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PENDAL
GROUP

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Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Pendal Group Limited (PDL): Funds under management for the quarter ended 31 December 2020 and JOHCM performance fees

Pendal Group Limited's announcement of funds under management for the quarter ended 31 December 2020 and JOHCM performance fees is attached for release.

Yours sincerely



Authorising Officer

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ASX Announcement

FUM for the quarter ended 31 December 2020 and JOHCM performance fees

Sydney, Australia, 15 January 2021 - Pendal Group Limited (ASX: PDL) today announced a \$5.0 billion increase in funds under management (FUM), up 5.4 per cent, taking closing FUM for the quarter ended 31 December 2020, to \$97.4 billion.

A combination of strong markets and investment outperformance led to an uplift in FUM of \$9.3 billion.

There was a negative currency impact of \$2.7 billion, as the Australian dollar strengthened against major currencies.

Net outflows of \$1.6 billion were primarily in J O Hambro Capital Management (JOHCM) UK strategies along with client re-balancing and profit-taking from strong performing investment strategies.

Mr Emilio Gonzalez, Pendal Group's Chief Executive Officer, said: "This good uplift in FUM continues to demonstrate the benefits of our diversified business model.

"We continued to see positive momentum in US pooled funds and the Australian wholesale channel, and pleasingly we have had strong initial support for the Regnan Global Equity Impact Solutions strategy with the recently launched UK OEIC fund approaching \$100 million in client money by the end of the quarter.

"Investor sentiment in the UK and Europe and investment performance in our JOHCM value-oriented funds improved in the second half of the quarter.

JOHCM Performance Fees for the 12 months to 31 December 2020

JOHCM performance fees for the 12 months to 31 December 2020, was approximately \$41.2 million (£23.2 million) up from \$0.6 million (£0.3 million) in the prior corresponding period. The performance fees were generated across six investment strategies with significant contribution from the JOHCM Global and International Select strategies.

The performance fees will contribute \$21.4 million to Pendal Group's Underlying profit after tax and Statutory profit after tax for the current financial year ending 30 September 2021.

Pendal Australia's annual performance fees are generally realised in the 30 June performance period and will be brought to account in the second half of the financial year.

FUNDS UNDER MANAGEMENT					
(AUD \$bn)	30 Sep 20			FX Impact	31 Dec 20
	Closing FUM	Net Flows	Other*		Closing FUM
Institutional	19.8	(0.4)	1.3		20.7
Wholesale	7.3	0.1	0.6		8.0
Westpac/BTFG					
- Legacy retail	3.3	(0.1)	0.2		3.4
- Other	12.7	0.2	0.5		13.4
Total Pandal Australia FUM	43.1	(0.2)	2.6	-	45.5
Segregated mandates	18.1	(0.7)	2.2	(0.9)	18.7
OEICs	12.4	(1.0)	2.1	(0.3)	13.2
US pooled funds	18.8	0.3	2.4	(1.5)	20.0
Total JOHCM FUM	49.3	(1.4)	6.7	(2.7)	51.9
TOTAL PANDAL GROUP FUM	92.4	(1.6)	9.3	(2.7)	97.4

*Other includes investment performance, market movement and distributions

J O Hambro Capital Management (JOHCM)

There were net outflows of \$1.4 billion for JOHCM in the December quarter, driven primarily by outflows in the UK Dynamic OEIC (\$0.8 billion), as a result of underperformance throughout the COVID-19 pandemic. Investment performance for the strategy has improved markedly in the December quarter.

In the institutional channel, there were net outflows of \$0.7 billion as clients rebalanced their portfolios. There were partial redemptions in the UK Equity Income, UK Dynamic, Global Opportunities and Global Emerging Markets Opportunities strategies totalling approximately \$0.4 billion; while client profit-taking resulted in outflows of approximately \$0.3 billion in the Global and International Select strategies following a period of strong outperformance.

Strong flow momentum continued in the US pooled funds with inflows each month during the quarter in the International Select strategy.

Following recent regulatory approval, the Regnan Global Equity Impact Solutions strategy will be launched in January via an Irish fund vehicle for the European market. This complements the UK OEIC and Australian unit trust for the strategy which were launched in the December quarter.

Pandal Australia

Pandal Australia's FUM increased \$2.4 billion during the quarter with investment performance offsetting outflows of \$0.2 billion, primarily in low margin cash in the institutional channel.

Positive momentum continued in the wholesale channel (\$0.1 billion) with support from a range of platforms and dealer groups attracting positive inflows into Australian equities, cash and fixed interest funds.

COVID-19 update

The Group continues to adhere to government recommendations and remote working practices in local jurisdictions. For the latest update please see the Pandal Group website.

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