returning materially in the second half as they refinanced following the end of the Term Funding Facility. This was partially offset by the decline from repos and Corporate and Structured Finance.

At the end of FY24, Managed Funds Services FUA was $495.7 billion, an increase of $24.3 billion or 5% on FY23. The increase was driven by growth mainly from the Wholesale Trustee and Responsible Entity client portfolios.

2.4 Group Support Services

2.4.1 Business Overview

Group Support Services consist of Group Investments (inclusive of Seed Funding and Proprietary Investments), 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	FY24 $M	FY23 $M	FY24 v FY23	FY24 v FY23	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Interest Income	7.2	3.9	3.3	86%	3.5	3.8	3.0	0.9
Other Income	25.7	14.2	11.5	81%	13.7	11.8	4.3	9.8
Total revenue	32.9	18.0	14.8	82%	17.2	15.7	7.3	10.7
Operating expenses	(21.8)	(25.6)	3.8	15%	(13.8)	(8.0)	(14.7)	(10.9)
EBITDA	**11.1**	**(7.6)**	**18.7**	**Large**	**3.4**	**7.7**	**(7.4)**	**(0.2)**
Depreciation and amortisation	(7.4)	(2.3)	(5.1)	Large	(2.3)	(5.2)	(1.1)	(1.2)
Equity remuneration expense	(1.8)	(0.4)	(1.3)	Large	(0.9)	(0.9)	(0.1)	(0.3)
Interest expense	(57.7)	(31.8)	(26.0)	(82%)	(28.9)	(28.9)	(23.6)	(8.1)
Underlying profit before tax	**(55.8)**	**(42.1)**	**(13.7)**	**(33%)**	**(28.6)**	**(27.2)**	**(32.2)**	**(9.9)**

2.4.3 Drivers of Performance

Revenue

In FY24, Group Investments revenue was $32.9 million, $14.8 million or 82% higher than FY24. The increase was due to release of earnout provisioning, movement in the investing in product (IIP) portfolio, higher distribution income received from unit trust investments held in seed funds and CLO investments together with higher interest following rate increases over the period.

Expenses

Total expenses, comprising operating expenses, depreciation, amortisation, equity remuneration and interest expenses for Group Support Services in FY24 were $88.7 million, $28.6 million or 47% higher than in FY23. The increase in total expenses on FY23 was predominantly due to funding costs for the Pendal Group acquisition and higher interest rates in the period. FY24 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	FY24					2H24					1H24				
	Asset Management $M	Wealth Management $M	Corporate Trust $M	Group Support Services $M	Total $M	Asset Management $M	Wealth Management $M	Corporate Trust $M	Group Support Services $M	Total $M	Asset Management $M	Wealth Management $M	Corporate Trust $M	Group Support Services $M	Total $M
Operating revenue	887.6	226.8	187.8	32.9	1,335.0	447.9	115.7	96.4	17.2	677.2	439.6	111.0	91.4	15.7	657.8
Operating expenses	(652.6)	(159.8)	(91.8)	(21.8)	(926.0)	(331.4)	(82.1)	(47.0)	(13.8)	(474.3)	(321.2)	(77.7)	(44.8)	(8.0)	(451.7)
EBITDA	**235.0**	**67.0**	**96.0**	**11.1**	**409.0**	**116.6**	**33.6**	**49.4**	**3.4**	**202.9**	**118.4**	**33.4**	**46.6**	**7.7**	**206.0**
Depreciation and amortisation	(18.4)	(7.8)	(7.8)	(7.4)	(41.4)	(8.6)	(3.2)	(3.5)	(2.3)	(17.5)	(9.8)	(4.6)	(4.3)	(5.2)	(23.9)
Equity remuneration	(14.3)	(4.6)	(2.7)	(1.8)	(23.5)	(2.4)	(2.3)	(1.4)	(0.9)	(7.0)	(12.0)	(2.3)	(1.3)	(0.9)	(16.5)
EBIT	**202.2**	**54.6**	**85.5**	**1.9**	**344.1**	**105.6**	**28.1**	**44.5**	**0.2**	**178.4**	**96.6**	**26.5**	**40.9**	**1.6**	**165.7**
Interest expense	(1.8)	(0.6)	(0.5)	(57.7)	(60.6)	(0.9)	(0.2)	(0.3)	(28.9)	(30.2)	(0.9)	(0.4)	(0.2)	(28.9)	(30.4)
UPBT	**200.4**	**54.0**	**85.0**	**(55.8)**	**283.6**	**104.7**	**27.9**	**44.2**	**(28.6)**	**148.2**	**95.8**	**26.0**	**40.8**	**(27.2)**	**135.3**
Significant Items Pre Tax	**(710.2)**	**(2.8)**	**(1.1)**	**(28.3)**	**(742.4)**	**(629.5)**	**(0.7)**	**(0.6)**	**(28.0)**	**(658.8)**	**(80.7)**	**(2.1)**	**(0.5)**	**(0.3)**	**(83.6)**
Reportable Segment NPBT	**(509.7)**	**51.2**	**83.9**	**(84.2)**	**(458.9)**	**(524.8)**	**27.2**	**43.6**	**(56.7)**	**(510.6)**	**15.0**	**24.0**	**40.3**	**(27.5)**	**51.8**

PERIOD	FY23					2H23					1H23				
	Asset Management $M	Wealth Management $M	Corporate Trust $M	Group Support Services $M	Total $M	Asset Management $M	Wealth Management $M	Corporate Trust $M	Group Support Services $M	Total $M	Asset Management $M	Wealth Management $M	Corporate Trust $M	Group Support Services $M	Total $M
Operating revenue	600.4	217.4	178.0	18.0	1,013.8	418.4	110.4	89.3	7.3	625.5	182.0	107.0	88.7	10.7	388.3
Operating expenses	(437.7)	(155.4)	(85.1)	(25.7)	(703.9)	(298.5)	(77.8)	(43.4)	(14.7)	(434.4)	(139.2)	(77.6)	(41.7)	(10.9)	(269.5)
EBITDA	**162.8**	**62.0**	**92.9**	**(7.7)**	**310.0**	**119.9**	**32.6**	**45.9**	**(7.4)**	**191.1**	**42.8**	**29.3**	**46.9**	**(0.2)**	**118.9**
Depreciation and amortisation	(13.2)	(9.1)	(8.4)	(2.3)	(33.0)	(9.0)	(4.3)	(4.3)	(1.1)	(18.7)	(4.2)	(4.8)	(4.1)	(1.2)	(14.2)
Equity remuneration	(15.5)	(4.6)	(2.4)	(0.4)	(22.9)	(13.3)	(2.4)	(1.4)	(0.1)	(17.2)	(2.2)	(2.2)	(1.0)	(0.3)	(5.7)
EBIT	**134.1**	**48.3**	**82.1**	**(10.4)**	**254.1**	**97.6**	**25.9**	**40.2**	**(8.6)**	**155.1**	**36.5**	**22.4**	**41.9**	**(1.8)**	**99.0**
Interest expense	(1.4)	(1.3)	(0.5)	(31.7)	(34.9)	(1.0)	(1.1)	(0.3)	(23.6)	(25.9)	(0.4)	(0.2)	(0.3)	(8.1)	(9.0)
UPBT	**132.7**	**47.0**	**81.6**	**(42.1)**	**219.2**	**96.5**	**24.9**	**40.0**	**(32.2)**	**129.2**	**36.1**	**22.1**	**41.7**	**(9.9)**	**90.0**
Significant Items Pre Tax	**(134.3)**	**(5.8)**	**(1.9)**	**12.0**	**(130.0)**	**(119.3)**	**(3.0)**	**(0.8)**	**38.0**	**(85.0)**	**(15.0)**	**(2.8)**	**(1.1)**	**(26.1)**	**(45.0)**
Reportable Segment NPBT	**(1.6)**	**41.2**	**79.7**	**(30.1)**	**89.2**	**(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	FY24					2H24					1H24				
	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 and Integration costs[1]	(75.8)	(0.7)	0.1	(39.2)	(115.6)	(31.8)	0.0	-	(32.6)	(64.4)	(43.9)	(0.8)	0.1	(6.5)	(51.1)
Trillium	(3.4)	-	-	-	(3.4)	(1.5)	-	-	-	(1.5)	(1.9)	-	-	-	(1.9)
Barrow Hanley	(6.6)	-	-	-	(6.6)	(1.8)	-	-	-	(1.8)	(4.8)	-	-	-	(4.8)
Pendal Group	(65.8)	-	-	-	(65.8)	(28.5)	-	-	-	(28.5)	(37.2)	-	-	-	(37.2)
Other	-	(0.7)	0.1	(39.2)	(39.8)	-	0.0	-	(32.6)	(32.6)	-	(0.8)	0.1	(6.5)	(7.2)
Non-cash amortisation of acquired intangibles[2]	(73.8)	(2.1)	(1.2)	-	(77.1)	(35.8)	(0.8)	(0.6)	-	(37.2)	(38.0)	(1.3)	(0.6)	-	(39.9)
Unrealised gains/losses on financial assets[3]	-	-	-	10.9	10.9	-	-	-	4.6	4.6	-	-	-	6.2	6.2
Accrued incentive compensation liability[4]	(13.2)	-	-	-	(13.2)	(14.4)	-	-	-	(14.4)	1.2	-	-	-	1.2
Impairment losses on non-financial assets[5]	(547.4)	-	-	-	(547.4)	(547.4)	-	-	-	(547.4)	-	-	-	-	-
Significant Items Pre Tax	**(710.2)**	**(2.8)**	**(1.1)**	**(28.3)**	**(742.4)**	**(629.5)**	**(0.7)**	**(0.6)**	**(28.0)**	**(658.8)**	**(80.7)**	**(2.1)**	**(0.5)**	**(0.3)**	**(83.6)**

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. Relates to amortisation expense on customer contracts and non-compete agreements acquired through business combinations.
3. Relates to unrealised mark to market gains and losses on EMCF, seed fund investments and financial assets held for regulatory purposes. 1H24 has been restated to reflect all within Group Support Services.
4. This liability reflects the value of employee-owned units in Barrow Hanley.
5. A non-cash impairment charge was recognised against the carrying value of goodwill and other intangibles, resulting in the partial write-down of the current book value of the J O Hambro and TSW boutiques in the Asset Management division, of $417.4 million and $130.0 million respectively.

3.2 Appendix B: Bridge for FY24 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, FY24 reporting adjusted NPAT for the five types of significant items:

- those that are material in nature and in Perpetual's view do not reflect normal operating activities;
- non-cash amortisation of acquired intangibles;
- unrealised gains/losses on financial assets, this excludes unrealised gains/losses on financial assets held as a hedge to the Investing in Product scheme;
- accrued incentive compensation liability; and
- impairment losses on non-financial assets.

	FY24 Statutory Accounts	EMCF[1]	OFR adjustments: Transaction, Integration and Strategic Review costs				OFR adjustments				FY24 OFR
			Trillium	Barrow Hanley	Pendal Group	Other	Non-cash amortisation of acquired intangibles	Unrealised gains/losses on financial assets	Accrued incentive compensation liability	Impairment losses on non-financial assets	
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Revenue	1,357.5	(7.0)						(15.5)			1,335.0
Staff related expenses excluding equity remuneration expense	(762.4)		1.9	1.9	35.5	21.7			13.2		(688.2)
Occupancy, administrative and general expenses	(266.2)		0.1	4.8	11.8	11.8					(237.8)
Distributions and expenses relating to structured products	(7.0)	7.0									-
Equity remuneration expense	(44.6)		0.9		13.8	6.3					(23.5)
Depreciation and amortisation expense	(118.5)						77.1				(41.4)
Impairment losses on non-financial assets	(547.4)									547.4	-
Financing costs	(70.3)		0.5		4.6			4.6			(60.6)
Total expenses	(1,816.3)	7.0	3.4	6.6	65.8	39.8	77.1	4.6	13.2	547.4	(1,051.5)
Net (loss)/profit before tax	**(458.9)**	**-**	**3.4**	**6.6**	**65.8**	**39.8**	**77.1**	**(10.9)**	**13.2**	**547.4**	**283.5**
Income tax expense	(13.3)	-	(0.6)	(1.4)	(18.2)	(11.1)	(19.9)	4.3	(2.8)	(14.3)	(77.4)
Net (loss)/profit after tax	**(472.2)**	**-**	**2.7**	**5.2**	**47.5**	**28.7**	**57.2**	**(6.6)**	**10.4**	**533.1**	**206.1**
Significant Items (net of tax)											
Transaction, Integration and Strategic Review costs											
- Trillium											(2.7)
- Barrow Hanley											(5.2)
- Pendal Group											(47.5)
- Other											(28.7)
Non-cash amortisation of acquired intangibles											(57.2)
Unrealised gains/losses on financial assets											6.6
Accrued incentive compensation liability											(10.4)
Impairment losses on non-financial assets											(533.1)
Net (loss)/profit after tax attributable to equity holders											**(472.2)**

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		FY24	FY23	FY24 v	FY24 v	2H24	1H24	2H23	1H23
in Australian Dollars		**$B**	**$B**	**FY23**	**FY23**	**$B**	**$B**	**$B**	**$B**
Equities	Australia	29.3	19.8	9.4	48%	30.1	28.5	28.0	11.7
	Global / International	70.9	40.3	30.6	76%	72.1	69.7	64.1	16.5
	US	53.8	47.9	5.9	12%	55.3	52.3	50.6	45.3
	UK	8.0	4.1	3.9	100%	7.2	8.9	8.2	-
	Europe	1.4	0.7	0.7	100%	1.3	1.5	1.3	-
	Emerging Markets	8.5	4.0	4.6	100%	8.7	8.4	6.9	1.1
Total Equities		**171.9**	**116.8**	**55.1**	**47%**	**174.7**	**169.2**	**159.1**	**74.5**
Fixed income	Australia	10.2	7.9	2.3	30%	10.4	10.1	10.9	4.9
	US	10.2	9.6	0.6	7%	10.6	9.8	9.9	9.2
Multi Asset		9.5	6.1	3.4	56%	9.5	9.5	9.3	2.9
Other		0.8	0.8	0.1	10%	0.8	0.9	0.8	0.7
Total Asset Management Average AUM (ex Cash)		**202.7**	**141.1**	**61.6**	**44%**	**206.0**	**199.5**	**190.0**	**92.3**
Cash		13.6	5.8	7.8	136%	14.1	13.1	10.7	0.8
Total Asset Management Average AUM		**216.4**	**146.9**	**69.4**	**47%**	**220.1**	**212.6**	**200.7**	**93.1**
Wealth Management average AUM		**8.1**	**7.5**	**0.7**	**9%**	**8.5**	**7.8**	**7.6**	**7.3**
Total Group average AUM		**224.5**	**154.4**	**70.1**	**45%**	**228.5**	**220.4**	**208.3**	**100.4**

3.4 Appendix D: Full Time Equivalent Employees

AT END OF	2H24	1H24	2H23	1H23
Asset Management[1]	485	508	536	266
Wealth Management	493	469	468	419
Corporate Trust	335	322	307	299
Group Support Services[1]	564	560	552	426
Total operations	**1,877**	**1,859**	**1,870**	**1,411**
Permanent	1,854	1,839	1,845	1,378
Contractors	23	21	24	33
Total operations	**1,877**	**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
FY24	Final	4 Oct 2024	53 cents	50%	30%	Not determined at time of publication
1H24	Interim	8 April 2024	65 cents	35%	30%	$24.58
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
CLO	Collateralised Loan Obligations
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 (loss)/profit before tax
NPAT	Net (loss)/profit after tax
NPS	Net Promoter Score
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
WPS	William Patrick Schubmehl

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