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5 May 2022

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

*Via electronic lodgment*

## **Macquarie Australia Conference Presentation**

Attached is Perpetual Limited's (the Company) investor presentation to be delivered by the Company today at the Macquarie Australia Conference. A copy of the presentation will also be available on the Company's website.

**Yours faithfully**

Sylvie Dimarco  
Company Secretary (Authorising Officer)

### **About Perpetual**

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

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# Perpetual Limited (ASX:PPT) Macquarie Australia Conference

5 May 2022

Rob Adams Chief Executive Officer & Managing Director

Trust is earned.

Perpetual 



# Disclaimer

## Important information

This presentation is in summary form and is not necessarily complete. It should be read together with Perpetual Limited's (Perpetual) consolidated financial statements and other announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au). The presentation is general information and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances.

This presentation contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors. Perpetual cautions against reliance on any forward-looking statements, particularly due to geopolitical and global economic uncertainty, volatility in the market and the ongoing disruption caused by COVID-19.

While Perpetual has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. Perpetual will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections from time to time. Perpetual undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

The Product Disclosure Statement (PDS) for the Perpetual Asset Management Australia funds are issued by Perpetual Investment Management Limited ABN 18 000 866 535 AFSL 234426. The applicable PDS, or offer document for a strategy offered by either Trillium Asset Management or Barrow Hanley Global Investors, should be considered before deciding whether to acquire or hold units in a fund or strategy. The applicable PDS, and Target Market Determination, can be obtained by calling 1800 022 033 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au). Past performance is not indicative of future performance.

Disclaimer: The Zenith Fund Awards were issued on 15 October 2021 by Zenith Investment Partners (ABN 27 130 132 672, AFSL 226872) and are determined using proprietary methodologies. The Fund Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. To the extent that the Fund Awards constitutes advice, it is General Advice for Wholesale clients only without taking into consideration the objectives, financial situation or needs of any specific person. Investors should seek their own independent financial advice before making any investment decision and should consider the appropriateness of any advice. Investors should obtain a copy of and consider any relevant PDS or offer document before making any investment decisions. Past performance is not an indication of future performance. Fund Awards are current for 12 months from the date awarded and are subject to change at any time. Fund Awards for previous years are referenced for historical purposes only.

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# Perpetual: a unique, high quality and growing financials business

A distinctive business with highly regarded asset management capabilities, financial advisory and trustee services, providing earnings resilience through market cycles

A clear strategy that is being successfully executed, delivering results

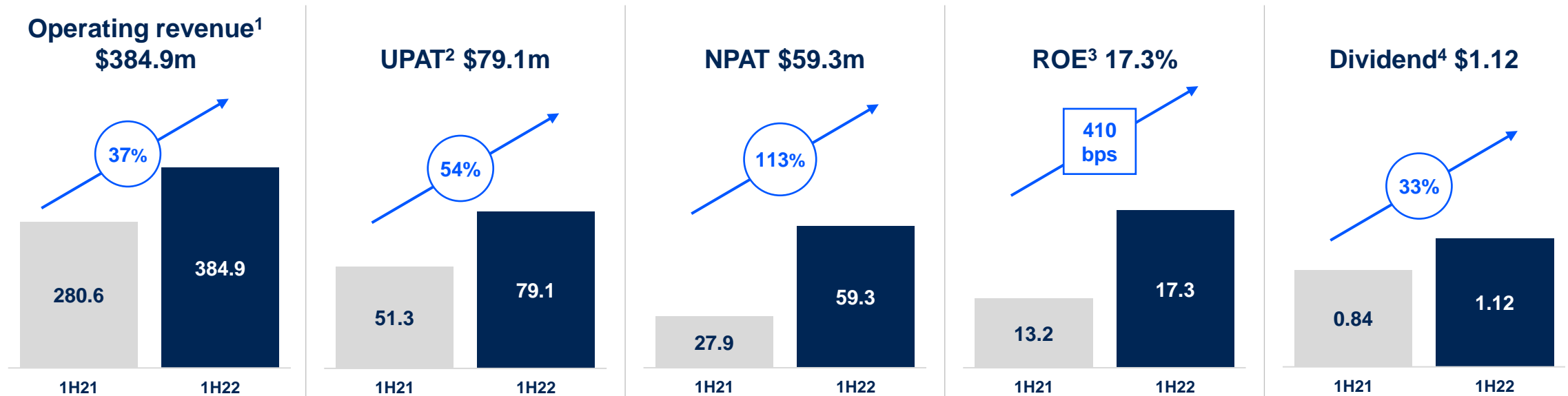
Momentum across all businesses: strong relative investment performance in asset management, exceptional growth in trustee services and continued positive net flows from private clients

All businesses leveraged to positive long-term system growth in their respective markets

Continue to invest in growth with discipline, both organically and inorganically

# Recent financial results (1H22)

Positive momentum across all divisions delivering strong Group results



1. Operating revenue is presented net of distributions and expenses of the EMCF structured products. For statutory purposes, revenue, distributions and expenses are adjusted to reflect the gross revenue and expenses of these products. 2. 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. 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. Prior periods comparative has been restated due to a change in accounting policy on the treatment of Software-as-a-service (SaaS) costs. Refer to Section 5-2 in the Financial Statements. 3. ROE is calculated using UPAT attributable to equity holders of Perpetual Limited for the period, divided by average equity attributable to equity holders of Perpetual Limited over the period in order to arrive at an annualised ROE. The change on 1H21 is shown in basis points. 4. Dividends payable as a proportion of UPAT on ordinary fully paid shares at the end of each reporting period. Perpetual's dividend policy is to pay dividends within a range of 60% to 90% of UPAT on an annualised basis and maximising returns to shareholders.

# Recent operational highlights<sup>1</sup>

## Execution of strategy delivering positive outcomes



**~80%**

of all strategies<sup>2</sup>  
outperformed their  
benchmarks over 3  
years<sup>3</sup>



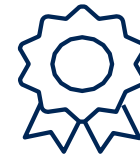
**7 years**

on track to deliver  
**strongest year** of  
intermediary flows in  
PAMA in 7 years



**17**

consecutive halves  
of net inflows for  
Perpetual Private



**No. 1**

Zenith  
Fund Manager  
of the Year<sup>4</sup>



**A\$1bn+**

net flows for Trillium  
over 12 months<sup>5</sup>



**\$1tr**

new milestone for  
Perpetual Corporate  
Trust FUA<sup>6</sup>

1. To be read in conjunction with our Q3 Business Update dated 21 April 2022. 2. Includes both PAMI and PAMA. Please refer to slide 7 for further performance information. 81% of PAMI strategies and 79% of PAMA strategies outperformed their benchmarks over 3 years. PAMA investment returns, net of management costs have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management costs) and assuming reinvestment of distributions on the ex-date. Trillium and Barrow Hanley results reflect performance on a gross basis. 3. Past performance is not an indicator of future performance. 4. The Zenith Fund Awards were issued on 15 October 2021 by Zenith Investment Partners (ABN 27 130 132 672, AFSL 226872) and are determined using proprietary methodologies. See slide 2 for full disclaimer. 5. From all sources, all regions, translated at AUD:USD 0.75 as at 31 March 2022. 6. Funds under administration as at 31 March 2022

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# We are now in a 'value' period for investment markets

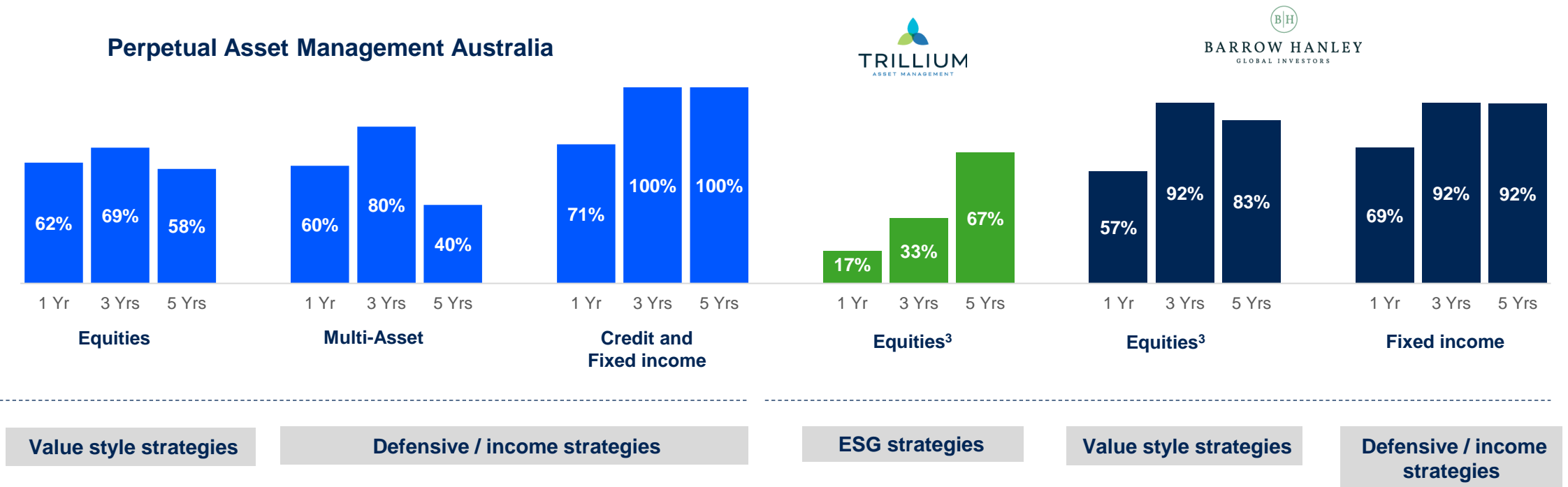
Ideal environment for majority of Perpetual's investment capabilities to outperform

## Characteristics of a 'value' market

Strong, but uneven, recovery in global growth	✓
Inflationary environment	✓
Pricing pressures	✓
Supply chain pressures	✓
Labour market pressures	✓
Rising central bank rates	✓
Rising bond yields	✓
Active fiscal policy management	✓
Geopolitical uncertainty	✓
Normalisation of equity market valuations	✓

# Recent investment performance positions us well for the value rotation

## Proportion of strategies outperforming benchmark<sup>1,2</sup>



1. Performance as at 31 March 2022. 2. Past performance is not an indicator of future performance. See [www.perpetual.com.au](http://www.perpetual.com.au), [www.barrowhanley.com](http://www.barrowhanley.com) and [www.trilliuminvest.com](http://www.trilliuminvest.com) for relevant performance. PAMA investment returns, net of management costs have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management costs) and assuming reinvestment of distributions on the ex-date. Trillium and Barrow Hanley results reflect performance on a gross basis. The product disclosure statements (PDS) or disclosure document of any of the capabilities or funds should be considered before deciding whether to acquire or hold units in any such offering. 3. Trillium includes US Equities and Global Equities, Barrow Hanley equities includes US Equities and Global Equities. These strategies are available to US investors only.



# Our unique combination of businesses provides earnings resilience

## ~30% of group revenue not linked to investment markets

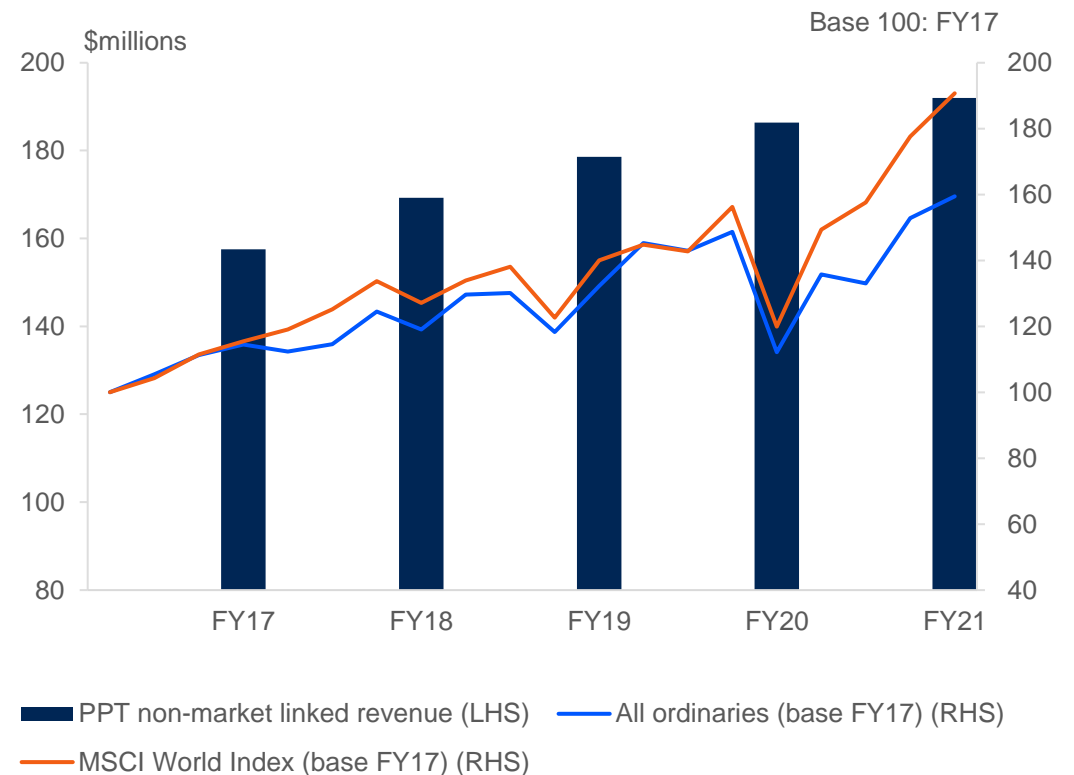
### Corporate Trust: provides critical infrastructure across the financial services market

- Provides a broad range of fiduciary, agency and digital products to the debt capital markets and managed funds industries both domestically and internationally
- Delivered 15% UPBT 10-year CAGR<sup>1</sup>
- Over \$1 trillion in funds under administration<sup>2</sup>
- Named “Trustee of the Year” for the 6<sup>th</sup> consecutive year<sup>3</sup>

### Perpetual Private: a highly respected advisory business focused on HNW<sup>4</sup> individuals, businesses and not-for-profits

- HNW<sup>4</sup> advisory services across financial advice, portfolio management, risk, estate administration, trustee services and tax and accounting
- One of Australia’s largest managers of philanthropic funds
- 31% of revenue in FY21 from non-market related sources driven by accounting and fiduciary advice and services
- Delivered the 17<sup>th</sup> consecutive half of net inflows in 1H22

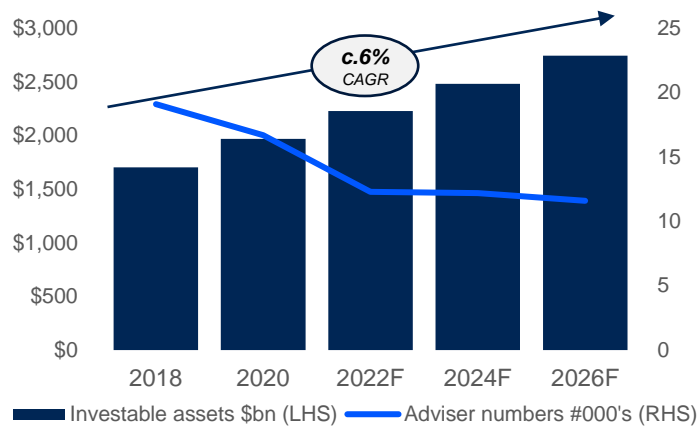
### Non-market linked revenue<sup>5</sup> versus All Ordinaries and MSCI World indices<sup>6</sup> over 5 years



1. 10-year compound annual growth rate taken at 31 December 2021, based on first half results in each reporting period. 2. As at 31 March 2022. 3. Trustee of the Year awarded by KangaNews. All rights reserved 2021. 4. HNW stands for high-net worth. 5. Total non-market linked revenue is the sum of Perpetual Corporate Trust total revenue and Perpetual Private non-market related revenue in each year. 6. ASX All Ordinaries and MSCI World index values are charted on a quarterly basis, using FY17 as the base.

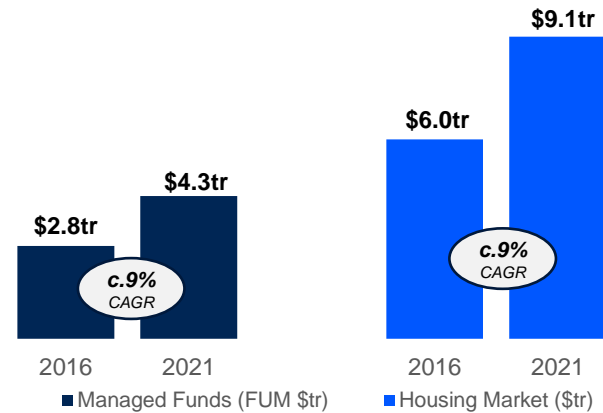
# Positive long-term system growth across our core markets

## \$1m+ Australian wealth segment v financial adviser #'s<sup>3</sup> (2018 – 2026F)



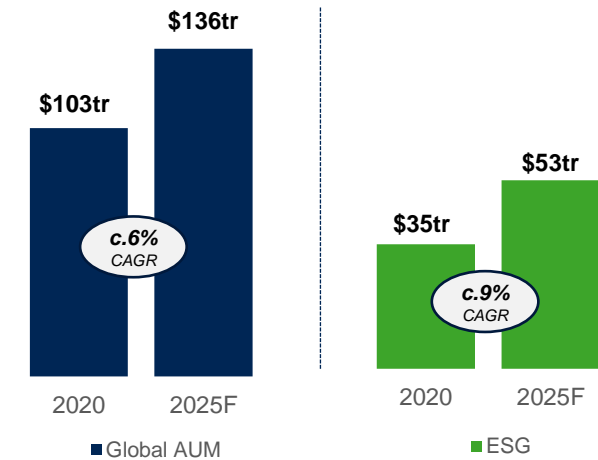
- \$1m+ segment in Australia expected to grow at c.6% vs 4% total system growth
- Growing wealth will increase demand for advice conversely declining number of advisers will create a widening advice gap
- Greatest intergenerational wealth transfer approaching

## Australian Managed Funds<sup>4</sup> and Housing market<sup>5</sup> (2016 – 2021)



- Strong growth across key drivers for corporate trustees business
- c.\$4.3tr AUM in Managed Funds at June 2021<sup>4</sup>
- Australian residential real estate surpassed \$9tr at September 2021<sup>5</sup>
- Australian real estate and the capital flows into real-estate bouncing back after COVID-19 impact

## Global AUM<sup>1</sup> and ESG AUM<sup>2</sup> (US\$tr) (2020 – 2025F)

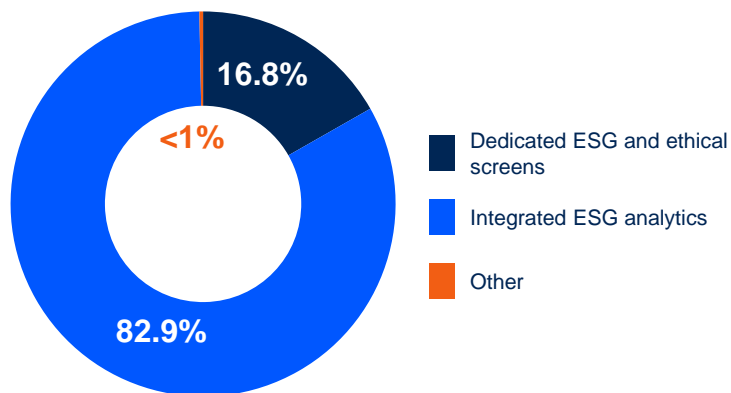


- Strong system growth expected across all regions
- ESG growth expected to outpace total system growth targeting c.\$53tr by 2025 – this will represent over a third of global AUM

# ESG capability - a key strategic focus area

## Leveraging 'traditional' investment capabilities to dedicated ESG capabilities

1H22 AUM<sup>1</sup> by capability approach<sup>2</sup>



**Definitions:**

**Dedicated ESG and ethical screens**

AUM that has a specialist ESG purpose/approach as well as mandates that have ethical screens applied

**Integrated ESG**

AUM where consideration of ESG factors is incorporated into investment analysis, decision making and ownership practices

**Other**

AUM where ESG factors can not be applied, such as derivatives

### Leveraging traditional capabilities

**New capabilities**

- Multi-asset ESG Real Return Fund – June 2021
- Barrow Hanley Global Value ESG UCITS – March 2022
- Barrow Hanley US Large Cap Value ESG UCITS – Q1 FY23

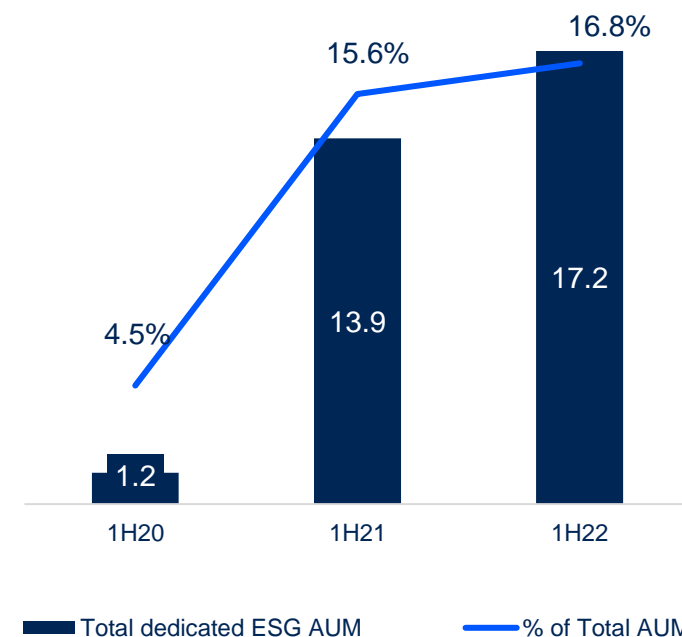
**New investment teams**

- Trillium added a proven global equities team to launch a Global ESG High Conviction strategy

**New channels**




- Active ETF, Ethical SRI Fund, launched on the ASX (ASX:GIVE)
- Accessing new investors in the US, Europe and Asia through UCITS and Mutual Fund structures for the first time in Barrow Hanley and Trillium's history

Growth in dedicated ESG AUM (\$b, %)



1. Reflects percentage of total AUM across PAMI and PAMA, as at 31 December 2021. 2. The headline names have been changed from "Specialist/Integrated ESG and/or Ethical" at the Investor Day 2021 on 9 December 2021, to "Dedicated ESG and/or Ethical", and from "Proprietary ESG" to "Integrated ESG" to align with the UN PRI definitions. 3. UN PRI ratings are for 2020 with 2021 ratings yet to be provided.

# A strategy delivering sustained growth

OUR STRATEGY		
<b>OUR PURPOSE</b> Enduring prosperity	<b>OUR VISION</b> Most trusted in financial services	<b>OUR VALUES</b> Excellence, integrity, partnership
<b>Clients</b> Trusted brand and enduring relationships	<b>People</b> Attract, develop and inspire the best people	<b>Shareholders</b> Delivering sustainable quality growth
STRATEGIC IMPERATIVES		
 <b>Client first</b> Exceptional products Outstanding service	 <b>Future fit</b> Empowering our people to deliver high performance	 <b>New horizons</b> New capabilities Global footprint
<ul style="list-style-type: none"> <li>Exceed client needs with products and services</li> <li>Improve client connectivity and delivery through innovative digital solutions</li> <li>Set industry leading standards in all that we do</li> </ul>	<ul style="list-style-type: none"> <li>Agile, efficient and scalable operating platform to manage growth</li> <li>A strong culture where people are positively challenged and empowered within our stated risk appetite</li> <li>Contemporary technology platform</li> </ul>	<ul style="list-style-type: none"> <li>Build global investment distribution capabilities</li> <li>Improve and diversify our growth potential both organically and via an active M&amp;A agenda across our businesses</li> <li>Deliver contemporary solutions to our clients</li> </ul>
ENABLERS		
<b>Brand</b>	<b>Leadership</b>	<b>Innovation</b>

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# FY22: Positive momentum and continued focus on growth

Market shift to 'value' benefiting our investment performance and client interest, with a continual improvement in new client pipeline, particularly in Europe

Brand strength in retail segment combined with solid investment performance leading to significant improvement in intermediary sales in Australia

Post lockdown environment benefiting Perpetual Private with an uplift in client engagements and Jacaranda Financial Planning providing further growth opportunities through planned east coast expansion

In PCT, Laminar Capital performing well ahead of expectations as part of Perpetual Digital. Perpetual Digital is well positioned to drive growth in its client base, with four new products launched already this year

Continued disciplined focus on M&A opportunities across all divisions

Reaffirm FY22 operating expense growth guidance of between 18% - 22%<sup>1</sup>

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# Why invest in Perpetual



**Unique portfolio** of businesses underpins resilience through market cycles



**Trusted brand** with a strong and established heritage



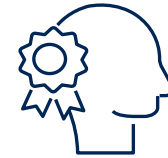
**Clear strategy** executed at pace and delivering results



**Disciplined investment** in quality growth opportunities



**Strong balance sheet** and financial flexibility



**A highly experienced leadership team** focused on delivery

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# Q&A

Trust is earned.

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Thank you.

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# Contacts

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🌐 [barrowhanley.com](http://barrowhanley.com)

🌐 [trilliuminvest.com](http://trilliuminvest.com)

🌐 [linkedin.com/company/perpetual-limited/](https://www.linkedin.com/company/perpetual-limited/)

🐦 [twitter.com/perpetual\\_ltd](https://twitter.com/perpetual_ltd)

## About Perpetual

Perpetual Limited (ASX:PPT) is an ASX-listed, diversified financial services company, which has been serving clients since 1886. Across our four businesses: Perpetual Asset Management Australia, Perpetual Asset Management International, Perpetual Corporate Trust and Perpetual Private, we aim to protect and grow our clients' wealth, knowing that by doing so we can make a difference in their lives. We have been earning the trust of our clients for more than 130 years and pride ourselves on our long-standing client relationships – Trust is earned, every day.

For further information, go to [www.perpetual.com.au](http://www.perpetual.com.au)

Perpetual's Head Office is located in Sydney New South Wales with offices in Australian Capital Territory, Victoria, South Australia, Western Australia, Queensland, Chicago, Hong Kong, Singapore and Amsterdam.

Trillium's offices are located in Boston, San Francisco, Portland, London, Edinburgh.

Barrow Hanley offices are located in Dallas.



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# Appendix

## 1H22 RESULTS – SUMMARY SLIDES

# 1H22 financial results

## UPAT up 54% and dividend up 33%

For the period	1H22 \$m	2H21 <sup>4</sup> \$m	1H21 <sup>4</sup> \$m	1H22 v 2H21 (%)	1H22 v 1H21 (%)
Operating revenue	384.9	359.9	280.6	7%	37%
Total expenses	(275.3)	(260.9)	(210.4)	(6%)	(31%)
Underlying profit before tax (UPBT)	109.6	99.1	70.3	11%	56%
Tax expense	(30.5)	(27.6)	(19.0)	(11%)	(61%)
<b>Underlying profit after tax (UPAT)<sup>1</sup></b>	<b>79.1</b>	<b>71.5</b>	<b>51.3</b>	<b>11%</b>	<b>54%</b>
Significant items <sup>2</sup>	(19.8)	(26.5)	(23.4)	26%	16%
<b>Net profit after tax (NPAT)</b>	<b>59.3</b>	<b>45.0</b>	<b>27.9</b>	<b>32%</b>	<b>113%</b>
Diluted EPS on UPAT (cps) <sup>3</sup>	138.1	125.2	93.2	10%	48%
Diluted EPS on NPAT (cps) <sup>3</sup>	103.6	78.9	50.6	31%	105%
Dividends (\$ps)	1.12	0.96	0.84	17%	33%
Return on equity on UPAT (%)	17.3	15.8	13.2	1.5	4.1
Return on equity on NPAT (%)	13.0	10.0	7.2	3.0	5.8

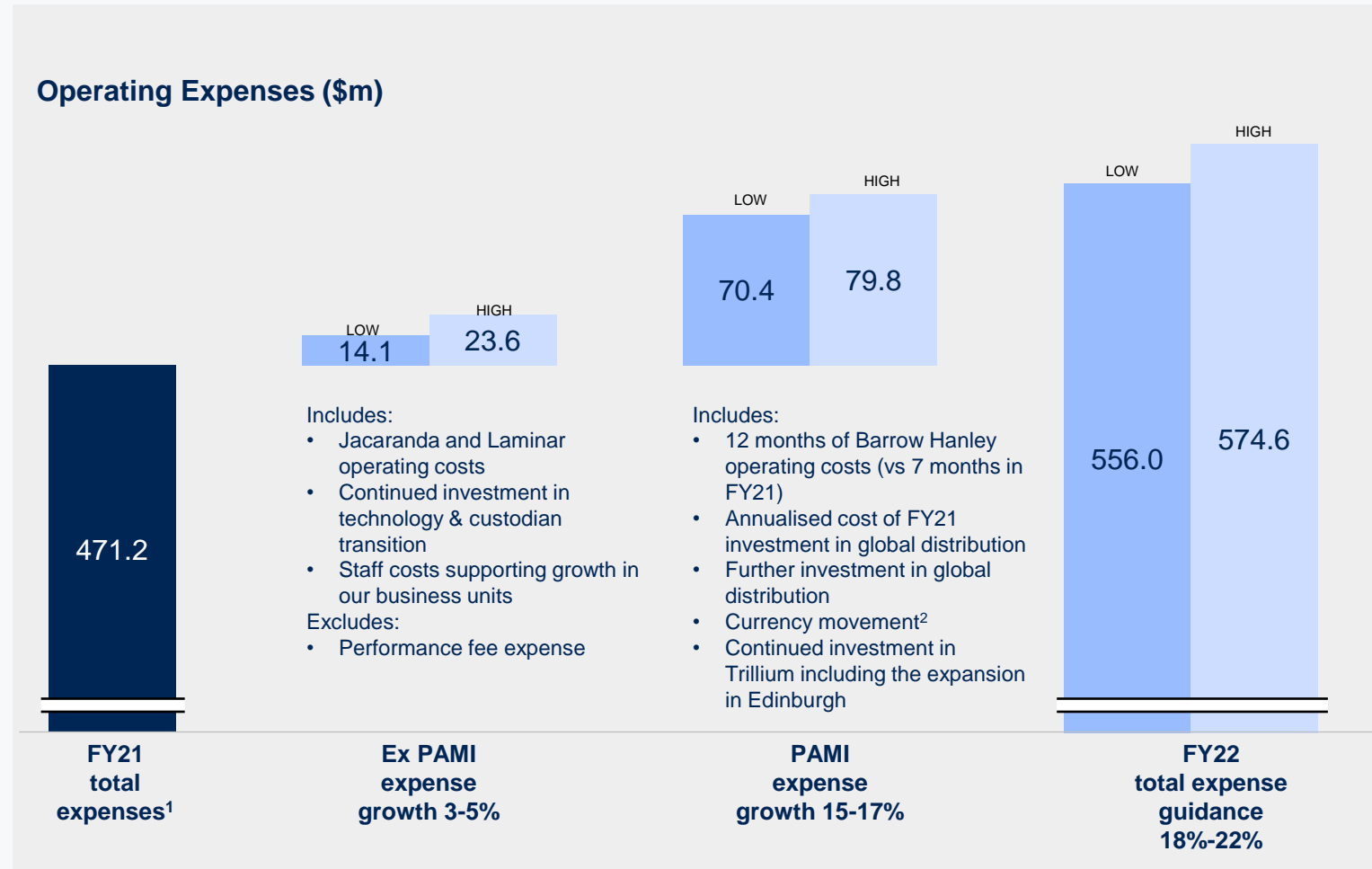
### Key highlights

- Revenue growth of 37% primarily driven by a full six month contribution from Barrow Hanley, and solid growth across Perpetual Private and PCT
- Underlying expenses increased 31% mainly due to the addition of expenses relating to newly acquired businesses Jacaranda Financial Planning, Laminar Capital and a full six months of Barrow Hanley, as well as higher variable remuneration and investment in technology
- Significant items of \$19.8m mainly comprised of transaction and integration costs associated with the acquisition/establishment of Barrow Hanley, Trillium and other acquisitions, as well as the amortisation of acquired intangibles

1. Underlying profit after tax (UPAT) attributable to equity holders of Perpetual Limited. 2. Significant items breakdown shown in Appendix A and Appendix B of the OFR and are shown net of tax. 3. Fully diluted using the weighted average number of ordinary shares and potential ordinary shares on issue (1H22: 57,259,782). 4. 1H21 UPAT has been restated due to a change in accounting policy on the treatment of Software-as-a-service (SaaS) costs. Refer to Section 5-2 in the Financial Statements

# FY22 guidance

## Continuing to invest in our growth strategy



### Growth related expenses

The operating expense growth attributable to growth investments is expected to be 2-3% ex PAMI and 13-14% for PAMI. Growth investments include acquisitions (Barrow Hanley and others made during 1H22), investment in distribution and new strategies/ channels

### Significant items

Significant items relating to transaction and integration costs as well as amortisation of acquired intangibles expected to be within a range between \$45-47 million<sup>3</sup> after tax

### Full Year Outlook

Positive momentum across all operating divisions

Earnings to be driven by continued investment in both organic and inorganic initiatives

1. 1H21 UPAT has been restated due to a change in accounting policy on the treatment of Software-as-a-service (SaaS) costs. Refer to Section 5-2 in the Financial Statements. 2. Assumes AUD:USD FX rate of 0.72 in FY22 3. Significant items guidance outlined above does not include unrealised gains/losses on financial assets and fair value movements associated with the Barrow Hanley accrued incentive compensation liability

# Balance sheet

## Strong financial position with headroom for further growth

For the period	1H22 \$m	2H21 <sup>1</sup> \$m	1H21 <sup>1</sup> \$m	1H22 v 2H21 (%)	1H22 v 1H21 (%)
Cash	130.9	147.1	172.1	(11%)	(24%)
Liquid investments (FVTPL)	154.8	150.4	133.7	3%	16%
Goodwill & other intangibles	929.2	862.9	863.5	8%	8%
Other	490.6	456.4	489.2	7%	-
<b>Total assets</b>	<b>1,705.5</b>	<b>1,616.9</b>	<b>1,658.5</b>	<b>5%</b>	<b>3%</b>
Borrowings (net of costs)	248.1	166.0	219.4	49%	13%
Other liabilities	538.1	543.8	537.7	(1%)	-
<b>Total liabilities</b>	<b>786.2</b>	<b>709.8</b>	<b>757.1</b>	<b>11%</b>	<b>4%</b>
<b>Net assets</b>	<b>919.3</b>	<b>907.1</b>	<b>901.4</b>	<b>1%</b>	<b>2%</b>

### Key movements vs 2H21

- Moderate decrease in **Cash** related to acquired businesses and payment of the final dividend. Offset by cash inflows for the drawdown of debt and operating cash activities
- Increase in **Liquid investments** reflects an increase in seed fund investments relating to ETFs and mutual funds
- Increase in **Goodwill and other intangibles** due to the acquisitions of Jacaranda and Laminar
- The increase in **Borrowings** reflects the draw down of debt to fund strategic initiatives with additional capacity remaining for further investment
- **Gearing ratio**<sup>2</sup> of 21.5% up from 20.0% in 1H21

1. Prior periods comparative have been restated due to a change in accounting policy on the treatment of Software-as-a-service (SaaS) costs. 2. Gearing ratio is calculated corporate debt / (corporate debt + equity)