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Second Quarter 2019 funds under management update

Perpetual Limited (Perpetual) today announced Perpetual Investments' funds under management (FUM) as at 31 December 2018 of \$27.7 billion¹, a decrease of \$2.5 billion on the prior quarter. Net outflows for the quarter were \$0.3 billion. Total average FUM for the three months to 31 December 2018 were \$28.6 billion.

The largest contributor to the change in FUM over the quarter was market depreciation of \$2.1 billion, with the All Ordinaries Index down 9.74% during the quarter. Perpetual Investments also experienced:

- \$0.3 billion of net outflows comprising:
 - \$0.4 billion of net outflows from Australian Equities primarily from the intermediary channel; offset by
 - \$0.1 billion of net inflows due to a successful capital raising by Perpetual's listed investment company, Perpetual Equity Investment Company; and
- Distribution payments to clients (net of automatic re-investments) of \$0.1 billion.

AASB 9 Financial Instruments

As previously disclosed in our 2018 Annual Report, effective 1 July 2018² unrealised gains and losses on Perpetual's financial assets designated at Fair value through profit and loss (FVTPL) will be taken to the income statement. These assets include listed equity securities, unlisted unit trusts and Exact Market Cash structured products. Consequently, as a result of the recent falls in equity markets Perpetual will record an unrealised loss on some of these assets for the half-year ending 31 December 2018.

Interim results for the half-year ended 31 December 2018 will be released on 21 February 2019. Details of the investor briefing will be announced closer to the date.

Appendix

- FUM and flows data by channel, asset class and strategy.

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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.au

¹ All figures in this update are in Australian dollars and are rounded.

² For further information refer Note 6-4(a) 'AASB 9 Financial Instruments' of the Perpetual's Financial Statements for the year ended 30 June 2018.

Appendix

FUM and flows by channel

Channel (A\$ billion)	30 Sep 2018	Net Flows	Other ²	31 Dec 2018
Retail	5.3	(0.1)	(0.4)	4.8
Intermediary	15.5	(0.2)	(1.2)	14.1
Institutional	9.1	(0.1)	(0.6)	8.4
Listed Investment Company	0.3	0.1	-	0.4
Total	30.2	(0.3)	(2.2)	27.7

FUM and flows by asset class

Asset Class (A\$ billion)	30 Sep 2018	Net Flows	Other ²	31 Dec 2018
Australian Equities	20.3	(0.4)	(1.9)	18.0
Global Equities	1.5	-	(0.2)	1.3
Listed Investment Company	0.3	0.1	-	0.4
Total equities	22.1	(0.3)	(2.1)	19.7
Cash & Fixed Income	7.1	-	-	7.1
Other	1.0	-	(0.1)	0.9
Total: all asset classes	30.2	(0.3)	(2.2)	27.7

² 'Other' includes changes in market value of assets, income, reinvestments, distributions, and asset class rebalancing within the Group's diversified funds.

Channel definitions: Retail includes FUM from advisers and individual clients who invest with Perpetual directly; Intermediary includes FUM from financial advisers who invest with Perpetual via external platform providers; Institutional includes industry superannuation funds and clients who invest large sums.

Australian Equities

FUM by strategy 31 Dec 2018 (A\$ billion)	Intermediary & Retail	Institutional	Total FUM
Concentrated	1.0	5.3	6.3
Industrials	4.5	-	4.5
Ordinaries	2.1	-	2.1
Share-Plus	1.2	-	1.2
Ethical	1.1	-	1.1
Smaller Companies	0.6	0.3	0.9
Other	1.4	0.5	1.9
Total Australian Equities	11.9	6.1	18.0

Cash and Fixed Income

FUM by strategy 31 Dec 2018 (A\$ billion)	Intermediary & Retail	Institutional	Total FUM
Cash / Enhanced Cash	0.8	2.1	2.9
Credit / Fixed Income	3.9	0.1	4.0
Sub-total	4.7	2.2	6.9
Exact Market Cash			0.2
Total			7.1