Perpetual Limited
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25 August 2022

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

Perpetual FY22 Financial Results

The following announcements to the market are provided:

- FY22 Appendix 4E
- FY22 ASX Announcement
- FY22 Full Year Statutory Accounts
- FY22 Results Presentation
- ✓ FY22 Operating and Financial Review
- Appendix 4G
- FY22 Corporate Governance Statement

Yours faithfully,

Sylvie Dimarco
Company Secretary
(Authorising Officer)

Operating and Financial Review

For the 12 months ended 30 June 2022

Perpetual Limited
ABN 86 000 431 827

Trust is earned.

Perpetual

Notes

Note that in this review:

- FY22 refers to the financial reporting period for the 12 months ended 30 June 2022
- 1H22 refers to the financial reporting period for the 6 months ended 31 December 2021
- 2H22 refers to the financial reporting period for the 6 months ended 30 June 2022

with similar abbreviations for previous and subsequent periods.

This is a review of Perpetual's operations for the 12 months ended 30 June 2022 (FY22). It also includes a review of its financial position as at 30 June 2022.

The following information should be read in conjunction with the Group's audited consolidated financial statements and associated notes for FY22.

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

Operating and Financial Review
For the 12 months ended 30 June 2022

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1 About Perpetual

1.1 Overview

Perpetual Limited (Perpetual) is a global financial services firm operating in asset management, financial advisory and trustee services. Perpetual services a global client base from its offices in Australia as well as its international offices in the United States, United Kingdom, the Netherlands, Singapore and Hong Kong. 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.

1.1.1 Strategy

Perpetual's vision is to be the "most trusted in financial services"[1].

Perpetual's strategy is focused on delivering sustained growth and seeks to build on the foundation of three core businesses, forming a scalable business model supported by shared central services and a strong brand.

In pursuing its growth strategy, the Group is committed to the following strategic imperatives:

- Client first – delivering exceptional products and outstanding service;
- Future fit – a scalable business platform that empowers our people to deliver high performance; and
- New horizons – adding new capabilities and building a global footprint.

Perpetual's unique combination of market leading businesses provides the group with a broad array of growth opportunities.

Perpetual Asset Management's vision is to create a market leading global business of high-quality asset management capabilities delivered by the two operating segments of Perpetual Asset Management International (PAMI) and Perpetual Asset Management Australia (PAMA). Perpetual Asset Management provides a foundation for sustained quality growth by offering world-class investment capabilities, expanding its global distribution footprint and investment in a contemporary and scalable global business.

Perpetual Private's vision is to empower families, businesses and communities to achieve their aspirations by delivering advisory service excellence. With a client centred fiduciary heritage, Perpetual Private reaches into segments where client goals are aligned to a "protect first" and then "grow" investment philosophy.

Perpetual 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 client's strategy through the provision of service excellence and digital solutions. Perpetual 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.

[1] Measured as part of an annual brand strengths survey with the Perpetual Private target market and the Perpetual Asset Management Australia retail target market.

1.1.2 Operating Segments & Principal Activities

Perpetual Asset Management International provides investment products and services to global retail and institutional clients, including a distribution presence in the United States, United Kingdom, the Netherlands and Hong Kong. Investment management firm, Barrow Hanley Global Investors (Barrow Hanley), and boutique ESG investment management firm, Trillium Asset Management (Trillium), form part of this operating segment to offer a breadth of high-quality global investment capabilities to our clients.

Perpetual Asset Management Australia provides investment products and services to Australian and New Zealand retail, corporate, superannuation and institutional clients, with investment capabilities spanning Australian equities, credit and fixed income, multi-asset and global equities.

Perpetual Private is an advisory services business focused on the comprehensive needs of families, businesses and communities. Support for clients spreads across financial advice, risk, estate administration, trustee services and tax and accounting as well as portfolio management. The business is focused on client service excellence and attracting and retaining exceptional talent to meet those standards in our chosen segments.

Perpetual Corporate Trust provides a broad range of fiduciary, agency and digital products to the debt capital markets and managed funds industries both domestically and internationally. **Debt Market Services** includes trustee, document custodian, agency, trust management, accounting, standby servicing and reporting solutions. **Perpetual Digital** provides data services, industry roundtables, and our new Perpetual Intelligence platform-as-a-service products supporting the banking and financial services industry. **Managed Funds Services** provides services including independent responsible entity, wholesale trustee, custodian, investment management and accounting.

The business units are supported by **Group Support Services** comprising Group Investments, CEO, Finance, Corporate Affairs, Marketing, Legal, Audit, Risk, Compliance, Company Secretary, Technology, Project & Change Management, Operations, Product and People & Culture.

1.2 Group Financial Performance

Profitability and Key Performance Indicators

FOR THE PERIOD	FY22 $M	FY21[2] $M	FY22 v FY21	FY22 v FY21
Operating revenue	767.7	640.6	127.1	20%
Total expenses	(566.5)	(471.2)	(95.3)	(20%)
Underlying profit before tax (UPBT)	**201.2**	**169.3**	**31.9**	**19%**
Tax expense	(53.0)	(46.6)	(6.5)	(14%)
Underlying profit after tax (UPAT)[1]	**148.2**	**122.8**	**25.4**	**21%**
Significant items[3]	(47.0)	(49.9)	2.9	6%
Net profit after tax (NPAT)	**101.2**	**72.9**	**28.3**	**39%**

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. 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 6-4 in the Financial Statements.
3. Significant items include (refer to Appendix A and Appendix B for further details):

	PROFIT/(LOSS) AFTER TAX						
FOR THE PERIOD	FY22 $M	FY21 $M	FY22 v FY21	2H22 $M	1H22 $M	2H21 $M	1H21 $M
Transaction and Integration costs	(22.2)	(32.8)	10.6	(5.7)	(16.5)	(11.9)	(20.9)
- Trillium	(3.0)	(2.9)	(0.1)	(1.7)	(1.4)	(1.5)	(1.4)
- Barrow Hanley	(16.8)	(28.8)	12.0	(2.5)	(14.4)	(9.6)	(19.2)
- Other	(2.4)	(1.1)	(1.3)	(1.6)	(0.8)	(0.8)	(0.2)
Non-cash amortisation of acquired intangibles	(18.6)	(13.6)	(5.0)	(9.0)	(9.5)	(9.1)	(4.5)
Unrealised gains/losses on financial assets	(10.9)	6.7	(17.6)	(10.2)	(0.7)	3.3	3.5
Accrued incentive compensation liability	4.7	(10.2)	14.9	(2.3)	7.0	(8.8)	(1.5)
Total significant items	**(47.0)**	**(49.9)**	**2.9**	**(27.3)**	**(19.8)**	**(26.5)**	**(23.4)**

KEY PERFORMANCE INDICATORS (KPI)	FY22	FY21[5]	FY22 v FY21	FY22 v FY21
Profitability				
UPBT margin on revenue (%)	26	26	(0)	
Shareholder returns				
Diluted earnings per share (EPS)[1] on NPAT (cps)	176.5	129.6	46.9	36%
Diluted earnings per share (EPS)[1] on UPAT (cps)	258.4	218.4	40.1	18%
Dividends (cps)	209.0	180.0	29.0	16%
Franking rate (%)	100	100	-	
Dividend payout ratio[2] (%)	80	83	(3)	
Return on Equity (ROE)[3] on NPAT (%)	11.0	9.3	1.7	
Return on Equity (ROE)[3] on UPAT (%)	16.2	15.7	0.4	
Growth				
Perpetual average assets under management (AUM) $B[4]	107.2	75.8	31.4	41%
Average funds under advice (FUA) $B	18.3	15.4	2.9	19%
Closing Debt Markets Services FUA $B	682.2	582.9	99.3	17%
Closing Managed Funds Services FUA $B	410.1	339.9	70.2	21%

1. Diluted EPS is calculated using the weighted average number of ordinary shares and potential ordinary shares on issue of 57,346,980 for FY22 (FY21: 56,226,656).
2. Dividends paid / payable as a proportion of UPAT on ordinary fully paid shares at the end of each reporting period.
3. 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.
4. Refer to Appendix C for a breakdown by operating segment.
5. 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 6-4 in the Financial Statements.

1.2.1 Financial Performance

For the 12 months to 30 June 2022, Perpetual's UPAT was $148.2 million and NPAT was $101.2 million.

FY22 UPAT was 21% higher than FY21 driven by earnings growth across all four operating segments:

- Perpetual Asset Management International largely due to the acquisition of Barrow Hanley (completed on 17 November 2020), higher average AUM for the period due to higher average equity markets and investment performance, partially offset by the build out of global distribution infrastructure and capability
- Improved performance across Perpetual Asset Management Australia asset classes with increased average AUM due to higher average equity markets and investment performance
- Positive momentum in Perpetual Private driven by market related revenue, continued positive net flows (supported by growth initiatives and acquisition of Jacaranda in 1H22) and strong performance of the portfolio
- Strong growth in Perpetual Corporate Trust across all of its service lines, along with the establishment of Perpetual Digital following the acquisition of Laminar Capital in 1H22.

FY22 NPAT was 39% higher than FY21, due to significant increase in UPAT as mentioned above and slightly lower significant items (refer to Appendix A and Appendix B).

The key drivers of revenue and expenses at 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 Perpetual Asset Management International and Perpetual Asset Management Australia is the value of assets under management (AUM), which is primarily influenced by the level of the US, Global and Australian equity markets. Perpetual Private's main driver of revenue is funds under advice (FUA) and for Perpetual 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[2] – inflows, outflows and distributions; and changes in pricing policy, channel and product mix.

In FY22, Perpetual generated $767.7 million of total operating revenue, which was $127.1 million or 20% higher than FY21. Revenue growth was primarily driven by higher average AUM due to higher equity markets, twelve months contribution of Barrow Hanley in Perpetual Asset Management International and continued growth (organic and inorganic) in Perpetual Corporate Trust and Perpetual Private. This was partially offset by the impact of net outflows within Perpetual Asset Management International.

Performance fees earned in FY22 were $17.4 million, $3.3 million lower than FY21[1].

1.2.3 Expenses

Total expenses in FY22 were $566.5 million, $95.3 million or 20% higher than FY21, impacted by:

- The operating expenses of the acquisitions of Barrow Hanley, Jacaranda Financial Planning and Laminar Capital, as well as expenses related to the distributions on employee owned units in Barrow Hanley
- Higher variable remuneration driven by group wide short term incentive schemes
- Continued investment into technology and headcount to support business growth.

1. Includes performance fees earned by Perpetual Asset Management International, Perpetual Asset Management Australia and Perpetual Private.
2. FUA refers to both funds under advice in Perpetual Private and funds under administration in Perpetual Corporate Trust.

1.2.4 Shareholder Returns and Dividends

The Board announced a final fully franked ordinary dividend for FY22 of 97 cents per share to be paid on 30th September 2022.

This represents a payout ratio of 80% for the 12 months ended 30 June 2022. 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 11.0% for the period compared with 9.3% in FY21.

Perpetual's return on equity (ROE) on UPAT was 16.2% for the period compared with 15.7% in FY21.

1.3 Group Financial Position

BALANCE SHEET AS AT	2H22 $M	1H22 $M	2H21[1] $M	1H21[1] $M
Assets				
Cash and cash equivalents	175.4	130.9	147.1	172.1
Receivables	122.9	144.5	132.7	117.5
Structured products - EMCF assets	186.3	189.2	163.9	216.2
Liquid investments	152.0	154.8	150.4	133.7
Goodwill and other intangibles	951.7	929.2	862.9	863.5
Tax assets	57.2	48.9	47.2	35.5
Property, plant and equipment	77.8	84.8	91.1	98.6
Other assets	23.2	23.2	21.6	21.4
Total assets	**1,746.5**	**1,705.5**	**1,616.8**	**1,658.5**
Liabilities				
Payables	93.8	90.0	90.7	75.9
Structured products - EMCF liabilities	187.7	189.2	163.3	215.7
Tax liabilities	14.9	19.2	23.2	16.4
Employee benefits	119.4	90.2	117.6	79.0
Lease liabilities	72.3	78.3	83.2	89.9
Provisions	10.5	10.0	6.4	7.5
Borrowings	258.4	248.1	166.0	219.4
Accrued incentive compensation	48.6	45.6	48.0	41.4
Other liabilities	15.2	15.6	11.3	12.0
Total liabilities	**820.7**	**786.2**	**709.8**	**757.1**
Net assets	**925.8**	**919.3**	**907.1**	**901.4**
Shareholder funds				
Contributed equity	817.7	815.6	815.3	820.8
Reserves	34.3	8.8	2.5	(10.9)
Retained earnings	73.8	94.9	89.3	91.5
Total equity	**925.8**	**919.3**	**907.1**	**901.4**

1. 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 6-4 in the Financial Statements.

DEBT METRICS	FY22 $M	FY21[5] $M	2H22 $M	1H22 $M	2H21[5] $M	1H21[5] $M
Corporate debt $M[1]	260.8	170.3	260.8	251.4	170.3	224.6
Corporate debt to capital ratio%[2]	22.0%	15.9%	22.0%	21.5%	15.9%	20.0%
Interest coverage calculation for continuing operations (times)[3]	34x	21x	34x	23x	21x	30x
NTA per share ($)[4]	**(1.14)**	**0.22**	**(1.14)**	**(0.52)**	**0.22**	**0.42**

CASHFLOW FOR THE PERIOD	FY22 $M	FY21[5] $M	2H22 $M	1H22 $M	2H21[5] $M	1H21[5] $M
Net cash from operating activities	170.9	120.6	135.5	35.4	100.0	20.6
Net cash used in investing activities	(69.3)	(479.0)	(20.8)	(48.5)	(9.4)	(469.6)
Net cash from/(used in) financing activities	(66.6)	344.3	(68.7)	2.1	(119.0)	463.3
Effective movements in exchange rates on cash held	(6.7)	(3.0)	(1.5)	(5.2)	3.3	(6.3)
Net (decrease)/increase in cash and cash equivalents	**28.3**	**(17.1)**	**44.5**	**(16.2)**	**(25.1)**	**8.0**

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.
5. 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 6-4 in the Financial Statements.

1.3.1 Balance Sheet Analysis

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

Structured products - EMCF assets increased by $22.4 million due to a net increase in units on issue.

Goodwill and other intangibles increased by $88.8 million primarily due to the acquisition of Laminar Capital and Jacaranda Financial Planning during the year and foreign currency movements.

Structured products - EMCF liabilities increased by $24.4 million broadly in line with the increase in the units on issue.

Borrowings increased by $92.4 million primarily due to the drawdown of $75.0 million in debt to fund various strategic initiatives during the year and foreign currency movements.

Reduction in **NTA** is driven by the increase in intangible assets due to acquisition activity.

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
- withstanding shocks to the market.

Perpetual maintains a conservative balance sheet with low 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.

The Group uses a risk-based capital model to assess its capital requirements. The model requires capital to be set aside for operational, credit and market risk and any known capital commitments.

At the end of FY22, total base capital requirements were $41 million compared to $314 million of available liquid funds.

During FY22, the Group has maintained its balance sheet strength through:

- continuing to maintain the overall credit quality of the Group's risk assets;
- maintaining syndicated debt facility arrangements. Arrangements consist of a multi-currency term loan with a maximum commitment of $US117 million or equivalent, a multi-currency revolving loan facility with a maximum commitment of $US78 million or equivalent, a multi-currency revolving loan facility with a maximum commitment of $100 million or equivalent and a bank guarantee facility with a maximum commitment of $135 million to be used primarily for satisfying regulatory requirements; and
- continued management of discretionary expenses within each business unit and support group.

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 FY22, cash and cash equivalents increased by $28.3 million to $175.4 million as at 30 June 2022. This increase was driven by inflows from the drawdown of debt and operating cash activities. These were partially offset by outflows associated with the acquisitions of Jacaranda Financial Planning and Laminar Capital and the payment of the final FY21 and interim FY22 dividends.

1.3.4 Debt

Perpetual's corporate debt as at 30 June 2022 was $260.8 million compared to $170.3 million at the end of FY21. An additional $75 million of debt was drawn in FY22 to fund various strategic initiatives. An additional $122.3 million of debt facilities remain undrawn as at 30 June 2022. $132.4 million of bank guarantees have been issued under the syndicated facilities. The bank guarantees are not shown on the balance sheet.

The facility is subject to the Group meeting certain debt covenants including shareholder funds as a percentage of total assets, a maximum ratio of gross debt to EBITDA and a minimum interest cover. The Group complied with all the relevant covenants throughout the period.

The Group's gearing ratio is 22.0% (FY21: 15.9%) at the end of FY22.

1.4 Regulatory Developments and Business Risks

1.4.1 Regulatory Developments

The financial services industry continues to be subject to legislative and regulatory reform which affects or could affect the Group's operations globally.

The following summarises key regulatory change projects that commenced in the last reporting period or are set to commence in this period.

Australia

Financial Accountability Regime (FAR)

The previous Government had proposed to extend the Banking Executive Accountability Regime (BEAR) to all APRA regulated entities, including RSE licensees - the Financial Accountability Regime (FAR).

The Financial Accountability Regime Bill had been introduced into the House of Representatives and been referred to the Senate Economics Legislation Committee for a report that was produced on 15 February 2022. However, the Bill was dissolved following dissolution of the Federal Parliament in light of the election in May 2022.

The Group is awaiting further developments in order to consider impact of the regime on the Group.

Greenwashing Guidance

On 14 June 2022, ASIC released an information sheet (22/141MR) for issuers of managed funds and superannuation products to help issuers avoid 'greenwashing' when offering or promoting sustainability-related products.
The Group is conducting gap analysis and assessing marketing materials to ensure alignment with the ASIC guidance.

Security Legislation Amendment (Critical Infrastructure) Act 2021 (formerly 2020) and Security Legislation Amendment (Critical Infrastructure Protection) Act 2022

These Acts propose an enhanced regulatory framework over physical facilities, supply chains, information technologies and communication networks, which if destroyed, degraded, or rendered unavailable for an extended period, would significantly impact the social or economic wellbeing of the nation, or affect Australia's ability to conduct national defence and ensure national security.

The mandatory notification of cyber security incidents has commenced. From 8 July 2022, Responsible Entities of certain designated critical infrastructure assets will be required to prepare reports about critical cyber security incidents, that is a cyber security incident which has a significant impact on the availability of an asset within 12 hours of becoming aware of the incident; and other cyber security incidents (i.e., a cyber security incident which has a relevant impact on an asset) within 72 hours of becoming aware of the incident.

From 8 October 2022, 'reporting entities' (being Responsible Entities and direct interest holders of certain designated critical infrastructure assets) will be required to give the following information to the Register:

- with respect to responsible entities – operational information about the critical infrastructure asset; and
- with respect to direct interest holders – interest and control information about the direct interest holder and the critical infrastructure asset.

The Group has sought clarification from the regulator as to the application of these Acts to the Group's activities and has implemented relevant aspects of these requirements, as applicable to the Group.

Corporate Collective Investment Vehicle (CCIV) Regime

On 23 June 2022, ASIC released new and updated guidance supporting the CCIV regime which commenced from 1 July 2022.

The CCIV Act inserts a new Chapter 8B into the Corporations Act to establish a CCIV as a new type of company limited by shares. A CCIV will have a public company as a director (the Corporate Director) with an AFSL authorising it to operate the business.

The CCIV will be able to conduct its affairs through sub-funds. Each sub-fund will constitute a distinct and protected part of the CCIV's business, registered independently with ASIC, and segregated from any other sub-fund of the CCIV and receive returns referable to their share of capital in that sub-fund. The CCIV regime provides the ability to run multiple sub-funds under the same structure, which should allow a fund manager the ability to host all of its products within one single vehicle (with multiple and distinct sub-funds).

The CCIV regime also introduces amendments to the Income Tax Assessment Act, which contains rules that treat each CCIV sub-fund as a trust for tax purposes and the CCIV as the trustee of each CCIV sub-fund trust. Each CCIV sub-fund trust will, in turn, be deemed to be a unit trust with its members deemed to hold fixed entitlements to income and capital of the relevant sub-fund trust based on their entitlements to dividends and capital distributions of that CCIV sub-fund.

The Group has varied a number of its AFSLs to allow licensees to provide financial product advice on and/or deal in securities in a CCIV.

International

UK – Financial Conduct Authority (FCA) Business Plan

In April 2022, The Financial Conduct Authority (FCA) published its Business Plan for 2022/23. The Business Plan takes a different form to its predecessors. It's a shorter summary of priorities and planned activity that relies more on links to other sources, particularly the three-year strategy the regulator has also published and the Regulatory Initiatives Grid. The Plan centres around three focus areas which demonstrate how the FCA positions its priorities moving forward which are: reducing and preventing serious harm – dealing with problem firms and the harm they cause, setting and testing higher standards – improving consumer outcomes, imposing ESG standards and promoting competition and positive change – being globally competitive through high international standards.

UK - Investment Firms Prudential Regime (IFPR)

The IFPR came into effect in the UK on 1st January 2022. The legislation is designed to mirror the current EU prudential regime. As part of the implementation of necessary model and policy revisions and disclosures, Perpetual has assessed the relevant UK entity as an 'SNI' – small non-interconnected firm. In particular the ICAAP document is now replaced by an ICARA document which takes a much more thorough risk assessment of firms capital adequacy and wind-down processes.

EU - Sustainable Finance Action Plan and Sustainable Disclosure Regulation (SFDR)

After notable delays, the implementation of the second phase of the SFDR will take place in January 2023. SFDR's function is to make disclosure of the financial products' performance on ESG issues compulsory for asset managers as part of a wider push for the EU to leverage the power of capital markets to meet its emissions reduction targets. Perpetual has engaged external compliance consultants and legal counsel to assist with ensuring ongoing compliance with this legislation, including appropriate categorisation of Perpetual subsidiary firm funds.

US – SEC Advisor Advertisement Rule Changes

Amended Rule 206(4)-1 is a modernised marketing rule that impacts advertising and marketing for registered Investment Advisors. Firms must transition to the new marketing rule on or before 4 November 2022. We continue to work through implementation with our US Businesses.

US – ESG Disclosures for Investment Advisers and Investment Companies

The SEC proposed amendments to rules and disclosure forms to promote consistent, comparable, and reliable information for investors concerning funds' and advisers' incorporation of ESG factors. The public comment period will close on 16 August 2022. If the proposed rules are adopted, we will work through implementation with our US Businesses.

1.4.2 Business Risks

Risk management framework

Perpetual's approach to risk management globally is based on a Risk Appetite Statement set by the Perpetual Board, which outlines the risk boundaries and minimum expectations of Perpetual Management. The Board's Audit, Risk and Compliance Committee (ARCC) is responsible for overseeing Perpetual's risk management process. Perpetual has dedicated Risk and Compliance functions, led by the Chief Risk Officer, which have day to day responsibility for the design, implementation and maintenance of Perpetual's risk management framework, and an independent Internal Audit department.

The risk management framework is underpinned by the 'Three Lines of Defence model'. This model sees the first line, being business unit management, accountable for the day-to-day identification and management 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 risk management framework and the Three Lines of Defence 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 Risks Relating to COVID-19

COVID-19 and the prevalence of new variants continues to have an impact on global economies and financial markets, resulting in significant economic uncertainty and market volatility. It has also led to material structural shifts in the behaviour of the economy and unprecedented actions by financial markets, governments and regulators. The consolidated entity continues to monitor the impact of COVID-19 on its operations, control environment and financial reporting as developments arise.

This has resulted in several of the risk categories below to be heightened as the Group continues to respond to the challenges introduced by the pandemic.

Perpetual's Pandemic Response Plan was developed in line with regulatory guidance and defines an escalating series of response measures based on the World Health Organisation and Government pandemic alert levels. The plan was activated in January 2020 and has seen us implement enhanced measures as the pandemic worsened.

Key measures include:

- Perpetual's crisis management processes have been activated with multiple teams established to monitor all aspects of the response including key risks, safety and business continuity;
- segregation of teams into different cohorts to limit the impact of infection events;
- remote working from home has been successfully implemented for all teams;
- enhanced hygiene and cleaning practices have been implemented in Perpetual's offices;
- heightened monitoring of material service providers is in place to ensure they are responding effectively; and
- enhanced monitoring and oversight by the Perpetual Executive Committee and the Perpetual Limited Board has been developed to identify, monitor and manage key business risks that have escalated through COVID-19.

Perpetual's global operations (including Barrow Hanley and Trillium in the US) continue to operate at full capacity. Response measures to regional events and changing government restrictions (such as localised lockdowns) are well practiced and have not had a material impact on operations.

1.4.4 Key Business Risks

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

Risk Category	Risk Description/Impact	Risk Mitigants
Strategic	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 affect Perpetual's market position and client value proposition.	• Considered strategic and business planning processes, including well-defined Mergers and Acquisitions (M&A) Framework • 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
People	Risk arising from an inability to attract, engage and retain quality and appropriate people 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	Risk that the strength of Perpetual's balance sheet, profitability or liquidity are inadequate for its business activities. This includes inappropriate accounting, financial reporting, or related disclosures.	• Budget planning process • Reconciliation and review processes • Regular income and expense, debt and equity reviews • Internal and external auditors
	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 Framework • The US denominated debt has been designated as a net investment hedge in a foreign operation and provides a natural hedge for US denominated business lines
Investment	Risk arising from ineffective investment strategies relative to peers and benchmarks, non-adherence to investment style and investment governance or inadequate management of market, credit and liquidity risks within the funds or client accounts.	• 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
Operational	Risk arising from inadequate or failed internal processes, systems, people or from 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 Category	Risk Description/Impact	Risk Mitigants
Information Technology & Cyber Security	Risk arising from failed, corrupted, breached or inadequate 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 as well as business disruption resulting from a cyber security event or failure of technology service provider to meet business requirements.	• Defined information security program and IT security policies • Implementation of operational security technology (including firewalls and antivirus) • Security (penetration) testing of key systems • Information security response plans • Business continuity planning and disaster recovery programs • Independent assurance • Cyber Insurance
Outsourcing	Risk that Perpetual enters into inappropriate servicing arrangements and/or services performed by external service providers, including related and third parties, are not managed in line with the servicing contract or the operational standards.	• Partnered 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
Environmental, Social & Governance	Risk arising from inadequate or inappropriate environmental, social and governance (ESG) considerations in business and investment decision-making.	• Development and implementation of Sustainability Strategy • Partnered with well-regarded, environmental and socially responsible partners • Continued build out of ESG Investment capability in the US, UK and Australia reinforcing our commitment to ESG • Established and well-defined governance framework • Well defined and disciplined ESG investment processes and philosophy for selection • Mandated training on Perpetual's Code of Conduct and behaviours expected of all staff • Sustainable Finance Disclosure Regulation (SFDR) implementation
Compliance & Legal	Risk that Perpetual breaches its regulatory and legal obligations (including licence conditions and client commitments).	• Independent legal and compliance team, and training across teams • Compliance obligations are documented and monitored • Clearly defined policies, procedures, roles and responsibilities • Controls testing in the form of control self-assessment • Independent assessment of issues for compliance implications • 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 Defence risk model and application of risk appetite statement which outlines the risk behaviours expected of all Perpetual directors, employees and contractors • Mandated training on Perpetual's Code of Conduct and Risk Management Framework and behaviours of all staff that form part of the performance assessment process • Partnered with well-regarded, environmental and socially responsible partners • Media monitoring • Net Promoter Score measurement and reporting • Whistleblowing arrangements managed by an independent vendor

1.5 Outlook

While the macroeconomic and geopolitical conditions pose challenges for the global financial services industry, the outlook for Perpetual remains positive. Perpetual's unique combination of businesses provides the Group with diversification of earnings and growth opportunities, and a level of downside protection in times of market volatility through our non-market linked revenues in PCT and PP. In addition, the strength of the Perpetual brand, built over generations as a leading provider of fiduciary services, has created a confidence and trust that gives the Group a strong foundation for future growth.

Perpetual enters the new financial year with positive momentum across each division. The acquisition of Pendal is a significant milestone in Perpetual's long history, bringing together two businesses with premium brands and aligned multi-boutique approaches, to create a leading global asset manager significantly leveraging the build-out of our global asset management business over the last two years.

The completion of the Pendal acquisition will deliver significant scale and global reach, diversified independent brands promoting investment autonomy at all times and delivering a broad array of high quality investment capabilities, a global leadership position in ESG investing and a substantial, high quality global distribution team, all complemented by our industry-leading wealth management and trustee businesses.

The Perpetual Corporate Trust business continues to deliver consistent growth in its core offerings, and the newly created Perpetual Digital business is well positioned to support our clients' needs and provide additional channels for earnings. Positive net flows and growth is also expected in Perpetual Private through its proven advice model and new capabilities via the integration and expansion of Jacaranda Financial Planning.

Perpetual remains focused on its strategy to deliver disciplined growth with a larger balance sheet and proven track record of acquiring and integrating complementary capabilities that, together, deliver greater shareholder returns.

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 FY22 for the four Perpetual operating segments are described in the following sections. A description of revenues and expenses at the Group Support Services level is also provided.

Perpetual Asset Management, our asset management division, is reported under its two operating segments Perpetual Asset Management International and Perpetual Asset Management Australia.

2.1 Perpetual Asset Management International

2.1.1 Business Overview

Perpetual Asset Management International (PAMI) is the operating segment that includes all asset management operations outside of Australia and New Zealand.

PAMI provides world-class investment capabilities through two US based subsidiary asset management boutiques;

- Barrow Hanley - global asset manager with a consistent long-term track-record of value investing; and
- Trillium - pioneering environmental, social and governance (ESG) investment firm with a 40-year history

With a strong presence in the US, complemented by a growing presence in the UK, Europe and Asia, PAMI is focused on meeting the needs of institutional and retail investors outside of Australia and New Zealand.

2.1.2 Financial Performance

In Australian Dollars

FOR THE PERIOD	FY22 $M	FY21 $M	FY22 v FY21	FY22 v FY21	2H22 $M	1H22 $M	2H21 $M	1H21 $M
Revenue by asset class								
- Equities	198.7	122.2	76.5	63%	100.0	98.7	89.7	32.5
- Fixed Income	20.1	16.6	3.4	21%	8.9	11.1	11.2	5.5
- Other	0.1	0.3	(0.2)	(80%)	0.0	0.0	0.0	0.3
Total revenue	**218.8**	**139.2**	**79.7**	**57%**	**109.0**	**109.8**	**100.9**	**38.3**
Operating expenses	(162.6)	(95.8)	(66.8)	(70%)	(86.2)	(76.4)	(69.4)	(26.3)
EBITDA	**56.2**	**43.4**	**12.8**	**30%**	**22.8**	**33.5**	**31.5**	**11.9**
Depreciation and amortisation	(2.3)	(1.7)	(0.6)	(34%)	(1.1)	(1.1)	(0.9)	(0.8)
Equity remuneration expense	(0.4)	(0.4)	(0.0)	(12%)	(0.4)	(0.1)	0.2	(0.6)
Interest expense	(0.6)	(0.6)	(0.1)	(13%)	(0.3)	(0.3)	(0.5)	(0.1)
Underlying profit before tax	**52.9**	**40.7**	**12.1**	**30%**	**21.0**	**31.9**	**30.3**	**10.5**

In FY22, Perpetual Asset Management International reported underlying profit before tax of $52.9 million, an increase of $12.1 million or 30% versus FY21. The increase on FY21 was largely driven by additional earnings from a full twelve months contribution of Barrow Hanley, together with higher average AUM over the period. This has been partially offset by the development of the CLO strategy, continued investment in global distribution capability and infrastructure to support the growth in the business.

2.1.3 Drivers of Performance

Revenue

FY22 revenue of $218.8 million increased by $79.7 million or 57% versus FY21, largely due to a full twelve months of Barrow Hanley results, higher average AUM driven by higher equity markets and favourable foreign exchange movement, partially offset with net outflows.

Expenses

FY22 expenses of $165.9 million was up $67.5 million or 69% compared to FY21, largely due to a full twelve months of Barrow Hanley operations, the impact of exchange rates, the development of the CLO strategy, investment in global distribution capability and infrastructure to support the growth in the business.

2.1.4 Assets Under Management

PAMI closing AUM summary in Australian Dollars

	AUM MOVEMENTS					NET FLOWS			
AT END OF	**FY22**	Net flows	Other[1]	Foreign Exchange Impacts	**FY21**	**2H22**	**1H22**	**2H21**	**1H21**
	$B	$B	$B	$B	**$B**	**$B**	**$B**	**$B**	**$B**
Institutional	62.2	(5.4)	(5.7)	6.2	67.0	(3.0)	(2.3)	(3.5)	(0.6)
Intermediary	6.9	0.4	(0.6)	0.7	6.6	0.0	0.3	0.3	(0.1)
All distribution channels	**69.1**	**(5.0)**	**(6.3)**	**6.8**	**73.6**	**(3.0)**	**(2.0)**	**(3.2)**	**(0.7)**
US equities	44.2	(5.5)	(3.0)	4.5	48.2	(3.2)	(2.3)	(2.3)	(0.5)
Global equities	15.8	3.1	(1.8)	1.4	13.0	1.4	1.7	(0.1)	(0.0)
Equities	**60.0**	**(2.4)**	**(4.8)**	**5.9**	**61.2**	**(1.9)**	**(0.5)**	**(2.4)**	**(0.6)**
Fixed income	9.2	(2.6)	(1.5)	0.9	12.4	(1.1)	(1.4)	(0.9)	(0.1)
All asset classes	**69.1**	**(5.0)**	**(6.3)**	**6.8**	**73.6**	**(3.0)**	**(2.0)**	**(3.2)**	**(0.7)**

PAMI closing AUM summary in US Dollars

	AUM MOVEMENTS					NET FLOWS			
AT END OF	**FY22**	Net flows	Other[1]	Foreign Exchange Impacts	**FY21**	**2H22**	**1H22**	**2H21**	**1H21**
	$B	$B	$B	$B	**$B**	**$B**	**$B**	**$B**	**$B**
Institutional	42.8	(3.9)	(3.7)	-	50.3	(2.2)	(1.7)	(2.7)	(0.5)
Intermediary	4.8	0.3	(0.4)	-	4.9	0.0	0.2	0.2	(0.0)
All distribution channels	**47.6**	**(3.6)**	**(4.1)**	**-**	**55.3**	**(2.1)**	**(1.5)**	**(2.5)**	**(0.5)**
US equities	30.4	(4.0)	(1.9)	-	36.2	(2.3)	(1.7)	(1.8)	(0.4)
Global equities	10.8	2.2	(1.2)	-	9.8	1.0	1.3	(0.1)	(0.0)
Equities	**41.2**	**(1.7)**	**(3.0)**	**-**	**46.0**	**(1.3)**	**(0.4)**	**(1.8)**	**(0.4)**
Fixed income	6.3	(1.9)	(1.1)	-	9.3	(0.8)	(1.1)	(0.7)	(0.1)
All asset classes	**47.6**	**(3.6)**	**(4.1)**	**-**	**55.3**	**(2.1)**	**(1.5)**	**(2.5)**	**(0.5)**

1. Includes changes in market value of assets, income, reinvestments, distributions and asset class rebalancing within the Group's diversified funds.

AUM

Perpetual Asset Management International AUM as at 30 June 2022 was $69.1 billion, a decrease of $4.5 billion on FY21. The decrease was driven by net outflows of $5.0 billion and lower equity markets phased particularly towards the end of the year, partly offset by strengthening of foreign exchange impacts.

Outflows were largely in the institutional channel and were predominantly driven by US Equities and low margin fixed income mandates managed by Barrow Hanley, partially offset by net inflows and strong performance in Trillium.

Revenue margin

FOR THE PERIOD	FY22 bps	FY21 bps	FY22 v FY21	FY22 v FY21	2H22 bps	1H22 bps	2H21 bps	1H21 bps
By asset class:								
- Equities	31	32	-	(1)	32	31	31	37
- Fixed income	18	21	-	(3)	18	19	18	33
Average revenue margin	**29**	**30**	**-**	**(1)**	**30**	**29**	**29**	**36**

Performance fees in Australian Dollars

FOR THE PERIOD	FY22 $M	FY21 $M	FY22 v FY21	FY22 v FY21	2H22 $M	1H22 $M	2H21 $M	1H21 $M
By asset class:								
- Equities	(0.3)	(0.3)	(0.0)	14%	(0.3)	(0.0)	(0.3)	-
- Fixed income	-	2.3	(2.3)	(100%)	-	-	0.0	2.3
Total performance fees	**(0.3)**	**2.0**	**(2.3)**	(117%)	**(0.3)**	**(0.0)**	**(0.2)**	**2.3**

Average AUM revenue margins in FY22 at 29 bps have remained relatively stable since the acquisition of Barrow Hanley late in 1H21.

2.2 Perpetual Asset Management Australia

2.2.1 Business Overview

Perpetual Asset Management Australia (PAMA) is one of Australia's most respected and longstanding active investment managers, focused on the needs of Australian and New Zealand investors. PAMA is a dynamic, active manager, offering an extensive range of specialist investment capabilities including Australian and global equities, credit and fixed income, multi-asset as well as environmental, social and governance (ESG) focused products.

2.2.2 Financial Performance

FOR THE PERIOD	FY22 $M	FY21 $M	FY22 v FY21	FY22 v FY21	2H22 $M	1H22 $M	2H21 $M	1H21 $M
Revenue by asset class[1]								
- Equities	131.7	132.5	(0.8)	(1%)	65.2	66.5	70.7	61.7
- Cash and fixed income	34.0	29.8	4.3	14%	17.4	16.6	14.6	15.1
- Other AUM related	3.3	3.4	(0.1)	(3%)	1.6	1.6	1.2	2.2
Total revenue	**169.0**	**165.7**	**3.3**	**2%**	**84.2**	**84.8**	**86.6**	**79.1**
Operating expenses	(108.7)	(112.5)	3.9	3%	(55.6)	(53.0)	(57.4)	(55.1)
EBITDA	**60.3**	**53.2**	**7.2**	**13%**	**28.5**	**31.8**	**29.2**	**24.0**
Depreciation and amortisation	(5.5)	(5.3)	(0.3)	(5%)	(2.9)	(2.7)	(2.7)	(2.6)
Equity remuneration expense	(4.8)	(5.7)	0.9	16%	(2.1)	(2.7)	(2.8)	(2.9)
Interest expense	(0.1)	(0.1)	(0.0)	(32%)	(0.0)	(0.0)	(0.0)	(0.1)
Underlying profit before tax	**49.9**	**42.2**	**7.8**	**18%**	**23.6**	**26.4**	**23.7**	**18.5**

1. Removed "other non-AUM related" category due to nominal balance. 1H22 revenue re-presented between Equities and Other AUM related by $0.3M.

In FY22, Perpetual Asset Management Australia reported underlying profit before tax of $49.9 million, $7.8 million or 18% higher than FY21.

The increase on FY21 was largely driven by an increase in average AUM to $25.1 billion due to higher average equity markets, improved performance and lower variable remuneration, partially offset by net outflows, distributions and product repricing primarily from the prior year.

The cost to income ratio in FY22 was 70% compared to 75% in FY21. The improvement in cost to income ratio is driven by higher average AUM and disciplined cost management.

2.2.3 Drivers of Performance

Revenue

Perpetual Asset Management Australia generated revenue of $169.0 million in FY22, $3.3 million or 2% higher than in FY21.

The increase in revenue on FY21 was mainly driven by higher average AUM due to higher average equity markets and improved investment performance, partially offset by lower performance fees, distributions, product repricing and net outflows primarily from the prior year.

Australian Equities strategies generated $10.6 million in performance fees in FY22, mainly from the Pure Equity Alpha and Pure Microcap funds.

Average AUM revenue margins in FY22 were 67 basis points (bps), 4 bps lower than FY21, driven by lower performance fees earned. Excluding performance fees earned, underlying average margins of 63 bps remained in line with the prior year, with the impact of prior year repricing being offset by a change in mix towards higher margin asset classes.

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

Total expenses for Perpetual Asset Management Australia in FY22 were $119.1 million, $4.5 million or 4% lower than in FY21.

The decrease in expenses on FY21 was mainly due to lower variable remuneration including the impact of lower performance fees paid, partially offset by investment in growth initiatives such as the launching of exchange traded managed funds.

2.2.4 Assets Under Management

PAMA closing AUM summary

	AUM MOVEMENTS				NET FLOWS			
AT END OF	**FY22 $B**	Net flows $B	Other[1] $B	**FY21 $B**	**2H22 $B**	**1H22 $B**	**2H21 $B**	**1H21 $B**
Institutional	3.9	(2.4)	(0.0)	6.3	(2.4)	(0.0)	0.4	(1.5)
Intermediary	12.4	0.8	(1.1)	12.7	0.4	0.4	(0.6)	(0.8)
Retail	4.1	(0.2)	(0.3)	4.7	(0.1)	(0.1)	(0.1)	(0.2)
Listed Investment Vehicles	0.9	0.0	(0.1)	1.0	0.0	0.0	0.0	0.0
All distribution channels	**21.3**	**(1.9)**	**(1.5)**	**24.7**	**(2.2)**	**0.3**	**(0.3)**	**(2.5)**
Australian equities	11.7	(1.0)	(1.2)	13.9	(0.3)	(0.6)	(1.0)	(1.6)
Global equities	1.3	0.2	(0.6)	1.7	0.0	0.2	0.3	(0.1)
Equities	**13.0**	**(0.8)**	**(1.8)**	**15.6**	**(0.3)**	**(0.5)**	**(0.7)**	**(1.7)**
Cash and fixed income	7.5	(1.0)	0.2	8.3	(1.8)	0.8	0.5	(0.8)
Other	0.8	(0.1)	0.0	0.9	(0.0)	(0.0)	0.0	(0.0)
All asset classes	**21.3**	**(1.9)**	**(1.5)**	**24.7**	**(2.2)**	**0.3**	**(0.3)**	**(2.5)**

1. Includes changes in market value of assets, income, reinvestments, distributions and asset class rebalancing within the Group's diversified funds.

AUM

Perpetual Asset Management Australia's AUM as at 30 June 2022 was $21.3 billion, a decrease of $3.4 billion on FY21. The decrease was driven by net outflows of $1.9 billion, distributions and lower equity markets particularly towards the end of the year, partly offset by positive performance.

Points of note in relation to the AUM and flows data for FY22:

- outflows in the institutional channel include $1.7 billion from Enhanced Cash at low margin; and
- inflows in the intermediary channel were from fixed income (primarily Diversified Income), Global Equities and Diversified Real Return. This was partly offset by outflows in Australian Equities, however at materially reduced levels compared to FY21.

Revenue margin

FOR THE PERIOD	FY22 bps	FY21 bps	FY22 v FY21	FY22 v FY21	2H22 bps	1H22 bps	2H21 bps	1H21 bps
By asset class:[1]								
- Equities	87	94	-	(7)	88	86	95	92
- Cash and fixed income	37	35	-	2	38	37	37	33
- Other AUM related	38	43	-	(5)	39	38	31	57
Average revenue margin	**67**	**71**	**-**	**(4)**	**68**	**67**	**74**	**68**

Performance fees

FOR THE PERIOD	FY22 $M	FY21 $M	FY22 v FY21	FY22 v FY21	2H22 $M	1H22 $M	2H21 $M	1H21 $M
By asset class:								
- Equities	10.6	16.2	(5.5)	(34%)	6.1	4.6	10.9	5.2
- Cash and fixed income	1.2	2.0	(0.8)	(39%)	0.6	0.6	1.2	0.8
Total performance fees	**11.8**	**18.1**	**(6.3)**	(35%)	**6.7**	**5.1**	**12.1**	**6.0**

1. 1H22 Other AUM related margin re-presented in line with $0.3M revenue adjustment between Equities and Other AUM related.

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

Equities: Revenue represent fees earned on Australian and Global equities products. Revenue in FY22 was $131.7 million, a decrease of 1% on FY21. FY22 revenue was impacted by lower performance fees and repricing. This was mostly offset by higher average AUM compared to FY21 as a result of higher average equity markets and improved performance, partially offset by net outflows and prior period distributions. The average margin in FY22 was 87 bps, 7 bps lower than FY21 primarily due to lower performance fees and repricing.

Cash and fixed income: Revenue is derived from the management of cash and fixed income products. Revenue in FY22 was $34.0 million, an increase of 14% on FY21. The increase was mainly driven by the impact of net inflows in higher margin fixed income products. The FY22 revenue margin of 37 bps increased by 2 bps compared to FY21, mainly driven by change in mix towards higher margin product (e.g. Diversified Income Fund).

Other AUM related: Revenue mainly includes management fees for external funds on the WealthFocus platform. Revenue in FY22 was $3.3 million, a decrease of 3% on FY21 driven by prior year repricing, partly offset by slightly higher average AUM.

2.3 Perpetual Private

2.3.1 Business Overview

Perpetual Private (PP) is an advisory services business focused on the comprehensive needs of families, businesses and communities.

Perpetual Private aims to empower families, businesses and communities to achieve their aspirations by delivering advisory service excellence. Perpetual Private utilises a targeted client segment approach to grow its FUA by offering quality advice and wealth management services to established wealthy, business owners, medical practitioners and other professionals, not for profit organisations and native title trusts. In 2021, the business enhanced its Family Office service through the creation of a new team of specialists dedicated to ultra-high net worth clients and family offices.

Perpetual Private acquired Jacaranda Financial Planning, a leading Sydney and Melbourne based boutique advisory firm focused on the high net worth market segment in August 2021.

Perpetual Private 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. Funds under advice for charitable trusts and endowments funds was $3.5 billion at the end of FY22.

2.3.2 Financial Performance

FOR THE PERIOD	FY22 $M	FY21 $M	FY22 v FY21	FY22 v FY21	2H22 $M	1H22 $M	2H21 $M	1H21 $M
Market related revenue	153.0	126.7	26.3	21%	75.1	77.9	65.6	61.1
Non-market related revenue	58.3	57.1	1.2	2%	29.1	29.1	29.0	28.1
Total revenues	211.2	183.8	27.5	15%	104.3	107.0	94.5	89.2
Operating expenses	(151.5)	(134.2)	(17.3)	(13%)	(75.9)	(75.6)	(67.9)	(66.3)
EBITDA	**59.7**	**49.6**	**10.1**	**20%**	**28.3**	**31.4**	**26.7**	**23.0**
Depreciation and amortisation	(9.3)	(10.5)	1.2	11%	(4.7)	(4.7)	(5.0)	(5.5)
Equity remuneration expense	(4.0)	(3.5)	(0.5)	(13%)	(2.2)	(1.8)	(1.9)	(1.7)
Interest expense	(2.1)	(0.6)	(1.6)	(277%)	(1.1)	(1.0)	(0.1)	(0.5)
Underlying profit before tax	**44.3**	**35.0**	**9.3**	**26%**	**20.4**	**23.9**	**19.7**	**15.3**
Funds under advice ($B)								
Closing FUA	$17.4B	$17.0B	$0.4B	2%	$17.4B	$19.0B	$17.0B	$15.5B
Average FUA	$18.3B	$15.4B	$2.9B	19%	$18.4B	$18.3B	$16.1B	$14.7B
Market related revenue margin	84bps	82bps	-	2bps	82bps	85bps	81bps	83bps

In FY22, Perpetual Private reported underlying profit before tax of $44.3 million, $9.3 million or 26% higher than FY21.

The increase on FY21 was mainly driven by higher market related revenue due to higher average equity markets, positive net flows driven by the growth of the business and acquisitions, higher performance fees due to strong performance of the portfolio and non-market related revenue improving with higher insurance revenue partly offsetting the impact of the low interest rate environment.

Perpetual Private experienced continued new client growth within the high net worth segment in FY22, supported by the organic growth of the business and acquisition of Jacaranda. The cost to income ratio in FY22 was 79% compared to 81% in FY21.

2.3.3 Drivers of Performance

Revenue

Perpetual Private generated revenue of $211.2 million in FY22, $27.5 million higher or 15% higher than FY21.

Market related revenue was $153.0 million, $26.3 million or 21% higher than FY21. The increase compared to FY21 was mainly due to higher average equity markets, positive net flows, strong performance of the portfolio and receipt of performance fees.

Non-market related revenue was $58.3 million, $1.2 million or 2% higher than FY21. The increase was mainly driven by an uplift in Fordham and higher insurance revenue driven by Priority Life, partially offset by a low interest rate environment and legacy product closure.

Perpetual Private's market related revenue margin was 84 bps (80 bps excluding performance fees) in FY22 compared to 82 bps in FY21.

Expenses

Total expenses for Perpetual Private in FY22 were $166.9 million, $18.1 million or 12% higher than FY21. The increase in expenses on FY21 was mainly driven by continued investment in supporting future business growth, acquisition of Jacaranda, higher variable remuneration and technology investments.

2.3.4 Funds under advice

Perpetual Private's FUA at the end of FY22 was $17.4 billion, $0.4 billion or 2% higher than FY21, primarily due to positive net flows supported by the organic growth and the acquisition of Jacaranda Financial Planning partly offset by the drop in investment markets. FUA for Jacaranda Financial Planning was $0.9 billion at the end of FY22.

AT END OF	FY22	Net flows	Other[1]	FY21	2H22	1H22	2H21	1H21
	$B	$B	$B	$B	$B	$B	$B	$B
Total FUA	17.4	1.0	(0.6)	17.0	17.4	19.0	17.0	15.5

1. Includes reinvestments, distributions, income and asset growth and $0.9 billion from the addition of Jacaranda Financial Planning in August 2021.

2.4 Perpetual Corporate Trust

2.4.1 Business Overview

Perpetual Corporate Trust (PCT) 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:

Perpetual Digital - Perpetual Digital combines PCT's existing digital assets and the platform of Laminar Capital, acquired in October 2021, to provide innovative solutions to PCT 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 platform-as-a-service products providing a multitude of digital solutions to the banking and financial services industry. The newly acquired Laminar Capital which is a specialist debt markets and advisory business includes the Treasury Direct Platform and the new specialised capability of Laminar's ESG Risk Score.

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

Managed Funds Services - provides services including independent responsible entity, custodian, wholesale trustee, investment management and accounting. Singapore products include trustee, agency and escrow services. Managed Funds Services has a global client base serviced from our Singapore and Australian offices, administrating a broad range of asset classes including property and infrastructure, debt, fixed income, equity, private equity, emerging markets and hedge funds.

2.4.2 Financial Performance

FOR THE PERIOD	FY22 $M	FY21 $M	FY22 v FY21	FY22 v FY21	2H22 $M	1H22 $M	2H21 $M	1H21 $M
Debt Market Services[1]	68.7	62.4	6.3	10%	35.6	33.1	31.8	30.6
Managed Funds Services	70.3	59.8	10.5	17%	36.8	33.5	31.0	28.8
Perpetual Digital[1]	19.5	12.6	6.9	54%	9.6	9.9	6.4	6.2
Total revenues	158.5	134.9	23.7	18%	82.0	76.6	69.2	65.6
Operating expenses	(75.4)	(60.9)	(14.6)	(24%)	(41.0)	(34.4)	(31.5)	(29.3)
EBITDA	**83.1**	**74.0**	**9.1**	**12%**	**40.9**	**42.1**	**37.7**	**36.3**
Depreciation and amortisation	(8.0)	(8.6)	0.6	7%	(4.0)	(4.0)	(4.2)	(4.4)
Equity remuneration expense	(1.8)	(1.2)	(0.6)	(51%)	(1.1)	(0.7)	(0.7)	(0.5)
Interest expense	(0.7)	(0.4)	(0.2)	(50%)	(0.3)	(0.4)	(0.2)	(0.2)
Underlying profit before tax	**72.6**	**63.8**	**8.9**	**14%**	**35.5**	**37.1**	**32.6**	**31.2**

1. Newly formed service line which includes revenue from Laminar Capital and PCT's Data and Analytics Solutions (previously reported under Debt Markets Services).

In FY22, Perpetual Corporate Trust reported underlying profit before tax of $72.6 million, $8.9 million or 14% higher than FY21. The cost to income ratio in FY22 was 54% compared to 53% in FY21.

2.4.3 Drivers Of Performance

Revenue

Perpetual Corporate Trust generated revenue of $158.5 million in FY22, $23.7 million or 18% higher than in FY21. The main drivers of the improvement by business line were as detailed below.

In FY22, Debt Markets Services revenue was $68.7 million, $6.3 million or 10% higher than in FY21. The primary drivers for the increase on FY21 were underlying growth in the securitisation portfolio from new and existing clients particularly from RMBS non bank and ABS clients, higher document custody volumes and additional new clients in trust management.

In FY22, Managed Funds Services revenue was $70.3 million, $10.5 million or 17% higher than FY21. The increase was primarily due to continued market activity within commercial property and managed investment funds segments, supported by higher asset prices.

In FY22, Perpetual Digital revenue was $19.5 million, $6.9 million or 54% higher than FY21. The increase was primarily due to the acquisition of Laminar Capital together with continued growth from new and existing products.

Expenses

Total expenses for Perpetual Corporate Trust in FY22 were $85.9 million, $14.8 million or 21% higher than FY21.

The increase in expenses on FY21 was mainly driven by higher employment and technology costs to support business growth, new digital solutions and to meet regulatory requirements, together with the operating expenses of Laminar Capital.

2.4.4 Funds Under Administration

AT END OF	FY22 $B	FY21 $B	FY22 v FY21	FY22 v FY21	2H22 $B	1H22 $B	2H21 $B	1H21 $B
Public Market Securitisation								
RMBS - bank (ADI)	57.4	56.9	0.5	1%	57.4	57.7	56.9	65.5
RMBS - non bank	78.4	63.9	14.5	23%	78.4	70.1	63.9	56.9
CMBS and ABS	52.3	39.5	12.8	32%	52.3	45.5	39.5	39.5
Balance Sheet Securitisation								
RMBS - repos	398.9	331.4	67.6	20%	398.9	366.1	331.4	367.7
Covered bonds	76.3	72.9	3.5	5%	76.3	73.2	72.9	80.3
Debt Market Services - Securitisation[1]	**663.4**	**564.6**	**98.8**	**18%**	**663.4**	**612.7**	**564.6**	**609.8**
Corporate and Structured Finance	18.8	18.3	0.5	3%	18.8	18.2	18.3	18.5
Total Debt Market Services	**682.2**	**582.9**	**99.3**	**17%**	**682.2**	**630.9**	**582.9**	**628.3**
Custody	212.0	173.4	38.6	22%	212.0	187.9	173.4	163.9
Wholesale Trustee	100.6	79.4	21.3	27%	100.6	83.1	79.4	75.1
Responsible Entity	49.5	48.2	1.3	3%	49.5	46.0	48.2	32.2
Singapore	48.0	38.9	9.1	23%	48.0	42.5	38.9	36.7
Managed Funds Services	**410.1**	**339.9**	**70.2**	**21%**	**410.1**	**359.5**	**339.9**	**307.9**
Total FUA	**1,092.3**	**922.8**	**169.5**	**18%**	**1,092.3**	**990.4**	**922.8**	**936.2**

1. Includes warehouse and liquidity finance facilities.

At the end of FY22, Securitisation FUA in the Debt Market Services business was $663.4 billion, an increase of $98.8 billion or 18% on FY21. The movement was driven by higher issuances in lower margin RMBS – repos and continued growth in the RMBS – non bank and ABS.

At the end of FY22, Managed Funds Services FUA was $410.1 billion, an increase of $70.2 billion or 21% on FY21. The increase was driven by growth in all segments.

2.5 Perpetual Group Support Services

2.5.1 Business Overview

Group Support Services consist of Group Investments, CEO, Finance, Corporate Affairs, Marketing, Legal, Audit, Risk, Compliance, Company Secretary, Technology, Project & Change Management, Operations, Product and People & Culture. 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, financing costs, ASX listing fees and distributions of employee owned units of acquired entities are also retained within Group Support Services.

2.5.2 Financial Performance

FOR THE PERIOD	FY22 $M	FY21 $M	FY22 v FY21	FY22 v FY21	2H22 $M	1H22 $M	2H21[1] $M	1H21[1] $M
Interest Income	0.3	0.4	(0.2)	(38%)	0.2	0.1	0.2	0.2
Other Income	9.9	16.7	(6.7)	(40%)	3.2	6.7	8.5	8.2
Total revenue	10.2	17.1	(6.9)	(40%)	3.4	6.8	8.7	8.4
Operating expenses	(21.0)	(23.3)	2.2	10%	(8.4)	(12.6)	(12.7)	(10.5)
EBITDA	**(10.9)**	**(6.2)**	**(4.7)**	**(76%)**	**(5.0)**	**(5.8)**	**(4.0)**	**(2.1)**
Depreciation and amortisation	(2.1)	(1.7)	(0.4)	(25%)	(1.0)	(1.1)	(1.0)	(0.6)
Equity remuneration expense	(0.1)	(0.7)	0.6	88%	0.3	(0.4)	(0.4)	(0.3)
Interest expense	(5.5)	(3.9)	(1.6)	(43%)	(3.1)	(2.4)	(1.6)	(2.2)
Underlying profit before tax	**(18.5)**	**(12.4)**	**(6.2)**	**(50%)**	**(8.8)**	**(9.7)**	**(7.1)**	**(5.3)**

1. 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 6-4 in the Financial Statements.

2.5.3 Drivers of Performance

Revenue

In FY22, Group Investments revenue was $10.2 million, $6.9 million or 40% lower than FY21. The decrease was driven by movement in the investing in product (IIP) portfolio and lower distribution income received from unit trust investments held in seed funds, partially offset by higher investment income.

Expenses

Total expenses, comprising operating expenses, depreciation, amortisation, equity remuneration and interest expenses for Group Support Services in FY22 were $28.7 million, $0.8 million or 3% lower than in FY21.

The decrease in total expenses was predominantly due to lower variable remuneration and disciplined cost management across the support areas, offset by distributions on the employee owned units in Barrow Hanley and higher interest expense.

Part 3
Appendices

3 Appendices

3.1 Appendix A: Segment Results

PERIOD	FY22						2H22						1H22					
	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Operating revenue	218.8	169.0	211.2	158.5	10.2	767.7	109.0	84.2	104.3	82.0	3.4	382.8	109.8	84.8	107.0	76.6	6.8	384.9
Operating expenses	(162.6)	(108.7)	(151.5)	(75.4)	(21.0)	(519.2)	(86.2)	(55.6)	(75.9)	(41.0)	(8.4)	(267.2)	(76.4)	(53.0)	(75.6)	(34.4)	(12.6)	(252.0)
EBITDA	**56.2**	**60.3**	**59.7**	**83.1**	**(10.9)**	**248.5**	**22.8**	**28.5**	**28.3**	**40.9**	**(5.0)**	**115.6**	**33.5**	**31.8**	**31.4**	**42.1**	**(5.8)**	**132.9**
Depreciation and amortisation	(2.3)	(5.5)	(9.3)	(8.0)	(2.1)	(27.2)	(1.1)	(2.9)	(4.7)	(4.0)	(1.0)	(13.7)	(1.1)	(2.7)	(4.7)	(4.0)	(1.1)	(13.6)
Equity remuneration	(0.4)	(4.8)	(4.0)	(1.8)	(0.1)	(11.0)	(0.4)	(2.1)	(2.2)	(1.1)	0.3	(5.4)	(0.1)	(2.7)	(1.8)	(0.7)	(0.4)	(5.6)
EBIT	**53.5**	**50.0**	**46.4**	**73.3**	**(13.0)**	**210.2**	**21.3**	**23.6**	**21.5**	**35.8**	**(5.7)**	**96.5**	**32.2**	**26.4**	**24.9**	**37.5**	**(7.3)**	**113.8**
Interest expense	(0.6)	(0.1)	(2.1)	(0.7)	(5.5)	(9.0)	(0.3)	(0.0)	(1.1)	(0.3)	(3.1)	(4.9)	(0.3)	(0.0)	(1.0)	(0.4)	(2.4)	(4.1)
UPBT	**52.9**	**49.9**	**44.3**	**72.6**	**(18.5)**	**201.2**	**21.0**	**23.6**	**20.4**	**35.5**	**(8.8)**	**91.6**	**31.9**	**26.4**	**23.9**	**37.1**	**(9.7)**	**109.6**
Significant Items Pre Tax	**(41.0)**	**(2.2)**	**(5.0)**	**(2.7)**	**(13.1)**	**(64.0)**	**(21.1)**	**(1.4)**	**(3.1)**	**(0.9)**	**(13.1)**	**(39.6)**	**(19.8)**	**(0.8)**	**(2.0)**	**(1.8)**	**(0.0)**	**(24.4)**
Reportable Segment NPBT	**11.9**	**47.7**	**39.2**	**69.9**	**(31.6)**	**137.2**	**(0.2)**	**22.2**	**17.3**	**34.7**	**(21.9)**	**52.0**	**12.1**	**25.6**	**22.0**	**35.3**	**(9.7)**	**85.2**

PERIOD	FY21						2H21						1H21					
	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Operating revenue	139.2	165.7	183.8	134.9	17.1	640.6	100.9	86.6	94.5	69.2	8.7	359.9	38.3	79.1	89.2	65.6	8.4	280.6
Operating expenses[1]	(95.8)	(112.5)	(134.2)	(60.9)	(23.3)	(426.6)	(69.4)	(57.4)	(67.9)	(31.5)	(12.7)	(239.0)	(26.3)	(55.1)	(66.3)	(29.3)	(10.5)	(187.6)
EBITDA	**43.4**	**53.2**	**49.6**	**74.0**	**(6.2)**	**214.0**	**31.5**	**29.2**	**26.7**	**37.7**	**(4.0)**	**120.9**	**11.9**	**24.0**	**23.0**	**36.3**	**(2.1)**	**93.0**
Depreciation and amortisation[1]	(1.7)	(5.3)	(10.5)	(8.6)	(1.7)	(27.7)	(0.9)	(2.7)	(5.0)	(4.2)	(1.0)	(13.9)	(0.8)	(2.6)	(5.5)	(4.4)	(0.6)	(13.9)
Equity remuneration	(0.4)	(5.7)	(3.5)	(1.2)	(0.7)	(11.4)	0.2	(2.8)	(1.9)	(0.7)	(0.4)	(5.6)	(0.6)	(2.9)	(1.7)	(0.5)	(0.3)	(5.9)
EBIT	**41.3**	**42.2**	**35.6**	**64.2**	**(8.5)**	**174.8**	**30.7**	**23.7**	**19.8**	**32.8**	**(5.5)**	**101.5**	**10.6**	**18.5**	**15.8**	**31.4**	**(3.0)**	**73.3**
Interest expense[1]	(0.6)	(0.1)	(0.6)	(0.4)	(3.9)	(5.5)	(0.5)	(0.0)	(0.1)	(0.2)	(1.6)	(2.4)	(0.1)	(0.1)	(0.5)	(0.2)	(2.2)	(3.1)
UPBT[1]	**40.7**	**42.2**	**35.0**	**63.8**	**(12.4)**	**169.3**	**30.3**	**23.7**	**19.7**	**32.6**	**(7.1)**	**99.1**	**10.5**	**18.5**	**15.3**	**31.2**	**(5.3)**	**70.3**
Significant Items Pre Tax[1]	**(68.1)**	**0.9**	**(2.1)**	**(3.5)**	**7.3**	**(65.5)**	**(40.9)**	**0.6**	**(1.0)**	**(1.8)**	**3.4**	**(39.8)**	**(27.2)**	**0.3**	**(1.0)**	**(1.7)**	**3.9**	**(25.8)**
Reportable Segment NPBT[1]	**(27.4)**	**43.1**	**33.0**	**60.3**	**(5.1)**	**103.8**	**(10.7)**	**24.2**	**18.7**	**30.8**	**(3.7)**	**59.3**	**(16.7)**	**18.8**	**14.3**	**29.5**	**(1.4)**	**44.5**

1. 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 6-4 in the Financial Statements.

3.1.1 Breakdown of Significant Items Pre Tax

PERIOD	FY22						2H22						1H22					
	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total	Perpetual Asset Management International	Perpetual Asset Management Australia	Perpetual Private	Perpetual Corporate Trust	Group Support Services	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Transaction and Integration costs[1]	(27.0)	(0.2)	(2.2)	(0.5)	-	(29.8)	(10.2)	-	(1.6)	(0.3)	-	(12.2)	(16.7)	(0.2)	(0.6)	(0.1)	-	(17.7)
Trillium	(3.5)	-	-	-	-	(3.5)	(1.6)	-	-	-	-	(1.6)	(2.0)	-	-	-	-	(2.0)
Barrow Hanley	(23.4)	-	-	-	-	(23.4)	(8.7)	-	-	-	-	(8.7)	(14.8)	-	-	-	-	(14.8)
Other	-	(0.2)	(2.2)	(0.5)	-	(2.9)	-	-	(1.6)	(0.3)	-	(1.9)	-	(0.2)	(0.6)	(0.1)	-	(0.9)
Non-cash amortisation of acquired intangibles[2]	(20.3)	-	(2.9)	(2.2)	-	(25.5)	(10.3)	-	(1.5)	(0.6)	-	(12.3)	(10.1)	-	(1.4)	(1.7)	-	(13.1)
Unrealised gains/losses on financial assets[3]	-	(1.9)	-	-	(13.1)	(15.1)	-	(1.4)	-	-	(13.1)	(14.5)	-	(0.6)	-	-	(0.0)	(0.6)
Accrued incentive compensation liability[4]	6.4	-	-	-	-	6.4	(0.6)	-	-	-	-	(0.6)	7.0	-	-	-	-	7.0
Significant Items Pre Tax	**(41.0)**	**(2.2)**	**(5.0)**	**(2.7)**	**(13.1)**	**(64.0)**	**(21.1)**	**(1.4)**	**(3.1)**	**(0.9)**	**(13.1)**	**(39.6)**	**(19.8)**	**(0.8)**	**(2.0)**	**(1.8)**	**(0.0)**	**(24.4)**

1. Relates to costs associated with the acquisition/establishment of Barrow Hanley, Trillium and other entities. 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.
4. This liability reflects the value of employee owned units in Barrow Hanley.

3.2 Appendix B: Bridge For FY22 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, FY22 reporting adjusted NPAT for the four types of significant items:

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

		OFR adjustments							
	FY22 Statutory Accounts	EMCF[1]	Transaction and Integration costs			Non-cash amortisation of acquired intangibles	Unrealised gains/losses on financial assets	Accrued incentive compensation liability	FY22 OFR
			Trillium	Barrow Hanley	Other				
	$M	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Revenue	749.6	(0.2)	-	-	-	-	18.3	-	767.7
Staff related expenses excluding equity remuneration expense	(367.8)			9.6	0.9			(6.4)	(363.7)
Occupancy expenses	(6.4)								(6.4)
Administrative and general expenses	(162.6)		0.5	10.9	2.0				(149.2)
Distributions and expenses relating to structured products	(0.2)	0.2							-
Equity remuneration expense	(13.4)		1.2	1.1					(11.1)
Depreciation and amortisation expense	(52.7)					25.5			(27.2)
Financing costs	(9.2)		1.8	1.8			(3.2)		(8.8)
Total expenses	(612.2)	0.2	3.5	23.4	2.9	25.5	(3.2)	(6.4)	(566.5)
Net profit before tax	**137.3**	**-**	**3.5**	**23.4**	**2.9**	**25.5**	**15.1**	**(6.4)**	**201.2**
Income tax expense	(36.1)	-	(0.5)	(6.6)	(0.5)	(6.9)	(4.1)	1.7	(53.0)
Net profit after tax	**101.2**	**-**	**3.0**	**16.8**	**2.4**	**18.6**	**10.9**	**(4.7)**	**148.2**
Significant Items (net of tax)									
Transaction and Integration costs									
- Trillium									(3.0)
- Barrow Hanley									(16.8)
- Other									(2.4)
Non-cash amortisation of acquired intangibles									(18.6)
Unrealised gains/losses on financial assets									(10.9)
Accrued incentive compensation liability									4.7
Net profit after tax attributable to equity holders									**101.2**

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: Perpetual Average Assets Under Management

FOR THE PERIOD in Australian Dollars	FY22 $B	FY21 $B	FY22 v FY21	FY22 v FY21	2H22 $B	1H22 $B	2H21 $B	1H21 $B
By asset class:								
- US equities	48.3	29.6	18.8	63%	47.6	49.0	45.5	13.6
- Global equities	15.0	8.0	7.0	88%	15.7	14.3	11.9	4.1
- Fixed income	11.1	8.0	3.1	39%	10.2	12.0	12.6	3.4
PAMI average AUM	**74.4**	**45.6**	**28.9**	**63%**	**73.5**	**75.4**	**70.1**	**21.0**
By asset class:								
- Australian equities	13.6	12.9	0.7	5%	13.4	13.8	13.5	12.3
- Global equities	1.6	1.2	0.3	26%	1.5	1.6	1.4	1.1
- Cash and fixed income	9.0	8.5	0.5	6%	9.2	8.9	7.8	9.2
- Other	0.9	0.8	0.1	8%	0.8	0.9	0.8	0.8
PAMA average AUM	**25.1**	**23.5**	**1.6**	**7%**	**24.9**	**25.2**	**23.5**	**23.4**
PP average AUM	**7.7**	**6.8**	**0.9**	**13%**	**7.7**	**7.8**	**7.1**	**6.5**
Total average AUM	**107.2**	**75.8**	**31.4**	**41%**	**106.1**	**108.4**	**100.7**	**51.0**

FOR THE PERIOD in US Dollars	FY22 $B	FY21 $B	FY22 v FY21	FY22 v FY21	2H22 $B	1H22 $B	2H21 $B	1H21 $B
By asset class:								
- US equities	35.1	22.5	12.5	56%	34.3	35.9	35.0	10.1
- Global equities	10.9	6.1	4.8	79%	11.3	10.5	9.2	3.0
Total equities	**45.9**	**28.6**	**17.3**	**61%**	**45.5**	**46.3**	**44.1**	**13.1**
Fixed income	8.1	6.1	2.0	32%	7.3	8.8	9.7	2.5
PAMI average AUM	**54.0**	**34.7**	**19.3**	**56%**	**52.9**	**55.1**	**53.8**	**15.6**

3.4 Appendix D: Full Time Equivalent Employees

AT END OF	2H22	1H22	2H21	1H21
Perpetual Asset Management International	184	164	156	147
Perpetual Asset Management Australia	81	81	88	82
Perpetual Private	419	371	360	360
Perpetual Corporate Trust	286	234	205	203
Group Support Services	400	378	358	356
Total operations	**1,370**	**1,228**	**1,166**	**1,148**
Permanent	1,346	1,211	1,163	1,142
Contractors	25	16	3	5
Total operations	**1,370**	**1,228**	**1,166**	**1,148**

3.5 Appendix E: Dividend History

Perpetual's dividend policy is to a payout ratio range of between 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
FY22	Final	30 Sep 2022	97 cents	100%	30%	Not determined at time of publication
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

AASB	Australian Accounting Standards Board
ABS	Asset backed securities
ADI	Authorised deposit-taking institution
All Ords	All Ordinaries Price Index
APRA	Australian Prudential Regulatory Authority
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
BEAR	Banking Executive Accountability Regime
bps	Basis point (0.01%)
CCIV	Collective Corporate Investment Vehicles
CEO	Chief executive officer
CLO	Collateralised Loan Obligation
CMBS	Commercial mortgage backed securities
COVID-19	Coronavirus disease
cps	Cents per share
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
FAR	Financial Accountability Regime
FCA	Financial Conduct Authority
FTE	Full time equivalent employee
FUA	Funds under advice (for Perpetual Private) or funds under administration (for Perpetual Corporate Trust)
Group	Perpetual Limited and its controlled entities (the consolidated entity) and the consolidated entity's interests in associates
GBP	British Pounds
HKD	Hong Kong Dollars
HNW	High net worth
IFPR	Investment Firms Prudential Regime
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
KPI	Key performance indicator
M	Million
MAS	Monetary Authority of Singapore

NM	Not meaningful
NPBT	Net profit before tax
NPAT	Net profit after tax
NTA	Net tangible asset
N/A	Not applicable
OFR	Operating and Financial Review
PAMA	Perpetual Asset Management Australia
PAMI	Perpetual Asset Management International
PCT	Perpetual Corporate Trust
PP	Perpetual Private
RAS	Risk Appetite Statement
RBA	Reserve Bank of Australia
RMBS	Residential mortgage-backed securities
RMF	Risk Management Framework
ROE	Return on equity
RSE	Registrable Superannuation Entity
SFDR	Sustainable Finance Action Plan and Sustainable Disclosure Regulation
SGD	Singapore Dollars
SREIT	Singapore real estate investment trust
UK	United Kingdom
UPAT	Underlying profit after tax
UPBT	Underlying profit before tax
US	United States
USD	United States Dollars
WH&S	Work health and safety

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Trust is earned.

Perpetual