



Perpetual Limited
ABN 86 000 431 827

Angel Place,
Level 18, 123 Pitt Street
Sydney NSW 2000,
Australia

Phone +61 9229 9000
www.perpetual.com.au

ASX Announcement

27 November 2019

Perpetual Investor Presentation

Please find attached a copy of the investor presentation to be delivered by the Company in Sydney today. A copy of the presentation will also be available on the Company's website.

For more information please contact:

Investors:

Andrew Ehlich
General Manager, IR & Corporate Finance
Perpetual Limited
Tel: +61 2 9229 9081
andrew.ehlich@perpetual.com.au

Media:

Sue I Ong
Manager Corporate Communications
Perpetual Limited
Tel: +61 2 9229 9370
Sue.I.Ong@perpetual.com.au

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

PERPETUAL LIMITED

INVESTOR DAY

27 November 2019

ABN 86 000 431 827

Perpetual 

AGENDA

	Speaker	
Welcome & introduction	Andrew Ehlich General Manager Corporate Finance & Investor Relations	10.00-10.05
Group overview	Rob Adams Chief Executive Officer & Managing Director Chris Green Chief Financial Officer	10.05-10.30
Perpetual Investments	Rob Adams Michael O’Dea – Head of Multi Asset Amanda Gillespie – General Manager Perpetual Investments	10.30-11.15
Break		5-10 min
Perpetual Private	Mark Smith Group Executive Perpetual Private	11.20-12.05
Perpetual Corporate Trust	Richard McCarthy Group Executive Perpetual Corporate Trust	12.05-12.50
Closing remarks	Rob Adams – CEO	12.50-13.00
Lunch		13.00-13.30

GROUP OVERVIEW & STRATEGY

ROB ADAMS
CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

PERPETUAL
OUR PURPOSE REFLECTS OUR HERITAGE AND CULTURE

Our
purpose

Enduring prosperity

We are proud of our past and passionate about creating a sustainable future for our clients, people and the communities in which we operate

Our
vision

Most trusted in financial services

Recognised in the top quintile for brand strength and client advocacy

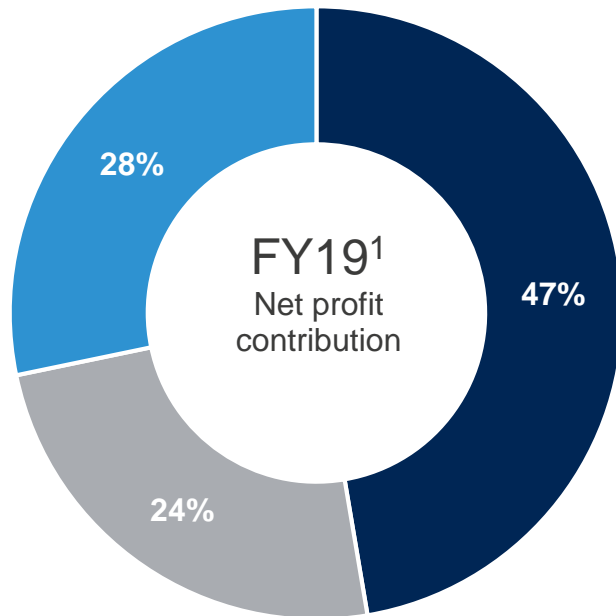
Our
values

Integrity, Partnership, Excellence

Trust is earned through every action, every day

PERPETUAL OVERVIEW

A TRUSTED BRAND IN CORE MARKETS



- Perpetual Investments
- Perpetual Private
- Perpetual Corporate Trust

Perpetual Investments

- \$26.1bn² funds under management
- Highly regarded investments business seeking to add world-class investment capabilities to drive sustained growth

Perpetual Private

- \$14.9bn² funds under advice
- Clear High Net Worth segmentation strategy and professional services model, well positioned to capitalise on industry disruption

Perpetual Corporate Trust

- \$779bn² funds under administration
- Leader in securitisation and managed fund services
- Investing in data analytics solutions

Industry-leading NPS score³
of **+39** up from +34 in FY18

73% employee engagement
Top quartile of Australian
companies⁴

Direct access to **75,000+**
retail investors⁵

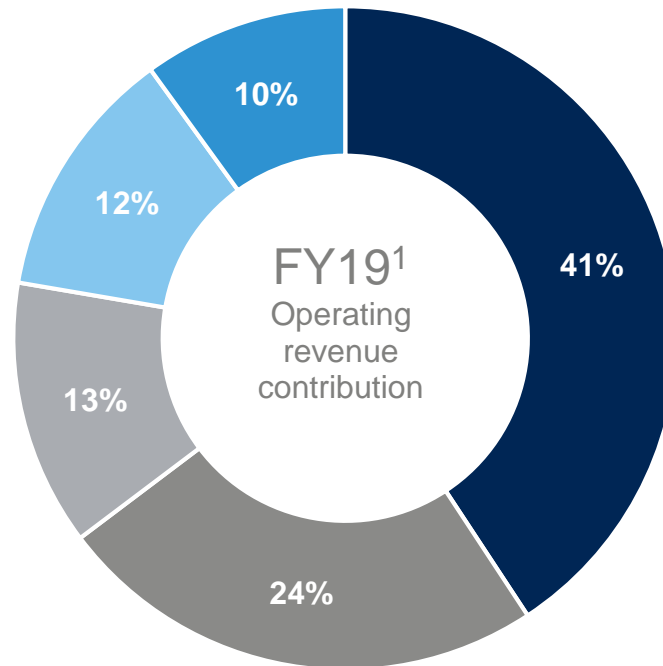
PERPETUAL'S REVENUE SOURCES

DIVERSIFIED SOURCES OF REVENUE ACROSS THREE DIVISIONS

Fiduciary & Advisory revenues 35%

Key Drivers

- New clients
- Market securitisation issuances
- Non-bank lending growth
- Australian cross-border flows
- Asset values



Market revenues 65%

Key Drivers

- PI Funds Under Management
- PP Funds Under Advice
- Net flows
- Equity markets
- Relative investment performance
- Interest rate spreads

- PI - Management & Performance Fees
- PP - Market
- PP - Non Market
- PCT - Debt Market Services
- PCT - Managed Fund Services

PERPETUAL EXECUTIVE COMMITTEE



Rob Adams
Managing Director and Chief Executive Officer
Joined Perpetual: 2018



Chris Green
Chief Financial
Officer
Joined: 2006



David Lane
Group Executive,
Mergers &
Acquisitions
Joined: 2017



Richard McCarthy
Group Executive,
Perpetual Corporate
Trust
Joined: 2007



Sam Mosse
Chief Risk Officer
Joined: 2019



Mark Smith
Group Executive,
Perpetual Private
Joined: 2012



Andrew Wallace
Chief Operating
Officer (Acting)
Joined: 2013

Paul Chasemore, Executive General Manager, People and Culture, also reports directly to Rob Adams.

STRATEGIC PRIORITIES

FOUNDATIONS FOR GROWTH

Create the right environment for our people to thrive

Be recognised as a leader in chosen markets for client experience

Deliver sustained growth and quality outcomes for stakeholders



Deepen our client relationships and improve our clients' experience



Promote a culture of innovation and empowerment to be nimble and increase productivity



Embed digital solutions in how we work together and interact with our clients



Identify and execute the right inorganic opportunities to deliver quality growth

OUR STRATEGY

OUR PURPOSE
Enduring Prosperity

OUR VISION
Most trusted in Financial Services

OUR VALUES
Excellent, Integrity, Partnership

CLIENTS
Trusted brand and enduring relationships

PEOPLE
Attract, develop and inspire the best people

SHAREHOLDERS
Delivering sustainable quality growth

STRATEGIC IMPERATIVES



CLIENT FIRST

Exceptional products
Outstanding service

- Exceed client needs with products and services
- Improve client connectivity and delivery through innovative digital solutions
- Set industry leading standards in all that we do



FUTURE FIT

Empowering our people
to deliver high performance

- Agile, efficient and scalable operating platform to manage growth
- A strong culture where people are positively challenged and empowered within our stated risk appetite
- Contemporary technology platform



NEW HORIZONS

New capabilities
Global footprint

- Buy or build global investment distribution capabilities
- Improve and diversify our growth potential both organically and via an active M&A agenda across our businesses
- Deliver contemporary solutions to our clients

ENABLERS

Brand

Leadership

Innovation

Trust is earned.

Earn trust. Every action. Every day.

TARGET OPERATING MODEL

CHRIS GREEN
CHIEF FINANCIAL OFFICER

TARGET OPERATING MODEL

FOUR FOCUS AREAS TO SIMPLIFY AND POSITION THE BUSINESS



PERPETUAL STRATEGY EXECUTION FINANCIAL IMPACTS



- Target operating model implementation spend of \$18 million¹
- Expected to deliver \$18-23m in cost savings on an annualised basis²
- Full benefits expected to be realised from FY21
- BAU expense growth expected at the lower end of 2-4% per annum in FY20
- Additional expense growth associated with advisor acquisitions in PP and the purchase of Priority Life increase total expense growth for FY20³

1. Likely to be incurred in full in FY20

2. Excludes implementation spend and investment in strategic initiatives,

3. Based on current projections, these additional costs will increase expense growth to the upper end of 2-4% per annum

PERPETUAL INVESTMENTS

PERPETUAL INVESTMENTS



Rob Adams
CEO

Division overview
Strategic priorities
Market context
Team overview



Michael O'Dea
Head of Multi-Asset

Benefits of a diversified portfolio & retirement solutions



Amanda Gillespie
General Manager - Perpetual
Investments

Distribution footprint & capabilities

PERPETUAL INVESTMENTS OVERVIEW

\$26.1 bn
FUM¹

50+
Years of
investing

12,000
advisers²

Capabilities

- One of **Australia's longest standing and largest active investment managers**
- Diversified suite of capabilities spanning equities, fixed income and multi asset
- **85% of flagship funds** have outperformed benchmarks over past 10 years²
- Contemporary products (e.g. listed, ESG focused, real return) to meet the evolving needs of our clients
- Strategic focus on adding investment capabilities to accelerate growth

People

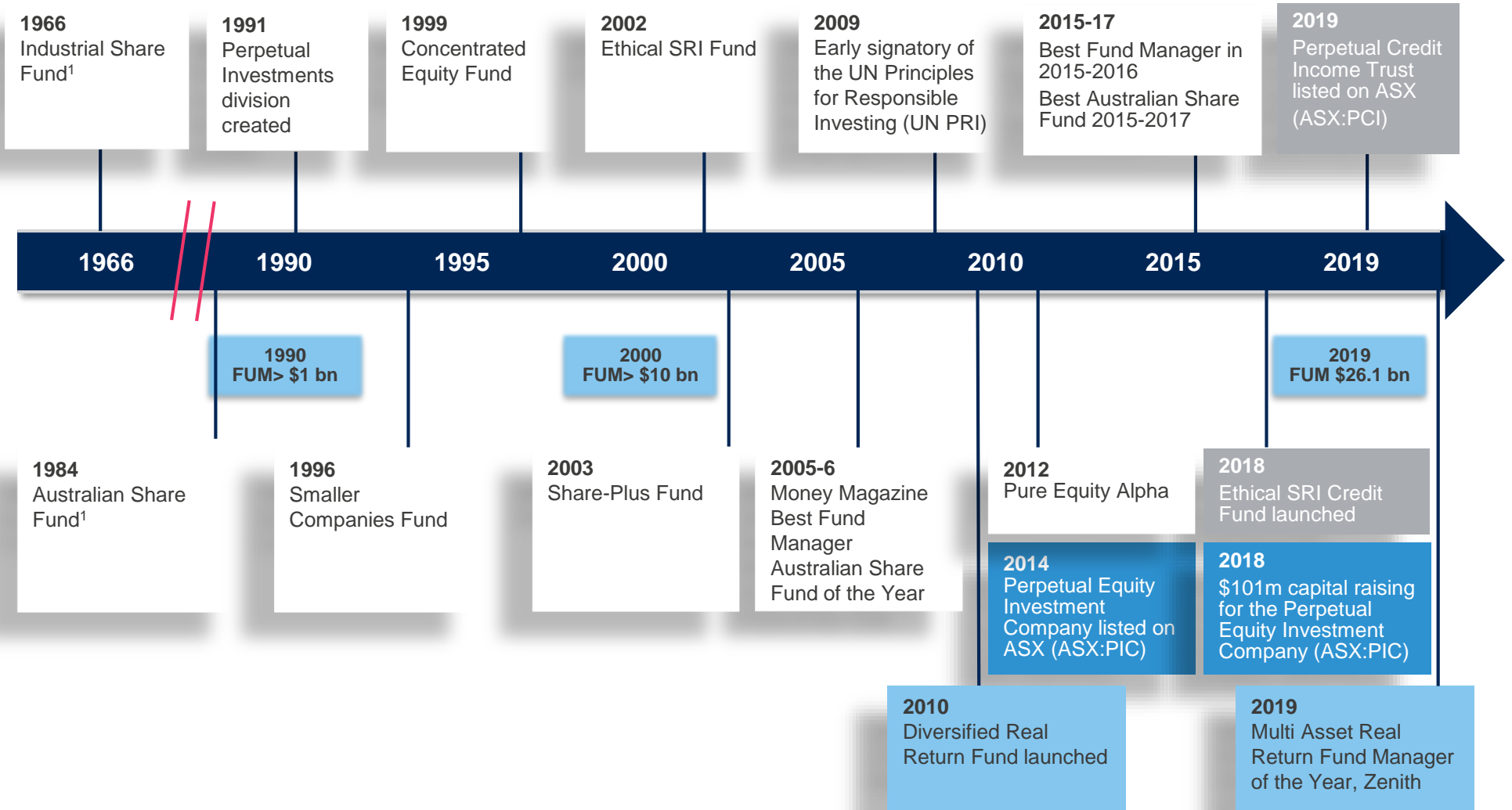
- Strong and deeply embedded investment culture
- **50+ year heritage** in protecting and growing the wealth of our clients
- Depth, breadth and experience of the investment team is a key differentiator to other domestic fund managers
- Disciplined process, comprehensive proprietary research capabilities

Distribution

- Recognised and **trusted investment brand**
- One of the largest and most experienced distribution teams in the market
- High touch & **tailored distribution strategy** servicing diverse client base, across multiple channels & platforms
- Uniquely placed to capitalise on the disruption and fragmentation of the advice landscape

PERPETUAL INVESTMENTS

EVOLUTION OF PRODUCT AND SERVICES



¹ Represents the start date of the underlying fund

PERPETUAL INVESTMENTS

DIFFERENTIATED WITH CAPACITY TO GROW

Australian Equities

- \$16.3bn FUM across 12 differentiated strategies
 - 6 Funds in 1st or 2nd quartile over 10 years¹, 11 out of 12 products are rated “Recommended” or above by one or more research houses
 - 1 listed strategy ASX:PIC
-

Cash & Fixed Income

- \$7.7bn FUM across 9 strategies
 - 100% of funds in 1st or 2nd quartile over 3,7 and 10 years¹,
 - Pure Credit Alpha in top 10 fixed income funds by 1 year net flows²
 - 1 listed strategy ASX: PCI
-

Multi Asset

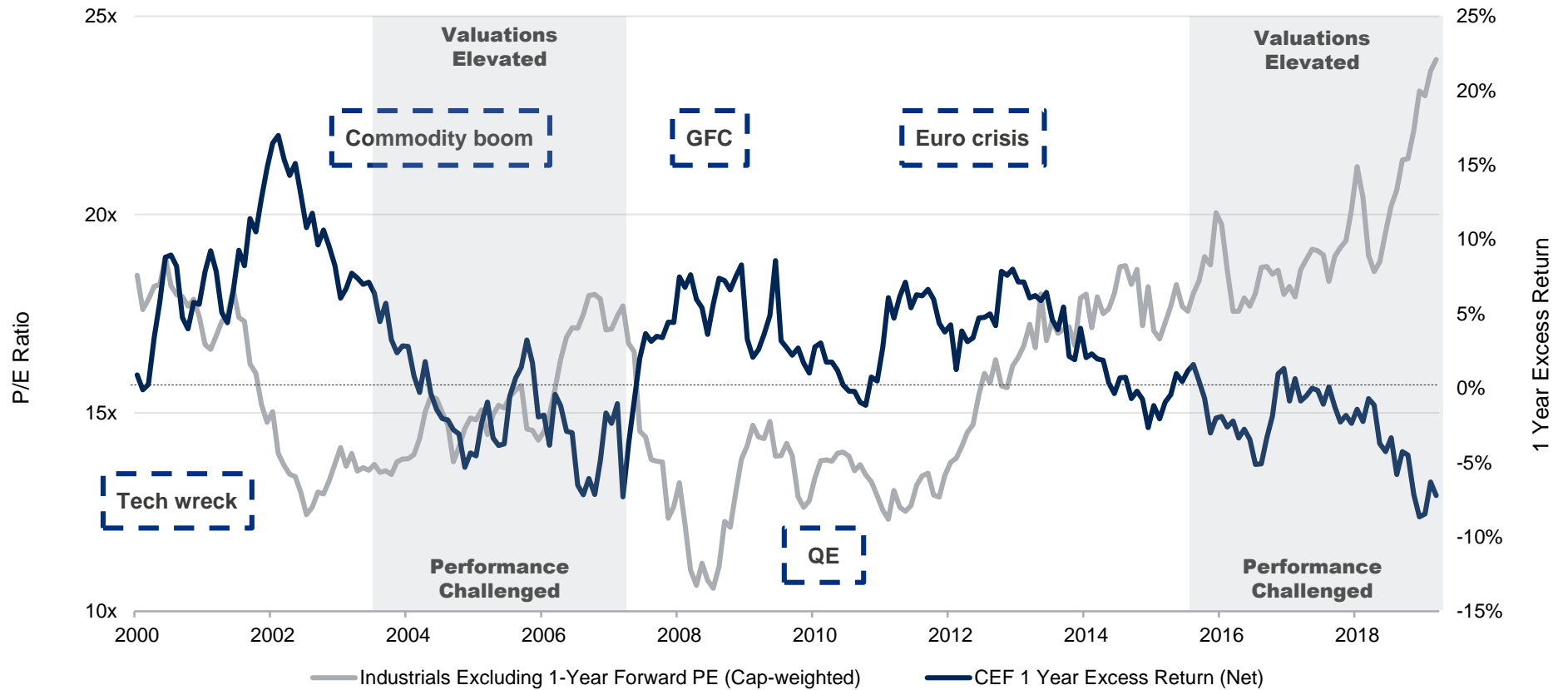
- \$2.6bn³ FUM across 5 strategies
 - 75% of strategies delivered positive alpha over 5 years
 - 4 funds rated “highly recommended” by Lonsec⁴
-

Global Equities

- \$1.2bn FUM; across 2 strategies
- Global Share Fund rated “Recommended” by Lonsec and Zenith⁴
- Global Innovation Fund approaching 3 year performance track record

PERPETUAL INVESTMENTS

20 YEARS OF PERPETUAL INVESTING THROUGH THE CYCLE



Over time Perpetual's investment approach has delivered excess returns when valuations have normalised

PERPETUAL INVESTMENTS

INCREASED FOCUS AND INVESTMENT IN ASSET MANAGEMENT AND DISTRIBUTION CAPABILITIES

1

World-class investment capabilities

- Dedicated focus on inorganic opportunities with active and growing pipeline
- Domestic and international search
- Strict criteria that demonstrates:
 - Global investment capabilities
 - Investor demand
 - Material capacity
 - Ability to sell globally
 - Strong cultural alignment

2

Industry leading brand and distribution

- Head of Distribution appointed
- Distribution footprint reach and resourcing
- Broaden the suite of listed products
- Enhance digital client experience and communications program
- Launch funds in incubation
- Consider expanding Perpetual's reach into the direct client channel

3

Contemporary and efficient operating platform

- Ensure the Operating Model delivers scale and enables growth
- Deepen the focus on Investment Analytics & Risk
- Data strategy to deliver efficiencies, consistency and value add insights across the business
- Investing in our technology
- Develop a global mindset
- Scalable platform

World-class investment capabilities, combined with industry leading distribution will lead to sustained quality growth

PERPETUAL INVESTMENT

HIGHLY REGARDED, WELL-RESOURCED AND EXPERIENCED TEAM

		Rob Adams								
Australian Equities Paul Skamvougeras		Credit and Fixed Income Michael Korber		Multi Asset Michael O'Dea		Global Equities Garry Laurence		Business Management & Strategy Amanda Gillespie		
Vince Pezzullo Deputy Head of Equities	Alex Hurrell Equities Analyst	Vivek Prabhu Head of Fixed Income	David Hudson Asset Allocation	Thomas Rice Global Equities Analyst	Strategy ESG Investment Services Investment Analytics and Risk					
Jack Collopy Portfolio Manager	Carly Turner Equities Analyst	Greg Stock Head of Credit Research	Matt Sherwood Investment Strategy	Andrew Plummer Global Equities Analyst						
Nathan Hughes Portfolio Manager	Alex Patten Equities Analyst	Thomas Choi Portfolio Manager / Analyst	Geoff Ryan Portfolio Management	Rosemary Tan Global Equities Analyst	<i>Industry experience: 23</i> <i>Joined Perpetual Feb 18</i>					
Anthony Aboud Portfolio Manager	Michael Croser Equities Analyst	Anne Moal Senior High Yield Analyst	Russell Turner Associate Portfolio Manager	Mark Skurnik Global Equities Analyst						
Anthony Cay Portfolio Manager	Tariq Chotani Equities Analyst	Carol Yuan Credit Analyst	Rema Elias Investment Analyst	Matthew Cross Global Equities Analyst	Distribution Adam Quaife*					
Maryanne Drewe Head of Proprietary Research	Sean Roger Equities Analyst	JP Bae Market Analyst / Dealer	Tessa McKinnon Investment Analyst	<i>Avg experience : 14 years</i> <i>with Perpetual : 5 years</i>						
James Rutledge Deputy Portfolio Manager	Nicholas Vidale Equities Analyst	Michael Murphy High Yield Analyst	<i>Avg experience : 19</i> <i>with Perpetual: 6</i>						Institutional Business Investment Specialists Client Services Research Consultants	
<i>Avg experience: 18 years</i> <i>with Perpetual: 7 years</i>		<i>Avg experience : 21 years</i> <i>with Perpetual : 9 years</i>								
	Guy Bunce Equities Analyst					<i>Industry experience : 25</i> <i>Joining December 19</i>				
	Dean Fremder Equities Analyst									
	Clarke Wilkins Equities Analyst									

PERPETUAL INVESTMENTS

OPPORTUNITIES ACROSS EACH CAPABILITY

Australian Equities

- Near term performance improving
- Continued investment in proprietary research
- Disciplined approach to value investing continues

Global Equities

- Concentrated, benchmark unaware investment strategy
- Opportunity is large
- Competitive space, working on positioning in market

Cash & Fixed Income

- Longstanding team with depth of experience at Perpetual
- Performance strong across all funds
- Continuing to build out solutions and listed vehicles

Multi Asset

- Well established team
- Delivering a contemporary real return solution to clients
- Momentum around ratings and research house support

World-class investment capabilities, combined with industry-leading distribution will lead to sustained quality growth



MANAGING RISK, NOT AVOIDING RISK, IS THE KEY IN RETIREMENT

Michael O'Dea, Head of Multi Asset

November 2019

Perpetual 

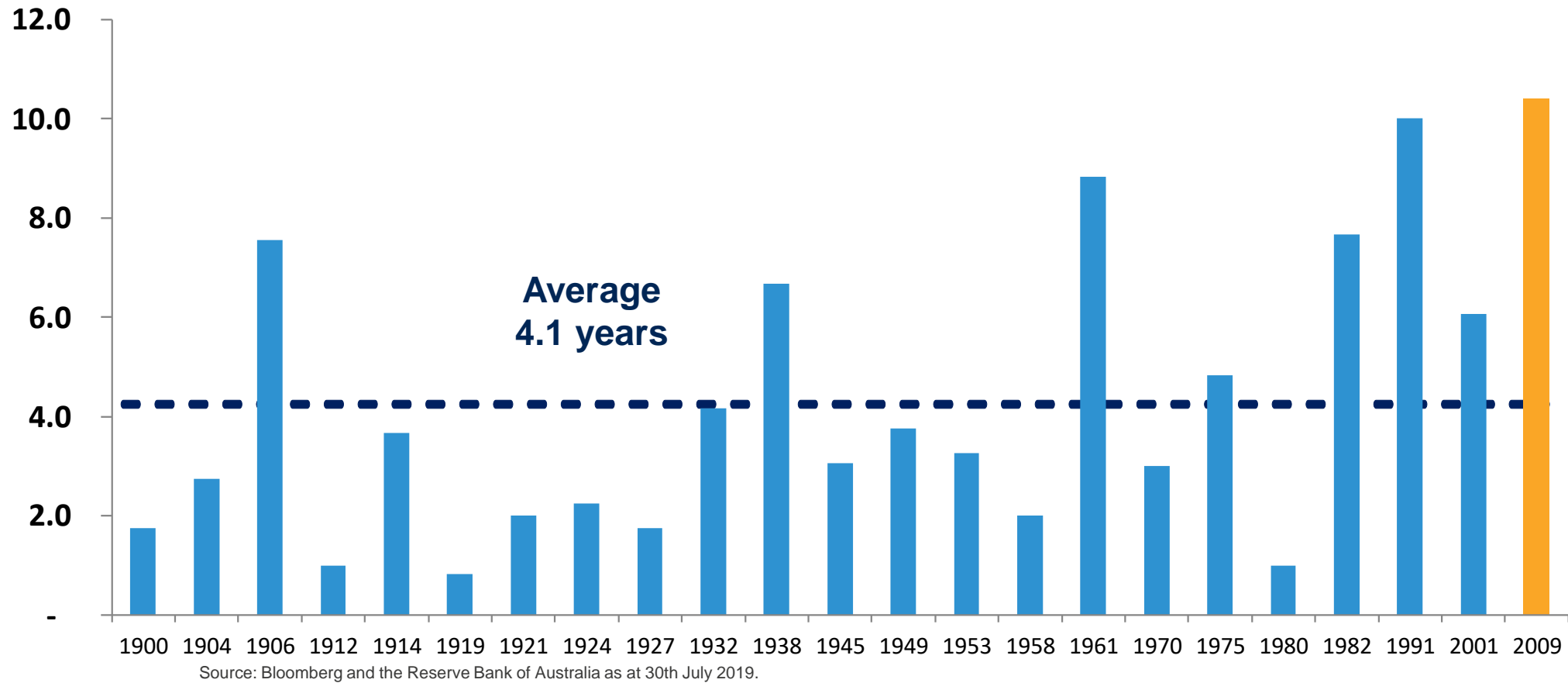


TODAY'S RETIREMENT CHALLENGE



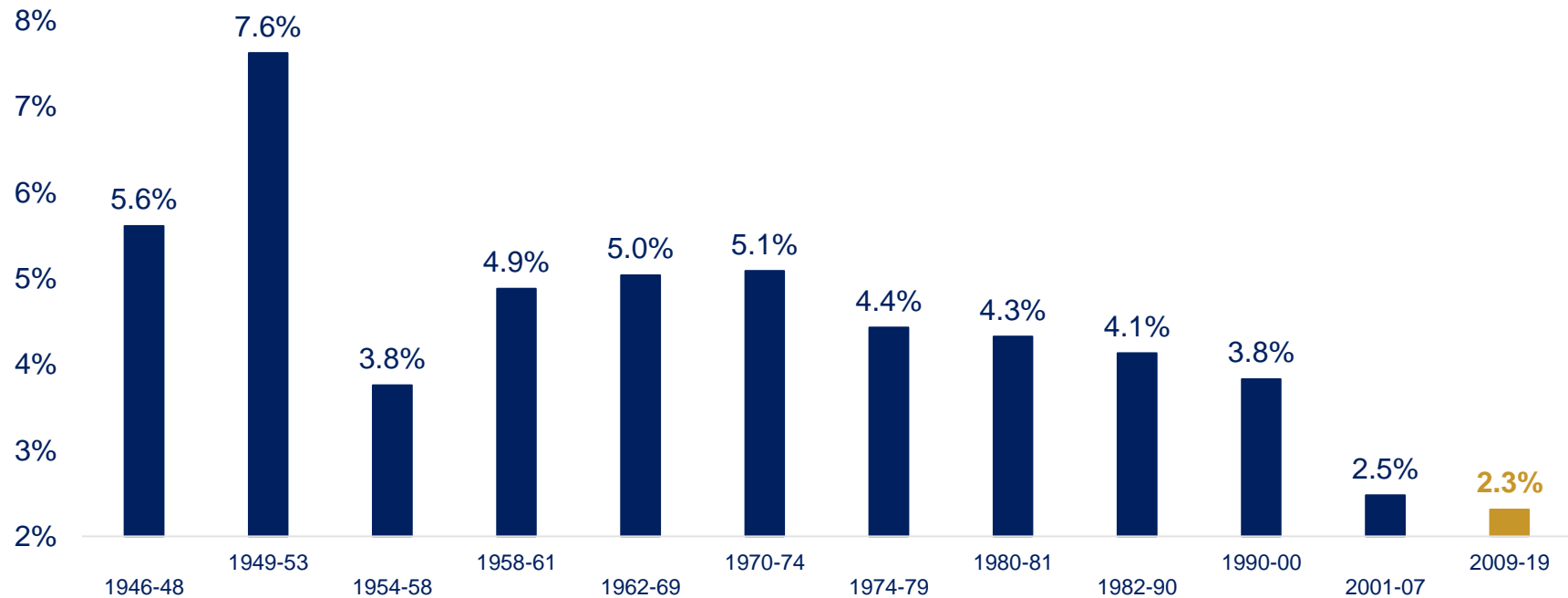
PERPETUAL INVESTMENTS

THE ECONOMIC CYCLE IS THE OLDEST ON RECORD...



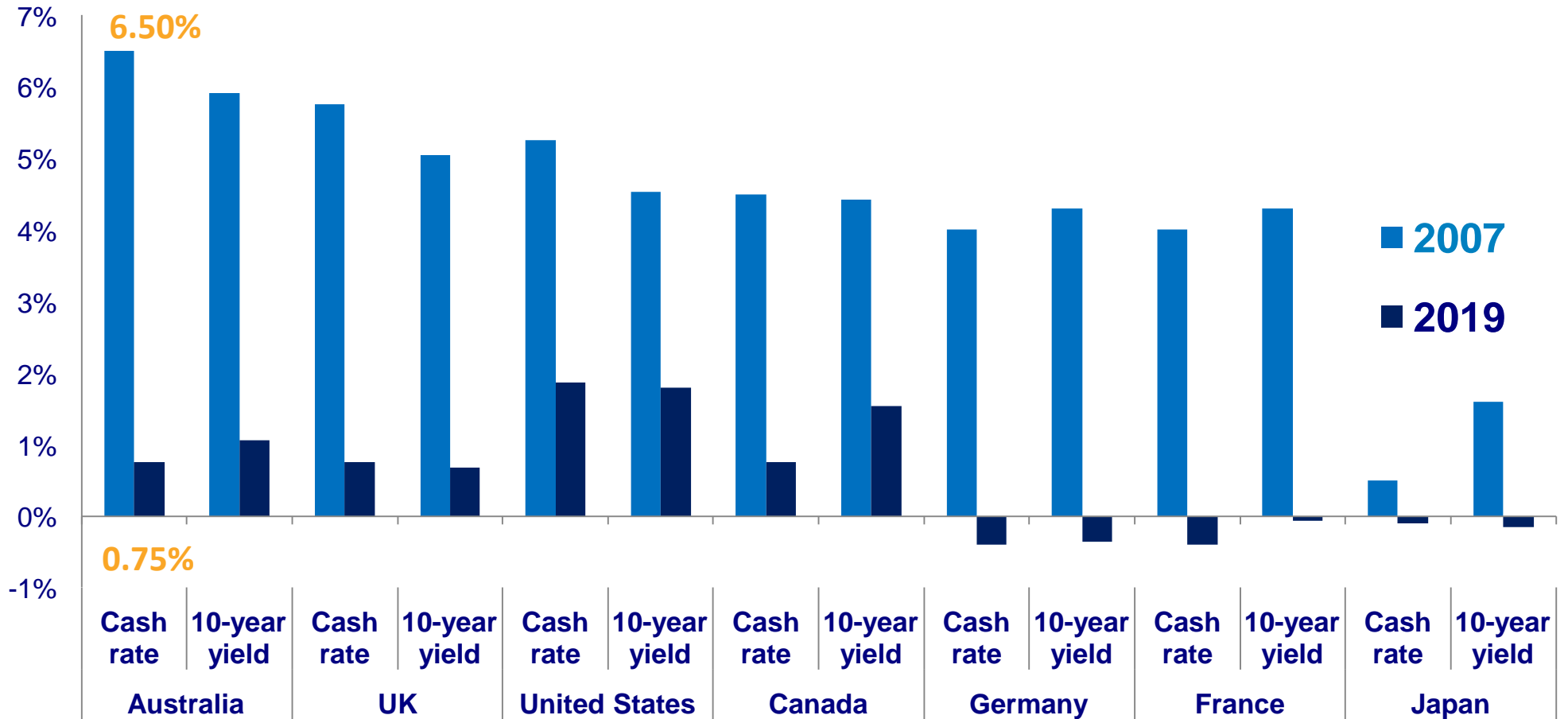
PERPETUAL INVESTMENTS BUT ALSO THE WEAKEST...

Average annual growth by business cycle



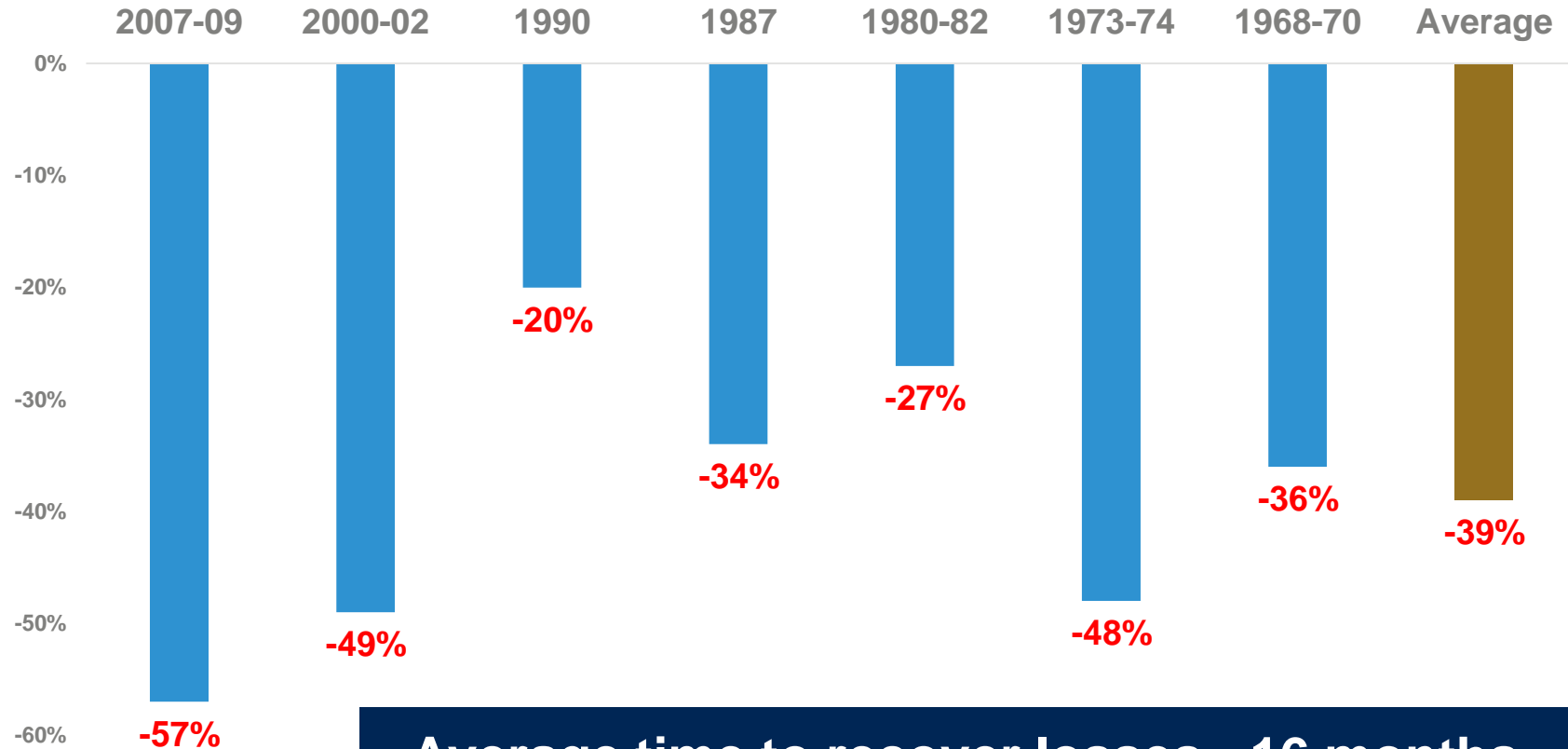
Source: Bloomberg.

PERPETUAL INVESTMENTS WHILE CENTRAL BANKS HAVE EXHAUSTED THEIR FIREPOWER



Source: Bloomberg and the Reserve Bank of Australia as at 30 September 2019.

PERPETUAL INVESTMENTS US BEAR MARKETS OVER PAST 50 YEARS



Source: Shiller

A person is holding a tablet computer that displays various data visualizations, including a bar chart, a line graph, and several icons. The tablet is held over a laptop keyboard. The background is a blurred office setting. A dark blue semi-transparent box is overlaid on the left side of the image, containing the text 'HOW HAVE WE RESPONDED?'.

**HOW HAVE WE
RESPONDED?**

PERPETUAL INVESTMENTS

WHAT IS PERPETUAL'S DIVERSIFIED REAL RETURN FUND?

Investment Objective

- To generate **inflation plus 5%p.a. over rolling 5 year periods** (before fees and taxes) with low levels of risk, to **protect capital**.

Investment Philosophy

- **Valuation** is the key driver of investment decisions

Key attributes

- Avoiding expensive and vulnerable markets
- Optimise the level of cash and ability to put cash to work when markets are cheap
- A broader tool kit, than simply government bonds, for downside protection
- Genuine diversification and fee efficient access to portfolio diversifiers without the drawbacks of alternatives

THE PORTFOLIO IS BUILT AROUND 4 INVESTMENT QUESTIONS

Inflation

What protects from inflation surprises over 5 year?



**INFLATION
PROTECTION**



**RETURN
SEEKING**

Return Seeking

What has a high probability of inflation + 5%?



**DOWNSIDE
PROTECTION**



**DIVERSIFYING
OPPORTUNITIES**

Downside Protection

What protects the portfolio in times of market stress?

Diversifying Opportunities

Are there uncorrelated return opportunities?

STABLE CHARACTERISTICS; DYNAMIC ALLOCATIONS

A PORTFOLIO DESIGNED FOR DIFFERENT MARKET CONDITIONS

MID CYCLE – FAIR VALUE

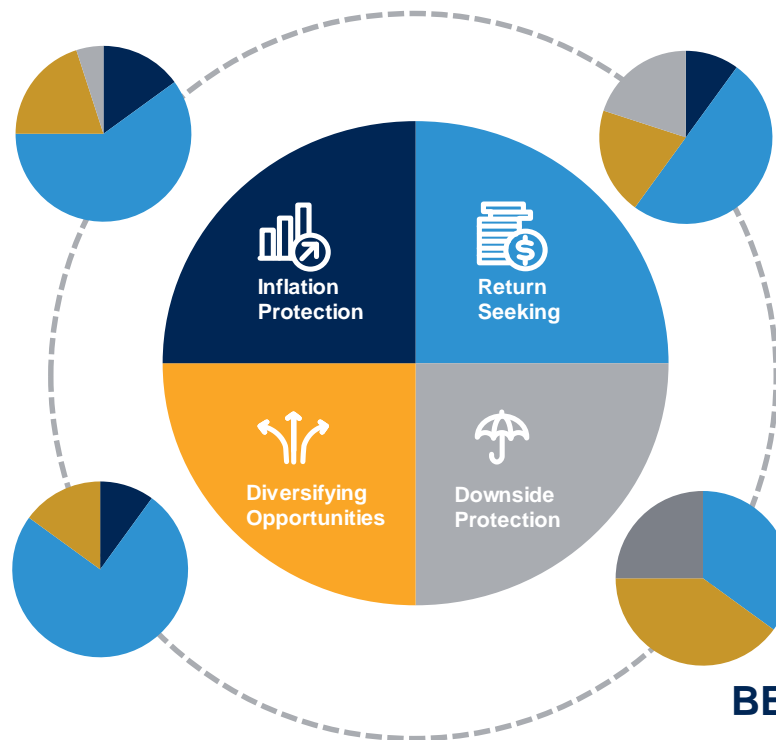
MATURE BULL MARKET

Exhibits similar characteristics a **Balanced Fund**, with less reliance on equities to drive returns

Exhibits similar characteristics a **Conservative Fund**, with less reliance on bonds for protection

RECOVERY

BEAR MARKET



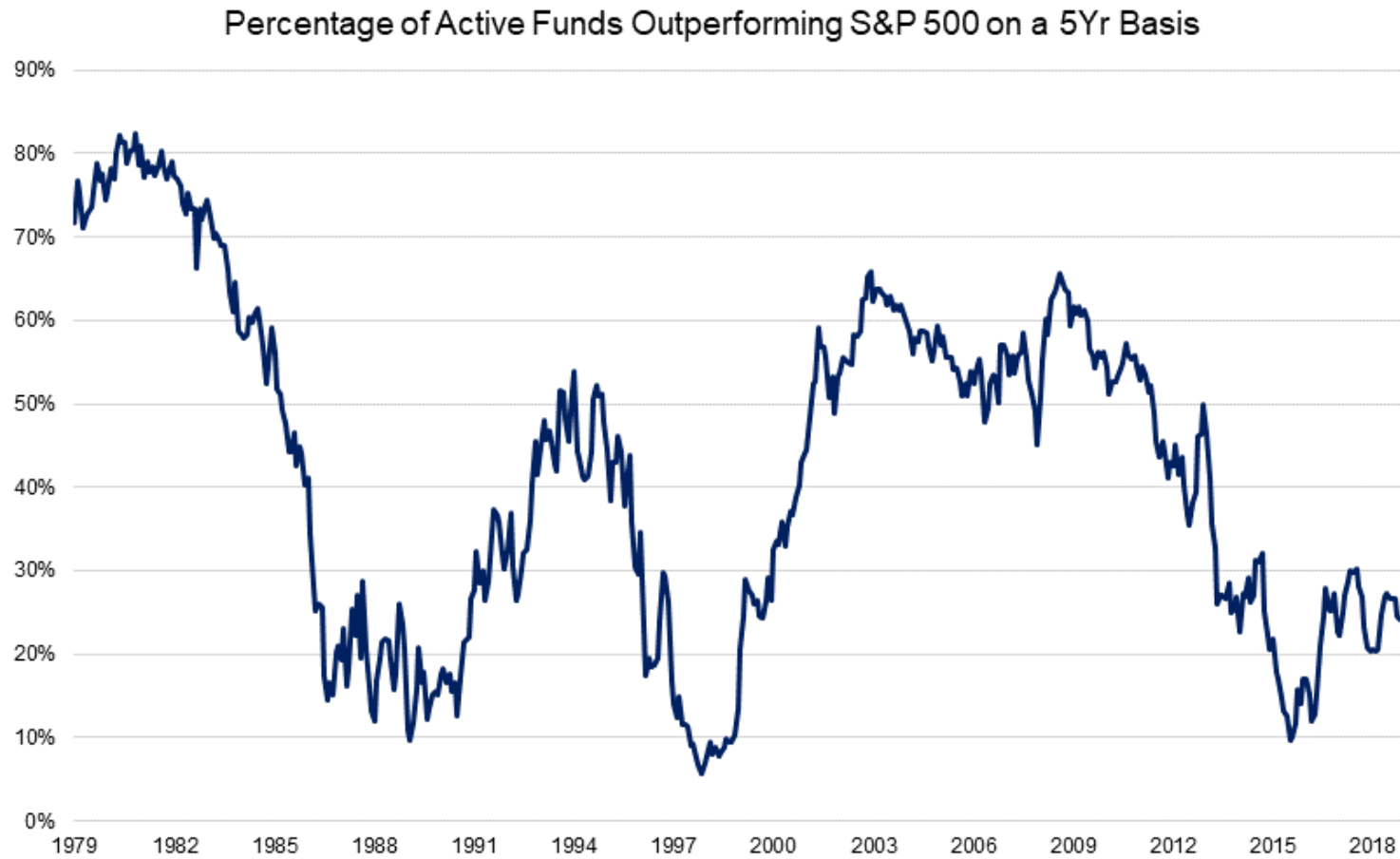
CROSS ASSET IMPLIED VOLATILITY IS EXTREMELY LOW THEREFORE BOUGHT OPTIONS ARE CHEAP

Standard Deviation



PERPETUAL INVESTMENTS

ACTIVE MANAGEMENT



Source: Morningstar Direct & Perpetual Investments

PERPETUAL DIVERSIFIED REAL RETURN FUND

PERFORMANCE AND VOLATILITY AS AT 30 SEPTEMBER 2019

Quality investment returns focus on
maximising returns per unit of risk,
 not maximising returns by chasing risk

PERFORMANCE						
	CYTD	1 YEAR %	3 YEARS %P.A.	4 YEARS %P.A.	5 YEARS %P.A.	Since Inception [^] %P.A.
Real Return Fund (Gross)	7.3%	5.8%	5.8%	5.8%	5.6%	7.3%
Real Return Fund (Net)	6.6%	4.9%	4.9%	4.9%	4.7%	6.4%
Australian CPI (as at 31 March 2019)*		1.6%	1.9%	1.8%	1.6%	2.0%
VOLATILITY						
Real Return Fund		3.5%	2.8%	2.8%	3.0%	3.2%

Source: Perpetual, FactSet as at 11 November 2019

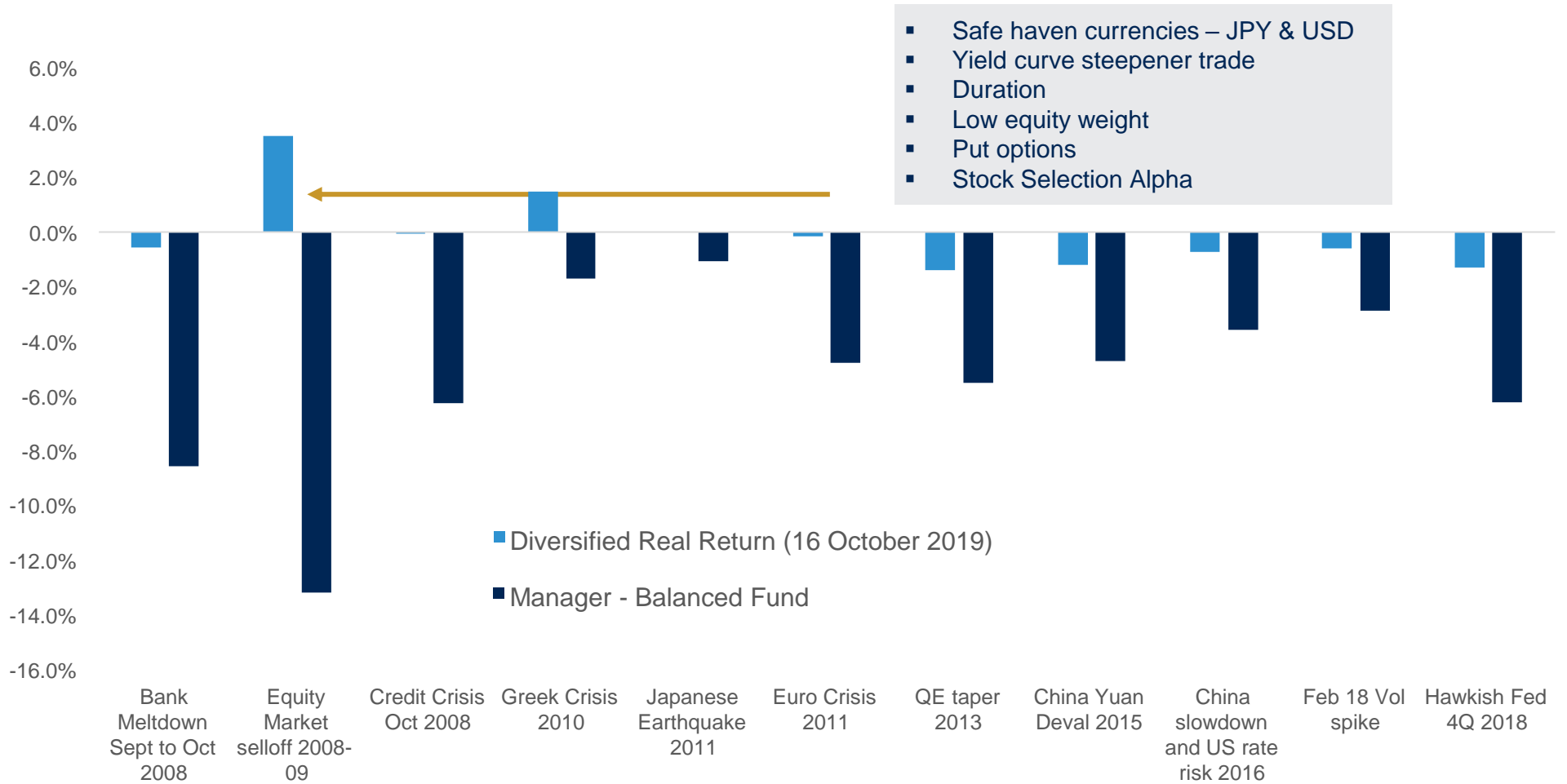
Gross performance is before fees and assumes reinvestment of distributions. Net performance is after fees and assumes reinvestment of distributions.

Past performance is not indicative of future performance. [^]Inception date of Fund: 15 October 2010

*Inception date used for Australia CPI is 31 December 2010, and for Mercer Median is 30 November 2010

#Mercer MPA Investment Performance Survey of Wholesale - Balanced Growth as at 30 June 2019

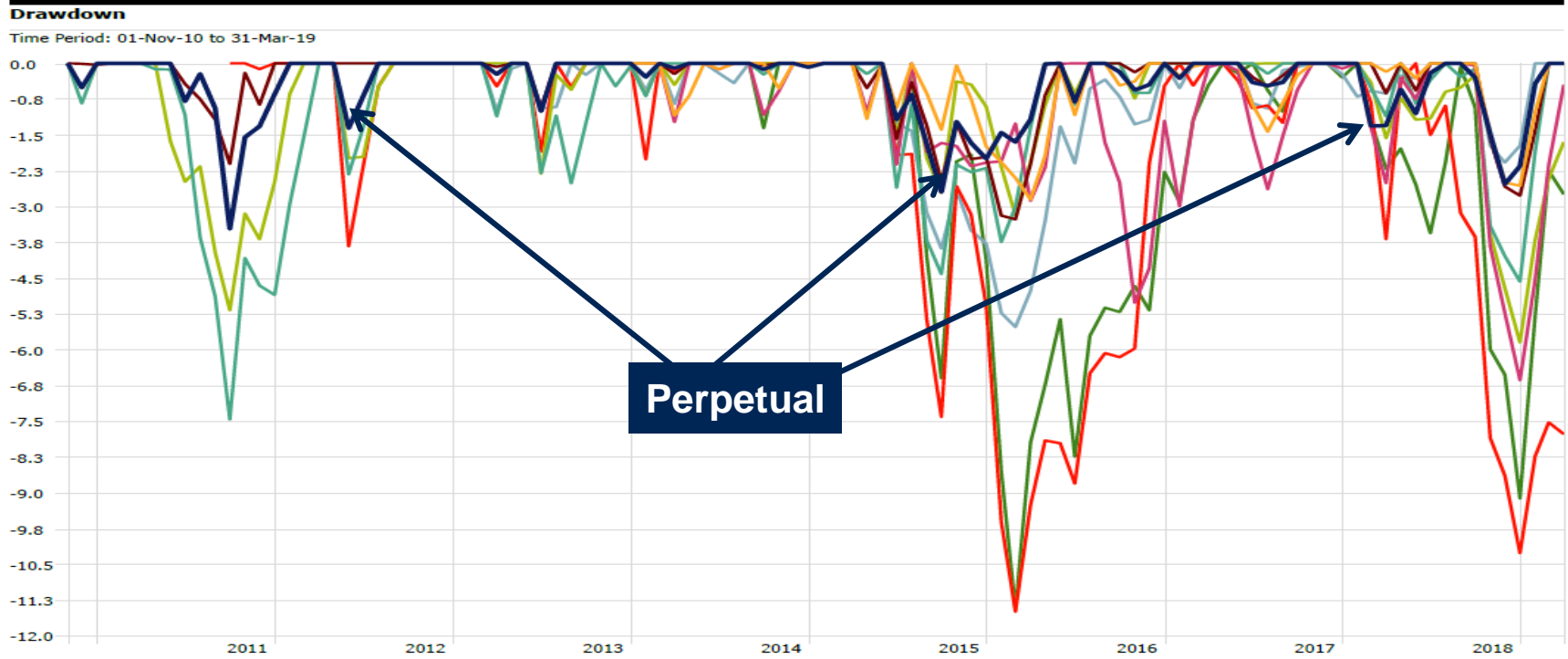
PERPETUAL INVESTMENTS SCENARIO ANALYSIS



Source: FactSet MAC, Perpetual Investments

PERPETUAL INVESTMENTS

DRAWDOWNS HAVE BEEN FEWER, SHORTER AND SHALLOWER



37

- Perpetual Diversified Real Return Fund
- Manager 1
- Manager 2
- Manager 3
- Manager 4
- Manager 5
- Manager 6
- Manager 7
- Manager 8

Source: Morningstar Direct

PROTECTING OUR CLIENTS' RETIREMENT

1. Future returns are primarily driven by the price you pay – we should prepare for lower returns
2. Comprehensive risk management – Diversification, Value and Quality are key elements to protect on the downside
3. Retain flexibility
– the opportunity cost of not being able to buy cheaply can be very large
4. Continue to search for great companies

PERPETUAL INVESTMENTS POSITIONED TO SOLVE FOR THE RETIREMENT NEEDS OF OUR CLIENTS



There is a critical need for products that will deliver **growth** in retirement but **protect** on the downside ... and this demand is only mounting



Perpetual is optimally positioned to solve this need ... it is the case of “right product / right time”



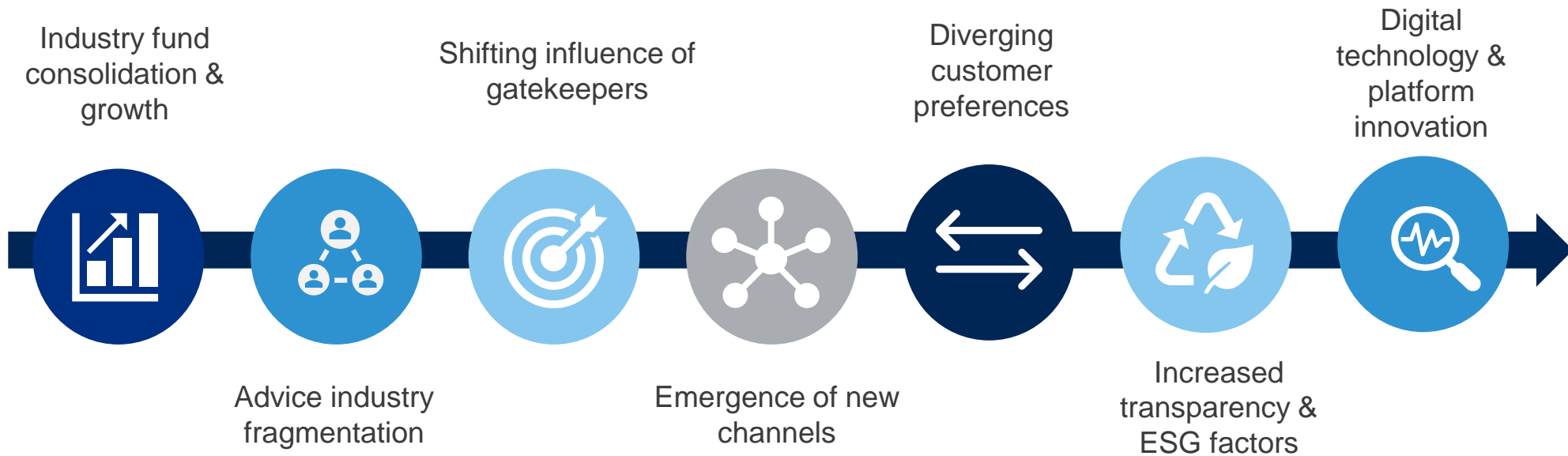
Perpetual’s multi-asset retirement solution is underpinned by;

- a stable and very experienced team
- a great 9 year track record
- strong ratings from the research houses
- wide availability on platforms

Significant growth potential

PERPETUAL INVESTMENTS

WELL POSITIONED FOR CHANGING DISTRIBUTION LANDSCAPE



- High touch and tailored client engagement model – requires a broad and experienced distribution team
- Adopt a nimble approach as new channels emerge
- A range of communications – no ‘one size fits all’
- Trusted partnerships – Perpetual’s deep relationships and respected brand are a powerful combination

PERPETUAL INVESTMENTS

EXTENSIVE REACH ACROSS DIFFERENT CHANNELS



- Channel specialists – deep 1:1 relationships, partnership model
- Customer segmentation using behavioural filters to optimise sales resources
- Extensive distribution footprint and trusted brand provides opportunity to deepen existing relationships
- Structure and resourcing ideally suited to the “new distribution” model that is now evolving

PERPETUAL INVESTMENTS

INDUSTRY LEADING DISTRIBUTION TO UNDERPIN SUSTAINABLE GROWTH

- Distribution will be a critical determinant of winners and losers in asset management
- Perpetual's Distribution capability has been built over decades and is underpinned by;
 - Strength and heritage of the brand
 - Depth and longevity of our trusted relationships
 - Presence across multiple channels
- Perpetual's Distribution 'asset' cannot be easily replicated and places us in an very strong position to drive growth in a rapidly changing landscape
- Significant growth upside with limited capacity constraints

PERPETUAL INVESTMENTS STRATEGIC PRIORITIES

Our vision: Create a globally diversified platform for long-term growth in Perpetual Investments



**World class
investment
capabilities**

- Group Executive dedicated to asset management M&A
- Active M&A pipeline
- Incubated funds
- Consider team lift-outs



**Industry leading
brand and
distribution**

- Head of Distribution appointed
- Broaden suite of listed products
- Improving digital client experience
- Grow ex-Australian distribution as capabilities expand
- Consider the direct channel



**Contemporary and
efficient operating
platform**

- Improved analytics, risk and client reporting
- Investing in new technology
- Scalable platform

**World-class investment capabilities, combined with industry-leading distribution
will lead to sustained quality growth**

PERPETUAL PRIVATE

MARK SMITH
GROUP EXECUTIVE



PERPETUAL PRIVATE



Mark Smith
Group Executive – Perpetual Private

Divisional overview 11.15 -11.45

Client segments & channels

Professional Service Model

Market growth trends

Strategic priorities & execution

Adviser acquisition

Priority Life acquisition

Q & A 11.15 -11.45

PERPETUAL PRIVATE TAILORED ADVICE AND WEALTH MANAGEMENT IN CHOSEN SEGMENTS

\$14.9bn
FUA¹

Services

- Independent tailored holistic wealth advisory services
- One of the largest Trustees of **Native Title** and **Philanthropic funds**
- Contemporary Professional Services Model (PSM)
- Net flows into Growth Opportunities and Income Opportunities strategies amongst top 10 alternatives products over 1 year

7100+
clients²

Client segments

- National footprint with **six regional offices**
- Targeted client referral approach focused on **six key segments**
- Diverse and high quality client base spanning multiple generations
- Established and repeatable model supporting growth

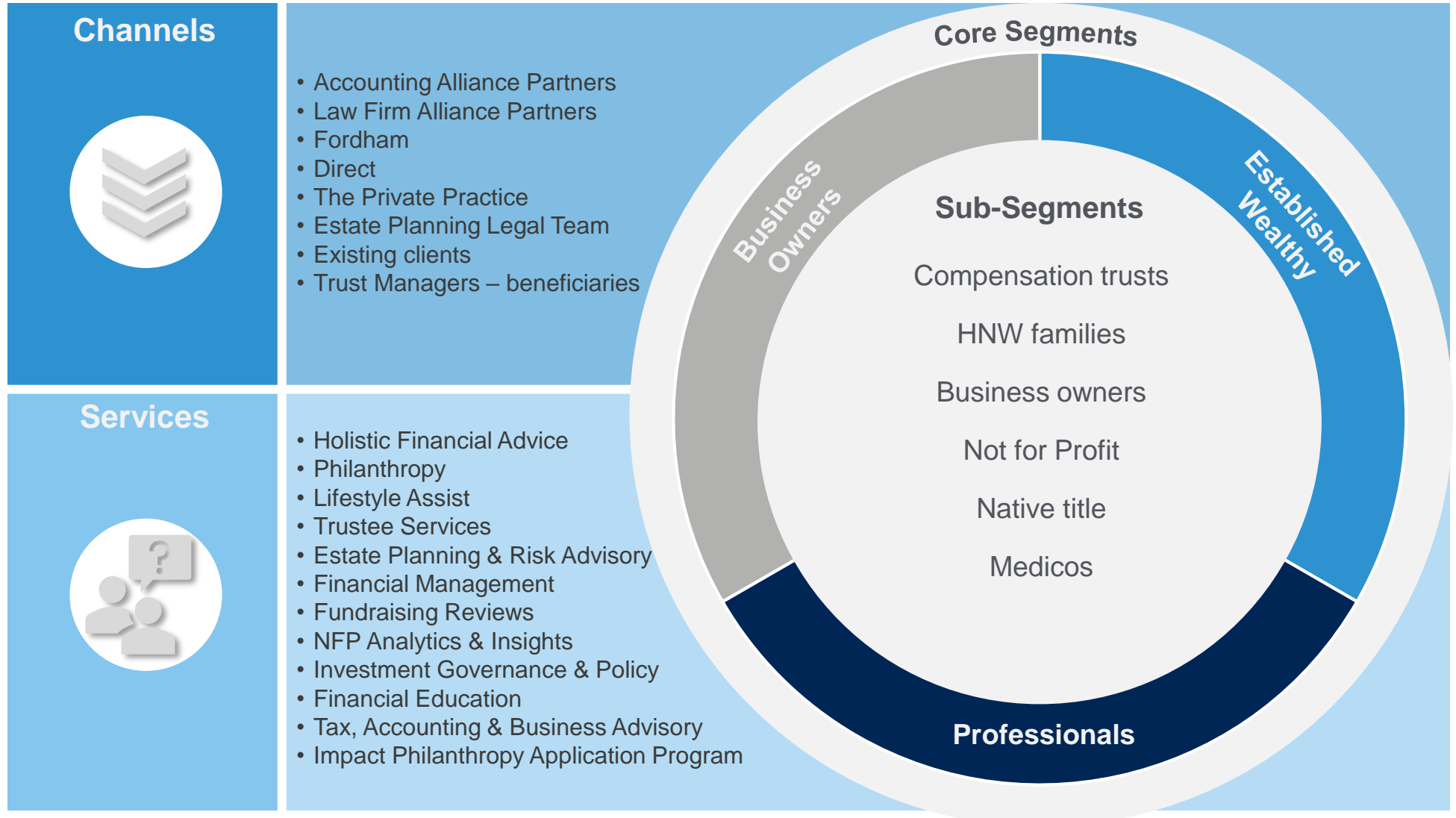
20%
Increase in
Financial
advisers³

People & capabilities

- **60+ highly experienced advisers** with an active growing pipeline
- Delivering strategic advice for client's future needs
- Recently acquired "**Priority Life**" to further improve client value proposition, capabilities and client base

PERPETUAL PRIVATE

CLIENT SEGMENTS AND REFERRAL CHANNELS



PERPETUAL PRIVATE CLIENT CASE STUDY

WHY SHANNON CHOSE PERPETUAL:

Shannon was not prepared for his new financial situation that fundamentally changed from when he was training as a surgeon. He needed a specialist financial adviser that understood the unique financial challenges that doctors face to optimise and protect his wealth throughout his career.



https://www.youtube.com/watch?v=5KZ4FX6_Tpc&feature=emb_logo

HOW WE'VE HELPED SHANNON

- Strategic financial plan
- Insurance advice
- Investment advice and management
- Estate planning

PERPETUAL PRIVATE SCALEABLE PROFESSIONAL SERVICES MODEL DESIGNED TO SUPPORT GROWTH



Segment based model allows for increased specialisation



Improved engagement with clients



Clearly defined career pathways for salaried advisers



Enhanced support model



Scalable & repeatable business model



Build leading referral channels

Drive deep segment knowledge aligned to our Client Value Proposition

Transform client experience

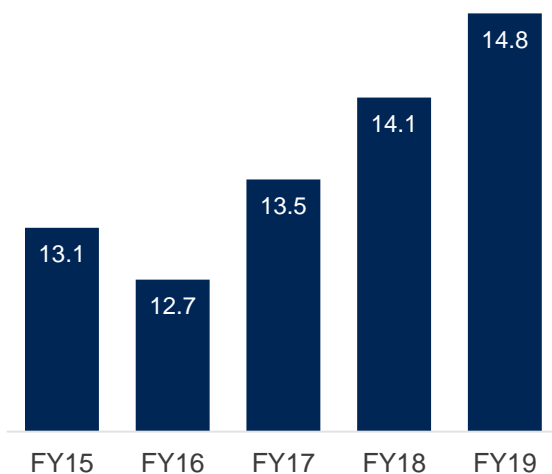
Deliver exceptional client experience

PERPETUAL PRIVATE CLIENT SEGMENTATION & SERVICE OFFERING DELIVERING DIVERSE REVENUE STREAMS



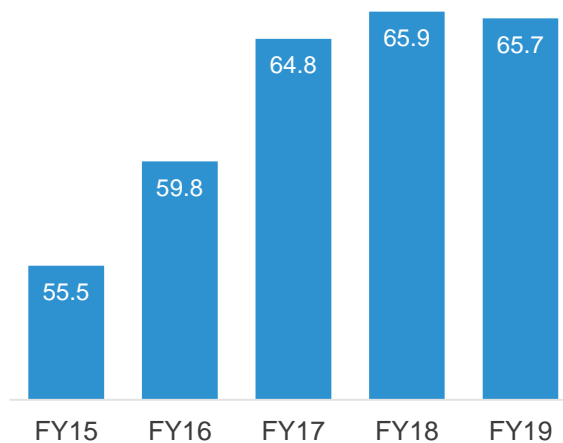
Six consecutive years of positive flows

Funds under advice \$b



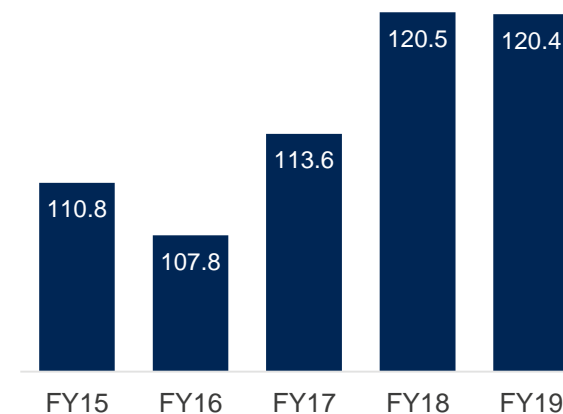
Continued growth in non market revenue supported by referral channel flows

Non market revenue \$m



Steady growth in market related revenue

Market related revenue \$m

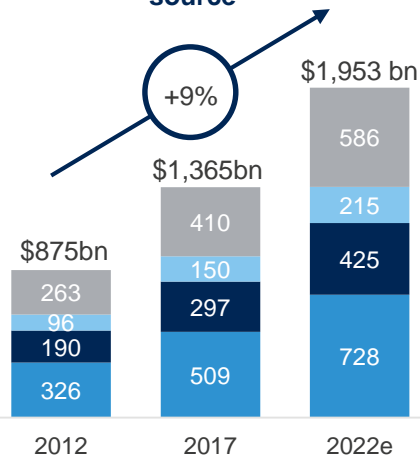


PERPETUAL PRIVATE OPPORTUNITY FOR GROWTH IN BUSINESS OWNERS AND ESTABLISHED WEALTHY

Business owners & professionals

Business owners and professionals make up over half of the HNW market

High New Worth Investors by source¹

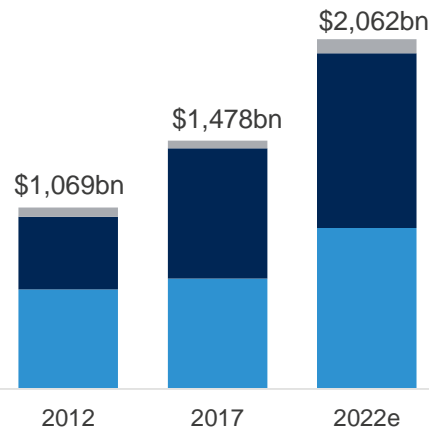


- Other
- Established wealthy
- Business owners
- Executives & professionals

Established wealthy

HNW individuals are set to gain a greater share of Australian wealth

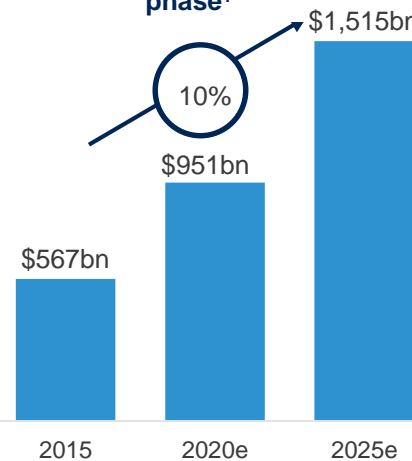
Australian Investable Wealth¹



- Mass Affluent
- HNW
- Mass

Baby boomers retiring will drive growth in retirement funds and assets

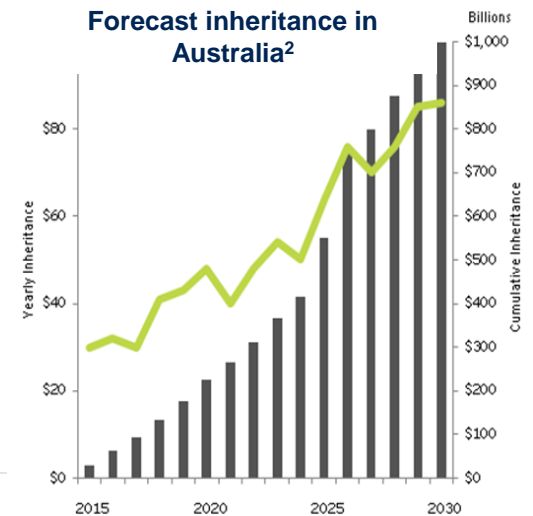
Forecast assets in pension phase¹



Beneficiaries

Gen X and Millennials are set to inherit ~\$1 trillion by 2030

Forecast inheritance in Australia²



1. NMG Consulting, Environmental Factbase, 2018
2. Beneficiaries: Henry Tax Review, 2017

PERPETUAL PRIVATE TRUSTED PARTNER IN COMMUNITY AND SOCIAL SEGMENT



Not for profit

\$305 billion¹

In assets held by charities

\$146 billion¹

Combined charities total revenue

~\$27 billion¹

Pool of accommodation deposits
in Aged Care



Philanthropy

15 million²

Australians donate money

\$13 billion²

Was donated 2015-16

22%²

Of non-committed donors consider
regular donations



Native Title

121³

Charitable trusts receiving claim
funds

\$1.2-1.6 billion³

Estimated funds in trust

\$644 million³

Identified in 46 trusts

600 Clients

Supporting the not for profit sector
through our Global Partnership with
Stanford University

\$2.9bn

Philanthropic funds under advice
FY19:\$101m distributed to the not
for profit sector

\$300m FUA

Working with 15 Aboriginal
community clients across South
Australia, Western Australia and the
Northern Territory

¹ NFP: ACNC Charities Report, 2017

² Philanthropy: Giving Australia Report 2016

³ Native Title: AIATSIS Registered Native Title Bodies Corporate Summary March 2017

PERPETUAL PRIVATE LEAD THE MARKET IN ADVISORY AND PROFESSIONAL SERVICES IN OUR CHOSEN SEGMENTS

1

Future proof the business

- PP's strategy is designed to ensure the business retains its unblemished reputation for advice and trustee services in the Australian market
- Deliver growth through coordinated and disciplined segment approach
- Discontinue legacy products and focus on chosen HNW segments

2

Accelerate growth through adviser acquisition

- Leverage the Professional Services Model and dislocation in the advice market to attract culturally and strategically aligned advisers

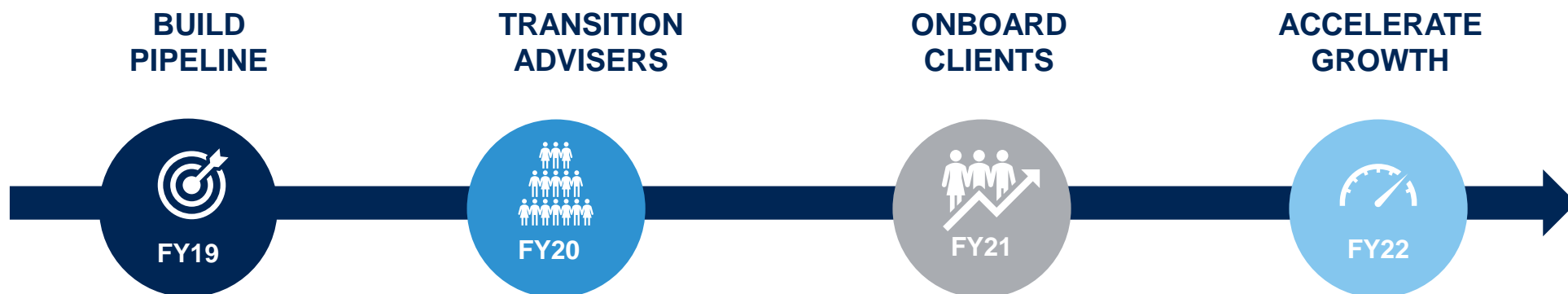
3

Accelerate growth through inorganic opportunities

- Pursue national expansion across culturally and strategically aligned Business Owner and Medical Specialist businesses

Uniquely positioned to benefit from industry dislocation

PERPETUAL PRIVATE ACCELERATING GROWTH IN ADVISERS



- **15 new advisers** signed to date, a **20%+** increase in adviser pool
- **7** have commenced with **8** to commence in **2H20**
- Aligns with our **Professional Services Model** and **HNW** strategy
- Servicing true HNW segment with average HNW FUA per client of **\$2m+**
- Growth in FUA and market revenue expected to accelerate from FY21
- Positive flows in Q1
- Pipeline of further advisers actively managed

Upfront adviser acquisition costs to attract high quality talent that are culturally aligned to accelerate growth

PERPETUAL PRIVATE TRACK RECORD OF BUILDING NEW REFERRAL CHANNELS THROUGH ACQUISITION

FORDHAM



- Delivering integrated financial and tax advice for all stages of the wealth journey
- Lead referrer of new advice clients for Perpetual Private

THE TRUST COMPANY



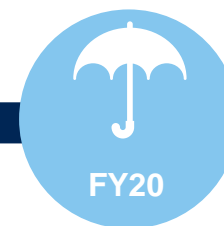
- Accelerated growth of fiduciary and personal trustee services
- Added scale and capabilities

FINTUITION



- Dedicated healthcare consulting specialists
- Accelerated growth in medical segment
- Effective referral channel attracting medical clients early in the wealth cycle

PRIORITY LIFE



- New referral channel for national expansion
- Aligned to strategy to grow private client business nationally
- 60% of the client base in the medical/dental profession

Track record of building new referral channels through acquisition

PERPETUAL ACQUIRES PRIORITY LIFE ALIGNED SPECIALIST RISK ADVISORY BUSINESS

2500
clients
including 700
HNW

Quality HNW client base that aligns with segments

- Aligned to strategy to grow private client business nationally
- Represents new referral channel for national expansion
- 60% of the client base in the medical/dental profession
- Majority of clients within 35 – 55 age range providing strong medium to long-term growth potential

56%
Revenue
growth¹

Profitable track record with further growth potential

- Opportunity to provide wealth advisory to clients presents revenue synergies and to expand risk services to Perpetual Private's existing clients
- Strong track record of revenue growth since formation
- Consideration paid via cash and share issuance with deferred earn out over 4 years

27
Years of
experience

People & Capabilities

- Founder-led business founded in 1992
- Team of 4 high performing advisers
- Expands PP's specialist capabilities to include risk advisory solutions
- Active service program ensuring every client receives annual review

1. Over 4 years from FY16 to FY19 company records

PERPETUAL PRIVATE STRATEGIC PRIORITIES

Our vision : Lead the market in advisory and professional services in our chosen segments



**Trusted
brand with
strong
reputation**

- National roll-out of scaleable professional services model completed
- Aligned adviser incentive model implemented



**Accelerate growth
through adviser
acquisition**

- 20% uplift in culturally aligned financial advisers to support our private client strategy



**Accelerate
through inorganic
opportunities**

- Priority Life acquisition builds capability and referral channel for target segments

Uniquely positioned to benefit from industry dislocation

PERPETUAL CORPORATE TRUST

RICHARD MCCARTHY
GROUP EXECUTIVE

Perpetual 

PERPETUAL CORPORATE TRUST



Richard McCarthy
Group Executive Perpetual Corporate Trust

Divisional overview

11.45-12.15

Strategic priorities

Debt Market Services 'DMS'

Managed Fund Services 'MFS'

Data and Analytics Solutions 'DAS'

Case study

Q & A

12.15 - 12.30

PERPETUAL CORPORATE TRUST

LEADING FIDUCIARY TO DEBT CAPITAL MARKETS AND THE MANAGED FUNDS INDUSTRY

\$779bn
FUA¹

Capabilities

- Australian market leader in securitisation
- Australian market leader in managed fund services
- Delivering RegTech solutions via business intelligence, unique data analytics and roundtable solutions.

53
Client Net Promoter
Score

Clients

- Industry-leading net promotor score for financial services
- Deep, established relationships across the banking and financial services sector
- Broadest product range across each market sector to meet client needs

70
Employee
Engagement
score

People

- Employee engagement ANZ Top Quartile
- Largest and most experienced team of 200+ dedicated people focused on delivering client service excellence
- Partnering with industry-leading service providers and building new revenue stream with our unique data and “RegTech” solutions

PERPETUAL CORPORATE TRUST

HIGHLY REGARDED, WELL-RESOURCED AND EXPERIENCED TEAM

Richard McCarthy
Group Executive

Glen Dogan
Sales Product & Marketing

- Sales
- Product Development
- Marketing

Rod Ellwood
Debt Market Services

- Trustee
- Security Trustee
- Custodian
- Trust Sub-Manager
- Accounting
- Standby servicing
- Investor/Intermediary/RBA Reporting

Vicki Riggio
Managed Fund Services

- Wholesale Trustee
- Custody
- Responsible Entity Services
- Investment Management
- Agency

David Dee
Data and Analytics Solutions

- Australian Data Warehouse
- Perpetual Roundtables
- Perpetual Business Intelligence

PERPETUAL CORPORATE TRUST

CONTINUE LEADERSHIP POSITION WHILE DELIVERING INNOVATIVE REGTECH SOLUTIONS

1

Maintain & grow leadership positions

- Migrate core operating systems to Cloud-based solutions to reduce risk and improve efficiency
- Improve client experience via targeted digital solutions and product innovation
- Drive continued growth for Managed Fund Services in the post-Hayne environment

2

Developing innovative new client solutions

- Continue to develop and deliver new products to meet client and industry needs, while supporting our core DMS and MFS business
- Expand Regulatory reporting products to include the new European Article 5 and 7 requirements
- Development and delivery of RegTech solutions delivered as a Software as a Service ('SaaS') platform Perpetual Business Intelligence ('PBi')

3

Invest in new products, markets and inorganic opportunities

- Explore new product opportunities, new markets, partners and geographic diversification to achieve growth aspirations
- Explore the use of Digital technologies like Cloud, Blockchain, Artificial Intelligence as a key differentiator to our own business and client solutions
- Active M&A pipeline

Digitally empowered corporate trustee, management and data analytics business

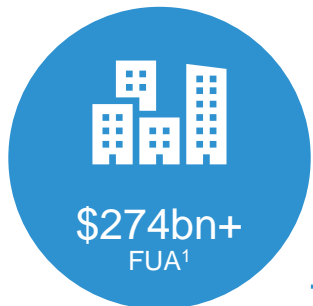
PERPETUAL CORPORATE TRUST

THREE GROWING LINES OF BUSINESS



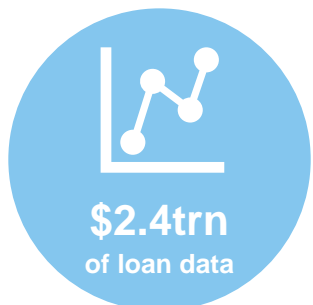
Debt Market Services “DMS”

- **20+ years** of delivering new products & services to the securitisation market
- Strong client relationships with Australian banks, international banks, non-banks and the new fintech/neo banks
- Processing **\$280bn+** in mortgage payments per annum
- Custodian of **750,000** loan documents



Managed Fund Services “MFS”

- Trustee for over **2000+** trusts
- **73%** of MFS’s FUA client FUA are in real asset funds
- Full service offering for managed funds services to **368** clients
- Broad and deep client base with extensive reach across Australia and Asia Pacific



Data and Analytics Solutions “DAS”

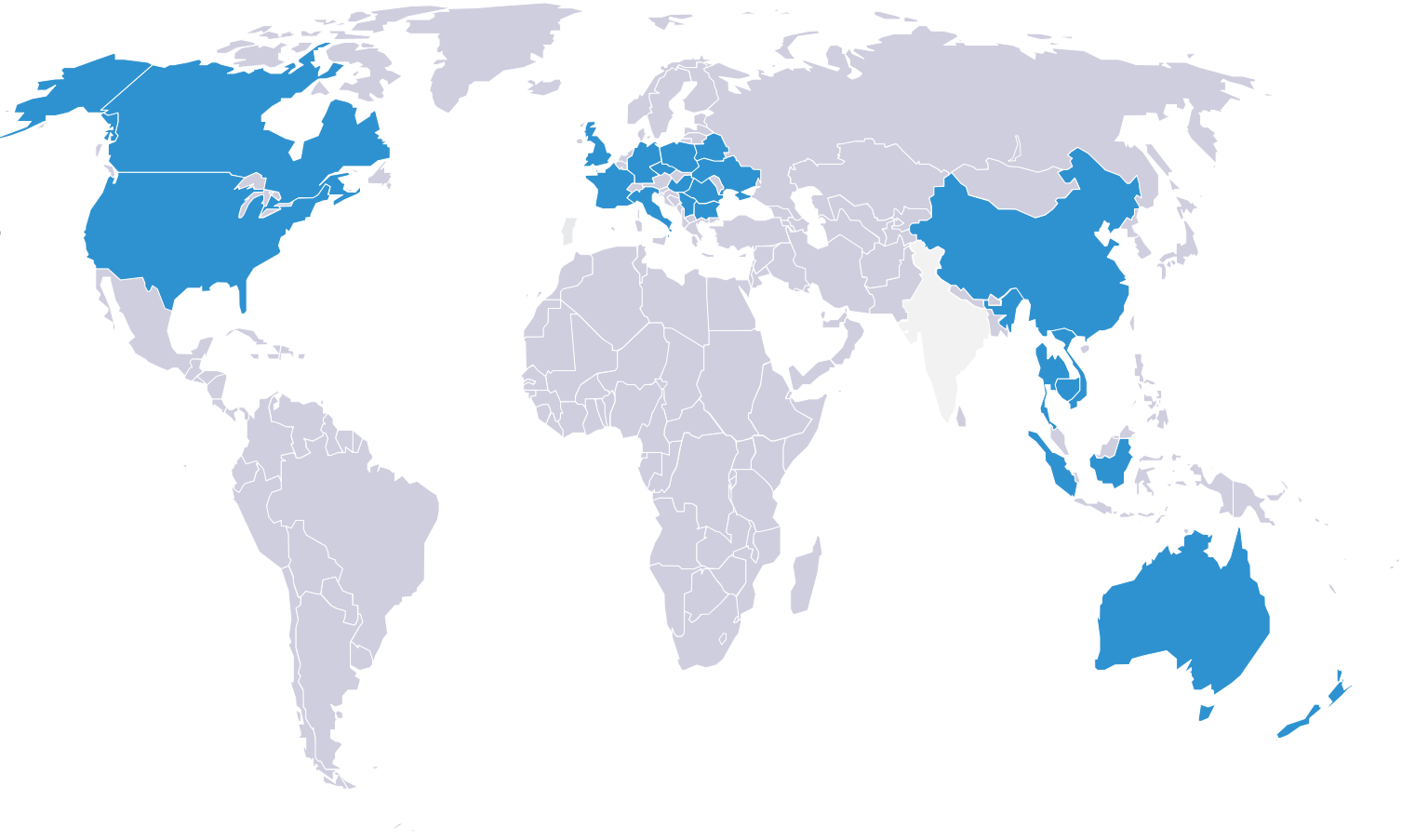
- Regulatory and investor reporting via Australian Data Warehouse
- Delivering data and analytic solutions on over **\$2.4 trillion** of loan data
- Perpetual Business Intelligence ‘PBI’ delivering intelligence for treasury, risk, loans
- Servicing over 200 clients including banks, non-banks, data aggregators, investment managers and corporates

PERPETUAL CORPORATE TRUST

GEOGRAPHIC SPREAD OF CLIENTS

Our clients include:

- Domestic & global investment managers
- Property and Infrastructure Investors
- Pension and sovereign wealth funds
- International banks
- Australian banks
- Non-bank lenders
- Mutual banks
- Domestic and global corporations
- Data aggregators



DEBT MARKET SERVICES

SECURITISATION – OUR ROLE



Perpetual as trustee issues the security and acts in the best interests of institutional investors



Financial institutions have a number of options when it comes to funding its loans to borrowers.

1. Shareholder capital
2. Customer deposits
3. Money markets
4. Retail bonds
5. **Securitisation vehicles**

Securitisation involves converting a pool of illiquid assets into tradeable securities

These are held within a **securitisation vehicle** typically a trust

The **financial institution manages all credit and lending decisions to borrowers** and the ongoing servicing of their customers

Perpetual appointed as **Trustee of the securitisation vehicle**

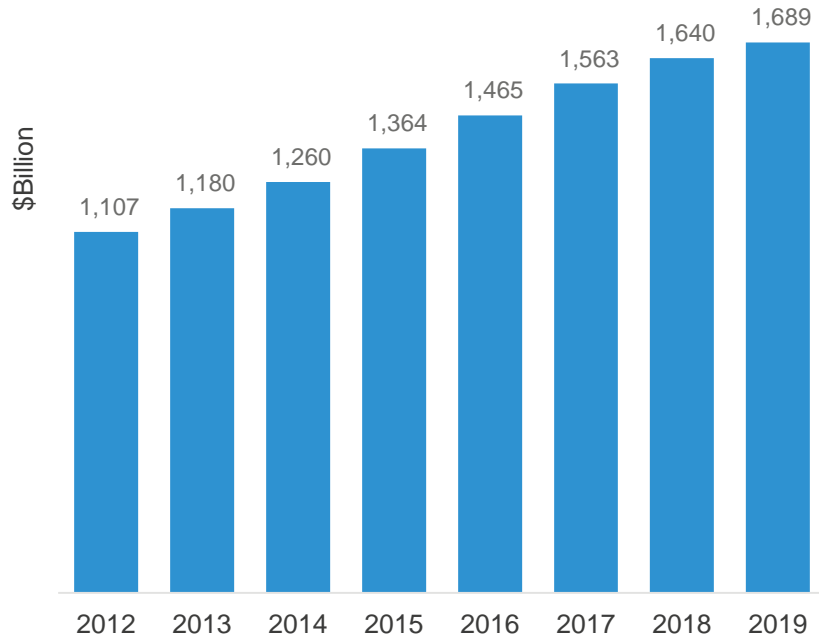
Services include:

- Security trustee
- Loan document custody
- Trust/ sub manager
- Warm standby servicing
- Accounting
- Investor, intermediary and RBA reporting

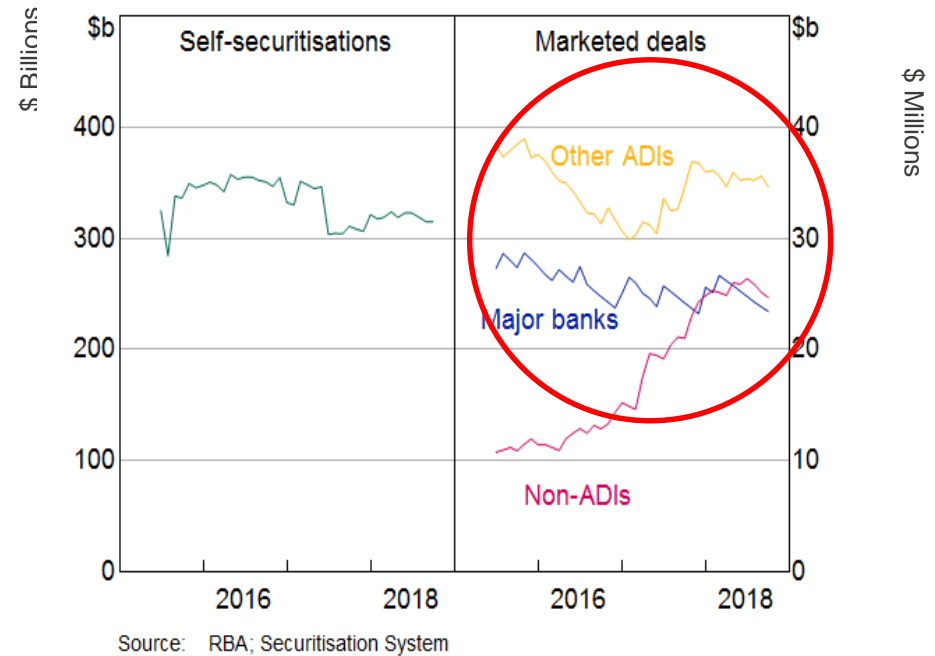
DEBT MARKET SERVICES REVENUE

KEY MARKET DRIVERS EXPECTED TO SUPPORT GROWTH

Australian mortgage market approaching **\$1.7 trillion¹**



DMS benefiting from growth of Non ADI lending



¹ Australian Mortgage Market sourced from APRA ADI statistics. Excludes non ADI lenders

DEBT MARKET SERVICES REVENUE

KEY MARKET DRIVERS EXPECTED TO SUPPORT GROWTH


FUA growth benefiting from both ADI and non-ADI lenders

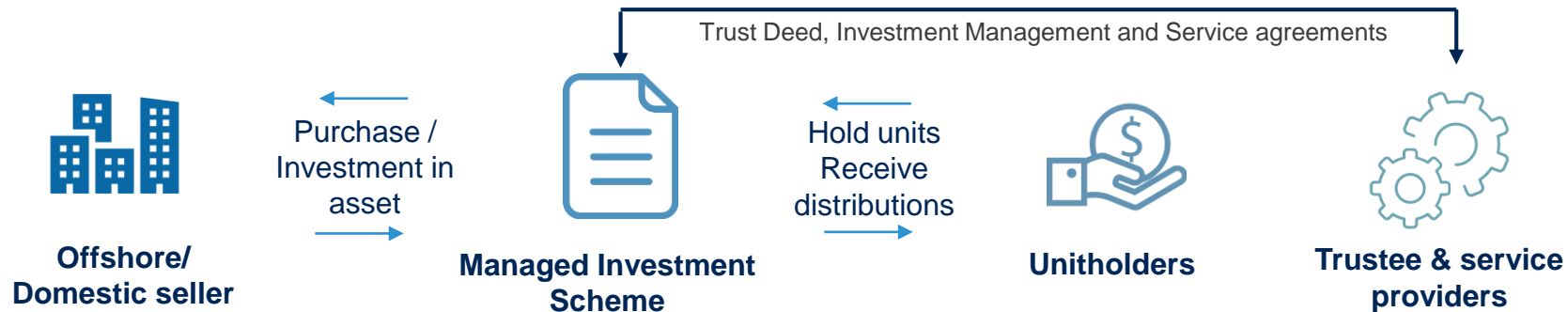
PCT SECURITISATION FUA AND REVENUE



MANAGED FUND SERVICES

PCT'S ROLE IN MANAGED INVESTMENT SCHEMES

 Perpetual as Trustee or Responsible Entity ensures unitholders interests are protected and regulatory requirements are met



Managed Investment Scheme

MIS is listed or unlisted, registered or unregistered and available to retail and/or wholesale investors

The Trustee/Responsible Entity prepares the scheme documents including the Trust Deed and appoints the service providers, tax agent and auditor

Monitoring of Service Providers

The Trustee/Responsible Entity monitors the performance and compliance of service providers:

- Investment Manager
- Fund Administrator
- Custodian
- Property Manager

Investment Manager

The Investment Manager makes the investment decisions, manages the investments of the MIS in line with investment strategy, objective and the MIS Offer Document

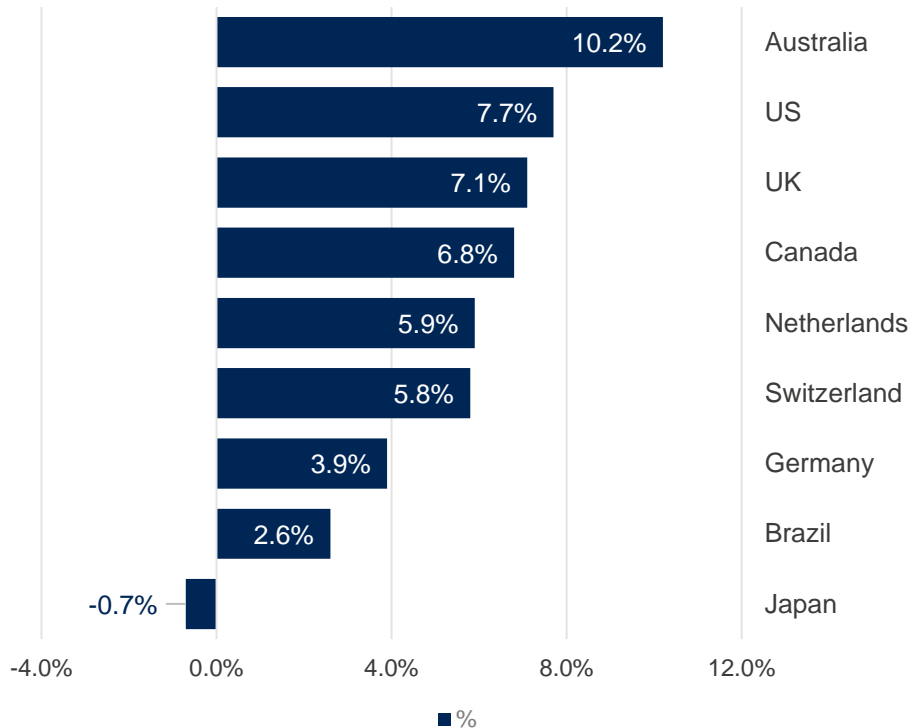
MANAGED FUNDS SERVICES

KEY MARKET DRIVERS HAVE BEEN SUPPORTIVE OF GROWTH

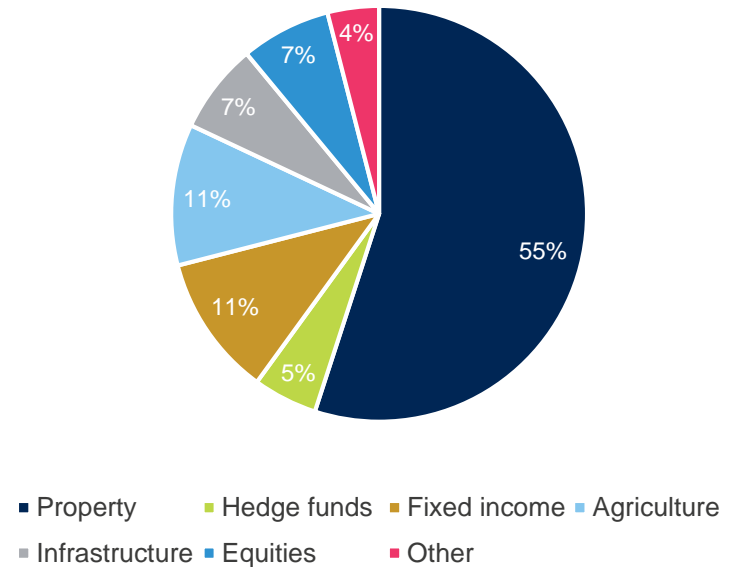
10.2% growth in Australia's Super pool attracting global investors

73% of MFS FUA comprises real assets

Total Assets and 10-year CAGR (\$USD billion)



MFS FUA by asset class



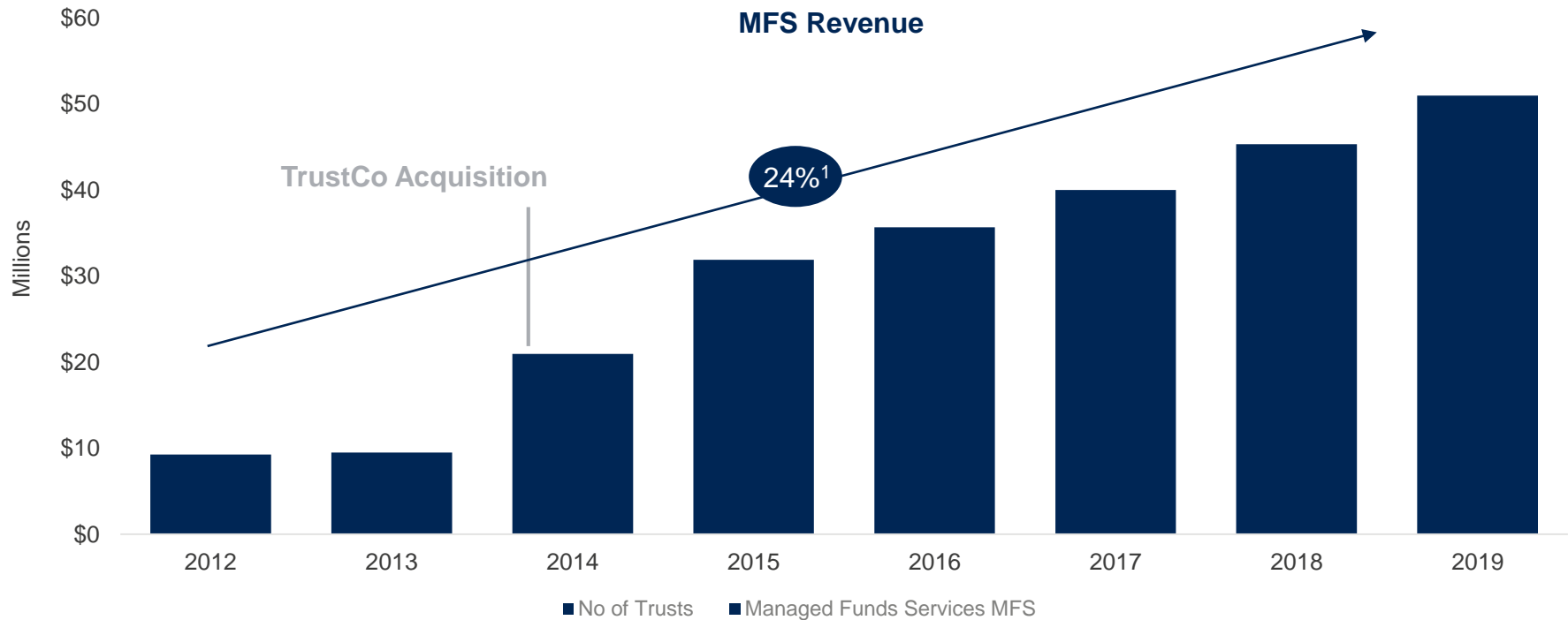
Source: Global Pension Assets Study 2019, Willis Towers Watson

Source: Real Capital Analytics

MANAGED FUNDS SERVICES

KEY MARKET DRIVERS ARE EXPECTED TO SUPPORT GROWTH

24%¹ growth in revenue supported by scale through acquisition and increased demand for outsourced RE services



¹ Compound Annual Growth Rate CAGR

DATA AND ANALYTICS SOLUTIONS

GROWING DEMAND FOR DATA AND INSIGHTS



Australian business is expected to spend more than **\$65 billion** on technology in 2019 as part of an ongoing transformation to ensure the nation can compete effectively in the globalised digital economy. The

Australian Financial Review

6 November 2019

Low mortgage arrears shows housing market unlikely to collapse:

Westpac analysis derived from the performance of securitised mortgages put together by credit ratings agency **Standard & Poor's**.

ABC News, Feb 2018



The ACCC acknowledges that **protecting the competitive process** is the most effective way of **maximising total economic welfare**."

The Australian Financial Review, Sept 2017



Government tells business to speak up on AI regulation

In the first nation-wide step to build a set of AI guidelines for Australia's \$300 billion digital economy, a government-funded inquiry conducted by independent organisation, Standards Australia, is seeking submissions from business, academics and civil society on the role of AI and their views on creating standardised principles to govern it.

The Australian Financial Review

9 July 2019



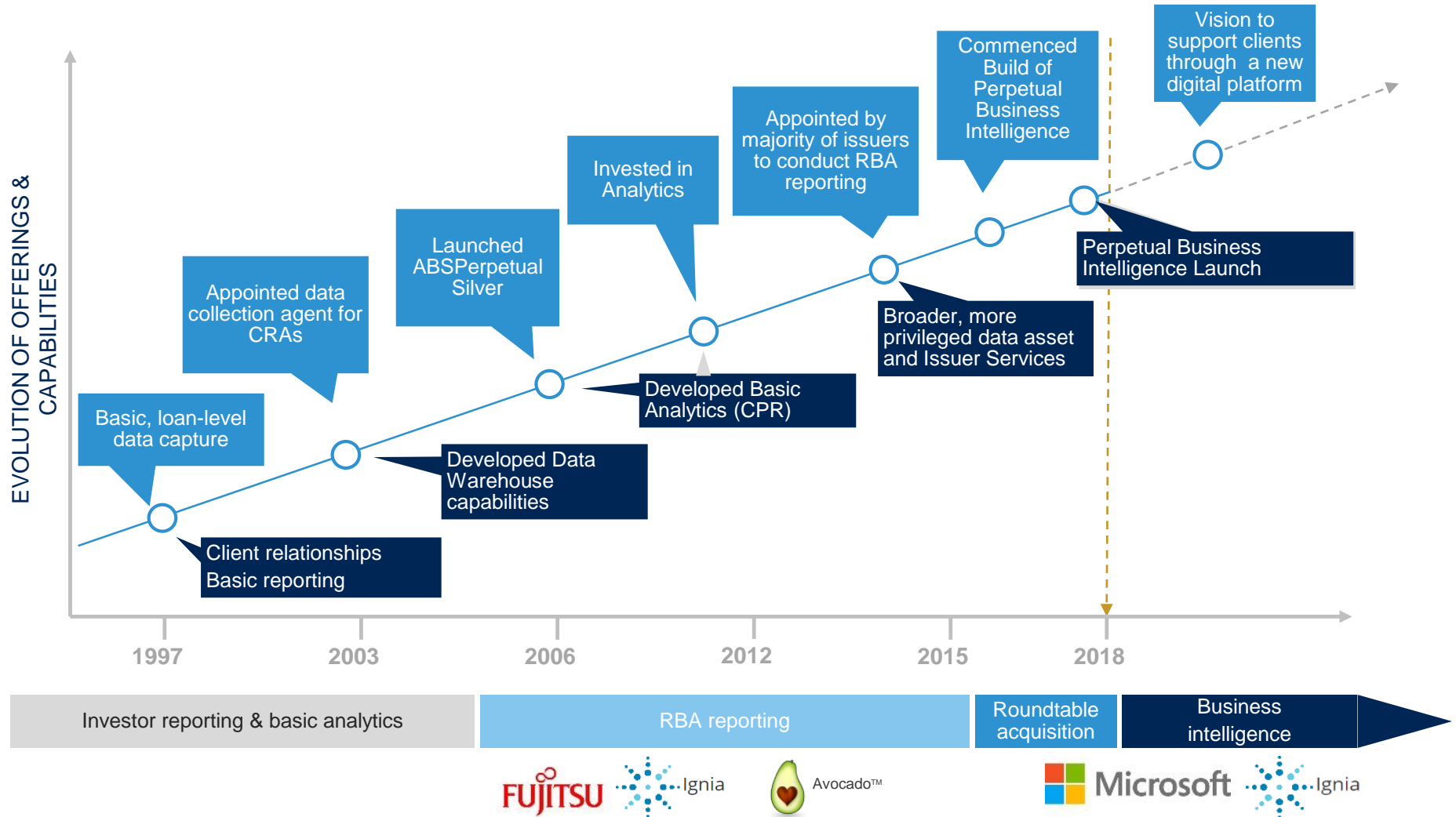
The accelerating pace of digital change is set to disrupt every industry — none more so than the banking and **financial services industry**.... In particular, AI is set to spur monumental change in value generation, as financial services companies expand their reach beyond traditional arsenals of price and product features. Now, we are experiencing an era of 'hyper-personalisation,' which requires powerful AI structures **to underpin complex customer journeys and extract insights from mountains of customer data**

The Australian

2 November 2019

DATA AND ANALYTICS SOLUTIONS

20 YEARS OF INVESTMENT IN DATA AND ANALYTICS SOLUTIONS



DATA ANALYTICS SOLUTIONS

DELIVERING REGTECH SOLUTIONS UTILISING OUR UNIQUE DATA SET

DATA AND ANALYTICS SOLUTIONS (DAS)



Australian (Securitisation)
Data Warehouse



Perpetual
Roundtables



Perpetual
Business Intelligence

Regulatory and investor reporting

- \$330b of loan level mortgage data collected over 20 years
- Facilitates RBA, investor and intermediary reporting
- Secure data portal, scalable end to end reporting solution with in built validation and tracking tools

Benchmarking and insights

- \$2.4tn of total balance sheet asset data collected over 18 years across A&NZ retail markets
- Credit risk portfolio analytics and industry benchmarking
- Insights focus on the underlying credit risk and market trends (private data only)

A plug-and-play data management and advanced analytics platform

- **Market intelligence** - mortgage market insight and comparison (public & approved private data)
- **Credit intelligence** – credit risk, capital optimisation and reporting
- **Securitisation intelligence** - securitisation management, automation and reporting
- **Treasury intelligence** - treasury management, automation and reporting

SIGNIFICANT TRANSACTIONS¹



APS 120 Analytics, Loan Analytics,
Investor Analytics, Automated Portfolio
Covenant Monitoring



Loan Analytics, RMBS Analytics,
Security Analytics



Credit Analytics, IFRS9, Loan Analytics,
Security Analytics, RBA Insights

DATA AND ANALYTICS SOLUTIONS

CASE STUDY: ATHENA HOME LOANS

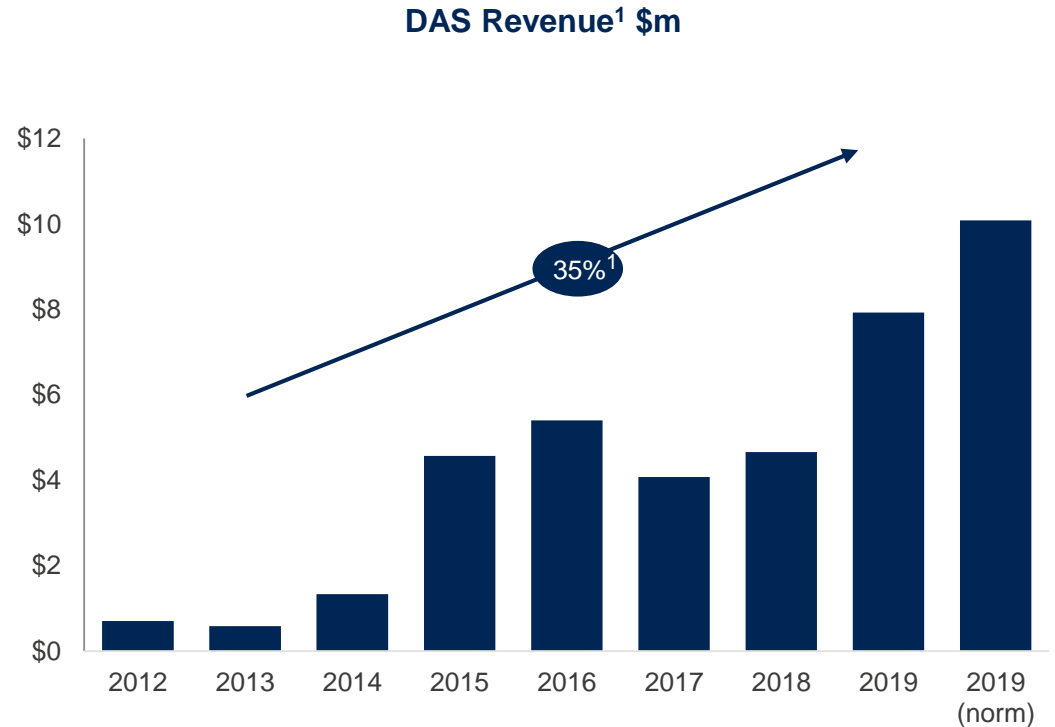


https://www.youtube.com/watch?v=9W6M_OfrBA

DATA AND ANALYTICS SOLUTIONS

REGTECH WITH A DIFFERENCE

- ✓ A 130 year business
- ✓ Trusted brand
- ✓ Strong financial balance sheet
- ✓ Deep client relationships
- ✓ 20+ years of developing capabilities and service offerings across a privileged data asset
- ✓ Global business partners



1. Compound annual growth rate. DAS revenue is reported through the “other services” line of DMS revenue

PERPETUAL CORPORATE TRUST STRATEGIC PRIORITIES

Our vision: the leading corporate fiduciary, reporting and RegTech business



**Leverage
strong market
position**



**Continue to
innovate**



**Invest in our existing
business and consider
new horizons**

- Retain unmatched client relationships
- Migrate core operating systems to cloud
- Improving client experience via digital solutions
- Develop and deliver new products
- Building new revenue stream with our unique data and “RegTech” solutions
- Active M&A pipeline

Continued strong growth momentum across all three business lines

Trust is earned.

Earn trust. Every action. Every day.

APPENDICES

PERPETUAL CORPORATE TRUST

DON'T TAKE OUR WORD FOR IT

RED ZED:
LIBERATING THE SELF EMPLOYED



LA TROBE FINANCIAL:
PARTNERS ON A PATH TO GROWTH



COLUMBUS CAPITAL:
A SIX-YEAR VOYAGE WITH PERPETUAL



BRIGHT CAPITAL:
BRIGHT IDEAS



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Note unless otherwise stated, FY19 refers to the financial reporting period for the twelve months ended 30 June 2019 with similar abbreviations for previous and subsequent periods, 1H19 refers to the financial reporting period for the six months ended 31 December 2018 with similar abbreviations for previous and subsequent periods, and 2H19 refers to the financial reporting period for the six months ended 30 June 2019 with similar abbreviations for previous and subsequent periods.