

PERPETUAL LIMITED

EQUITY RAISING:

Acquisition of Barrow, Hanley,
Mewhinney & Strauss LLC

July 2020

Not for distribution or release in the United States

Perpetual 

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This Presentation has been prepared in relation to:

- a placement of new fully paid ordinary shares in Perpetual (**New Shares**) to institutional investors and certain existing institutional shareholders (**Placement**) under sections 708A of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by ASIC Corporations (*Disregarding Technical Relief*) Instrument 2016/73; and
- an offer of New Shares to eligible Perpetual shareholders in Australia and New Zealand under a share purchase plan in accordance with ASIC Corporations (*Share and Interest Purchase Plans*) Instrument 2019/547 (**SPP**) (the Placement and SPP together, the **Offer**).

Summary information, not financial product advice or offer

The information in this Presentation is general background information about Perpetual and its subsidiaries (**Perpetual Group**) and their activities and is current as at the date of this presentation (unless otherwise stated). It is in summary form and is not necessarily complete. It should be read together with Perpetual's consolidated financial statements lodged with the ASX on 20 February 2020 which have been reviewed by the Group's external auditor and Perpetual's other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au under Perpetual's ticker code (ASX:PPT). The information in this presentation is general information only and does not purport to contain all information necessary to make an investment decision and is not intended as investment or financial advice (nor tax, accounting or legal advice), must not be relied upon as such and does not and will not form any part of any contract or commitment for the acquisition of New Shares. This presentation does not take into account the investment objectives, financial situation or particular needs of any particular investors. Any investment decision should be made solely on the basis of your own enquiries. Before making an investment in Perpetual, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation or needs. Investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision. Each recipient of this Presentation is solely responsible for forming their own opinions and conclusions on such matters and for making their own independent assessment of the information provided. No reliance may be placed for any purpose whatsoever on the information included in this presentation or on its accuracy or completeness.

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An investment in Perpetual is subject to known and unknown risks, some of which are beyond the control of Perpetual and its directors. Perpetual does not guarantee any particular rate of return or the performance of Perpetual nor does it guarantee any particular tax treatment. You should have regard to (amongst other things) the key risks outlined in Appendix v of this Presentation when making your investment decision. Cooling off rights do not apply to the acquisition of New Shares.

No representation or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation.

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Financial information and basis of preparation

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. Certain figures may be subject to rounding differences. 1H20 refers to the financial reporting period for the six months ended 31 December 2020 with similar abbreviations for previous and subsequent periods.

This Presentation contains certain preliminary pro forma financial information to show the impact of the acquisitions of Barrow Hanley (the **Barrow Hanley Acquisition**) and Trillium (the **Trillium Acquisition**, and together with the Barrow Hanley Acquisition, the **Acquisitions**) and the Offer on Perpetual and certain adjustments relating thereto. The preliminary pro forma financial information illustrates the financial performance of the entities as one group and is not intended to represent or be indicative of the consolidated results of operations or financial position of the Perpetual Group that would have been reported had the Acquisitions been completed as of the dates specified, and should not be taken as representative of the future consolidated results of operations or financial position of the Perpetual Group. The Barrow Hanley Acquisition remains subject to conditions and is expected to complete in 1H21.

Perpetual's financial year ends on 30 June of each year. Barrow Hanley and Trillium both have financial years ending on 31 December. Accordingly, the financial information included in this Presentation for Barrow Hanley and Trillium for the 12 months ended 30 June 2020 is presented for illustrative purposes and does not reflect the historical financial results and financial condition of either entity.

The pro forma historical information presented in this Presentation has been prepared by combining historical financial information for Perpetual and Barrow Hanley for the 12 months ended June 2020 (the preparation of which is described below) and making certain adjustments in order to give effect to the acquisition of Trillium, which acquisition completed on 30 June 2020, as if the Acquisitions had occurred on 1 July 2019. Further adjustments described in section 4 of this Presentation have been made to remove significant one-off costs associated with the transactions. The adjustments to the pro forma financial information are intended to give effect to events that are (i) directly attributable to the Acquisitions, (ii) factually supportable, and (iii) expected to have a continuing impact on Perpetual's consolidated financial results.

The historical financial information for Perpetual has been derived from Perpetual's draft financial statements for the twelve months ended 30 June 2020, which are unaudited. The audit of Perpetual's financial statements for FY20 is expected to be completed by, and the FY20 financial statements are expected to be released to the ASX on, 20 August 2020. Investors should therefore note that the financial information for Perpetual included in this Presentation is in draft form and is subject to change when Perpetual releases its audited financial statements for FY20 to the ASX, and that such changes could be material.

The income statement information for Barrow Hanley included in this Presentation has been prepared by annualising the internal trial profit and loss data for Barrow Hanley for the six months ended 30 June 2020, as the income statement information for this six month period is considered by management to be more representative of Barrow Hanley's earnings profile due to the loss of a large client in the second half of FY19. The pro-forma information includes several adjustments made by Perpetual management, which include adjustments for Perpetual's best estimate of effective tax rates and minority interest calculations specific to Perpetual estimates. The Barrow Hanley profit and loss information is Perpetual management's best estimates of this information based on data provided by BSIG. The Barrow Hanley balance sheet information has been prepared from the internal trial balances of Barrow Hanley as at 30 June 2020. The Barrow Hanley financial information included in this Presentation is unaudited.

As Perpetual completed the Trillium Acquisition on 30 June 2020, Perpetual's balance sheet as at 30 June 2020 includes the assets and liabilities of Trillium. However, Perpetual's profit and loss information for the 12 months ended 30 June 2020 included in this Presentation does not – and will not, when Perpetual releases its audited financial statements for FY20 to the ASX – include any profit and loss information of Trillium for the period. The pro forma adjustments made to the pro forma profit and loss information presented in this Presentation in relation to the Trillium Acquisition are based on Trillium's audited profit and loss statement for the 12 months ended 31 December 2019.

The financial information for Perpetual included in this Presentation has been prepared in accordance with Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and also comply with the Australian equivalent of International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board (**IASB**). The financial information of Barrow Hanley and Trillium included in this Presentation has been prepared in accordance with US GAAP principles, which may differ from AAS and IFRS. As at the date of this Presentation no material differences between US GAAP and IFRS have been identified for either Barrow Hanley or Trillium. The functional currency for Barrow Hanley and Trillium is US\$, and US\$ denominated items have been translated at the average exchange rate of AU\$: US\$0.69 for the 12 months ended 31 December 2019 and 30 June 2020.

The pro forma adjustments are based on Perpetual management's preliminary estimates of the fair values of the assets acquired and the liabilities assumed and have been prepared to illustrate the effect of the Acquisitions. The determination of fair value requires considerable judgment and is sensitive to changes in the underlying assumptions, including the useful lives of the assets acquired. These fair value estimates are preliminary and subject to adjustment, which may result in material changes to the final valuation. Accordingly, the actual financial position and results of operations may differ from the preliminary pro forma financial information presented in this presentation. See section 4 of this Presentation for further information on the pro forma adjustments.

Perpetual's continuous disclosure documents lodged with the ASX, including this Presentation, do not include financial statements of Barrow Hanley. The financial information of Barrow Hanley included in this Presentation does not purport to be in compliance with Rule 3-05 of Regulation S-X under the U.S. Securities Act. Investors should also be aware that the pro forma financial information (i) has been prepared by Perpetual in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia, and (ii) does not purport to be in compliance with Article 11 of Regulation S-X under the U.S. Securities Act, and has not been prepared with a view towards compliance with the published guidelines of the U.S. Securities and Exchange Commission or the American Institute of Certified Public Accountants for the preparation and presentation of pro forma financial information. In addition, the historical and pro forma financial information is presented in abbreviated form and does not include all of the presentation and disclosures of general purpose financial statements prepared in accordance with the Corporations Act.

The financial information included in this Presentation has not been audited or reviewed.

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Non-IFRS financial information continued

Investors should also be aware that certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' and 'non-GAAP financial measures' within the meaning of Regulation G of the U.S. Securities Exchange Act 1934, as amended, and are not recognized under AAS and International Financial Reporting Standards (IFRS). Such non-IFRS financial information/non-GAAP financial measures do not have a standardized meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Perpetual believes these non-IFRS measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS information/non-GAAP financial measures included in this Presentation. Financial information that is not included in Perpetual Group's statutory results has not been subject to audit. All references to NPAT, UPAT etc. are in relation to Perpetual ordinary shareholders.

Underlying profit after tax (**UPAT**) attributable to equity holders of Perpetual reflects an assessment of the result for the ongoing business of the Group as determined by the Board and management. UPAT has been calculated with regard to ASIC's Regulatory Guide 230. UPAT attributable to equity holders of Perpetual has not been reviewed or audited by the Group's external auditors, however the adjustments to net profit after tax (**NPAT**) attributable to equity holders of Perpetual have been extracted from the books and records that have been audited.

Past performance

Past performance is not indicative of future performance. Past performance, including past price performance of Perpetual shares and pro forma financial information given in this Presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Perpetual's views on its future financial performance or condition. Past performance of Perpetual cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of Perpetual. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

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This presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Perpetual, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

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Disclaimer continued

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The Underwriters or their affiliates may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in their capacity as Underwriters to the Offer. A summary of the key terms of the underwriting agreement between Perpetual and the Underwriters is provided in Appendix vi.

The Underwriters, together with each of their respective related bodies corporate, shareholders or affiliates and each of their respective officers, directors, employees, affiliates, agents, representatives, partners, consultants or advisers (each a **Limited Party**) have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and do not make or purport to make, and have not authorised, approved or verified, any statement in this presentation (except for references to each Underwriter's name) and there is no statement in this presentation which is based on any statement by a Limited Party. No Limited Party makes any recommendation as to whether any potential investor should participate in the Offer and makes no representations or warranties, express or implied, to any recipient of this presentation or any other person concerning the Offer. None of the Limited Parties nor any independent third party has reviewed the reasonableness of the forward-looking statements or any underlying assumptions.

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You acknowledge and agree that determination of eligibility of investments for the purposes of the Placement and SPP is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Perpetual and the Underwriters and each of Perpetual and the Limited Parties disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. You acknowledge and agree that Perpetual may be required by the terms of the ASX Class Waiver Decision – Temporary Extra Placement Capacity dated 9 July 2020 to announce to the market reasonable details of the approach it took in identifying investors to participate in the Placement and how it determined their respective allocations in the Placement, and Perpetual must within 5 business days of completing the Placement supply to ASIC and ASX (but not for public release) an allocation spread sheet showing full details of the persons to whom the Placement was allocated, including the name, existing holding, number of New Shares they applied for or were offered in the Placement and the number of New Shares they were allocated in the Placement (including any zero allocations) and this will necessitate disclosing your application and allocation. You acknowledge and agree that your existing holding will be estimated by reference to Perpetual's beneficial register on 17 July 2020 which shows historical holdings as at that date and is not up to date. There will be no verification or reconciliation of the holdings as shown in the historical beneficial register and accordingly this may not truly reflect your actual holding. Perpetual and the Underwriters do not have any obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining allocations nor do they have any obligation to allocate pro rata on the basis of existing shareholdings. If you do not reside in a permitted offer jurisdiction you will not be able to participate in the Placement. Perpetual and the Underwriters disclaim any duty or liability (including for negligence) in respect of the determination of your allocation using your assumed holdings.

Nothing in this presentation should be construed as an offer to sell or solicitation of an offer to buy or sell securities of Perpetual or units in any fund referred to in this presentation in any jurisdiction. The Product Disclosure Statement (**PDS**) for these funds are issued by Perpetual Investment Management Limited. The applicable PDS should be considered before deciding whether to acquire or hold units in a fund and can be obtained by calling 1800 022 033.

The information in this presentation remains subject to change by Perpetual without notice to you. Perpetual reserves the right to withdraw or vary the timetable (with the prior written consent of the Underwriters) for the Offer without notice.

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Transformational acquisition

Provides a platform for Perpetual to compete globally
Proven brand and investment teams, well positioned for future growth

World-class investment capabilities

Adds multiple, high-quality global investment capabilities
Provides substantial capacity for future growth

Global distribution footprint

Accelerates the expansion of US distribution
Provides a base in Europe and Asia for future expansion

1. EXECUTIVE SUMMARY



TRANSFORMATIONAL ACQUISITION FUNDED VIA \$225M EQUITY RAISING AND INCREASE FINANCIAL FLEXIBILITY FOR OTHER GROWTH OPPORTUNITIES



Transformational acquisition

- Perpetual to acquire a 75% stake in Barrow Hanley, Mewhinney & Strauss LLC (“Barrow Hanley”) for US\$319 million (\$465 million¹) from BrightSphere Investment Group Inc. (“BSIG”)
- Delivers scale and adds multiple world-class investment capabilities with FUM of US\$44.1¹ billion across 21 key strategies
- Significantly advances growth of US distribution reach and accelerates the build-out of Perpetual’s global distribution capabilities
- Long-term retention and incentive mechanisms for key Barrow Hanley staff who retain a 25% interest
- Completion expected by the end of 1H21 (31 December 2020)²
- Refer to [Section 2](#) for an overview of Barrow Hanley and [Section 3](#) for the strategic rationale for Perpetual



Proceeds to fund acquisition of Barrow Hanley

- Acquisition to be funded via a combination of cash, debt facilities and new equity
- Fully underwritten \$225m institutional placement and non-underwritten Share Purchase Plan (“SPP”) to raise up to \$40m (together, the “Offer”)³
- Equity raise open to new and existing shareholders
- Shareholder fairness a key focus
- Proceeds to fund transformational acquisition as well as provide financial flexibility
- All directors who are eligible to participate and the CEO in the SPP intend to apply for the maximum number of New Shares under the SPP
- Refer to [Section 5](#) for more information on the Offer and funding of the transaction



Increases financial flexibility

- This acquisition and a number of other organic and inorganic opportunities were delayed due to COVID-19
- Combination of new equity and debt facilities to fund the acquisition of Barrow Hanley and provide financial flexibility to continue to execute on organic and inorganic initiatives identified across Perpetual
- Perpetual is in advanced discussions regarding other complementary bolt-on acquisitions that align with stated strategic imperatives across each business line
- Transaction structure designed to maintain conservative gearing ratios of 1.1⁴ times in light of COVID-19 with a pathway to reduce to 1.0 times within 12 months of completion and to zero within 5 years
- Refer [Section 4](#) for financial impact



Acquisition expected to deliver EPS accretion of more than 20% in year one⁵

1. US denominated items translated at AUD:USD 0.69 at 30 June 2020 2. Subject to regulatory and customary approvals including Barrow Hanley client consents 3. Perpetual may increase or decrease the SPP in its discretion having regard to matters including the level of application under the SPP. Any scale back will be pro-rata to shareholding 4. Based on total expected debt of \$284m at date of completion. Gearing calculated gross debt / Pro-forma EBITDA excluding minorities 5. EPS accretion is based on UPAT on an annualised basis from the date of completion (EPS calculations exclude any shares issued under the SPP). EPS accretion also excludes earnings from two complementary bolt-on acquisitions that are in an advanced state and which collectively are estimated to contribute \$5m-\$6m to EBITDA on an annualised basis if they proceed, which is uncertain. See section 4 for further information and for the definition of UPAT.

TRANSFORMATIONAL OPPORTUNITY

BARROW HANLEY IS A COMPELLING ACQUISITION FOR PERPETUAL SHAREHOLDERS



Multiple world-class global investment capabilities

- World-class strategies covering US, EAFE¹, global and global emerging market equities and US fixed income, with significant capacity for future growth
- More than 21 different investment strategies, including 14 strategies each with FUM in excess of US\$500m, diversifying Perpetual's FUM
- 40-year history of value investing, under a respected, well-known and highly-rated brand



Ability to enhance & broaden distribution with substantial capacity in core strategies

- Substantial remaining capacity in multiple strategies with strong performance and significant potential to grow FUM over time
- Accelerates Perpetual's global distribution footprint in the US and provides UK² and Hong Kong presence
- Potential to establish a future retail offering through a mutual fund capability in the US and more broadly



Strong investment performance

- Equities product investment performance has been strong against value benchmarks³
- Fixed income products have outperformed benchmarks over 1, 3, 5 and 10 years



Strong cultural alignment

- Institutionally focused business with a boutique culture. Longstanding relationships with a diversified, blue-chip investor base. Management and investment team have a 20-year history of being institutionally owned
- Strong existing relationship with Barrow Hanley through current investment mandate from Perpetual Private since 2016
- Close engagement with key personnel, including multiple pre-Covid-19 site visits



Financially compelling transaction

- UPAT EPS accretion of more than 20% in the first year⁴
- Double digit DPS accretion expected in the first year⁴
- Assumes gross debt / Pro-forma EBITDA of 1.1x⁵



Strong key management alignment

- Acquiring BSIG's 75% equity stake for all cash consideration
- Strong alignment with existing management team, who will continue to hold 25% equity, with other retention mechanisms in place
- No change in key personnel, investment process or brand expected



Transformational opportunity for Perpetual

- Provides Perpetual with desired diversification of investment capabilities and additional growth potential, with a global footprint
- Ability to leverage Australian distribution across retail and institutional channels

1. Europe and the Far East (EAFE)

2. Transition pending Financial Conduct Authority (FCA) approval

3. See Appendix i for further information on Barrow Hanley performance as at 30 June 2020

4. EPS and DPS accretion is based on UPAT on an annualised basis from the date of completion. EPS calculations exclude any shares issued under the SPP. Refer section 4 for further information and for the definition of UPAT

5. Based on total expected debt of \$284m at date of completion. Gearing calculated gross debt / Pro-forma EBITDA excluding minorities

2. OVERVIEW OF BARROW HANLEY

ABOUT BARROW HANLEY

A LEADING US BASED FUND MANAGER WITH A GLOBAL FOOTPRINT

US\$44.1bn
FUM¹



Highly regarded specialist asset management firm

- Investment professionals primarily based in Dallas, Texas; 40-year record of value investing
- Well-regarded brand in the US with growing international presence
- Cultural alignment and builds on existing partnership with Perpetual Private

21+
Investment Strategies



Provides multiple world-class investment capabilities

- Provides Perpetual with multiple investment strategies across US, global & emerging market equities and US fixed income
- 95 employees, including 54 investment professionals²
- Highly regarded manager with many long-term relationships

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Institutional Clients Investing for 20+ Years



Establishes a global distribution footprint

- Blue-chip US institutional client base and growing international clients
- Distribution presence in the US, UK and Asia³
- Will leverage Perpetual's strong Australian distribution capability
- Significant FUM capacity across all key investment strategies

1. US denominated items translated at AUD:USD 0.69 as at 30 June 2020

2. Source: Barrow Hanley company records as at 30 June 2020

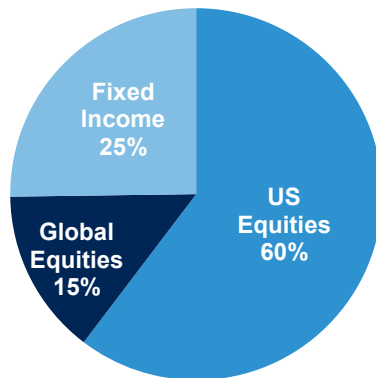
3. Barrow Hanley is headquartered in Dallas, Texas with representative offices in Hong Kong and London (pending transition and FCA approval)

BARROW HANLEY INVESTMENT STRATEGIES

ATTRACTIVE AND DIVERSE RANGE OF STRATEGIES WITH CAPACITY

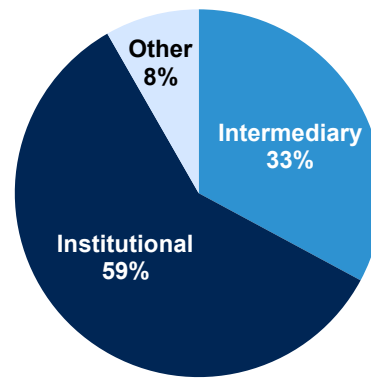
- 14 strategies each in excess of US\$500m FUM across US, global, emerging equities and fixed income asset classes¹
- The acquisition delivers a diverse suite of attractive investment strategies for institutional and retail clients in Australia and globally
- Barrow Hanley is viewed in the market as one of the few “true-to-label” US value managers
- Barrow Hanley delivers significant FUM capacity and is highly scaleable
- Barrow Hanley has a very strong new business pipeline across investment strategy, client type and geography
- Creates global distribution footprint to drive future growth

FUM BY STRATEGY²



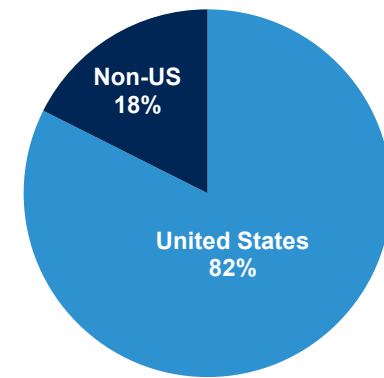
Total FUM: US\$44.1bn

FUM BY CHANNEL



Total FUM: US\$44.1bn

FUM BY ACCOUNT DOMICILE



Total FUM: US\$44.1bn

1. Source: Barrow Hanley records as at 30 June 2020 (unaudited)
 2. US Equities includes large, mid small cap, diversified focused, diversified large cap value and diversified small cap value

3. STRATEGIC RATIONALE

COMPELLING STRATEGIC RATIONALE FOR PERPETUAL

COMBINES WORLD-CLASS INVESTMENT CAPABILITIES WITH A GLOBAL FOOTPRINT

\$92.3bn¹
Combined FUM
Across 54
Strategies²



World-class investment capabilities

- Highly rated investment teams across a broad variety of investment capabilities
- Strong long-term performance track records against value benchmarks
- Global capabilities are differentiated and have substantial capacity

**Powerful
Combination**
Across 13
Global
Locations³



Delivers a global distribution footprint

- Fast-tracks build-out of US distribution team under Chuck Thompson
- Provides Perpetual with a presence in London³ and Hong Kong
- Ability to leverage Perpetual's strong Australian distribution across retail and institutional channels

**Deep
Investment
Heritage⁴**



Long term cultural and financial alignment

- Perpetual Private invested in Barrow Hanley's global equity capability since 2016
- Multiple site visits from key Perpetual staff prior to COVID-19
- Strong alignment through management retaining 25% equity stake
- Additional retention of key staff via a variety of mechanisms

1. Pro-forma FUM translated at AUD:USD 0.69 at 30 June 2020

2. Comprising 24 Perpetual strategies across Australian, global equities and fixed income, 9 Trillium strategies across US equities and fixed income and 21 key Barrow Hanley strategies across US, global emerging equities and fixed interest

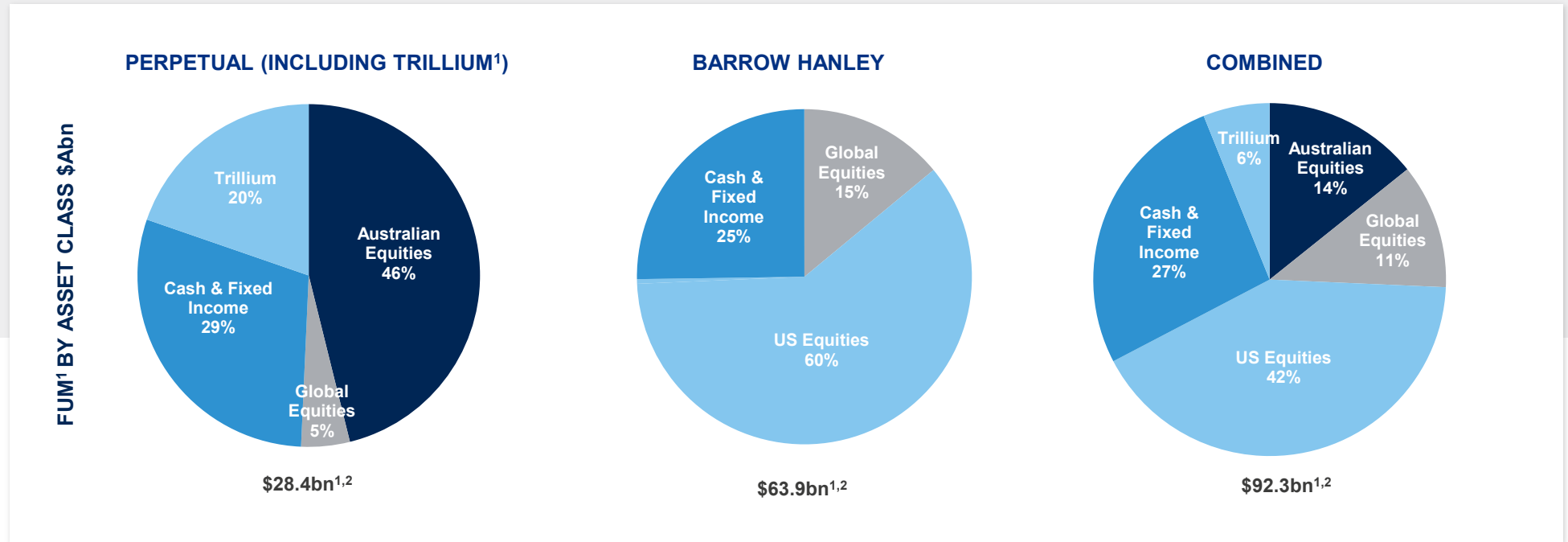
3. Post completion Perpetual, Barrow Hanley and Trillium will have operations across the US (Boston, Dallas, San Francisco, Portland), London (transition pending FCA approval), Hong Kong, Singapore and Australia (Sydney Melbourne, Brisbane, Adelaide, Perth, Canberra)

4. Perpetual Investments, (established 1966) Barrow Hanley (established 1979) and Trillium (established 1982)

HOW PERPETUAL BENEFITS

DELIVERS DIVERSIFICATION BENEFITS AND IMPROVED GROWTH POTENTIAL

- Combined business provides materially improved diversification by asset type and geography
- Strong institutional relationships at Barrow Hanley will provide leverage points for other Perpetual capabilities, including Trillium
- Provides Perpetual with greater opportunities within existing relationships in Australia
- Allows Perpetual to compete with multiple capabilities that have global appeal
- Creates global distribution reach and a platform to improve and extend that reach



1. Actual and Pro-forma US denominated FUM translated at AUD:USD 0.69 at 30 June, 2020 Refer section 4 for further information

2. Source: Barrow Hanley company records as at 30 June 2020 (unaudited)

HOW PERPETUAL BENEFITS

BARROW HANLEY DELIVERS SCALE AND ACCELERATES GLOBAL FOOTPRINT

Over 100 investment professionals managing \$92.3bn¹ in FUM supported by 63 distribution staff across all key regions

US

- Fast-tracks build-out of US distribution
- Potential to tap into retail and ETF markets

EUROPE

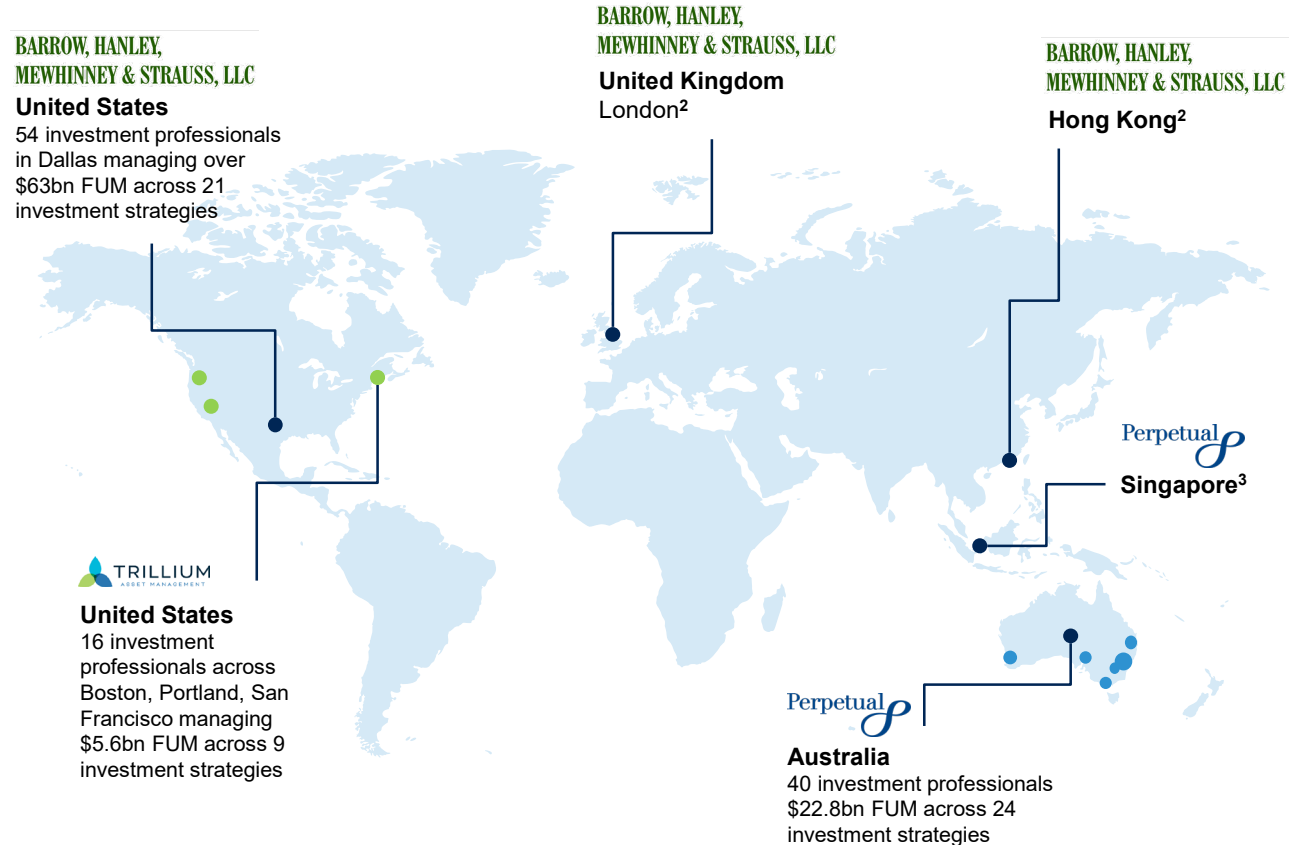
- Provides a base to build-out European presence for all relevant capabilities

ASIA

- Adds to Perpetual's existing presence in Singapore, now giving coverage across Asia, including Japan

AUSTRALIA

- Provides local distribution team with a range of quality capabilities across retail and institutional channels



1. Pro-forma FUM translated at AUD:USD 0.69 at 30 June 2020 Refer section 4 for further information
2. Barrow Hanley has staff in the following locations outside of the US, London (2) (transition pending FCA approval) and Hong Kong (1)
3. Perpetual Singapore office

RETENTION AND INCENTIVE ARRANGEMENTS

DESIGNED TO REWARD LONG-TERM VALUE CREATION FOR ALL STAKEHOLDERS



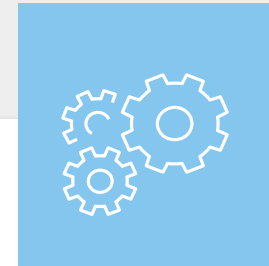
Boutique Model

- **No change** to investment team or investment process
- Continued material equity ownership to promote the **boutique culture**
- **All employee equity owners** have agreed to and have shown commitment to the transaction



Retention Arrangements

- Key members of Barrow Hanley team to **retain 25% equity** in the business
- **Key principles** of Barrow Hanley's existing compensation arrangements retained
- Key investment professional and business management have agreed to **restrictive covenants**



Long-term Alignment

- Retention arrangements **structured to align interests**
- **Mechanisms** in place to acquire equity and to continue recycling equity into the future to key employees

4. FINANCIAL IMPACT

TRADING UPDATE

TWELVE MONTHS ENDED 30 JUNE 2020



FY20 Financial Results

- Perpetual expects to announce a statutory net profit of \$82.0m and an underlying profit after tax¹ of \$93.5m for FY20²
- Expense growth of 1.4% for FY20³
- FY20 significant items of \$11.5m includes operating model implementation costs and initial Trillium transactions costs
- Subject to Board approval, the final FY20 dividend will be paid under the existing policy, which is to pay between 80-100% of annualised Net Profit after Tax



FY20 Divisional Results

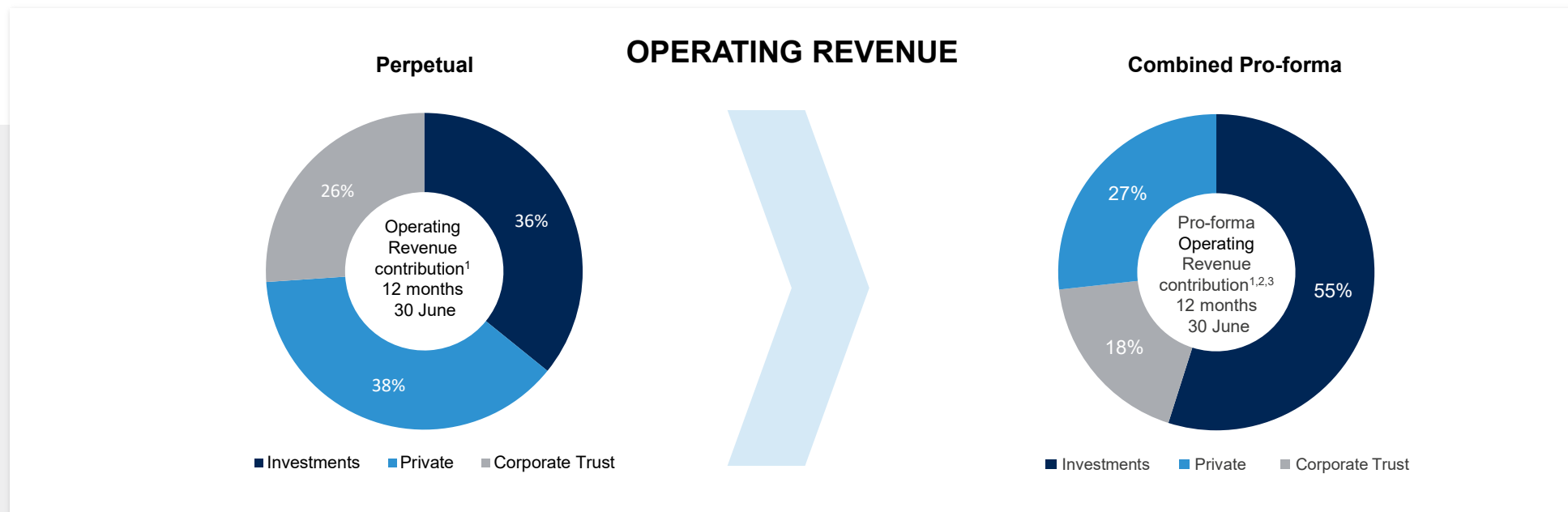
- Market linked revenues in Perpetual Investments and Perpetual Private have been impacted by the COVID-19 market volatility over the second half of FY20
- Perpetual Corporate Trust has maintained the positive momentum from its strong first half in the second half of FY20, and is expected to deliver double digit profit before tax growth
- Perpetual Private's non-market revenues, in particular Fordham revenues, have been adversely impacted by COVID-19 and the low interest rate environment in FY20



Perpetual will release FY20 results on 20 August 2020

1. Underlying profit after tax (UPAT) represents Perpetual's measure of the results of the ongoing business of the Group as determined by the Board and management. Refer slide 22 for the definition of UPAT
2. This presentation includes preliminary unaudited financial results of Perpetual Limited for the year ended 30 June 2020
3. Excludes the target operating implementation costs and initial Trillium transaction costs which will be treated as significant items in FY20. Refer section 4 for further information

BARROW HANLEY DELIVERS SCALE AND NEW CAPABILITIES ALIGNS WITH PURSUIT OF DIVERSIFYING REVENUE



- Barrow Hanley and Trillium expected to contribute 29% of Perpetual’s operating revenue post acquisition
- Acquisition diversifies revenue by asset type and geography, providing a broader array of growth opportunities
- Delivers scale and expands Perpetual’s investment strategies across a range of attractive in demand asset classes and strategies
- Perpetual remains committed to its diversified portfolio of businesses

Source: respective company records. Refer slide 23 – Financial impact for further information for basis of preparation of historical and pro-forma financial information

1. Operating revenue contribution excludes Group investments and Support Services for the 12 months ended 30 June 2020 (unaudited).

2. US denominated items translated at the average exchange rate of AUD:USD 0.69 for the 12 months ended 30 June 2020

3. Refer Slide 23 for basis of preparation of pro-forma financial information

FINANCIAL IMPACT

CHANGE IN UNDERLYING PROFIT DEFINITION AND REVISED DIVIDEND SETTINGS



Current dividend policy

- Perpetual currently pays a dividend within a range of 80-100% of NPAT on an annualised basis
- Over the five years to 1H20 Perpetual averaged a dividend payout ratio of 93% returning over \$0.6bn to our shareholders
- The Board will consider the payment of the FY20 final dividend in line with the current policy



Change in definition of UPAT

- Perpetual reports profit on both a statutory basis (NPAT) and on an underlying (UPAT) basis. UPAT represents Perpetual's measure of the results of the ongoing business of the Group as determined by the Board and management. It is disclosed as it is considered useful for investors to gain a better understanding of Perpetual's financial results from normal operating activities
- This transaction is a key milestone in Perpetual's growth strategy and will have a material impact on the Group's statutory earning profile for the foreseeable future
- Perpetual will continue to report both NPAT and UPAT but will amend the definition of UPAT¹ to reflect the changes to the Group's operating cashflows arising from this transaction and more broadly the strategic imperatives of the Group, which is to continue to identify and execute inorganic growth opportunities
- The key change to UPAT is to adjust NPAT for significant items that are material in nature and do not reflect the normal operating activities and to exclude the non-cash tax-effected amortisation of acquisition intangibles. This change will take effect on a prospective basis from FY21
- Adjusting items will be clearly defined, consistently applied and disclosed in accordance with ASIC Regulatory Guide – 230 – Disclosing “Non-IFRS information” with the change to take effect on a prospective basis from FY21



Revised dividend settings

- Post completion it is expected that future dividends will be paid on the revised Underlying Profit after Tax (UPAT) metric
- The aim will be to strike a balance between maximising returns to shareholders, retaining cash to fund operations and repay debt, whilst maintaining adequate cash reserves to absorb periods of economic stress
- This approach allows the Board to consider “looking through” non-cash transactions impacting statutory NPAT and that are not reflective of the ongoing business operations, whilst maximising returns to shareholders
- Dividends beyond FY20 are unlikely to be fully franked given a significant portion of the Group's earning will be generated overseas and subject to foreign tax requirements
- Transaction expected to be DPS accretive

1. UPAT is NPAT adjusted to remove significant items which do not to reflect the normal operating activities and are material in nature. From FY21 this definition has been expanded to include amortisation of acquired intangibles. UPAT is attributable to equity holders of Perpetual Limited. UPAT is not subject to audit by the Group's external auditors, however the adjustments (actual and proposed) are/will be extracted from the books and records that have been/will be subject to audit

FINANCIAL IMPACT

PRO-FORMA PROFIT AND LOSS IMPACT

For the 12 months ended 30 June 2020	Unaudited Perpetual \$m	Unaudited Pro-forma Barrow Hanley \$m	Adjustments \$m	Pro-forma \$m
EBITDA ¹	180.6	63.9	5.1	249.6
Statutory NPAT	82.0	50.7	(61.6)	71.1
<i>Adjusted for:</i>				
25% non-controlling interest	-	(6.9)		(6.9)
Statutory NPAT attributable to Perpetual shareholders	82.0	43.8	(61.6)	64.2
<i>Adjusted for significant items</i>				
Transaction, integration costs and other	11.5 ³	-	45.5	57.0
Amortisation of acquired intangibles		-	21.4	21.4
UPAT attributable to Perpetual shareholders²	93.5	43.8	5.3	142.6
Acquisition expected to deliver EPS accretion of more than 20% based on a Pro-forma UPAT on an annualised basis from the date of completion				

Source: the information has been sourced from the respective company records in the manner described in the basis of preparation and in the "Important Notice and Disclaimer"

- EBITDA is earnings before interest, tax depreciation and amortisation
- UPAT is NPAT adjusted to remove significant items which do not reflect the normal operating activities and are material in nature. In FY20 the significant items include the target operating implementation costs and initial Trillium transaction costs. From FY21 this definition has been expanded to include amortisation of acquired intangibles. The pro-forma adjustments have been prepared on the expanded definition
- Includes the target operating implementation costs and initial Trillium transaction costs

Not for distribution or release in the United States

Basis of preparation

The pro-forma information is presented to show the impact of the Trillium and Barrow Hanley acquisitions had they been acquired as of 1 July 2019

Perpetual prepares its financial statements in accordance with the Australian equivalent of International Financial Reporting Standards (IFRS). The Perpetual financial information for the year ended 30 June 2020 has not been audited. The Perpetual financial information for the year ended 30 June 2020 is preliminary and subject to completion of the 30 June 2020 external audit

Barrow Hanley and Trillium financial information has been prepared in accordance with US GAAP principles which may differ from IFRS. As at the date of this presentation no material differences between US GAAP and IFRS have been identified for either Barrow Hanley or Trillium

Both Trillium and Barrow Hanley's financial years are 1 January to 31 December. Periods have therefore been constructed for illustrative purposes and do not reflect actual historical results of these entities

The pro-forma Trillium profit and loss information which is included as an Adjustment to EBITDA reflects the audited profit and loss of Trillium for the 12 months ended 31 December 2019 derived from audited accounts as this is considered by management to be a reasonable estimation.

The pro-forma Barrow Hanley profit and loss information has been derived by annualising the unaudited internal trial profit and loss data for Barrow Hanley for the six months ended 30 June 2020 as this is considered by management to be more representative of earnings profile of Barrow Hanley due to the loss of a large client in the second half of FY19. The pro-forma information includes several adjustments made by Perpetual management, which include adjustments for Perpetual's best estimate of effective tax rates and minority interest calculations specific to Perpetual estimates. The Barrow Hanley profit and loss information is Perpetual management's best estimates of this information based on data provided by BSIG

US denominated items have been translated at the average exchange rate of AUD:USD 0.69 for the 12 months ended 30 June 2020

Description of pro-forma adjustments

- Pro-forma adjustments include the full year impact of Trillium as if Trillium had been acquired on 1 July 2019, and the impact of amortisation of acquired intangibles and other acquisition related and debt funding costs
- Impact of amortisation of acquired intangibles and other acquisition related and debt funding costs
- To reflect 25% equity interest retained by Barrow Hanley employees adjusted for the impact of preference shares to be held by Perpetual
- Includes estimates of items that do not reflect the normal operating activities and are material in nature. The adjustment includes estimated (post-tax) transaction costs of \$31m, day 1 integration costs and other non-recurring acquisition related costs for Barrow Hanley
- Reflects non-cash tax-effected amortisation of acquisition intangibles recognised from 1 July 2020 on a prospective basis, including for Barrow Hanley and Trillium
- EPS accretion based on the revised UPAT definition and dividend payment settings to take effect post completion.

FINANCIAL IMPACT

BALANCE SHEET PRO-FORMA IMPACT

As at 30 June 2020	Unaudited Perpetual \$m	Unaudited Barrow Hanley \$m	Adjustments \$m	Pro-forma \$m
Cash	164.1	16.9	(60.0)	121.0
Liquid investments (FVTPL)	80.9	-	43.7	124.6
Goodwill & other intangibles	444.5 ⁵	17.9	583.6	1,046.0
Other assets	243.5	128.6	(66.4)	305.7
Total assets	932.9	163.4	501.0	1,597.3
Corporate debt	-	-	278.3	278.3
Other liabilities	278.6	138.2	(25.6)	391.2
Total liabilities	278.6	138.2	252.7	669.5
Net assets	654.3	25.2	248.3	927.8

Source: the information has been sourced from the respective company records in the manner described in the basis of preparation and in the "Important Notice and Disclaimer"

Basis of preparation

Perpetual completed the acquisition of Trillium on 30 June 2020. Perpetual's balance sheet as at 30 June 2020 includes the acquired assets and liabilities of Trillium

The pro-forma information is presented to show the impact of the Barrow Hanley acquisition had they been acquired as of 30 June 2020

Perpetual prepares its financial statements in accordance with the Australian equivalent of International Financial Reporting Standards (IFRS). The financial information for the year ended 30 June 2020 has not been audited. The Balance sheet excludes the assets and liabilities for the Perpetual Exact Market Cash Funds (EMCF) structured products. The Perpetual financial information for the year ended 30 June 2020 is preliminary and subject to completion of the 30 June 2020 external audit

Barrow Hanley and Trillium financial information has been prepared in accordance with US GAAP principles which may differ from IFRS. As at the date of this presentation no material differences between US GAAP and IFRS have been identified for either Barrow Hanley or Trillium

US denominated items have been translated at AUD: USD 0.69 as at 30 June 2020

The Barrow Hanley balance sheet information has been prepared from unaudited internal trial balances as at 30 June 2020

Description of pro-forma adjustments

- Reflects net change in cash after receipt of proceeds, adjusted for cash consideration for investment in controlled entities. Proceeds from the SPP have not been included
- Reflects cash set aside for seed investments in line with the share purchase agreement
- Reflects preliminary and provisional purchase price accounting, including assignment of value for acquired intangible assets (brand names, client contracts), preference shares and any residual goodwill which is expected to be completed within 12 months of completion date
- Reflects existing assets that will not form part of the expected completion balance sheet, including intercompany receivables and the assets that support the deferred compensation plan that will be paid out prior to completion
- New USD\$195 debt facility (AUD\$278.3m net of debt raising costs) to acquire Barrow Hanley and provide financial flexibility
- Reflects acquisition adjustments to existing compensation plans and settlement of intercompany loans
- Reflects increase in shareholders' equity (net of transaction costs), net of liabilities recognised at time of acquisition and non controlling interest retained by Barrow Hanley

FINANCIAL IMPACT

TRANSFORMATIONAL ACQUISITION TO ACCELERATE GROWTH



Aligns with Perpetual's strategy

- This transaction is a key milestone in Perpetual's growth strategy
- Delivers scale and multiple high-quality global investment capabilities with a culturally aligned partner
- Brings forward the expansion of US distribution, and will provide a base in Europe and Asia for future expansion
- Provides significant capacity for future growth, and in asset classes that are experiencing increased allocations
- Diversifies Perpetual's revenue both geographically and by investment capability
- Deal structured to align and retain key investment professionals over the long-term



Attractive valuation and return metrics

- Attractive valuation multiples
- Acquisition expected to deliver EPS accretion of more than 20%^{1,2}
- Post completion it is expected that future dividends will be paid on the revised UPAT metric
- Gearing levels of 1.1 and pathway to reduce to below 1.0 times within 12 months of completion and to zero within five years³
- Maintains financial flexibility for further complementary organic and inorganic opportunities



Financial impact

- Revised definition of Underlying Profit after Tax (UPAT)
- New operating and geographic business segment to diversify earnings and drive growth
- Expected to increase Perpetual FUM from \$28.4b to \$92.3b⁴ and add 21 key new strategies
- Acquisition related expenses (post-tax) of \$31m⁵ to be treated as a significant item post completion (before being assessed for capitalisation)
- Retention and incentive arrangements for founder and key personnel terms agreed
- Completion expected by the end of 1H21 (31 December 2020) subject to regulatory and customary approvals including Barrow Hanley client consents

1. EPS accretion is based on UPAT on an annualised basis from the date of completion and is calculated in respect of the acquisition of Barrow Hanley only. EPS calculations excludes any shares issues under the SPP, and EPS accretion may differ if additional capital is issued as part of the SPP

2. Refer slide 22 for definition of UPAT and a description of the adjustments between statutory NPAT and UPAT

3. Based on total expected debt of \$284m at date of completion with pathway to reduce to 1.0 times over 12 months post completion and zero within five years

4. US denominated FUM translated at AUD:USD 0.69 at 30 June 2020

5. Acquisition related costs include (but not limited to) transaction costs, legal and advisor fees

5. OFFER AND FUNDING OF THE TRANSACTION

OFFER AND FUNDING

FULLY FUNDED VIA COMBINATION OF CASH, DEBT AND EQUITY

Sources	US\$m	A\$m ¹	%	Description
New debt	195.0	284.1	49.9%	US\$195m fully underwritten US\$ denominated debt facilities Hedging protection in place to minimise foreign exchange risk
Equity	154.4	225.0 ³	39.5%	Fully underwritten institutional placement to raise approximately \$225m
Cash	41.2	60.0	10.6%	From available surplus liquid funds
Total	390.6	569.1	100%	

Uses	US\$m	A\$m	%	Description
Consideration	319.0	464.8	81.7%	\$465m cash consideration for BSIG's 75% stake in Barrow Hanley
Transaction costs	21.6	31.5	5.5%	Includes acquisition related and equity raising costs
Seed capital	30.0	43.7	7.7%	\$44m paid to replace BSIG's seed funding
Escrowed shares	6.6	9.6	1.7%	\$10m to acquire shares still held by retired employees, to be re-distributed to current Barrow Hanley employees via retention package
Other	13.4	19.5	3.4%	Additional funds raised to provide financial flexibility for other identified opportunities that align with stated strategic imperatives
Total	390.6	569.1	100%	

1. US denominated FUM translated at AUD:USD 0.69 at 30 June 2020

2. Subject to price adjustment if client consents range between 92.5% - 80%

3. With the potential to raise a further \$40m via a non underwritten SPP with additional proceeds to fund identified organic and inorganic opportunities

4. Based on total expected debt of \$284m at date of completion with pathway to reduce to 1.0 times over 12 months post completion and zero within five years



A\$465m^{1,2}
Cash offer price
8 x Pro-forma EBITDA



Fully funded
Through existing cash, new
equity and debt



1.1x⁴
Leverage
gross debt / Pro-forma EBITDA

KEY DETAILS OF THE OFFER

Offer size

- Fully underwritten institutional placement to raise approximately \$225m (the “Placement”)
- Approximately 7.4 million new fully paid ordinary shares to be issued to sophisticated and institutional investors under the Placement (the “Placement Shares”) representing approximately 15.7% of Perpetual’s existing ordinary shares on issue
- Non-underwritten SPP to existing eligible shareholders¹ in Australia and New Zealand, up to \$30,000 per shareholder
- The SPP is targeting to raise up to \$40m.² This amount is intended to provide a fair opportunity for non-institutional investors to participate alongside the equity raise
- Perpetual reserves the right to accept or scale back applications at its discretion that may result in the SPP raising more or less than this amount. In deciding to take either of those actions, Perpetual will focus on treating shareholders fairly
- The directors and CEO intend to apply for the maximum number of New Shares under the SPP, to the extent that they are eligible to participate in the SPP

Placement pricing

- Placement Shares to be issued at a fixed price of \$30.30 (the “Placement Issue Price”). This represents a:
 - 9.8% discount to Perpetual’s last closing price on 24 July 2020 of \$33.61 per share; and
 - 9.3% discount to the VWAP of Perpetual ordinary shares traded during the 5 trading days up to and including 24 July 2020 of \$33.39 per share

Ranking and allocation

- The Placement Shares³ will rank equally with existing fully paid Perpetual ordinary shares from their date of issue
- It is intended that eligible sophisticated and institutional shareholders who bid for an amount less than or equal to their ‘pro rata’ share² of Placement Shares under the Placement will be allocated their full bid, on a best endeavours basis

SPP details

- The issue price per new fully paid ordinary share under the SPP (the “SPP Shares”) will be the lower of:
 - The Placement Price; and
 - The VWAP of Perpetual ordinary shares traded during the five trading days up to, and including, the SPP closing date (expected to be 26 August 2020) less a 2% discount, rounded to the nearest cent

Purpose of proceeds

- Proceeds from the Equity Raise will be predominantly used to fund the transformational acquisition of Barrow Hanley.
- The transaction is expected to generate UPAT⁴ EPS accretion of more than 20% in year one post completion
- Perpetual’s conservative financial profile post-transaction will enable significant flexibility to execute on a range of strategic organic and inorganic opportunities, which have been identified

1. Eligible shareholders are registered Perpetual shareholders, as at 7.00pm 24 July 2020 (ASDT Sydney AEST time), who have a registered address in Australia or New Zealand, do not hold Perpetual shares on behalf of a person who resides outside Australia or New Zealand and are not in the United States or acting for the account or benefit of any person in the United States

2. Perpetual may increase or decrease this amount in its discretion having regard to matters including the level of applications under the SPP. Any scale back of the SPP will be made on a pro rata to existing shareholding.

3. For this purpose, an eligible shareholders pro rata share of the Placement Shares will be estimated by reference to Perpetual beneficial register on 17 July 2020, but without undertaking any reconciliation processes and ignoring shares that may be issued under the SPP. Unlike in a rights issue, this may not truly reflect the participating shareholders actual pro rata share of Placement Shares. Nothing in this presentation gives a shareholder a right or entitlement to participate in the Placement and Perpetual has no obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining a shareholder’s pro rata share of Placement Shares. Perpetual and the Underwriters disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder’s pro rata share of Placement Shares. EPS calculations exclude any shares issued under the SPP.

4. Refer Slide 22 for definition of UPAT

EQUITY RAISING TIMETABLE¹

Event	Date
Record Date for SPP	7pm (Sydney AEST time), Friday 24 July 2020
Trading Halt	Monday, 27 July 2020
Announcement of the Acquisition and Equity Raising	Monday, 27 July 2020
Placement Bookbuild	Monday, 27 July 2020
Announcement of the Outcome of the Placement	Tuesday, 28 July 2020
Trading Halt lifted	Tuesday, 28 July 2020
Settlement of Institutional Placement	Thursday, 30 July 2020
Allotment and Normal Trading of New Shares under the Placement	Friday, 31 July 2020
SPP Offer Opens	Tuesday, 4 August 2020
SPP Booklet Dispatched to Eligible Shareholders	From Tuesday, 4 August 2020
Release of FY20 Financial Year Results	Thursday, 20 August 2020
SPP Closing Date	5pm (Sydney AEST time) Wednesday, 26 August 2020
Announcement of results of SPP	Monday, 31 August 2020
Issue Date for SPP Shares & record date for FY20 Final dividend	Friday, 4 September 2020
Commencement of Trading of SPP Shares	Monday, 7 September 2020
Holding Statements for SPP Shares Dispatched	Tuesday, 8 September 2020

1. The timetable is indicative only and may be subject to change. Perpetual reserves the right to amend any and all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other appropriate laws. In particular Perpetual reserves the right to extend the closing date of the Offer, to accept late application under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. Any extension of the closing dates will have a consequential effect on the issue of New Shares

A TRANSFORMATIONAL OPPORTUNITY AND A COMPELLING ACQUISITION FOR PERPETUAL SHAREHOLDERS



Transformational acquisition

- Provides a platform for Perpetual to compete globally
- Proven brand and investment teams, well positioned for future growth



World-class investment capabilities

- Adds multiple, high-quality global investment capabilities
- Provides significant capacity for future growth



Global distribution footprint

- Brings forward the expansion of US distribution
- Provides a base in Europe and Asia for future expansion

APPENDICES

- i. Investment Performance of Barrow Hanley
- ii. Historical FUM Profile of Barrow Hanley
- iii. COVID-19
- iv. Management Team
- v. Key Risks
- vi. Summary of Underwriting Agreement
- vii. International Offer Restrictions

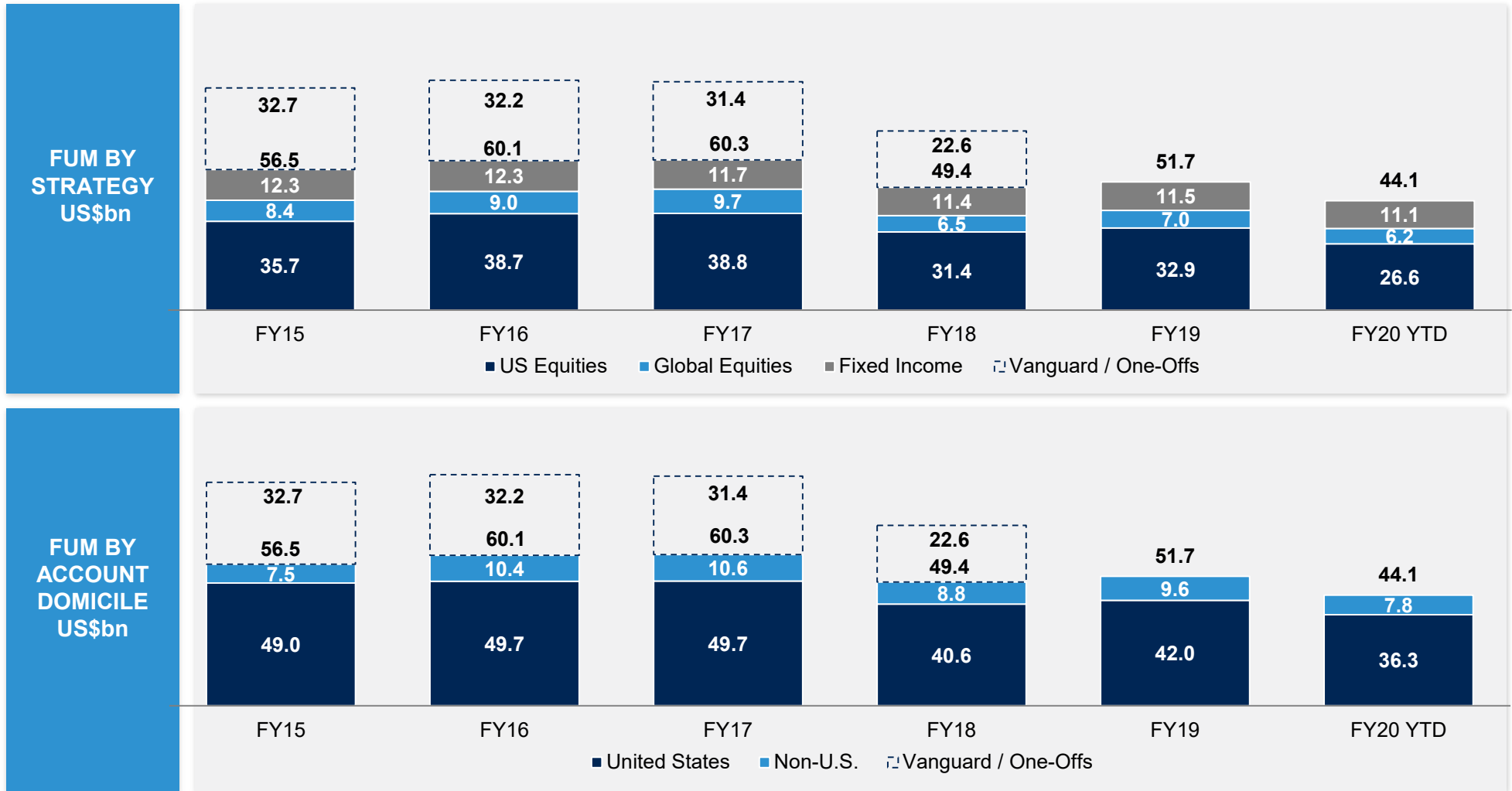
i - INVESTMENT PERFORMANCE OF BARROW HANLEY

HAS DELIVERED OUT PERFORMANCE RELATIVE TO VALUE BENCHMARKS

Fund	Benchmark	FUM US\$ bn	Annualised Performance Ending 30-Jun-20 (%)				Annualised Performance Over Benchmark (%)			
			1 Year	3 Year	5 Year	10 Year	1 year "+/ benchmark	3 year "+/ benchmark	5 year "+/ benchmark	10 year "+/ benchmark
Equities Performance										
Large Cap Value	Russell 1000 Value	13.3	(9.30)	2.25	4.81	10.51	(0.46)	0.43	0.17	0.10
Mid Cap Value	Russell Midcap Value	0.6	(14.01)	(3.01)	0.60	9.44	(2.20)	(2.47)	(2.72)	(0.85)
Small Cap Value	Russell 2000 Value	1.8	(6.38)	0.58	3.91	11.19	11.10	4.93	2.65	3.37
Dividend Focused Value	Russell 1000 Value	4.9	(13.16)	(1.43)	3.24	9.98	(4.32)	(3.25)	(1.40)	(0.43)
Diversified Large Cap Value	Russell 1000 Value	5.9	(10.54)	0.48	3.82	10.66	(1.70)	(1.34)	(0.82)	0.25
Diversified Small Cap Value	Russell 2000 Value	0.1	(20.86)	(5.79)	0.12	9.55	(3.38)	(1.44)	(1.14)	1.73
Non-U.S. Value	MSCI EAFE Value (net)	1.9	(10.69)	(2.83)	(0.30)	4.39	3.79	1.60	1.29	0.86
Global Value Equity	MSCI World Value (net)	4.2	(8.40)	1.28	4.03	NA	2.92	2.09	1.82	NA
Emerging Markets	MSCI EM Value (net)	0.2	(12.87)	(2.05)	1.17	NA	2.87	0.59	1.97	NA
ACWI Ex-US Value*	MSCI ACWI ex-US Value (net)	-	(8.27)	(2.58)	(0.31)	NA	6.99	1.37	0.94	NA
Concentrated Global Opportunities	MSCI AC World Index Value (net)	-	(23.67)	(4.15)	(2.08)	NA	(11.84)	(3.13)	(3.98)	NA
Equities Performance										
Core Fixed Income	Blmg Barclays Aggregate	2.3	10.20	5.83	4.73	4.19	1.46	0.51	0.43	0.37
Core Plus Fixed Income	Blmg Barclays Aggregate	0.6	9.98	5.89	4.91	4.49	1.24	0.57	0.61	0.67
Short Maturity Fixed Income	Blmg Barclays 1-3 Year Gov / Credit	1.3	4.58	3.11	2.39	1.92	0.38	0.24	0.28	0.29
Intermediate Fixed Income	Blmg Barclays Intermediate Aggregate	0.4	7.93	4.98	3.91	3.57	1.33	0.70	0.51	0.43
High Yield Fixed Income	Blmg Barclays US Hy Ba/B3% Issuer Cap	0.1	2.92	4.35	5.12	6.70	0.82	0.18	0.10	(0.08)
Long Govt / Credit Fixed Income	Blmg Barclays Long US Gov / Credit	0.6	22.32	11.38	9.74	8.41	3.41	1.06	0.76	0.57
Intermediate Credit Fixed Income	Blmg Barclays Intermediate Credit	0.7	8.32	5.33	4.53	4.39	1.35	0.45	0.35	0.21
Long Credit Fixed Income	Blmg Barclays US Long Credit	3.5	17.11	9.94	9.28	8.25	3.92	1.24	0.77	0.48
Investment Grade Credit Fixed Income	Blmg Barclays US Corp Bond	1.0	10.90	6.93	6.19	5.96	1.40	0.59	0.36	0.49
Bank Loans	Credit Suisse Leveraged Loan	0.1	(1.30)	NA	NA	NA	0.97	NA	NA	NA

Reflects gross performance (unless otherwise) stated of 21 key investment strategies. Strategies denoted * round to below 0.1.billion. Excludes \$0.6bn of other strategies.

ii - HISTORICAL FUM PROFILE OF BARROW HANLEY



Source: Barrow Hanley information (unaudited)

Not for distribution or release in the United States

iii - COVID-19

PERPETUAL AND BARROW HANLEY

Perpetual

- Seamless transition with more than 95% of staff working remotely under the Crisis Management Plan
- Strategic imperatives remain despite current environment
- Pivoted to digital delivery leveraging expertise via webinars
- Working proactively with clients across the business to monitor portfolio performance and understand their response to COVID-19 related risks
- Keeping clients informed with regular and insightful communications via a dedicated COVID-19 insights hub
- As one of Australia's largest active equity managers, is well positioned to take advantage and participate in equity raisings
- Supported PCT clients with 100% of RBA reporting delivered on time despite increased volumes
- Supported the Not-for-Profit sector via the accelerated injection of untied funds with \$5 million released into community
- Refer [Trading update](#) and Key Risks - [Impact of COVID-19 and general economic conditions](#) for further information

Barrow Hanley

- Seamless transition to successful implementation of Business Continuity Plan
- Well equipped with resources and technology to work remotely
- Ceased all business travel and switched to digital client service and research
- Working proactively with clients to monitor portfolio
- Servicing clients with long-term horizons and view current market environment as attractive entry point not seen in years
- Barrow Hanley continues to monitor the economic uncertainty and market volatility related to COVID-19
- While value-oriented portfolios were disproportionately impacted by the COVID-19 outbreak over the quarter ended 31 March 2020
- Refer [About Barrow Hanley](#) and [Key Risks](#) for further information



Established and mature risk management frameworks have facilitated effective business continuity

iv - MANAGEMENT TEAM

EXPERIENCED AND STABLE TEAM

Total Experience

Years at Barrow Hanley



30 years

21 years

Cory Martin

Executive Director/CEO,
Equity Portfolio Manager

Cory joined Barrow Hanley in 1999 and was appointed Executive Director/CEO in 2017. Prior to joining Barrow Hanley, Cory was a Vice President at Templeton Investment Counsel



28 years

21 years

Mark Giambrone

Managing Director, Equity
Portfolio Manager/Analyst

Prior to joining Barrow Hanley in 1999, Mark held various positions at HOLT Value Associates, KPMG and Ernst & Young



39 years

19 years

Lewis Ropp

Managing Director, Equity
Portfolio Manager/Analyst

Lewis joined Barrow Hanley in 2001. Prior to joining Lewis was a Managing Director at Front Securities and held management positions at Shell Oil Company



24 years

3 years

Brad Kinkelaar

Managing Director, Equity
Portfolio Manager

Brad joined Barrow Hanley in 2017, prior to which he worked at Pacific Investment Management Company and Thornburg Investment Management and State Farm Insurance Companies



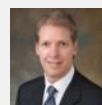
20 years

14 years

Randolph Wrighton

Managing Director, Equity
Portfolio Manager

Prior to joining Barrow Hanley, Randolph worked at Deutsche Bank, Perry Capital Management, and served as a Captain in the U.S. Marine Corps



31 years

25 years

Scott McDonald

Managing Director, Fixed
Income Portfolio Manager

Scott joined Barrow Hanley in 1995 and was appointed Co-Head of Fixed Income in 2017, having previously worked at Life Partners Group and Chase Bank of Texas



39 years

23 years

Mark Luchsinger

Managing Director, Fixed
Income Portfolio Manager

Mark joined Barrow Hanley in 1997 and was appointed Co-Head of Fixed Income in 2017. Mark was previously CIO at Great American Reserve Insurance Company, and has also worked at Scor Reinsurance Company



34 years

20 years

Patricia Barron-Andrews

Managing Director, Chief
Compliance and Risk
Officer

After joining Barrow Hanley in 2000, Patricia was appointed Chief Compliance Officer in 2004 and Chief Risk Officer in 2010. Patricia has previously worked at Citigroup and Morgan Stanley

v - KEY RISKS

This section discusses some of the key risks associated with an investment in shares in Perpetual. These risks may affect the future operating and financial performance of Perpetual and the value of Perpetual shares.

The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Perpetual. Before investing in Perpetual, you should be aware that an investment in Perpetual has a number of risks, some of which are specific to Perpetual and some of which relate to listed securities generally and consider whether this investment is suitable for you. Potential investors should carefully review publicly available information on Perpetual (such as that available on the websites of Perpetual and ASX), carefully consider their personal circumstances (including the ability to lose all or a portion of their investment) and consult their professional advisers before making an investment decision.

Many of the risks described in this section are partially or completely outside the control of Perpetual, its directors and management. Additional risks and uncertainties that Perpetual is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Perpetual's operating and financial performance.

Nothing in this presentation is financial product or tax advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of Perpetual, its directors and management. Further, you should note that this section focuses on the potentially key risks and does not purport to list every risk that Perpetual may have now or in the future. It is also important to note that there can be no guarantee that Perpetual will achieve its stated objectives or that any forward looking statements, expectations, illustrations or forecasts contained in this Presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

v - KEY RISKS

ACQUISITION RISKS

Completion risk, including regulatory approval risk

There is a risk that the acquisition may not complete on the current terms and expected timing, or at all, which may be exacerbated by COVID-19. Failure to complete the acquisition may be due to intervention by a regulatory body or order of a court of competent jurisdiction that prevents completion from occurring, or a failure to satisfy any of the conditions precedent to the equity purchase agreement (**Equity Purchase Agreement**), among other factors. The following conditions precedent to the Equity Purchase Agreement include a number of items that are not within Perpetual's control, including certain items that are within the control of Barrow Hanley:

- obtaining consent to the acquisition from more than 80% (by revenue) of Barrow Hanley clients;
- representations and warranties of the seller remaining true and correct;
- covenants by the seller having been performed;
- no material adverse effect (excluding COVID-19 impacts) occurring before closing; and
- all applicable waiting periods (and any extensions) under the Hart Scott-Rodino Antitrust Improvements Act of 1976 (**Hart Scott-Rodino Act**) have expired or otherwise been terminated.

The Hart-Scott-Rodino Act, which amended US antitrust laws, requires large companies to notify the Federal Trade Commission and Department of Justice in the United States of large mergers and acquisitions, by way of a "premerger notification report" or "Notification and Report Form for Certain Mergers and Acquisitions" The notification must be provided before the merger or acquisition occurs to alert the regulators to the companies' intent and enable the regulators to undertake a review of the action under antitrust laws.

There is also a risk that, prior to completion of the transaction, another party may acquire interests in the entities that control Barrow Hanley and may fail to complete the acquisition on behalf of BSIG.

Any failure to complete the acquisition could materially and adversely affect Perpetual and its share price and the benefits outlined in the Presentation would not be realised.

Due diligence in relation to Barrow Hanley

Perpetual undertook a due diligence process in respect of Barrow Hanley, which relied in part on the review of financial and other information provided by Barrow Hanley. Perpetual has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. As a result of COVID-19 the due diligence procedures performed may not have been as extensive as otherwise would be completed.

Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the transaction have been identified and avoided or managed appropriately. Therefore, there is a risk that unforeseen issues and risks in relation to Barrow Hanley and its business may arise, which may also have a material adverse impact on Perpetual (for example, Perpetual may later discover liabilities or issues which were not identified through due diligence or for which there is no protection for Perpetual). This could adversely affect the operations, financial performance or position of both Barrow Hanley and Perpetual.

v - KEY RISKS

ACQUISITION RISKS

Barrow Hanley financial information

Perpetual has prepared (and made assumptions in the preparation of) the financial information relating to Barrow Hanley on a stand-alone basis and the post-completion financial information relating to Perpetual (which includes Barrow Hanley) in this Presentation in reliance on limited financial information and other information provided by Barrow Hanley. Some of this information was unaudited and subject to a number of assumptions and may not be indicative of actual results.

Although the annual financial statements of BSIG are audited, the most recent audit was 31 December 2019 and the pro-forma financial information in this Presentation in respect of Barrow Hanley is subject to a number of assumptions and has not been subject to audit and may not be indicative of actual results. A material unidentified misstatement of the recent financial performance of the business of Barrow Hanley would potentially have flow-on effects into the future, including impacts on the financial position and performance of Perpetual following completion of the acquisition. Perpetual is unable to verify the accuracy or completeness of the information provided by or about Barrow Hanley. If any of the data or information provided to and relied upon by Perpetual in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Barrow Hanley and Perpetual may be materially different to the financial position and performance anticipated by Perpetual and reflected in this Presentation, which would potentially have flow-on effects into the future.

Further, the information reviewed by Perpetual includes forward looking information. While Perpetual have been able to review some of the foundations for the forward looking information relating to Barrow Hanley, forward looking information can be unreliable and is based on assumptions that may prove to be incorrect or may change in the future.

Legal risk

The acquisition will involve Perpetual entering a number of transaction documents, including the Equity Purchase Agreement. While the documents contain some protections in respect of certain historical liabilities for Barrow Hanley, there is always a risk that the documents do not contain adequate protection for potential liabilities in relation to Barrow Hanley's business or other costs, potentially exposing Perpetual to the risk of future costs or disputes arising in relation to the acquisition.

COVID-19 impacts

As Barrow Hanley's business is primarily based in the United States, its business and operations are highly exposed to the effects of COVID-19. Further, as set out in more detail below, Barrow Hanley's primary revenue source is the fees for providing investment advisory and trustee services, which is directly linked to assets under management or funds under administration. COVID-19 poses significant risks of disruption to the Barrow Hanley business, impaired financial performance, as well as potential impacts on the wellbeing of personnel.

Any impacts to the Barrow Hanley business arising from COVID-19 are excluded from the Equity Purchase Agreement provisions relating to material adverse effect, meaning there is no protection for Perpetual under the agreement for any adverse effects of COVID-19 on Barrow Hanley.

v - KEY RISKS

ACQUISITION RISKS

Future earnings

To the extent that the actual results achieved by Barrow Hanley are weaker than those anticipated by Perpetual in its analysis of whether to pursue the acquisition, there are any difficulties in integrating the operations of Barrow Hanley with Perpetual, or operating costs are higher than anticipated, there is a risk that the profitability and future earnings of the operations of Barrow Hanley may differ (including in a materially adverse way) from the pro-forma financial performance presented in this Presentation. Both Perpetual and Barrow Hanley's earnings are dependent on a number of factors, including net inflows and outflows and market returns, which means that actual earnings may differ markedly to expected earnings. This could have a material adverse impact on the financial performance or position of both Barrow Hanley and Perpetual.

Integration risks

The integration of a business of the size of Barrow Hanley carries numerous risks, including potential delays, additional unanticipated costs in implementing necessary changes, and difficulties in integrating various operations. The success of the Barrow Hanley acquisition will be dependent on the effective and timely consolidation of Barrow Hanley's business alongside Perpetual's business following completion of the acquisition, while retaining the features of Barrow Hanley's business which have contributed to its success. These risks are particularly accentuated by the disruptions caused by COVID-19, which may make integration difficult, delayed or in some instances unachievable.

Barrow Hanley currently receives some support from their parent company, BSIG, for example, payroll and IT systems supporting the finance team. As part of integration, those services will need to be supplied by Perpetual or a provider it engages. There is a risk that there are difficulties experienced in this transfer of services.

Integration risks include:

- possible loss of key Barrow Hanley personnel or corporate knowledge;
- reduced employee productivity due to uncertainty arising as a result of the acquisition;
- possible difficulties in bringing together the cultures and management styles of both organisations in an effective manner, including having regard to the geographic distance between the two organisations, particularly given significant travel restrictions caused by COVID-19;
- disruption to the ongoing operations of both businesses, including difficulties in distribution owing to disruptions of international travel and distribution networks as a result of COVID-19;
- impacts to personnel affecting their health and overall wellbeing as a result of COVID-19, which could involve higher than usual absences from work;
- impacts to personnel due to decreased productivity or disruption to usual working environment;
- higher than anticipated integration costs;
- impacts to existing businesses from the increase in scale of the business post acquisition;
- difficulties integrating accounting, risk and compliance and internal controls; and
- unanticipated costs arising from unforeseen litigation or regulatory actions.

A failure to effectively integrate the operations of Barrow Hanley, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of Perpetual.

v - KEY RISKS

ACQUISITION RISKS

Change of control risk

The Equity Purchase Agreement requires that greater than 80% of Barrow Hanley clients by revenue agree to the acquisition before the acquisition can be completed. If the necessary Barrow Hanley client consents are not obtained, the acquisition will not occur, which could have material and adverse effects on Perpetual's financial position and its share price.

In addition to the requirement to obtain sufficient Barrow Hanley client consents under the Equity Purchase Agreement, the acquisition may trigger change of control clauses in some material contracts to which Barrow Hanley is a party, including in a number of investment management agreements. Where triggered, the change of control clause will, in most cases, require Perpetual to seek the counterparty's consent in relation to the acquisition of Barrow Hanley. There is a risk that a counterparty may not provide their consent to the acquisition, which may trigger a termination right in favour of that counterparty or that the counterparty may require renegotiation of terms or pricing to provide its consent. If any of the material contracts containing a change of control clause are terminated by the counterparty or renegotiated on less favourable terms, it may have an adverse impact on Perpetual's financial performance and prospects. There can be no assurance that such contracts would be able to be renegotiated on commercially reasonable terms, if at all.

Additionally, as a result of the acquisition, customers of Barrow Hanley that are not bound by contract or that have rights to terminate for convenience, may elect to terminate their relationship with Barrow Hanley. If any material customers terminate their relationship with Barrow Hanley, it may have an adverse impact on Perpetual's financial performance and prospects post acquisition.

Debt funding and refinance risk

Perpetual has entered into financing arrangements pursuant to which financiers have agreed to provide debt financing for the Barrow Hanley acquisition. If certain events occur (e.g. non-compliance with bank covenants), the financiers may terminate the debt financing agreement. Termination of the debt financing agreement would have an adverse impact on Perpetual's sources of funding for the Barrow Hanley acquisition.

If the proposed acquisition occurs, there will be an increase in Perpetual's debt levels. The use of debt financing to partially fund the transaction means that Perpetual will be more exposed to risks associated with gearing and higher leverage ratios. In addition, Perpetual will be more exposed to general risks relating to any refinancing of its debt facilities. It may be difficult for Perpetual to refinance all or some of these debt facilities and an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect the financial performance of Perpetual. There is also a risk that institutional shareholders do not agree with the increase in Perpetual's debt levels and may seek to reduce their shareholding, resulting in a fall in Perpetual's share price.

Historical liabilities

If the acquisition of Barrow Hanley completes, Perpetual will have exposure to any liabilities that Barrow Hanley has incurred in the past, including liabilities which were not identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which Perpetual may not have post-closing recourse under the Equity Purchase Agreement. These could include liabilities relating to current or future litigation, regulatory actions and other liabilities. Such liability may adversely affect the financial performance or position of Perpetual post-acquisition.

v - KEY RISKS

ACQUISITION RISKS

Global markets and foreign exchange risk

Barrow Hanley has significant operations in the United States as well as investments in various countries around the world. As a result of Perpetual increasing its global reach in the United States, Perpetual will be further exposed to the performance of the United States' domestic economy as well as global macroeconomic conditions. Perpetual will also become more exposed to fluctuations in the value of the United States Dollar, as well as other global currencies, than it was prior to the transaction. Perpetual has entered into foreign exchange rate hedging arrangements in relation to the acquisition, which may expose Perpetual to losses arising from such fluctuations if completion fails to occur.

In cases where Perpetual's debt or other obligations are in currencies different than the currency in which Perpetual earns revenue, Perpetual may face higher costs to service those debts, which could impact on its financial performance or position.

Fluctuations in the exchange rates, may also decrease the expected contributions made by Barrow Hanley to Perpetual's earnings, resulting in an adverse impact on Perpetual's financial position.

Underwriting risk

Perpetual has entered into an underwriting agreement in respect of the Placement, subject to the terms and conditions of the underwriting agreement between Perpetual and the Underwriters, key terms of which are summarised at Appendix vi (**Underwriting Agreement**). The Underwriters' obligation to underwrite the Placement is conditional on certain customary matters. Further, if certain events occur, some of which are beyond Perpetual's control, the Underwriters may terminate the Underwriting Agreement. If the Underwriting Agreement is terminated, Perpetual would not receive the proceeds of the Placement, which could affect Perpetual's ability to pay the purchase price for the Barrow Hanley acquisition. If the Underwriting Agreement is terminated, Perpetual will generally not be entitled to terminate the Equity Purchase Agreement. In these circumstances, Perpetual would need to find alternative funding to meet its contractual obligations under the Equity Purchase Agreement to pay the purchase price. Termination of the Underwriting Agreement could materially adversely affect Perpetual's business, cash flow, financial performance, financial condition and share price.

v - KEY RISKS

ACQUISITION RISKS

Barrow Hanley specific risks

As a result of acquiring Barrow Hanley, Perpetual will be exposed to risks specific to Barrow Hanley's business. Barrow Hanley's primary source of revenue is derived from fees for providing investment advisory and corporate trustee services, which are directly linked to assets under management or funds under administration. The value of Barrow Hanley's assets under management is subject to similar risks affecting the value of Perpetual's assets under management (see 'Key business and industry risks' section below). The risks particular to Barrow Hanley include:

- *US-market exposure* – Perpetual has only recently begun operating directly in the US and the acquisition may involve risks or costs and regulatory challenges (including additional licensing or capital requirements) not previously anticipated or experienced by Perpetual;
- *Market environment* – Barrow Hanley's revenue is closely linked to the performance of global equity and fixed income markets and global currencies and exchange rates. Any decline in the market value of securities held in client portfolios due to adverse market conditions or movements in foreign exchange rates would reduce assets under management and lead to a decrease in revenue. Investor sentiment in a poor equities and fixed income market environment could also decrease inflows and increase outflows from Barrow Hanley's investment strategies in favour of other investments;
- *Performance of investment strategies* – poor performance of investment strategies may result in decreased value of assets under management. Market conditions may be unfavourable to 'value' style investing which may contribute to underperformance of investment strategies, while significantly increasing Perpetual's exposure to value style investing. The intended development of a global distribution platform and plan to distribute Barrow Hanley products through Perpetual's network may not be successful. In addition, underperformance could impact Barrow Hanley's ability to maintain its existing client base and develop new client relationships. The retention of key personnel is particularly important to successfully implementing these strategies and winning and maintaining client relationships;
- *Key personnel* – possible loss of key Barrow Hanley personnel or corporate knowledge, or reduced employee productivity, including due to uncertainty arising as a result of the acquisition. There are also possible impacts to personnel affecting their health and overall wellbeing as a result of COVID-19, which could result in absences from work. Further there are possible impacts to personnel due to decreased productivity or disruption to usual working environment;
- *Termination of significant client relationships* – Barrow Hanley's clients generally have the entitlement to terminate their advisory agreements or reduce the amount of assets under management for any reason. Termination of these relationships would significantly reduce Barrow Hanley's revenue, due to the reduction in assets under management. Barrow Hanley recently lost a major client and there is a risk that there may be other client outflows;
- *Foreign Jurisdiction compliance* – Barrow Hanley operates its business in highly regulated jurisdictions, including the United States, which are subject to extensive laws, regulatory requirements, and industry standards and codes. If Barrow Hanley does not have appropriate systems and procedures in place to manage its regulatory compliance, or Perpetual fails to introduce and maintain them, both Barrow Hanley and Perpetual could be subject to fines, penalties and requirements to pay compensation for damages as well as reputational damage and the possibility of revocation of licences; and
- *Intermediary dependence* – Barrow Hanley relies heavily on consultant-led searches and established relationships with mutual fund providers to develop new accounts. These consultants and mutual fund providers regularly review evaluate Barrow Hanley and the services it offers, and poor evaluations may result in a loss of clients and a detrimental impact on Barrow Hanley's revenue.

v - KEY RISKS

INDUSTRY AND BUSINESS RISKS

Impact of COVID-19 and general economic conditions

The performance of Perpetual depends heavily upon the performance of its investments and the conditions of the equity, fixed income and financial markets generally across Australia and internationally where it operates. These markets are highly cyclical and exposed to changes in prevailing economic conditions and sentiment. Market and economic disruptions may affect government, consumer and business spending, consumer and investment confidence levels, interest rates and other relevant factors in the economies in which Perpetual operates. In light of recent global macroeconomic events, including the impact of COVID-19, it is likely that some of the countries and markets in which Perpetual or Barrow Hanley operates or invests will experience an economic recession or downturn of uncertain severity and duration which could cause a material contraction in the markets and sectors in which Perpetual operates or invests. These economic disruptions could have a material adverse impact on Perpetual's operating and financial position and performance, as well as affect the price of Perpetual's shares. The events relating to COVID-19 have resulted in significant market falls and volatility including in the prices of securities trading on ASX and on other foreign securities exchanges. Many of the risks highlighted in further detail below are likely to be heightened due to the impacts of the COVID-19 pandemic. There is continued uncertainty as to the further impact of COVID-19 including in relation to governmental action, potential taxation changes, work stoppages, lockdown, quarantines, travel restrictions and the impact on the global economy and share markets.

Exposure to cyclical markets

Perpetual's financial performance will continue to be sensitive to the prevailing conditions in equity fixed income and other financial markets and to the level of activity within these industries. The level of activity in some or all of these markets is cyclical in nature. The timing and application of these cycles differ among markets and products, and therefore may be difficult to predict reliably. Market conditions may be unfavourable to 'value' style investing which may contribute to underperformance of investment strategies. Such movements could have an adverse impact on Perpetual's financial position and performance.

Financial information

The financial information presented in the Presentation, including the FY20 financial information in respect of Perpetual and pro-forma financial information has not been subject to audit, is subject to a number of assumptions and may not be indicative of actual results.

If any of the data or information relied upon by Perpetual in the preparation of the financial information in this Presentation proves to be incorrect or inaccurate, there is a risk that the actual financial position and performance of Perpetual may be materially different to the financial position and performance anticipated by Perpetual and reflected in this Presentation, which would potentially have flow-on effects into the future.

Further, certain information contained in this presentation includes forward looking information. Forward looking information can be unreliable and is based on assumptions that may prove to be incorrect or may change in the future.

v - KEY RISKS

INDUSTRY AND BUSINESS RISKS

Financial risks

Perpetual's revenue is significantly dependent on funds under management, funds under advice and funds under administration which are influenced by movements in equity and fixed income markets, global currencies, interest rates and broader economic conditions. Adverse changes in the equity market conditions, foreign exchange and interest rates (including as a result of the uncertainty and downturn in general economic conditions from the COVID-19 pandemic) may reduce the market value of assets under management, advice and administration leading to a decrease in revenue and a material adverse impact on Perpetual's financial position and performance.

Adverse changes in Perpetual's performance metrics could negatively affect investors' willingness to commit funds, particularly in light of growing wariness towards underperforming active investment managers.

Coupled with this, a decline in investor sentiment caused by poor equity and fixed income market conditions may also result in decreased inflows and increased outflows from Perpetual's investment products. This exposure to, and reliance on, revenue streams linked to equity and fixed income markets may result in volatile earnings. As a consequence of COVID-19, investors may also seek greater liquidity, which could lead to an increasing rate of withdrawal of funds. This could result in a reduction of funds under management and a consequential reduction in investment management advisory and trustee fees earned by Perpetual.

Perpetual's profitability is dependent upon maintaining key client relationships. There can be no guarantee that these relationships will continue, or if they do continue, that they will remain successful.

There is also a 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.

Foreign currency and exchange rate movements

Perpetual is exposed to movements in foreign exchange rates. The impact of this may not be able to be predicted reliably. There is a risk that changes in exchange rates could impact transactions settled in foreign currencies, including negatively impacting on revenue earned by Perpetual. The financial information in Perpetual's financial statements is presented in Australian dollars and changes in exchange rates could affect the value of foreign currency financial commitments, assets or liabilities which could have an adverse impact on Perpetual's financial position and performance.

Financing and access to funding

Perpetual uses debt and debt-like instruments to fund its operations. Any material adverse movements in relevant interest rates may have a material adverse impact on Perpetual. Perpetual may use derivative instruments in order to hedge against movements in interest rates. Too much exposure in the derivative markets relative to Perpetual's exposure in the spot market may have a material adverse effect on Perpetual.

Adverse changes in global equity or credit market conditions (including as a result of the uncertainty and downturn in economic conditions arising from the COVID-19 pandemic), or a change in the willingness of lenders to provide finance could adversely affect Perpetual's capacity to make new investments or sustain its current investments, or increase its cost of or constrain access to funding.

Perpetual also has various covenants in relation to its debt facilities, including interest cover, gross leverage ratios and minimum capital adequacy requirements. In the event that these covenants are breached, Perpetual's lenders may cancel their commitments under the facilities and require all amounts payable to them under or in connection with the facilities to be repaid immediately.

v - KEY RISKS

INDUSTRY AND BUSINESS RISKS

Strategy

Adverse strategic decisions by Perpetual, improper implementation of strategic decisions, a lack of responsiveness to industry changes or exposure to economic, market or demographic considerations may affect Perpetual's market position and client value proposition.

Investment

Perpetual may suffer losses arising from ineffective investment strategies relative to peers and benchmarks, non-adherence to investment style and investment governance, inadequate management of market, credit and liquidity risks within the funds or client accounts. If Perpetual's investments underperform in comparison to competitors or benchmarks, it may result in decreased assets under management and this may impact on Perpetual's ability to maintain key client relationships and develop new client relationships, further impacting financial performance. This risk is enhanced by the possible loss of key personnel who are critical to implementing these strategies and developing and maintaining Perpetual's client accounts.

Negative perceptions regarding Perpetual's strategies and investment decisions on the part of both existing and prospective clients, employees, counterparties, shareholders, investors, regulators or other stakeholders may adversely affect Perpetual's ability to maintain existing, or establish new, client relationships and business operations.

General acquisition and integration risk

Perpetual seeks to implement its growth strategy through a range of inorganic growth driven initiatives, to complement its existing portfolio. However, there is no guarantee that Perpetual will be able to identify any suitable future acquisition opportunities or be able to execute such opportunities on acceptable terms.

Future acquisitions would be subject to due diligence processes, however such due diligence may not reveal issues that later impact on the returns from that acquisition or the extent to which the acquisition meets Perpetual's growth strategy. Perpetual may be exposed to unanticipated liabilities arising from acquisitions. There is also a risk that Perpetual incurs costs, and sacrifices other business opportunities, in pursuing transactions that cannot be executed or completed.

If Perpetual does complete a future acquisition, the integration of any business into Perpetual's business carries risk, including potential delays and additional costs in implementing necessary changes and difficulties in integrating various operations. It may also reduce anticipated synergies of other acquisitions, which may receive less allocations of budget, investment management and distribution capability than originally anticipated.

The success of any future acquisitions and the ability to realise expected synergy benefits will be dependent on the effective and timely integration of the business alongside Perpetual's business following completion of the acquisition. A failure to fully integrate the operations of the business with those of Perpetual, or a delay in the integration process, could impose unexpected costs or prevent or delay the realisation of benefits, including the expected synergy benefits, which may adversely affect the financial performance and position of Perpetual.

Competition

The financial services industry is undergoing a period of significant change, including those resulting from more robust capital requirements, technological changes, price competition, industry consolidation and entry of innovative new entrants. There is no guarantee Perpetual will be able to remain competitive in the markets in which it operates. If competitors are able to better innovate and price products or services, or provide better returns on investments than Perpetual, then Perpetual may suffer a reduction in business in the affected markets, including a possible reduction of funds under management, funds under administration and lower advisory and trustee fees. This could have a material adverse impact on Perpetual's financial performance and position.

v - KEY RISKS

INDUSTRY AND BUSINESS RISKS

People

Key personnel are a core component of Perpetual's business, responsible for managing client relationships and retaining corporate knowledge, promoting investment mandates and business efficiencies. Perpetual faces the risk of losses from an inability to attract, engage and retain quality and appropriate people to execute Perpetual's business strategy, particularly in key investment management, advisory and corporate trustee roles. The acquisition and integration of Barrow Hanley and other future acquisitions may enhance this risk, including in relation to possible restructures and potential redundancies.

Loss of key management and other personnel may have a negative impact on Perpetual's businesses and the ability to implement its strategies in the near term. Difficult attracting and retaining skilled employees may also impair Perpetual's ability to grow and expand in the markets in which it operates.

Perpetual's staff, clients and suppliers are also exposed to work health and safety issues which may have negative impacts on Perpetual and its financial position. There may also be adverse impacts from changed working arrangements or impact to health of personnel arising out of COVID-19.

Compliance and legal

Perpetual operates in a highly regulated environment and is subject to extensive laws, regulatory requirements and obligations, policy, industry codes and business and ethical standards in multiple jurisdictions. Perpetual is obliged to report significant breaches of laws to the regulators. If Perpetual is found to have failed to comply with applicable laws or regulations, it may be subject to fines, penalties and requirements to pay compensation for damages as well as reputational damage and the possibility of revocation of licences and other approvals. If Perpetual does not put in place appropriate systems and procedures and trained or competent staff to manage its regulatory compliance it could face similar consequences. Perpetual could also be exposed to possible losses, penalties and other negative consequences, owing to breaches of regulations or laws not yet identified.

The financial services industry continues to be subject to legislative and regulatory reform which affects, or could affect, Perpetual's operations. Recent proposals for regulatory reform in Australia, such as those arising from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and APRA's review of its superannuation prudential framework, are increasingly focused on governance, culture, accountability and transparency, including disclosure and reporting standards, in financial services. Similar regulatory reform and heightened scrutiny has occurred in the United States, such as with the new Form CRS Relationship Summary, a uniform disclosure document required to be provided by a registered investment adviser to its retail customers and filed with the U.S. Securities and Exchange Commission (**SEC**), as well as the SEC's interpretation of investment adviser standard of conduct towards clients under the U.S. Investment Advisers Act and the continued attention by examination staff to advisers' actual or potential conflicts of interest.

In addition, anti-money laundering, anti-bribery and corruption, and counter terrorism financing have been the subject of increasing regulatory focus in recent years ("**AML Laws**"), particularly in Australia, the United States and other jurisdictions where Perpetual and the providers of debt and equity capital to Perpetual operate. While Perpetual has policies which mandate compliance with AML Laws, if it was found to be in violation of those laws, Perpetual may suffer reputational damage and adverse effects on the ability and willingness of investors to provide debt and equity capital to Perpetual. Any further changes to laws and regulation can adversely affect Perpetual's financial position and performance, by directly or indirectly reducing income or asset values, and increasing or imposing additional costs.

There is also a risk that Perpetual breaches its compliance and legal obligations (including licence conditions and client commitments), leading to reputational damage, litigation, fines, breach of contract or adverse regulatory outcomes, including loss of licences or other approvals.

v - KEY RISKS

INDUSTRY AND BUSINESS RISKS

Expiry or termination of material contracts

Perpetual relies on service providers for a number of ongoing services, which if terminated might have significant financial and operational implications for Perpetual's business. While Perpetual seeks to manage these arrangements, from time to time, in the ordinary course of business, material contracts will be terminated by the counterparty, expire or come up for renegotiations. While Perpetual carefully manages the replacement and renegotiation of material contracts and seeks to maintain positive relationships with counterparties, there is a risk that a counterparty may not be willing to enter into a further agreement or may seek to renegotiate the terms of the contract on less favourable terms for Perpetual. If any of the material contracts are terminated by the counterparty, not renewed or renegotiated on less favourable terms, it may have an adverse impact on Perpetual's financial performance and position.

Outsourcing

Perpetual is also exposed to the possibility that it enters into inappropriate servicing arrangements or that services performed by external service providers, including related or third parties, are not managed in line with the servicing contract or operational standards. Such a risk is heightened at present given the difficulties caused by COVID-19. Failure to meet or adhere to these standards could result in financial losses as well as reputational damage to Perpetual.

Litigation and disputes

Perpetual is exposed to the risk of legal proceedings, investigations and disputes in the ordinary course of its business. Perpetual is currently involved in a number of ongoing proceedings and disputes, arising out of Perpetual's general business activities. Perpetual assesses the likely financial impact of each known claim and the extent to which that particular claim will be covered by insurance and includes such provisions in the Group's consolidated financial statements as it considers appropriate. However, due to uncertainties inherent in litigation and assessing the outcome of these claims, there is a risk that these provisions may be inadequate. If this occurs, these claims may have an adverse effect on the financial position of Perpetual.

Infringement of intellectual property

There is a risk that Perpetual's trade secrets, trademarks, patents or other intellectual property is misappropriated or infringed by unauthorised third parties. Identifying such infringements can be difficult and, even if infringement is identified, litigation and enforcement can be costly. Conversely, Perpetual's reputation may be jeopardised if it infringes a third party's intellectual property rights.

Insurance

Not all risks are insured or insurable. Perpetual cannot be sure that its current insurance is adequate or that adequate insurance coverage for potential losses and liabilities will be available in the future on commercially reasonable terms. Perpetual may be required to self-insure or carry large deductibles. If Perpetual experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses or liabilities to third parties. Additionally, Perpetual's current insurance policies may not cover newly acquired assets or businesses including Barrow Hanley or may involve a substantial increase in premium to achieve coverage. These risks may have a materially adverse effect on Perpetual's financial position and performance.

v - KEY RISKS

INDUSTRY AND BUSINESS RISKS

Operational

Perpetual relies on its internal risk management control systems to manage various risks to which the business may be subject. Perpetual may suffer loss arising from inadequacies or failures of these internal processes, systems, human error or from external events. This includes (but is not limited to) fraud and events which disrupts business continuity. Perpetual's operational risks include errors that may occur during the execution, confirmation or settlement phase of transactions, and other day to day business activities and operations. Such errors may cause material financial loss, which in turn may cause material financial and reputational harm to Perpetual. Perpetual also faces the potential of inaccurate recording of transactions in its internal systems, caused by human error, system limitations or system malfunctions. Any of these developments may also give rise to a breach of regulations and associated claims for loss, including reputational damage and financial penalties.

Information technology and cyber security

The risk of loss arising from failed, corrupted, breached or inadequate information systems resulting from inadequate infrastructure, applications, cloud services, security controls or 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.

Perpetual relies heavily on its information technology and equipment infrastructure and systems, and the success of its business depends on the efficient and uninterrupted operation of this infrastructure and these systems. Systems could be exposed to damage or interruption as a result of a number of events and factors. There is also a risk that services performed by external service providers are not managed in line with the servicing contract or the operational standards required. These events could result in business interruptions, loss of customers and revenue, reputational damage and weakening of Perpetual's competitive position and financial performance.

Perpetual is also subject to cyber-risk resulting from unauthorised access to or tampering with Perpetual's information technology systems or data. Any successful cyber-attack or other breach of security could result in financial loss to clients, loss of information integrity, or breaches of Perpetual's obligations under applicable laws, including privacy, or customer agreements, each of which could adversely impact Perpetual's reputation, retention of customers, ability to attract new customers and financial performance.

Conduct of Perpetual personnel

There is a risk of conduct by Perpetual's directors, employees or contractors that is unethical or does not align with Perpetual's values, policies or expected behaviours, the expectation of Perpetual's internal and external stakeholders, or Perpetual's environmental, social and governance responsibilities. There is a risk that Perpetual and its employees engage in behaviour and practices that are considered unethical or unacceptable by community standards, including actions that compromise the best interests of Perpetual's clients, shareholders and the integrity of the market.

Negative perceptions on the part of both existing and prospective clients, employees, counterparties, shareholders, investors, regulators or other stakeholders can adversely affect Perpetual's ability to maintain existing, or establish new, client relationships and business operations.

Climate change

Climate change is a material risk for Perpetual, its business and customers. Perpetual has a variety of investments and trustee clients that are directly or indirectly affected by the weather, climate, and other natural disasters. There has been an increased frequency of natural disasters globally in recent years and it is expected that this trend will continue in the medium to long term. The increase in frequency and severity of natural disasters could lead to an adverse impact on Perpetual's business and operational position.

v - KEY RISKS

GENERAL INVESTMENT RISKS

Risks associated with investments in shares

There are general risks associated with investments in equity capital such as Perpetual shares. The trading price of Perpetual shares may fluctuate due to various factors, including movements in equity, fixed income and debt markets in Australia and internationally and other factors that may affect Perpetual's financial position and earnings. This may result in the market price for Perpetual's shares being less or more than the price under the Placement or SPP. Generally applicable factors that may affect the market price of shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- changes in interest rates and the rate of inflation;
- changes in government legislation and policies, including taxation laws, and fiscal and monetary policies;
- announcement of new technologies;
- global geo-political events, including international hostilities and acts of terrorism;
- announcements and results of competitors;
- matters affecting Perpetual's reputation;
- the number of potential buyers or sellers of Perpetual's shares on the ASX at any time; and
- investor perceptions, recommendations by brokers and analyst reports.

No assurances can be given that Perpetual's shares will trade at or above the offer price and there is no guarantee of the market performance of Perpetual's shares.

The operational and financial performance and position of Perpetual and Perpetual's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks may emerge as a result of Australian or global markets experiencing extreme stress or existing risk or may manifest themselves in ways that are not currently foreseeable. Equity and fixed income markets have in the past been, and may continue to be, subject to significant volatility.

Domestic and global economic conditions

The Australian and global economies continue to experience challenging economic conditions, including as a result of the COVID-19 pandemic. Any further deterioration in the domestic or global economy may have a material adverse effect on the performance of Perpetual's businesses.

v - KEY RISKS

GENERAL BUSINESS RISKS

Future dividends and franking capacity

No assurances can be given in relation to the payment or level of franking of future dividends. Future determinations as to the payment of dividends by Perpetual will be at the discretion of the directors and will depend upon the availability of profits, the operating results and financial condition of Perpetual, future capital requirements, covenants in relevant financing agreements, general business and financial conditions and other factors considered relevant by the directors.

The Group's earnings may change as a result of acquisitions that have a material impact on the Group's operating cashflows, or due to the impacts of COVID-19 which may require or result in amendments to Perpetual's current dividend policy and the basis on which dividends are paid.

Franking capacity will depend upon the amount of tax paid in the future, the existing balance of franking credits and other factors. The acquisition of Barrow Hanley may also have a negative impact on Perpetual's franking capacity post-acquisition. As a result of these matters Perpetual may decide that it is in the best interests of shareholders to amend its dividend or franking policy from time to time.

Taxation

Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, for example any changes with respect to franking, may affect the taxation treatment of an investment in Perpetual shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Perpetual operates, including those where Barrow Hanley and recently acquired US entities operate, may impact the future tax liabilities of Perpetual.

Change to accounting policy

Accounting standards in the jurisdictions in which Perpetual operates may change. This may affect the reported earnings of Perpetual and its financial position from time to time, potentially adversely.

vi - SUMMARY OF UNDERWRITING AGREEMENT

Perpetual has entered into an underwriting agreement with the Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897) and Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795) (**Underwriters**) in respect of the Placement (**Underwriting Agreement**) and pursuant to which the Underwriters have agreed to act as joint lead managers, bookrunners and Underwriters of the Placement on the terms and conditions set out in the Underwriting Agreement.

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Underwriters. An Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including (but not limited to) where:

- there is an event, occurrence or non-occurrence prior to the closing of the bookbuild which makes it illegal or commercially impracticable, for an Underwriter to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the offer of New Securities, or that causes an Underwriter to delay satisfying a material obligation, including
 - any acts, statute, order, rule, regulation, directive or request of any government agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact; or
 - any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a government agency, or any other event similar to those mentioned above;
- the conditions precedents in the Underwriting Agreement, including (but not limited to) execution of agreements in relation to the Barrow Hanley acquisition, provision of the debt mandate letter, delivery by Perpetual to the Underwriters of the management questionnaire and delivery by Herbert Smith Freehills to the Underwriters of an executed opinion in relation to US Securities laws), are not satisfied or waived by the Underwriters by their applicable deadlines;
- any event specified in the timetable is delayed for more than one business day without the prior written approval of the Underwriters;
- Perpetual withdraws the Placement or the SPP, or indicates that it does not intend to or is unable to proceed with the Placement;
- any of the following occurs: (i) there is an application to a government agency for an order, declaration or other remedy, or a government agency commences any investigation, inquiry or hearing or announces its intention to do so, in each case in connection with the Placement (or any part of it) or any agreement entered into in respect of the Placement or the SPP (or any part of them); or (ii) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of a competent jurisdiction seeking an injunction or other order in relation to the Placement;
- Perpetual (or any subsidiary of Perpetual) breaches, or defaults under, any provision, undertaking, covenant or ratio of its material debt or financing arrangement or any related documentation to which that entity is a party which has a material adverse effect on the condition (financial or otherwise), the earnings, business affairs or business prospects, results of operations or general affairs of the Perpetual group, or a lender or financier fails to agree a waiver or amendment to one of those arrangements in relation to any breach, default or review event and that failure to agree would, in the Underwriters' reasonable opinion, have a material adverse effect;
- Perpetual alters its capital structure or constitution without the prior consent of the Underwriters;
- ASX makes any official statement, that: (i) it will not grant official quotation of all the New Securities on the ASX on or before 9:30am on the Allotment Date, or if it states that it will grant official quotation by this time, ASX withdraws or qualifies this approval (other than by customary conditions); (ii) any ordinary shares in Perpetual will be suspended from quotation by ASX or (iii) Perpetual will be removed from the official list of the ASX, or any of these matters actually occur;
- any of the following occurs: (i) a director or officer of Perpetual is charged with an indictable offence or disqualified from managing a corporation under Part 2D.6 of the Corporations Act; (ii) any regulatory body commences any public action against any such person in their capacity as such in relation to any fraudulent conduct or activity whether or not in connection with the Placement; or (iii) Perpetual engages in any fraudulent activity;
- an insolvency event occurs in relation to Perpetual or any of its related bodies corporate.

vi - SUMMARY OF UNDERWRITING AGREEMENT

In addition, the following termination events will depend on whether, in the bona fide opinion of the Underwriter, the event has, or is likely to have, a material adverse effect on marketing, success or settlement of the Placement, the willingness of persons to subscribe for the New Securities (or would in the absence of any contractual obligation have or be likely to have such a material adverse effect) or on the market price of ordinary shares in Perpetual or where the event has given rise or is likely to give rise to a contravention by an Underwriter or its affiliates of, or a liability of an Underwriter or its affiliates incurring a liability under or being involved in a contravention of, Perpetual's constitution, the Corporations Act or ASX Listing Rules, as applicable or any other applicable law:

- there is an outbreak of hostilities not presently existing (whether war has been declared or not) or a major escalation of existing hostilities occurs involving Australia, the United States of America, the United Kingdom, Japan, Hong Kong, North Korea, a member of the European Union or the People's Republic of China or Israel or there is a major act of terrorism anywhere in the world;
- there is: (i) a general moratorium on commercial banking activities in Australia, the United States, Hong Kong or the United Kingdom declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries; (ii) a suspension or limitation in a material respect of trading in all securities quoted or listed on the ASX, the LSE, the HKEX or the NYSE for one day on which the exchange is open for trading (**Trading Day**) or substantially all of a Trading Day, (iii) a new or materially revised law or regulation or government policy introduced into or by the Parliament of the Commonwealth of Australia or any State or Territory of Australia which does or is likely to prohibit the Placement or regulate the Placement, capital markets or stock markets;
- a change in the executive management of Perpetual or the board of directors of Perpetual is announced or occurs;
- a contravention by Perpetual of the Corporations Act, its constitution, any of the ASX Listing Rules or other applicable law or regulation;
- Perpetual breaches any material term or condition in the Underwriting Agreement, which cannot be rectified or has not been rectified within a reasonable time, or any representation or warranty given by Perpetual under the Underwriting Agreement is or becomes incorrect, untrue or misleading; or
- there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the condition, assets, liabilities, financial or trading position or performance, profits, losses, management or prospects of Perpetual or any of its related bodies corporate from the position fairly disclosed by Perpetual to ASX before the date of the Underwriting Agreement or in the materials released to ASX in connection with the Placement.

If an Underwriter terminates its obligations under the Underwriting Agreement, that Underwriter (the **Terminating Underwriter**) will be immediately relieved of its obligations under the Underwriting Agreement. The exercise by the Terminating Underwriter of its termination rights does not automatically terminate the obligations of the other Underwriter, who may elect to assume all the rights and obligations of the Terminating Underwriter or nominate a proposed replacement underwriter for the Terminating Underwriter acceptable to Perpetual (acting reasonably). In the absence of such election by the other Underwriter, that other Underwriter will be treated as also having terminated its obligations under the Underwriting Agreement.

vii - INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of new ordinary shares ("**New Shares**") of Perpetual in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold in the Placement, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "**Provinces**") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

Perpetual as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Perpetual or its directors or officers. All or a substantial portion of the assets of Perpetual and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Perpetual or such persons in Canada or to enforce a judgment obtained in Canadian courts against Perpetual or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Perpetual if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Perpetual. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Perpetual, provided that (a) Perpetual will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, Perpetual is not liable for all or any portion of the damages that Perpetual proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

vii - INTERNATIONAL OFFER RESTRICTIONS

Canada (British Columbia, Ontario and Quebec provinces) continued

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "**FIEL**") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

vii - INTERNATIONAL OFFER RESTRICTIONS

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Singapore

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This document has been given to you on the basis that you are (i) an existing holder of Perpetual's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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vii - INTERNATIONAL OFFER RESTRICTIONS

United Arab Emirates

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United Kingdom

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The New Shares to be offered and sold in the Placement may only be offered and sold:

- outside the United States, in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act; and
- in the United States, (a) to persons that are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) pursuant to Rule 144A under the U.S. Securities Act, or (b) to dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not “U.S. persons” (as defined in Rule 902(k) under the U.S. Securities Act) for which they have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) under the U.S. Securities Act, in reliance on Regulation S under the U.S. Securities Act.


The New Shares to be offered and sold in the SPP may not be offered and sold to any person in the United States or to any person that is acting for the account or benefit of a person in the United States

CONTACTS

Emma Rumble


General Manager, Corporate Affairs & Investor Relations


 emma.rumble@perpetual.com.au

 +612 9229 3998

Catherine Buckmaster

Senior Manager, Investor Relations

 catherine.buckmaster@perpetual.com.au

 +612 9229 3011

Level 18, Angel Place, 123 Pitt Street
SYDNEY NSW 2000
AUSTRALIA

About Perpetual

Perpetual is an ASX-listed, diversified financial services company which has been serving Australians since 1886. Across our three businesses: Perpetual Investments, Perpetual Private and Perpetual Corporate Trust, we protect and grow our clients' wealth, knowing that by doing so we can make a difference in their lives.

We have been earning the trust of our clients for more than 130 years and pride ourselves on our long-standing client relationships – Trust is earned, every day.