



ASX Announcement

Perpetual Limited Board statement on Brickworks and Washington H. Soul Pattinson

10 August 2017

On 10 July 2017, Perpetual Investment Management Limited's (PIML) cross shareholding claim against Brickworks and Washington H. Soul Pattinson (WHSP), the last in a series of actions taken by PIML as responsible entity on behalf of unitholders, was dismissed by the Federal Court. Judgment included an order for PIML to cover Brickworks and WHSP litigation costs. Since 10 July these have been negotiated and agreed. The combined total is \$5m.

PIML's legal costs have been progressively recharged to relevant funds, in accordance with judicial advice from the Supreme Court. The amount charged to the date of Judgment was \$6m with no further costs to follow. The combined funds under management in the impacted funds are just over \$8billion.

In addition PIML has reviewed the Judgment and decided not to appeal.

As part of its approach to always act in client interests, which has underpinned this action throughout, PIML has asked the Perpetual Limited Board whether or not Perpetual could make a contribution towards the cost order.

The Perpetual Board has reviewed the case and considered whether Perpetual could contribute towards the cost order, and has concluded:

- PIML's actions have been entirely proper in commencing and undertaking the action
- Given the special circumstances of this case, it is fair to unitholders in this instance that Perpetual meets the Brickworks and WHSP costs.

The Board restated its commitment to:

- management and the investment team who set out to achieve the best outcomes for clients
- Perpetual's ongoing dedication to putting its clients first and in a way that continues to deliver value to shareholders.

The Perpetual costs will impact NPAT in FY18 as a one off non-recurring item. The impact on NPAT forecast for FY18 is \$3.5m.

Perpetual CEO and Managing Director, Geoff Lloyd, said: "At every step we acted in the best interest of our unitholders, and this continues with our Board's decision to align client interests and Perpetual interests by sharing the costs of litigation and absorbing all of the Brickworks and Soul Pattinson costs.

“Our reputation amongst Australians as a trusted leader in investment management is founded on principles that govern all aspects of long term client relationships,” Mr Lloyd said.

For further information, please contact:

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About Perpetual

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