Perpetual GROUP

Perpetual Limited
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13 September 2024

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Perpetual Limited - Annual General Meeting 2024

The following announcements to the market are provided:

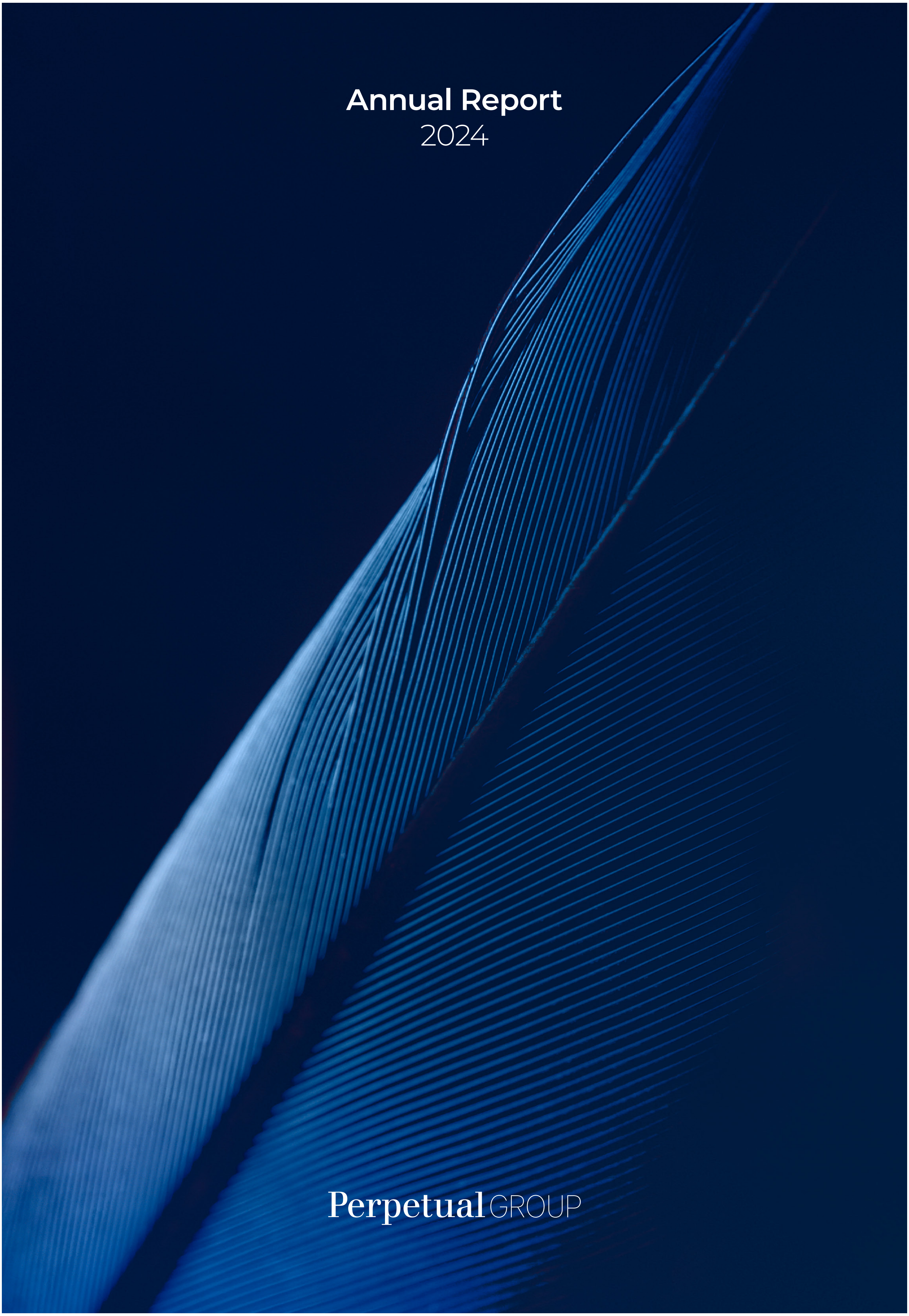
- AGM Notice of Meeting
- Proxy Form
- Shareholder Question Form
- Online Guide from Link Market Services
- Letter to Shareholders
- ✓ Perpetual Annual Report 2024

Yours faithfully,

Sylvie Dimarco

Sylvie Dimarco
Company Secretary
(Authorising Officer)

Annual Report
2024



Perpetual GROUP

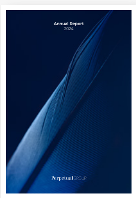
Perpetual Limited (Perpetual) is an ASX-listed company (ASX: PPT) headquartered in Sydney, Australia, providing asset management, wealth management and corporate trustee services to local and international clients.

Reporting suite

Perpetual Group[1] presents its 2024 Annual Reporting suite for the year ended 30 June 2024.

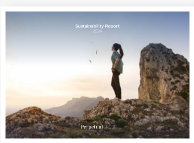
Visit perpetual.com.au/shareholders/reports-and-presentations for more.

Annual Report



Corporate Governance Statement

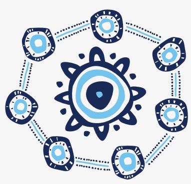
Sustainability Report



1. Perpetual Limited and its subsidiaries.

Acknowledgement of Country

Perpetual acknowledges Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the Traditional Custodians of the lands on which our company is located and where we conduct our business. We pay our respects to ancestors and Elders, past and present. Perpetual is committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.



Since our establishment as a trustee company in 1886, Perpetual has continually evolved to meet the needs of our clients, the communities we serve, and after listing on the Australian Stock Exchange in 1964, our shareholders.

In May 2024, following the completion of a comprehensive Strategic Review, the Perpetual Board announced, subject to shareholder, court and regulatory approvals, Kohlberg Kravis Roberts & Co (together with its affiliates, KKR), a US-based global private investment firm, will acquire 100% of Perpetual's Corporate Trust and Wealth Management businesses for $2.175 billion.

Consequently, subject to the satisfaction of those conditions, Perpetual Asset Management will become a simplified, stronger, standalone ASX-listed business with $215 billion in assets under management, with boutique brands operating in key markets across the globe.

Perpetual shareholders will benefit not only from the short-term cash returns following the sale of Wealth Management and Corporate Trust to KKR, but also longer-term opportunities by retaining ownership and sharing in the performance of a global, multi-boutique asset management business.

The Board is confident that retaining ownership of our Asset Management business will unlock improved returns to shareholders over the long term.

As Chairman and on behalf of the Board, I'd like to thank you, our shareholders, for your continued support.

Tony D'Aloisio AM
Chairman

Today, Perpetual Group provides asset management, private wealth and trustee services to local and international clients. Our clients include Australian and international institutions, not-for-profit organisations, private businesses, financial advisers, individuals and families.

Asset Management

A global, multi-boutique Asset Management business that provides an extensive range of specialist investment capabilities through its boutique businesses across key regions globally. Our investment capabilities include global, emerging markets, UK, US, European, Asian and Australian equity strategies, as well as fixed income, multi-asset, cash and sustainable investment strategies.

Our seven boutique brands include Perpetual Asset Management, Pendal Asset Management, Barrow Hanley Global Investors (Barrow Hanley), J O Hambro Capital Management (J O Hambro), Regnan, Trillium Asset Management (Trillium), and Thompson, Siegel and Walmsley (TSW).

Read more Page 10

Wealth Management

The Wealth Management business has been protecting and growing the wealth of our clients since 1886 and now consists of Perpetual Private and three other distinct specialist businesses (Fordham, Priority Life and Jacaranda). Together, we offer a unique mix of wealth management, specialised financial advice and trustee services to individuals, families, businesses, not-for-profits and First Nations communities.

Read more Page 12

Corporate Trust

Our Corporate Trust business is a leading provider of debt market, managed funds, and digital solutions to the banking and financial services industry across Australia and Singapore. We provide a unique range of products to help clients, and the industry, be more effective, efficient and economical while managing ever-increasing cyber security risks and maintaining compliance.

Read more Page 14

Financial Highlights

Operating revenue[2]

$1,335m ↑32% on FY23

Underlying profit after tax

$206.1m ↑26% on FY23

Underlying earnings per share

179cps ↓9% on FY23

Dividends

118cps ↓24% on FY23

Five-year profile

		June 2024	June 2023	June 2022	June 2021	June 2020
Total revenue[1]	$m	**1,349.2**	1,028.0	748.2	650.2	487.6
Operating revenue[2]	$m	**1,335.0**	1,013.8	767.7	640.6	489.2
Underlying EBITDA[3,4,11]	$m	**409.0**	310.0	248.5	214.0	178.9
Underlying profit before tax (UPBT)[4,5,11]	$m	**283.6**	219.2	201.2	169.3	136.1
Underlying profit after tax (UPAT)[4,5,11]	$m	**206.1**	163.2	148.2	122.8	95.1
Net (loss)/profit after tax (NPAT)[6]	$m	**(472.2)**	59.0	101.2	72.9	82.0
Earnings per share (UPAT)[7,11]	cents	**179**	197	258	218	200
Earnings per share (NPAT)[7]	cents	**(409)**	71	177	130	173
Return on average shareholders' equity – UPAT[8,11]	%	**10.0**	9.9	16.2	15.7	14.4
Return on average shareholders' equity – NPAT[9]	%	**(23.0)**	3.6	11.0	9.3	12.5
Dividend per share[10]	cents	**118**	155	209	180	155
Total equity at 30 June[11,12]	$m	**1,741.1**	2,315.1	925.8	907.1	650.8
Assets under management (AUM) – Asset Management[13,14]	$b	**215.0**	212.1	90.4	98.3	28.4
Funds under advice (FUA) – Wealth Management[13,15]	$b	**19.8**	18.5	17.4	17.0	14.3
Funds under administration (FUA) – Corporate Trust[13,16]	$b	**1,206.4**	1,162.5	1,092.3	922.8	941.9
Capital expenditure	$m	**133.9**	22.3	19.1	26.2	12.5
Market capitalisation	$m	**2,432**	2,912	1,637	2,266	1,406
No. of shares on issue – weighted average[17]	m	**115.4**	83.0	57.3	56.2	47.8
No. of shares on issue at 30 June	m	**114.1**	112.5	56.7	56.6	47.4
Share price at 30 June	$	**21.31**	25.88	28.88	40.05	29.67
Share price range for year	$ low	**18.95**	20.32	27.87	27.03	20.27
	$ high	**26.20**	34.80	42.27	40.05	47.27

1. Excludes income from structured investments.
2. Excludes income from structured investments, transaction and integration costs and unrealised gains/losses on financial assets.
3. EBITDA represents earnings before interest, taxation, depreciation, amortisation of intangible assets, equity remuneration expense and significant items.
4. June 2020 figure re-presented based on the revised definition of UPAT. Figures prior to June 2020 have not been re-presented.
5. Excludes significant items.
6. Attributable to equity holders of Perpetual Limited.
7. Diluted earnings per share calculated using the weighted average number of ordinary shares and potential ordinary shares on issue.
8. Calculated using UPAT.
9. Calculated using NPAT.
10. Dividends declared with respect to the financial year.
11. June 2021 and June 2020 figures have been restated for the change in accounting policy relating to Software-as-a-Service (SaaS) arrangements.
12. June 2024 and June 2023 figures have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group.
13. Represents 30 June closing balances.
14. Formerly Perpetual Asset Management Australia and Perpetual Asset Management International.
15. Formerly Perpetual Private.
16. Formerly Perpetual Corporate Trust.
17. Includes ordinary shares and potential ordinary shares. The weighted average number of ordinary shares for the June 2021 and June 2020 period were adjusted retrospectively in accordance with AASB 133 Earnings per Share following the issues of new shares at a discount to market value during the period.

Chairman's Report

Perpetual's transformation strategy has created a global asset management business with assets under management of $215.0 billion[1]. Today, the business benefits from scale and diversification across seven brands, with more than 100 investment strategies in 10 countries, and is better able to serve clients' growing demand for global investment solutions through a global distribution capability.

Tony D'Aloisio AM
Chairman

Dear Shareholders,

Following the acquisition of Pendal Group in the 2023 financial year, this was once again a significant year for the Perpetual Group as we delivered the promised synergies from the integration of Pendal Group, ahead of schedule, and completed our Strategic Review to unlock shareholder value and take further steps to deliver sustainable growth and returns for shareholders.

We also announced a new CEO for the Group, Bernard Reilly, taking over from Rob Adams and who commenced shortly before the time of publishing this Annual Report.

Financial results and dividends

The Group reported UPAT of $206.1 million in the 2024 financial year, compared to $163.2 million in FY23, noting that FY24 included the first full year of Pendal earnings.

In FY24, while UPAT was higher than the previous year, our Asset Management business reported larger than expected net outflows, particularly in the second half of the year, which was disappointing. As a result, we announced a non-cash impairment charge against the carrying value of goodwill for the J O Hambro and TSW boutiques which impacted statutory earnings. We reported a statutory net loss after tax of $472.2 million for FY24. The statutory result also included significant items associated with the integration of Pendal and costs associated with the Strategic Review and the transaction with KKR.

A final dividend of $0.53 per share was declared which was 50% franked. Total dividends for the year were $1.18 per share, representing a payout ratio of 65% for the full year, within the Board's dividend policy to pay between 60% and 90% of UPAT in dividends to shareholders.

The Board will continue with the dividend reinvestment plan this year, enabling shareholders to reinvest their dividends without any transaction costs.

Strategic Review outcomes and KKR transaction

Having built a larger and more diversified Asset Management business for the long term, through the acquisitions of Pendal Group in 2023, Barrow Hanley in 2020 and Trillium in 2020, Perpetual's Strategic Review was announced on 6 December 2023 to evaluate value-enhancing structural alternatives for the business. The Board undertook a thorough process to explore all available alternatives to unlock value for shareholders, including maintaining the status quo, a demerger and/or sale of either or both the Corporate Trust and Wealth Management businesses.

Following the comprehensive process, in May 2024, Perpetual announced that it had entered into a Scheme Implementation Deed with KKR, a global private investment firm, who will acquire 100% of the Wealth Management and Corporate Trust businesses for $2.175 billion via a Scheme of Arrangement (Scheme), subject to satisfaction of a number of customary conditions.

The effect of this transaction will be to realise both cash returns to shareholders from our investments and create a simplified, streamlined, debt-free, multi-boutique ASX-listed global asset management company of scale, with exceptional investment professionals as well as strong geographic and product diversification.

The Board believes the transaction is a positive outcome for shareholders, aligned with our strategy to simplify Perpetual and deliver better returns to shareholders.

Shareholders are expected to receive cash proceeds from the transaction estimated to be between $8.38 and $9.82 per share[2], and will continue to have ownership in one of the largest ASX-listed asset managers by assets under management (AUM), offering shareholders the opportunity to share in the long-term performance of a globally diverse, multi-boutique asset manager.

The continued overall growth in AUM in the 2024 financial year, which increased from $212.1 billion to $215.0 billion, despite the net outflows we reported, highlights the benefits of our model and exposure to a range of equity and bond markets, regions and currencies, as well as client channels. While the Board acknowledges that there is still work to do to maximise the value of Perpetual's more recent acquisitions, particularly Pendal Group, we are confident that the strength of the brands, together with their exceptional investment teams, will underpin long-term growth for our Asset Management business.

Importantly, the Scheme is subject to a shareholder vote. The Board unanimously recommends this transaction to shareholders, subject to there being no superior proposal and an Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interest of Perpetual shareholders. Subject to the same qualifications, each Perpetual Director intends to vote, or cause to be voted, all of the Perpetual shares they own or control in favour of the Scheme. Shareholders do not need to take any action at this stage. A Scheme Booklet will be sent to shareholders ahead of the Scheme meeting which will contain more detail regarding the transaction. More detail on the background and rationale for Strategic Review and an overview of the Scheme can be found on page 8 of this Annual Report.

Leadership changes

On 21 August 2024, Perpetual announced that it had appointed Bernard Reilly to succeed Rob Adams as Chief Executive Officer (CEO) and Managing Director of Perpetual Group.

Mr Reilly has more than 30 years' experience in international and domestic asset management, banking and finance sectors. He was formerly CEO of Australian Retirement Trust, the $300 billion superfund formed in February 2022 through the merger of Sunsuper and QSuper.

Mr Reilly commenced on 2 September 2024, joining in what is a critical period for Perpetual, particularly in driving a new strategy to improve the performance in our Asset Management business.

The Board is extremely appreciative of Rob's tenure and the contribution he has made to the Group since he joined in September 2018, and we wish him the very best for the future.

Board changes

Since the Pendal acquisition, the Board has expanded to include nine directors, each with a specific skill set and strength to support and grow our three businesses.

During the year, offshore Non-executive Director, Kathryn Matthews, who joined from Pendal and committed to the first 12 months on the Board following the acquisition, was replaced by Phil Wagstaff as a Non-executive Director of the Board. Phil brings a deep understanding of the asset management sector, having served in several executive roles in large global asset management businesses over a 35-year period in the industry. We are pleased that Phil has joined the Board, where he is already contributing positively, and thank Kathryn for her contribution through a critical period as we integrated Pendal into our business.

In May 2024, we announced the appointment of Non-executive Director, Gregory Cooper as Deputy Chairman, focused on assisting the Board in ensuring the Asset Management business is well positioned to transition to operate as a standalone entity.

Most recently, we also announced future Board changes in anticipation of the completion of the transaction and transition to a standalone asset management business.

As this is my last term as Chairman, it is appropriate for me to retire on the completion of the transaction in early 2025 and for our Deputy Chairman, Gregory Cooper, to assume the role of Chairman following the implementation of the transaction. Gregory is particularly well qualified to Chair Perpetual.

Long-standing Non-executive Directors Ian Hammond and Nancy Fox AM will retire at the Annual General Meeting (AGM) on 17 October 2024 in accordance with Perpetual's Board rotation policy. Ian and Nancy have been on the Board since 2015 and Chair the Audit, Risk & Compliance Committee (ARCC) and the People & Remuneration Committee (PARC), respectively.

Fiona Trafford-Walker will assume the role of Chair of the PARC following Nancy's retirement at the AGM and at the time of writing this letter, we are in the final stages of the recruitment for Mr Hammond's replacement which will be announced prior to the AGM.

I would like to thank both Nancy and Ian for their input, counsel, guidance and contributions over what has been a significant period of change for Perpetual.

Sustainability

In FY24, we made progress in the delivery of our sustainability strategy, Perpetual's Prosperity Plan, launched in 2022, which includes commitments across four key pillars: Governance, Planet, People and Communities. More information on our commitments can be found on page 16 of this report as well as in our FY24 Sustainability Report.

Conclusion

On behalf of the Board, I would like to acknowledge and thank our people for their continued dedication and hard work in what has been a transformational year for the Group. In particular, I would like to thank our many teams who have worked through an intense period of change and continue to contribute to building a strong, successful business.

Finally, I would also like to thank you, our shareholders, for your continued support through another significant year for Perpetual Group.

1. As at 30 June 2024.
2. The estimated net cash proceeds reflect Perpetual's current knowledge and understanding and is based on a number of assumptions, including in relation to tax and duties, transaction and separation costs, debt and net debt adjustments. For further information please refer to Perpetual's FY24 results presentation perpetual.com.au/globalassets/_au-site-media/01-documents/04-group/01-shareholders/annual-reports/fy24/FY24-results-presentation.pdf

CEO's Report

It has been a genuine privilege to lead Perpetual over the last six years, working with people who are passionate about the business. I would like to thank you, our shareholders, for your support through this period of transformation for the Perpetual Group.

Rob Adams
CEO and Managing Director

Dear Shareholders,

The 2024 financial year was our first full financial year since the acquisition of Pendal Group and our results reflect the increased scale of our Asset Management business as well as continued growth in both our Wealth Management and Corporate Trust businesses.

Through the year, we made solid progress in delivering the synergy benefits of the acquisition, which we have progressed at pace, with synergies delivered ahead of our two-year target.

At a strategic level, this year was marked by the Board's intensive and thorough Strategic Review of the Perpetual group of businesses, which resulted in Perpetual entering into a Scheme Implementation Deed with KKR who will acquire the Corporate Trust and Wealth Management businesses for total cash consideration of $2.175 billion. The decision to separate our group of businesses was made based on the cash offer from KKR, and the ability to reduce Perpetual's conglomerate complexity and unlock additional long-term value for shareholders who remain invested in a diversified, global asset management business.

We are pleased that separation work is underway to prepare for Scheme completion which is expected in early 2025, subject to a vote by our shareholders, as well as regulatory and other conditions being met.

Financial and operational results

The Group reported UPAT of $206.1 million in the 2024 financial year, an uplift of 26% on the prior year, noting this included the first full year of Pendal earnings.

During the year, the structural environment for our Asset Management business has impacted our net flows profile and, when combined with outflows linked to underperformance in certain strategies, led to a disappointing year, with $18.4 billion in total net outflows. Outflows were mainly concentrated in J O Hambro's Global and International Select strategies as well as outflows in the J O Hambro UK Dynamic strategy following the departure of a portfolio manager. We also experienced net outflows in TSW's International Equity capability, driven by partial redemptions from clients due to portfolio rebalancing and asset allocation shifts. The combination of these outflows over the year led to the decision to impair the value of the goodwill in both the J O Hambro and TSW boutiques by $547.4 million for the year. The impairments have been included as one-off significant items in our statutory results and we therefore reported a statutory net loss after tax of $472.2 million for the year.

While this result has been disappointing, our Asset Management business overall was supported by stronger markets over the year, which offset the impact of net outflows. Total AUM increased 1.4% to $215.0 billion as at 30 June 2024. Importantly, revenue margins remained stable at 41 basis points.

Additionally, our relative investment performance has been robust, with 66% of strategies outperforming their benchmarks over the three years to 30 June 2024[1]. Coupled with our strong distribution presence covering key channels in major global markets including Australia, the UK, Europe and the US, we have the right ingredients to improve our retention of existing clients and attract new clients across those channels and markets into the future.

1. Outperformance presented on a gross of fees basis. Investment performance of the strategies may differ once fees and costs are taken into account. Past performance is not indicative of future performance. The disclosure document or product disclosure statement (PDS) of any of the investment strategies should be considered before deciding whether to acquire or hold units in any strategy. Target Market Determinations for the Perpetual funds are available on perpetual.com.au or calling 1800 022 033. Target Market Determinations for the Pendal funds are available on pendalgroup.com or 1300 346 821. Refer to Perpetual's, Pendal's, Barrow Hanley's, J O Hambro's, TSW's or Trillium's websites for further performance information.

In our Wealth Management business, we continued to perform well in both market and non-market related sectors, with $200 million in positive net inflows over the financial year. Most significantly, our non-market related business demonstrated pleasing performance, with our Fordham business recording its highest year of revenue since it was acquired in 2009. This growth was sustained by our increased investment in staff and technology in earlier periods shaping a strong foundation to capitalise on potential growth prospects. Market-related revenue also performed well, driven by stronger markets and positive inflows.

In Corporate Trust, the business continued to grow FUA, by approximately 4% in FY24, and grow revenue, which included growth across all three of its business lines, while also investing in upgrading legacy systems to support more efficient processing of client payments and registry services.

Our Managed Fund Services division, within Corporate Trust, had another strong year in Australia, improving revenue by 8% to $83.9 million, supported by continued market activity in the commercial property segment, despite higher interest rates. Additionally, following a period of further investment and new digital product and service launches during the year, Perpetual Digital grew revenues by 9% and is now generating approximately 14% of Corporate Trust's revenue.

Progress on Perpetual's Prosperity Plan

Perpetual has made considerable progress on delivering our sustainability commitments, despite a significant period of change for our business.

Of our 35 commitments, 26 are either on track or achieved across our four key pillars – Governance, Planet, People and Communities.

In our Asset Management business, as of 30 June 2024, $16.9 billion of our AUM was in funds with an ESG, sustainability or impact label in their product name, or where sustainability is mentioned in the investment objective of the fund or is a stated client intent in the schedule of an Investment Management Account.

We are also pleased to report that we received a Net Promoter Score (NPS), a measure of client satisfaction, of +53 this year for the Group. This marks the second year that our NPS has exceeded +50, demonstrating the ongoing focus on our clients and their outcomes.

We are committed to creating a more inclusive workplace and ensuring our industry is welcoming to women and people from diverse backgrounds. In FY24, 37% of our global senior leader cohort were women, an increase from 34% in FY23 but below our 40% target for FY24. During the year, we launched a new Gender Equality Strategy, which prioritises retaining, promoting and hiring women in leadership roles and sets clear divisional targets, with bi-monthly reporting to drive accountability for delivering those targets. Improving diversity in our business will continue to be a priority. Pleasingly, during the year we were once again recognised by the Workplace Gender Equality Agency (WGEA) as an Employer of Choice for Gender Equality, a citation we have held since 2018.

A reflection on my time at Perpetual

This is my final year as CEO and Managing Director of Perpetual Group. The past six years have passed incredibly quickly, and it has been a period of transformation for the business.

I joined Perpetual in 2018 with a clear mandate to build scale, including through inorganic growth across our three businesses with a particular focus on our Asset Management business which, at the time had $30.2 billion in AUM[2] and was overwhelmingly weighted towards Australian assets, specifically Australian equities, and clients. In Asset Management, through the acquisitions of Trillium, Barrow Hanley and more recently Pendal Group, we now manage $215.0[3] billion in AUM for retail and institutional clients around the world, we have global scale, and we offer a much more diverse portfolio across our boutique brands.

In Wealth Management, we have driven growth organically, supported by our successful acquisitions of Priority Life in 2019 and Jacaranda Financial Planning in 2021. Both acquisitions addressed gaps in our advisory channels following the aftermath of the Royal Commission and when bolstered by our advisor growth strategy over 2019 to 2021, successfully supported an increase in internal advisor numbers to deliver over $1 billion in new funds under advice.

In Corporate Trust, we invested in a multi-year project to replace our legacy systems and improve our service offerings as well as our digital capabilities, which, following the acquisition of Laminar Capital, we have expanded to provide solutions to a broader range of our clients. Since FY18, our FUA has grown from $0.69 trillion to $1.2 trillion in FY24.

> Following completion of KKR's acquisition of Wealth Management and Corporate Trust[4], Perpetual will be ready for its next phase as a multi-boutique, global asset management business, with a strong balance sheet, and a substantial capacity for future growth from its global footprint, covering all key markets and channels.

It has been a genuine privilege to lead Perpetual over the last six years, working with people who are passionate about the business and its unique history, during a time of significant transformation. This period included managing our businesses through the challenges of COVID-19, extreme market volatility and a fast-changing macro-economic landscape. Throughout these challenges and more, I have been fortunate to lead a team with an unwavering and enduring commitment to our clients and to supporting each other. I would like to thank the Executive Committee and all our people for their ongoing support, their dedication and their delivery throughout my tenure.

I would also like to thank you, our shareholders, for your support through this period of transformation. The path towards completion of the transaction with KKR[4] lies ahead, as does a bright future for our Asset Management business under new leadership. Whilst there is more work to do to prove up the benefits of the Pendal Group acquisition, I am confident that over time our shareholders will be well rewarded from this investment. Perpetual has all the right ingredients to drive that success into the future.

2. As at 30 September 2018.
3. As at 30 June 2024.
4. The Scheme of Arrangement for the proposed transaction is subject to both a shareholder vote which is anticipated to occur in early 2025 and satisfaction of other customary conditions precedent including court and regulatory approvals.

Background and rationale for Strategic Review and overview of Scheme of Arrangement

An overview of the transaction

In May 2024, Perpetual announced the completion of a comprehensive Strategic Review to unlock shareholder value and take further steps to deliver sustainable growth and returns for shareholders.

In doing so, Perpetual entered into a binding Scheme Implementation Deed with KKR, a global private investment firm, who will acquire 100% of the Corporate Trust and Wealth Management businesses for an enterprise value of $2.175 billion via a Scheme. Implementation will be subject to shareholder and court approval as well as regulatory and other conditions being satisfied.

The effect of this transaction will be to realise cash returns to shareholders from our investments and create a simplified, streamlined, debt-free ASX-listed global asset management company of scale, with exceptional investment professionals as well as strong geographic and product diversification. This business will be better placed to meet clients' investment needs and more effectively compete with global asset managers.

The Board determined that the value offered by separating the Group's high-quality businesses was greater than the value the market had placed on the company as a conglomerate entity. The $2.175 billion offer price for the Scheme represents an attractive valuation of 13.7x the last 12-month EBITDA[1] for the Wealth Management and Corporate Trust businesses, and is higher than any former proposals received that were informed by customary due diligence and consideration.

The Scheme will deliver both short-term returns to shareholders via a cash return as well as the continued ownership of an asset management business that has potential to better drive benefits from being a standalone business with scale.

A strategy that has supported growth across all three of Perpetual's businesses – See Figure 1

Perpetual's transformation strategy, first announced in 2018, has created a global Asset Management business with AUM of $215.0 billion[2]. Today, the business benefits from scale and diversification across seven brands, with more than 100 investment strategies across key regions globally, and is better able to serve clients' growing demand for global investment solutions through a global distribution capability.

The transformation strategy was required in order to address the declining competitive position of the Asset Management business. This was coupled with the need for Perpetual to make significant additional investments in both the Corporate Trust and Wealth Management businesses which we have been able to capture in the sale to KKR.

The acquisitions of Trillium, Barrow Hanley and Pendal Group have added scale, as well as new and diversified investment capabilities. These have significantly offset Perpetual's prior reliance on Australian equities, an asset class that has faced, and is expected to continue to face, sector-wide pressures, even in the face of strong investment performance by local teams.

Our Wealth Management business has grown in both FUA and profits before tax by 34% and 31% respectively between FY19 and FY24 via our organic advisor growth strategy, coupled with our acquisition of advisory firms Priority Life and Jacaranda Financial Planning. This strategic planning and growth model allowed the business to navigate structural headwinds including the Royal Commission in early 2019.

Finally, our Corporate Trust business has completed a digital transformation. Following the acquisition of Laminar Capital in 2021, Perpetual launched Perpetual Digital to assist the business and its clients to move away from legacy technologies and onto a cloud-based, scalable platform. The technological developments the business has achieved over the last five years have contributed positively to Corporate Trust's FUA and profit before tax by 58% and 78% respectively.

Figure 1 – A transformational journey from trusted Australian brand to global Asset Management powerhouse

2009
Wealth Management acquires Fordham and Grosvenor Financial Services

2013–14
Perpetual acquires The Trust Company and launches its first listed investment company – Perpetual Equity Investment Company Limited

2016
Wealth Management acquires Fintuition Medical Advisory

2018
Corporate Trust acquires RFi Roundtables

2020
Wealth Management launches Adviser Growth Strategy, increasing adviser numbers by 36% over 24 months

Perpetual acquires Trillium and launches two ESG funds in Australia

Perpetual acquires a 75% interest in Barrow Hanley, adding 32 new investment capabilities, and providing diversification benefits and growth potential

1. As at 31 December 2023.
2. As at 30 June 2024.

The transaction will deliver cash returns to shareholders

Following the completion of further detailed work on the costs of separating the businesses and further engagement with the tax authorities, which is ongoing, and subject to satisfaction of the conditions precedent, shareholders are expected[3] to receive estimated cash proceeds between approximately $8.38 and $9.82 per share from the transaction. Cash proceeds will be paid after allowing for tax, separation and transaction costs, paydown of debt and other adjustments.

Ownership in a diversified global asset manager of scale

If the Scheme conditions, including shareholder approval, are satisfied, post-implementation shareholders will continue to retain an investment in a simplified, debt-free and highly diversified global asset management business that will be one of the largest ASX listed asset managers by AUM.

The number of shares that each shareholder will receive will be calculated at completion.

Board recommendation

Perpetual's Board unanimously recommends shareholders vote in favour of the Scheme subject to there being no superior proposal and the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interest of Perpetual shareholders. Subject to the same qualifications, each Perpetual director intends to vote, or cause to be voted, all of the Perpetual shares they own or control in favour of the Scheme. Shareholders do not need to take any action at this stage.

The Board is confident that following its extensive review, completion of this transaction will deliver the best outcome for shareholders with a cash return and an ongoing investment in a high-quality multi-boutique global asset management business.

While there is still work to do to maximise the value of Perpetual's more recent acquisitions, particularly Pendal Group, we are confident that the strength of the underlying boutique brands together with their exceptional investment management teams will underpin long-term growth potential for our Asset Management business.

Next steps and indicative timetable[1]

Shareholders do not need to take any action at this stage

Scheme Booklet scheduled to be released in late 2024

Scheme meeting for shareholders to vote on the transaction anticipated to occur in early 2025

1. The Scheme is subject to both a shareholder vote and the satisfaction of other customary conditions precedent including court and regulatory approvals.

2021

Perpetual establishes presence in Europe, with global presence and brands now across Australia, US, UK, Europe and Asia

Corporate Trust acquires Laminar Capital

Wealth Management acquires Jacaranda Financial Planning

2022

Perpetual launches its first active ETF[4]

Barrow Hanley launches mutual fund range

Corporate Trust reaches $1 trillion in funds under administration

Perpetual launches UCITS[5] in Europe

2023

Perpetual acquires Pendal Group, creating a global leader in multi-boutique asset management with approximately $200 billion in AUM[1]

2024

Perpetual announces the completion of a comprehensive Strategic Review and Scheme Implementation Deed with KKR to acquire Corporate Trust and Wealth Management for $2.175 billion

3. The estimated net cash proceeds reflect Perpetual's current knowledge and understanding and is based on a number of assumptions, including in relation to tax and duties, transaction and separation costs, debt and net debt adjustments. For further information please refer to Perpetual's FY24 results presentation perpetual.com.au/globalassets/_au-site-media/01-documents/04-group/01-shareholders/annual-reports/fy24/FY24-results-presentation.pdf
4. ETF stands for Exchange Traded Fund.
5. UCITS stands for Undertakings for the Collective Investment in Transferrable Securities.

ASSET MANAGEMENT

Our multi-boutique business comprises quality investment teams across seven boutiques and brands with diversified investment capabilities across equities, cash and fixed income, multi-asset and sustainable investing, and a strong presence in key markets across the globe.

Assets under management

$215.0b ↑1.4%

Total revenue

$887.6m ↑48%

Financial performance

Our Asset Management business reported UPBT of $200.4 million, $67.8 million or 51% higher than FY23, driven by the inclusion of a full 12 months of earnings from the Pendal Group, acquired in January 2023, as well as positive market movements, investment performance and foreign currency movements.

FY24 revenue was $887.6 million, 48% higher than FY23 and total expenses were $687.1 million, 47% higher than FY23. These increases largely reflect the incorporation of Pendal Group's revenues and expenses into the business and the impact of foreign exchange rate movements.

Business performance

In FY24, our focus was on three key areas:

– Delivering the committed synergies by integrating Pendal Group into our business;
– Ensuring we have strong distribution teams in place across key markets to support client retention and help drive new business into our investment capabilities; and
– Simplifying our product portfolio to ensure we have a strong pipeline of capabilities that investors demand and have positive future growth prospects.

In our results this year, we announced that we had delivered the $80 million in annualised synergies from the integration of Pendal Group, ahead of our target to deliver these synergies by January 2025. In FY24, the integration activities centred on further consolidation of our teams and functions, as well as consolidation of service providers and product rationalisation. We undertook a detailed review of our product suite to either bring capabilities together or close capabilities that we determined did not have sufficient investor demand to support growth. This included the consolidation of the Perpetual and Pendal multi-asset teams to leverage the breadth of underlying investment capabilities and deliver leading solutions to the market. We also merged product platforms in the US and European markets, consolidating three US mutual platforms into one and consolidating our European UCITS[1] platforms. While our integration program is largely complete, we will continue to progress residual integration projects to deliver enhanced efficiencies.

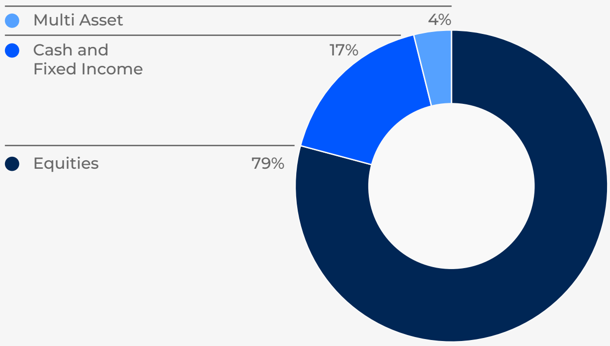
In FY24 we appointed experienced distribution executives in both Europe/the UK and Asia, who will assist with growing our client base and strengthening our flow profile in these regions over time. Together with our Head of Distribution in Australia and our team in the Americas we now have senior distribution leaders covering key regions and channels across the globe. During the course of the year we suffered higher than expected outflows in some of our strategies, particularly in J O Hambro and TSW global and international strategies, further exacerbated by the departure of a portfolio manager in the J O Hambro UK Dynamic strategy. This contributed to a disappointing $18.4 billion in reported net outflows for the year.

With the new distribution team leads in place, their key focus is on improving client retention and ensuring we are able to attract new clients to our strongest performing investment capabilities.

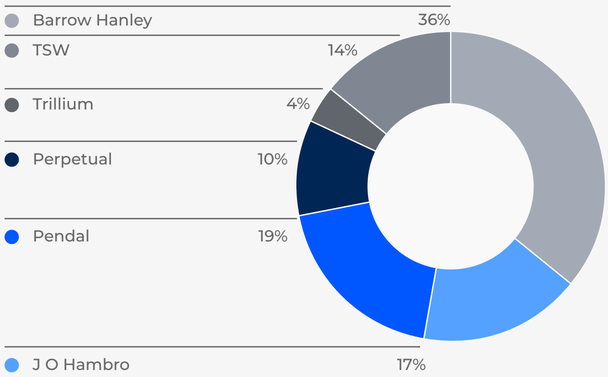
While product rationalisation continues, we have also selectively launched new capabilities where we believe the demand prospects to be high. In Australia, Perpetual Asset Management launched a new Australian equities fund, the Perpetual Strategic Capital Fund, which provides investors opportunities for growth within a concentrated, high-conviction portfolio with a focus on active ownership. In the US, following increasing investor interest, Barrow Hanley launched its second and third series of Collateralised Loan Obligations as part of an initial fund first closed in March 2022. Together, these have contributed $1.1 billion of new monies to Barrow Hanley in FY24. As an asset class that is gaining in popularity, Barrow Hanley's credit funds are well positioned for growth and utilise the team's outstanding expertise within credit markets.

Finally, FY24 was also a year of milestones for some of our teams and external recognition. Both Perpetual's credit and fixed income team and the J O Hambro UK equity income team celebrated 20 years in the market; Perpetual Asset Management received the Fund Manager of the Year award for the third consecutive year at the Zenith Fund Awards[2]; and Pendal was awarded the Best Australian Listed Property Fund in the 2024 Money Magazine Awards.

AUM by strategy[3]



AUM by boutique[3]



1. UCITS stands for Undertakings for the Collective Investment in Transferrable Securities.
2. Zenith Investment Partners Pty Ltd ABN 27 103 132 672 AFSL 226872 Fund Awards issued 13 October 2023 are solely statements of opinion and not a recommendation in relation to making any investment decisions. Fund Awards are current for 12 months and subject to change at any time. Fund Awards for previous years are for historical purposes only. Full details on Zenith Fund Awards at zenithpartners.com.au/zenith-fund-awards-2023/.
3. As at 30 June 2024.

WEALTH MANAGEMENT

Perpetual has been providing wealth management services for 138 years, delivering quality advice to a broad client base of business owners, medical practitioners and other professionals, not-for-profit organisations, native title trusts and high-net-worth individuals.

Funds under advice	Total revenue
$19.8b ↑7%	$226.8m ↑4%

Financial performance

Wealth Management reported UPBT of $54.0 million, 15% higher than FY23, driven by stronger revenues due to robust performance across all segments, supported by higher average FUA.

FY24 revenue was $226.8 million, 4% higher than FY23. Market-related revenue was 2% higher ($147.6 million in FY24) underpinned by continued growth in the business, particularly in non-market related revenue which includes our accounting business Fordham. Non-market related revenue was 9% higher ($79.1 million in FY24).

Total expenses increased by 1% to $172.8 million on FY23, driven largely by further investments in key staff and technological processes to support scale of the business and future growth.

FUA at the end of FY24 was $19.8 billion, 7% higher than FY23, reflecting positive net flows, positive equity markets and investment performance.

Business commentary

For the eleventh consecutive financial year, our Wealth Management business recorded positive net flows, a substantial achievement that highlights the trust and confidence our clients place in our business to meet their needs, particularly through a period of relative uncertainty in the broader macroeconomic environment with higher interest rates impacting some areas of the economy.

Highlighting the momentum we have built across our diverse client base, we saw continued new client growth and by doing more for our existing clients, we are ensuring we have strong client retention and advocacy. Being able to deliver excellent client service through a period of corporate change has been particularly noteworthy, as many of our teams have been involved in the Strategic Review announced by the Board and the associated preparations to ensure the business is set up for success under new ownership.

A highlight for the year was Fordham achieving its highest year of revenue since Perpetual acquired the business in 2009. This is an outstanding achievement that reflects Fordham's strong client growth and provision of quality financial services across tax, accounting and other financial services to more than 3,100 private businesses.

Over the year, we have also successfully integrated Jacaranda Financial Planning's platform into Perpetual and completed the rebranding of its marketing suite.

In our First Nations Communities team, we had a particularly strong year providing benefits for the communities we work with, whilst also growing the funds under management in support of those communities. A particular focus has been the development of home ownership plans for Indigenous community members, which has resulted in 119 members becoming homeowners for the first time and total distributions of $13.1 million during the financial year towards home ownership. This initiative, developed by Perpetual, has led the industry thinking around individual wealth creation that has since been advocated by Australian Prime Minister, Anthony Albanese, at Garma[1].

Along with the housing initiative, our First Nations Communities team has continued to provide broad support around health, education, funerals and cultural activities as well as advocating for the rights and interests of Indigenous communities. Perpetual continues to be a trustee and investment adviser of choice to these communities and manages in excess of $1 billion in assets for First Nations communities.

Furthermore, in our philanthropy business, over $124 million was distributed on behalf of our clients to the charity sector. Our IMPACT philanthropy program continues to give to people and communities in need, with more than 1,750 applications reviewed and $32 million committed in FY24 to over 360 different charitable projects and initiatives.

Through the year, we continued to improve our product offering for clients with a new ESG reporting tool launched to our philanthropic and high-net-worth clients (see below). As one of the largest managers of philanthropic funds in Australia, we are proud to play such a significant role in funding the non-profit sector.

Perpetual has been providing wealth management services for 138 years, delivering quality advice to a broad client base of business owners, medical practitioners and other professionals, not-for-profit organisations, Native Title trusts and high-net-worth individuals. The strength of the diverse client relationships can be observed through our NPS result which has achieved a record high result of +48 in FY24. Our Perpetual Private Clients and National Medical Advisers teams recorded two of the five highest NPS scores across the entire Perpetual Group.

1. The Garma Festival is Australia's largest Indigenous gathering, a four-day celebration of Yolngu life and culture held in remote northeast Arnhem Land.

Case Study

In March 2024, Perpetual launched a new ESG analytics platform, EthosESG, that provides ESG analytical services to philanthropic and high-net-worth clients across the globe.

EthosESG evaluates more than 1.5 million impact ratings from both public and private companies, allowing comparability and analysis across portfolios, strategies and asset classes through 45 ESG lenses including climate, equality, education, mental health and justice.

This platform has uplifted Wealth Management's client offering by providing more transparency into portfolio investments that help clients to align their financial goals and causes they care deeply about.

Perpetual has received positive early feedback on this product from its clients in the high-net-worth and philanthropic segments.

CORPORATE TRUST

Corporate Trust was awarded Australian Trustee of the Year in the KangaNews Awards for the eighth consecutive year. The ongoing recognition within the industry is a testament to the quality of our business as a fiduciary and digital solutions provider to the banking and financial services industry.

Funds under administration	Total revenue
$1,206.4b ↑4%	$187.8m ↑6%

Perpetual LAMINAR CAPITAL

Business division updates

Financial performance

Corporate Trust reported UPBT of $85.0 million in FY24, 4% higher than FY23. Revenue of $187.8 million increased 6% on FY23 whilst total expenses increased 1% to $172.8 million over the period.

Our Corporate Trust business consists of three distinct divisions, Managed Funds Services (MFS), Debt Market Services (DMS) and Perpetual Digital.

In FY24, DMS revenue increased to $78.4 million, or 1% higher than FY23. This was largely due to higher average FUA, driven by a greater demand for bank and non-bank residential mortgage-backed security (RMBS) services.

In MFS, revenue increased to $83.9 million, 8% higher than FY23, driven by continued market activity in the commercial property sector.

Perpetual Digital, Corporate Trust's specialist digital business, reported revenue of $25.6 million, 9% higher than FY23. The increase was primarily due to continued organic growth from the sale of existing and new Software-as-a-Service (SaaS) products.

Total expenses in FY24 were $102.8 million, 8% higher than FY23. The increase was mainly driven by costs to support investment and delivery to market for our new SaaS products, and to replace legacy systems in the business with the new Payments and Registry Intelligence platform (PRI). Other operating costs included investments for group technology infrastructure, cyber security and to maintain regulatory compliance requirements.

Business commentary

Corporate Trust delivered robust growth in FY24, with total FUA reaching over $1.2 trillion as at 30 June 2024, up 4% on FY23.

The DMS division demonstrated robust growth in all market securitisation segments as banks returned to the securitisation market to refinance following the end of the Term Funding Facility[1]. DMS FUA increased $19.6 billion on FY23 to $710.7 billion as at 30 June 2024, supported by a record number of residential mortgage-backed securitisation issuances over the year.

Our MFS division experienced a strong financial year supported by both market growth and client growth across wholesale trustee and responsible entity services, and continued activity within our custody business which specialises in holding real assets, fixed income, credit and private equity assets. While custody asset valuations decreased through the year, we saw stronger transaction volumes compared to previous years and an increased number of custody roles completed in FY24. MFS FUA was $495.7 billion for FY24, up 5% on FY23.

In Perpetual Digital, our focus was on continuing to build out the product set with expanded or new capabilities. In FY24, we launched a new PRI platform and a Fixed Income Intelligence product. The PRI platform streamlines our payment and registry services for our trustee and custody businesses, creating greater efficiencies and an improved client experience (see below). The Fixed Income Intelligence product was launched in FY23 to provide direct access to the over-the-counter domestic and global fixed income markets for NAB Private Wealth. Following its launch, we have started to attract additional clients of NAB and JBWere advisers, contributing to a material growth in FUM for this product line.

In FY24, we delivered a NPS score of +54. This strong score within the financial services industry reflects positively on how clients view our business and services. Both our Singapore and Roundtables teams scored +76, one of the five highest NPS scores across the Perpetual Group, an outstanding achievement.

Once again, this year Corporate Trust was awarded Australian Trustee of the Year in the KangaNews Awards[2] – the eighth consecutive year Corporate Trust has won the award. The ongoing recognition within the industry provides a testament to the quality of our business as a fiduciary and digital solutions provider to the banking and financial services industry.

1. The Term Funding Facility was a low-cost three-year funding program provided by the Australian Government for authorised deposit taking institutions.
2. The KangaNews Awards use the votes of market participants across Australian and New Zealand debt markets.

Case Study

In early April 2024, our team launched the Payments and Registry Intelligence (PRI) platform, a modern cloud-enabled SaaS platform that reduces risk, enables internal efficiencies and long-term scalability.

Prior to this, our teams were relying largely on manual payment processes across six different legacy technology systems. This impacted both our ability to provide efficient payment processing services to our clients and ability to scale.

The transition process has been complex and engaging, requiring over 10 system integrations and multiple rigorous rounds of performance testing during its building phase. Following this, large volumes of data were migrated once the system was ready for use. Over $10 million in transactions for 10,000 bank accounts and 100,000 distributions from the legacy systems was transferred to the PRI platform both securely and accurately during the migration process. This demonstrates the dedication and diligence of our team in completing these thorough processes with detail and confidentiality.

With the PRI platform, our teams are now able to process multiple payment and registry services more effectively, efficiently and securely via a single user interface that increases business automation, transparency and control. Since its launch in April 2024, our team has settled over 450,000 transactions worth over $118 billion and reduced manual processing by 1,900 payments per month compared to legacy technology. This platform now stands as the cornerstone enterprise platform supporting numerous mission-critical business functions across Corporate Trust.

Our comprehensive Group sustainability strategy, Perpetual's Prosperity Plan, covers four pillars – Governance | Planet | People | Communities

From our origins as a trustee company in 1886, Perpetual Group has supported our clients and communities over generations.

For Perpetual Group, sustainability means considering the risks and opportunities relating to climate change on behalf of our clients, building an inclusive, high-performance culture, strengthening local communities and working to uphold good governance, accountability and integrity in all we do.

During the 2024 financial year, we have continued to progress activities relating to our sustainability strategy, and 26 of our 35 commitments are either on track or achieved.

This section covers a high-level overview of our progress on our commitments. For more detailed information, please refer to our FY24 Sustainability Report at:

perpetual.com.au/sustainability/archive

Progress across the four pillars of our sustainability strategy

Achieved | On track | Not on track

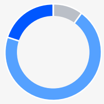
Governance

Committed to the highest standard
Draw on our trusted brand and deep history, to work to uphold best practices, accountability and integrity in all we do.

Not on track: 0
On track: 3
Achieved: 6

Planet

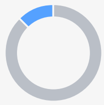
Managing our impact on the environment
Consider the risks and opportunities relating to climate change on behalf of our clients and reduce the environmental footprint of our own operations.



Not on track: 1
On track: 7
Achieved: 2

People

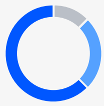
Champion inclusion and high performance
Strive to create a harmonious, diverse and inclusive workplace culture that enhances wellbeing and supports each of our people to bring their best.



Not on track: 7
On track: 1
Achieved: 0

Communities

Support strong communities
Leverage our services, time and philanthropy to support not-for-profit organisations, give back to communities, and help advance First Nations prosperity.



Not on track: 1
On track: 2
Achieved: 5

Governance

Upholding the highest standards for clients and in our business

We are committed to upholding high standards of corporate governance in our business and we prioritise providing outstanding service to our clients.

Our primary means of understanding how our clients are feeling about Perpetual Group is through our annual NPS[1]. Our score in FY24 was +53, our second highest ever score, and above our target of +40.

Policies play a key role for the Perpetual Group in communicating principles and obligations to guide decision making and to set standards for expected employee behaviour in particular situations. These include our Code of Conduct, Diversity and Inclusion Policy, Anti-Bribery and Corruption Policy, Personal Trading Policy and Whistleblowing Policy. During the year, mandatory training was conducted on topics such as anti-money laundering, counter terrorism, sanctions, information security and generative artificial intelligence.

We are committed to protecting the privacy and safeguarding the personal information of our clients. We have a Data Management Framework that covers how information is managed across Perpetual Group, enhanced oversight and monitoring of select critical third-party service providers on cyber security, and data breach and cyber-incident response plans in place to effectively manage any security incidents.

Planet

Managing our impact on the environment

Each of our Asset Management and Wealth Management businesses has its own investment philosophy and approach to identifying and managing climate risks and opportunities. We collectively offer a range of sustainability-focused investment solutions.

For a description of the approach each of our Asset Management and Wealth Management businesses and brands take to considering climate as part of their investment approaches, see our website: perpetual.com.au/considering-climate-as-part-of-our-investment-process

Perpetual Group is committed to reducing our own operational environmental footprint. To reduce our operational carbon footprint, initially we have focused on tackling the energy used to power our offices. We purchase GreenPower for the energy we use in Australia, and are also seeking to improve the energy efficiency of our offices. While energy usage per full time employee (FTE) for our Australian offices in FY24 increased to 1.335 MWh per FTE, from 1.297 MWh per FTE in FY23, we expect this to reduce in future years as we consolidate our office space.

We purchase carbon offsets to cover our operational GHG emissions globally and for the first time, we also received Climate Active certification for our Australian operations[2]. Paper purchased for printing and waste sent to landfill for our Australian offices both decreased in FY24 and we renewed our lease at our head office in Angel Place, Sydney, which has a 5.5 Star NABERS building energy rating, above our minimum requirement.

1. NPS is a measure of advocacy, or the extent to which our clients are willing to recommend us to friends, colleagues and peers.
2. Climate Active is an Australian Government certification program that supports national climate policy by driving voluntary climate action. We received carbon neutral certification for our Australian business operations for FY23. Climate Active provide certification after the date of publication for our Sustainability Report each year so it is reported in arrears for the previous financial year.

Preparing for mandatory climate disclosure

Perpetual Group will be subject to the Australian Sustainability Reporting Standards. Perpetual Group has a climate roadmap in place to prepare for these mandatory climate disclosures and we have set up a cross-functional working group to help coordinate our efforts across the business.

Governance

Our Board has oversight for our sustainability strategy and climate-related issues. In FY24, the Board Charter was updated to include a specific reference to the Board's role in providing oversight of climate-related risks. Our Executive Committee provides leadership to support delivery of our sustainability strategy, makes decisions on key issues and oversees performance including on our climate-related commitments.

Six-monthly updates on our sustainability strategy, including a status update on our climate-related commitments and metrics, are provided by the Group Sustainability team to the Board and the Executive Committee.

During the year, a separate category relating to sustainability and responsible investment was added to the Board skills matrix. This matrix sets out the key skills and experience that the Board seeks to achieve in its membership with climate change now referenced in that new category.

Strategy

In FY24, we undertook a project to assess our climate-related risks and controls for our Asset Management business. Through a peer assessment and a series of focus groups with each of our Asset Management boutiques, we conducted a qualitative assessment of the inherent risks at an Asset Management divisional level and for each of the boutiques. The key controls in place to mitigate those risks were also documented to understand how the risks are being managed across that business.

For further information on the inherent climate-related risks identified and some of the risk mitigants in place to manage those risks, see our FY24 Sustainability Report at perpetual.com.au/sustainability/archive/.

Risk management

The identification, assessment and management of climate risks are integrated into our enterprise-wide risk management processes. Climate-related risks are reflected in the Sustainability and Responsible Investing risk category within our Risk Management Framework (RMF). The RMF is in place to ensure risks are identified, assessed and managed effectively across the Group.

Our Risk Appetite Statement (RAS) defines the amount of risk the Board permits management to take in delivering our strategic vision and objectives. Key risk indicators in our RAS are aligned with the climate-related KPIs in our sustainability strategy. In FY25, insights from our climate-related risk and controls project will inform updates to our RMF and RAS, risk profiling and controls testing processes and future scenario analysis undertaken on our Asset Management business.

Metrics and targets

In FY24, we continued to develop our approach to GHG emissions reporting for our operations and the financed emissions from our equity investment portfolios at a Group level.

Operational GHG emissions

Our operational GHG emissions metrics for FY24 are set out in our FY24 Sustainability Report: perpetual.com.au/sustainability/archive/.

We have targets in place to reduce the environmental impact of our own operations, including to have 100% renewably powered operations by FY25, reduce energy intensity per FTE by one third in Australian-operated offices by FY30, and last year we achieved our ambition to have carbon neutral operations by FY23.

Financed emissions from equity investments

This category of emissions relates to the GHG emissions associated with our equity investment holdings, held on behalf of our clients. We are currently reporting these metrics for our equity holdings only. These are not emissions from our operations.

Total carbon emissions[1] and weighted average carbon intensity[2] are two of the metrics recommended by the Taskforce on Climate-Related Financial Disclosures to report on financed emissions. The metrics focus on the Scope 1 and 2 emissions of our equity investments and not their Scope 3 emissions. In FY24, total carbon emissions from equity investments (Scope 1 and 2) were 15 million tonnes CO_2e while the weighted average carbon intensity of our equity investments (Scope 1 and 2) was 130 tonnes CO_2e/$m revenue[3].

To continually improve our approach to reporting and to prepare for mandatory climate reporting, in FY24, we sought limited assurance for our financed emissions for equity investments. KPMG's limited assurance statement can be found here: perpetual.com.au/sustainability/archive/.

1. For total carbon emissions, Scope 1 and Scope 2 GHG emissions are allocated to investors based on an equity ownership approach. It is calculated by dividing the current value of an investment in an issuer by the issuer's market capitalisation then multiplying it by the issuer's Scope 1 and Scope 2 GHG emissions.
2. For weighted average carbon intensity, Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights, that being the current value of investment relative to the current portfolio value. It is calculated using this formula: (current value of investment / current portfolio value) x (issuer's Scope 1 and Scope 2 GHG emissions / Issuer's $M revenue).
3. Source: ISS ESG Data as of 30 June 2024. Includes equity holdings in our Asset Management and Wealth Management businesses where our ESG data provider has coverage. This equates to 74% of our total combined Asset Management and Wealth Management AUM as at 30 June 2024. It does not include funds under administration from our Corporate Trust division or funds under advice for our Wealth Management division. Our reporting adheres to the GHG Protocol 'operational control' approach. See our FY24 Financed Emissions Basis of Preparation for more details at perpetual.com.au/sustainability/archive/.

People

Championing inclusion and high performance

Perpetual Group has targets in place to help build gender diversity in our business and we have been recognised as a WGEA Employer of Choice for Gender Equality, since 2018.

Representation by women on the Perpetual Board currently sits at 33%, down from 44% in FY23, and below the target of 40%. Gender diversity will be a key consideration for future Board appointments. As of June 2024, 37% of our senior leaders globally are women, up from 34% in FY23 but below our target of 40% representation in that cohort by the end of FY24. The representation by women in leadership roles in Australia has risen from 34% in FY23 to 40%. During the year we launched a new Gender Equality Strategy which prioritises retaining, promoting and hiring women in leadership roles and setting clear divisional targets with bi-monthly reporting to drive accountability for delivering the targets.

During the year, we announced plans for the separation of our Corporate Trust and Wealth Management businesses[1]. This period of change has created uncertainty for our people. We conduct 'Mood Monitor' and pulse surveys to hear directly from our people to learn how best to support them through this period. On average, in FY24, 42% of our people were feeling positive about working at Perpetual Group, down from an average of 55% in FY23[2].

A critical priority is to ensure support is available for our people during this period of change. Our leaders and teams have been supported by 'Leading Through Complex Change' workshops, with 218 leaders attending eight of these sessions. Our wellbeing programs and initiatives include providing access to services such as the Headspace meditation app, wellbeing assessments and financial health checks. An annual $275 wellbeing allowance and an additional two weeks of Wellbeing and Community Leave are available for our people in Australia and Singapore.

Communities

Supporting strong communities

December 2023 marked the end of our most recent Stretch Reconciliation Action Plan (RAP) period, which began in 2021[3]. Overseeing the achievement of the 84 deliverables in our Stretch RAP is our RAP Champion, Mark Smith, Chief Executive of Wealth Management, and our RAP Working Group. Recognising that a RAP is an ongoing process of action and learning towards reconciliation, we included a KPI and a minimum threshold for achieving our RAP in our RAS, and reported on our progress quarterly to our ARCC. We achieved 80 out of 84 deliverables, exceeding the minimum threshold in our RAS.

Perpetual manages over 1,100 charitable trusts, foundations and endowments, providing services such as trusteeship, investment management, strategy, grant-making and governance. We have $3.6 billion in funds under advice on behalf of philanthropists and, in FY24, our clients granted $124 million to the charity sector down from $129 million in FY23.

Perpetual Group has made a commitment to give equivalent to 1% of our underlying profit before tax through community giving and volunteering. Our total community giving and volunteering in FY24 was equivalent to $2.51 million, up from $2.16 million in FY23[4]. This is equivalent to 0.88% of our FY24 UPBT, and despite increasing our monetary contributions year-on-year, this was below our target of 1%. This is due to Pendal, J O Hambro and TSW having lower community giving spend relative to their contribution to overall Group profit, a focus on cost reduction and reduced bandwidth for community initiatives, with some activities paused while we have focused on the priorities of the Strategic Review and Scheme.

1. The Scheme of Arrangement for the proposed transaction is subject to both a shareholder vote which is anticipated to occur in early 2025 and satisfaction of other customary conditions precedent including court and regulatory approvals.
2. Employees in our mood monitor and pulse surveys are asked if they feel great, good, okay, fair, bad or terrible. Employees who responded great or good are displayed as positive, okay or fair as neutral and bad or terrible as negative.
3. Our 2021–2023 Stretch RAP was based on calendar years.
4. We measure community giving and volunteering using the Business for Societal Impact (B4SI) framework, which measures the financial value of our voluntary support for organisations that have a charitable purpose. This includes cash donations, memberships and sponsorships of community organisations, employee volunteering time and management costs associated with community giving activities. Our reporting methodology excludes some memberships which are employee or business focused, and only includes part of our sponsorship funding of community causes to account for the commercial benefit of a portion of that funding.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Tony D'Aloisio AM

Chairman and Independent Non-executive Director

BA LLB (Hons) (Age 74)

Mr D'Aloisio has been an Independent Non-executive Director of Perpetual since December 2016. Mr D'Aloisio became Chairman of Perpetual in May 2017.

Skills and experience

Mr D'Aloisio has held leadership roles in listed and non-listed companies. He was CEO and MD at the Australian Securities Exchange from 2004-2006. Mr D'Aloisio was Chief Executive Partner at Mallesons Stephen Jaques between 1992-2004 having first joined the firm in 1977. Mr D'Aloisio was appointed a Commissioner for the Australian Securities and Investments Commission (ASIC) in 2006 and Chairman in 2007 for a four-year term. He was Chairman of the (International) Joint Forum of the Basel Committee on banking supervision from 2009-2011.

Most recently Mr D'Aloisio was Chairman of IRESS Limited (technology). He was a non-executive director of ASX listed Boral Limited 2002-2004 as well as a director of the Business Council of Australia 2003-2006 and the World Federation of Exchanges 2004-2006. He was President of the Australian Winemakers Federation 2012-2016.

Currently Mr D'Aloisio is President of the European Capital Markets Cooperative Research Centre.

Listed company directorships held during the past three financial years

- IRESS Limited, ASX: IRE (from June 2012 – May 2021)

Board Committee memberships

- Chairman of the Nominations Committee

Mona Aboelnaga Kanaan

Independent Non-executive Director

BSc (Econ) MBA (Age 56)

Ms Aboelnaga Kanaan has been an Independent Non-executive Director since June 2021.

Skills and experience

Based in New York, USA, Ms Aboelnaga Kanaan is a seasoned CEO, director, entrepreneur and asset management executive having held leadership positions over a distinguished career spanning more than thirty years. She is currently the Managing Partner of K6 Investments LLC, an independent private equity firm which she founded in 2011.

Previously, Ms Aboelnaga Kanaan served as President and CEO of Proctor Investment Managers, a private equity firm she founded in 2002 to acquire and scale traditional and alternative asset managers. Ms. Aboelnaga Kanaan sold the firm to National Bank of Canada in 2006, acquired affiliates managing nearly $14 billion in AUM and continued as Proctor's President and CEO until 2013.

Ms Aboelnaga Kanaan is currently a Director of Webster Financial Corporation (NYSE: WBS) and is Chair of the Technology Committee and a Member of the Executive and Enterprise Risk Committees; a Lead Director of Mondee Holdings (Nasdaq: MOND) and is Chair of the Nominations and Governance Committee and member of the Audit Committee.

Listed company directorships held during the past three financial years

- Webster Financial Corporation, NYSE: WBS (February 2022 following merger with Sterling Bancorp – present)
- Mondee Holdings, Nasdaq: MOND (July 2022 – present)
- Sterling Bancorp NYSE: STL (May 2019 – February 2022)
- Fintech Acquisition Corp. VI (February 2021 – December 2022)

Board Committee memberships

- Chair of the Technology and Cyber Security Committee
- Member of the Board Implementation Committee
- Member of the Investment Committee
- Member of the People and Remuneration Committee

Christopher Jones

Independent Non-executive Director

MA (Cantab) CFA (Age 63)

Mr Jones was appointed as an Independent Non-executive Director of Perpetual in January 2023 following the acquisition of Pendal Group.

Skills and experience

Mr Jones is based in New York City, USA. He has over 40 years' experience in the financial services industry across both investments and funds management. Most recently, Mr Jones was Principal of CMVJ Capital LLC, a private investor and adviser in the financial services, asset management and technology industries. Prior to this, he was Head of Blackrock's US Global Fundamental Equity and Co-head of Global Active Equity. Previously, he spent 32 years in a range of roles at Robert Fleming and Co and JP Morgan Asset Management.

Listed company directorships held during the past three financial years

- Pendal Group Limited, ASX: PDL (2018 until delisting in January 2023)

Board Committee memberships

- Member of the People and Remuneration Committee
- Member of the Investment Committee
- Member of the Integration Committee (Integration Committee was dissolved on 31 July 2024)
- Member of the Technology and Cyber Security Committee
- Member of the Board Implementation Committee

Gregory Cooper

Deputy Chairman and Independent Non-executive Director

FIA, FIAA, BEc (Actuarial Studies) (Age 53)

Mr Cooper has been an Independent Non-executive Director of Perpetual since September 2019. In May 2024, Mr Cooper was appointed Deputy Chairman.

Skills and experience

Mr Cooper has more than 30 years of global investment industry experience in the UK, Asia and Australia with a deep understanding of international funds management.

Mr Cooper brings strong financial services and strategy expertise to the Perpetual board predominantly gained from his executive career at Schroders Australia where he was the Chief Executive Officer from 2006 to 2018 with responsibility for Schroders' institutional business across Asia Pacific and then globally and his current non-executive career across the superannuation, banking and technology sectors.

Mr Cooper currently serves as a Non-Executive Director of NSW Treasury Corporation, where he also chairs the Investment Committee. He is currently the Chairman of Avanteos Investments Limited (part of the Colonial First State Group).

Mr Cooper is a Non-executive Director of Australian Payments Plus Limited and some of its subsidiaries/ related entities, and a Director of Australian Indigenous Education Foundation and Edstart Pty Ltd. Previously Mr Cooper acted as a Non-executive Director to the Financial Services Council and held the position of Chairman from 2014 to 2016.

Listed company directorships held during the past three financial years

- None

Board Committee memberships

- Chair of the Investment Committee
- Member of the Audit, Risk and Compliance Committee
- Member of the People and Remuneration Committee
- Member of the Nominations Committee

Nancy Fox AM

Independent Non-executive Director

BA JD (Law) FAICD (Age 67)

Ms Fox has been an Independent Non-executive Director of Perpetual since September 2015.

Skills and experience

Ms Fox has more than 30 years experience in financial services, securitisation and risk management gained in Australia, the US and across Asia. A lawyer by training, she was Managing Director for Ambac Assurance Corporation from 2001 to 2011, Managing Director of ABN Amro Australia from 1997 to 2001 and Vice President of Citibank.

Ms Fox brings to the Board a deep knowledge of developing and leading successful financial services businesses and extensive experience with securitisation, regulatory frameworks, risk management and governance.

Ms Fox is Chairman of Perpetual Equity Investment Company Limited and Mission Australia Housing, and Deputy Chair of the Rural Fire Service Benevolent Fund. Ms Fox is a Non-executive Director of Mission Australia, Aspect Studios Pty Ltd and O'Connell Street Associates.

Ms Fox is a Director of Queensland Trustees Pty Limited, which acts as trustee for Perpetual's employee share plans.

Listed company directorships held during the past three financial years

- Perpetual Equity Investment Company Limited, ASX: PIC (July 2017 – present)

Board Committee memberships

- Chair of the People and Remuneration Committee
- Member of the Audit, Risk and Compliance Committee
- Member of the Integration Committee (Integration Committee was dissolved on 31 July 2024)
- Member of the Nominations Committee
- Member of the Board Implementation Committee

Ian Hammond

Independent Non-executive Director

BA (Hons) FCA FCPA FAICD (Age 66)

Mr Hammond has been an Independent Non-executive Director of Perpetual since March 2015.

Skills and experience

Mr Hammond was a partner at PricewaterhouseCoopers for 26 years and during that time held a range of senior management positions including lead partner for several major financial institutions. He has previously been a member of the Australian Accounting Standards Board and represented Australia on the International Accounting Standards Board. Previously, Ian was a Director of Citi's Australian retail bank and Venues NSW.

Mr Hammond has a deep knowledge of the financial services industry and brings to the Board expertise in financial reporting, risk management, and mergers and acquisitions. He has provided extensive advisory and audit services to PwC's domestic and global clients in banking, insurance and asset management.

Mr Hammond is Chairman of the not-for-profit organisation, Mission Australia, and a Non-Executive Director of Suncorp Group Limited.

Mr Hammond is a Director of Queensland Trustees Pty Limited, which acts as trustee for Perpetual's employee share plans.

Listed company directorships held during the past three financial years

- Suncorp Group Limited, ASX: SUN (from October 2018 – present)

Board Committee memberships

- Chair of the Audit, Risk and Compliance Committee
- Member of the Investment Committee
- Member of the Technology and Cyber Security Committee
- Member of the Nominations Committee

Fiona Trafford-Walker

Independent Non-executive Director

BEc, M. Fin (Age 57)

Ms Trafford-Walker has been an Independent Non-executive Director of Perpetual since December 2019.

Skills and experience

Ms Trafford-Walker has over 30 years within the investment industry, bringing extensive knowledge of investment management and a strong institutional and international perspective to the Perpetual board.

Ms Trafford-Walker began her career in institutional investment consulting in 1992, spending most of her career at Frontier Advisors where she was, at various times, its Managing Director, Director of Consulting and Investment Director.

Currently Ms Trafford-Walker is a Non-executive Director of Victorian Funds Management Corporation and FleetPartners Group Limited, an Investment Committee Member of the Walter and Eliza Hall Institute and Independent Advisor to the Investment Committee of the Australian Retirement Trust.

Listed company directorships held during the past three financial years

– Prospa Group Limited, ASX: PGL (from March 2018 – August 2024)
– FleetPartners Group Limited, ASX: FPR (from July 2021 – present)
– Link Administration Holdings, ASX: LNK (from October 2015 to May 2024)

Board Committee memberships

– Chair of the Integration Committee (Integration Committee was dissolved on 31 July 2024)
– Chair of the Board Implementation Committee (Board Implementation Committee was established on 25 June 2024)
– Member of the Investment Committee
– Member of the People and Remuneration Committee
– Member of the Technology and Cyber Security Committee

Philip Wagstaff

Independent Non-executive Director

BA (Hons) Accounting (Age 60)

Mr Wagstaff was appointed as an Independent Non-executive Director of Perpetual in November 2023.

Skills and experience

Mr Wagstaff has over 35 years' experience in asset management and has served on the executive committee of several large global asset managers including Janus Henderson, M&G and Gartmore.

Mr Wagstaff brings strong expertise in sales, marketing, brand and product development together with experience of mergers, acquisitions and integrations across the asset management sector.

Mr Wagstaff is Chair of You Investments Limited in the UK and was previously Chair of Jupiter Unit Trust Managers Limited and Henderson Investment Funds Limited.

Listed company directorships held during the past three financial years

– None

Board Committee memberships

– Member of the People and Remuneration Committee
– Member of the Investment Committee

Rob Adams

Chief Executive Officer and Managing Director

BBus (Accounting) (Age 58)

Mr Adams has been the Chief Executive Officer and Managing Director of Perpetual since September 2018.

Skills and experience

Mr Adams is a proven financial services business leader with over 30 years' experience locally and globally across funds management, financial advice and fiduciary services.

Before Perpetual, Mr Adams was Head of Pan-Asia and a member of the Global Executive Committee of Janus Henderson where he had been for six years. Prior to that, he was Chief Executive of Challenger Funds Management, and was previously CEO of First State Investments UK.

Directors who retired during the year

Kathryn Matthews

Independent Director

BSc BEc (Age 64)

Appointed as an Independent Non-executive Director in January 2023. On 19 October 2023, Ms Matthews retired as a Director of Perpetual and as a member of the Audit, Risk and Compliance Committee and the Investment Committee.

Company Secretary

Sylvie Dimarco

Company Secretary

LLB, GradDipAppCorpGov, FGIA, GAICD

Ms Dimarco was appointed Company Secretary of Perpetual in April 2020.

Skills and experience

Ms Dimarco joined Perpetual in 2014 and is currently Global Head of Governance & Company Secretary at Perpetual. She is also Company Secretary of Perpetual Equity Investment Company Limited (ASX: PIC) and all of Perpetual's subsidiary boards. She is a member of the Perpetual Limited Continuous Disclosure Committee.

Ms Dimarco has over 17 years' experience in company secretariat practice and administration for listed and unlisted companies. Before Perpetual, she practiced as a commercial lawyer in Sydney and Canberra for 11 years, working in predominantly mid-sized law firms.

Directors' meetings

The number of Directors' meetings which Directors were eligible to attend (including meetings of Board Committees) and the number of meetings attended by each Director during the financial year to 30 June 2024 were:

	BOARD				AUDIT, RISK AND COMPLIANCE COMMITTEE (ARCC)		PEOPLE AND REMUNERATION COMMITTEE (PARC)	
	SCHEDULED MEETINGS		UNSCHEDULED MEETINGS					
DIRECTOR	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
Tony D'Aloisio AM	11	11	20	20	–	–	–	–
Mona Aboelnaga Kanaan	11	11	20	20	–	–	9	9
Gregory Cooper	11	11	19[1]	19[1]	6	6	9	9
Nancy Fox AM	11	11	20	20	6	6	9	9
Ian Hammond	11	10	20	20	6	6	–	–
Fiona Trafford-Walker	11	10	20	20	–	–	9	9
Rob Adams	11	10	20	19	–	–	–	–
Christopher Jones	11	11	20	20	–	–	9	9
Philip Wagstaff	6	6	16	16	–	–	4	4
Kathryn Matthews	4	3	4	3	2	2	–	–

1. Gregory Cooper did not attend and did not participate in any discussions or decisions related to Agenda items or matters where there was or may be an actual or potential conflict of interest due to his roles on other Boards.

Unscheduled Board meetings are out of cycle Board meetings typically called for a special purpose that do not form part of the Board approved yearly planner. During the financial year to 30 June 2024 there were twenty unscheduled Board meetings.

Directors from time to time may and do attend Board Committee meetings even though they may not be a member of that Committee. The table above excludes the attendance of those Directors who attended meetings of Board Committees of which they are not a member.

Corporate Governance Statement

Perpetual's Corporate Governance Statement, which meets the requirements of ASX Listing Rule 4.10.3, is located on the Corporate Governance page of Perpetual's website at perpetual.com.au/about/corporate-governance-and-policies.

Principal activities

The principal activities of the consolidated entity during the financial year were portfolio management, financial planning, trustee, responsible entity and compliance services, executor services, investment administration and custody services.

Review of operations

A review of operations is included in the Operating and Financial Review section of the Annual Report.

For the financial year to 30 June 2024, Perpetual reported a net loss after tax attributable to equity holders of Perpetual Limited of $472.2 million compared to the net profit after tax attributable to equity holders of Perpetual Limited for the financial year to 30 June 2023 of $59.0 million.

For the financial year to 30 June 2024, Perpetual reported an underlying profit after tax (UPAT) attributable to equity holders of Perpetual Limited of $206.1 million compared to the UPAT attributable to equity holders of Perpetual Limited for the financial year ended 30 June 2023 of $163.2 million.

UPAT attributable to equity holders of Perpetual Limited excludes certain items, that are either significant by virtue of their size and impact on net profit after tax attributable to equity holders of Perpetual Limited, or are determined by the board and management to be outside normal operating activities. UPAT attributable to equity holders of Perpetual Limited is disclosed as it is useful for investors to gain a better understanding of Perpetual's financial results from normal operating activities.

INVESTMENT COMMITTEE		NOMINATIONS COMMITTEE		INTEGRATION COMMITTEE		TECH & CYBER SECURITY COMMITTEE		BOARD IMPLEMENTATION COMMITTEE	
ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
–	–	5	5	–	–	–	–	–	–
5	5	–	–	–	–	4	4	*	–
5	5	5	5	–	–	–	–	–	–
–	–	5	5	6	6	–	–	*	–
5	4	5	4	–	–	4	3	–	–
5	5	–	–	6	6	4	3	*	–
		–	–	–	–	–	–	–	–
5	4	–	–	6	5	4	4	*	–
1	1	–	–	–	–	–	–	–	–
1	1	–	–	–	–	–	–	–	–

* Board Implementation Committee was established on 25 June 2024 and no meetings were scheduled for FY24.

The reconciliation of net profit after tax attributable to equity holders of Perpetual Limited to UPAT attributable to equity holders of Perpetual Limited for the financial year to 30 June 2024 is shown below.

	30 JUNE 2024 $M	30 JUNE 2023 $M
Net (loss)/profit after tax attributable to equity holders of Perpetual Limited	(472.2)	59.0
Significant items after tax		
Transaction, integration and separation costs[1]	84.2	80.0
Non-cash amortisation or impairment of acquired intangible assets[2]	590.3	40.6
Unrealised (gains)/losses on financial assets[3]	(6.6)	(16.4)
Accrued incentive compensation liability[4]	10.4	–
Underlying profit after tax attributable to equity holders of Perpetual Limited	**206.1**	**163.2**

1. Relates to costs associated with the acquisition/establishment of Pendal, Trillium, Barrow Hanley and other entities, as well as costs associated with the divestment of the Wealth Management and Corporate Trust businesses. Costs include professional fees, administrative and general expenses and staff costs related to specific retention and performance grants.
2. Relates to amortisation expense on customer contracts and non-compete agreements acquired through business combinations, or impairment losses on revaluation of goodwill acquired through business combinations.
3. Relates to unrealised mark to market gains and losses on EMCF, seed fund investments and financial assets held for regulatory purposes.
4. This liability reflects the fair value movement of the employee owned units in Barrow Hanley.

UPAT attributable to equity holders of Perpetual Limited reflects an assessment of the result for the ongoing business of the consolidated entity as determined by the Board and management. UPAT has been calculated in accordance with ASIC's *Regulatory Guide 230 – Disclosing non-IFRS financial information*. UPAT attributable to equity holders of Perpetual Limited has not been audited by our external auditors; however, the adjustments to net profit after tax attributable to equity holders of Perpetual Limited have been extracted from the books and records that have been audited.

During the year the carrying amount of the Pendal CGU was reduced to its recoverable amount through recognition of an impairment loss against goodwill. This loss is included in expenses in the statement of profit or loss. Refer to note 2-4 Intangibles for further details.

Financial markets are dealing with rising inflation and interest rates impacting global economies and financial markets. The consolidated entity continues to monitor the impact of these factors on its operations, control environment and financial reporting.

Consistent with the approach applied in the preparation of the half-year financial statements at 31 December 2023, management has evaluated whether there were any additional areas of significant judgment or estimation uncertainty, assessed the impact of market inputs and variables potentially impacted by prevailing conditions on the carrying values of its assets and liabilities, and considered the impact on the consolidated entity's financial statement disclosures. The consolidated entity's revenues have a high degree of exposure to market volatility which has the potential to lead to a material financial impact. The US and UK operations are similarly exposed to market movements due to the nature of the business. Whilst this has been factored into the preparation of the financial report, the accounting policies and methodologies have been applied on a consistent basis to the half year financial report. The Directors and management continue to closely monitor developments with a focus on potential financial and operational impacts as development arise.

Dividends

Dividends paid or provided by the Company to members since the end of the previous financial year were:

	CENTS PER SHARE	TOTAL AMOUNT $M	FRANKED[1]/ UNFRANKED	DATE OF PAYMENT
Declared and paid during the financial year 2024				
Final 2023 ordinary	65	73.1	100% Franked	29 Sep 2023
Interim 2024 ordinary	65	73.7	40% Franked	8 Apr 2024
Total		**146.8**		
Declared after the end of the financial year 2024				
After balance date, the Directors declared the following dividend:				
Final 2024 ordinary	53	60.5	50% Franked	4 Oct 2024
Total		**60.5**		

1. All franked dividends declared or paid during the year were franked at a tax rate of 30% and paid out of retained earnings.

The financial effect of dividends declared after year end are not reflected in the 30 June 2024 financial statements and will be recognised in subsequent financial reports.

State of affairs

Perpetual Limited announced on 8 May 2024 the completion of an extensive Strategic Review. Upon completion of the review, the Board determined that becoming a pure-play global Asset Management business through a demerger, combined with the separation of the Wealth Management and Corporate Trust businesses, will provide superior value for shareholders. As a result, Perpetual entered into a binding Scheme Implementation Deed (SID) under which Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") will acquire the Wealth Management and Corporate Trust businesses (the Transaction).

Under the agreement, KKR will acquire the Wealth Management and Corporate Trust businesses for $2.175 billion by way of a Scheme of Arrangement and net proceeds will be returned to shareholders.

The Scheme is subject to a Perpetual shareholder vote and regulator approvals (amongst other conditions) and if implemented, Perpetual shareholders are expected to receive cash proceeds. Proceeds will be determined post repayment of outstanding Perpetual Group debt as well as separation and transaction costs including customary business-specific net debt adjustments at completion, and shareholders will retain their current ownership in a more streamlined and debt-free global Asset Management business.

Completion is anticipated to occur in February 2025, subject to satisfaction of a Perpetual shareholder vote, regulatory approvals, and other customary conditions.

In accordance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, the divestment of Wealth Management and Corporate Trust businesses does not meet the criteria to be classified as held for sale in the consolidated statement of financial position as at 30 June 2024.

Group Managing Director and CEO, Rob Adams will retire following a period of orderly transition upon Completion.

Non-executive Director, Gregory Cooper has been appointed as Deputy Chair to assist the Board with the Asset Management business and was the chair of a sub-committee to recruit a new CEO of the Asset Management business.

Events subsequent to reporting date

A final 50% franked dividend of 53 cents per share was declared on 29 August 2024 and is to be paid on 4 October 2024.

On 5 July 2024, Perpetual Limited entered into two forward contracts to hedge its foreign currency exposure to the USD and GBP denominated borrowings to be settled upon completion of the Transaction. The net value of these forward contracts is $474.9m AUD.

On 21 August 2024, Perpetual Limited announced the appointment of Bernard Reilly as Group Managing Director and CEO, commencing 2 September 2024.

On 29 August 2024, Perpetual Limited announced additional changes to its Board of Directors as it prepares for Transaction implementation and transitioning to a single purpose asset management business. Perpetual Chair Tony D'Aloisio intends to retire from the Perpetual Board following implementation of the Scheme of Arrangement with KKR in early 2025. Mr Gregory Cooper, appointed Deputy Chair in May 2024, will assume the role of Chair on Mr D'Aloisio's retirement. Independent Non-Executive Directors, Mr Ian Hammond (Chair of Audit, Risk and Compliance Committee) and Ms Nancy Fox AM (Chair of People and Remuneration Committee, PARC), will retire at the Annual General Meeting (AGM) on 17 October 2024 in accordance with Perpetual's Board rotation policy. Ms Fiona Trafford-Walker will Chair the PARC following Ms Fox's retirement at the AGM. Perpetual is well advanced with the recruitment of an Independent Non-Executive Director to replace Mr Hammond as Chair of the ARCC. Perpetual is in the final stages of that appointment and will make the announcement in time for voting at the AGM.

Subsequent to year end, the Consolidated Entity obtained a waiver from the banking syndicate with respect to debt covenant clauses associated with impairment. As a result of the waiver, subsequent to year end, the borrowings will be classified as non-current with the debt not due for repayment until 22 November 2025 for its 3-year facilities and 22 November 2026 for its 4-year facilities. The Consolidated entity continues to be able to meet its funding and liquidity requirements.

At the date of signing, Perpetual Limited had commenced the separation program in order to meet an early 2025 completion date for the Transaction. The agreed sale price remains unchanged at $2.175 billion. The final net proceeds to shareholders are subject to the finalisation of any closing adjustments, which may include balance sheet adjustments, duties and tax. These adjustments cannot be determined until such time as the transaction completes in accordance with the accounting standards. Further details will be provided in a Scheme Booklet which will be provided to shareholders in advance of a Scheme Meeting.

Other than the matters noted above, the Directors are not aware of any other event or circumstance since the end of the financial year not otherwise dealt with in this report that has affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

Likely developments

Information about the business strategies and prospects for future financial years of the consolidated entity are included in the Operating and Financial Review. With the exception of the previous disclosure regarding the divestment, further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity because the information is commercially sensitive.

Environmental regulation

The consolidated entity acts as trustee or custodian for a number of property trusts which have significant developments throughout Australia. These fiduciary operations are subject to environmental regulations under both Commonwealth and State legislation in relation to property developments. Approvals for commercial property developments are required by State planning authorities and environmental protection agencies. The licence requirements relate to air, noise, water and waste disposal. The responsible entity or manager of each of these property trusts is responsible for compliance and reporting under the government legislation.

The consolidated entity is not aware of any material non-compliance in relation to these licence requirements during the financial year.

The consolidated entity has determined that it is not required to register to report under the *National Greenhouse and Energy Reporting Act 2007,* which is Commonwealth environmental legislation that imposes reporting obligations on entities that reach reporting thresholds during the financial year.

Indemnification of Directors and officers

The Company and its controlled entities indemnify the current Directors and officers of the companies against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the consolidated entity, except where the liabilities arise out of conduct involving a lack of good faith. The Company and its controlled entities will meet the full amount of any such liabilities, including costs and expenses. The auditor of the Company is in no way indemnified out of the assets of the Company.

Insurance

In accordance with the provisions of the *Corporations Act 2001*, the Company has a directors and officers' liability policy which covers all Directors and officers of the consolidated entity. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

Directors' interests in registered schemes

As at the date of this report, directors had the following relevant interests in registered schemes made available by the Company or a related body corporate of the Company.

NAME	REGISTERED SCHEME	RELEVANT INTEREST (UNITS)
Tony D'Aloisio AM	Perpetual Credit Income Trust	227,000
	Perpetual Pure Microcap Fund Class A	65,608
	Perpetual Wholesale Industrial Share Fund	149,490
	Perpetual Share Plus Long Short Fund	71,721
	Barrow Hanley Global Share Fund	77,157
Ian Hammond	Perpetual Share-Plus Long Short Fund	189,542
	Perpetual Industrial Share Fund	356,675
	Perpetual Diversified Income Fund	234,739
	Eley Griffiths Group Small Companies Fund	211,591
	Barrow Hanley Global Share Fund	257,400
Nancy Fox AM	Perpetual Credit Income Trust	10,978
Rob Adams	Perpetual Industrial Share Fund	65,178
	Perpetual WealthFocus Superannuation Fund	33,975
	Perpetual Australian Share Fund	6,296
	Perpetual Wholesale Industrial Fund	154,919
Christopher Jones	JPMorgan Global Bond Opportunities Fund	79,378
	JPM Equity Premium Income ETF	15,118

Chief Executive Officer and Managing Director's and Chief Financial Officer's declaration

The CEO and Managing Director, and the CFO declared in writing to the Board, in accordance with section 295A of the *Corporations Act 2001*, that the financial records of the Company for the financial year have been properly maintained, and that the Company's financial report for the year ended 30 June 2024 complies with accounting standards and presents a true and fair view of the Company's financial condition and operational results. This statement is required annually.

Remuneration Report

Dear Shareholder,

On behalf of your Board, I present the Perpetual Limited Remuneration Report for the financial year ended 30 June 2024 (FY24). Our Remuneration Report provides our shareholders and other stakeholders with a thorough and transparent explanation of how remuneration outcomes for our Key Management Personnel (KMP) were determined in FY24 and how, in the Board's view, they align with the longer-term interests of our shareholders, clients and other stakeholders.

Pendal Group integration, Board strategic review and Scheme Implementation Deed relating to acquisition of Wealth Management and Corporate Trust

Perpetual continues to manage through a period of significant organisational transformation and change. In FY24, with support from the Board Integration Committee, integration activities related to the Pendal Group acquisition continued to progress and despite continued financial headwinds and net outflows in some boutiques, the Board assessed the integration program as being essentially completed as at 30 June 2024, having achieved the stated goal of A$80m in run rate synergies substantially earlier than the original target date of end of January 2025.

In December 2023, Perpetual Limited announced a strategic review of the business, with a potential outcome being, subject to regulatory and shareholder approval, a potential separation of Perpetual's businesses. On 8 May 2024, Perpetual Limited announced that it had entered into a Scheme Implementation Deed (SID) with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, KKR) pursuant to which KKR will acquire 100% of Perpetual's Corporate Trust Business and Wealth Management Business from Perpetual Shareholders via Schemes of Arrangement, subject to shareholder vote, amongst other conditions (the Transaction).

Upon Transaction implementation, shareholders will continue to own shares in Perpetual Limited, which will be a leaner, debt free, multi-boutique Asset Manager with scale, high-quality investment teams, well-diversified investment capabilities, capacity for future growth, global distribution reaching across key geographies and channels and managing over A$215 billion in AUM at 30 June 2024.

Perpetual is now focused on separating the Corporate Trust and Wealth Management businesses and setting up a standalone global multi-boutique Asset Management business for future success. To provide appropriate oversight of this critical program of work, a Board Implementation Committee was formed with an effective date of 25 June 2024.

Executive KMP retention and Variable Incentive outcomes for FY24

The announcement of the Board strategic review created significant additional workload, challenge and uncertainty for critical roles across the business, including members of the Executive KMP. To ensure the stability of the leadership team while the strategic review was undertaken and any potential transaction effected, one-off conditional cash retention awards and conditional minimum Variable Incentive levels for FY24 were put in place for members of the Executive KMP (excluding the CEO and Managing Director). In the Board's business judgment, these initiatives were critical to ensure stability in leadership for both employees and prospective counterparties through the process and to execute on complex process and system changes arising from any potential transaction and subsequent separation. The Board believed these measures were necessary to deliver value to shareholders, in light of approaches to key talent following the announcement of the strategic review.

Section 1.3 provides detail on the structure and individual amounts agreed for each individual Executive KMP, excluding the CEO and Managing Director. It was agreed at the time that the CEO and Managing Director should not be considered for a retention award or minimum incentive.

- Retention awards are due to be paid in December 2024, subject to each member of the KMP not having given notice of resignation or retirement, complying with all Perpetual policies and meeting satisfactory performance objectives (including risk) up until the payment date.
- Minimum Variable Incentive amounts of 80% of target (46% of maximum) were agreed for all Executive KMP except the Chief Executive, Wealth Management, where a minimum incentive amount of 100% target (57% of maximum) was agreed. FY24 Variable Incentive awards remained subject to each Executive KMP member meeting agreed performance and risk objectives, which were reviewed by the People and Remuneration Committee (PARC) and Board as part of the year end process.

The Board did not agree to these arrangements lightly and considered the perspectives of shareholders and other stakeholders as part of its process. In the Board's view, the arrangements were necessary to provide critical stability for Perpetual in the specific circumstances presented to the Board and were a business decision to protect shareholder value as the strategic review was completed.

Perpetual's success relies on the quality of talent we can attract to, and retain within, our business. Our remuneration framework plays an important role in attracting, motivating and retaining our people. The retention of key talent during a period of elevated uncertainty was a key focus of the Board in FY24 and to support this, smaller retention awards were also offered to select employees, primarily in our Wealth Management and Corporate Trust businesses, to address the elevated risk in these businesses.

Perpetual's performance in FY24

At a Group level, while Perpetual delivered growth in underlying profit after tax (UPAT) to A$206.1m, underlying EPS of A$1.786 was down 9.2% on FY23, driven by an increase in the weighted average number of shares on issue in FY24, following the Pendal Group acquisition. Continued organic underlying profit growth was delivered in Corporate Trust and Wealth Management, supported by strong client engagement, while Asset Management experienced profit growth from the incorporation of a full 12 months of Pendal Group earnings (compared to 5.5 months in FY23). Despite a stronger earnings result for Asset Management, the division was impacted by higher than expected net outflows of A$18.4b, particularly in the second half of the year. Despite this, Assets Under Management for the year increased by 1.4% to A$215 billion and average revenue margins were stable at 41 basis points. Investment performance across the Group remains robust, and at 30 June 2024, 66% of the Group's strategies were outperforming their benchmarks over a three-year time horizon.

In FY24, NPAT was impacted by a number of significant items which were unknown at the time the Board set the FY24 business plan. Significant items for the year included a non-cash impairment related to the carrying value of goodwill and other intangibles for the J O Hambro and TSW boutiques, amounting to A$547.4m, as well as items associated with the Board's strategic review and resulting separation. As a result of these significant items, Perpetual reported a statutory net loss after tax of A$472.2m for FY24.

While financial performance was challenged, Perpetual continues to deliver strong client outcomes. Our Net Promoter Score (NPS) outcome of +53 in FY24 resulted in an outcome of +50 for the second consecutive year and remained above Perpetual's long-term target of +45.

Further details of Perpetual's performance in FY24 are available in Section 7.

Separation details for departing CEO and Managing Director

On 8 May 2024, alongside the conclusion of the Board's strategic review, the Perpetual Limited Board announced that the Group CEO and Managing Director would leave the business after an orderly transition to a new CEO and completion of the Transaction. Mr Adams served as CEO and Managing Director of the business during a period of substantial change, overseeing the transformation of the business from a largely domestic business to a global multi-boutique diversified financial services business. The Board is appreciative of Mr Adams' tenure and the contribution that he has made to the Group.

Mr Adams and Perpetual have agreed his retirement terms and in relation to his availability during the transition period of the Transaction, and they are as follows.

- Mr Adams will serve out the notice period in his contract by taking gardening leave from 1 October 2024 until 31 December 2024 or a later date set by the Chairman but no later than nine months from 1 October 2024, and this will be his termination date.
- Mr Adams' entitlements up to and at the termination date are set out in 1.4 below and follow his contractual and legal entitlements. His vested and unvested equity will vest (and be subject to meeting any hurdles) in accordance with the terms of those grants under their relevant plans.

Incoming CEO

On 21 August 2024, Perpetual announced the appointment of Mr Bernard Reilly as the new CEO and Managing Director of Perpetual Limited, with a commencement date of 2 September 2024. Having started his career in portfolio management, Mr Reilly has extensive first-hand experience in managing client monies and a strong understanding of the challenges facing the asset management sector. Mr Reilly has a deep understanding of global asset management as well as strong operational experience and oversight of complex M&A transactions. As an experienced leader and business builder, Mr Reilly has earnt the respect of the market, and the Board is pleased he will bring his talents to Perpetual.

Mr Reilly's appointment is to head the new and separated Asset Management company. Leading up to the completion of the Transaction, Mr Reilly will also carry overall duties in relation to the whole of the company. Mr Adams will remain available to assist in the transition. Mr Reilly's contract terms are set out in 1.5 below and are commensurate with the resized company going forward post the Transaction.

These terms were announced in the ASX release[1] of 21 August 2024.

1. https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02840919-2A1542074&v=fc9bdb61fe50ea61f8225e24ce041a0e155a9400.

Changes to Board composition and fees in FY24

Mr Philip Wagstaff was appointed to the Perpetual Limited Board effective 1 November 2023, filling the position vacated by the retirement of Ms Kathryn Matthews in FY24.

As foreshadowed in the FY23 Remuneration Report, in recognition of the increased oversight requirements required of the Board during a period of substantial business transformation, for FY24 the Board established two new committees to assist in directing focus to key areas requiring specific oversight – a Board Integration Committee, focused on integration activities associated with the Pendal Group acquisition, and a Board Technology and Cyber Security Committee. With the formal integration of Pendal Group essentially complete, the Board Integration Committee ceased on 31 July 2024 and was replaced by the Board Implementation Committee, established to oversee the implementation of the Transaction.

No other changes were made to Non-Executive Director fees for FY24 outside of the appointment of Mr Greg Cooper to the newly created role of Deputy Chairman, to assist with the Asset Management business and to chair the sub-committee to recruit a new CEO of Asset Management, with effect from 8 May 2024.

Changes to Board composition in FY25

On 29 August 2024, Perpetual announced additional changes to its Board of Directors as it prepares for Transaction implementation and transitioning to a single purpose Asset Management business.

- Perpetual Chairman Mr Tony D'Aloisio AM intends to retire from the Perpetual Board following Transaction implementation scheduled for early 2025. Mr Cooper, appointed Deputy Chairman in May 2024, will assume the role of Chairman on Mr D'Aloisio's retirement.
- Independent Non-Executive Directors, Mr Ian Hammond and Ms Nancy Fox AM, will retire at the Annual General Meeting (AGM) on 17 October 2024 in accordance with Perpetual's Board rotation policy.
  - Ms Fiona Trafford Walker will Chair the PARC following Ms Fox's retirement at the AGM.
  - Perpetual is well advanced with the recruitment of an Independent Non-Executive Director to replace Mr Hammond as Chair of the ARCC. Perpetual is in the final stages of that appointment and will make the announcement in time for voting at the AGM.

Conclusion

On behalf of the Board, I would like to thank shareholders and other stakeholders for your valuable feedback and ongoing dialogue on our remuneration approach. We recognise that FY24 was a challenging year for shareholder returns and we have aimed to balance shareholder interests whilst ensuring that our team is remunerated such that your company has the best possible opportunity to deliver on our strategic goals.

Yours sincerely,

Nancy Fox

Nancy Fox
Chair, People and Remuneration Committee

Directors' Report
for the year ended 30 June 2024

Contents

1. KEY MANAGEMENT PERSONNEL AND EXECUTIVE SUMMARY

1.1 Key Management Personnel for FY24

NAME	POSITION	TERM AS KMP IN FY24
Executive KMP		
CEO and Managing Director		
Rob Adams	Chief Executive Officer and Managing Director	Full year
Group Executives		
Alexandra Altinger	Chief Executive, Asset Management, UK, Europe and Asia (EUKA)	Partial Year[1]
Amanda Gazal	Chief Integration Officer	Partial Year[2]
Amanda Gillespie	Chief Executive, Asset Management Australia	Partial Year[1]
Chris Green	Chief Financial Officer	Full year
Craig Squires	Chief Operating Officer	Partial Year[3]
David Lane	Chief Executive, Asset Management, Americas	Partial Year[4]
Mark Smith	Chief Executive, Wealth Management	Full year
Richard McCarthy	Chief Executive, Corporate Trust	Full year
Sam Mosse	Chief Risk and Sustainability Officer	Full year
Non-Executive KMP		
Non-Executive Directors		
Tony D'Aloisio[5]	Chairman	Full year
Gregory Cooper	Deputy Chairman[6]	Full year
Christopher Jones	Independent Director	Full year
Fiona Trafford-Walker	Independent Director	Full year
Ian Hammond[8]	Independent Director	Full year
Kathryn Matthews	Independent Director	Partial Year[7]
Mona Aboelnaga Kanaan	Independent Director	Full year
Nancy Fox[8]	Independent Director	Full year
Philip Wagstaff	Independent Director	Partial Year[9]

1. Alexandra Altinger and Amanda Gillespie ceased in their role as KMP of Perpetual Limited on 24 August 2023 following the announcement of changes to the Asset Management leadership structure.
2. Amanda Gazal ceased in her role as KMP of Perpetual Limited on 1 November 2023, following her resignation from the business to take on a new external opportunity.
3. Craig Squires commenced as a KMP of Perpetual Limited on 1 November 2023, being appointed as Chief Operating Officer, following the departure of Ms Gazal.
4. David Lane ceased as a KMP on 24 August 2023 and commenced gardening leave until his separation on 23 December 23.
5. As announced on 29 August 2024, Tony D'Aloisio intends to retire from the Perpetual Board following implementation of the Scheme of Arrangement with KKR in early 2025.
6. Gregory Cooper was appointed to the role of Deputy Chairman on 8 May 2024 as an outcome of the strategic review. As announced on 29 August 2024, Mr Cooper will assume the role of Chairman on Mr D'Aloisio's retirement.
7. Kathryn Matthews ceased as a director on 19 October 2023.
8. As announced on 29 August 2024, Ian Hammond and Nancy Fox will retire at the AGM on 17 October 2024 in accordance with Perpetual's Board rotation policy.
9. Philip Wagstaff joined the Perpetual Limited board as a non-executive director on 1 November 2023.

1.2 Changes to Executive KMP fixed remuneration and target Variable Incentive levels in FY24 and FY25

- As foreshadowed in the FY23 Remuneration Report, aggregate fixed remuneration increases for Executive KMP of 1.1% were agreed as part of the year-end process and took effect from 1 September 2023. Variable Incentive targets remained largely unchanged, with the exception of a rebalancing for one KMP, which resulted in an aggregate net increase of 0.2% to KMP Variable Incentive Targets. No changes were made to the CEO and Managing Director's fixed remuneration or target Variable Incentive.
- The Chief Executive, Wealth Management was awarded a fixed remuneration increase from $650,000 to $730,000 with an effective date of 1 January 2024.
- No fixed pay increases or changes to target Variable Incentives have been made for Executive KMP for FY25.
- Section 8 of this report provides detailed information on individual Executive KMP remuneration levels.

1.3 Perpetual's Strategic Review and impacts to Executive KMP remuneration for FY24

In December 2023, Perpetual Limited announced a strategic review of the business, with a potential outcome being, subject to regulatory and shareholder approval, a separation of the Wealth Management and Corporate Trust businesses, creating a more focused Asset Management business. On 8 May 2024, Perpetual Limited announced that it had entered into a Scheme Implementation Deed (SID) with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR) pursuant to which KKR will acquire Perpetual's Corporate Trust Business and Wealth Management Business by schemes of arrangement.

Executive KMP retention and Variable Incentive outcomes for FY24

To ensure the stability of the leadership team over a period of substantial uncertainty for each of the businesses, one-off conditional cash retention awards and minimum Variable Incentive levels for FY24 were put in place for each member of the Executive KMP (excluding the CEO and Managing Director).

Why were the arrangements put in place?

- The Board viewed that stability in leadership during the strategic review was critical to being able to deliver attractive outcomes for shareholders and for managing the considerable uncertainty of the review across deeper levels of the business. It also took into account the critical period in which the business was executing on the continued integration of Pendal Group.
- Further, under certain strategic review scenarios, Executive KMP positions had the potential to be materially changed, divested from the Perpetual Group or otherwise impacted. Therefore, in the Board's business judgment, the retention payments offered were important to demonstrate stability in leadership for both employees and prospective counterparties through the review process and to execute on critical process and system changes arising from any potential transaction and separation.

Individual retention arrangements for Executive KMP (excluding the CEO and Managing Director)

- The one-off retention payments set out in the table below will be paid in cash in December 2024, subject to the member of the KMP not having given notice of resignation or retirement, complying with all Perpetual policies and meeting satisfactory performance objectives as assessed by the Board, in its discretion, prior to the payment date.
- All KMP were considered to have an elevated retention risk following the announcement of the strategic review. An increase in proactive market approaches to key employees and teams in each business, including specific targeted approaches to current members of the KMP following the announcement of the review, validated this view for the Board. These retention awards were put in place at the start of the strategic review process and well before the outcomes of that process were known. The time horizon for payment was set far enough away so that the outcomes and initial instability from the review were likely known or settled, but near enough to act as effective retention.
- The retention amounts for each KMP were agreed with consideration given to their existing target total compensation opportunity and an assessment of each individual's retention risk.
  - For all KMP except Mr Smith and Mr McCarthy, individual retention awards represent an amount equal to their target Cash Variable Incentive or one-third of their total annual target Variable Incentive.
  - KMP leading the Wealth Management and Corporate Trust businesses were considered to pose higher retention risk given a potential outcome of the strategic review was the separation of Wealth Management and Corporate Trust businesses. To reflect the elevated risk in those businesses, more substantial retention awards were agreed for the Chief Executive of Wealth Management (Mr Smith) and the Chief Executive of Corporate Trust (Mr McCarthy). These were considered in the context of the impact of the potential departures of those individuals and the adverse impact that could have on the prospective value of the Wealth Management and Corporate Trust businesses under a sale scenario.

- In addition, minimum conditional Variable Incentive levels for the Cash and Unhurdled Equity components of the plan in FY24 were agreed. The FY24 variable incentive awards remained subject to each Executive KMP meeting agreed performance and risk objectives which were reviewed by the PARC and Board as part of the year end process. The conditional variable incentive of 80% of target or 46% of max (or 100% and 57% respectively for Mr Smith) was set at a level that the Board viewed as reasonable, bearing in mind the impact of the strategic review process on the business and the executives, while still allowing considerable upside for strong performance outcomes.
  - The Board determined that in consideration of performance against the Group scorecard (including the non-cash impairment of JO Hambro and TSW), contributions to the strategic review, and performance against agreed individual and divisional performance objectives (including risk performance), that the conditional minimum FY24 Variable Incentive levels agreed in December 2023 would be awarded. Section 7 of this Remuneration Report provides more detail on Perpetual's business performance and Executive KMP Variable Incentive outcomes for FY24.
  - Section 7 of this Remuneration Report provides more detail on Perpetual's business performance and Executive KMP Variable Incentive outcomes for FY24.

KMP	POSITION	ONE-OFF CONDITIONAL CASH RETENTION AWARD	CONDITIONAL MINIMUM FY24 VARIABLE INCENTIVE AWARD (% OF TARGET)	CONDITIONAL MINIMUM FY24 VARIABLE INCENTIVE AWARD (% OF MAXIMUM)
Mark Smith	Chief Executive, Wealth Management	$1,500,000	100%	57%
Richard McCarthy	Chief Executive, Corporate Trust	$700,000	80%	46%
Chris Green	Chief Financial Officer	$375,000	80%	46%
Sam Mosse	Chief Risk and Sustainability Officer	$275,000	80%	46%
Craig Squires	Chief Operating Officer	$250,000	80%	46%
Total		**$3,100,000**		

1.4 Separation details for departing CEO and Managing Director

Mr Adams and Perpetual have agreed the following which provides continued access to Mr Adams in the transition period with the new CEO and completion or substantial completion of the Transaction. The key separation terms are as follows.

- Mr Adams will be on gardening leave from 1 October 2024, which will continue for up to nine months (in accordance with the notice period in his contract) or such earlier date as set by the Chairman. If that date is earlier than nine months, then Mr Adams will receive a lump sum for the balance of the notice period paid in lieu.
- Mr Adams will receive on the termination date a redundancy payment expected to be $471,230 based on his termination date, in accordance with Perpetual's redundancy policy. As we outlined on 8 May 2024, his Group position would no longer be relevant post the Transaction.
- As Mr Adams served a full FY24 and will serve to 30 September 2024 and be available for nine months, the following was agreed with him in relation to potential entitlements under his contract of employment in relation to Variable Incentive and Hurdled Equity incentives for FY24 and FY25.
  - For the FY24 Variable Incentive, Mr Adams will receive a Cash Variable Incentive of $520,000 and an Unhurdled Variable Incentive of $880,000, which was equal to 80% of target or 46% of maximum.
  - No Hurdled Variable Incentive will be awarded for FY24.
  - No Cash, Unhurdled or Hurdled Variable Incentive will be awarded for FY25.
- Under existing plans Mr Adams has unvested equity incentives. These will be treated in-line with the original terms and conditions of each offer. Any equity incentives that do no lapse will remain in the plan, with applicable hurdles and other vesting conditions continuing to apply.
- Mr Adams will receive his statutory entitlements on termination.

1.5 Incoming CEO and Managing Director – key terms of employment

On 21 August 2024, Perpetual announced the appointment of Mr Bernard Reilly as the new CEO and Managing Director of Perpetual Limited, with a commencement date of 2 September 2024. Mr Reilly's contract terms are set out in the table below and are commensurate with the resized company going forward post the Transaction.

	OUT-GOING CEO MR ROB ADAMS	INCOMING CEO MR BERNARD REILLY	RATIONALE
Notice period	9 months by either party	12 months by either party	Minor changes relative to outgoing CEO, made to align to Perpetual's preference
Non-solicit period	12 months from termination date	12 months from termination date	
Non-compete period	12 months from the date notice is given or from termination date subject to treatment of notice	12 months from the date notice is given	
Sign-on award	$900,000 in restricted shares vesting after 24 months and 48 months from commencement	No sign on	No sign on, however, an initial award of Hurdled Equity with a face value of $1,000,000 will be made following Transaction Implementation. See the Notice of Meeting for further information
Fixed Remuneration	$1,302,776	$1,000,000	Reflects reduced size and more focused nature of business
Cash Variable Incentive Target	$650,000	$500,000	Reflects reduced size of business and desire to have greater proportion of Total Compensation allocated as Hurdled Long-Term Incentive
Unhurdled Equity Variable Incentive Target (Deferred Short Term Incentive)	$1,100,000	$500,000	
	Allocated as Unhurdled Share Rights, vesting after two years and converting into Restricted Shares for an additional two-year period		No change
Hurdled Equity Variable Incentive (Long Term Incentive)	Face Value – $1,100,000	Face Value – $1,000,000	Higher proportion of Total Compensation allocated as Hurdled Long-Term Incentive
	CAGR Absolute TSR – 50% tested after 3 years and 50% tested after 4 years		No change
	Subject to requisite hurdles being met, Rights will vest into Shares. Any Rights that vest after three years will be restricted from sale for a further year		No change

In terms of allocation dates and shareholder vote for the proposed initial allocation of Hurdled Equity.

- Shareholders will be asked to approve the incoming CEO's initial Hurdled Equity allocation at this year's AGM and further details will be available in the Notice of Meeting.
- The Hurdled Equity award will have an allocation date aligned to the separation and commencement of the stand-alone and focused Asset Management business. The number of Rights will be calculated using the 5-day Volume Weighted Average Price up to and including the allocation date, which will be immediately following implementation of the Transaction. The relevant CAGR absolute TSR condition attached to the vesting of this award will align to the existing CAGR absolute TSR scale outlined in Section 6.2 of this report.
  - 50% of the award will be tested on 1 September 2027 (3 years from commencement), and subject to meeting the required hurdle, will vest into Restricted Shares for an additional 12-month period.
  - 50% of the award will be tested on 1 September 2028 (4 years from commencement), and subject to meeting the required hurdle, will vest into Unrestricted Shares.
- The number of Rights will be calculated using the 5-day Volume Weighted Average Price up to and including the Allocation Date. The relevant CAGR absolute TSR condition attached to the vesting of this award will align to the existing CAGR absolute TSR scale outlined in Section 6.2 of this report.

1.6 Arrangements for Executive KMP who joined or ceased in FY24

EXECUTIVE KMP	TREATMENT
Alexandra Altinger	– As foreshadowed in the FY23 Remuneration Report, Ms Altinger ceased employment duties with Perpetual on 24 August 2023. Ms Altinger received a severance payment in-line with policy. – Ms Altinger's Hurdled Growth Long Term Incentive was forfeited at the date of termination. This was deemed appropriate due to her short tenure as a Perpetual KMP and limited ability to impact the hurdle conditions. Other unvested equity incentives remained in the plan and will be tested and vest at the relevant vesting date subject to meeting the applicable hurdles attached to each tranche of equity. – No Hurdled Variable Incentive equity award was made to Ms Altinger in 2023.
David Lane	– As foreshadowed in the FY23 Remuneration Report, Mr Lane was not able to relocate to the United States due to personal and family reasons and ceased employment duties with Perpetual Limited on 24 August 2023. Details of Mr Lane's separation were included in the FY23 Remuneration Report.
Amanda Gazal	– Ms Gazal resigned from Perpetual Limited and ceased to be a KMP from 1 November 2023. – All unvested equity incentives were forfeited in line with the terms and conditions of the Variable Incentive plan and the Hurdled Growth Long Term Incentive. – Rights from the FY21 Variable Incentive Plan that had vested but were subject to a holding lock, have remained in the plan with the holding lock continuing to apply. – No additional payments were made outside payment of statutory benefits.
Craig Squires	– Following the resignation of Ms Gazal, Mr Squires was promoted to the role of Chief Operating Officer effective 1 November 2023. – Mr Squires will participate in Perpetual's KMP Variable Incentive Plan with effect from his commencement in the role, meaning his FY24 Variable Incentive award will be pro-rated from his commencement as a KMP of Perpetual Limited.

1.7 Vesting outcomes for Hurdled Equity

Lapsing of FY19 CEO Hurdled Equity award (4-year tranche) and FY20 KMP Hurdled Equity award (3-year tranche)

- The four-year tranche of the CEO's FY19 Hurdled Equity allocation was tested in September 2023 and did not meet the threshold CAGR absolute TSR hurdle range of 7-10% required for vesting. As a result, this tranche of the CEO's FY19 Hurdled Equity allocation lapsed and will not be retested.
- The three-year tranche of the CEO and Executive KMP FY20 Hurdled Equity allocation was also tested in September 2023 and did not meet the CAGR absolute TSR hurdle range of 7-10% required for vesting. As a result, this tranche of the CEO and Executive KMP FY20 Hurdled Equity allocation lapsed and will not be retested.
  - As a reminder, in response to the unfolding COVID-19 pandemic and the associated business conditions at the time, the Perpetual Limited Board made the decision to allocate CEO and KMP Variable Incentive awards for FY20 exclusively as Hurdled Equity.
- Further information is available in Section 7.7.

Testing of the FY20 Hurdled Equity award (4-year tranche) and FY21 Hurdled Equity award (3-year tranche)

- In September 2024, the following Hurdled Equity awards will be tested against their respective hurdles. It should be noted that based on Perpetual's share price as at 30 June 2024, both tranches are expected to lapse in full. Given no Cash Variable Incentive or Unhurdled Variable Incentive were awarded to the CEO or Executive KMP in respect of FY20, and both tranches of Hurdled Equity are expected to lapse in full, this means that no value was realised by the CEO or Executive KMP in respect of the FY20 Variable Incentive.

ALLOCATION	DETAILS
FY20 Hurdled Equity allocation (4-year tranche)	– The four-year tranche of the KMP FY20 Hurdled Equity allocation is due to be tested against the CAGR absolute TSR hurdle in September 2024. All KMP moved onto the Hurdled Equity structure of the combined Variable Incentive with effect from FY20 (the CEO and Managing Director had already moved to this structure in FY19).
FY21 Hurdled Equity allocation (3-year tranche)	– The three-year tranche of the KMP FY21 Hurdled Equity allocation is due to be tested against the CAGR absolute TSR hurdle in September 2024.

1.8 Non-Executive Director fees

Total remuneration available to Non-Executive Directors is $3.5m (the NED Fee Cap). Total fees paid to NEDs in FY24 of $2.3m remain well below the shareholder approved NED Fee Cap.

Changes to Non-Executive Directors and base fees in FY24

– Mr Wagstaff was appointed to the Perpetual Limited Board effective 1 November 2023, filling the position vacated by the retirement of Kathryn Matthews in FY24. Alongside Mr Wagstaff's appointment, a new base fee schedule was agreed for independent UK-based Non-Executive Directors in local currency.
– Mr Cooper was appointed to the newly created role of Deputy Chairman, with effect from 8 May 2024. A revised base fee of $225,000 per annum was agreed for this position given the expected workload needed to establish the stand-alone Asset Management business following the proposed separation of Corporate Trust and Wealth Management.

Board Committee and Fee Changes

– As foreshadowed in the FY23 Remuneration Report, in August 2023, the Perpetual Limited Board approved the formation of a Technology and Cyber Security Committee and an Integration Committee. Fees payable for these committees align to the fees previously agreed for the Board Investment Committee. As intended, with Pendal integration activities now essentially complete, the Board Integration Committee ceased on 31 July 2024.
– Following the completion of the strategic review, a new Board Implementation Committee was formed on 25 June 2024 (with fees payable from 1 August 2024) to oversee the separation of the Corporate Trust and Wealth Management businesses. Fees for this Committee align to those agreed for the Board Investment Committee, the Technology and Cyber Security Committee and the Integration Committee.
– No other changes were made to Non-Executive Director fees for FY24 or FY25. It is expected that Board composition and associated fee levels will be reviewed prior to the intended completion of the separation of Perpetual's Corporate Trust and Wealth Management businesses.

On 29 August 2024, Perpetual announced additional changes to Board composition. These are summarised in the Chair's introductory letter.

Further detail is available in Section 9.

2. GOVERNANCE

2.1 The People and Remuneration Committee

The PARC is a committee of the Board and is comprised of independent Non-Executive Directors. Operating under delegated authority from the Board, the PARC evaluates and monitors people and remuneration practices to ensure that the performance of Perpetual Group is optimised with an appropriate level of governance while balancing the interests of shareholders, clients and employees. The PARC's terms of reference were most recently updated in June 2024 and are available on our website.[1] The terms of reference are intentionally broad, encompassing remuneration as well as the key elements of Perpetual's people and culture strategy. This enables the PARC to focus on ensuring high quality talent management, succession planning and leadership development at all levels of Perpetual.

The PARC met nine times during the year (including two special meetings related to the strategic review), with attendance details set out on page 24 of this Directors' Report. A standing invitation exists to all Non-Executive Directors to attend PARC meetings. At the PARC's invitation, the CEO and Managing Director and the Chief People Officer attended meetings, except where matters associated with their own performance evaluation, development or remuneration were considered. The PARC considers advice and views from those invited to attend meetings and draws on services from a range of external sources, including remuneration advisers where considered appropriate.

2.2 Use of external advisers

The PARC engages independent external advisers to provide market practice information and commentary where viewed to be necessary. During FY24, the PARC engaged a range of legal, tax and strategic advisers to provide market practice information and other specialist knowledge and information, particularly in relation to equity incentives. The information provided did not include any specific recommendations in relation to the remuneration or fees paid to KMP.

1. https://www.perpetual.com.au/globalassets/_au-site-media/01-documents/04-group/02-governance--policy/2024/parc-terms-of-reference---approved-june-2024.pdf

3. OUR PEOPLE

Our people and culture strategy is focused on enabling Perpetual and our people to do great things and grow. FY24 saw an increased emphasis on delivering a positive employee experience, enhancing our leadership capability, and supporting our people during times of significant change. A priority has been the smooth integration to bring together the Perpetual Group and Pendal Group businesses. Work has also continued to make Perpetual a great place to work and bring to life our people promise and purpose.

Our People Promise

Our purpose

To create enduring prosperity

1 Join a trusted brand with respected expertise

- Iconic and respected 135+ year-old brand with a proven track record
- Consistent fund management performance and expertise
- Four generations of clients
- Opportunity to learn from the best

2 Thrive at work and home

- We invest in the wellbeing of our people so that they can be their best selves at work and at home
- Wellbeing programs and initiatives that enhance physical, mental, social and financial wellbeing
- Programs that support our people through different age and life stages
- Market leading parental leave scheme and support for carers

3 Be part of a growing global team

- A growing global brand and team – offices in Australia, Asia, UK, Europe and USA
- Access to global career pathways and mobility opportunities
- Learn from experts in our global markets

4 Experience a collegial and inclusive culture

- Collaborative teams
- Leaders who encourage innovation, learning and empowerment
- Authentically inclusive environment – not just lip service
- Diversity and inclusion is highly valued and there are numerous employee-led D&I networks
- Strong commitment to flexibility and hybrid working

5 Make a difference

- Giving back is part of our Perpetual Group DNA. As one of Australia's largest managers of philanthropy funds, we have a strong commitment to supporting the communities within which we live and work
- Strong and longstanding community partnerships and commitment to sustainability
- Partner with clients as a trusted adviser and make a difference to their lives
- Contribute openly and have a voice at the table
- Broad, varied and meaningful roles
- Contribute to the Perpetual Group purpose of enduring prosperity

6 Grow your career

- Be challenged and supported to grow
- Strong self-led learning culture
- Leadership development, mentoring programs and secondment opportunities to support our people to grow

Developing our future leaders and building high performance teams

Perpetual offers a range of leadership and learning opportunities for our people with the aim of building a high-performance culture. In FY24, over 500 people participated in High Performance Teams workshops across Australia. A key focus of these workshops was building the confidence and capability of our people leaders to effectively lead their teams through times of change. This was supported through our enterprise-wide LinkedIn Learning offering, which provides our global workforce with access to thousands of professional and personal development resources. In FY24, our workforce viewed over 30,000 learning videos, with an average of 2.5 hours of learning per viewer.

In FY24, we delivered the inaugural Perpetual Talent Accelerator – a twelve-month talent development program investing in Perpetual's future leaders. We partnered with Bendelta to deliver a high-quality program comprised of, leadership development workshops, 360-degree feedback surveys, online learning pathways and executive coaching. The program received a Net Promoter Score of 78 from people leaders of program participants, and 97% of participants reported an improved understanding of leadership and increased ability to apply new skills acquired through the program.

Supporting our people to manage through change

Perpetual is focused on supporting our people through a period of substantial change, including the Pendal Group integration and the lead up to the planned divestment of the Perpetual Corporate Trust and Perpetual Wealth Management businesses. Several change interventions were implemented in FY24 to support employee engagement, productivity, performance, and morale.

- Monitoring of employee sentiment through Group-wide pulse surveys, providing key metrics for Perpetual to track employee feedback, and actionable insights to enhance the employee experience.
- People Leader change leadership workshops, people leader change support guides, LinkedIn Learning change leadership learning pathways and increased coaching and support for leadership teams.
- Offering the Headspace mindfulness and meditation app to all employees of Perpetual Group.
- Delivery of high-performing team forming programs for new people leaders and new and blended teams coming together following the Pendal Group integration.

Commitment to Diversity and Inclusion

Perpetual has a longstanding commitment to embracing diversity and fostering an inclusive environment. In FY24, 74% of Perpetual Group employees agreed or strongly agreed that Perpetual cultivates an inclusive environment accepting of diverse views and individual differences. Flexibility is a key component of our employee experience and integral to creating an inclusive workplace culture. In FY24, 81% of Perpetual Group employees agreed or strongly agreed that they have the flexibility that they need to manage their work and other commitments.

Perpetual's Diversity and Inclusion (D&I) Council is chaired by Rob Adams, Perpetual's Group CEO, and is responsible for the delivery of Perpetual's D&I strategy, which has three strategic goals – inclusion, equity and identity.

Key achievements of the D&I strategy in FY24 include the following.

- Achievement of Asia Pacific 40% Women in Leadership Target.
- Development of a Gender Affirmation policy by Perpetual's Pride Network.
- An increase in the number of males who took parental leave. In FY24, 56% of employees utilising the benefit were male.
- Perpetual's WGEA Employer of Choice citation for Australia (maintained each consecutive period since 2018).
- Continued Jawun partnership and secondment program, provision of two six-week secondees to remote indigenous communities in FY24.
- Celebration of Harmony Day staff events held locally in our Australian offices.
- Our J O Hambro business continues to support the #10000InternsProgramme, championing under-represented diverse talent at scale, by offering paid internships across a range of business functions.
- J O Hambro is participating for a second year in the Diversity Project Pathway Programme to foster female portfolio manager talent. Four participants from J O Hambro and Regnan have participated in the program to date.
- J O Hambro team's employee resource group, JOLean, is dedicated to fostering leadership, personal and professional advancement and inclusion for women in the workplace.
- Our Barrow Hanley boutique partnered with Girl Scouts of America and Women in Governance, an organisation that supports women in their career advancement, on their gender parity initiative. This program is designed to ensure women hold 30% of leadership roles and earn equal pay for equal work by 2030 and have earned the Fair Play, Equal Pay Gender Parity Certification.
- Barrow Hanley has set hiring goals for roles where women are underrepresented and has an associate analyst program to increase diversity in investment-focused roles.
- At Trillium, over 50% of employees are women and 35% of their leadership are women. Trillium have expanded employee benefits, including additional leave for care givers, resources to support employees in accessing reproductive healthcare and a formalised hybrid work model.

Taking action on Perpetual's organisational gender pay gap

A key component of Perpetual's gender equality strategy is monitoring and taking action to reduce our gender pay gap. In February 2024, the Workplace Gender Equality Agency (WGEA) publicly released median organisational gender pay gaps for all private sector organisations with more than 100 Australian employees. Perpetual reported an overall median gender pay gap of 27.4% (Australia only), slightly above the Financial and Insurance Services median gender pay gap of 26.1%.

The absolute gender pay gap represents the difference between the earnings of women and men, expressed as a percentage of men's pay. Importantly, the absolute gender pay gap is different from like-for-like gender pay equity, which refers to women and men being paid the same for performing the same role. Perpetual is confident it does not have any systemic gender pay gaps when it comes to comparing like-for-like roles, and analysis is conducted to measure and monitor both our overall gender pay gap and like-for-like gender pay gap.

Two key drivers for the overall gender pay gap are: (i) women's representation in senior leadership roles; and (ii) women's representation in Asset Management roles. We are focusing on representation of women in these areas through dedicated targets and initiatives to increase representation by women in leadership roles to 40%, and women in Asset Management to 25% by the end of FY24. Although these targets were originally developed for Australia, tracking and reporting has been expanded globally following the acquisition and integration of our global boutiques. Positively, Perpetual successfully achieved 40% women in leadership in Australia, supported by accountability and rigour in hiring processes for senior roles and regular monitoring and reporting of progress and opportunities in this cohort. Global progress remains slower, currently 36% women in leadership, and Perpetual remains focussed on embedding targets and initiatives across our global boutiques. Perpetual's women in Asset Management target of 25% was not met in Australia (19%) or globally (21%). In Australia, voluntary turnover rates among women are proportionally higher than men, which research indicates may be due to 'talent poaching' due to strong demand for women[1]. Global representation by women will remain a key imperative as Perpetual builds an Asset Management focussed approach to gender equality in FY25.

In addition to these targets, Perpetual has a dedicated gender equality strategy that seeks to attract, retain and develop women at Perpetual. With the support of our leaders, Perpetual's Diversity and Inclusion Council, and our people, we have implemented policies and initiatives that target systemic barriers to gender equality. Examples of this in Australia include the implementation of a 20-week gender-neutral parental leave policy, offering wellbeing leave to all employees in addition to annual leave, and maintaining a flexible working approach that empowers our people to "work where we work best". We are also proud to have longstanding partnerships with organisations and not-for-profits that strive to enhance professional opportunities for women, including Women in Banking and Finance, Jawun, Future IM/Pact and F3 (Future Females in Finance).

We recognise that there is still a way to go before we achieve gender equality and eliminate the gender pay gap and we continue to strive to target barriers that contribute towards lasting change for our people and the broader industry.

4. OUR REMUNERATION PHILOSOPHY AND STRUCTURE

Perpetual's remuneration philosophy is designed to enable the achievement of our business strategy, ensure that remuneration outcomes are aligned with best interests of our shareholders, clients and community and are market competitive. To that end, we have created a set of guiding principles that direct our remuneration approach.

4.1 Global Remuneration principles

Our remuneration policy is designed around six guiding principles, which aim to:

1. attract, motivate and retain the desired talent within Perpetual;
2. balance value creation for shareholders, clients and employees;
3. facilitate the accumulation of Perpetual equity or investments in product to drive an ownership mentality and long-term alignment of interests;
4. embed and encourage sound risk management, behaviours and conduct;
5. be simple, transparent, equitable and easily understood and administered; and
6. be supported by a governance framework that avoids conflicts of interest and ensures proper controls are in place.

1. Future IM/Pact, *Path to Parity: progress towards gender equality in Australian investment teams* (2024).

4.2 Remuneration policy and practice

CEO and other Executive KMP remuneration

Perpetual has a transparent remuneration model that is aligned to our business strategy and supports the attraction and retention of talent. Each Executive KMP has a target Variable Incentive amount that will form the starting basis for the Board's determination of each year's allocation.

FIXED VS. VARIABLE	COMPONENT	CASH VS. EQUITY	EXPLANATION OF COMPONENT	APPROACH FOR FY24
Fixed	Fixed reward	Paid as cash	Set in consideration of the total target remuneration package and the desired remuneration mix for the role, taking into account the remuneration of market peers, internal relativities and the skills and expertise brought to the role. Calculated on a "total cost to company" basis, consisting of cash salary, superannuation, and in Australia, packaged employee benefits and associated fringe benefits tax.	No change.
Variable Incentive (subject to group scorecard prior to allocation)	Cash	Paid as cash	Each participant has a Variable Incentive target, expressed as a defined dollar target amount. Annual Variable Incentive outcomes are linked to performance against key business metrics directly linked to our strategy. The Variable Incentive is awarded as a mix of Cash and Unhurdled Equity. The Unhurdled Equity component is awarded as Share Rights, which vest after two years into Restricted Shares for a further two years.	To ensure the stability of the leadership team over a period of substantial uncertainty while the strategic review was undertaken, the outcome of the review was announced, and any potential Transaction effected, one-off conditional minimum Variable Incentive levels for FY24 were put in place for each member of the Executive KMP (excluding the CEO and Managing Director), subject to meeting agreed performance expectations.
	Unhurdled Equity	Awarded as equity		
Variable Incentive (not subject to Group scorecard prior to allocation)	Hurdled Equity (TSR performance hurdle and performance range of 7–10% CAGR)	Awarded as equity	The Hurdled Equity component is awarded in the form of Performance Rights (subject to performance hurdles of absolute total shareholder return) which vests equally over three and four years (with any vested equity tested after three years restricted for a further year). The emphasis on equity ensures that Variable Incentive outcomes are linked to shareholder experience through reinforcing long-term ownership of Perpetual shares.	No Hurdled Variable Incentive equity awards will be made in September 2024 for the CEO and Managing Director. The Board intends to undertake a review of the KMP Variable Incentive framework in the context of the proposed Transaction and may make changes to the KMP Variable Incentive framework for FY25.

Asset Manager remuneration

Asset Manager remuneration aligns to Perpetual's performance-based remuneration philosophy and principles. Perpetual seeks to align asset manager remuneration with longer-term value creation for our clients, which in turn is expected to benefit shareholder outcomes.

COMPONENT	EXPLANATION OF COMPONENT
Structure of Asset Manager incentive schemes	– While the arrangements in place vary across investment teams and boutiques, the following structural features generally apply. – Remuneration arrangements for more senior Asset Managers are typically structured to recognise and reward growth and retention of revenue or manageable profit of the strategies they support. In some instances, this results in an agreed revenue or pre-bonus profit sharing rate between Perpetual and the Asset Manager or team. – Incentive arrangements within certain boutiques are funded based on the financial performance of the boutique. In some instances, adjustments are also made for investment performance, growth goals and other strategic focus areas (including risk overlays). – For research roles and analysts, individual performance is generally assessed with reference to stock recommendations, attribution to performance and ultimate investment performance against agreed investment targets, measured over a range of time horizons. – Some funds attract performance fees. In the event an investment strategy exceeds a pre-determined performance hurdle for a specific fund over the measurement period (generally over either a 6 or 12-month period) a performance fee is paid by the client. In some instances, the performance fee is shared between the Asset Management team and Perpetual.
Deferral/LTI arrangements	– Generally, Asset Managers have a portion of their variable remuneration awarded as either deferred short-term incentives (STI) or long-term incentives (LTI) each year. This cycle of rolling awards ensures retention arrangements are in place and avoids cliff vesting events. – For most Asset Managers, deferred incentives can be invested into either company equity or units in funds that they are responsible for, further aligning Asset Managers to client outcomes and shareholder interests. – Within Barrow Hanley, an agreed portion of the bonus pool is distributed as unit interests in Barrow Hanley.

General employee remuneration

Perpetual employees globally receive salary, a competitive retirement offering and are commonly eligible to receive an STI or bonus. In addition, Perpetual offers a comprehensive range of employee benefits across wealth, health and lifestyle categories in the geographies where staff are employed.

Performance against the Group and divisional balanced scorecards and other factors determines the size of the bonus pool for each division. An individual's performance rating is determined based on performance against objectives agreed at the commencement of the performance year. An individual's bonus outcome is generally based on this performance rating, which is reflective of performance against goals in an individual scorecard, demonstration of Perpetual's expected behaviours and an employee's approach to the management of risk.

Most sales employees globally participate in Perpetual's Group short term incentive plan. Where discrete sales plans exist, they are designed to reward performance specifically for business development managers who work within boutique sales teams or where required to be competitive with local market conditions. Awards are determined based on a range of factors, including client retention, actual sales performance, cross-selling and other team behaviours.

Former Pendal Group bonus plans and transition to equivalent Perpetual plans

For Group employees, Perpetual has largely completed harmonisation of global variable incentive schemes to equivalent Perpetual schemes. Some remaining differences in deferral arrangements are expected to be harmonised by the end of FY25.

Details of equity-based remuneration

Some senior employees are also eligible to participate in Perpetual's Long Term Incentive plan. Perpetual's Long Term Incentive plan offers either Restricted Shares or Performance Rights to employees, generally vesting over a three-year period from the grant date. The number of shares allocated to employees at grant date is based on the value of the equity award they received as part of their variable reward outcome or other incentive arrangements.

Note: given the upcoming separation of the Corporate Trust and Wealth businesses, it is expected that, outside of awards to KMP and the Executive Committee, no new awards of Perpetual equity will be made before Transaction implementation. Therefore, any Long-Term Incentive awards that will be made in the period prior to separation are expected to be made as cash-based long term incentives or for certain Asset Management teams, as deferred fund investments.

Historically, all other Australian-based employees are eligible to participate in the One Perpetual Share Plan whereby eligible employees can be awarded annual grants of up to $1,000 of Perpetual shares subject to Perpetual meeting our Group profit target. This Plan is limited to Australian-based staff due to the legal and tax environments in other geographies. Due to the upcoming separation of Corporate Trust and Wealth businesses, no grants are expected to be made under this Plan in respect of FY24. The Plan will be reviewed following transaction implementation.

From a governance and administration perspective, external Trustees are responsible for managing the employee equity plan trusts which the Group uses to facilitate the acquisition and holding of shares for employee incentive arrangements. Shares awarded under Perpetual's employee share plans may be purchased on market or issued subject to Board approval and the requirements of the *Corporations Act 2001* and the ASX Listing Rules.

5. MANAGING RISK AND SUSTAINABILITY WITHIN PERPETUAL

5.1 Incorporating risk, conduct and behaviours into performance

Risk management is a fundamental focus within our business, with the Perpetual Board having the responsibility and commitment to ensure that Perpetual has a sound risk management framework in place. Perpetual's Risk Group is a centralised corporate function, managed by the Chief Risk and Sustainability Officer, who reports directly to the CEO. The Risk Group has developed risk measurement systems and practices that are utilised when determining "at risk" remuneration. To this effect, risk management is a key performance metric at a Group, divisional and individual level.

The Board, the PARC and people leaders have a range of mechanisms available to adjust remuneration and incentive outcomes to reflect behavioural, risk or compliance outcomes (both upwards or downwards) at a Group, divisional and individual level. The table below summarises the range of mechanisms available and their intended operation.

MECHANISM	DESCRIPTION/INTENTION OF THE MECHANISM
Risk dashboards (apply at a Group or divisional level)	Incentive funding can be adjusted (upwards or downwards) following a combined Audit, Risk and Compliance Committee (ARCC) and PARC review of Group and divisional risk dashboards, which are produced by the Risk and Internal Audit functions throughout the year as well as leading into financial year-end. Perpetual is currently integrating the reporting of Pendal Group's risk reporting into Perpetual's risk dashboard framework, meaning that for FY24 risk outcomes for Pendal Group were reported separately to this framework.
Behavioural ratings – Perpetual Behaviours and Risk Ratings	Individual behavioural and risk assessments are collected for most employees at Perpetual – noting that recently acquired businesses operate their own risk and behavioural frameworks. For Perpetual Group employees, the behavioural and risk components of the scorecard effectively moderate employee performance outcomes. Behavioural ratings are provided across a four-point scale and can result in either upward or downward adjustments to performance ratings and reward or bonus outcomes. Additionally, a discrete risk assessment is undertaken for most employees using a consistent framework covering a range of risk measures and expectations across various seniority levels of the organisation.
Malus provisions or international equivalents	These allow for the Board to adjust or lapse any unvested incentive awards where, in the opinion of the Board, the participant has acted fraudulently and/or dishonestly, has breached his or her obligations to the Group, where outcomes have been misstated, or where the Board determines at its sole discretion that outcomes are inappropriate.
Clawback provisions or international equivalents	These allow for the Board to reclaim (or "claw back") vested incentives where, in the opinion of the Board, vesting occurred as a result of fraud, dishonesty, a breach of obligations or where outcomes have been misstated. This applies to both current and former employees.
Risk and Reward Committee	A Management Committee comprised of the Chief Executive Officer, Chief Risk and Sustainability Officer and Chief People Officer reviews the application of risk and behavioural adjustments to compensation outcomes as part of the compensation review process.
Board discretion	Overriding the above mechanisms, the Board, and in some instances management, has discretion to adjust proposed incentive or vesting outcomes, subject to the applicable rules governing each incentive plan. The discretion to vary incentive outcomes from the agreed formulas range from absolute unfettered discretions to more limited discretions which may only be applied in specific circumstances.

In addition to the above mechanisms, Perpetual:

- performs detailed scenario testing on potential outcomes under any new or changed incentive plans;
- reviews the alignment between proposed remuneration outcomes and performance achievement for incentive plans on an annual basis; and
- delivers a significant portion of variable remuneration as deferred incentives (for more senior employees) in equity or investments in products to align remuneration outcomes with longer term shareholder and client value.

5.2 Link between risk and reward

An employee's approach to managing risk is a key factor when considering their yearly performance. Risk management performance measures are overlaid in employee scorecards as per the graphic below. These measures are considered when assessing overall performance and incentive payments.

To be eligible for a variable incentive, all employees must meet minimum risk criteria

- Embeds appropriate risk behaviours in all endeavours and effectively balances risk with opportunity
- Applies the Risk Appetite Statement in decision making processes
- Escalates issues to Risk within five days
- Completes compliance tasks on time and accurately (training and management of obligations)

5.3 FY24 risk performance

FY24 full year risk performance results demonstrate continued focus on risk, compliance and conduct across the Group and are considered positive given the extent of transformational change that has continued over the last 12 months, as outlined below:

– the continued integration of the Pendal Group;
– the strategic review and subsequent progress towards completion and separation;
– growing inbound regulatory engagement in Australia and the evolving regulatory operating environment across our expanding offshore businesses; and
– management of other key initiatives and major project activity throughout the business during a period of challenging market conditions globally.

Notwithstanding this, isolated metrics across our business require on-going focus. Certain people and operational related risks remained elevated during the period and continue to impact some metrics, influenced by competing pressures to support the strategic review, Pendal integration and business as usual. This continues to be closely monitored by Executives to ensure projects and/or initiatives designed to address risk and promote the desired risk behaviours underpinning our strong risk culture are prioritised and funded.

Further information on the Board's review of prior year vesting is available in Section 7.7.

5.4 Incorporating sustainability into performance

In September 2023, Perpetual Group launched its sustainability strategy, the 'Prosperity Plan'. This consists of 35 commitments made across four pillars – Governance, Planet, People and Communities. Through the strategy, Perpetual Group seeks to consider the risks and opportunities relating to climate change on behalf of our clients, build an inclusive, high-performance culture, strengthen local communities, and work to uphold good governance, accountability and integrity in all we do.

As part of the internal alignment and implementation of Perpetual Group's sustainability strategy, it was agreed that a sustainability overlay would be applied to bonus funding as part of the Group Scorecard assessment process (similar to the current Risk Dashboard overlay).

5.5 FY24 sustainability performance

To support the FY24 review of Perpetual Group's sustainability performance, an assessment was conducted on progress against of each of the 35 commitments, giving each of them a 'red', 'amber' or 'green' (RAG) status. Given Perpetual Group's progress against the commitments, as described in the FY24 Sustainability Report, no adjustments were made to bonus funding levels at the Group or divisional levels. In addition, no adjustments were made to individual Executive KMP Variable Incentive outcomes for FY24 based on sustainability performance.

5.6 Minimum shareholding guideline

A minimum shareholding guideline applies to Executive KMP. The purpose of this guideline is to strengthen the alignment between Executive KMP and shareholders' interests related to the long-term performance of Perpetual. Under this guideline, Executive KMP are expected to establish and hold a minimum shareholding to the value of:

- CEO: 1.5 times fixed remuneration
- Other Executive KMP: 0.5 times fixed remuneration

The value of each vested Restricted Share still held under restriction for the Executive KMP is treated as being equal to 50% of actual value, as this approximates the value of the share in the hands of the Executive after allowing for tax. Unvested shares or rights do not count towards the target holding.

A five-year transition period from the date of appointment to an Executive KMP role gives Executive KMP reasonable time to meet their shareholding guideline. Where the guideline is not met after the required time period, the CEO and other Executive KMP may be restricted from trading vested shares.

As at 30 June 2024, progress towards the minimum shareholding target for each Executive KMP was as follows. Perpetual's main equity vesting events for Executive KMP occur in September each year (see section 8.6 for further information on upcoming vesting events). It is noted that Mr Adams, Mr McCarthy and Ms Mosse are not currently meeting their required minimum shareholding within the nominated 5-year time period. This is impacted by the following.

- Perpetual awarded no Unhurdled Variable Incentive awards in respect of the FY20 performance year (due to uncertainty associated with the unfolding COVID-19 pandemic at the time). As outlined in Section 1.7, the first tranche of FY20 Hurdled Equity was tested in September 2023 and did not meet the required CAGR absolute TSR hurdle for vesting to commence.
- In addition, Hurdled Variable Incentive equity awards that were tested in 2022 also failed to meet the required CAGR absolute TSR hurdle range required for vesting to commence, and as a result, were lapsed and not retested.
- The decline of the Perpetual Limited share price over the time period for meeting the minimum shareholding guideline has meant that certain Executive KMP that were initially meeting the minimum shareholding (i.e. Mr McCarthy) were no longer meeting the minimum shareholding at 30 June 2024.
- Due to the strategic review, all Executive KMP have been restricted from trading in Perpetual Limited securities for the majority of FY24, meaning opportunities for each Executive KMP to acquire shares recently on market have been limited.

Where an Executive KMP has not met the minimum shareholding, they will typically not be given approval to sell equity until the guideline has been met. Mr Adams, Ms Mosse and Mr McCarthy have not sold any Perpetual equity in FY24.

Minimum Shareholding Guidelines

	VALUE OF ELIGIBLE SHAREHOLDINGS AS AT 30 JUNE 2024[1] $	VALUE OF MINIMUM SHAREHOLDING GUIDELINE $	TARGET DATE TO MEET MINIMUM SHAREHOLDING GUIDELINE	GUIDELINE MET[2]
Executives				
R Adams	1,136,505	1,954,164	24 September 2023	
C Green	739,905	368,750	1 October 2013	✓
M Smith	812,955	365,000	19 November 2017	✓
R McCarthy	266,599	325,000	15 October 2023	
S Mosse	156,064	337,500	18 February 2024	
C Squires	203,138	275,000	1 November 2028	Not yet at 5 years tenure as KMP

1. Value is calculated through reference to the closing Perpetual share price at 28 June 2024 of AUD $21.31.
2. Executives have a five year transition period to meet their shareholding requirement.

5.7 Hedging and share trading policy

Consistent with Corporations Act obligations, Perpetual's Share Trading Policy prohibits employees and Directors from entering into hedging arrangements in relation to Perpetual shares.

5.8 Share dealing approval

Perpetual has a policy for trading in Perpetual shares which stipulates certain trading black-out periods and requires all employees to seek pre-trade approval via an automated platform. A copy of the policy has been lodged with the ASX and appears on Perpetual's website[1].

1. https://www.perpetual.com.au/about/corporate-governance-and-policies

6. ALIGNING PERPETUAL GROUP PERFORMANCE AND REWARD

6.1 Alignment of performance and reward to strategy

Perpetual's strategy and purpose is "Enduring Prosperity". Successful delivery of the strategy is defined by clear client, people, strategic and financial measures which link our annual targets with our long-term strategic objectives; that is, balancing short-term financial outcomes with the necessary investments for long-term sustainable growth.

- For our clients, enduring prosperity means pursuing a strategy that is focused on delivering quality products and outstanding service.
- For our people, enduring prosperity means empowering them to deliver superior performance and to explore new capabilities and establish a global footprint.
- For our shareholders, enduring prosperity means delivering above average, sustainable growth over the medium to long term.
- For the community, enduring prosperity means delivering a positive contribution to the sustainability of society.

In our view, this is best achieved by having highly engaged people creating superior client outcomes, which in turn delivers underlying earnings growth for shareholders.

Our refreshed strategy – Stronger, Simpler, Better

Simplifying and driving sustainable growth

Our purpose	Our values
To create enduring prosperity	Excellence, Integrity, Partnership

Clients	People	Shareholders	Community
Enduring relationships and trusted brand	Inclusive, empowered and accountable culture enabling high performance	Delivering sustainable quality growth	Support strong and sustainable communities

Unique combination of businesses

Asset Management	Wealth Management	Corporate Trust
Differentiated and active investment capabilities across multiple boutiques and asset classes servicing clients in all key regions globally	Specialised financial advice and fiduciary services focused on the comprehensive needs of families, businesses and communities	Leading corporate trustee and digital solutions provider to the banking and financial services industry

Strategic imperatives

Client First

- Provide trusted advice and stewardship
- Deliver a high quality client experience
- Deliver strong investment performance
- Be an employer of choice to attract and retain the best talent
- Set strong industry standards in all that we do

Simplify

- Complete successful integration and synergy realisation
- Seek areas of simplification across portfolio of businesses
- Focus on areas where the Group adds value
- Maintain focus on building a simple, efficient, secure and scalable platform
- Drive proactive risk management and strong government standards

Sustainable Growth

- Unlock benefits of global multi-boutique model and distribution network
- Leverage strengths in sustainable investing to build competitive advantage
- Targeted investment in growth engines
- Continue to build out of innovative digital solutions

Success measures

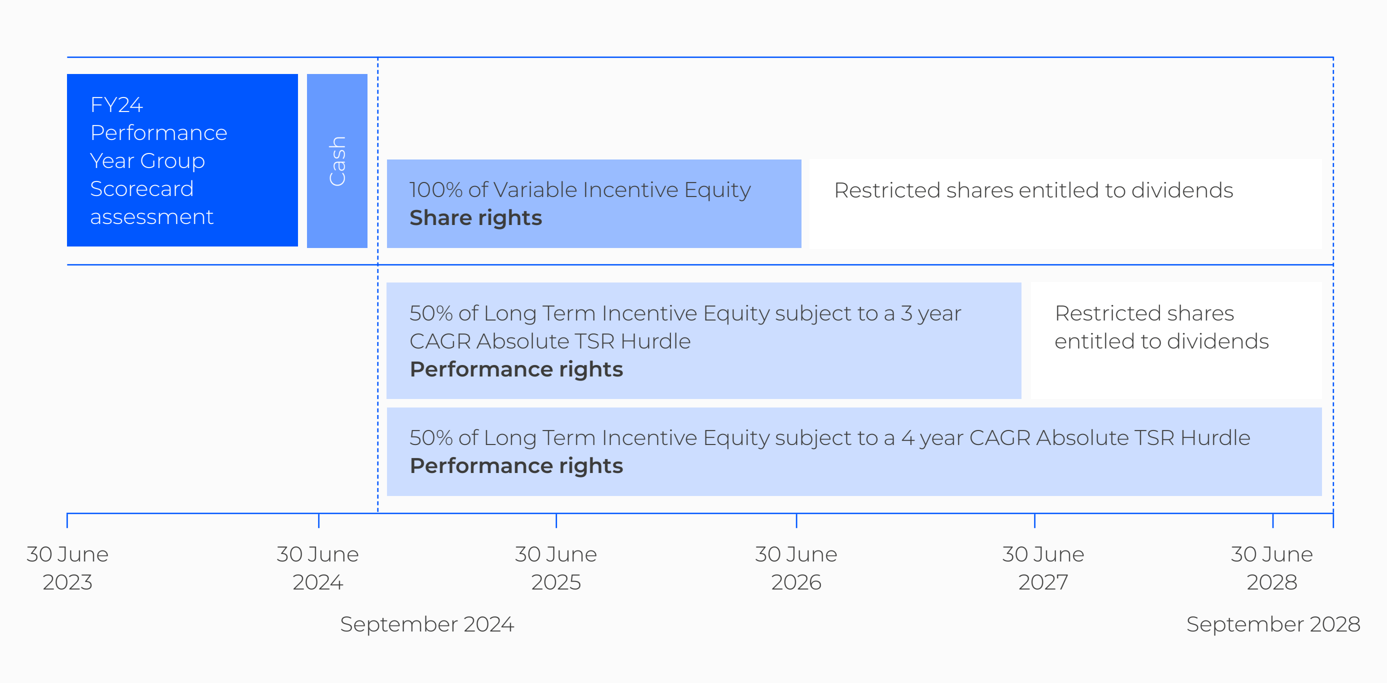
- EPS Growth
- Total Shareholder Return
- Client NPS
- Employee Engagement
- Sustainability Commitments (Our Prosperity Plan)

Variable remuneration is designed to reward Executive KMP for their performance over the course of the year, provided they have achieved performance standards based on financial and non-financial measures focused on delivering short and long-term value. The variable remuneration structure is designed to drive business strategy with outcomes being aligned to shareholders.

6.2 Features of the Executive KMP Variable Incentive Plan

Structure of the KMP Variable Incentive Plan

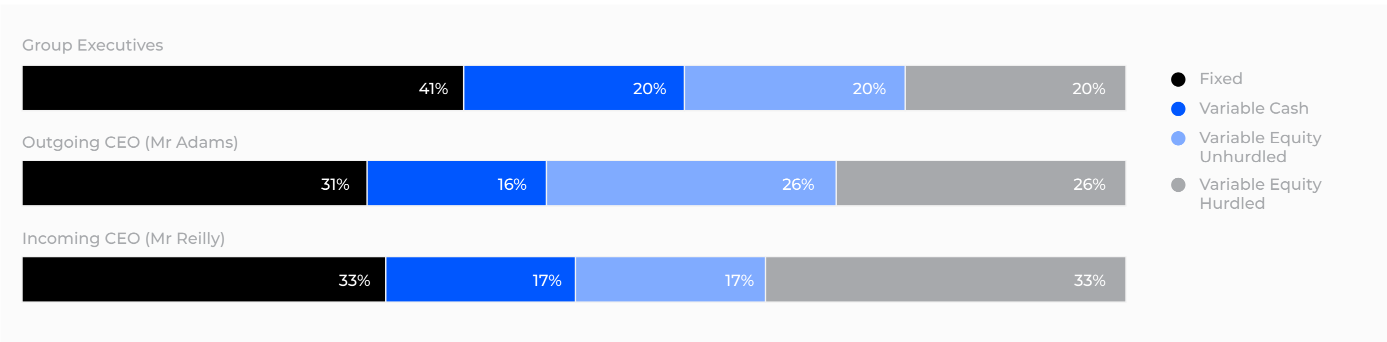
The diagram below summarises the structure and vesting schedules of the Executive KMP Variable Incentive plan awards for FY24.



Remuneration mix

Executive KMP have a significant portion of their remuneration linked to performance and at risk, with the Board able to risk adjust remuneration if required. There is a strong alignment to long-term incentives for Executive KMP, reflective of the Board's preference to provide the opportunity for meaningful equity ownership for this key group.

Total remuneration continues to be determined using a range of factors including Perpetual's market peers. The table below shows the average on-target remuneration mix for Perpetual Executive KMP as at 30 June 2024.



The absolute three- and four-year TSR performance hurdles will be aligned to the following achievement scale.

COMPOUND ANNUAL GROWTH IN TSR	PERCENTAGE OF RELEVANT TRANCHE OF PERFORMANCE RIGHTS THAT VEST
Less than 7% per annum	0%
7% to 10% per annum	Straight-line vesting from 50% to 100%
10% or above per annum	100%

The number of Share Rights and Performance Rights allocated to each member of the Executive KMP will be determined by dividing the relevant variable incentive award dollar amount by the five-day VWAP[1] leading up to and including the grant date. This approach is consistent with the practice adopted every year for Executive KMP awards.

1. The Volume Weighted Average share price provides the average price that a security has traded at throughout the day or agreed period.

6.3 Approval processes

The Board, through the Chairman of the Board, conducts a formal review of the performance of the CEO and other Executive KMP on an annual basis. The Chairman, in consultation with the PARC, then makes recommendations directly to the Board for approval of the Variable Incentive allocation.

For other Executive KMP, the CEO makes recommendations to the PARC on Variable Incentive allocations. Once recommendations are reviewed and endorsed, the PARC makes recommendations on the Variable Incentive allocations for the Executive KMP to the Board for final approval.

6.4 Termination of employment

Treatment on termination of employment is as follows;

	AWARDS NOT YET GRANTED		AWARDS GRANTED, BUT NOT YET VESTED		VESTED BUT RESTRICTED
EVENT	**VI CASH & VI UNHURDLED EQUITY**	**HURDLED EQUITY**	**VI UNHURDLED EQUITY**	**VI HURDLED EQUITY**	**RESTRICTED SHARES**
Resignation Termination for poor performance	No further variable incentive is payable in respect of the current or prior performance years as at the date of notice.		Forfeited		Retained under the plan with restriction periods continuing to apply
Summary dismissal	No further variable incentive is payable in respect of the current or prior performance years as at the date of notice of termination.		Forfeited		Forfeited
Death	A pro-rated variable incentive based on the period of the performance year completed (excluding notice paid in lieu or gardening leave) and full year performance score will be delivered at the normal time. If an Executive is employed for only a short period of the year, the Board may determine to award no Variable Incentive.	No additional Hurdled Equity Performance Rights will be granted.	Immediate vesting and conversion to unrestricted shares (subject to Board approval)		Immediate conversion to unrestricted shares (subject to Board approval)
Mutual agreement Retirement (requires Board approval) Redundancy Total and permanent disablement (TPD)	A pro-rated variable incentive based on the period of the performance year completed (excluding notice paid in lieu or gardening leave) and full year performance score will be delivered at the normal time. If an Executive is employed for only a short period of the year, the Board may determine to award no Variable Incentive.	No additional Hurdled Equity Performance Rights will be granted.	Retained under the plan with restriction periods and hurdles (where applicable) continuing to apply	A pro-rated number of units based on proportion of vesting period served to termination date are retained under the plan with restriction periods and hurdles continuing to apply	Retained under the plan with restriction periods continuing to apply

This approach to treatment of incentives on termination of employment in conjunction with the broader plan design strengthens the alignment of interests between Executive KMP and shareholders over the long term. The extended vesting and restriction periods encourage Executive KMP to make decisions that are in the long-term interests of shareholders, with implications of those decisions extending beyond an Executive KMP's tenure at Perpetual while they continue to have shares retained in the plan.

7. VARIABLE REWARD

7.1 FY24 Variable Incentive outcomes

Minimum Variable Incentive amounts of 80% of target (46% of maximum) were agreed for all Executive KMP except the Chief Executive, Wealth Management where a minimum incentive amount of 100% target (57% of maximum) was agreed (see Section 1.4 for more complete information relevant for the CEO and Managing Director). Final FY24 variable incentive awards remained subject to each Executive KMP meeting agreed performance and risk objectives, which were reviewed by the PARC and Board as part of the year end process. The table below provides the total Variable Incentive outcome (both cash and equity portions) determined for each member of the Executive KMP for FY24.

NAME	VARIABLE INCENTIVE CASH $	VARIABLE INCENTIVE UNHURDLED EQUITY[1] $	TOTAL VARIABLE INCENTIVE (CASH + UNHURDLED) $	FY24 VARIABLE INCENTIVE TARGET (CASH + UNHURDLED) $	FY24 VARIABLE INCENTIVE (AS % OF TARGET)[3,9] %	% FORFEITED[9]	MAX @ 175% OF TARGET[4] $	FY24 VARIABLE INCENTIVE (AS % OF MAX)[9] %	% OF MAX VI FORFEITED[9] %	TARGET HURDLED EQUITY $	ACTUAL HURDLED EQUITY AWARDED[2] $
Current Executives											
R Adams[5]	520,000	880,000	1,400,000	1,750,000	80%	20%	3,062,500	46%	54%	1,100,000	–
C Green	300,000	300,000	600,000	750,000	80%	20%	1,312,500	46%	54%	375,000	300,000
C Squires[7]	132,512	132,512	265,024	331,280	80%	20%	579,740	46%	54%	250,000	200,000
M Smith	350,000	350,000	700,000	700,000	100%	0%	1,225,000	57%	43%	350,000	350,000
R McCarthy	280,000	280,000	560,000	700,000	80%	20%	1,225,000	46%	54%	350,000	280,000
S Mosse	220,000	220,000	440,000	550,000	80%	20%	962,500	46%	54%	275,000	220,000
Former Executives											
A Altinger[6,8]	–	–	–	169,941	0%	100%	297,397	0%	100%	84,873	–
A Gazal[7]	–	–	–	238,125	0%	100%	416,718	0%	100%	68,036	–
A Gillespie[6]	38,023	38,023	76,047	95,058	80%	20%	166,352	46%	54%	47,529	38,023
D Lane[6]	–	–	–	103,970	0%	100%	181,947	0%	100%	51,985	–
Total	**1,840,535**	**2,200,535**	**4,041,070**	**5,388,374**	**83%**	**17%**	**9,429,654**	**47%**	**53%**	**2,952,423**	**1,388,023**

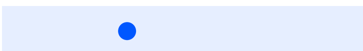
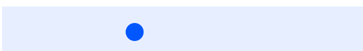
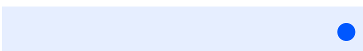
1. Variable Incentive Unhurdled Equity awarded as Share Rights with tenure based hurdles only.
2. Variable Incentive Hurdled Equity awarded as Performance rights with an absolute Total Shareholder Return hurdle. No Hurdled Variable Incentive awards will be made in September 2024 for the CEO and Managing Director.
3. Represents the sum of the Cash and Unhurlded Variable Incentive outcome for FY24 as a percentage of target Cash and Unhurdled Variable Incentive.
4. Maximum opportunity Executives may earn under the Cash and Unhurdled elements of the Variable Incentive Plan.
5. Further details on the terms of Mr Adams separation are available in Section 1.4.
6. Variable Incentive amounts for Ms. Gillespie, Ms. Altinger & Mr. Lane are pro rated for the period from 1 July 2023 to 24 August 2023.
7. Variable Incentive amounts for Ms. Gazal are pro rated for the period from 1 July 2023 to 1 November 2023 and Mr. Squires are pro rated for the period 1 November 2023 to 30 June 2024.
8. Variable Incentive amounts for Ms. Altinger have been converted to AUD using an FX rate of 0.524.
9. Variable Incentive amounts for Ms. Gazal, Ms. Altinger & Mr. Lane are excluded from the total calculation.

7.2 FY24 Performance Overview

- At a Group level, while Perpetual delivered growth in underlying profit after tax (UPAT) to A$206.1m, underlying EPS A$1.786 was down 9.7% on FY23. Continued profit growth was delivered in Corporate Trust and Wealth Management, however net outflows of A-$18.4b across our Asset Management business impacted earnings at a Group level. Despite this, integration activities associated with the Pendal Group acquisition progressed well in FY24, and at 30 June 2024 the integration program was assessed by the Board as having essentially achieved the publicly stated goal of A$80m in run rate synergies within the first two years post-completion.
- Corporate Trust's underlying profit before tax (UPBT) was A$84.9m in FY24, representing growth of 4.4% on FY23. Continued profit growth in both Managed Funds Services and Debt Market Services allowed for further organic investment in Perpetual Digital, Corporate Trust's start-up company. Perpetual Digital continues to drive increased revenues, with FY24 revenue at $25.6m, an increase of 9.4% on FY23. Corporate Trust's funds under administration (FUA) was approx. A$1.2 trillion at 30 June 2024, up 3% on 30 June 2023. Corporate Trust continues to play a critical role as a fiduciary, providing important infrastructure to support the Australian banking and financial services markets.
- Wealth Management delivered UPBT of A$54.0m in FY24, representing growth of 15% on prior year. Wealth Management delivered an 11th consecutive year of positive net flows, albeit at a moderated pace in FY24 relative to FY23. Wealth Management's funds under advice finished the financial year at A$19.8b, representing growth of 7% on 30 June 2023 of A$18.5b.
- Asset Management delivered UPBT of A$200.5m in FY24, representing growth of 51% driven primarily by a full year of contribution from Pendal Group. FY24 net outflows were A-$18.4b, significantly below plan. Despite this, Asset Management assets under management (AUM) and average revenue margins were maintained in FY24 and investment performance across the combined Group remains strong and at 30 June 2024, with 66% of the Group's strategies outperforming their benchmarks over a three-year time horizon. In particular, we have seen very strong investment performance in Perpetual Asset Management Australia and Barrow Hanley, where despite a moderation in performance in FY24, performance over a three-year time horizon remains strong with 83% and 91% of strategies respectively out-performing their benchmark at 30 June 2024.
- Perpetual continues to deliver strong client outcomes. Perpetual's Net Promoter Score (NPS) outcome of +53 in FY24 resulted in an outcome of +50 for the second consecutive year and remained above Perpetual's long-term target of +45.

7.3 FY24 Group Scorecard assessment

In FY24, the Perpetual scorecard was weighted 65% to financial measures, 25% to the Pendal integration and 10% to client measures that were designed to deliver value in current and future years, within appropriate risk tolerance levels. We set our balanced scorecard each year based on the business and financial plan approved by the Board that is aligned to our strategy. This section explains the performance outcomes delivered for FY24. In addition to scorecard performance, the Board considered significant items for the year, which included a non-cash impairment related to the carrying value of goodwill and other intangibles for the J O Hambro and TSW boutiques, which indirectly reflected in a number of the following scorecard measures.

STRATEGIC MEASURE	WEIGHT	FULL YEAR PERFORMANCE	
Financial	**65%**	**Outcome**	**Comments**
Group Underlying Profit After Tax (UPAT)[1]	20%	Target: A$221.8m Actual: A$206.1m Below plan At plan Above plan 	– FY24 UPAT is A$206.1m, which was 7% below plan. Growth in UPAT relative to FY23 (A$163.2) was driven primarily by a full year of contribution from Pendal Group, following the completion of the acquisition in January 2023 and by continued organic growth in Underlying Profit Before Tax (UPBT) in both Corporate Trust (4% growth) and Wealth Management (15% growth).
Group underlying expenses	20%	Target: A$1,044m Actual: A$1,052m Below plan At plan Above plan 	– Group underlying expenses tracked slightly higher than target in FY24 when controlling for FX movements.
Corporate Trust – New Business Revenue	5%	Target: A$19.3m Actual: A$25.8m Below plan At plan Above plan 	– Corporate Trust continued to perform strongly in FY24, delivering new business revenues of A$25.8m, driven by key client wins across all business lines. Corporate Trust continues to deliver on a clear growth strategy, which includes organic growth in traditional business lines of Debt Market Services and Managed Funds Services, supported by new digital products and revenue streams.

1. Perpetual reports profit on both a statutory basis (NPAT) and on an underlying (UPAT) basis. As disclosed previously UPAT adjusts NPAT for significant items that are material in nature and do not reflect the normal operating activities and excludes the non-cash tax-effected amortisation of acquisition intangibles. Adjusted items are clearly defined, consistently applied and disclosed in accordance with ASIC Regulatory Guide – 230 – Disclosing "Non IFRS information". UPAT is considered useful for investors to gain a better understanding of Perpetual's financial results from normal operating activities. This measure is an appropriate metric for assessing business and Executive performance within the context of the global business strategy.

STRATEGIC MEASURE	WEIGHT	FULL YEAR PERFORMANCE	
Wealth Management – Net Flows	5%	Target: A$750m Actual: A$166m Below plan / At plan / Above plan	– Net flows of A$166m were below plan, driven partly by higher-than-average outflows from the Native Title segment to fund client community payments and projects, and delays in the timing of new flows to Q1 FY25. Despite this, Wealth Management delivered an 11th consecutive year of positive net flows. – At 30 June 2024, funds under advice for Wealth Management was A$19.8b, representing growth of 7% on 30 June 2023 of A$18.5b.
Asset Management Net Flows	15%	Target: +A$2.2b Actual: -A$18.4b Below plan / At plan / Above plan	– The FY24 outcome of -A$18.4b is significantly below plan, despite overall assets under management ($215.1b at 30 June 2024) and average margins (41bps for FY24) remaining relatively stable in FY24. – The headline number was driven by outflows across most boutiques, with particular pressure within J O Hambro and specifically in the International and Global Select strategies and in the UK Dynamic strategy following the departure of a key Portfolio Manager in January 2024. Net outflows continued for TSW in FY24, with A$4.0 billion of net outflows in the year to 30 June 2024. – Net Flows were more stable in Barrow Hanley, where continued net outflows in US value strategies were offset by net inflows into Emerging Markets, ex-US and Global Value strategies.
Pendal Integration	**25%**	**Outcome**	**Comments**
Realisation of cost synergies	8.4%	Actual: Achieved Below plan / At plan / Above plan	– The Board assessed the business as having essentially achieved the publicly stated goal of A$80m in run rate synergies within the first two years post-completion, with $81.6m of annualised synergies delivered as at 30 June 2024.
Management of significant items	8.3%	Target: A$140m Actual: Slightly at risk Below plan / At plan / Above plan	– As at June 2024, the Board has assessed the significant items costs related to the Pendal Integration as likely to be slightly above the budget of A$140m over the life of the integration program. Significant items will continue to taper over coming months before program ceases in January 2025.
EPS accretion in first 12 months post implementation	8.3%	Target: 10% Actual: Below Plan Below plan / At plan / Above plan	– Despite progress being made in identifying and executing on identified synergies, EPS accretion for the first 12 months post implementation was below target, impacted by lower revenues from higher than expected net outflows since completion.
Client	**10%**	**Outcome**	**Comments**

Maintain client advocacy – external net promoter score (NPS) performance	5%	Target: Maintain above 45
		Actual: +53
		Below plan / At plan / Above plan
			– The FY24 outcome of +53 meaning the Group exceeded a NPS of 50 for the second consecutive year and maintained a NPS above 45. Individual divisional results were as follows.
			  – Corporate Trust: +54 in FY24 (65 in FY23)
			  – Wealth Management: +48 in FY24 (46 in FY23)
			  – Asset Management: +54 (58 in FY23)
			– The NPS survey results included Pendal for FY24.

% of funds meeting investment objectives over 3 years	5%	Target: 60% Actual: 66% Below plan / At plan / Above plan	– At 30 June 2024, Perpetual's Australian based Asset Management teams (Perpetual and Pendal) had 83% of funds exceeding their investment objective over a three year period (93% of funds over five years). Barrow Hanley and TSW also delivered strong performance to 30 June 2024, with 91% and 83% of funds exceeding their investment objective over three years respectively. – J O Hambro and Trillium Asset Management had more moderate results with 44% and 25% of strategies outperforming their respective benchmark over three years respectively.

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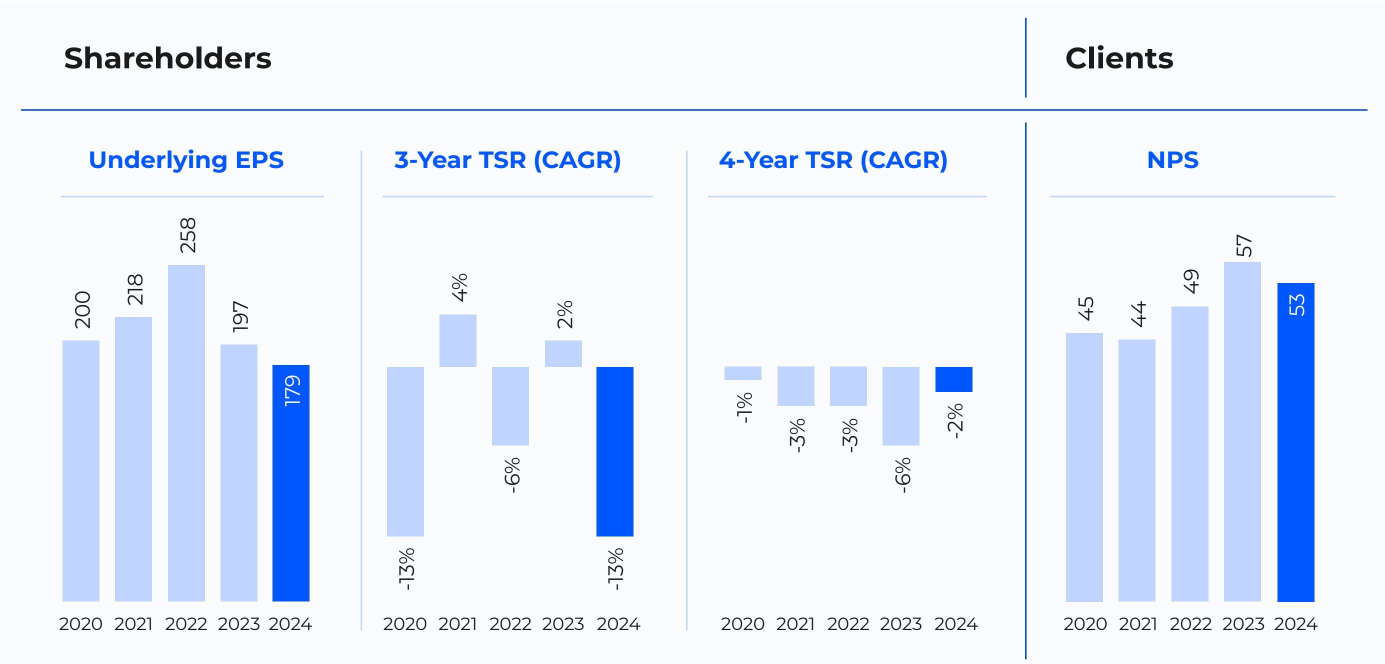
7.4 Alignment of Variable Incentive outcomes to five-year Group performance

One of Perpetual's guiding principles for remuneration is that the remuneration structure should balance value creation for our shareholders, clients and employees. This section displays the degree of alignment between Perpetual Group performance and remuneration outcomes for Executive KMP over the last five years. The table below shows Perpetual's five-year performance across a range of metrics and corresponding incentive outcomes.

		FY20 30 JUNE 2020	FY21 30 JUNE 2021	FY22 30 JUNE 2022	FY23 30 JUNE 2023	FY24 30 JUNE 2024
Underlying profit after tax – UPAT[1]	$m	95.1	122.8	148.2	163.2	206.1
Earnings per share – UPAT	cps	200	218	258	197	179
Total dividends paid/payable per ordinary share[2]	cps	**155**	**180**	**209**	**155**	**118**
Closing share price	$	29.67	40.05	28.88	25.88	21.31
1-year TSR	%	-24.3	36.9	-22.7	-3.9	-12.6
3-year CAGR TSR	%	-12.6	3.7	-6.4	1.7	-12.8
4-year CAGR TSR	%	-0.7	-3.2	-2.7	-5.7	-1.5
5-year CAGR TSR	%	-2.6	4.7	-6.5	-2.8	-6.5
CEO – Variable Incentive as % of target	%	60	100	106	55	80
CEO – Variable Incentive as % of maximum target	%	34	57	61	31	46
Exec KMP – Average Variable Incentive as % of target	%	48	93	103	49	83
Exec KMP – Average Variable Incentive as % of maximum target	%	27	53	59	28	47

1. UPAT & EPS – UPAT from 5 year profile.
2. Dividends paid are for the respective financial year.



7.5 Vesting outcomes of prior year equity awards

Vesting of the FY21 Unhurdled Variable Incentive Equity award into Restricted Shares

In September 2023, the two-year tranche of FY21 KMP Unhurdled Equity Variable Incentive vested into Restricted Shares. As these awards were Unhurdled Equity, no financial hurdle was needed to be met, however the vesting of the awards remained subject to the Board's assessment of whether any risk, conduct or other issues occurred during or after the vesting period that would warrant the application of applicable malus and clawback provisions. The Board's review identified no risk, conduct or other issues that would warrant an impact on individual Executive KMP vesting outcomes for these awards.

Lapsing of FY19 CEO Hurdled Equity award (4-year tranche) and FY20 KMP Hurdled Equity award (3-year tranche)

The four-year tranche of the CEO's FY19 Hurdled Equity allocation was tested in September 2023 and did not meet the CAGR absolute TSR hurdle range of 7–10% required for vesting. As a result, this tranche of the CEO's FY19 Hurdled Equity allocation lapsed and will not be retested.

The three-year tranche of the KMP FY20 Hurdled Equity allocation was also tested in September 2023 and did not meet the CAGR absolute TSR hurdle range of 7–10% required for vesting. As a result, this tranche of the CEO and Executive KMP FY20 Hurdled Equity allocation lapsed and will not be retested.

Testing of the FY20 Hurdled Equity award (4-year tranche) and FY21 Hurdled Equity award (3-year tranche)

In September 2024, the following Hurdled Equity awards will be tested against their respective hurdles.

ALLOCATION	DETAILS
FY20 Hurdled Equity allocation (4-year tranche)	In response to the unfolding COVID-19 pandemic and the associated market and business conditions at the time, the Perpetual Limited Board made the decision to allocate the CEO and KMP Variable Incentive awards for FY20 exclusively as Hurdled Equity (i.e. no Cash Variable Incentive or Unhurdled Variable Incentive were awarded to the CEO or KMP in respect of FY20). The four-year tranche of these awards is due to be tested in September 2024.
FY21 Hurdled Equity allocation (3-year tranche)	The three-year tranche of the KMP FY21 Hurdled Equity allocation is due to be tested against the CAGR absolute TSR hurdle in September 2024.

8. DATA DISCLOSURES – EXECUTIVE KMP

8.1 Remuneration of Executive KMP – Statutory Reporting

		SHORT-TERM BENEFITS				
NAME		CASH SALARY[1] $	VARIABLE INCENTIVE CASH[2] $	NON-MONETARY BENEFITS[3] $	OTHER[4] $	RETENTION AWARD[13] $
Current Executives						
R Adams	**2024**	**1,348,957**	**520,000**	**–**	**103,239**	**–**
	2023	1,277,484	356,200	–	45,539	–
C Green	**2024**	**710,101**	**300,000**	**–**	**16,950**	**203,250**
	2023	687,073	180,411	–	30,328	–
C Squires[11, 12]	**2024**	**335,035**	**132,512**	**–**	**2,803**	**135,500**
	2023	–	–	–	–	–
M Smith	**2024**	**659,539**	**350,000**	**–**	**(41)**	**819,000**
	2023	606,334	147,854	–	6,822	–
R McCarthy	**2024**	**614,268**	**280,000**	**–**	**(23,207)**	**379,400**
	2023	564,708	280,000	–	20,425	–
S Mosse	**2024**	**647,601**	**220,000**	**–**	**18,173**	**149,050**
	2023	747,611	140,844	–	28,558	–
Former Executives						
A Altinger[8, 10]	**2024**	**78,910**	**–**	**28**	**19,661**	**–**
	2023	259,658	49,472	1,090	(4,185)	–
A Gazal[11]	**2024**	**336,142**	**–**	**–**	**44,365**	**–**
	2023	541,374	203,425	–	3,072	–
A Gillespie[10]	**2024**	**85,048**	**38,023**	**–**	**3,334**	**–**
	2023	549,896	154,329	–	(8,611)	–
D Lane[10]	**2024**	**57,344**	**–**	**–**	**50,432**	**–**
	2023	593,432	133,000	480	(9,124)	–
Total 2024		**4,872,945**	**1,840,535**	**28**	**235,709**	**1,686,200**
Total 2023		5,827,570	1,645,535	1,570	112,824	–

1. Cash salary is the ordinary cash salary received in the year including payment for annual, long service, sick or other types of paid leave taken.
2. Variable Incentive cash payments consist of cash payments to be made in September 2024 for the CEO and Group Executives.
3. Non-monetary benefits represents those amounts salary sacrificed from fixed remuneration to pay for benefits such as leased motor vehicles, car parking, and purchased leave. For Ms. Altinger it represents health and insurance (Includes Medical, Dental, Life & Disability).
4. Other short-term benefits relate to:
   - salary continuance and death and total and permanent disability insurance provided as part of the remuneration package; and
   - the value of accrued annual leave for FY24 less leave taken which is depicted as cash salary.
   - termination payment for Mr. Adams.
5. Share-based remuneration has been valued using the binomial method, which considers the performance hurdles relevant to each issue of equity instruments. The value of each equity instrument has been provided by PricewaterhouseCoopers. Share-based remuneration is the amount expensed in the financial statements for the year and includes adjustments to reflect the most current expectation of vesting of LTI grants with non-market condition hurdles. For grants with non-market conditions including earnings per share hurdles, the number of shares expected to vest is estimated at the end of each reporting period and the amount to be expensed in the financial statements is adjusted accordingly. For grants with market conditions such as total shareholder return hurdles, the number of shares expected to vest is not adjusted during the life of the grant and no adjustment is made to the amount expensed in the financial statements (except if service conditions are not met). The accounting treatment of non-market and market conditions are in accordance with accounting standards.
6. The value of accrued long service leave for FY24 less leave taken, which is depicted as cash salary.
7. Variable incentive equity includes costs incurred in FY24 for the FY20, FY21, FY22, FY23 Variable Incentive equity grants.
8. Short-term benefit and post-employment benefits amounts for Ms. Altinger are pro rated for the period from 1 July 2023 to 24 August 2023 and have been converted to AUD using an FX rate of 0.524.
9. Severance payment (excluding payroll tax) and outplacement as part of Mr. Lane's separation.
10. Variable Incentive amounts for Ms. Gillespie, Ms. Altinger & Mr. Lane are pro rated for the period from 1 July 2023 to 24 August 2023.
11. Variable Incentive amounts for Ms. Gazal are pro rated for the period from 1 July 2023 to 1 November 2023 and Mr. Squires are pro rated for the period 1 November 2023 to 30 June 2024.
12. Mr. Squires 2023 outcomes are blank as he commenced as a KMP on 1 November 2023.
13. Retention awards relating to the strategic review as referenced in section 1.3 of the Remuneration report.

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POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS[6]	EQUITY-BASED BENEFITS[5]			TERMINATION PAYMENTS[9]	TOTAL
SUPER-ANNUATION $	LONG SERVICE LEAVE $	VARIABLE INCENTIVE EQUITY[7] $	SHARES $	PERFORMANCE RIGHTS $	$	$
27,399	**21,722**	**1,854,006**	**–**	**417,216**	**–**	**4,292,539**
25,292	21,721	1,491,474	29,998	136,563	–	3,384,271
27,399	**12,297**	**396,964**	**–**	**126,585**	**–**	**1,793,546**
25,292	22,914	354,591	–	106,399	–	1,407,008
18,153	**20,903**	**32,018**	**56,566**	**46,665**	**–**	**780,155**
–	–	–	–	–	–	–
27,399	**29,580**	**378,045**	**–**	**108,500**	**–**	**2,372,022**
25,292	10,531	321,629	–	91,198	–	1,209,660
27,399	**11,857**	**357,126**	**–**	**108,500**	**–**	**1,755,343**
25,292	8,149	305,723	–	91,198	–	1,295,495
27,399	**11,255**	**227,214**	**–**	**108,500**	**–**	**1,409,192**
25,292	16,864	181,713	–	91,198	–	1,232,080
519	**–**	**–**	**165,037**	**6,940**	**41,682**	**312,777**
1,675	–	–	50,698	27,761	–	386,169
18,833	**(30,994)**	**7,176**	**–**	**–**	**–**	**375,522**
25,292	11,449	128,115	–	91,198	–	1,003,925
4,070	**1,486**	**34,974**	**–**	**32,699**	**–**	**199,634**
25,292	16,549	157,172	–	170,860	–	1,065,487
2,035	**(10,020)**	**27,690**	**–**	**20,121**	**–**	**147,602**
25,292	17,806	656,536	–	241,451	266,800	1,925,673
180,605	**68,086**	**3,315,213**	**221,603**	**975,726**	**41,682**	**13,438,333**
204,011	125,983	3,596,953	80,696	1,047,826	266,800	12,909,768

8.2 Executive KMP Remuneration received FY24

The table below represents the actual remuneration received by the Executive KMP during FY24. This table differs to the statutory remuneration table on page 153 that has been prepared in accordance with the Corporations Act and Australian Accounting Standards. The difference between the two tables is predominantly due to the accounting treatment of the share-based payments.

NAME	TOTAL FIXED REMUNERATION[1] $	VARIABLE INCENTIVE CASH[2] $	EQUITY VESTED DURING YEAR[3] $	DIVIDENDS PAID ON RESTRICTED SHARES DURING YEAR[4] $	SIGN-ON AND RELOCATION BENEFITS $	PAYMENTS MADE ON TERMINATION $	TOTAL $
Current Executives							
R Adams	1,377,063	356,200	455,347	28,028	–	–	2,216,638
C Green	737,500	180,411	157,428	9,690	–	–	1,085,030
C Squires[7,8]	353,188	–	52,506	10,007	–	–	415,701
M Smith	686,938	147,854	144,503	8,895	–	–	988,190
R McCarthy	641,667	280,000	116,350	7,162	–	–	1,045,179
S Mosse	675,000	140,844	69,802	4,297	–	–	889,942
Former Executives							
A Altinger[5,6]	79,457	49,472	49,589	–	–	41,682	220,200
A Gazal[7]	355,109	203,425	59,580	1,834	–	–	619,947
A Gillespie[6]	89,299	154,329	184,659	3,245	–	–	431,531
D Lane[6]	59,811	133,000	141,800	4,364	–	266,800	605,775
Totals	**5,055,032**	**1,645,535**	**1,431,563**	**77,520**	**–**	**308,482**	**8,518,132**

1. For Australian based KMP fixed remuneration consists of cash salary, superannuation, packaged employee benefits and associated fringe benefits tax. For UK based KMP fixed remuneration consists of cash salary, health and insurance benefits and pension payments.
2. Represents the cash portion of Variable Incentive outcome for FY23 paid in September 2023.
3. Represents the value of equity grants awarded in previous years which vested during the year. For Ms. Gillespie this includes LTI allocated prior to becoming a KMP. For Ms. Altinger this relates to equity incentives relating to her service as an executive of Pendal Group.
4. Dividends paid on restricted shares that remain subject to a holding lock.
5. Amounts for Ms. Altinger have been converted to AUD using an FX rate of 0.524.
6. Variable remuneration amounts for Ms. Gillespie, Mr Lane & Ms Altinger are pro rated for the period from 1 July 2023 to 24 August 2023.
7. Variable remuneration amounts for Ms. Gazal are pro rated for the period from 1 July 2023 to 1 November 2023 and Mr. Squires are pro rated for the period 1 November 2023 to 30 June 2024.
8. Mr Squires joined as a KMP on 1 November 2023, therefore the table excludes variable remuneration outcomes prior to commencement as a KMP.

8.3 Remuneration components as a proportion of total remuneration

The remuneration components below are determined based on the remuneration of the Executive KMP – Statutory Reporting table on page 153. This table includes fixed remuneration and Variable Incentives – cash and equity.

		PERFORMANCE LINKED BENEFITS					
NAME	FIXED REMUNERATION %	VARIABLE INCENTIVE CASH %	VARIABLE INCENTIVE EQUITY %	CASH RETENTION	OTHER EQUITY[1]	TERMINATION PAYMENTS	TOTAL %
Current Executives							
R Adams	35%	12%	53%	0%	0%	0%	100%
C Green	43%	17%	29%	11%	0%	0%	100%
C Squires	48%	17%	10%	17%	7%	0%	100%
M Smith	30%	15%	21%	35%	0%	0%	100%
R McCarthy	36%	16%	27%	22%	0%	0%	100%
S Mosse	50%	16%	24%	11%	0%	0%	100%
Former Executives							
A Altinger	32%	0%	2%	0%	53%	13%	100%
A Gazal	98%	0%	2%	0%	0%	0%	100%
A Gillespie	47%	19%	34%	0%	0%	0%	100%
D Lane	68%	0%	32%	0%	0%	0%	100%

1. Other equity for Mr. Squires includes long term incentives from service prior to becoming a KMP. Amounts for Ms. Altinger this is unvested Pendal Group deferred equity that was converted to unvested Perpetual deferred equity as part of the acquisition.

8.4 Value of unvested remuneration that may vest in future years

The table below provides estimates of the maximum future cost of equity-based remuneration granted by Perpetual should all targets be met in the future.

	30/06/2025[1] MAXIMUM $	30/06/2026[1] MAXIMUM $	30/06/2027[1] MAXIMUM $	30/06/2028[1] MAXIMUM $	30/06/2029[1] MAXIMUM $
CEO and Managing Director					
R Adams	597,435	–	–	–	–
Current Executives					
C Green	497,567	416,722	175,640	34,406	2,176
C Squires	182,711	139,530	31,941	7,196	962
M Smith	469,784	400,856	164,291	33,366	2,308
R McCarthy	465,487	366,746	152,767	29,727	1,846
S Mosse	361,461	315,224	138,711	26,860	1,596
Former Executives					
A Altinger	–	–	–	–	–
A Gazal	–	–	–	–	–
A Gillespie	–	–	–	–	–
D Lane	–	–	–	–	–

1. The minimum value of the grants is $nil if the performance targets are not met. The values above are determined in accordance with accounting standards. The fair value of granted shares is recognised as an employee expense with a corresponding increase in equity. Fair value is measured at grant date and amortised over the performance and/or service period.

8.5 Shareholdings as at 30 June 2024

The table below summarises the movement in holdings of ordinary shares held during the year and the balance at the end of the year, directly, indirectly, or by a related party.

NAME	TOTAL SHARES HELD AT 1 JULY 2023	PURCHASES	VESTING OF SHARES	VESTING OF RIGHTS	SALES/ REDUCTIONS	SHARES HELD PERSONALLY AT 30 JUNE 2024	SHARES HELD NOMINALLY AT 30 JUNE 2024[1]	TOTAL SHARES HELD AT 30 JUNE 2024
Current Executives								
R Adams	42,552	–	–	21,560	–	62,305	1,807	64,112
C Green	30,994	–	–	7,454	–	38,448	–	38,448
C Squires	8,457	–	–	2,151	–	10,608	–	10,608
M Smith	34,728	–	–	6,842	–	15,185	26,385	41,570
R McCarthy	9,756	–	–	5,509	–	15,265	–	15,265
S Mosse	5,671	–	–	3,305	–	8,976	–	8,976
Former Executives								
A Altinger	6,304	–	2,367	–	–	8,671	–	8,671
A Gazal	9,734	–	–	2,821	–	12,555	–	12,555
A Gillespie	9,222	–	–	8,794	–	18,016	–	18,016
D Lane	18,423	–	–	6,714	–	25,137	–	25,137

1. Shares held nominally are included in the "Total shares held at 30 June 2023" column. Total shares are held directly by the KMP and indirectly by the KMP's related parties, inclusive of domestic partner, dependents and entities controlled, jointly controlled or significantly influenced by the KMP.

8.6 Unvested share and Performance rights holdings of the Executive KMP

The table below summarises the Share and Performance Rights holdings and movements by number granted to the Executive KMP by Perpetual, for the year ended 30 June 2024. For details of the fair valuation methodology, refer to section 4-1 of the notes to, and forming part of, the financial statements.

					HELD AT 1 JULY 2023
NAME	INSTRUMENT	Grant date	GRANT PRICE $	Vesting date	NUMBER OF INSTRUMENTS
Current Executives					
R Adams	Performance Rights[4]	2 September 2019	42.01	1 September 2023	5,275
	Performance Rights[4]	1 September 2020	31.15	1 September 2023	21,938
	Performance Rights[4]	1 September 2020	31.15	1 September 2024	21,937
	Share Rights[3]	1 September 2021	41.23	1 September 2023	21,560
	Performance Rights[4]	1 September 2021	41.23	1 September 2024	10,780
	Performance Rights[4]	1 September 2021	41.23	1 September 2025	10,780
	Share Rights[3]	1 September 2022	27.52	1 September 2024	34,243
	Performance Rights[4]	1 September 2022	27.52	1 September 2025	19,817
	Performance Rights[4]	1 September 2022	27.52	1 September 2026	19,817
	Performance Rights[6]	1 September 2022	8.90	1 September 2025	52,434
	Performance Rights[6]	1 September 2022	8.25	1 September 2026	56,565
	Performance Rights[6]	1 September 2022	7.63	1 September 2027	61,162
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
	Performance Rights[4]	1 September 2023	21.22	1 September 2026	
	Performance Rights[4]	1 September 2023	21.22	1 September 2027	
		Aggregate value			
C Green	Performance Rights[4]	1 September 2020	31.15	1 September 2023	8,026
	Performance Rights[4]	1 September 2020	31.15	1 September 2024	8,025
	Share Rights[3]	1 September 2021	41.23	1 September 2023	7,454
	Performance Rights[4]	1 September 2021	41.23	1 September 2024	3,727
	Performance Rights[4]	1 September 2021	41.23	1 September 2025	3,727
	Share Rights[3]	1 September 2022	27.52	1 September 2024	12,913
	Performance Rights[4]	1 September 2022	27.52	1 September 2025	6,456
	Performance Rights[4]	1 September 2022	27.52	1 September 2026	6,457
	Performance Rights[6]	1 September 2022	8.90	1 September 2025	26,217
	Performance Rights[6]	1 September 2022	8.25	1 September 2026	28,282
	Performance Rights[6]	1 September 2022	7.63	1 September 2027	30,581
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
	Performance Rights[4]	1 September 2023	21.22	1 September 2026	
	Performance Rights[4]	1 September 2023	21.22	1 September 2027	
		Aggregate value			
C Squires	Shares[8]	1 October 2022	23.47	1 October 2025	8,457
	Shares[8]	1 October 2023	20.89	1 October 2026	
	Performance Rights[9]	1 March 2023	23.24	1 March 2024	2,151
	Performance Rights[9]	1 March 2023	20.65	1 September 2025	2,421
		Aggregate value			

MOVEMENT DURING THE YEAR[1]				
GRANTED	FORFEITED	VESTED	HELD AT 30 JUNE 2024	FAIR VALUE OF INSTRUMENT AT GRANT DATE
NUMBER OF INSTRUMENTS			NUMBER OF INSTRUMENTS	$
	5,275		–	8.40
	21,938		–	12.09
			21,937	12.42
		21,560	–	34.07
			10,780	20.14
			10,780	17.05
			34,243	21.84
			19,817	12.70
			19,817	11.03
			52,434	6.94
			56,565	6.55
			61,162	6.16
28,407			28,407	15.72
25,919			25,919	9.91
25,918			25,918	8.29
$1,702,778	**$574,739**	**$455,347**		
	8,026		–	12.09
			8,025	12.42
		7,454	–	34.07
			3,727	20.14
			3,727	17.05
			12,913	21.84
			6,456	12.70
			6,457	11.03
			26,217	8.44
			28,282	7.85
			30,581	7.28
8,501			8,501	16.36
8,836			8,836	10.04
8,836			8,836	5.36
$555,391	**$169,509**	**$157,428**		
			8,457	23.47
4,787			4,787	20.89
		2,151	–	23.24
			2,421	20.65
$100,000	**$–**	**$52,506**		

NAME	INSTRUMENT	Grant date	GRANT PRICE $	Vesting date	HELD AT 1 JULY 2023 NUMBER OF INSTRUMENTS
M Smith	Performance Rights[4]	1 September 2020	31.15	1 September 2023	6,019
	Performance Rights[4]	1 September 2020	31.15	1 September 2024	6,019
	Share Rights[3]	1 September 2021	41.23	1 September 2023	6,842
	Performance Rights[4]	1 September 2021	41.23	1 September 2024	3,421
	Performance Rights[4]	1 September 2021	41.23	1 September 2025	3,421
	Share Rights[3]	1 September 2022	27.52	1 September 2024	12,170
	Performance Rights[4]	1 September 2022	27.52	1 September 2025	6,085
	Performance Rights[4]	1 September 2022	27.52	1 September 2026	6,085
	Performance Rights[6]	1 September 2022	8.90	1 September 2025	22,471
	Performance Rights[6]	1 September 2022	8.25	1 September 2026	24,242
	Performance Rights[6]	1 September 2022	7.63	1 September 2027	26,212
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
	Performance Rights[4]	1 September 2023	21.22	1 September 2026	
	Performance Rights[4]	1 September 2023	21.22	1 September 2027	
		Aggregate value			
R McCarthy	Performance Rights[4]	1 September 2020	31.15	1 September 2023	6,019
	Performance Rights[4]	1 September 2020	31.15	1 September 2024	6,019
	Share Rights[3]	1 September 2021	41.23	1 September 2023	5,509
	Performance Rights[4]	1 September 2021	41.23	1 September 2024	2,754
	Performance Rights[4]	1 September 2021	41.23	1 September 2025	2,754
	Share Rights[3]	1 September 2022	27.52	1 September 2024	10,902
	Performance Rights[4]	1 September 2022	27.52	1 September 2025	5,451
	Performance Rights[4]	1 September 2022	27.52	1 September 2026	5,451
	Performance Rights[6]	1 September 2022	8.90	1 September 2025	22,471
	Performance Rights[6]	1 September 2022	8.25	1 September 2026	24,242
	Performance Rights[6]	1 September 2022	7.63	1 September 2027	26,212
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
	Performance Rights[4]	1 September 2023	21.22	1 September 2026	
	Performance Rights[4]	1 September 2023	21.22	1 September 2027	
		Aggregate value			
S Mosse	Performance Rights[4]	1 September 2020	31.15	1 September 2023	4,013
	Performance Rights[4]	1 September 2020	31.15	1 September 2024	4,012
	Share Rights[3]	1 September 2021	41.23	1 September 2023	3,305
	Performance Rights[4]	1 September 2021	41.23	1 September 2024	1,652
	Performance Rights[4]	1 September 2021	41.23	1 September 2025	1,652
	Share Rights[3]	1 September 2022	27.52	1 September 2024	6,279
	Performance Rights[4]	1 September 2022	27.52	1 September 2025	3,139
	Performance Rights[4]	1 September 2022	27.52	1 September 2026	3,140
	Performance Rights[6]	1 September 2022	8.90	1 September 2025	22,471
	Performance Rights[6]	1 September 2022	8.25	1 September 2026	24,242
	Performance Rights[6]	1 September 2022	7.63	1 September 2027	26,212
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
	Performance Rights[4]	1 September 2023	21.22	1 September 2026	
	Performance Rights[4]	1 September 2023	21.22	1 September 2027	
		Aggregate value			

MOVEMENT DURING THE YEAR[1]				
GRANTED	FORFEITED	VESTED	HELD AT 30 JUNE 2024	FAIR VALUE OF INSTRUMENT AT GRANT DATE
NUMBER OF INSTRUMENTS			NUMBER OF INSTRUMENTS	$
	6,019		–	12.09
			6,019	12.42
		6,842	–	34.07
			3,421	20.14
			3,421	17.05
			12,170	21.84
			6,085	12.70
			6,085	11.03
			22,471	8.44
			24,242	7.85
			26,212	7.28
8,577			8,577	16.36
8,577			8,577	10.04
8,577			8,577	5.36
$546,012	**$127,121**	**$144,503**		
	6,019		–	12.09
			6,019	12.42
		5,509	–	34.07
			2,754	20.14
			2,754	17.05
			10,902	21.84
			5,451	12.70
			5,451	11.03
			22,471	8.44
			24,242	7.85
			26,212	7.28
13,195			13,195	16.36
8,247			8,247	10.04
8,246			8,246	5.36
$629,979	**$127,121**	**$116,350**		
	4,013		–	12.09
			4,012	12.42
		3,305	–	34.07
			1,652	20.14
			1,652	17.05
			6,279	21.84
			3,139	12.70
			3,140	11.03
			22,471	8.44
			24,242	7.85
			26,212	7.28
6,637			6,637	16.36
6,480			6,480	10.04
6,479			6,479	5.36
$415,827	**$84,755**	**$69,802**		

NAME	INSTRUMENT	Grant date	GRANT PRICE $	Vesting date	HELD AT 1 JULY 2023 NUMBER OF INSTRUMENTS
Former Executives					
A Altinger	Restricted Shares[7]	6 March 2023	24.84	1 October 2023	783
	Restricted Shares[7]	6 March 2023	24.84	1 October 2024	783
	Restricted Shares[7]	6 March 2023	24.84	1 October 2025	783
	Restricted Shares[7]	6 March 2023	24.84	1 October 2023	1,584
	Restricted Shares[7]	6 March 2023	24.84	1 October 2024	1,584
	Restricted Shares[7]	6 March 2023	24.84	1 October 2025	1,584
	Restricted Shares[7]	6 March 2023	24.84	1 October 2026	1,584
	Performance Rights[6]	1 March 2023	8.90	1 September 2025	22,471
	Performance Rights[6]	1 March 2023	8.25	1 September 2026	24,242
	Performance Rights[6]	1 March 2023	7.63	1 September 2027	26,212
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
		Aggregate value			
A Gazal	Share Rights[3]	1 September 2021	41.23	1 September 2023	2,821
	Performance Rights[4]	1 September 2021	41.23	1 September 2024	1,410
	Performance Rights[4]	1 September 2021	41.23	1 September 2025	1,410
	Share Rights[3]	1 September 2022	27.52	1 September 2024	5,451
	Performance Rights[4]	1 September 2022	27.52	1 September 2025	2,725
	Performance Rights[4]	1 September 2022	27.52	1 September 2026	2,726
	Performance Rights[6]	1 September 2022	8.90	1 September 2025	22,471
	Performance Rights[6]	1 September 2022	8.25	1 September 2026	24,242
	Performance Rights[6]	1 September 2022	7.63	1 September 2027	26,212
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
	Performance Rights[4]	1 September 2023	21.22	1 September 2026	
	Performance Rights[4]	1 September 2023	21.22	1 September 2027	
		Aggregate value			
A Gillespie	Share Rights[5]	1 October 2020	23.82	1 October 2023	6,298
	Share Rights[3]	1 September 2021	41.23	1 September 2023	2,496
	Performance Rights[4]	1 September 2021	41.23	1 September 2024	1,248
	Performance Rights[4]	1 September 2021	41.23	1 September 2025	1,248
	Share Rights[3]	1 September 2022	27.52	1 September 2024	8,176
	Performance Rights[4]	1 September 2022	27.52	1 September 2025	4,088
	Performance Rights[4]	1 September 2022	27.52	1 September 2026	4,088
	Performance Rights[6]	1 September 2022	8.90	1 September 2025	22,471
	Performance Rights[6]	1 September 2022	8.25	1 September 2026	24,242
	Performance Rights[6]	1 September 2022	7.63	1 September 2027	26,212
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
	Performance Rights[4]	1 September 2023	21.22	1 September 2026	
	Performance Rights[4]	1 September 2023	21.22	1 September 2027	
		Aggregate value			

MOVEMENT DURING THE YEAR[1]				
GRANTED	FORFEITED	VESTED	HELD AT 30 JUNE 2024	FAIR VALUE OF INSTRUMENT AT GRANT DATE $
NUMBER OF INSTRUMENTS			NUMBER OF INSTRUMENTS	
		783	–	24.84
			783	24.84
			783	24.84
		1,584	–	24.84
			1,584	24.84
			1,584	24.84
			1,584	24.84
			22,471	6.23
			24,242	5.96
			26,212	5.64
2,394			2,394	16.36
$50,801	**$–**	**$49,589**		
		2,821	–	34.07
			1,410	20.14
			1,410	17.05
			5,451	21.84
			2,725	12.70
			2,726	11.03
			22,471	8.44
			24,242	7.85
			26,212	7.28
5,687			5,687	16.36
4,713			4,713	10.04
4,712			4,712	5.36
$320,677	**$–**	**$59,580**		
		6,298	–	23.82
		2,496	–	34.07
			1,248	20.14
			1,248	17.05
			8,176	21.84
			4,088	12.70
			4,088	11.03
			22,471	8.44
			24,242	7.85
			26,212	7.28
7,272			7,272	16.36
7,540			7,540	10.04
7,540			7,540	5.36
$474,309	**$–**	**$184,659**		

NAME	INSTRUMENT	Grant date	GRANT PRICE $	Vesting date	HELD AT 1 JULY 2023 NUMBER OF INSTRUMENTS
D Lane	Performance Rights[4]	1 September 2020	31.15	1 September 2023	6,019
	Performance Rights[4]	1 September 2020	31.15	1 September 2024	6,019
	Share Rights[3]	1 September 2021	41.23	1 September 2023	6,714
	Performance Rights[4]	1 September 2021	41.23	1 September 2024	3,357
	Performance Rights[4]	1 September 2021	41.23	1 September 2025	3,357
	Share Rights[3]	1 September 2022	27.52	1 September 2024	10,902
	Performance Rights[4]	1 September 2022	27.52	1 September 2025	5,451
	Performance Rights[4]	1 September 2022	27.52	1 September 2026	5,451
	Performance Rights[6]	1 September 2022	8.90	1 September 2025	22,471
	Share Rights[3]	1 September 2022	8.25	1 September 2026	24,242
	Share Rights[3]	1 September 2022	7.63	1 September 2027	26,212
	Share Rights[3]	1 September 2023	21.22	1 September 2025	
		Aggregate value			

1. Granted aggregate value is calculated by multiplying the number of instruments by the grant price. Vested and forfeited aggregate value is calculated by multiplying the number of shares by the Perpetual closing share price on the vesting date.
3. Share Rights granted to KMP in September 2021, 2022 & 2023 convert to Restricted Shares 2 years after the grant date. The holding lock is removed 4 years after the grant date, as per the terms of the Executive Leadership Team Variable Incentive Plan. These Share Rights are not included in the Table after vesting.
4. Performance Rights granted to KMP in September 2020, 2021, 2022 & 2023 were issued as 2 tranches with a TSR hurdle. T1 is subject to a 3 year performance period before vesting into Restricted Shares for one year. T2 was subject to a 4 year performance period before vesting. Vested Performance Rights with a holding lock are not included in the Table after vesting.
5. Some of Ms Gillespie's Share Rights were granted prior to her KMP appointment date of 18 November 2020. We have included these holdings for completeness.
6. Performance Rights issued under the "KMP LTI Growth Plan" were issued as 3 tranches with a TSR hurdle. T1 is subject to a 3 year performance period before vesting into Restricted Shares for two years. T2 is subject to a 4 year performance period before vesting into Restricted Shares for one year. T3 is subject to a 5 year performance period before vesting.
7. Ms Altinger's restricted shares relate to deferred STI payments made during her time as a KMP of Pendal Group that were converted to Perpetual Limited restricted shares.
8. Some of Mr Squire's Share Rights were granted prior to his KMP appointment date of 1 November 2023. We have included these holdings for completeness.
9. Mr Squire's performance rights were granted as part of a retention award prior to his KMP appointment date of 1 November 2023. We have included these holdings for completeness.

MOVEMENT DURING THE YEAR[1]				
GRANTED	FORFEITED	VESTED	HELD AT 30 JUNE 2024	FAIR VALUE OF INSTRUMENT AT GRANT DATE
NUMBER OF INSTRUMENTS			NUMBER OF INSTRUMENTS	$
	6,019		–	12.09
			6,019	12.42
		6,714	–	34.07
			3,357	20.14
			3,357	17.05
			10,902	21.84
			5,451	12.70
			5,451	11.03
			22,471	8.44
			24,242	7.85
			26,212	7.28
6,267			6,267	16.36
$132,986	**$127,121**	**$141,800**		

8.7 Contractual Termination terms for Executive KMP

Following are the Executive KMP contractual arrangements.

TERM	WHO	CONDITIONS
Duration of contract	All Executive KMP	Ongoing until notice is given by either party
Notice to be provided by the Executive to terminate the employment agreement	CEO and Managing Director Other Executive KMP	9 months 6 months
Notice to be provided by Perpetual to terminate the employment agreement without cause	CEO and Managing Director Other Executive KMP	9 months 6 months
Notice to be provided by Perpetual for summary dismissal	All Executive KMP	No notice
Post-employment restraint	CEO and Managing Director and Other Executive KMP	12 months from the date on which notice of termination was given

The agreements also allow Perpetual to make a payment in lieu of notice, subject to Board approval.

9. NON-EXECUTIVE DIRECTOR REMUNERATION

9.1 Remuneration policy and data

Perpetual's Remuneration Policy for Non-Executive Directors aims to ensure that we attract and retain suitably skilled, experienced and committed individuals to serve on your Board. Non-Executive Directors do not receive performance related remuneration and are not entitled to receive performance shares or rights over Perpetual shares as part of their remuneration arrangements.

Fee framework[1]

Non-Executive Directors receive a base fee. Except for the Chairman, they also receive fees for participating in Board Committees (other than the Nominations Committee), either as Chair or as a member.

Two changes to Board composition occurred in FY24.

- Phil Wagstaff joined the Perpetual Limited Board effective 1 November 2023, filling the position vacated by the retirement of Kathryn Matthews in FY23. Alongside Mr Wagstaff's appointment, a new base fee schedule was agreed for independent UK-based Non-Executive Directors.
- Gregory Cooper was appointed to the newly created role of Deputy Chairman, with effect from 8 May 2024. A revised base fee of $225,000 per annum was agreed for this position given the expected workload needed to set up the stand-alone Asset Management business following the potential separation of Corporate Trust and Wealth Management.

Board Committee and Fee Changes

- Following the completion of the strategic review, a new Board Implementation Committee was formed with an effective date of 25 June 2024 (with fees payable from 1 August 2024). Fees for this Committee align to those agreed for the Board Investment Committee, the Technology and Cyber Security Committee and the Integration Committee.
- As intended, with Pendal integration activities having now slowed, the Board Integration Committee ceased on 31 July 2024.
- No other changes were made to fee levels for FY24 or FY25 for Non-Executive Directors. It is expected that Board composition and associated fee levels will be reviewed prior to the completion of the separation of Perpetual's Corporate Trust and Wealth Management businesses in early 2025.

NON-EXECUTIVE DIRECTORS' BASE FEES	FY24			FY25		
	AU-BASED AUD	US-BASED[1] USD	UK-BASED[2] GBP	AU-BASED AUD	US-BASED[1] USD	UK-BASED[2] GBP
Chairman	340,000			No Change		
Deputy Chairman[5]	225,000					
Directors	165,000	180,000	140,000			

5. The role of Deputy Chair was established on 8 May 2024.

1. Any other contracts are at arm's length in the normal course of business and on normal commercial terms consistent with other employees and clients. Those transactions may involve investments in Perpetual managed funds and financial advice by Wealth Management.

Directors' Report

for the year ended 30 June 2024

NON-EXECUTIVE DIRECTORS' COMMITTEE FEES	FY24			FY25		
	AU-BASED AUD	US-BASED[1] USD	UK-BASED[2] GBP	AU-BASED AUD	US-BASED[1] USD	UK-BASED[2] GBP
Audit, Risk and Compliance Committee Chairman	35,000			No Change		
Audit, Risk and Compliance Committee member	17,000	17,000	22,000			
People and Remuneration Committee Chairman	35,000					
People and Remuneration Committee member	17,000	17,000	17,000			
Investment Committee Chairman	25,000					
Investment Committee member	13,000	13,000	14,300			
Technology & Cyber-security Committee Chairman		25,000				
Technology & Cyber-security Committee Member	13,000	13,000	14,300			
Integration Committee Chairman[3]	25,000			Committee ceased on 31 July 2024		
Integration Committee Member[3]	13,000	13,000	14,300			
Board Implementation Committee Chairman[6]	Committee fees commenced on 1 August 2024			25,000		
Board Implementation Committee member[6]				13,000	13,000	14,300
Nominations Committee member	Nil	Nil	Nil	No Change		
Overseas travel allowance per trip (long-haul)[4]	10,000	10,000	10,000			

1. Apply to US based Directors only.
2. Apply to UK based Directors only. This amount is consistent with the rates previously applied to UK-based Non-Executive Directors at Pendal Group.
3. This committee ceased with an effective date of 31 July 2024.
4. This allowance is paid once for each return overseas trip where the flight time, one way, is at least 8 hours.
6. This is a new committee that was established on 25 June 2024, with fees payable commencing 1 August 2024.

The fees detailed above are inclusive of any superannuation or pension contributions, capped at the maximum prescribed under any applicable legislation.

Australian-based Non-Executive Directors may receive employer superannuation contributions in one of Perpetual's employee superannuation funds or in a complying fund of their choice. Non-Executive Directors can also salary sacrifice superannuation contributions out of their base fee.

Total fees paid to Non-Executive Directors in FY24 were $2,294,716. More details are provided in the table on page 68.

Retirement policy

Non-Executive Directors who have held office for three years since their last appointment must retire and seek re-election at the Annual General Meeting.

In order to revitalise the Board, Perpetual's Non-Executive Directors agree not to seek re-election after three terms of three years. However, the Board may invite a Non-Executive Director to continue in office beyond nine years if there is a compelling reason and, as determined by the Board, if in the best interests of shareholders.

Outside of superannuation contributions, no retirement benefits are paid to Non-Executive Directors.

Remuneration of the Non-Executive Directors (statutory reporting)

Details of Non-Executive Director remuneration are set out in the table below.

NAME	SHORT-TERM BENEFITS PERPETUAL BOARD FEES $	POST EMPLOYMENT BENEFITS SUPERANNUATION[1] $	TOTAL[2] $
T D'Aloisio			
2024	**312,601**	**27,399**	**340,000**
2023	314,708	25,292	340,000
C Jones[3]			
2024	**350,876**	**–**	**350,876**
2023	164,045	–	164,045
F Trafford-Walker			
2024	**218,594**	**9,094**	**227,688**
2023	176,471	18,529	195,000
G Cooper[5]			
2024	**237,321**	**5,550**	**242,871**
2023	217,258	–	217,258
I Hammond[5]			
2024	**234,183**	**–**	**234,183**
2023	207,940	5,060	213,000
K Matthews[3,4]			
2024	**115,787**	**–**	**115,787**
2023	93,358	–	93,358
M A Kanaan[3,7]			
2024	**349,495**	**–**	**349,495**
2023	325,713	–	325,713
N Fox			
2024	**205,570**	**23,604**	**229,174**
2023	205,389	21,611	227,000
P Wagstaff[3,7]			
2024	**204,642**	**–**	**204,642**
2023	–	–	–
Total 2024	**2,229,069**	**65,646**	**2,294,716**
Total 2023	1,704,882	70,492	1,775,374

1. Australian Non-executive Directors can elect to take superannuation contributions in excess of their Superannuation Guarantee Contribution as additional base fees.
2. Non-executive Directors do not receive any non-cash benefits as part of their remuneration.
3. Ms A Kanaan, Mr Wagstaff, Ms Matthews & Mr Jones do not receive any payments such as pension contributions in addition to Board fees. UK fees have been converted to AUD using an FX rate of 0.5244 and US fees have been converted to AUD using an FX rate of 0.6624.
4. Ms Matthews ceased as a Director on 19 October 2023.
5. Mr Hammond & Mr Cooper's short-term benefits include travel allowance of up to $10,000 relating to an overseas committee meeting.
6. Ms Kanaan fees are shown as the actual AUD cost of USD payments.
7. Mr Wagstaff's short-term benefits include travel allowance of GBP 10,000 relating to an overseas committee meeting.

Alignment with shareholder interests

The constitution requires Non-Executive Directors to acquire a minimum of 500 Perpetual shares on appointment and hold a total of at least 1,000 shares when they have held office for three years. However, Non-Executive Directors are encouraged to hold ordinary Perpetual shares equivalent in value to 100% of their annual base fee within a reasonable period of their appointment.

Non-Executive Directors do not receive share rights or options and are required to comply with Perpetual's Hedging and Share Trading policies.

Non-Executive Director shareholdings

The table below summarises the Non-Executive Director movement in holdings of ordinary shares held during the year and the balance at the end of the year. The table includes shares held both in total (directly or indirectly) and held by related parties.

Due to trading restrictions put in place due to the strategic review, Mr Wagstaff has not had an opportunity to purchase Perpetual shares since his commencement. Other Non-Executive Directors of Perpetual Limited were restricted from trading for a material portion of FY24 which restricted their ability to purchase shares on market in FY24.

	TOTAL SHARES HELD AT 1 JULY 2023						
NAME	NUMBER OF SHARES	PURCHASES	SALES/ REDUCTIONS	SHARES HELD PERSONALLY AT 30 JUNE 2024	SHARES HELD NOMINALLY AT 30 JUNE 2024[1]	TOTAL SHARES HELD AT 30 JUNE 2024	1,000 SHAREHOLDING REQUIREMENT MET
T D'Aloisio[3]	9,072	–	–	–	9,072	9,072	✓
C Jones	4,571	3,000	–	7,571	–	7,571	✓
G Cooper	15,121	888	–	–	16,009	16,009	✓
N Fox[3]	6,432	378	–	6,810	–	6,810	✓
I Hammond[3]	20,818	–	–	–	20,818	20,818	✓
K Matthews[4]	3,719	–	–	–		3,719	✓
M Kanaan	1,011	–	–	1,011	–	1,011	✓
F Trafford-Walker	2,056	1,332	–	2,056	–	3,388	✓
P Wagstaff[2]	–	–	–	–	–	–	

1. Shares held nominally are included in the "Total shares held at 30 June 2023" column. Total shares are held directly by the KMP and indirectly by the KMP's related parties, inclusive of domestic partner, dependents and entities controlled, jointly controlled or significantly influenced by the KMP.
2. Mr. Wagstaff has not been able to purchase shares on market since his appointment to the Perpetual Limited Board. This is due to involvement in the Board's strategic review.
3. Non-Executive Directors that hold Perpetual products in addition to Perpetual shares.
4. Ms. Matthews ceased as a director on 19 October 2023.

10. KEY TERMS

Asset Manager	Refers to Perpetual's Asset Management teams globally – those individuals and teams responsible for producing research for clients and/or directly managing AUM.
Balanced scorecard	The performance measures of financial, client, growth and people as agreed by the Board to assess short and long-term Perpetual Group performance for the purposes of determining the amount of variable remuneration payable (if any).
Cash	Refers to the Cash component of the Variable Incentive plan. The Cash component of the plan is delivered to KMP following the completion of the performance year.
Executive KMP	Executive Key Management Personnel. Those people who have the authority and responsibility for planning, directing and controlling Perpetual's activities, either directly or indirectly. Key Management Personnel disclosed in this Report are the CEO and Managing Director and other Executive KMP (collectively Executive KMP).
Fixed Remuneration	Fixed remuneration consists of cash salary, superannuation, packaged employee benefits and associated fringe benefits tax.
Group	Perpetual Limited and its controlled entities.
Hurdled Equity	The Hurdled Equity component is awarded in the form of Performance Rights (subject to performance hurdles of absolute total shareholder return) equally over three years (with any vested equity restricted for a further year) and four years.
Market peers	For the purposes of benchmarking remuneration practices and levels, Perpetual's market peers refer to listed companies in the diversified financial services industry, excluding major banks and other financial services companies in the Standard & Poor's (S&P)/ASX 200.
Mood Monitor	With the decision several years ago not to run formal engagement surveys, it was decided to implement the Mood Monitor to seek more frequent, in the moment feedback to gauge the mood of employees through regular pulse surveys.
Non-Executive Director (NED)	Non-Executive Directors (NEDs) or Non-Executive KMP are members of a company's board of directors who is not part of the executive team.
NPAT	NPAT is the net profit after tax in accordance with the Australian Accounting Standards.
Performance Rights	Performance Rights are granted under the Hurdled Equity component of the Executive Variable Incentive plan.
Restricted Shares	Once Share Rights are held for a two-year vesting period, and if the vesting conditions are met, are converted to Restricted Shares on a one share for one Share Right basis. Restricted shares are then held for a further two years.
Share Rights	Share Rights are issued around September each year, following the performance period. Share Rights have a two-year vesting period, at which point, if the vesting conditions are met, they are converted to Restricted Shares on a one share for one Share Right basis.
STI	A short-term incentive paid to employees for meeting annual targets aimed at delivering our longer-term strategic plan. Under the STI Plan, employees may be paid a discretionary incentive (less applicable taxes) based on their individual performance as well as business performance. The CEO and Executive KMP participate in their own Variable Incentive plans, and therefore no longer participate in the Group STI plan.
Unhurdled Equity	The Unhurdled Equity component is awarded as Share Rights, which vest after two years into Restricted Shares for a further two years.
UPAT	UPAT is underlying net profit after tax in accordance with the Australian Accounting Standards.
Variable Incentive	Variable Incentive includes both cash and equity components of the CEO and other Executive KMP Variable Incentive Plan.

NON-AUDIT SERVICES PROVIDED BY THE EXTERNAL AUDITOR

Fees for non-audit services paid to KPMG in the current year were $235,511 (2023: $407,934).

The Board has a review process in relation to any non-audit services provided by the external auditor. The Board considered the non-audit services provided by the auditor and is satisfied that the provision of these non-audit services by the auditor is compatible with, and does not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services are subject to the corporate governance procedures adopted by the Company and are reviewed by the Audit, Risk and Compliance Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The Lead Auditor's independence declaration for the 30 June 2024 financial year is included at the end of this report.

ROUNDING OFF

The Company is of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and, in accordance with that Instrument, amounts in the financial report and the Directors' Report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

Tony D'Aloisio
Chairman

Rob Adams
Chief Executive Officer and Managing Director

Sydney 29 August 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Perpetual Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Perpetual Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Brendan Twining
Partner
Sydney
29 August 2024

Disclaimer

The following information should be read in conjunction with the Group's audited consolidated financial statements and associated notes for the 12 months ended 30 June 2024 contained in the Annual Report for the financial year ended 30 June 2024 (FY24). The Group's audited consolidated financial statements for the 12 months ended 30 June 2024 were subject to an independent audit by KPMG.

No representation or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in this review (any of which may change without notice). To the maximum extent permitted by law, the Perpetual Group, its Directors, officers, employees, agents and contractors and any other person disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence) for any direct or indirect loss or damage which may be suffered through use of or reliance on anything contained in or omitted from this review.

This review contains forward looking statements. These forward-looking statements should not be relied upon as a representation or warranty, express or implied, as to future matters. Prospective financial information has been based on current expectations about future events but is, however, subject to risks, uncertainties, contingencies, and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information. The Perpetual Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this review, subject to disclosure requirements applicable to the Group.

Contents

Notes

Note that in this review:

- FY24 refers to the financial reporting period for the 12 months ended 30 June 2024
- 1H24 refers to the financial reporting period for the 6 months ended 31 December 2023
- 2H24 refers to the financial reporting period for the 6 months ended 30 June 2024 with similar abbreviations for previous and subsequent periods.

This is a review of Perpetual's operations for the 12 months ended 30 June 2024 (FY24). It also includes a review of its financial position as at 30 June 2024.

The following information should be read in conjunction with the Group's audited consolidated financial statements and associated notes for FY24.

All amounts shown are stated in Australian dollars unless otherwise noted and are subject to rounding.

Additional information is available on the Group's website www.perpetual.com.au.

A glossary of frequently used terms and abbreviations can be found at the end of the review.

PART 1. REVIEW OF GROUP

1.1 Overview

Perpetual Limited (Perpetual) is a diversified global financial services firm operating in asset management, wealth management and trustee services. Perpetual services a global client base from offices in Australia, the United States, the United Kingdom, Europe and Asia. Perpetual earns the majority of its revenue from fees charged on assets under either management, advice or administration. Revenue is influenced by movement in the underlying asset values, margin on assets and net client flows. The business model provides Perpetual with recurring revenue streams and leverage to movement in asset values. As a provider of high-quality financial services, employment costs comprise the largest component of the Group's expenses. The acquisition of Pendal Group in January 2023 brought together two of Australia's most respected active asset management brands to create a global leader in multi-boutique asset management with approximately A$215 billion in assets under management[1]. Perpetual's larger, significantly more diverse asset management business provides increased leverage to global markets and a greater ability to manage the business through investment cycles. The broader array of investment capabilities across regions, investment styles and asset sectors, better positions the business to deliver sustainable growth and improved shareholder returns over time.

1.1.1 Strategy

Perpetual's vision is to create enduring prosperity for its clients, people, communities and shareholders. Perpetual creates enduring prosperity by offering trusted services in Asset Management, Wealth Management and Corporate Trust.

Asset Management's vision is to be a market leading global multi-boutique asset management business, with world-class differentiated active investment capabilities designed to meet the evolving needs of our clients in our chosen markets (US, Europe, UK, Asia and Australia). The Pendal Group acquisition has brought to Asset Management complementary strengths in key strategies, regions and operating capabilities. Combined with Perpetual's pre-existing asset management business, the Pendal acquisition provides a global, scalable growth platform for Asset Management.

Wealth Management's vision is to empower families, businesses and communities to achieve their aspirations by delivering advisory service excellence. With a trusted fiduciary heritage, Wealth Management assists clients with a "protect" and "grow" investment philosophy for managing their wealth as their income and needs change over a lifetime.

Corporate Trust's vision is to be the most trusted fiduciary and the leading digital solutions provider to the banking and financial services industry, with a mission to support the delivery of its clients' strategies through the provision of service excellence and digital solutions. Corporate Trust builds on its strategy of enabling client success by leveraging its long-standing relationships and supporting its clients with innovative and automated digital solutions to help them meet business challenges today and into the future.

To support our strategy in each of these businesses, Perpetual Group has committed to the following strategic imperatives.

- Client first – delivering exceptional products and outstanding service
- Simplify – completing the successful integration of Pendal and seeking areas of simplification across our portfolio of businesses
- Sustainable growth – unlocking the benefits of our global multi-boutique model

On 6 December 2023, the Board announced a Strategic Review to explore the benefits of unlocking additional value for Perpetual shareholders. Following a comprehensive Strategic Review process, the Board determined that becoming a pure-play global Asset Management business through a demerger, combined with the separation of the Wealth Management and Corporate Trust businesses, would provide superior value for shareholders. On 8 May 2024, Perpetual entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") who will acquire 100% of the two businesses via a Scheme of Arrangement (Scheme), for total cash consideration of A$2.175 billion. Completion is anticipated to occur in February 2025, subject to satisfaction of customary Conditions. Following the anticipated completion, Perpetual will become a standalone, global multi-boutique Asset Management business with scale, diversified investment strategies, and supported by a leaner and more streamlined structure, with a strong balance sheet.

1.1.2 Operating Segments & Principal Activities

Asset Management is a global multi-boutique asset management business offering an extensive range of specialist and differentiated investment capabilities through six boutique and seven brands in key regions globally. Within Australia, Perpetual and Pendal Group have a broad range of capabilities across Australian and global equities, credit, fixed income, multi-asset and ESG. We have an established and growing presence in the US, the UK and Europe through Barrow Hanley, J O Hambro Capital Management (J O Hambro), Trillium and Thompson, Siegel and Walmsley (TSW). Trillium and Regnan, specialist ESG-focused asset management businesses, provide leading global sustainable and impact-driven investment strategies in equities, fixed income and multi-asset.

1. As at 30 June 2024.

The **Wealth Management** business consists of Perpetual Private and three other distinct specialist businesses (Fordham, Jacaranda and Priority Life), offering a unique mix of wealth management, advice and trustee services to individuals, families, businesses, not-for-profit organisations and Indigenous communities throughout Australia. Each of the businesses offers a diverse range of capabilities: Perpetual Private provides strategic advice on superannuation and retirement planning, general investment, asset protection, insurance, tax management, estate planning, aged care, social security, succession planning and philanthropy; Fordham acts exclusively for private business owners and their families to manage their businesses and build and protect their wealth; and Jacaranda Financial Planning provides high quality investment and strategic advice to the pre-retiree segment of the wealth management market. Priority Life is a specialist insurance business focused on meeting the needs of medical specialists and other professionals across Australia.

The **Corporate Trust** business is a leading provider of fiduciary and digital solutions to the banking and financial services industry in Australia and Singapore. It administers securitisation portfolios, investment and debt structures to protect the interests of our clients' investors. Corporate Trust supports clients locally and overseas with a unique offering through five key service offerings: Debt Market Services; Managed Fund Services; Perpetual Asia, headquartered in Singapore; Perpetual Digital, which provides data services and software-as-a-service products; and Laminar Capital, which provides fixed income dealing, treasury and advisory services to government organisations, superannuation funds, local councils, authorised deposit-taking institutions (ADIs), not-for-profits, wealth managers and sophisticated investors.

The business units are supported by **Group Support Services** comprising Group Investments, CEO, Finance, Strategy, Corporate Affairs, Marketing, Legal, Audit, Risk, Compliance, Company Secretary, Technology, Project & Change Management, Operations, Product, People & Culture and Sustainability.

1.2 Group Financial Performance

Profitability and Key Performance Indicators

FOR THE PERIOD	FY24 $M	FY23 $M	FY24 V FY23	FY24 V FY23
Operating revenue	1,335.0	1,013.8	321.2	32%
Total expenses	(1,051.4)	(794.6)	(256.8)	(32%)
Underlying profit before tax (UPBT)	**283.6**	**219.2**	**64.4**	**29%**
Tax expense	(77.4)	(56.0)	(21.4)	(38%)
Underlying profit after tax (UPAT)[1]	**206.1**	**163.2**	**43.0**	**26%**
Significant items[2]	(678.3)	(104.2)	(574.1)	Large[3]
Net (loss)/profit after tax (NPAT)	**(472.2)**	**59.0**	**(531.2)**	**Large**

1. Underlying profit after tax (UPAT) attributable to equity holders of Perpetual Limited reflects an assessment of the result for the ongoing business of the Group as determined by the Board and management. UPAT has been calculated in accordance with ASIC's Regulatory Guide 230 – Disclosing non-IFRS financial information. Refer to Appendix B for a reconciliation of the adjustments between Statutory Accounts and the OFR. UPAT attributable to equity holders of Perpetual Limited is disclosed as it is useful for investors to gain a better understanding of Perpetual's financial results from normal operating activities.
2. Significant items include (refer to Appendix A and Appendix B for further details).
3. Large is defined as a percentage change that exceeds +/- 200%.

	PROFIT/(LOSS) AFTER TAX							
FOR THE PERIOD	FY24 $M	FY23 $M	FY24 V FY23	FY24 V FY23	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Transaction, Integration and Strategic Review costs	(84.2)	(80.0)	(4.2)	(5%)	(48.4)	(35.8)	(45.4)	(34.6)
– Trillium	(2.7)	(3.5)	0.7	21%	(1.3)	(1.4)	(1.7)	(1.8)
– Barrow Hanley	(5.2)	(5.4)	0.2	3%	(3.4)	(1.8)	(0.7)	(4.7)
– Pendal Group	(47.5)	(63.1)	15.6	25%	(20.2)	(27.3)	(36.5)	(26.6)
– Other	(28.7)	(8.0)	(20.7)	Large	(23.4)	(5.3)	(6.5)	(1.5)
Non-cash amortisation of acquired intangibles	(57.2)	(40.6)	(16.6)	(41%)	(22.9)	(34.3)	(30.6)	(10.0)
Unrealised gains/losses on financial assets	6.6	16.4	(9.8)	60%	1.2	5.4	15.4	1.0
Accrued incentive compensation liability	(10.4)	–	(10.4)	–	(11.4)	1.0	(3.4)	3.4
Impairment losses on non-financial assets	(533.1)	–	(533.1)	–	(533.1)	–	–	–
Total significant items	**(678.3)**	**(104.2)**	**(574.1)**	**Large**	**(614.7)**	**(63.6)**	**(63.9)**	**(40.3)**

KEY PERFORMANCE INDICATORS (KPI)	FY24	FY23	FY24 V FY23	FY24 V FY23
Profitability				
UPBT margin on revenue (%)	21	22	(0)	
Shareholder returns				
Diluted earnings per share (EPS)[1] on NPAT (cps)	(409.0)	71.1	(480.1)	Large
Diluted earnings per share (EPS)[1] on UPAT (cps)	178.6	196.6	(18.1)	(9%)
Dividends (cps)[4]	118.0	155.0	(37.0)	(24%)
Franking rate (%)[5]	42	40	2	
Dividend payout ratio (%)[6]	65	78	(13)	
Return on Equity (ROE)[2] on NPAT (%)	(23.0)	3.6	(26.6)	
Return on Equity (ROE)[2] on UPAT (%)	10.0	9.9	0.1	
Growth				
Perpetual average assets under management (AUM) $B[3]	224.5	154.4	70.1	45%
Average funds under advice (FUA) $B	19.1	18.1	1.0	5%
Closing Debt Markets Services FUA $B	711	691	20	3%
Closing Managed Funds Services FUA $B	496	471	24	5%

1. Diluted EPS is calculated using the weighted average number of ordinary shares and potential ordinary shares on issue of 115,447,151 for FY24 (FY23: 83,014,616).
2. The return on equity (ROE) quoted in the above table is an annualised rate of return based on actual results for each period. ROE is calculated using the UPAT or NPAT attributable to equity holders of Perpetual Limited for the period, divided by average equity attributable to equity holders of Perpetual Limited, multiplied by the number of such periods in a calendar year in order to arrive at an annualised ROE.
3. Refer to Appendix C for a breakdown by operating segment.
4. FY23 included a special dividend of 35c paid on 8 Feb 2023.
5. FY24 interim dividend paid using 35% franking rate and final dividend at 50%. In FY23 the franking rate for the special dividend paid on 8 February 2023 was 100%. Both the interim and final dividends for FY23 were paid using a 40% franking rate.
6. The FY23 payout ratio of 78% on full year UPAT includes the 3 months of Pendal earnings from 1 October 2022 to 31 December 2022.

1.2.1 Financial Performance

For the 12 months to 30 June 2024, Perpetual's UPAT was $206.1 million and NPAT was a loss of $472.2 million.

FY24 UPAT was 26% higher than FY23 principally due to:

- Acquisition of the Pendal Group through the boutiques of Pendal, J O Hambro and TSW;
- Higher Wealth Management non-market related revenue relating to Fordham & Priority Life and the higher interest rate environment;
- Continued Corporate Trust growth across all three business lines;
- Group Investments revenue from earnout releases, higher interest rates and return on seed and CLO investments; and
- Partially offset by:
  - Higher variable remuneration following improved business performance
  - Higher interest expense following the debt raise to partially fund the Pendal Group acquisition and rises in official interest rates over the period.

FY24 NPAT was $531.2 million lower than FY23 impacted by a $547.4 million pre-tax impairment charge on non-financial assets, together with Separation and Pendal Group integration costs. A non-cash impairment charge was recognised against the carrying value of goodwill and other intangibles, resulting in the partial write-down of the current book value of the J O Hambro and TSW boutiques in the Asset Management division.

The key drivers of revenue and expenses at the Group level are summarised below. Analysis of performance for each of Perpetual's operating segments is provided in Section 2.

1.2.2 Revenue

The main driver of revenue in Asset Management is the value of assets under management (AUM), which is primarily influenced by the level of the US, European and Australian equity markets. Wealth Management's main driver of revenue is funds under advice (FUA) and for Corporate Trust it is funds under administration (FUA). Revenue is sensitive to a number of factors, including but not limited to: the performance of funds under the Group's management and advice; the exposure to currency volatility; the impact and timing of flows on AUM and FUA[1] – inflows, outflows and distributions; and changes in pricing policy, channel and product mix.

In FY24, Perpetual generated $1335.0 million of total operating revenue, which was $321.2 million or 32% higher than FY23. Asset Management revenue growth was primarily driven by the Pendal Group acquisition, combined with higher average AUM supported by foreign exchange impacts and higher equity markets. Further growth was delivered through Corporate Trust, Wealth Management non-market and Group Investments income.

Performance fees earned in FY24 were $15.8 million,[2] $0.6 million higher than FY23 with the $4.7 million Asset Management increase offset by the absence of fees earned in Wealth Management.

1.2.3 Expenses

Total expenses in FY24 were $1051.4 million, $256.8 million or 32% higher than FY23, impacted by:

- Full year impact of the acquisition of the Pendal Group;
- Higher interest expense following official interest rate rises and the funding costs relating to the Pendal Group acquisition;
- Variable Remuneration;
- Foreign exchange movement;
- Enterprise investment in technology, cyber security and regulatory compliance;
- Distributions on employee-owned unit in Barrow Hanley; and
- Continued investment in growth initiatives in Corporate Trust & Wealth Management.

1.2.4 Shareholder Returns and Dividends

The Board announced a final 50% franked ordinary dividend for 2H24 of 53 cents per share, to be paid on 4 October 2024. This represents a payout ratio of 56% of 2H24 UPAT and 65% on full year UPAT.

This is in line with Perpetual's dividend policy to pay dividends within a range of 60% to 90% of UPAT on an annualised basis and maximising returns to shareholders.

The Dividend Reinvestment Plan (DRP) will be operational for the final dividend. No discount will apply and the DRP will be met by issuing new shares.

Perpetual's return on equity (ROE) on NPAT was -23.0% for FY24 compared to 3.6% in FY23.

Perpetual's return on equity (ROE) on UPAT was 10.0% for FY24 compared to 9.9% in FY23.

1. FUA refers to both funds under advice in Wealth Management and funds under administration in Corporate Trust.
2. Includes performance fees earned by Asset Management and Wealth Management.

1.3 Group Financial Position

BALANCE SHEET AS AT	2H24 $M	1H24 $M	2H23[1] $M	1H23 $M
Assets				
Cash and cash equivalents	221.3	189.5	263.2	133.6
Receivables	224.4	208.0	209.9	132.3
Structured products – EMCF assets	159.9	161.6	163.9	174.4
Liquid investments	381.7	332.2	291.4	149.9
Goodwill and other intangibles	2,061.7	2,583.7	2,660.9	948.8
Tax assets	145.8	135.8	149.2	64.3
Property, plant and equipment	162.2	169.3	104.9	71.3
Other assets	42.4	44.5	41.7	30.0
Total assets	**3,399.2**	**3,824.6**	**3,885.1**	**1,704.6**
Liabilities				
Payables	103.2	121.0	118.6	102.9
Structured products – EMCF liabilities	159.5	161.6	164.2	175.5
Derivative financial instruments	–	–	–	11.3
Tax liabilities	166.8	163.9	166.2	15.9
Employee benefits	301.7	175.1	219.3	83.2
Lease liabilities	154.7	162.2	90.9	65.8
Provisions	4.5	4.2	9.4	10.9
Borrowings	679.0	713.7	734.4	277.0
Accrued incentive compensation	65.3	50.1	50.7	46.3
Other liabilities	23.4	17.5	16.3	33.5
Total liabilities	**1,658.1**	**1,569.3**	**1,570.0**	**822.3**
Net assets	**1,741.1**	**2,255.3**	**2,315.1**	**882.3**
Shareholder funds				
Contributed equity	2,174.0	2,146.4	2,133.3	828.1
Reserves	182.9	146.6	184.4	28.2
Retained earnings	(615.8)	(37.7)	(2.6)	26.0
Total equity	**1,741.1**	**2,255.3**	**2,315.1**	**882.3**

1. Prior period comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group.

DEBT METRICS	FY24 $M	FY23 $M	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Corporate debt $M[1]	685.5	745.0	685.5	722.2	745.0	288.9
Corporate debt to capital ratio%[2]	28.2%	23.9%	28.2%	24.3%	23.9%	24.7%
Interest coverage (times)[3]	5x	8x	5x	5x	8x	14x
NTA per share ($)[4]	**(2.60)**	**(2.63)**	**(2.60)**	**(2.34)**	**(2.63)**	**(1.59)**

CASHFLOW FOR THE PERIOD	FY24 $M	FY23 $M	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Net cash from/(used in) operating activities	296.4	134.8	213.8	82.6	136.4	(1.6)
Net cash used in investing activities	(97.9)	(244.0)	(43.0)	(54.9)	(237.7)	(6.3)
Net cash (used in)/from financing activities	(229.3)	221.6	(138.9)	(90.4)	263.4	(41.8)
Effective movements in exchange rates on cash held	(11.1)	(24.6)	(0.1)	(11.0)	(32.5)	7.9
Net (decrease)/increase in cash and cash equivalents	**(41.8)**	**87.8**	**31.9**	**(73.7)**	**129.6**	**(41.8)**

1. Corporate debt represents the gross corporate debt excluding the offset of capitalised debt costs.
2. Corporate debt / (corporate debt + equity).
3. EBIT/gross interest expense in accordance with banking covenants.
4. Calculation includes lease assets and liabilities.

1.3.1 Balance Sheet Analysis

Key movements in Perpetual's consolidated balance sheet are described below.

- **Goodwill and other intangibles** decreased by $599.2 million due to the $547.4 million impairment of J O Hambro and TSW together with the amortisation of customer contracts during the period of $51.8 million;
- **Liquid Investments** increased by $90.3 million due to continued investment in Collateralised Loan Obligations (CLO), seed portfolio and the Investing in Product (IIP) remuneration scheme;
- **Property, plant and equipment** increased by $57.3 million primarily due to lease modification for Angel Place;
- **Employee benefits** increased by $82.4 million due to a full year accrual of Pendal group and cash retention for strategic review of $15.3 million;
- **Lease Liabilities** increased by $63.8 million primarily due to lease modification for Angel Place; and
- **Borrowings** decreased by $55.4 million primarily due to repayment of debt during the period.

1.3.2 Capital Management

Perpetual's principles for its capital management are as follows:

- maximising returns to shareholders;
- enabling the Group's strategy;
- ensuring compliance with the Group's risk appetite statement and regulatory requirements; and
- maintaining liquidity lines and cash balance well in excess of regulatory and working capital requirements.

Perpetual maintains a conservative balance sheet with responsible gearing levels. As part of its capital management strategy, the Group continually reviews options to ensure that it is optimising its use of capital and maximising returns to shareholders.

During FY24, the Group has maintained its balance sheet strength through:

- continuing to maintain the overall credit quality of the Group's risk assets; and
- maintaining syndicated debt facility arrangements. Arrangements consist of a revolving loan with a maximum commitment of $175 million AUD or equivalent, a term loan facility with a maximum commitment of $128 million USD or equivalent, a redrawable bank guarantee facility with a maximum commitment of $160 million AUD, a revolving loan facility with a maximum commitment of $215 million AUD, a term loan facility with a maximum commitment of £115 million GBP or equivalent and a term loan facility with a maximum commitment of $45 million USD or equivalent.

The Group uses a rolling forecast of net cash flows to assess its capital requirements. At the end of FY24, Perpetual Group held $135 million of surplus available liquid funds (net of accrued dividends).

1.3.3 Liquidity

The Group actively manages liquidity risk by preparing cash flow forecasts for future periods, reviewing them regularly with senior management, maintaining a committed credit facility, and engaging regularly with its debt providers.

In FY24, cash and cash equivalents decreased by $41.8 million to $221.3 million as at 30 June 2024. This decrease was predominantly driven by net debt repayments.

1.3.4 Debt

Perpetual's corporate debt as at 30 June 2024 was $685.5 million compared to $745.0 million at the end of FY23. A net debt repayment of $50 million was made during the period, with the remaining movement due to unfavourable changes in foreign exchange rates. An additional $185.0 million of debt facilities remain undrawn as at 30 June 2024. $149 million of bank guarantees have been issued under the syndicated facility. The bank guarantees are not shown on the balance sheet.

The facility is subject to the Group meeting certain debt covenants including shareholder funds as a percentage of total assets, a maximum ratio of gross debt to EBITDA and a minimum interest cover. Given the impairment announced on 26 August 2024, the Consolidated Entity has disclosed its borrowings as current liabilities in accordance with the accounting standards. Subsequent to year end, the Consolidated Entity obtained a waiver from the banking syndicate with respect to debt covenant clauses associated with impairment. As a result of the waiver, subsequent to year end, the borrowings will be classified as non-current with the debt not due for repayment until 22 November 2025 for its 3-year facilities and 22 November 2026 for its 4-year facilities. The Consolidated Entity continues to be able to meet its funding and liquidity requirements.

1.4 Regulatory Developments and Business Risks

1.4.1 Regulatory Developments

The financial services industry continues to be subject to legislative and regulatory reform which affects or could affect the Group's operations globally.

The following summarises key regulatory change projects that commenced in the last reporting period or are set to commence in this period.

Australia

Climate-related Financial Disclosures

The Government is introducing standardised, internationally-aligned, mandatory reporting requirements for large businesses to make disclosures regarding governance, strategy, risk management, targets and metrics, as part of its commitment to ensuring greater transparency and accountability for Australians and investors.

Treasury sought feedback on the design and implementation of a broad framework through two rounds of consultation during 2023 and on 12 January 2024, the exposure draft legislation was released for further consultation.

In addition, the Australian Accounting Standards Board (AASB) is consulting on proposed climate-related financial disclosure requirements across three Australian Sustainability Reporting Standards.

A phased approach will apply, with very large entities required to comply for financial years commencing between 1 July 2024 and 30 June 2025, and all entities covered by the reforms required to comply by financial years commencing on or after 1 July 2027.

The Group is assessing the impacts and participating in industry working groups to respond to submissions.

ASIC Derivative Transaction Reporting Rules

On 20 December 2022, ASIC released the new derivative transaction reporting rules, which will take effect from 21 October 2024.

The new rules follow two rounds of consultation, in November 2020 (CP 334) and May 2022 (CP 361), containing significant changes to the way transactions are to be reported and how reporting entities should approach its reporting. Further technical guidance and amendments were proposed under CP 375 to address outstanding matters from the prior consultation papers.

Work is underway in implementing the changes within the Group.

Quality of Advice Review

On 7 December 2023, Treasury released the Government's final response to the Quality of Advice review ("QAR"), which outlined a number of proposed reforms to the financial advice regime in Australia.

The first tranche ("Tranche 1") of changes adopts 7 of the Government's recommendations to the QAR final report and Tranche 2 represents a further 5 recommendations, which is being developed in the second half of 2024.

Tranche 1, which commenced the day after the Act received Royal Assent (on 9 July 2024) includes the following provisions:

- Superannuation trustees should be able to pay a fee from a member's superannuation account to an adviser for personal advice provided to the member about the member's interest in the fund on the direction of the member. Subsequent amendments made to the S99FA of the SIS Act based on the industry feedback.
- Introduction of a legislative requirement of a single consent form and abolition of Fee Disclosure Statements plus a flexibility for renewal of consent.
- FSG information can be made available to clients by visiting the financial service providers website.
- Introducing new standardised consent requirements for life risk insurance.
- Simply and clarify the provisions governing conflicted remuneration, in particular that monetary or non-monetary benefits given by a client are not conflicted remuneration along with the removal of consequential exceptions (added as relevant).

The Group has assessed the impact of the Tranche 1 changes to the Group and developed and plan for implementation by January 2025.

International

Ireland – Individual Accountability Framework (effective December 2023)

The Central Bank of Ireland ("CBI") put in place a legislative framework which promotes a culture of good governance and greater individual accountability in all regulated financial services providers. The IAF introduced three new types of conduct standards to which PISEL employees and directors are subject, namely business conduct standards, common Conduct Standards and additional Conduct Standards. In addition, the existing fitness and probity regime has been enhanced in a number of aspects and further enforcement powers have been granted to the regulator. In order to implement this, policies have been amended and drafted as required and training provided.

CBI Guidance on Operational Resilience (effective December 2023)

This guidance sets out how firms should respond to, recover and learn from an operational disruption which affects the delivery of critical or important business services. Boards and senior management are obliged to take appropriate actions to ensure that operational resilience frameworks are well designed, are operating effectively and are sufficiently robust. This guidance came into effect in December 2023 and an operational resilience framework (which leverages that of key service providers) has been put in place.

EU – The Digital Operational Resilience Act (DORA)

DORA comes into force on 17 January 2025 and is designed to consolidate and upgrade Information and Communications Technology (ICT) risk requirements throughout the financial sector to ensure that all participants in the financial system are subject to a common set of standards to mitigate ICT risks for their operations. DORA aims to ensure that all participants in the financial system have the necessary safeguards in place to mitigate cyber-attacks and other risks. The legislation will require firms to ensure that they can withstand all types of ICT-related disruptions and threats. It also introduces an oversight framework for critical third-party providers, such as cloud service providers. An implementation project is being scoped to address the relevant requirements. In addition, the European Supervisory Authorities have published a series of Regulatory Technical Standards ("RTSs") which provide further colour on the regulatory requirements to be implemented.

UK – Investment Research Review

The Investment Research Review, otherwise known as the Kent Report, was published on 10 July 2023 and commissioned by the government to independently review investment research and its contribution to UK capital markets competitiveness. In particular, the review covered the impact of the current legislative and regulatory environment on the provision and quality of research including the MiFID II unbundling rules. Many in the industry have noted there has been a decline in investment coverage in the UK and that the pricing of research in the UK post-MiFID II is "broken". The report notes various recommendations, including 1) a research platform to help generate research, 2) allowing more options to pay for research, and 3) allowing greater access to investment research for retail investors. The FCA have confirmed that they will review the report and its recommendations and engage with market participants to consult on potential regulatory changes concerning the purchase of investment research. Final rules are expected in 2024. On 10 April 2024, the FCA published a Consultation Paper: "Payment Optionality for Investment Research". This covers one aspect of the Kent Report – Recommendation 2 which created an option for bundled execution and research payments. The FCA will consider the other recommendations at a later date.

UK – Sustainability Disclosure Requirements (SDR)

The FCA has published its final SDR rules which come into effect during 2024. These rules contain sustainability disclosure requirements and a new classification and labelling system for sustainable investment products. As part of this, there is a new anti-greenwashing rule that requires UK regulated firms to ensure that sustainability claims in relation to UK funds are clear, fair and not misleading. This came into effect 31 May 2024. The labelling rules come into effect on 31 July 2024 and the naming and marketing rules come into effect on 2 December 2024. Currently the labelling and naming and marketing rules only apply to our funds. On 23 April 2024, the FCA published a Consultation Paper on the applicability of the SDR to portfolio management services (segregated mandates). The Government also intends to consult on whether the disclosure and labelling regime should be extended to apply to Overseas Funds Regime (OFR) funds which in our context are the Irish domiciled funds which sold into the UK. This consultation is likely to run from Q3 2024. If, following consultation, the Government chooses to extend the regime to OFR funds, the FCA expects that it would need to make rules (subject to consultation processes) reflecting that decision. The FCA's process would run separately, with a consultation published after the Government's decision.

UK – Task Force on Climate-related Financial Disclosures (TCFD)

The FCA has set out new TCFD aligned rules for investor-facing, climate-related reporting by asset managers. Where firms meet the specified AUM threshold, they are required to produce both public entity level disclosures in respect of all products and services and product level disclosures in respect of UK-domiciled funds. Relevant UK entities were required to carry out reporting by 30 June 2024. The TCFD reporting has been completed and published on the JOHCM website.

US – Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information

In June 2024, the SEC adopted rule amendments that will require US investment companies and advisers, as well as other financial counterparties, to adopt written policies and procedures for incident response programs to address unauthorised access or use of customer information. The amendments will also broaden the scope of information covered by the requirements to safeguard customer records. The final compliance date will be on or around December 2025. The Group is currently implementing required changes within its US business.

US – Amendments to Form PF (Private Fund Reporting)

In February 2024, the US Commodity Futures Trading Commission and the SEC jointly adopted amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds. The amendment will become effective March 2025 and the Group is working through implementation.

US – Tailored Shareholder Reports for Mutual Funds

In October 2022, the SEC adopted rule and form amendments (first proposed in August 2020) for mutual funds and exchange-traded funds that will substantially impact the content and scope of disclosure for shareholder reports, as well as amendments that will require fee comparability in fund advertising. These amendments reflect the SEC's goal of requiring funds to present key information to shareholders clearly and concisely. The rules came into effect on 24 January 2023 with the final compliance date in December 2025.

US – Fund Names Rule Amendment

The rule expands US registered fund's 80% investment policy requirement to apply to any fund name containing terms that suggest the fund focuses its investments in a particular type of investment or investments; a particular industry or group of industries; particular countries or geographic regions; or investments that have, or whose issuers have, particular characteristics (e.g., "growth," "value," terms indicating that the fund's investment decisions incorporate one or more ESG factors, and thematic terms). The Rule creates additional compliance obligations with respect to assessments of holdings that count toward such 80% policy, ongoing monitoring and SEC reporting requirements, as well as material updates to prospectus disclosures. The rule was adopted on 20 September 2023 with a final compliance date of 11 December 2025. The Group will implement required changes within its US business.

Singapore – MAS Guidelines on Outsourcing (Financial Institutions other than Banks)

MAS has released updated guidelines on risk management practices pertaining to the management of outsourcing arrangements for financial institutions other than banks. These guidelines will take effect from 11 December 2024 and apply to all financial institutions (with the exception of banks and merchant banks) in Singapore and set out MAS' expectations of an institution that has entered into any outsourcing agreement or is planning to outsource its business activities to a service provider. Institutions are expected to exercise appropriate due diligence on their outsourcing arrangements and be ready to demonstrate to MAS their observance of the Guidelines on Outsourcing. Institutions are encouraged to implement all risk management practices contained in the Guidelines on Outsourcing for outsourcing arrangements involving a MAS-regulated entity. The extent and degree to which an institution implements the risk management practices should be commensurate with the nature of risks in, and materiality of, the outsourcing arrangement. The Singapore business has updated the relevant processes to integrate these changes.

1.4.2 Business Risks

Risk management framework

Perpetual's approach to risk management globally is based on a Risk Appetite Statement set by the Perpetual Board, which outlines the risk boundaries and minimum expectations of Perpetual Management. The Board's Audit, Risk and Compliance Committee (ARCC) is responsible for overseeing Perpetual's risk management process. Perpetual has dedicated Risk and Compliance functions, led by the Chief Risk and Sustainability Officer, which have day to day responsibility for the design, implementation and maintenance of Perpetual's Risk Management Framework (RMF), and an independent Internal Audit department.

The RMF is underpinned by the 'Three Lines of Accountability model' (3LOA). This model sees the first line, being business unit management, accountable for the day-to-day identification, management and ownership of risks. Perpetual's Risk, Compliance and Client Advocacy functions represent the second line and are responsible for overseeing first line activities. Internal Audit provides independent assurance, representing the third line, and has an independent reporting line to the Chair of the ARCC.

The Group's RMF and 3LOA model are designed to manage and formulate responses to the key business risks faced by the Group which are set out below. The primary mitigants in place to manage these risks include Perpetual's risk and compliance frameworks, policies, clearly defined behaviours and performance assessment process, education and risk and compliance training, defined governance processes and delegation of authorities.

1.4.3 Key Business Risks

The key business risks faced by Perpetual are set out below.

RISK CATEGORY	RISK DESCRIPTION/IMPACT	RISK MITIGANTS
Strategy and Execution	Risk arising from adverse strategic decisions, improper implementation of strategic decisions, a lack of responsiveness to industry changes or exposure to economic, market or demographic considerations that results in a poorly designed and/or executed strategy impacting Perpetual's market position and client value proposition.	– Considered strategic and business planning processes, including well-defined Mergers and Acquisitions (M&A) Framework and Integration Programs – Strategic measures cascaded through performance management – Application of Risk Appetite Statement in strategic decision-making and monitoring – Ongoing monitoring by Perpetual's Executive Committee (ExCo) and reporting to Perpetual's Board on strategic execution and achievement of intended benefits – Execution of Pendal integration program and oversight by board integration committee (committee dissolved 31 July 2024)
Management of Change	Risks arising from ineffectively managing the portfolio of change and/or the design and execution of delivering and embedding change associated with Perpetual's strategic priorities and/or business initiatives. Risk includes impacts to the realisation of benefits; and/or ability to deliver change initiatives to plan or expectations; and/or unintended consequences for our people, clients and/or business.	– Well-defined and embedded change management governance, practices, processes, systems, and training – Adequate resourcing of change management initiatives – Ongoing monitoring and reporting on a portfolio view of change across the organisation, including change experience and post implementation reviews
People	Risk arising from an inability to attract, engage, mobilise and retain experienced, quality people at appropriate levels to execute Perpetual's business strategy, particularly in key investment management roles.	– Succession planning, talent identification programs, retention strategies, remuneration benchmarking and reporting to the People and Remuneration Committee – Alignment of remuneration outcomes, including asset manager (portfolio manager and investment analyst) remuneration, to longer term value creation for shareholders and clients – Employee engagement monitoring
	Risk arising from an inability to safeguard our people, clients and suppliers from work health and safety (WH&S) issues with potential detrimental impact.	– Well-defined WH&S policies, procedures and training – WH&S Committee – Incident and injury management processes – Employee Assistance Program – Employee engagement monitoring
Financial, Market and Treasury	Risk that the strength of Perpetual's balance sheet, profitability or liquidity are inadequate for its business activities. Risk that Perpetual breaches its regulatory, legal, tax and/or financial reporting obligations. Risk includes incorrect interpretation of requirements across jurisdictions resulting in inappropriate financial accounting, reporting, lodgements and transfer pricing risk or related disclosures. Exposure to, or reliance on, revenue streams linked to equity markets resulting in potentially volatile earnings (revenue diversity and asset pricing market risk). Impacts on profitability due to currency fluctuations.	– Budget planning process – Reconciliation and review processes – Regular income and expense, debt and equity reviews – Tax Governance Policy – Tax Risk Management Policy – Internal and external auditor – Diversification of revenue sources – Active management of the cost base – Ongoing monitoring of key balance sheet metrics – Treasury Risk Management Program – The US and UK denominated debt has been designated as a net investment hedge in a foreign operation and provides a natural hedge for US and UK denominated business line

RISK CATEGORY	RISK DESCRIPTION/IMPACT	RISK MITIGANTS
Investment	Risk arising from non-adherence to investment style and/or investment governance, ineffective investment strategies and/or in adequate management of investment risks (including market, credit and liquidity) within the funds or client accounts that results in underperformance relative to peers, objectives, and benchmarks.	– Well defined and disciplined investment processes and philosophy for selection – Established investment governance frameworks in place – Robust pre-and post-trade investment compliance – Independent fund and mandate monitoring and reporting
Product and Distribution	Risk that products and client solutions fail to remain contemporary and do not meet clients' expectations resulting in an inability to deliver budgeted fund and revenue inflows. Risk that the design and/or execution of the distribution strategy is ineffective, resulting in a failure to positively identify, engage, retain and grow new and/or existing channels.	– Well-defined product and distribution strategy aligned with overall group strategy – Established product governance frameworks in place – Approved business case for all new products including how the product will comply with regulatory obligations – Conflicts of Interests framework – Avoidance of business practices and partnerships which may result in adverse outcomes
Business Resilience, Operational and Fraud	Risk arising from inadequate, failed or disrupted processes, systems or people due to internal or external events. This includes (but is not limited to) processing errors, fraud or an event which disrupts business continuity.	– Clearly defined policies, procedures, roles and responsibilities – Controls testing in the form of control self-assessment – Effective issues management processes to respond to events that may arise – Business continuity planning and disaster recovery programs – Independent assurance – Robust Insurance program covering all material insurable risks to the Perpetual Group – Risk awareness programs regarding the potential for fraud or financial crime events
Information Technology (IT)	Risk arising from failed, corrupted, or inadequate information systems resulting from inadequate infrastructure, applications, cloud services and support. Includes (but is not limited to) loss of integrity and availability of critical data as well as business disruption resulting from a failure of technology or IT service provider to meet business requirements.	– Continued execution of technology modernisation programs – Business continuity planning and disaster recovery programs – Independent assurance – Oversight by Board technology and cyber committee
Cyber/Data Security	Risk arising from breached information systems resulting from inadequate infrastructure, applications, cloud services, security controls and support. Includes (but is not limited to) loss of confidentiality, integrity, and availability of sensitive or critical data, or inappropriate retention of data, as well as business disruption resulting from a cyber security event.	– Defined information security strategy, programs and IT security policies – Implementation of operational security technology (including firewalls and antivirus) – Dedicated Security Operations Centre (providing 24x7 coverage) – Establishment of global mandate for security across the Perpetual Group – Security assurance testing of key systems (including penetration testing, red teaming and vulnerability management) – Information security response plans and regular testing – Business continuity planning and disaster recovery programs – Independent assurance – Information security risk awareness programs – Ongoing, automated phishing training and testing of employees – Third party IT due diligence processes – Cyber Insurance – Oversight by Board technology and cyber committee

RISK CATEGORY	RISK DESCRIPTION/IMPACT	RISK MITIGANTS
Outsourcing	Risk that Perpetual servicing arrangements and/or services performed by external service providers, including related and third parties, are not appropriate and/or are not managed in line with the servicing contract or the operational standards.	– Partner with well-regarded and proven strategic partners – Outsourced relationships are managed at a senior level – Outsourcing and vendor management framework – Legal contracts/service level agreements in place and monitored – Independent assurance
Sustainability and Responsible Investing	Risk arising from inadequate or inappropriate integration of sustainability-related considerations in strategic, business and investment decision-making. Includes the risk of not meeting the evolving stakeholder expectations, such as products to meet client needs, 'greenwashing' or meeting disclosure requirements.	– Development and implementation of a sustainability strategy framework – Perpetual's Prosperity Plan and 'Planet', 'People', 'Communities' and 'Governance' commitments – Partnered with well-regarded, environmental and socially responsible partners – Continued build out of ESG Investment capability across Perpetual's global business reinforcing our commitment to sustainability and responsible investing – Well-defined and embedded governance framework – Sustainable Finance Disclosure Regulation (SFDR) implementation
Compliance and Legal	The risk that Perpetual breaches its compliance and legal obligations (including licence conditions and client commitments). Risk includes an inability to effectively respond to regulatory change.	– Independent legal and compliance team, and training across teams – Compliance obligations are documented and monitored – Issues and breach management framework – Controls testing in the form of control self-assessment – Independent assurance
Conduct	Risk arising from conduct by Perpetual's directors, employees or contractors that is unethical or does not align with Perpetual's values, policies or expected behaviours or, the expectation of Perpetual's internal and external stakeholders.	– Effective Risk Management Framework that sets out how risk is managed, including Three Lines of Accountability risk model and application of Perpetual's Risk Appetite Statement which outlines the risk behaviours expected of all Perpetual directors, employees and contractors – Mandated training on Perpetual's Code of Conduct, Conflicts of Interest and Risk Management Framework and behaviours of all staff that form part of the performance assessment process – Media monitoring – Staff surveys which include risk culture related questions – Whistleblowing arrangements managed by an independent vendor

1.5 Outlook

On 6 December 2023, the Board announced a Strategic Review to explore the benefits of unlocking additional value for Perpetual shareholders. Following a comprehensive Strategic Review process, the Board determined that becoming a pure-play global Asset Management business through a demerger, combined with the separation of the Wealth Management and Corporate Trust businesses, would provide superior value for shareholders. On 8 May 2024, Perpetual entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") who will acquire 100% of the two businesses via a Scheme of Arrangement (Scheme), for total cash consideration of A$2.175 billion. Completion is anticipated to occur in February 2025, subject to satisfaction of customary Conditions. Following the anticipated completion, Perpetual will become a standalone, global multi-boutique Asset Management business with scale, diversified investment strategies, and supported by a leaner and more streamlined structure, with a strong balance sheet.

As Perpetual Group works towards the completion of the transaction it remains focused on delivering value across its three quality businesses:

- Asset Management – improving net flows in our Asset Management business and right-sizing the cost base in line with a pure-play, global multi-boutique Asset Management business
- Wealth Management – maintaining growth in Wealth Management through its differentiated advice model and capabilities
- Corporate Trust – continuing to demonstrate resilience and growth in Corporate Trust, supported by strong client relationships and Perpetual Digital

We will continue to provide quarterly business updates on the underlying drivers of our business, the execution of our strategy and market conditions.

PART 2. REVIEW OF BUSINESSES

The results and drivers of financial performance in FY24 for the three Perpetual Group operating segments are described in the following sections. A description of revenues and expenses at the Group Support Services level is also provided.

2.1 Asset Management

2.1.1 Business Overview

The Asset Management segment[1] consists of six investment boutiques:

- **Barrow Hanley** – a US based diversified investment management firm offering value-focused investment strategies spanning global equities, US equities and fixed income. The business is 75% owned by Perpetual with the remaining interest in the firm held by employees.
- **J O Hambro Capital Management (J O Hambro)** – a boutique investment management business with offices in the UK, Europe, Asia and the US specialising in the active management of equities across a range of global and regional equity strategies, global impact and sustainable strategies.
- **Pendal[2]** – an Australian-based investment manager managing assets across Australian and global equities, sustainable and ethical, multi-asset, bond, income and defensive strategies.
- **Perpetual Asset Management** – an Australian-based investment manager offering an extensive range of specialist investment capabilities including Australian and global equities, Australian credit and fixed income, multi-asset as well as environmental, social and governance (ESG) focused products.
- **Thompson, Siegel and Walmsley (TSW)** – a US-based value-oriented investment management and advisory company, operating primarily in the long-only equity (International and US) and fixed income asset classes.
- **Trillium Asset Management** – based out of the US, offering ESG investment management strategies and products. The firm has been a value-led, impact driven and ESG-focused asset management business since its foundation in 1982. Trillium combines impactful investment solutions with active ownership. The firm manages equity, fixed income, and alternative investment solutions for institutions, intermediaries, high net worth individuals, as well as charitable and non-profit organisations with the goal to provide both positive impact and long-term value to these clients.

2.1.2 Financial Performance

FOR THE PERIOD	FY24 $M	FY23 $M	FY24 V FY23	FY24 V FY23	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Management Fees by asset class*								
– Equities	764.8	508.4	256.4	50%	383.7	381.1	358.5	150.0
– Cash and fixed income	61.4	49.6	11.8	24%	31.2	30.2	29.8	19.7
– Multi Asset	41.1	27.5	13.6	49%	20.6	20.5	19.8	7.8
– Other AUM related	3.7	3.3	0.4	11%	1.6	2.1	2.1	1.2
Total AUM related Management Fees	**871.0**	**588.8**	**282.2**	**48%**	**437.1**	**433.9**	**410.2**	**178.7**
Performance Fees by asset class								
– Equities	14.5	9.5	4.9	52%	9.7	4.8	6.8	2.7
– Cash and fixed income	1.3	1.1	0.3	24%	0.7	0.6	0.6	0.5
– Other AUM related	–	0.6	(0.6)		–	–	0.6	–
Total Performance fees	**15.8**	**11.1**	**4.7**	**42%**	**10.4**	**5.4**	**8.0**	**3.2**
Non-AUM related revenue	**0.8**	**0.5**	**0.2**	**44%**	**0.4**	**0.4**	**0.3**	**0.2**
Total revenue	**887.6**	**600.4**	**287.2**	**48%**	**447.9**	**439.6**	**418.4**	**182.0**
Operating expenses	(652.6)	(437.7)	(214.9)	49%	(331.4)	(321.2)	(298.5)	(139.2)
EBITDA	**235.0**	**162.8**	**72.2**	**44%**	**(116.6)**	**118.4**	**119.9**	**42.8**
Depreciation and amortisation	(18.4)	(13.2)	(5.2)	39%	(8.6)	(9.8)	(9.0)	(4.2)
Equity remuneration expense	(14.3)	(15.5)	1.2	(7%)	(2.4)	(12.0)	(13.3)	(2.2)
Interest expense	(1.8)	(1.4)	(0.4)	27%	(0.9)	(0.9)	(1.0)	(0.4)
Underlying profit before tax	**200.4**	**132.7**	**67.8**	**51%**	**104.7**	**95.8**	**96.5**	**36.1**

* Revenue by asset class now presents Multi Asset separately from Equities and Cash and Fixed Income.

1. Perpetual acquired Pendal Group in January 2023, bringing the J O Hambro, Pendal and Thompson, Siegel and Walmsley boutiques into the Asset Management business of Perpetual Group.
2. Includes Regnan branded investment strategies.

In FY24, Asset Management reported underlying profit before tax of $200.4 million which was $67.8 million or 51% higher than FY23. This was driven by the acquisition of the Pendal Group in 2H23 through the boutiques of J O Hambro, Pendal and TSW.

The cost to income ratio in FY24 was 77%, compared to 78% in FY23.

2.1.3 Drivers of Performance

Revenue

Asset Management generated revenue of $887.6 million in FY24, an increase of $287.2 million or 48% higher than FY23. The increase was mainly driven by the $256.9 million contribution of Pendal Group boutiques (which benefitted from higher average AUM and performance fees for the period), together with the $30.0 million contribution from heritage boutiques benefitted by higher average AUM over the period supported by foreign exchange movements and improved equity markets.

Performance fees of $15.8 million were earned in FY24, $4.7 million or 42% higher than FY23. Performance fees in FY24 were mainly generated across the following funds:

- Pendal Microcap Opportunities Fund
- Perpetual Pure Microcap Fund
- Perpetual Pure Equity Alpha Fund
- J O Hambro UK Dynamic Fund
- Barrow Hanley Mandate for the Perpetual Select International Share Fund
- Perpetual Exact Market Return Fund
- TSW WPS Capital and Direct Funds
- J O Hambro Continental Europe Fund

Other non-AUM related revenue includes interest earned on operational accounts.

Revenue Margin

FOR THE PERIOD	FY24 BPS	FY23 BPS	FY24 V FY23	FY24 V FY23	2H24 BPS	1H24 BPS	2H23 BPS	1H23 BPS
By asset class[1]								
– Equities	45	44	1	2%	45	46	46	41
– Cash and fixed income	18	22	(3)	(15%)	18	19	19	27
– Multi Asset	43	45	(2)	(4%)	43	43	43	53
– Other AUM related	4	6	(2)	(37%)	3	4	5	7
Average revenue margin	**41**	**41**	**0**	**0%**	**41**	**41**	**42**	**39**

1. Revenue margin now presents Multi Asset separately from Equities and Cash and Fixed Income.

Average revenue margins for FY24 have remained stable at 41 bps compared to FY23 with the contribution of Pendal group with a mix towards higher margin equities being offset by lower margins from Cash and Multi Asset products.

The drivers of revenue margins by asset class are described below:

Equities: Revenue represent fees earned on Australian, Global/International, UK, US, European and Emerging Markets equities products. Revenue in FY24 was $764.8 million. The average margin in FY24 was 45 bps, 1 bp higher than FY23 due to the contribution of Pendal Group AUM.

Cash and fixed income: Revenue is derived from the management of cash and fixed income products. Revenue in FY24 was $61.4 million. The FY24 revenue margin of 18 bps was lower than FY23 due to Pendal Group contribution.

Multi Asset: Revenue in FY24 was $41.1 million. The FY24 revenue margin of 43 bps was lower than FY23 due to Pendal Group.

Movements in average margins usually result from changes in the mix of AUM between lower-margin institutional and higher-margin retail investors, as well as changes in the mix of asset classes such as cash and fixed income (generally lower margin) and equities (generally higher margin) and the contribution of performance fees earned.

Expenses

FY24 Total expenses of $687.1 million increased by $219.3 million or 47% higher than FY23 driven by Pendal Group expenses.

Heritage Perpetual expenses were 11% or $20 million higher due to variable remuneration increase and due to improved revenue performance, foreign exchange impacts and investment in technology.

2.1.4 Assets Under Management

AT END OF		AUM MOVEMENTS					NET FLOWS			
		FY24 $B	NET FLOWS $B	OTHER[1] $B	FOREIGN EXCHANGE IMPACTS $B	FY23 $B	2H24 $B	1H24 $B	2H23 $B	1H23 $B
Equities	Australia	29.4	(2.5)	3.0	–	28.9	(1.9)	(0.6)	(0.9)	(0.7)
	Global/ International	68.8	(7.4)	6.1	0.4	69.8	(6.0)	(1.4)	(2.5)	1.7
	UK	6.3	(3.6)	1.1	0.1	8.8	(3.2)	(0.4)	(0.3)	–
	US	54.9	(5.2)	7.5	0.3	52.3	(3.1)	(2.1)	(2.1)	(4.4)
	Europe	1.1	(0.5)	0.1	0.0	1.5	(0.3)	(0.2)	0.1	–
	Emerging Markets	9.4	0.7	0.5	0.0	8.1	0.4	0.4	1.0	0.8
Total Equities		**169.9**	**(18.5)**	**18.2**	**0.8**	**169.4**	**(14.2)**	**(4.3)**	**(4.8)**	**(2.7)**
Fixed Income	Australia	10.5	(0.1)	0.4	–	10.2	–	(0.2)	(1.6)	(0.2)
	US	11.0	0.4	0.5	0.0	10.0	0.6	(0.2)	0.3	(0.1)
Total Fixed Income		**21.4**	**0.3**	**0.9**	**0.0**	**20.2**	**0.7**	**(0.4)**	**(1.3)**	**(0.3)**
Multi Asset		9.0	(1.5)	0.7	0.0	9.7	(1.1)	(0.4)	(0.4)	(0.0)
Other		0.8	(0.1)	–	–	0.8	(0.1)	(–)	(0.1)	(0.0)
Total asset classes (ex-cash)		**201.1**	**(19.8)**	**19.9**	**0.9**	**200.1**	**(14.7)**	**(5.1)**	**(6.6)**	**(3.0)**
Cash		13.9	1.3	0.6	–	12.0	0.6	0.8	1.4	0.1
Total asset classes[2]		**215.0**	**(18.4)**	**20.4**	**0.9**	**212.1**	**(14.1)**	**(4.3)**	**(5.2)**	**(2.9)**
Institutional		142.0	(12.8)	17.5	0.6	136.8	(10.0)	(2.9)	(4.1)	(3.0)
Intermediary & Retail		56.3	(6.5)	3.2	0.3	59.3	(4.6)	(1.9)	(2.1)	(0.0)
Westpac		2.8	(0.4)	(0.8)	–	4.0	(0.1)	(0.3)	(0.4)	–
Total distribution channels (ex-cash)		**201.1**	**(19.8)**	**19.9**	**0.9**	**200.1**	**(14.7)**	**(5.1)**	**(6.6)**	**(3.0)**
Cash		13.9	1.3	0.6	–	12.0	0.6	0.8	1.4	0.1
Total distribution channels		**215.0**	**(18.4)**	**20.4**	**0.9**	**212.1**	**(14.1)**	**(4.3)**	**(5.2)**	**(2.9)**

1. Includes changes in market value of assets, income, reinvestments, distributions and asset class rebalancing within the Group's diversified funds.
2. AUM by asset class now presents Multi Asset separately from Equities and Cash and Fixed Income.

AUM

Asset Management AUM as at 30 June 2024 was $215.0 billion, an increase of $2.9 billion on FY23. The increase was driven by the improvement in equity markets, investment performance and closing foreign exchange impacts partly offset by net outflows. The outflows were predominantly across US & Global/International Equities strategies managed by J O Hambro and TSW.

2.2 Wealth Management

2.2.1 Business Overview

Wealth Management (formerly known as Perpetual Private) is one of Australia's leading wealth management businesses focused on the comprehensive needs of families, businesses, and communities.

Wealth Management aims to empower families, businesses, and communities to achieve their aspirations by delivering advisory service excellence. Wealth Management utilises a targeted client segment approach to grow its FUA by offering quality advice and wealth management services to established wealthy, ultra-high net worth clients and family offices, business owners, medical practitioners and other professionals, not for profit organisations and Indigenous communities.

Wealth Management is one of Australia's largest managers of philanthropic funds. Philanthropy and fiduciary services remain an important part of our heritage and contributor to our business.

2.2.2 Financial Performance

FOR THE PERIOD	FY24 $M	FY23 $M	FY24 V FY23	FY24 V FY23	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Market related revenue	147.6	145.1	2.5	2%	74.6	73.0	71.3	73.8
Non-market related revenue	79.1	72.3	6.8	9%	41.1	38.0	39.1	33.2
Total revenue	226.8	217.4	9.4	4%	115.7	111.0	110.4	107.0
Operating expenses	(159.8)	(155.4)	(4.4)	(3%)	(82.1)	(77.7)	(77.8)	(77.6)
EBITDA	**67.0**	**62.0**	**5.0**	**8%**	**33.6**	**33.3**	**32.6**	**29.3**
Depreciation and amortisation	(7.8)	(9.1)	1.3	15%	(3.2)	(4.6)	(4.3)	(4.8)
Equity remuneration expense	(4.6)	(4.6)	(0.0)	(1%)	(2.3)	(2.3)	(2.4)	(2.2)
Interest expense	(0.6)	(1.3)	0.7	53%	(0.2)	(0.4)	(1.1)	(0.2)
Underlying profit before tax	**54.0**	**47.0**	**7.0**	**15%**	**27.9**	**26.0**	**24.9**	**22.1**
Funds under advice ($B)								
Closing FUA	$19.8B	$18.5B	$1.2B	7%	$19.8B	$19.1B	$18.5B	$17.9B
Average FUA	$19.1B	$18.1B	$1.0B	5%	$19.6B	$18.6B	$18.4B	$17.8B
Market related revenue margin	77bps	80bps	–	(4bps)	76bps	79bps	77bps	83bps

2.2.3 Drivers of Performance

In FY24, Wealth Management reported underlying profit before tax of $54.0 million, $7.0 million or 15% higher than FY23.

The increase on FY23 was mainly driven by continued growth of the business across all segments, ongoing contribution from Jacaranda in the pre-retiree segment, strong Fordham performance and a higher interest rate environment.

The cost to income ratio in FY24 was 76% compared to 78% in FY23.

In FY24, Wealth Management rolled out a new ESG analysis offering to clients through our exclusive arrangement with a New York based, ESG technology specialist. The improvement of services across multiple segments have been reflected in the clients' higher NPS results.

Revenue

Wealth Management generated revenue of $226.8 million in FY24, $9.4 million or 4% higher than FY23.

Market related revenue was $147.6 million, $2.5 million or 2% higher than FY23. The increase on FY23 was mainly due to continued growth of the business and higher equity markets. Non-market related revenue was $79.1 million, $6.8 million or 9% higher than FY23. The increase on FY23 was mainly driven by strong Fordham performance, revised pricing of non-market related fees and services and a higher interest rate environment.

Wealth Management's market related revenue margin was 77 bps in FY24 compared to 80 bps in FY23 (78 bps excluding performance fees). There were no performance fees received in FY24.

Expenses

Total expenses for Wealth Management in FY24 were $172.8 million, $2.4 million or 1% higher than FY23. The increase in expenses on FY23 was mainly driven by continued investment in staff and technology to support future business growth.

2.2.4 Funds under advice

Wealth Management's FUA at the end of FY24 was $19.8 billion, $1.2 billion or 7% higher than FY23 primarily due to positive net flows, investment performance and improvement in equity markets.

Net flows of $0.2 billion was $0.2 billion lower than FY23 due to higher-than-average outflows from the Native Title segment to fund client community payments and projects.

AT END OF	FY24 $B	NET FLOWS $B	OTHER[1] $B	FY23 $B	2H24 $B	1H24 $B	2H23 $B	1H23 $B
Total FUA	19.8	0.2	1.2	18.5	19.8	19.1	18.5	17.9

1. Includes reinvestments, distributions, income and asset growth.

2.3 Corporate Trust

2.3.1 Business Overview

Corporate Trust is the leading provider of corporate trustee, agency, custody and digital solutions to the managed funds and debt capital markets industry comprising of the following:

Debt Market Services – provides a holistic suite of products which include trustee, agency, trust management, document custody and standby servicing solutions to the global debt capital markets and securitisation industry.

Managed Fund Services – provides services including independent responsible entity, custodian, wholesale trustee, investment management and accounting. Singapore products include trustee, agency and escrow services. Managed Funds Services has a global client base serviced from our Singapore and Australian offices, administrating a broad range of asset classes including property and infrastructure, debt, fixed income, equity, private equity, emerging markets and hedge funds.

Perpetual Digital – combines Corporate Trust's existing digital assets and the Laminar Capital platform to provide innovative solutions to Corporate Trust clients. Perpetual Digital provides a holistic and growing number of products including Data Services (RBA & ESMA regulatory, investor and intermediary reporting), Perpetual Roundtables (benchmarking, industry and client portfolio insights) and our new Perpetual Intelligence SaaS products which provide a multitude of digital solutions to the banking and financial services industry. Laminar Capital, a specialist debt markets and advisory business, includes the Treasury Direct Platform and the new specialised capability of Laminar's ESG Risk Score.

2.3.2 Financial Performance

FOR THE PERIOD	FY24 $M	FY23 $M	FY24 V FY23	FY24 V FY23	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Debt Market Services	78.4	77.2	1.1	1%	40.2	38.1	38.9	38.3
Managed Funds Services	83.8	77.4	6.5	8%	42.8	41.0	38.3	39.0
Perpetual Digital	25.6	23.4	2.2	9%	13.4	12.2	12.1	11.3
Total revenue	187.8	178.0	9.8	6%	96.4	91.4	89.3	88.7
Operating expenses	(91.8)	(85.1)	(6.7)	(8%)	(47.0)	(44.8)	(43.4)	(41.7)
EBITDA	**96.0**	**92.9**	**3.1**	**3%**	**49.4**	**46.5**	**45.9**	**46.9**
Depreciation and amortisation	(7.8)	(8.4)	0.6	7%	(3.5)	(4.3)	(4.3)	(4.1)
Equity remuneration expense	(2.7)	(2.4)	(0.4)	(16%)	(1.4)	(1.3)	(1.4)	(1.0)
Interest expense	(0.5)	(0.5)	0.0	6%	(0.3)	(0.2)	(0.3)	(0.3)
Underlying profit before tax	**85.0**	**81.6**	**3.4**	**4%**	**44.2**	**40.8**	**40.0**	**41.7**

In FY24, Corporate Trust generated underlying profit before tax of $85.0 million, $3.4 million or 4% higher than FY23 with growth across all three business lines. The cost to income ratio remained relatively flat in FY24 at 54.7%, as compared to 54.1% in FY23.

2.3.3 Drivers Of Performance

Revenue

Corporate Trust generated revenue of $187.8 million in FY24, $9.8 million or 6% higher than in FY23. The main drivers of the improvement by business line were as detailed below.

In FY24, Debt Markets Services revenue was $78.4 million, $1.1 million or 1% higher than in FY23. Growth in revenue was predominantly driven by growth in the average FUA securitisation portfolio from new and existing clients in the bank and non-bank RMBS sectors, offset by lower activity in the document custody and agency trustee businesses.

In FY24, Managed Funds Services revenue was $83.9 million, $6.5 million or 8% higher than FY23. The increase was primarily due to continued market activity within commercial property, both in Australia and Singapore.

In FY24, Perpetual Digital revenue was $25.6 million, $2.2 million or 9% higher than FY23. The increase was primarily due to the continued organic growth from Laminar Capital, together with sales of the new SaaS products.

Expenses

Total expenses for Corporate Trust in FY24 were $102.8 million, $6.5 million or 7% higher than FY23. The increase in expenses was mainly due to continued investment in new SaaS products for clients to drive future growth, combined with implementation of PCT's new enterprise cloud payments and registry intelligence SaaS platform replacing PCT's legacy technology systems. There was additional investment for group technology infrastructure, cyber security and maintain regulatory compliance.

2.3.4 Funds Under Administration

AT END OF	FY24 $B	FY23 $B	FY24 V FY23	FY24 V FY23	2H24 $B	1H24 $B	2H23 $B	1H23 $B
Public Market Securitisation								
RMBS – bank (ADI)	63.9	52.4	11.5	22%	63.9	61.2	52.4	54.3
RMBS – non bank	89.5	79.3	10.2	13%	89.5	85.2	79.3	83.0
ABS & CMBS	67.1	60.7	6.4	11%	67.1	64.5	60.7	61.7
Balance Sheet Securitisation								
RMBS – repos	372.7	393.3	(20.6)	(5%)	372.7	390.1	393.3	393.1
Covered bonds	101.5	89.2	12.3	14%	101.5	99.8	89.2	83.4
Debt Market Services – Securitisation[1]	**694.7**	**674.9**	**19.8**	**3%**	**694.7**	**700.9**	**674.9**	**675.5**
Corporate and Structured Finance	16.0	16.2	(0.2)	(2%)	16.0	14.5	16.2	18.4
Total Debt Market Services	**710.7**	**691.1**	**19.6**	**3%**	**710.7**	**715.5**	**691.1**	**693.9**
Custody	245.1	244.5	0.5	0%	245.1	245.3	244.5	229.6
Wholesale Trustee	135.6	115.7	19.8	17%	135.6	124.8	115.7	117.2
Responsible Entity	56.0	52.1	3.9	7%	56.0	52.0	52.1	51.6
Singapore	59.1	59.0	0.1	0%	59.1	60.3	59.0	51.5
Managed Funds Services	**495.7**	**471.4**	**24.3**	**5%**	**495.7**	**482.4**	**471.4**	**449.9**
Total FUA	**1,206.4**	**1,162.5**	**43.9**	**4%**	**1,206.4**	**1,197.8**	**1,162.5**	**1,143.8**

1. Includes warehouse and liquidity finance facilities.

Corporate Trust had FUA of $1,206.4 billion at the end of FY24, $43.9 billion or 4% higher than in FY23. The main drivers of this FUA growth by business line is detailed below.

At the end of FY24, FUA in the Debt Market Services business was $710.7 billion, an increase of $19.6 billion or 3% on FY23. The movement was driven by growth across all the Market Securitisation segments with notably banks returning materially in the second half as they refinanced following the end of the Term Funding Facility. This was partially offset by the decline from repos and Corporate and Structured Finance.

At the end of FY24, Managed Funds Services FUA was $495.7 billion, an increase of $24.3 billion or 5% on FY23. The increase was driven by growth mainly from the Wholesale Trustee and Responsible Entity client portfolios.

2.4 Group Support Services

2.4.1 Business Overview

Group Support Services consist of Group Investments (inclusive of Seed Funding and Proprietary Investments), CEO, Finance, Corporate Affairs, Marketing, Legal, Audit, Risk, Compliance, Company Secretary, Technology, Project & Change Management, Operations, Product, People & Culture and Sustainability. It provides technology, operations, vendor management, marketing, property, legal, risk, financial management and human resources support to the business units.

Costs retained by Group Support Services reflect costs that management deems to be associated with corporate functions rather than reportable business segment activity. These include costs associated with the Board of Directors and 50% of the costs associated with the Group Executives of each of the Group Support Services business units. Costs and revenues associated with the capital structure of the Group, including interest income and expense, financing costs, ASX listing fees and distributions of employee-owned units of acquired entities are also retained within Group Support Services.

2.4.2 Financial Performance

FOR THE PERIOD	FY24 $M	FY23 $M	FY24 V FY23	FY24 V FY23	2H24 $M	1H24 $M	2H23 $M	1H23 $M
Interest Income	7.2	3.9	3.3	86%	3.5	3.8	3.0	0.9
Other Income	25.7	14.2	11.5	81%	13.7	11.8	4.3	9.8
Total revenue	32.9	18.0	14.8	82%	17.2	15.7	7.3	10.7
Operating expenses	(21.8)	(25.6)	3.8	15%	(13.8)	(8.0)	(14.7)	(10.9)
EBITDA	**11.1**	**(7.6)**	**18.7**	**Large**	**3.4**	**7.7**	**(7.4)**	**(0.2)**
Depreciation and amortisation	(7.4)	(2.3)	(5.1)	Large	(2.3)	(5.2)	(1.1)	(1.2)
Equity remuneration expense	(1.8)	(0.4)	(1.3)	Large	(0.9)	(0.9)	(0.1)	(0.3)
Interest expense	(57.7)	(31.8)	(26.0)	(82%)	(28.9)	(28.9)	(23.6)	(8.1)
Underlying profit before tax	**(55.8)**	**(42.1)**	**(13.7)**	**(33%)**	**(28.6)**	**(27.2)**	**(32.2)**	**(9.9)**

2.4.3 Drivers of Performance

Revenue

In FY24, Group Investments revenue was $32.9 million, $14.8 million or 82% higher than FY24. The increase was due to release of earnout provisioning, movement in the investing in product (IIP) portfolio, higher distribution income received from unit trust investments held in seed funds and CLO investments together with higher interest following rate increases over the period.

Expenses

Total expenses, comprising operating expenses, depreciation, amortisation, equity remuneration and interest expenses for Group Support Services in FY24 were $88.7 million, $28.6 million or 47% higher than in FY23. The increase in total expenses on FY23 was predominantly due to funding costs for the Pendal Group acquisition and higher interest rates in the period. FY24 depreciation and amortisation were higher due to acceleration of premises amortisation as result of a lease modification. These costs were offset with a related operating expense reduction.

PART 3. APPENDICES

3.1 Appendix A: Segment Results

	FY24					
PERIOD	ASSET MANAGEMENT $M	WEALTH MANAGEMENT $M	CORPORATE TRUST $M	GROUP SUPPORT SERVICES $M	TOTAL $M	ASSET MANAGEMENT $M
Operating revenue	887.6	226.8	187.8	32.9	1,335.0	447.9
Operating expenses	(652.6)	(159.8)	(91.8)	(21.8)	(926.0)	(331.4)
EBITDA	**235.0**	**67.0**	**96.0**	**11.1**	**409.0**	**116.6**
Depreciation and amortisation	(18.4)	(7.8)	(7.8)	(7.4)	(41.4)	(8.6)
Equity remuneration	(14.3)	(4.6)	(2.7)	(1.8)	(23.5)	(2.4)
EBIT	**202.2**	**54.6**	**85.5**	**1.9**	**344.1**	**105.6**
Interest expense	(1.8)	(0.6)	(0.5)	(57.7)	(60.6)	(0.9)
UPBT	**200.4**	**54.0**	**85.0**	**(55.8)**	**283.6**	**104.7**
Significant Items Pre Tax	**(710.2)**	**(2.8)**	**(1.1)**	**(28.3)**	**(742.4)**	**(629.5)**
Reportable Segment NPBT	**(509.7)**	**51.2**	**83.9**	**(84.2)**	**(458.9)**	**(524.8)**

	FY23					
PERIOD	ASSET MANAGEMENT $M	WEALTH MANAGEMENT $M	CORPORATE TRUST $M	GROUP SUPPORT SERVICES $M	TOTAL $M	ASSET MANAGEMENT $M
Operating revenue	600.4	217.4	178.0	18.0	1,013.8	418.4
Operating expenses	(437.7)	(155.4)	(85.1)	(25.7)	(703.9)	(298.5)
EBITDA	**162.8**	**62.0**	**92.9**	**(7.7)**	**310.0**	**119.9**
Depreciation and amortisation	(13.2)	(9.1)	(8.4)	(2.3)	(33.0)	(9.0)
Equity remuneration	(15.5)	(4.6)	(2.4)	(0.4)	(22.9)	(13.3)
EBIT	**134.1**	**48.3**	**82.1**	**(10.4)**	**254.1**	**97.6**
Interest expense	(1.4)	(1.3)	(0.5)	(31.7)	(34.9)	(1.0)
UPBT	**132.7**	**47.0**	**81.6**	**(42.1)**	**219.2**	**96.5**
Significant Items Pre Tax	**(134.3)**	**(5.8)**	**(1.9)**	**12.0**	**(130.0)**	**(119.3)**
Reportable Segment NPBT	**(1.6)**	**41.2**	**79.7**	**(30.1)**	**89.2**	**(22.7)**

2H24				1H24				
WEALTH MANAGEMENT $M	CORPORATE TRUST $M	GROUP SUPPORT SERVICES $M	TOTAL $M	ASSET MANAGEMENT $M	WEALTH MANAGEMENT $M	CORPORATE TRUST $M	GROUP SUPPORT SERVICES $M	TOTAL $M
115.7	96.4	17.2	677.2	439.6	111.0	91.4	15.7	657.8
(82.1)	(47.0)	(13.8)	(474.3)	(321.2)	(77.7)	(44.8)	(8.0)	(451.7)
33.6	**49.4**	**3.4**	**202.9**	**118.4**	**33.4**	**46.6**	**7.7**	**206.0**
(3.2)	(3.5)	(2.3)	(17.5)	(9.8)	(4.6)	(4.3)	(5.2)	(23.9)
(2.3)	(1.4)	(0.9)	(7.0)	(12.0)	(2.3)	(1.3)	(0.9)	(16.5)
28.1	**44.5**	**0.2**	**178.4**	**96.6**	**26.5**	**40.9**	**1.6**	**165.7**
(0.2)	(0.3)	(28.9)	(30.2)	(0.9)	(0.4)	(0.2)	(28.9)	(30.4)
27.9	**44.2**	**(28.6)**	**148.2**	**95.8**	**26.0**	**40.8**	**(27.2)**	**135.3**
(0.7)	**(0.6)**	**(28.0)**	**(658.8)**	**(80.7)**	**(2.1)**	**(0.5)**	**(0.3)**	**(83.6)**
27.2	**43.6**	**(56.7)**	**(510.6)**	**15.0**	**24.0**	**40.3**	**(27.5)**	**51.8**

2H23				1H23				
WEALTH MANAGEMENT $M	CORPORATE TRUST $M	GROUP SUPPORT SERVICES $M	TOTAL $M	ASSET MANAGEMENT $M	WEALTH MANAGEMENT $M	CORPORATE TRUST $M	GROUP SUPPORT SERVICES $M	TOTAL $M
110.4	89.3	7.3	625.5	182.0	107.0	88.7	10.7	388.3
(77.8)	(43.4)	(14.7)	(434.4)	(139.2)	(77.6)	(41.7)	(10.9)	(269.5)
32.6	**45.9**	**(7.4)**	**191.1**	**42.8**	**29.3**	**46.9**	**(0.2)**	**118.9**
(4.3)	(4.3)	(1.1)	(18.7)	(4.2)	(4.8)	(4.1)	(1.2)	(14.2)
(2.4)	(1.4)	(0.1)	(17.2)	(2.2)	(2.2)	(1.0)	(0.3)	(5.7)
25.9	**40.2**	**(8.6)**	**155.1**	**36.5**	**22.4**	**41.9**	**(1.8)**	**99.0**
(1.1)	(0.3)	(23.6)	(25.9)	(0.4)	(0.2)	(0.3)	(8.1)	(9.0)
24.9	**40.0**	**(32.2)**	**129.2**	**36.1**	**22.1**	**41.7**	**(9.9)**	**90.0**
(3.0)	**(0.8)**	**38.0**	**(85.0)**	**(15.0)**	**(2.8)**	**(1.1)**	**(26.1)**	**(45.0)**
21.9	**39.2**	**5.8**	**44.2**	**21.1**	**19.3**	**40.5**	**(36.0)**	**45.0**

3.1.1 Breakdown of Significant Items Pre-Tax

	FY24					
PERIOD	ASSET MANAGEMENT $M	WEALTH MANAGEMENT $M	CORPORATE TRUST $M	GROUP SUPPORT SERVICES $M	TOTAL $M	ASSET MANAGEMENT $M
Transaction and Integration costs[1]	(75.8)	(0.7)	0.1	(39.2)	(115.6)	(31.8)
– Trillium	(3.4)	–	–	–	(3.4)	(1.5)
– Barrow Hanley	(6.6)	–	–	–	(6.6)	(1.8)
– Pendal Group	(65.8)	–	–	–	(65.8)	(28.5)
– Other	–	(0.7)	0.1	(39.2)	(39.8)	–
Non-cash amortisation of acquired intangibles[2]	(73.8)	(2.1)	(1.2)	–	(77.1)	(35.8)
Unrealised gains/losses on financial assets[3]	–	–	–	10.9	10.9	–
Accrued incentive compensation liability[4]	(13.2)	–	–	–	(13.2)	(14.4)
Impairment losses on non-financial assets[5]	(547.4)	–	–	–	(547.4)	(547.4)
Significant Items Pre Tax	**(710.2)**	**(2.8)**	**(1.1)**	**(28.3)**	**(742.4)**	**(629.5)**

1. Relates to costs associated with the acquisition/establishment of Barrow Hanley, Trillium, Pendal Group and other entities and Strategic Review costs. Costs include professional fees, administrative and general expenses and staff costs related to specific retention and performance grants.
2. Relates to amortisation expense on customer contracts and non-compete agreements acquired through business combinations.
3. Relates to unrealised mark to market gains and losses on EMCF, seed fund investments and financial assets held for regulatory purposes. 1H24 has been restated to reflect all within Group Support Services.
4. This liability reflects the value of employee-owned units in Barrow Hanley.
5. A non-cash impairment charge was recognised against the carrying value of goodwill and other intangibles, resulting in the partial write-down of the current book value of the J O Hambro and TSW boutiques in the Asset Management division, of $417.4 million and $130.0 million respectively.

2H24				1H24				
WEALTH MANAGEMENT $M	**CORPORATE TRUST $M**	**GROUP SUPPORT SERVICES $M**	**TOTAL $M**	**ASSET MANAGEMENT $M**	**WEALTH MANAGEMENT $M**	**CORPORATE TRUST $M**	**GROUP SUPPORT SERVICES $M**	**TOTAL $M**
0.0	–	(32.6)	(64.4)	(43.9)	(0.8)	0.1	(6.5)	(51.1)
–	–	–	(1.5)	(1.9)	–	–	–	(1.9)
–	–	–	(1.8)	(4.8)	–	–	–	(4.8)
–	–	–	(28.5)	(37.2)	–	–	–	(37.2)
0.0	–	(32.6)	(32.6)	–	(0.8)	0.1	(6.5)	(7.2)
(0.8)	(0.6)	–	(37.2)	(38.0)	(1.3)	(0.6)	–	(39.9)
–	–	4.6	4.6	–	–	–	6.2	6.2
–	–	–	(14.4)	1.2	–	–	–	1.2
–	–	–	(547.4)	–	–	–	–	–
(0.7)	**(0.6)**	**(28.0)**	**(658.8)**	**(80.7)**	**(2.1)**	**(0.5)**	**(0.3)**	**(83.6)**

3.2 Appendix B: Bridge for FY24 Statutory Accounts and OFR

UPAT represents Perpetual's measure of the results for the ongoing business of the Group as determined by the Board and management. UPAT has been calculated in accordance with ASIC's Regulatory Guide 230 – Disclosing non-IFRS financial information has been followed when presenting this information. UPAT attributable to equity holders of Perpetual Limited has not been audited by the Group's external auditors, however, the adjustments have been extracted from the books and records that have been reviewed. Underlying profit after tax attributable to equity holders of Perpetual Limited is disclosed as it is useful for investors to gain a better understanding of Perpetual's financial results from normal operating activities.

Post completion of Barrow Hanley acquisition in November 2020, the definition of UPAT was revised to reflect changes to the Group's operating cash flows from both existing and future opportunities. As shown in the table below, FY24 reporting adjusted NPAT for the five types of significant items:

- those that are material in nature and in Perpetual's view do not reflect normal operating activities;
- non-cash amortisation of acquired intangibles;
- unrealised gains/losses on financial assets, this excludes unrealised gains/losses on financial assets held as a hedge to the Investing in Product scheme;
- accrued incentive compensation liability; and
- impairment losses on non-financial assets.

	FY24 STATUTORY ACCOUNTS $M	EMCF[1] $M
Revenue	1,357.5	(7.0)
Staff related expenses excluding equity remuneration expense	(762.4)	
Occupancy, administrative and general expenses	(266.2)	
Distributions and expenses relating to structured products	(7.0)	7.0
Equity remuneration expense	(44.6)	
Depreciation and amortisation expense	(118.5)	
Impairment losses on non-financial assets	(547.4)	
Financing costs	(70.3)	
Total expenses	(1,816.3)	7.0
Net (loss)/profit before tax	**(458.9)**	**–**
Income tax expense	(13.3)	–
Net (loss)/profit after tax	**(472.2)**	**–**
Significant Items (net of tax)		
Transaction, Integration and Strategic Review costs		
– Trillium		
– Barrow Hanley		
– Pendal Group		
– Other		
Non-cash amortisation of acquired intangibles		
Unrealised gains/losses on financial assets		
Accrued incentive compensation liability		
Impairment losses on non-financial assets		
Net (loss)/profit after tax attributable to equity holders		

1. Income from the EMCF structured products is recorded on a net basis, for statutory purposes, revenue and distributions are adjusted to reflect the gross revenue and expenses of these products.

OFR ADJUSTMENTS								
TRANSACTION, INTEGRATION AND STRATEGIC REVIEW COSTS								
TRILLIUM $M	BARROW HANLEY $M	PENDAL GROUP $M	OTHER $M	NON-CASH AMORTISATION OF ACQUIRED INTANGIBLES $M	UNREALISED GAINS/LOSSES ON FINANCIAL ASSETS $M	ACCRUED INCENTIVE COMPEN-SATION LIABILITY $M	IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS $M	FY24 OFR $M
					(15.5)			1,335.0
1.9	1.9	35.5	21.7			13.2		(688.2)
0.1	4.8	11.8	11.8					(237.8)
								–
0.9		13.8	6.3					(23.5)
				77.1				(41.4)
							547.4	–
0.5		4.6			4.6			(60.6)
3.4	6.6	65.8	39.8	77.1	4.6	13.2	547.4	(1,051.5)
3.4	**6.6**	**65.8**	**39.8**	**77.1**	**(10.9)**	**13.2**	**547.4**	**283.5**
(0.6)	(1.4)	(18.2)	(11.1)	(19.9)	4.3	(2.8)	(14.3)	(77.4)
2.7	**5.2**	**47.5**	**28.7**	**57.2**	**(6.6)**	**10.4**	**533.1**	**206.1**
								(2.7)
								(5.2)
								(47.5)
								(28.7)
								(57.2)
								6.6
								(10.4)
								(533.1)
								(472.2)

3.3 Appendix C: Average Assets Under Management

FOR THE PERIOD IN AUSTRALIAN DOLLARS		FY24 $B	FY23 $B	FY24 V FY23	FY24 V FY23	2H24 $B	1H24 $B	2H23 $B	1H23 $B
Equities	Australia	29.3	19.8	9.4	48%	30.1	28.5	28.0	11.7
	Global/ International	70.9	40.3	30.6	76%	72.1	69.7	64.1	16.5
	US	53.8	47.9	5.9	12%	55.3	52.3	50.6	45.3
	UK	8.0	4.1	3.9	100%	7.2	8.9	8.2	–
	Europe	1.4	0.7	0.7	100%	1.3	1.5	1.3	–
	Emerging Markets	8.5	4.0	4.6	100%	8.7	8.4	6.9	1.1
Total Equities		**171.9**	**116.8**	**55.1**	**47%**	**174.7**	**169.2**	**159.1**	**74.5**
Fixed income	Australia	10.2	7.9	2.3	30%	10.4	10.1	10.9	4.9
	US	10.2	9.6	0.6	7%	10.6	9.8	9.9	9.2
Multi Asset		9.5	6.1	3.4	56%	9.5	9.5	9.3	2.9
Other		0.8	0.8	0.1	10%	0.8	0.9	0.8	0.7
Total Asset Management Average AUM (ex Cash)		**202.7**	**141.1**	**61.6**	**44%**	**206.0**	**199.5**	**190.0**	**92.3**
Cash		13.6	5.8	7.8	136%	14.1	13.1	10.7	0.8
Total Asset Management Average AUM		**216.4**	**146.9**	**69.4**	**47%**	**220.1**	**212.6**	**200.7**	**93.1**
Wealth Management average AUM		**8.1**	**7.5**	**0.7**	**9%**	**8.5**	**7.8**	**7.6**	**7.3**
Total Group average AUM		**224.5**	**154.4**	**70.1**	**45%**	**228.5**	**220.4**	**208.3**	**100.4**

3.4 Appendix D: Full Time Equivalent Employees

AT END OF	2H24	1H24	2H23	1H23
Asset Management[1]	485	508	536	266
Wealth Management	493	469	468	419
Corporate Trust	335	322	307	299
Group Support Services[1]	564	560	552	426
Total operations	**1,877**	**1,859**	**1,870**	**1,411**
Permanent	1,854	1,839	1,845	1,378
Contractors	23	21	24	33
Total operations	**1,877**	**1,859**	**1,870**	**1,411**

1. 2H23 FTE restated to reflect transfer of a function between Group Support Services and Asset Management.

3.5 Appendix E: Dividend History

Perpetual's payout ratio is in line with Perpetual's dividend policy to pay dividends within the range of 60% and 90% of UPAT on an annualised basis. An extended history of Perpetual's dividends paid including the dividend reinvestment price can be found via this link: https://www.perpetual.com.au/about/shareholders/dividend-history.

YEAR	DIVIDEND	DATE PAID	DIVIDEND PER SHARE	FRANKING RATE	COMPANY TAX RATE	DRP PRICE
FY24	Final	4 Oct 2024	53 cents	50%	30%	Not determined at time of publication
1H24	Interim	8 April 2024	65 cents	35%	30%	$24.58
FY23	Final	29 Sep 2023	65 cents	40%	30%	$20.64
FY23	Interim	31 Mar 2023	55 cents	40%	30%	$21.39
FY23	Special	8 Feb 2023	35 cents	100%	30%	$26.08
FY22	Final	30 Sep 2022	97 cents	100%	30%	$25.18
FY22	Interim	1 Apr 2022	112 cents	100%	30%	$34.67
FY21	Final	24 Sep 2021	96 cents	100%	30%	$41.31
FY21	Interim	26 Mar 2021	84 cents	100%	30%	$32.34
FY20	Final	25 Sep 2020	50 cents	100%	30%	$28.54
FY20	Interim	27 Mar 2020	105 cents	100%	30%	$28.06
FY19	Final	30 Sep 2019	125 cents	100%	30%	$36.70
FY19	Interim	29 Mar 2019	125 cents	100%	30%	$41.62
FY18	Final	8 Oct 2018	140 cents	100%	30%	$42.20
FY18	Interim	26 Mar 2018	135 cents	100%	30%	$50.34
FY17	Final	29 Sep 2017	135 cents	100%	30%	$52.33
FY17	Interim	24 Mar 2017	130 cents	100%	30%	$51.86

3.6 Glossary

3LOA	Three Lines of Accountability model
AASB	Australian Accounting Standards Board
ABS	Asset backed securities
ADI	Authorised deposit-taking institution
All Ords	All Ordinaries Price Index
AM	Asset Management
APRA	Australian Prudential Regulatory Authority
Ars	Appointed Representatives
ARCC	Audit, Risk and Compliance Committee
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian Dollars
AUM	Assets under management
B	Billion
BCM	Business Continuity Management
BEAR	Banking Executive Accountability Regime
bps	Basis point (0.01%)
CEO	Chief Executive Officer
CLO	Collateralised Loan Obligations
CMBS	Commercial mortgage-backed securities
COVID-19	Coronavirus disease
cps	Cents per share
CT	Corporate Trust
DORA	Digital Operational Resilience Act
DPS	Dividend(s) per share
DRP	Dividend Reinvestment Plan
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation of intangible assets, equity remuneration expense, and significant items
EMCF	Perpetual Exact Market Cash Fund
EPS	Earnings per share
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ExCo	Perpetual's Executive Committee
FAR	Financial Accountability Regime
FCA	Financial Conduct Authority
FI	Financial Institutions
FTE	Full time equivalent employee
FUA	Funds under advice (for Wealth Management) or funds under administration (for Corporate Trust)
Group	Perpetual Limited and its controlled entities (the consolidated entity) and the consolidated entity's interests in associates

GBP	British Pounds
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IIP	Investing in Product – portfolio managers can invest deferred incentives into units in their own funds, aligning deferred remuneration to client outcomes
IT	Information technology
J O Hambro	J O Hambro Capital Management
KPI	Key performance indicator
Large	Percentage change exceeds +/-200%
M	Million
M&A	Mergers and Acquisitions
MAS	Monetary Authority of Singapore
NPBT	Net (loss)/profit before tax
NPAT	Net (loss)/profit after tax
NPS	Net Promoter Score
NTA	Net tangible asset
OFR	Operating and Financial Review
PAI	Principle adverse impact
Pendal	Pendal Asset Management
Pendal Group	Acquired 23rd January 2023 consisting of the Pendal, J O Hambro and TSW boutiques
RAS	Risk Appetite Statement
Regnan	A trading name of J O Hambro specialising in impact investment
RBA	Reserve Bank of Australia
RMBS	Residential mortgage-backed securities
RMF	Risk Management Framework
ROE	Return on equity
RSE	Registrable Superannuation Entity
RTS	Regulatory Technical Standards
SaaS	Software-as-a-Service
SDR	Sustainable Disclosure Requirements
SEC	Securities and exchange commission
SFDR	Sustainable Finance Disclosure Regulation
TCFD	Task Force on Climate-related Financial Disclosures
TSW	Thompson, Siegel and Walmsley
UK	United Kingdom
UPAT	Underlying profit after tax
UPBT	Underlying profit before tax
US	United States
USD	United States Dollars
WH&S	Work health and safety
WPS	William Patrick Schubmehl

Financial Statements of Perpetual Limited and its controlled entities

for the year ended 30 June 2024

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	SECTION	2024 $M	2023 $M
Revenue	1.2	1,357.5	1,034.1
Expenses	1.3	(1,198.7)	(900.2)
Impairment losses on non-financial assets	2.4	(547.4)	–
Financing costs		(70.3)	(44.8)
Net (loss)/profit before tax		**(458.9)**	**89.1**
Income tax expense	1.4	(13.3)	(30.1)
Net (loss)/profit after tax		**(472.2)**	**59.0**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(2.3)	87.8
Other comprehensive (loss)/income, net of income tax		**(2.3)**	**87.8**
Total comprehensive (loss)/income		**(474.5)**	**146.8**
Total comprehensive (loss)/income attributable to:			
Equity holders of Perpetual Limited		(474.5)	146.8
Earnings per share			
Basic earnings per share – cents per share	1.5	(420.8)	73.2
Diluted earnings per share – cents per share	1.5	(409.0)	71.1

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the 'Notes to and forming part of the financial statements' set out on pages 108 to 164.

Consolidated Statement of Financial Position

as at 30 June 2024

	SECTION	AS RESTATED[1] 2024 $M	2023 $M
Assets			
Cash and cash equivalents	3.1	221.3	263.2
Receivables	2.2	224.4	209.9
Current tax assets	1.4	2.6	33.2
Structured products – EMCF assets	5.1	159.9	163.9
Other assets		31.8	32.3
Total current assets		**640.0**	**702.5**
Other financial assets	2.3	381.7	291.4
Property, plant and equipment		162.2	104.9
Intangibles	2.4	2,061.7	2,660.9
Deferred tax assets	1.4	143.2	116.0
Other assets		10.4	9.4
Total non-current assets		**2,759.2**	**3,182.6**
Total assets		**3,399.2**	**3,885.1**
Liabilities			
Payables		103.2	93.0
Borrowings	3.2	679.0	–
Structured products – EMCF liabilities	5.1	159.5	164.2
Employee benefits	2.6	239.3	164.8
Lease liabilities		19.0	19.6
Provisions	2.5	4.5	4.5
Other liabilities		23.4	16.3
Total current liabilities		**1,227.9**	**462.4**
Payables		–	25.6
Borrowings	3.2	–	734.4
Deferred tax liabilities	1.4	166.8	166.2
Employee benefits	2.6	62.4	54.5
Accrued incentive compensation	2.7	65.3	50.7
Lease liabilities		135.7	71.3
Provisions	2.5	–	4.9
Total non-current liabilities		**430.2**	**1,107.6**
Total liabilities		**1,658.1**	**1,570.0**
Net assets		**1,741.1**	**2,315.1**
Equity			
Contributed equity	3.3	2,174.0	2,133.3
Reserves	3.4	182.9	184.4
Retained earnings		(615.8)	(2.6)
Total equity attributable to equity holders of Perpetual Limited		**1,741.1**	**2,315.1**

1. Prior year comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group. Refer to note 2.1 Business Combinations for further details.

The Consolidated Statement of Financial Position is to be read in conjunction with the 'Notes to and forming part of the financial statements' set out on pages 108 to 164.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

$M	GROSS CONTRIBUTED EQUITY	TREASURY SHARE RESERVE	EQUITY COMPEN-SATION RESERVE	FOREIGN CURRENCY TRANS-LATION RESERVES	RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO SHARE-HOLDERS OF PERPETUAL LIMITED
Balance at 1 July 2023	**2,241.3**	**(108.0)**	**83.2**	**101.2**	**(2.6)**	**2,315.1**
Total comprehensive income/(expense)	**–**	**–**	**–**	**(2.3)**	**(472.2)**	**(474.5)**
Movement on treasury shares	16.7	20.3	(42.5)	–	5.5	–
Issue of ordinary shares	34.9	(30.4)	–	–	–	4.5
Repurchase of shares on market	–	(0.8)		–	–	(0.8)
Equity remuneration expense	–	–	44.6	–	–	44.6
Deferred taxes	–	–	(1.3)	–	–	(1.3)
Dividends paid to shareholders	–	–	–	–	(146.5)	(146.5)
Balance at 30 June 2024	**2,292.9**	**(118.9)**	**84.0**	**98.9**	**(615.8)**	**1,741.1**

$M	GROSS CONTRIBUTED EQUITY	TREASURY SHARE RESERVE	EQUITY COMPEN-SATION RESERVE	FOREIGN CURRENCY TRANS-LATION RESERVES	RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO SHARE-HOLDERS OF PERPETUAL LIMITED
Balance at 1 July 2022	858.1	(40.4)	20.9	13.4	73.8	925.8
Treasury shares acquired through employee benefit schemes	–	14.8	–	–	–	14.8
Total comprehensive income/(expense)	–	–	–	87.8	59.0	146.8
Movement on treasury shares	(1.9)	14.6	(13.7)	–	1.0	–
Issue of ordinary shares	25.1	(19.9)	–	–	–	5.2
Issue of ordinary shares arising from business combinations	1,359.9	–	36.8	–	–	1,396.7
Repurchase of shares on market	–	(19.8)	–	–	–	(19.8)
Equity remuneration expense	–	–	39.2	–	–	39.2
Dividends paid to shareholders	–	–	–	–	(136.7)	(136.7)
Purchase Price Allocation (PPA) adjustment	0.1	(57.3)	–	–	0.3	(56.9)
Balance at 30 June 2023[1]	**2,241.3**	**(108.0)**	**83.2**	**101.2**	**(2.6)**	**2,315.1**

1. Prior year comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group. Refer to note 2.1 Business Combinations for further details.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the 'Notes to and forming part of the financial statements' set out on pages 108 to 164.

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	SECTION	2024 $M	2023 $M
Cash flows from operating activities			
Cash receipts in the course of operations		1,396.9	1,079.2
Cash payments in the course of operations		(1,046.0)	(876.2)
Dividends received		1.0	0.8
Interest received		10.5	6.7
Interest paid		(56.7)	(26.9)
Income taxes paid		(9.3)	(48.8)
Net cash from operating activities	1.7	**296.4**	**134.8**
Cash flows from investing activities			
Payments for property, plant, equipment and software		(31.8)	(25.4)
Payments for investments		(182.6)	(54.4)
Payment for acquisition of a business		(7.8)	(624.5)
Cash acquired as part of acquisition of business		–	149.0
Proceeds from sale of investments		124.3	311.3
Net cash used in investing activities		**(97.9)**	**(244.0)**
Cash flows from financing activities			
Repayment of borrowings		(130.0)	–
Transaction costs related to borrowings		–	(13.2)
Lease financing costs		(26.7)	(18.8)
Receipt from borrowings		70.0	405.0
Repurchase of shares on market		(0.8)	(19.8)
Dividends paid		(141.8)	(131.6)
Net cash from/(used in) financing activities		**(229.3)**	**221.6**
Net increase in cash and cash equivalents		(30.8)	112.4
Cash and cash equivalents at 1 July		263.2	175.4
Effect of movements in exchange rates on cash held		(11.1)	(24.6)
Cash and cash equivalents at 30 June	3.1	**221.3**	**263.2**

The Consolidated Statement of Cash Flows is to be read in conjunction with the 'Notes to and forming part of the financial statements' set out on pages 108 to 164.

SECTION 1 GROUP PERFORMANCE

This section focuses on the results and performance of Perpetual as a consolidated entity. On the following pages you will find disclosures explaining Perpetual's results for the year, segmental information, taxation, earnings per share and dividend information.

Where an accounting policy is specific to a single note, the policy is described in the section to which it relates.

1.1 Operating segments

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components and for which discrete financial information is available. All operating segments' operating results are regularly reviewed by the consolidated entity's CEO to make decisions about resources to be allocated to the segment and assess their performance.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, income tax expenses, assets and liabilities.

The following summary describes the operations in each of the reportable segments:

i. Services provided

Perpetual is a global financial services firm operating in Australia, United States, United Kingdom, Ireland, the Netherlands, Singapore and Hong Kong. Perpetual provides a diverse range of financial products and services including asset management, financial advisory and trustee services via its four business segments, supported by Group Support Services.

Asset Management	A global multi-boutique asset management business offering an extensive range of specialist and differentiated investment capabilities through six boutique and seven brands in key regions globally.
Wealth Management	The wealth management business offers a unique mix of wealth management, advice and trustee services to individuals, families, businesses, not-for-profit organisations and Indigenous communities throughout Australia.
Corporate Trust	Our corporate trust business is a leading provider of fiduciary and digital solutions to the banking and financial services industry in Australia and Singapore.
Group Support Services	The business units are supported by Group Support Services comprising Group Investments, CEO, Finance, Corporate Affairs, Marketing, Legal, Audit, Risk, Compliance, Company Secretary, Technology, Project & Change Management, Operations, Product and People & Culture and Sustainability.

(a) Divestment of Wealth Management and Corporate Trust

On 8 May 2024, following an extensive strategic review, the consolidated entity announced it has entered into a binding Scheme Implementation Deed (SID) under which Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") will acquire the Wealth Management and Corporate Trust Businesses (the Transaction).

The Scheme is subject to a Perpetual shareholder vote (amongst other customary conditions including Independent Expert confirming the Scheme is in the best interest of shareholders, relevant regulatory approvals and Court approval) and if implemented, Perpetual Shareholders are expected to receive cash proceeds. Proceeds will be determined post repayment of outstanding Perpetual Group debt as well as separation and transaction costs including customary business specific net debt adjustments at completion, and shareholders will retain their current ownership in a more streamlined and debt free global Asset Management business.

Completion is anticipated to occur in February 2025, subject to satisfaction of a Perpetual shareholder vote, regulatory approvals, and other customary conditions.

In accordance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, the divestment of Wealth Management and Corporate Trust businesses does not meet the criteria to be classified as held for sale in the consolidated statement of financial position as at 30 June 2024.

ii. Geographical information

The consolidated entity is a global business that operates in Australia, United States, United Kingdom, Europe and Asia. The majority of the consolidated entity's revenue and assets relate to operations in Australia, United States and United Kingdom. The Australian operations are represented by Asset Management, Wealth Management and Corporate Trust. The United States and United Kingdom Operations are also represented by Asset Management. The geographic information analyses the consolidated entity's revenue and non-current assets by the Company's country of domicile. In presenting the geographic information revenue has been based on the country of domicile of the Company recognising it and segment assets were based on the geographic location of the assets.

iii. Major customer

The consolidated entity does not rely on any major customer.

	ASSET MANAGEMENT[1,2] $M	WEALTH MANAGEMENT $M	CORPORATE TRUST $M	TOTAL REPORTABLE SEGMENT $M	GROUP SUPPORT SERVICES $M	SIGNIFICANT ITEMS[3] $M	CONSOLIDATED INCOME STATEMENT $M
30 June 2024							
Major service lines							
Barrow Hanley	202.5	–	–	202.5	–	–	202.5
J O Hambro	248.7	–	–	248.7	–	–	248.7
Pendal	116.7	–	–	116.7	–	–	116.7
Perpetual Asset Management	161.3	–	–	161.3	–	–	161.3
Trillium Asset Management	46.6	–	–	46.6	–	–	46.6
TSW	115.2	–	–	115.2	–	–	115.2
Market related	–	147.6	–	147.6	–	–	147.6
Non-market related	–	77.1	–	77.1	–	–	77.1
Debt Market Services	–	–	78.4	78.4	–	–	78.4
Managed Funds Services	–	–	83.1	83.1	–	–	83.1
Perpetual Digital	–	–	25.6	25.6	–	–	25.6
Other Income	–	–	–	–	1.8	–	1.8
Investment income	1.8	2.1	0.3	4.2	25.0	0.1	29.3
Net gain on sale of investments	1.5	–	0.3	1.8	5.7	2.1	9.6
Unrealised gains/(losses) on financial assets	0.3	–	–	0.3	0.4	13.3	14.0
Total revenue	894.6	226.8	187.7	1,309.1	32.9	15.5	1,357.5
Operating expenses	(659.6)	(159.8)	(91.8)	(911.2)	(21.9)	(102.5)	(1,035.6)
Depreciation and amortisation	(18.3)	(7.8)	(7.8)	(33.9)	(7.5)	(77.1)	(118.5)
Equity remuneration amortisation	(14.3)	(4.6)	(2.7)	(21.6)	(1.9)	(21.1)	(44.6)
Impairment losses on non-financial assets	–	–	–	–	–	(547.4)	(547.4)
Financing costs	(1.8)	(0.6)	(0.5)	(2.9)	(57.7)	(9.7)	(70.3)
Profit/(loss) before tax	200.6	54.0	84.9	339.5	(56.1)	(742.3)	(458.9)
Income tax expense							(13.3)
Net profit after tax							(472.2)
Reportable segment assets	1,566.4	242.9	263.6	2,072.9	1,326.3		3,399.2
Reportable segment liabilities	(561.2)	(38.0)	(19.4)	(618.6)	(1,039.5)		(1,658.1)
Capital expenditure	3.4	0.1	16.7	20.1	11.9		32.0

1. Prior year comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group. Refer to note 2.1 Business Combinations for further details.
2. Segment information for Asset Management includes the Perpetual Exact Market Return Fund, refer to section 5.1(i).
3. Significant items includes
   - costs associated with the acquisition and establishment of Pendal, Trillium, Barrow Hanley and other entities
   - amortisation expense on customer contracts and non-compete agreements acquired through business combinations
   - unrealised mark to market gains and losses on seed fund investments and financial assets held for regulatory purposes
   - value of employee owned units in Barrow Hanley.

1.1 Operating segments continued

iii. Major customer continued

	ASSET MANAGE-MENT[1,2] $M	WEALTH MANAGE-MENT $M	CORPORATE TRUST $M	TOTAL REPORTABLE SEGMENT $M	GROUP SUPPORT SERVICES $M	SIGNIFICANT ITEMS[3] $M	CONSOLI-DATED INCOME STATEMENT $M
30 June 2023[1]							
Major service lines							
Barrow Hanley	175.2	–	–	175.2	–	–	175.2
J O Hambro	114.9	–	–	114.9	–	–	114.9
Pendal	56.9	–	–	56.9	–	–	56.9
Perpetual Asset Management	158.3	–	–	158.3	–	–	158.3
Trillium Asset Management	44.8	–	–	44.8	–	–	44.8
TSW	53.2	–	–	53.2	–	–	53.2
Market related	–	145.1	–	145.1	–	–	145.1
Non–market related	–	69.5	–	69.5	–	–	69.5
Debt Market Services	–	–	77.2	77.2	–	–	77.2
Managed Funds Services	–	–	77.1	77.1	–	–	77.1
Perpetual Digital	–	–	23.4	23.4	–	–	23.4
Investment income/(loss)	1.8	2.8	0.3	4.9	17.2	(5.9)	16.2
Unrealised gains on financial assets	1.4	–	–	1.4	0.8	20.1	22.3
Total revenue	606.5	217.4	178.0	1,001.9	18.0	14.2	1,034.1
Operating expenses	(442.7)	(155.4)	(85.1)	(683.2)	(25.7)	(68.9)	(777.8)
Depreciation and amortisation	(13.2)	(9.1)	(8.4)	(30.7)	(2.3)	(50.2)	(83.2)
Equity remuneration amortisation	(15.5)	(4.6)	(2.4)	(22.5)	(0.4)	(16.3)	(39.2)
Financing costs	(1.4)	(1.3)	(0.5)	(3.2)	(31.7)	(9.9)	(44.8)
Profit/(loss) before tax	133.7	47.0	81.6	262.3	(42.1)	(131.1)	89.1
Income tax expense							(30.1)
Tax expense							30.1
Net profit after tax							59.0
Reportable segment assets	2,174.5	247.6	250.2	2,672.4	1,212.8		3,885.1
Reportable segment liabilities	(501.4)	(34.6)	(16.0)	(552.0)	(1,018.0)		(1,570.0)
Capital expenditure	28.1	0.1	10.2	38.4	11.8		50.2

1. Prior year comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group. Refer to note 2.1 Business Combinations for further details.
2. Segment information for Asset Management includes the Perpetual Exact Market Return Fund, refer to section 5.1(i).
3. Significant items includes
   - costs associated with the acquisition and establishment of Pendal, Trillium, Barrow Hanley and other entities
   - amortisation expense on customer contracts and non-compete agreements acquired through business combinations
   - unrealised mark to market gains and losses on seed fund investments and financial assets held for regulatory purposes
   - value of employee owned units in Barrow Hanley.

	2024 $M	2023 $M
Revenue		
Australia	702.2	620.0
United States	452.3	315.3
United Kingdom	137.4	55.3
Other countries	65.6	43.5
	1,357.5	**1,034.1**
Non-current assets		
Australia	1,463.1	1,968.1
United States	1,242.5	1,217.4
United Kingdom	50.2	51.0
Other countries	3.4	3.0
	2,759.2	**3,239.5**

1.2 Revenue

	2024 $M	2023 $M
Revenue from contracts with customers	1,295.5	989.5
Income from structured products	8.3	6.1
Dividends	1.0	0.8
Interest and unit trust distributions	17.7	5.4
Net realised (loss)/gains on sale of investments	9.6	(0.9)
Unrealised gains/(losses) on financial assets	14.0	22.3
Deferred consideration adjustments	9.6	8.2
Other	1.8	2.7
	1,357.5	**1,034.1**

Accounting policies

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The consolidated entity recognises revenue when it transfers control over a product or service to a customer.

Revenue from contracts with customers

The consolidated entity earns revenue from the provision of financial products and services. These include investment management and administration, financial advisory and trustee services (including responsible entity, superannuation, philanthropic and estate administration).

The majority of the consolidated entity's revenue arises from service contracts where performance obligations are satisfied over time. Customers obtain control of services as they are delivered, and revenue is recognised over time as those services are provided.

Investment management and administration revenue is calculated as a percentage of the funds invested in accordance with the investment mandates or the respective product disclosure statements. Some investment products and mandates include performance fees, which are contingent on achieving or exceeding a defined performance hurdle and the revenue is recognised when it is highly probable that a significant reversal in the cumulative amount of the revenue would not occur. Whilst performance fees are recognised over time, they are typically constrained until meeting or exceeding the performance hurdle due to market volatility.

1.2 Revenue continued

Revenue from contracts with customers continued

Revenue from financial advisory services is assessed on a contract by contract basis. Revenue is recognised over the period the services are provided. Revenue may be charged on a fixed fee, fee for service (`time and costs') or as a percentage of assets under administration basis:

– Under fixed fee contracts, revenue is recognised as the related services are provided on a percentage of completion basis, or when specified milestones in the contract have been achieved. Fees received in advance are deferred as a contract liability until the service has been provided.
– Revenue charged under fee for service contracts is recognised based on the amount the consolidated entity is entitled to invoice for services performed to date, based on the contracted rates.

Trustee Services are also assessed on a contract by contract basis. Contracts may include a fee to establish a trust, as well as ongoing trustee and other service fees. Establishment fees are recognised when the trust has been established and is based on the standalone value of the service.

A small part of the consolidated entity's revenue is recognised at a point in time, generally when a performance obligation is linked to a particular event (i.e. an application or redemption transaction for a customer). Revenue is recognised when the consolidated entity executes a specific transaction on behalf of the customer.

Income from structured products

Income represents fees earned from managing the Exact Market Cash Fund.

Dividends

Dividend income is recognised in profit or loss on the date the consolidated entity's right to receive payment is established which, in the case of quoted securities, is the ex-dividend date.

Interest and unit trust distributions

Interest income is recognised as it accrues, taking into account the effective yield of the financial asset.

Unit trust distributions are recognised in profit or loss as they are received.

Net realised gains on sale of investments

Net gain on sale of investments represents proceeds less costs on sale of financial assets.

Unrealised gains on financial assets

Represents movement in the fair value of the consolidated entity's financial assets classified as Fair Value Through Profit and Loss (FVTPL) during the financial year.

1.3 Expenses

	2024 $M	2023 $M
Staff related expenses excluding equity remuneration expense[1]	762.4	524.8
Occupancy expenses	10.4	10.6
Administrative and general expenses	255.8	237.4
Distributions and expenses relating to structured products	7.0	5.0
Equity remuneration expense	44.6	39.2
Depreciation and amortisation expense	118.5	83.2
	1,198.7	**900.2**

1. Includes an amount related to Perpetual Group's defined contributions to employees' superannuation and pensions of $33.6m (2023: $27.6m).

Accounting policies

Expenses are recognised at the fair value of the consideration paid or payable when services are received.

1.4 Income taxes

	2024 $M	2023 $M
Current year tax expense		
Current year tax expense	42.4	38.5
Prior year adjustments	(1.3)	(2.5)
Total current tax expense impacting income taxes payable	41.1	36.0
Deferred tax expense		
Prior year adjustments	3.4	2.7
Temporary differences	(31.2)	(8.6)
Total deferred tax expense	(27.8)	(5.9)
Total income tax expenses	13.3	30.1
Net profit before tax for the year	(458.9)	89.1
Prima facie income tax expense calculated at 30% (2023: 30%) on profit for the year	(137.7)	26.7
– Recognition of previously unrecognised capital and revenue losses	(1.3)	(0.1)
– Non-assessable income	(1.0)	(3.3)
– Prior year adjustments	2.1	0.2
– Effect of tax rates in foreign jurisdictions	(6.5)	(1.7)
– Other non-taxable income/expenses and tax credits	(14.7)	(2.8)
– Other non-deductible expenses	172.4	11.1
Total	13.3	30.1
Effective tax rate (ETR)	(2.9%)	33.8%
Income taxes (receivable)/payable at the beginning of the year	(33.2)	(3.6)
Income taxes payable for the financial year	42.7	38.5
Less: Tax paid during the year	(9.3)	(48.8)
Acquisition from Pendal	–	(17.0)
Other	(2.8)	(2.3)
Income taxes receivable at the end of the year	(2.6)	(33.2)
Represented in the Statement of Financial Position by:		
Current tax assets	2.6	33.2

Basis of calculation of ETR

The ETR is calculated as total income tax expenses divided by net profit before tax for the year.

The consolidated entity currently has tax obligations in Australia, United States, Singapore, the UK, Ireland, Hong Kong and the Netherlands. United States operations include Trillium, Barrow Hanley Global Investors, JO Hambro and TSW. UK and Singapore Operations include J O Hambro. Operations in Hong Kong and the Netherlands do not currently have a material tax impact.

Explanation of variance to the legislated 30% tax rate

The consolidated entity's effective tax rate for the year was (2.9%) (2023: 33.8%). The decrease of 32.9% in the effective tax rate compared to the legislated 30% is mainly attributable to non-deductibility of expenses relating to impairment of non-financial assets.

Capital tax (gains)/losses calculated at 30% tax in Australia

The total tax benefits of realised capital losses are $18,826,484 (30 June 2023: $21,290,329), comprising $3,000,000 (30 June 2023: $3,000,000) recognised in deferred tax assets and $15,826,484 (30 June 2023: $18,290,329) not recognised in deferred tax assets. These are net of realised tax capital gains and losses incurred in the current and/or prior year and are available to be utilised by the Australian income tax consolidated group in future years.

1.4 Income taxes continued

Movement in deferred tax balances

2024	BALANCE 1 JULY 2023 $M	RECOGNISED IN PROFIT OR LOSS $M	BALANCE 30 JUNE 2024 $M
Deferred tax assets			
Provisions and accruals	9.7	(0.6)	9.1
Capital expenditure deductible over five years	6.0	0.7	6.7
Employee benefits	60.4	6.1	66.5
Property, plant and equipment	3.7	0.9	4.6
Intangible assets	24.0	15.8	39.8
Recognised capital losses	3.0	–	3.0
Unrealised net capital losses	0.1	–	0.1
Lease adjustments AASB 16	5.9	2.0	7.9
Other items	3.2	2.3	5.5
Deferred tax assets	116.0	27.2	143.2
Deferred tax liabilities			
Intangible assets	(156.8)	2.8	(154.0)
Lease adjustment AASB 16	(0.6)	(2.0)	(2.6)
Unrealised net capital gains	(2.0)	(3.0)	(5.0)
Capital raising costs	(1.8)	0.3	(1.5)
Other items	(5.0)	1.3	(3.7)
Deferred tax liabilities	**(166.2)**	**(0.6)**	**(166.8)**
Net deferred tax assets	**(50.2)**	**26.6**	**(23.6)**

2023	BALANCE 1 JULY 2022 $M	RECOGNISED IN PROFIT OR LOSS $M	ACQUIRED IN BUSINESS COMBINATION $M	BALANCE 30 JUNE 2023 $M
Deferred tax assets				
Provisions and accruals	6.2	2.1	1.4	9.7
Capital expenditure deductible over five years	0.2	0.3	5.5	6.0
Employee benefits	29.9	9.2	21.3	60.4
Property, plant and equipment	3.2	0.5	–	3.7
Intangible assets	3.5	0.1	20.4	24.0
Recognised capital losses	3.0	–	–	3.0
Unrealised net capital losses	1.0	(1.4)	0.5	0.1
Lease adjustments AASB 16	4.5	–	1.4	5.9
Other items	2.1	1.1	–	3.2
Deferred tax assets	53.6	11.9	50.5	116.0
Deferred tax liabilities				
Intangible assets	(11.9)	2.5	(147.4)	(156.8)
Lease adjustment AASB 16	(0.5)	(0.1)	–	(0.6)
Unrealised net capital gains	–	(2.0)	–	(2.0)
Capital raising costs	(2.1)	0.3	–	(1.8)
Other items	(0.4)	(4.6)	–	(5.0)
Deferred tax liabilities	**(14.9)**	**(3.9)**	**(147.4)**	**(166.2)**
Net deferred tax assets	**38.7**	**8.0**	**(96.9)**	**(50.2)**

Accounting policies

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the net profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- the initial recognition of goodwill
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit
- differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each balance date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Perpetual Limited and its wholly owned Australian entities elected to form an income tax consolidated group as of 1 July 2002. As a consequence, all members of the tax consolidated group are taxed as a single entity and governed by a tax funding agreement. Under the agreement, all wholly owned Australian entities fully compensate Perpetual Limited for any current income tax payable assumed and are compensated by Perpetual Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Perpetual Limited under the income tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the members' financial statements.

Base Erosion Profit Shifting (BEPS) Pillar Two disclosure

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The framework aims to reduce profit shifting from one jurisdiction to another, in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules and in February 2023 further administrative guidance. A Multinational group is expected to be in scope of Pillar Two legislation if it operates in a jurisdiction that has (substantively) enacted Pillar Two legislation and its consolidated revenue exceeds €750 million.

The Australian Federal Government announced as part of the 2023 Federal Budget that it would adopt the Pillar Two rules, including a 15% global minimum tax and a 15% domestic minimum tax (to apply for years commencing on or after 1 January 2024) and an underpaid profits tax rule (to apply for years commencing on or after 1 January 2025). Legislation to effect these Pillar Two changes has yet to be passed in Australia.

The Group has determined that it does not meet the revenue threshold set out in the OECD legislative framework and draft Australian legislation for application of the Pillar Two rules.

1.5 Earnings per share

	2024	2023
	CENTS PER SHARE	
Basic earnings per share	(420.8)	73.2
Diluted earnings per share	(409.0)	71.1

	$M	$M
Net profit after tax attributable to equity holders of Perpetual Limited	(472.2)	59.0

	NUMBER OF SHARES	
Weighted average number of ordinary shares (basic)	112,219,740	80,564,501
Effect of dilutive potential ordinary shares (including those subject to rights)	3,227,411	2,450,115
Weighted average number of ordinary shares (diluted)	115,447,151	83,014,616

Accounting policies

The consolidated entity presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for shares held by the Company's employee share plan trust.

Diluted EPS is determined by dividing the net profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, adjusted for shares held by the Company's sponsored employee share plan trust and for the effects of all dilutive potential ordinary shares, which comprise shares and options/rights granted to employees under long-term incentive and retention plans.

1.6 Dividends

	CENTS PER SHARE	TOTAL AMOUNT $M	FRANKED/ UNFRANKED	DATE OF PAYMENT
2024				
Final 2023 ordinary	65	73.1	40% Franked	29 Sep 2023
Interim 2024 ordinary	65	73.7	35% Franked	8 Apr 2024
Total amount	**130**	**146.8**		
2023				
Final 2022 ordinary	97	55.0	100% Franked	30 Sep 2022
Special dividend	35	20.1	100% Franked	8 Feb 2023
Interim 2023 ordinary	55	61.6	40% Franked	31 Mar 2023
Total amount	**187**	**136.7**		

All franked dividends declared or paid during the year were franked at a tax rate of 30% and paid out of retained earnings.

The Company's Dividend Reinvestment Plan (DRP) is optional and offers ordinary shareholders in Australia and New Zealand the opportunity to acquire fully paid ordinary shares, without transaction costs. Shareholders can elect to participate in or terminate their involvement in the DRP at any time.

Subsequent events

Since the end of the financial year, the Directors declared the following dividend. The dividend has not been provided for and there are no tax consequences.

	CENTS PER SHARE	TOTAL AMOUNT[1] $M	FRANKED/ UNFRANKED	DATE OF PAYMENT
Final 2024 ordinary	53	60.5	50% Franked	4 Oct 2024

1. Calculation based on the estimated ordinary shares on issue at the record date.

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2024 and will be recognised in subsequent financial reports.

	2024 $M	2023 $M
Dividend franking account		
Amount of franking credits available to shareholders for subsequent financial years	(2.2)	9.6

The above available amounts are based on the balance of the dividend franking account at 30 June 2024 adjusted for franking credits that will arise from the payment of the current tax assets, and franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year end.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance date, but not recognised as a liability, is to reduce it to ($15,159,000) (2023: $2,900,000)

Accounting policies

Dividends are recognised as a liability in the year in which they are declared.

1.7 Net cash from operating activities

	2024 $M	2023 $M
Reconciliation of profit for the year to net cash from operating activities		
Profit for the year	(472.2)	59.0
Items classified as investing/financing activities:		
Loss/(Profit) on sale of investments	(9.6)	0.9
Realised loss on forward exchange contract	–	5.9
Interest unwind on Deferred acquisition consideration	1.1	2.6
Operating (liabilities)/assets acquired from business combinations	–	(127.0)
Lease financing costs	26.7	18.8
Non-cash items:		
Depreciation and amortisation expense	118.5	83.2
Impairment losses on non-financial assets	547.4	–
Equity remuneration expense	44.6	39.2
Mark to market movements on financial assets	(14.0)	(22.3)
Deferred considerations adjustment	(9.6)	(8.2)
Change in value of Accrued incentive compensation liability	13.2	–
Other	(0.8)	5.1
(Increase)/decrease in assets		
Receivables	(14.5)	(87.0)
Current tax assets	30.6	(29.6)
Other assets	(0.5)	(18.5)
Deferred tax assets	(27.2)	(62.4)
Increase/(decrease) in liabilities		
Payables	(15.4)	24.9
Provisions	(4.9)	(1.1)
Deferred tax liabilities	0.6	151.3
Employee benefits	82.4	99.9
Net cash from operating activities	**296.4**	**134.7**

SECTION 2 OPERATING ASSETS AND LIABILITIES

This section shows the assets used to generate Perpetual's trading performance and the liabilities incurred as a result. Liabilities relating to the consolidated entity's financing activities are addressed in section 3.

2.1 Business combinations

Pendal Group

On 23 January 2023, Perpetual acquired 100% of the share capital of Pendal Group ('Pendal') by way of a Scheme of Arrangement ('the Acquisition'). The acquisition created a global multi boutique asset manager with significant scale, diversified investment strategies, ESG capabilities and a global distribution capability, complemented by Perpetual's wealth management and trustee businesses.

Consideration transferred

The acquisition was effected via a share exchange with every seven shares of Pendal stock exchanged for one newly issued Perpetual share and $1.65 cash per Pendal share held, less the final FY22 Pendal dividend of 3.5 cents per share paid to Pendal shareholders on 15 December 2023. A total of 54,747,428 Perpetual shares were issued to Pendal shareholders as part of the consideration.

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	$M
Share consideration[1]	1,359.9
Cash consideration[2]	618.8
Replacement share-based payment awards	36.8
Treasury shares acquired on acquisition[3]	(57.3)
Total consideration transferred	1,958.2

1. The Scheme Implementation Deed was approved by the Supreme Court of New South Wales on 11 January 2023 and became effective and binding on 12 January 2023. On this date, the Scheme became unconditional and control was acquired in accordance with AASB 10 *Consolidated Financial Statements*. Therefore, 11 January 2023 has been assessed as the acquisition date under AASB 3 *Business Combinations* ('AASB 3'). The fair value of ordinary shares issued was based on the closing share price of Perpetual Limited on 11 January 2023 of $24.84.
2. The cash consideration was based on the number of Pendal shares acquired of 383,149,490.
3. PPT acquired 2.3 million PPT shares (after conversion) that were held in PDL's employee benefit trust. The value of the shares reduces total consideration paid.

Replacement share-based payment awards

In accordance with the terms of the acquisition agreement, the Group exchanged equity-settled share-based payment awards held by employees of Pendal (the acquiree's awards) for equity settled share-based payment awards of the Company (the replacement awards). The vesting dates of the replacement awards replicate the existing acquiree's awards.

The consideration for the business combination includes $36.8 million transferred to employees of Pendal when the acquiree's awards were substituted by the replacement awards, which relate to past service.

Refer to 5.6 Share-based payments for more information.

Acquisition-related costs

The consolidated entity incurred acquisition and integration related costs of $86.0 million before tax which are included in expenses in the consolidated entity's statement of profit and loss and other comprehensive income in both FY23 ($50.7 million) and FY24 ($35.3 million), and borrowing costs of $13.2 million associated with the acquisition which were capitalised.

2.1 Business combinations continued

Value of identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	$M
Cash and cash equivalents	149.0
Trade and other receivables	79.3
Other financial assets	335.0
Prepayments	10.0
Derivative financial instruments	0.4
Property, plant and equipment	41.7
Deferred tax assets	49.7
Intangible assets	784.5
Current tax asset	17.0
Trade and other payables	(60.0)
Employee benefits	(74.2)
Provisions	(0.4)
Lease liability	(33.7)
Borrowings	(50.6)
Deferred tax liabilities	(138.1)
Total identifiable net assets acquired	**1,109.6**

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

ASSETS ACQUIRED	VALUATION TECHNIQUES
Intangible assets: Customer contracts	**Multi-period excess earnings method:** The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Intangible assets: Brands	**Relief from royalty method:** The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned.

All trade receivables were expected to be recoverable at the acquisition date.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$M
Total consideration transferred	1,958.2
Less: Value of identifiable net assets	(1,109.6)
Goodwill	**848.6**

The goodwill is attributable mainly to the skills and technical talent of Pendal's work force and the synergies expected to be achieved from integrating the company into the Group's existing asset management business. None of the goodwill recognised is expected to be deductible for tax purposes, aside from the goodwill recognised by Pendal upon its acquisition of TSW (Thompson Siegel and Walmsley LLC) in 2021, which continues to be deductible in the US.

Critical accounting assumptions and estimates

Accounting for acquisitions is inherently complex, requiring a number of judgements and estimates to be made.

The acquisition of Pendal was effected through a Scheme of Arrangement under which the Company acquired all of the shares in Pendal. While the Scheme of Arrangement was implemented on 23 January 2023, the Scheme Implementation Deed was approved by the Supreme Court of New South Wales on 11 January 2023 and became effective and binding on 12 January 2023. On this date, the Scheme became unconditional and control was acquired in accordance with AASB 10 *Consolidated Financial Statements*. Therefore, 11 January 2023 has been assessed as the acquisition date under AASB 3 *Business Combinations*.

Management judgement is required to determine the fair value of identifiable assets and liabilities acquired in business combinations. A number of judgements have been made in relation to the identification of fair values attributable to separately identifiable assets and liabilities acquired, including customer relationships and brands. This work was performed by an external valuation expert. The determination of fair values requires the use of valuation techniques based on assumptions including future cash flows, revenue growth, margins, customer attrition rates and weighted-average cost of capital.

In accordance with the terms of the acquisition agreement, the Consolidated Entity exchanged equity-settled share-based payment awards held by employees of Pendal (the acquiree's awards) for equity settled share-based payment awards of the Company (the replacement awards) as part of the consideration. The fair value of the replacement awards were measured by reference to the fair value of the equity instruments at the acquisition date. The fair value calculation was performed by an external valuation expert and determined using the Black Scholes Model and other market-based valuation techniques, taking into account the terms and conditions upon which the replacement awards were granted. The valuation methodologies involve a number of judgements and assumptions which may affect the value of pre-acquisition expense taken as part of consideration transferred, as well as the post-acquisition share-based payment expense taken to profit and loss and equity.

Accounting policies

Business combinations are accounted for using the acquisition method as at the acquisition date of 11 January 2023, which is the date on which control is transferred to the consolidated entity. In assessing control, the consolidated entity takes into consideration potential voting rights that currently are exercisable.

As at 30 June 2024 the acquisition accounting balances have been accounted for in these financial statements on that basis.

The consolidated entity measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the consolidated entity incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and related to past services, then all or a portion of the amount of the acquirer's replacement award is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

2.2 Receivables

	2024 $M	2023 $M
Current		
Trade receivables	209.2	193.1
Less: Provision for doubtful debts	(1.9)	(2.5)
	207.3	190.6
Other receivables	17.1	19.3
	224.4	209.9
Movements in the provision for doubtful debts are as follows:		
Balance as at beginning of the year	2.5	3.0
Doubtful debts provided for during the year	0.7	1.1
Receivables written off during the year as uncollectible	(1.3)	(1.6)
Balance as at end of the year	**1.9**	**2.5**

Movements in the provision for doubtful debts have been recognised in Administrative and general expenses in section 1.3. Amounts charged to the provision account are generally written off when there is no expectation of additional recoveries. In subsequent periods, any recoveries of amounts previously written off are credited against Administrative and general expenses in section 1.3. Based on the analysis at the end of the reporting period, the collectively provided impairment under the expected credit loss (ECL) method is considered to be immaterial and currently no amount is recognised in the financial statements.

Accounting policies

Receivables comprise trade and other receivables. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for ECL. Collectability of trade receivables is reviewed on an ongoing basis and at balance date, in addition to the ECL, specific impairment losses are recorded for any doubtful debts.

2.3 Other financial assets

	2024 $M	2023 $M
Non-current		
Listed equity securities	60.5	56.2
Unlisted unit trusts	270.7	205.8
Debt securities	3.9	3.7
Unlisted investment funds	46.6	25.7
	381.7	**291.4**

Accounting policies

Financial assets

The consolidated entity's investments in equity securities, unlisted unit trusts, unlisted investment funds and debt securities are classified at Fair Value Through Profit and Loss (FVTPL) with the associated realised and unrealised gains and losses taken to the Income Statement. Refer to section 4.1 (iv).

Fair values for investments in equity securities, unlisted unit trusts and other securities are obtained from quoted market prices in active markets, including market transactions and valuation techniques (such as discounted cash flow models and option pricing models), as appropriate.

Unlisted investment funds represent an equity interest in an unlisted investment fund established to invest its assets primarily in the economic equity interests of multiple collateralised loan obligation (CLO) transactions and warehouse facilities in connection therewith. Fair values for unlisted investment funds are obtained from an independent, third-party fund administrator and are based on the net asset value of the fund at the reporting date.

2.4 Intangibles

	GOODWILL	INTANGIBLE ASSETS				
$M		CUSTOMER CONTRACTS	CAPITALISED SOFTWARE	PROJECT WORK IN PROGRESS	OTHER	TOTAL
Year ended 30 June 2024						
At cost	1,451.1	1,076.4	120.6	49.5	83.3	2,780.9
Foreign exchange movement	70.0	67.9	0.5	–	4.9	143.3
Accumulated amortisation	–	(201.5)	(95.0)	–	(18.6)	(315.1)
Impairment loss	(547.4)	–	–	–	–	(547.4)
Carrying amount	**973.7**	**942.8**	**26.1**	**49.5**	**69.6**	**2,061.7**
Balance at 1 July 2023	1,523.0	1,015.8	19.4	39.7	63.0	2,660.9
Additions	–	–	–	27.2	–	27.2
Additions through business combinations	–	–	0.8	–	8.8	9.6
Transfers	–	–	17.4	(17.4)	–	–
Foreign exchange movement	(1.9)	0.6	–	–	0.4	(0.9)
Amortisation expense	–	(73.6)	(11.5)	–	(2.6)	(87.7)
Impairment loss	(547.4)	–	–	–	–	(547.4)
Balance as at 30 June 2024	**973.7**	**942.8**	**26.1**	**49.5**	**69.6**	**2,061.7**
Year ended 30 June 2023[1]						
At cost	1,451.1	1,076.4	102.4	39.7	74.5	2,744.1
Foreign exchange movement	71.9	67.3	0.5	–	4.5	144.2
Accumulated amortisation	–	(127.9)	(83.5)	–	(16.0)	(227.4)
Carrying amount	1,523.0	1,015.8	19.4	39.7	63.0	2,660.9
Balance at 1 July 2022	616.7	240.6	21.3	25.4	47.8	951.8
Additions	–	0.9	–	20.3	–	21.2
Additions through business combinations	848.6	763.6	1.1	0.8	18.8	1,632.9
Transfers	–	–	6.8	(6.8)	–	–
Foreign exchange movement	57.7	55.1	0.2	–	1.9	114.9
Amortisation expense	–	(44.4)	(10.0)	–	(5.5)	(59.9)
Balance as at 30 June 2023	**1,523.0**	**1,015.8**	**19.4**	**39.7**	**63.0**	**2,660.9**

1. Prior year comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group. Refer to note 2.1 Business Combinations for further details.

2.4 Intangibles continued

	2024 $M	2023[1] $M
Goodwill Impairment Testing		
The carrying amounts of goodwill in each CGU are as follows:		
Wealth Management	190.2	190.2
Corporate Trust	158.7	158.7
Asset Management, comprising CGU:		
– Perpetual Asset Management	3.5	3.5
– Trillium Asset Management	52.1	52.1
– Barrow Hanley	222.9	222.7
– TSW	65.8	196.1
– J O Hambro	87.7	506.8
– Pendal	192.8	192.9
	973.7	**1,523.0**

1. Prior period includes $56.9m in Purchase Price Allocation (PPA) adjustment of Pendal Group. Refer to note 2.1 Business Combinations for further details.

The recoverable amount of each cash-generating unit (CGU) has been determined based on the higher of its value in use and fair value less costs of disposal.

The forecast cash flows used in impairment testing are based on assumptions as to the level of profitability of each business over a projected five-year period. These forecasted cash flows are based on a five-year forecast, three years of which have been approved by the Board and a further two years of management forecasts have been applied.

The main drivers of revenue growth are the value of assets under management (AUM) in the Trillium, Barrow Hanley, Perpetual Australia Asset Management, Pendal, J O Hambro and TSW CGUs, funds under advice (FUA) in the Wealth Management CGU and securitisation and capital flows in the Corporate Trust CGU.

The following assumptions have been applied in deriving the value in use of each CGU:

- The value in use is estimated based on the net present value of future cash flow projections to be realised from each of the CGUs over the next five years plus a terminal value.
- The pre-tax discount rates used in the current year ranged from 14.4% to 16.9% (2023: 13.5% to 15.7%) for Australian CGUs and from 13.6% to 14.1% (2023: 13.1% to 14.2%) for Non-Australian CGUs.
- A terminal value with a growth rate of 2.1% for the US and UK CGUs and 2.5% for the Australian CGUs has also been applied (2023: 2.1% for US CGUs and 2.5% for UK and Australian CGUs).

Other than the normal operating changes linked to ongoing business initiatives, the assumptions do not include the effects of any future restructuring to which the consolidated entity is not yet committed or of future cash outflows by the consolidated entity which will improve or enhance the consolidated entity's performance.

At 30 June 2024, the fair value of the Corporate Trust, Wealth Management, Perpetual Asset Management Australia, Barrow Hanley, Trillium and Pendal Australia CGU's was greater than it's carrying amount. Therefore, no impairment was required. At the reporting date, there is no reasonable change in key assumptions that could cause the carrying amount of these CGU's to exceed the recoverable amount.

In relation to the Trillium CGU, a shift in the pre-tax discount rate of 655 basis points, using management's forward looking cashflow forecasts, would result in the recoverable amount being equal to the carrying value.

An assessment of fair value less costs of disposal was also applied for the J O Hambro and TSW CGU's in accordance with AASB 136 *Impairment of Assets*, calculated using a market multiple approach. The following assumptions have been applied in deriving the fair value less cost of disposal for the J O Hambro and TSW CGU's:

- Estimated fair value is determined by applying observable price/earnings multiples of comparable companies within the Asset Management industry to estimate the future maintainable earnings of each CGU. The price/earnings multiples applied in the current year ranged from 5.9 times forecast earnings to 7.6 times forecast earnings consistent with externally sourced information.
- A deduction is then made for the estimated costs of disposal equal to 10% of fair value based on industry benchmarks and past experience.

The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

J O Hambro and TSW

The recoverable amount of these CGUs was determined based on the value-in-use approach as the higher recoverable amount.

The carrying amount of these CGUs was determined to be higher than their recoverable amounts. As a result, a non-cash impairment expense was recognised during the year.

CASH GENERATING UNITS	CARRYING VALUE $M	RECOVERABLE AMOUNT $M	NON-CASH IMPAIRMENT EXPENSE $M
J O Hambro	879.5	462.1	417.4
TSW	438.6	308.6	130.0

The impairment in J O Hambro is a result of the projected earnings impact of unexpected outflows in certain key strategies including the Global Select, International Select and UK Dynamic strategies in the second half of the 2024 financial year.

The impairment in TSW is a result of the projected earnings impact of continual partial redemptions in the second half of the 2024 financial year from various accounts in the International Equity and US Mid-Cap Value Capabilities. These redemptions are largely the product of asset allocation shifts from clients within the sub-advisory channel.

The key assumptions used in the estimation of value-in-use were as follows:

CASH GENERATING UNITS	PRE-TAX DISCOUNT RATE %	TERMINAL GROWTH RATE %	EXPECTED EARNINGS GROWTH – 5 YEAR COMPOUNDED ANNUAL GROWTH RATE (CAGR)
J O Hambro	14.1	2.1	16.9
TSW	14.0	2.1	2.7

The pre-tax discount rates used in the prior year were 13.5% and 13.3% for J O Hambro and TSW respectively.

Following the impairment charge recognised in the J O Hambro and TSW CGUs, the recoverable amounts were equal to their carrying amounts. Therefore, any adverse movement in a key assumption would lead to further impairment.

As a result, management has identified that a reasonably possible change in three key assumptions could cause a significant change in the recoverable amount.

RECOVERABLE AMOUNT $M	PRE-TAX DISCOUNT RATE %		TERMINAL GROWTH RATE %		EXPECTED EARNINGS GROWTH – 5 YEAR COMPOUNDED ANNUAL GROWTH RATE (CAGR)	
	INCREASE OF 0.5%	DECREASE OF 0.5%	INCREASE OF 0.25%	DECREASE OF 0.25%	INCREASE 1% ON YEAR 5-CAGR	DECREASE OF 1% ON YEAR 5-CAGR
J O Hambro	452.5	471.9	473.0	451.7	479.1	445.5
TSW	302.8	314.6	315.1	302.5	330.5	287.6

Accounting policies

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Goodwill represents the excess of acquisition cost over the fair value of the consolidated entity's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill is allocated to cash-generating units and is not amortised, but tested for impairment annually.

Goodwill is measured at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.4 Intangibles continued

Accounting policies continued

Amortisation

For those intangible assets which are amortised, the amortisation is calculated over the cost of the asset, or another amount substituted for cost, less its residual value.

The estimated useful lives in the current and comparative periods are as follows:

- capitalised software: 2.5 – 8 years
- customer contracts and relationships acquired: 5 – 16 years
- non-compete (included in other intangible assets): 3 – 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Software

Certain internal and external costs directly incurred in acquiring and developing software have been capitalised and are amortised over their useful lives. Development costs include only those costs directly attributable to the development phase and are only recognised following completion of a technical feasibility study and where the consolidated entity has an intention and ability to use the asset. Costs incurred on software maintenance are expensed as incurred.

Other intangible assets

Brand names acquired by the consolidated entity are included in other intangible assets. Brand names have an indefinite useful life and are not amortised but tested for impairment annually. Brand names are measured at cost less accumulated impairment losses.

Other intangible assets acquired by the consolidated entity, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

2.5 Provisions

	2024 $M	2023 $M
Current		
Insurance and legal provision	0.1	–
Operational process review provision	3.8	4.5
Make good and other occupancy related provisions	0.5	–
Other provisions	0.1	–
	4.5	**4.5**
Non-current		
Make good and other occupancy related provisions	–	4.9
	–	**4.9**

$M	CARRYING AMOUNT AT 1 JULY 2023	ADDITIONAL PROVISION MADE	UNUSED AMOUNTS REVERSED	PAYMENTS MADE	CARRYING AMOUNT AT 30 JUNE 2024
Legal provision	–	0.2	–	(0.1)	0.1
Operational process review provision	4.5	2.9	(0.7)	(2.9)	3.8
Make good and other occupancy related provisions	4.9	0.2	(4.6)	–	0.5
Other provisions	–	0.1	–	–	0.1
Total provisions	**9.4**	**3.4**	**(5.3)**	**(3.0)**	**4.5**

Accounting policies

A provision is recognised in the Statement of Financial Position when the consolidated entity has a present legal or constructive obligation as a result of a past event that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Management exercises judgement in estimating provision amounts. It may be possible, based on existing knowledge, that outcomes in the next annual reporting period differ from amounts provided and may require adjustment to the carrying amount of the liability affected.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Legal provision

A provision for litigation is recognised when reported litigation claims arise and are measured at the cost that the consolidated entity expects to incur in settling the claim (refer to section 3.5).

Operational process review

A provision for operational process reviews is recognised when operational errors are identified and represents the cost that the consolidated entity expects to incur in rectification and restitution costs.

Make good and other occupancy related provisions

A provision for make good and other occupancy related provisions is recognised when certain make good conditions exist upon exit of a premises lease. The provision is expected to be settled at the end of the term of the related lease.

2.6 Employee benefits

Aggregate liability for employee benefits, including on-costs

	2024		2023	
$M	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Provision for annual leave	10.8	–	13.0	–
Provision for long service leave	11.7	3.5	12.1	3.8
Other employee benefits[1]	206.1	46.1	129.6	37.4
Provision for distribution – Barrow Hanley	4.2	–	2.9	–
Provision for long-term incentive plans	–	12.8	–	13.3
Restructuring provision	6.5	–	7.2	–
	239.3	**62.4**	**164.8**	**54.5**

1. Short-term incentives (STI) and deferred STI.

The non-current portion of the long service leave provision has been discounted using a rate of 5.5% (2023: 5.6%) which is based on the 10 year corporate bond rate. The provision for long-term incentive plans has been discounted using a range of 4.29% to 4.40% (2023: 3.77% to 3.80%), which is based on the relevant US Treasury note rate that matches the expected payment term.

The number of full time equivalent employees at 30 June 2024 was 1,877 (2023: 1,870).

2.6 Employee benefits continued

Accounting policies

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the consolidated entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits and provision for long-term incentive plans

The consolidated entity's net obligation in respect of long-term employee benefits and long-term incentive plans are the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise. The provision for long-term incentive plans relates to schemes operated by Barrow Hanley.

Restructuring

A provision for restructuring is recognised when the consolidated entity has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Critical assumptions and estimates

The provision for other long-term incentive plans are dependent on the achievement of future revenue and profit hurdles, which have been measured using management's estimate of likely outcomes. Key assumptions requiring judgement include projected cash flows, growth rate assumptions and margins. The provision represents the pro-rated portion (based on service provided to date) of the estimated future cash payments, discounted using the relevant US Treasury bond rate. The liability will be reassessed at each reporting period based on the latest consolidated entity's forecasts, with fair value adjustments recognised in profit and loss.

2.7 Accrued incentive compensation

	2024 $M	2023 $M
Non-current		
Accrued incentive compensation	65.3	50.7
	65.3	**50.7**

Barrow Hanley, a Group Subsidiary, has a profit-sharing plan (the Plan). Under the Plan, Barrow Hanley may award annual bonuses to key employees, a portion of which may be paid to the eligible employees through the issuance of unit interests. The awards of unit interests have a three-year vesting period from the grant date, and the value is determined at grant date based on a predetermined formula. Under the provisions of the Plan, these awards contain a feature whereby shares may be put back to the Parent of Barrow Hanley (Perpetual US Holding Company, Inc) in the future.

Movement in the fair value of the liability is taken to staff related expenses. The liability is re-measured each period until settlement.

Unit interests are also entitled to distributions, which are accrued at each reporting date. An increase to staff related expenses is recorded with the corresponding increase to the liability included in employee benefits.

SECTION 3 CAPITAL MANAGEMENT AND FINANCING

This section outlines how Perpetual manages its capital structure and related financing costs, including its balance sheet liquidity and access to capital markets. Perpetual's objectives when managing capital are to safeguard its ability to continue as a going concern, to continue to provide returns to shareholders and benefits to other stakeholders, and to reduce the cost of capital.

3.1 Cash and cash equivalents

	2024 $M	2023 $M
Bank balances	156.4	232.4
Short-term deposits	64.9	30.8
	221.3	**263.2**

Short-term deposits represent investments in term deposits maturing within 90 days.

3.2 Borrowings

The consolidated entity has access to the following credit facilities:

	2024 $M	2023 $M
Total facility used	679.0	734.4
Facility unused	185.0	125.0

In November 2022, the consolidated entity refinanced and entered into a new syndicated facility arrangement. The arrangement comprises of a core facility which refinanced the previous debt facility, and an acquisition facility which funded the cash portion of the Pendal acquisition.

The core facility comprises of a revolving loan facility with a maximum commitment of A$175 million or equivalent (Core Facility 1), a USD term loan facility with a maximum commitment of US$128 million (Core Facility 2) and a bank guarantee facility with a maximum commitment of A$160 million (Core Facility 3).

The acquisition facility comprises of a revolving loan facility with a maximum commitment of A$215 million (Acquisition Facility 1), a GBP term loan facility with a maximum commitment of £115 million (Acquisition Facility 2) and a USD term loan facility with a maximum commitment of US$45 million (Acquisition Facility 3).

Core Facility 1 and Acquisition Facility 1 have an interest rate equal to BBSY plus a margin, Core Facility 2 and Acquisition Facility 2 have an interest rate equal to SOFR plus a margin, Acquisition Facility 3 have an interest rate equal to SONIA plus a margin and Core Facility 3 is at a flat rate. Core Facilities 1 and 3 and Acquisition Facilities 1 and 2 have a term of 3 years. Core Facility 2 and Acquisition Facility 3 have a term of 4 years.

The syndicated facility had a weighted average floating interest rate of 6.95% at 30 June 2024, exclusive of bank guarantees and the undrawn line fee (30 June 2023: 6.00%).

The consolidated entity relies on bank guarantees issued under Core Facility 3 to meet its regulatory capital requirements.

In establishing the syndicated facility arrangement, the consolidated entity incurred costs of $13.2 million (including underwriting fees). These costs have been capitalised and net off against the total facility used. Costs will be released to profit and loss over the term of the facility. There currently remains $6.5 million of capitalised borrowing costs that have yet to be released to the profit and loss account.

The consolidated entity has agreed to various debt covenants including shareholders' funds as a specified percentage of total assets, a maximum ratio of gross debt to EBITDA and a minimum interest cover.

Given the impairment announced on 26 August 2024, the Consolidated entity has disclosed its borrowings as current liabilities in accordance with the accounting standards. Subsequent to year end, the Consolidated Entity obtained a waiver from the banking syndicate with respect to debt covenant clauses associated with impairment. As a result of the waiver, subsequent to year end, the borrowings will be classified as non-current with the debt not due for repayment until 22 November 2025 for its 3-year facilities and 22 November 2026 for its 4-year facilities. The Consolidated entity continues to be able to meet its funding and liquidity requirements.

Should the consolidated entity not satisfy any of these covenants, the outstanding balance of the loans may become due and payable, noting the waiver received applies for all future periods where covenants are tested, in which the FY24 result would otherwise be applied.

The debt is expected to be repaid following implementation of the Scheme of Arrangement entered into with Kohlberg Kravis Roberts & Co. L.P. to acquire the Wealth Management and Corporate Trust businesses.

3.2 Borrowings continued

Accounting policies

Borrowings are initially recognised at fair value net of transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost. The financial liability under the facility has a fair value equal to its carrying amount.

Interest-bearing borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

Financing costs comprise interest payments on borrowings and calculated using the effective interest method, and unwinding of discounts on provisions.

3.3 Contributed equity

	2024 $M	2023 $M
Fully paid ordinary shares 114,127,121 (2023: 112,517,592)	2,292.9	2,241.2
Treasury shares 4,140,794 (2023: 1,636,431)	(118.9)	(108.0)
	2,174.0	**2,133.2**

	2024		2023	
	NUMBER OF SHARES	$M	NUMBER OF SHARES	$M
Movements in share capital				
Balance at beginning of year	110,881,161	2,133.3	56,061,982	817.7
Shares issued:				
– Issue of ordinary shares[1]	1,609,529	34.9	55,804,173	1,385.0
– Movement on treasury shares[2]	(2,504,363)	5.8	(984,994)	(69.4)
Balance at end of year	**109,986,327**	**2,174.0**	**110,881,161**	**2,133.3**

1. The consolidated entity issued 710,000 ($15.0 million) shares in September 2023, 100,000 ($2.5m) shares in December 2023 and 100,000 ($2.2m) shares in June 2024 to the Queensland Trustees Pty Ltd LTI Plan Trust in order to satisfy employee share scheme commitments during the period. Similarly, 500,000 ($10.7m) shares in June 2024 were also issued to the Employee Benefits Trust (EBT). In addition, 106,954 ($2.2m) shares in September 2023 and 92,575 ($2.3m) shares in April 2024 were issued on market to satisfy Dividend Re-investment Plan requirements.
2. Prior year comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group. Refer to section 2.1.

The Company does not have authorised capital or par value in respect of its issued shares.

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any surplus capital.

Accounting policies

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased or held by employee share plans and subject to vesting conditions, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity.

3.4 Reserves

	2024 $M	2023 $M
Foreign currency translation reserve	98.8	101.1
General reserve	0.1	0.1
	98.9	101.2
Equity compensation reserve	84.0	83.2
	182.9	**184.4**

Accounting policies

Foreign currency translation reserve

The Foreign Currency Translation Reserve (FCTR) records the foreign currency differences from the translation of the financial information of foreign operations that have a functional currency other than Australian dollars.

Equity compensation reserve

The equity compensation reserve represents the value of the Company's own shares held by an equity compensation plan that the consolidated entity is required to include in the consolidated financial statements. This reserve will be reversed against share capital when the underlying shares vest to the employee. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the consolidated entity's own equity instruments.

The tax effect of the excess of estimated future tax deduction for share based payments over the related cumulative remuneration expense is recognised directly in equity. The estimated future tax deduction is based on the share price of ordinary shares in the Company at balance date in accordance with AASB 112 *Income Taxes*.

3.5 Commitments and contingencies

(a) Commitments

CAPITAL EXPENDITURE COMMITMENTS	2024 $M	2023 $M
Contracted but not provided for and payable within one year	69.2	21.9
	69.2	**21.9**

Capital expenditure contracted but not provided for and payable within one year primarily relates to further investments in the unlisted investment fund which is primarily invested in multiple collateralised loan obligation transactions and warehouse facilities in connection therewith.

(b) Contingencies

CONTINGENT LIABILITIES	2024 $M	2023 $M
Bank guarantee in favour of the ASX Settlement and Transfer Corporation Pty Limited with respect to trading activities	1.0	1.0
Bank guarantee in favour of certain Group subsidiaries in relation to the provision of responsible entity services and custodial or depository services	142.6	146.9
Bank guarantee issued in respect of the lease of premises	2.3	2.5
	145.9	**150.4**

In the ordinary course of business, contingent liabilities exist in respect of claims and potential claims against entities in the consolidated entity. The consolidated entity does not consider that the outcomes of any such claims known to exist at the date of this report, either individually or in aggregate, are likely to have a material effect on its operations or financial position.

Accounting policies

Contingent liabilities

A contingent liability is a possible obligation arising from past events that may be incurred subject to the outcome of an uncertain future event not wholly within the consolidated entity's control.

SECTION 4 RISK MANAGEMENT

Perpetual's activities expose it to a variety of financial and non-financial risks. Financial risks include credit risk, liquidity risk and market risks (including currency risk, interest rate risk and price risk). Key financial exposures are operational risk and a failure to meet regulatory compliance obligations. The nature of the financial risk exposures arising from financial instruments, the objectives, policies and processes for managing these risks, and the methods used to measure them are detailed below.

4.1 Financial risk management

Perpetual recognises that risk is part of doing business and that the ongoing management of risk is critical to its success. The approach to managing risk is articulated in the Risk Management Framework. The Risk Management Framework is supported by the Risk Group, who is responsible for the design and maintenance of the framework, establishing and maintaining group-wide risk management policies, and providing regular risk reporting to the Board, the Audit, Risk and Compliance Committee (ARCC) and the Group Executive Leadership Team. This framework is approved by the Perpetual Board of Directors (the Board) and is reviewed for adequacy and appropriateness on an annual basis.

The Board regularly monitors the overall risk profile of the consolidated entity and sets the risk appetite for the consolidated entity, usually in conjunction with the annual planning process. The Board is responsible for ensuring that management has appropriate processes in place for managing all types of risk, ranging from financial risk to operational risk. To assist in providing ongoing assurance and comfort to the Board, responsibility for risk management oversight has been delegated to the ARCC. The main functions of this Committee are to oversee the consolidated entity's accounting policies and practices, the integrity of financial statements and reports, the scope, quality and independence of external audit arrangements, the monitoring of the internal audit function, the effectiveness of risk management policies and the adequacy of insurance programs. This Committee is also responsible for monitoring overall legal and regulatory compliance.

The activities of the consolidated entity expose it to the following financial risks: credit risk, liquidity risk and market risk. These are distinct from the financial risks borne by customers which arise from financial assets managed by the consolidated entity in its role as fund manager, trustee and responsible entity.

The risk management approach to, and exposures arising from, the Exact Market Cash Fund (EMCF 1) are disclosed in section 5.1.

i. Credit risk

Credit risk refers to the risk that a customer or counterparty to a financial instrument will fail to meet its contractual obligations resulting in financial loss to the consolidated entity. Credit risk arises principally from the consolidated entity's cash and trade receivables.

The consolidated entity mitigates its credit risk by ensuring cash deposits are held with high credit quality financial institutions and other highly liquid investments are held with trusts operated by the entity.

The maximum exposure of the consolidated entity to credit risk on financial assets which have been recognised on the Consolidated Statement of Financial Position is the carrying amount, net of any provision for doubtful debts. The table below outlines the consolidated entity's maximum exposure to credit risk as at reporting date.

	2024 $M	2023 $M
Cash and cash equivalents	221.3	263.2
Trade receivables	207.3	190.6
Other receivables and other financial assets	17.0	19.3
Listed equity securities and unlisted unit trusts	331.3	262.0
Unlisted investment fund	46.6	25.7
Debt securities	3.9	3.7

Details of the assets held in debt securities are listed below:

30-JUN-24	AAA TO AA- $M	A+ TO A- $M	BBB+ TO BBB- $M	TOTAL $M
Debt securities	–	0.9	2.9	3.8

Credit risk is managed on a functional basis across the various business segments. As a result of the swap agreements between EMCF 1 and the consolidated entity, the consolidated entity consolidates EMCF 1 and is hence exposed to credit risk on its exposure to the $159.9 million (2023: $163.9 million) of underlying investments held by EMCF 1.

The maximum exposure would only be realised in the unlikely event that the recoverable value of all the underlying investments held by EMCF 1 decline to $nil. Further details of the credit risk relating to EMCF 1 are disclosed in section 5.1.

(a) Investments held by seed fund investments

Perpetual incubates new investment strategies through the establishment of seed funds for the purpose of building investment track records and developing asset management skills before releasing products to Perpetual's investors. Exposure to credit risk arises on the consolidated entity's financial assets held by the seed funds, mainly being debt securities, loans, deposits with financial institutions and derivative financial instruments.

The exposure to credit risk is monitored on an ongoing basis by the funds' investment managers and managed in accordance with the investment mandate of the funds.

(b) Other financial assets

The consolidated entity's exposure to trade receivables is influenced mainly by the individual characteristic of each customer.

Trade receivables are managed by the accounts receivable department. Outstanding fees and receivables are monitored on a daily basis and an aged debtors report is prepared and monitored by Group Finance. Management assesses the credit quality of customers by taking into account their financial position, past experience and other factors.

Credit risk further arises in relation to financial guarantees given to wholly owned subsidiaries. Such guarantees are only provided in exceptional circumstances and are subject to specific Board approval and are monitored on a quarterly basis as part of the consolidated entity's regulatory reporting.

The consolidated entity held cash and cash equivalents of $221.3 million at 30 June 2024 (2023: $263.2 million). The cash and cash equivalents are held with bank and financial institution counterparties, which are predominantly rated 'BBB' or higher, based on Standard & Poor's rating.

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings, if available, or to historical information on counterparty default rates.

The tables below provide an aged analysis of the financial assets which were past due but not impaired:

	30 JUNE 2024					30 JUNE 2023				
	LESS THAN 30 DAYS $M	30 TO 60 DAYS $M	60 TO 90 DAYS $M	MORE THAN 90 DAYS $M	TOTAL $M	LESS THAN 30 DAYS $M	30 TO 60 DAYS $M	60 TO 90 DAYS $M	MORE THAN 90 DAYS $M	TOTAL $M
Trade and other receivables	7.3	6.2	4.5	7.7	25.7	4.5	3.9	0.6	0.4	9.4

The nominal values of financial assets which were impaired and have been provided for are as follows:

	2024 $M	2023 $M
Trade and other receivables	1.9	2.5

The impaired financial assets relate mainly to independent customers and investors who are in unexpectedly difficult economic situations, where the consolidated entity is of the view that the full carrying value of the receivable cannot be recovered. The consolidated entity does not hold any collateral against the trade and other receivables.

(c) Unlisted investment fund

The consolidated entity holds an equity interest in an unlisted investment fund established to invest its assets primarily in the economic equity interests of multiple collateralised loan obligation (CLO) transactions and warehouse facilities in connection therewith. Exposure to credit risk arises on the underlying pool of bank loan assets which serve as collateral for the CLO's.

At 30 June 2024, the underlying pool of bank loan assets were issued by counterparties rated 'B-' or higher (2023: 'B-' or higher), based on Standard & Poor's rating.

Exposure to credit risk is monitored on an ongoing basis by the funds' investment managers and managed in accordance with the investment mandate of the funds.

4.1 Financial risk management continued

ii. Liquidity risk

Liquidity risk is the risk that the financial obligations of the consolidated entity cannot be met as and when they fall due without incurring significant costs.

The consolidated entity's approach to managing liquidity is to maintain a level of cash or liquid investments sufficient to meet its ongoing financial obligations. The consolidated entity has a robust liquidity risk framework in place which is principally driven by the Capital Management Review (refer to section 4.1(v) for further information).

At 30 June 2024, the minimum liquidity buffer was $60 million, as per the Group Treasury Policy, compared to $256 million of liquid funds available.

The consolidated entity manages liquidity risk by continually monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets. In addition, a six month forecast of liquid assets, cash flows and balance sheet is reviewed by the Board on a semi-annual basis to ensure there is sufficient liquidity within the consolidated entity.

The tables below show the maturity profiles of the financial liabilities for the consolidated entity. These have been calculated using the contractual undiscounted cash flows.

	30 JUNE 2024				30 JUNE 2023			
	LESS THAN 1 YEAR $M	1 TO 5 YEARS $M	GREATER THAN 5 YEARS $M	TOTAL $M	LESS THAN 1 YEAR $M	1 TO 5 YEARS $M	GREATER THAN 5 YEARS $M	TOTAL $M
Liabilities								
Payables	103.3	–	–	103.3	93.0	25.6	–	118.6
Borrowings[1]	685.5	–	–	685.5	–	745.0	–	745.0
Lease liabilities	21.0	74.0	85.8	180.8	23.4	50.1	9.5	83.0
	809.8	**74.0**	**85.8**	**969.6**	**116.4**	**820.7**	**9.5**	**946.6**

1. Refer to Note 3.2 for further details.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The consolidated entity is subject to the following market risks:

(a) Currency risk

The consolidated entity's investment of capital in foreign operations – for example, subsidiaries or associates with functional currencies other than the Australian Dollar – exposes the consolidated entity to the risk of changes in foreign exchange rates. Variations in the value of these foreign operations arising as a result of exchange differences are reflected in the foreign currency translation reserve in equity.

The consolidated entity is exposed to currency risk relating to the United States (USD), United Kingdom (GBP), Singapore (SGD), Europe (EUR) and the Hong Kong (HKD) operations.

Where it is considered appropriate, the consolidated entity takes out economic hedges against larger foreign exchange denominated revenue streams (primarily US Dollar). The primary objective of hedging is to ensure that, if practical, the effect of changes in foreign exchange rates on the consolidated capital ratios are minimised.

Exposure to currency risk

The summary quantitative data about the consolidated entity's exposure to currency risk as reported to management of the consolidated entity is as follows. The following are financial assets and liabilities in currencies other than the reporting currency of the consolidated entity.

	30 JUNE 2024					30 JUNE 2023				
	USD $M	GBP $M	SGD $M	EUR $M	HKD $M	USD $M	GBP $M	SGD $M	EUR $M	HKD $M
Financial assets and liabilities										
Cash and cash equivalents	87.0	58.8	20.4	11.6	0.9	82.0	60.4	35.2	10.3	1.7
Receivables	90.9	13.9	2.2	5.0	–	84.2	17.3	1.9	4.7	–
Other financial assets	107.1	–	–	–	–	95.5	–	–	–	–
Unlisted investment fund	46.6	–	–	–	–	25.7	–	–	–	–
Payables	(25.6)	(12.9)	(0.9)	(1.7)	(0.1)	(10.9)	(18.7)	(1.2)	(0.2)	(0.1)
Borrowings	(261.2)	(219.3)	–	–	–	(260.9)	(219.0)	–	–	–
Net statement of financial position exposure	**44.8**	**(159.5)**	**21.7**	**14.9**	**0.8**	**15.6**	**(160.0)**	**35.9**	**14.8**	**1.6**

The table below demonstrates the impact of a 10% strengthening/(weakening) of the Australian dollar against the currencies noted above at 30 June, on the net profit after tax and equity of the consolidated entity with all other variables held constant:

	30 JUNE 2024		30 JUNE 2023	
	IMPACT ON NET PROFIT AFTER TAX $M	IMPACT ON EQUITY $M	IMPACT ON NET PROFIT AFTER TAX $M	IMPACT ON EQUITY $M
+/- 10%	(11.8)/11.8	5.9/(5.9)	(9.3)/9.3	7.1/(7.1)
AUD weakens by 10%	11.8	(5.9)	9.3	(7.1)

4.1 Financial risk management continued

iii. Market risk continued

(b) Interest rate risk

Interest rate risk is the risk to the consolidated entity's earnings and capital arising from changes in market interest rates. The financial instruments held that are impacted by interest rate risk consist of cash and borrowings.

The consolidated entity's exposure to interest rate risk arises predominantly on the $870.5 million syndicated facility, of which $685.5 million was drawn as at 30 June 2024 (refer to section 3.2). This loan facility is rolled on a one month, three month or six month term.

The consolidated entity's exposure to interest rate risk for the financial assets and liabilities is set out as follows:

	FLOATING INTEREST RATE $M	FIXED INTEREST RATE $M	NON-INTEREST BEARING $M	TOTAL $M
At 30 June 2024				
Financial assets				
Cash and cash equivalents	108.2	99.9	13.2	221.3
Receivables	1.3	–	223.1	224.4
Other financial assets	0.5	3.3	377.9	381.7
	110.0	**103.2**	**614.2**	**827.4**
Financial liabilities				
Payables	–	–	103.2	103.2
Lease liabilities	–	154.7	–	154.7
Borrowings	685.5	–	–	685.5
	685.5	**154.7**	**103.2**	**943.4**
At 30 June 2023				
Financial assets				
Cash and cash equivalents	206.4	30.8	26.0	263.2
Receivables	1.3	–	208.6	209.9
Other financial assets	0.5	3.2	287.7	291.4
	208.2	**34.0**	**522.3**	**764.5**
Financial liabilities				
Payables	–	–	118.6	118.6
Lease liabilities	–	90.9	–	90.9
Borrowings	745.0	–	–	745.0
	745.0	**90.9**	**118.6**	**954.5**

The table below demonstrates the impact of a 1% change in interest rates, with all other variables held constant, on the net profit after tax and equity of the consolidated entity.

	30 JUNE 2024		30 JUNE 2023	
	IMPACT ON NET PROFIT AFTER TAX $M	IMPACT ON EQUITY $M	IMPACT ON NET PROFIT AFTER TAX $M	IMPACT ON EQUITY $M
+/- 1%	(4.0)/4.0	(4.0)/4.0	(3.8)/3.8	(3.8)/3.8

The impact on net profit after tax for the year would be mainly as a result of an (increase)/decrease in interest expense on borrowings.

(c) Market risks arising from Assets Under Management and Funds Under Advice

The consolidated entity's revenue is significantly dependent on Assets Under Management (AUM) and Funds Under Advice (FUA). Management calculates the expected impact to annualised revenue from a 10% movement in AUM and FUA to be approximately $100.2 million.

(d) Market risks arising from seed funds

The consolidated entity is exposed to equity price risk on investments held by its seed funds. The funds may also be exposed to the other risks which influence the value of those shares or units (including foreign exchange rates and interest rates).

The Asset Management divisions' Investment Review Committee is responsible for reviewing and recommending new incubation strategies and ensuring management has appropriate processes and systems in place for managing investment risk for each fund. Risk management techniques are used in the selection of investments, including derivatives, which are only acquired if they meet specified investment criteria. Daily monitoring of trade restrictions and derivative exposure against limits is undertaken with any breach of these restrictions reported to the Chief Risk & Sustainability Officer.

These funds may be party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates, interest rates and equity indices in accordance with the funds' investment guidelines.

The seed funds may be exposed to currency risk and interest rate risk. Their investment managers may enter into derivative contracts (such as forwards, swaps, options and futures) through approved counterparties to manage this risk. However, the use of these contracts must be consistent with the investment strategy and restrictions of each seed fund, and agreed acceptable level of risk. These funds are also exposed to interest rate risk on cash holdings. Interest income from cash holdings is earned at variable interest rates and investments in cash holdings are at call.

(e) Market risks arising from the Exact Market Cash Fund

The consolidated entity is further subject to market risks through the Exact Market Cash Fund (EMCF 1). The Fund was established with the purpose of providing an exact return utilising the Bloomberg AusBond Bank Bill Index (the benchmark index) to investors. The impact of EMCF 1 on the consolidated entity's financial results is dependent on the performance of the Fund relative to the benchmark. Unrealised gains/losses are taken through profit and loss.

The risk management approach to, and exposures arising from EMCF 1 are disclosed in section 5.1.

4.1 Financial risk management continued

iv. Fair value

The following tables present the consolidated entity's assets and liabilities measured and recognised at fair value, by valuation method, at 30 June 2024. The different levels have been defined as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data.

	LEVEL 1 $M	LEVEL 2 $M	LEVEL 3 $M	TOTAL $M
At 30 June 2024				
Financial assets				
Listed equity securities	60.5	–	–	60.5
Unlisted unit trusts	–	270.8	–	270.8
Unlisted investment fund	–	–	46.6	46.6
Structured products – EMCF assets	4.4	155.5	–	159.9
Debt securities	3.9	–	–	3.9
	68.8	**426.3**	**46.6**	**541.7**

	LEVEL 1 $M	LEVEL 2 $M	LEVEL 3 $M	TOTAL $M
At 30 June 2023				
Financial assets				
Listed equity securities	56.2	–	–	56.2
Unlisted unit trusts	–	205.8	–	205.8
Unlisted investment fund	–	–	25.7	25.7
Structured products – EMCF assets	0.8	163.1	–	163.9
Debt securities	3.7	–	–	3.7
	60.7	**368.9**	**25.7**	**455.3**

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	2024 $M	2023 $M
Balance at 1 July	25.7	8.6
Investments	22.3	14.9
Foreign exchange movements	(0.7)	1.7
Net change in fair value (unrealised)	(0.7)	0.5
Balance at 30 June	**46.6**	**25.7**

The investment in the unlisted investment fund, representing equity interests of multiple collateralised loan obligation (CLO) transactions, is classified as a Level 3 fair value instrument as it is an unlisted entity, valued using unobservable inputs. The fair value of the unlisted investment fund has been determined using the net asset value of the fund as at 30 June 2024 obtained from an independent, third-party fund administrator.

For the fair value of the unlisted investment fund, reasonably possible changes at the reporting date to the net asset value of the fund, holding other inputs constant, would have the following effects:

	30 JUNE 2024		30 JUNE 2023	
	IMPACT ON NET PROFIT AFTER TAX $M	IMPACT ON EQUITY $M	IMPACT ON NET PROFIT AFTER TAX $M	IMPACT ON EQUITY $M
+/- 10%	3.3/(3.3)	3.3/(3.3)	1.8/(1.8)	1.8/(1.8)

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the consolidated entity is the last traded price. Marketable shares included in other financial assets are traded in an organised financial market and their fair value is the current quoted last traded price for an asset. The carrying amounts of bank term deposits and receivables approximate fair value. The fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets and an assessment of future maintainable earnings and cash flows of the respective corporations.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The estimates of fair value where valuation techniques are applied are subjective and involve the exercise of judgement. Changing one or more of the assumptions applied in valuation techniques to reasonably possible alternative assumptions may impact on the amounts disclosed.

The carrying amount of financial assets and financial liabilities, less any impairment, approximates their fair value, except for those outlined in the table below, which are stated at amortised cost.

	2024		2023	
	CARRYING AMOUNT $M	FAIR VALUE $M	CARRYING AMOUNT $M	FAIR VALUE $M
Structured products – EMCF liabilities	159.5	159.9	164.2	163.9

v. Capital risk management

A Capital Management Review is carried out on an annual basis and is submitted to the CFO for review and approval. If changes are required to funding requirements, the capital structure or to the capital management strategy of the consolidated entity, the CFO will present their recommendation to the Board via the Audit, Risk and Compliance Committee. The Group Policy – Treasury ensures that the level of financial conservatism is appropriate for the Company's businesses including acting as custodian and manager of clients' assets and operation as a trustee company. This policy also aims to provide business stability and accommodate the growth needs of the consolidated entity. This policy comprises three parts:

(a) Dividend policy

Dividends paid to shareholders are typically in the range of 60–90% of the consolidated entity's underlying profit after tax attributable to members of the Company, which is line with the new policy announced in December 2020. In certain circumstances, the Board may declare a dividend outside of that range.

(b) Review of capital and distribution of excess capital

A review of the consolidated entity's capital base is performed at least semi-annually and excess capital that is surplus to the consolidated entity's current requirements may potentially be returned to shareholders in the absence of a strategically aligned, value accretive investment opportunity.

(c) Gearing policy

The current gearing policy aims to target an investment grade credit rating by maintaining a corporate debt to capital ratio (corporate debt/(corporate debt + equity)) of 30% or less and EBIT interest cover (EBIT/interest expense) of more than ten times.

4.1 Financial risk management continued

Accounting policies

The consolidated entity initially recognises receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the consolidated entity becomes a party to the contractual provisions of the instrument.

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the consolidated entity becomes a party to the contractual provisions of the instrument. The consolidated entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(a) Financial assets at fair value through profit or loss

Financial assets are mandatorily classified and measured at fair value through profit or loss on initial recognition. Attributable transaction costs are recognised in profit or loss when incurred. Financial assets mandatorily classified at fair value through profit or loss are measured at fair value and changes recognised in profit or loss.

(b) Receivables

Receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method less impairment losses.

The consolidated entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the consolidated entity is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the consolidated entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(c) Derivative financial instruments

The consolidated entity holds derivative financial instruments within funds to hedge its interest rate, foreign exchange and market risk exposures.

Derivatives are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred.

(d) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are given to wholly owned subsidiaries, within the consolidated entity. Such guarantees are only provided in exceptional circumstances and are subject to specific Board approval and are monitored on a quarterly basis as part of the consolidated entity's regulatory reporting.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

SECTION 5 OTHER DISCLOSURES

This section contains other miscellaneous disclosures that are required by accounting standards.

5.1 Structured products assets and liabilities

i. Exact Market Cash Fund

	2024 $M	2023 $M
Current assets		
Perpetual Exact Market Cash Fund	159.9	163.9
	159.9	**163.9**
Current liabilities		
Perpetual Exact Market Cash Fund	159.5	164.2
	159.5	**164.2**

The Exact Market Cash Fund (EMCF 1 or the Fund) current asset balances reflect the fair value of the net assets held by the Fund. The current liabilities balances represent the consolidated entity's obligation to the Fund's investors. The difference between the current assets and current liabilities balance has been recorded in profit and loss.

EMCF 1 was established with the purpose of providing an exact return that matched the Bloomberg AusBond Bank Bill Index (the benchmark index) to investors. The Fund's ability to pay the benchmark return to the investors is guaranteed by the consolidated entity. The National Australia Bank has provided EMCF 1 product with a guarantee to the value of $3 million (2023: $3 million) to be called upon in the event that the consolidated entity is unable to meet its obligations. Due to the guaranteed benchmark return to investors, the consolidated entity is exposed to the risk that the return of EMCF 1 differs from that of the benchmark. The return of EMCF 1 is affected by risks to the underlying investments in the EMCF 1 portfolio, which are market, liquidity and credit risks.

The underlying investments of EMCF 1 are valued on a hold to maturity basis for unit pricing purposes, which is consistent with the way in which Perpetual manages the portfolio.

EMCF 1 uses professional investment managers to manage the impact of the above risks by using prudent investment guidelines and investment processes. The investment managers explicitly target low volatility and aim to achieve this through a quality screening process that is designed to assess the likelihood of default and difficult trading patterns during periods of rapid systematic risk reduction.

There is a clearly defined mandate for the inclusion of sectors and issuances. In periods of risk reduction, diversification may be narrowly focused on cash and highly liquid investment-grade assets. At times of higher risk tolerance, appropriate diversification should be expected.

Interest rate exposure is limited to +/- 90 days versus the benchmark. The portfolios are constructed with the goal of having a diversified set of securities, while largely retaining the low risk characteristics of a cash investment.

Liquidity risk of EMCF 1 is managed by maintaining a level of cash or liquid investments in the portfolios which is sufficient to meet a level and pattern of investor redemptions (consistent with past experience), distributions or other of the Fund's financial obligations. This is complemented by a dynamic portfolio management process that ensures liquidity is increased when there is an expectation of a deterioration in market conditions. Cash flow forecasts are prepared for the Fund, including the consideration of the maturity profile of the securities, interest and other income earned by the Fund, and projected investor flows based on historical trends and future expectations.

Furthermore, the credit quality of financial assets is managed by EMCF 1 using Standard & Poor's rating categories or equivalent, in accordance with the investment mandate of EMCF 1. The exposure in each credit rating category is monitored on a daily basis. This review process allows assessment of potential losses as a result of risks and the undertaking of corrective actions. The investment managers have undertaken to restrict the asset portfolio of the underlying funds to securities, deposits or obligations with a Standard & Poor's or equivalent 'BBB-' fund credit quality rating or higher.

The investment managers of the underlying Funds invested by EMCF 1 enter into a variety of derivative financial instruments such as credit default swaps and foreign exchange forwards in the normal course of business in order to mitigate credit risk exposure and to hedge fluctuations in foreign exchange rates.

5.1 Structured products assets and liabilities continued

i. Exact Market Cash Fund continued

Details of the assets held by the underlying Funds are set out below:

30 JUNE 2024	AAA TO AA- $M	A+ TO A- $M	BBB+ TO BBB- $M	TOTAL $M
Corporate bonds and money market securities	69.6	27.0	5.0	101.6
Mortgage and asset backed securities	55.0	–	–	55.0
Cash	4.4	–	–	4.4
	129.0	**27.0**	**5.0**	**161.0**
Other				(1.1)
				159.9

30 JUNE 2023	AAA TO AA- $M	A+ TO A- $M	BBB+ TO BBB- $M	TOTAL $M
Corporate bonds and money market securities	75.1	30.6	8.7	114.4
Mortgage and asset backed securities	50.2	–	–	50.2
Cash	0.8	–	–	0.8
	126.1	**30.6**	**8.7**	**165.4**
Other				(1.5)
				163.9

The table below demonstrates the impact of a 1% change in the fair value of the underlying assets of EMCF 1, due to market price movements, based on the values at reporting date.

	2024 $M	2023 $M
1% increase	1.6	1.6
1% decrease	(1.6)	(1.6)

The actual impact of a change in the fair value of the underlying assets of EMCF 1 on the consolidated profit before tax is dependent on the performance of the Fund relative to the benchmark index. If the Fund's performance is below the benchmark return, then the consolidated entity will be obliged to make payments to the investor. Conversely, if the Fund's performance is higher than the benchmark, then the benefit of the higher performance accrues to the consolidated entity.

In addition, any variance between the consolidated entity's current assets EMCF 1 balance and the consolidated entity's current liabilities EMCF 1 balance would be reflected in profit and loss.

Accounting policies

The EMCF product, consisting of EMCF 1, is consolidated as the consolidated entity is exposed to variable returns and has the power to affect those returns. The swap agreements result in the benchmark rate of return being paid to the unitholders in the Fund. The swap agreements are inter-company transactions between a subsidiary of the Company and the Funds and are eliminated on consolidation.

Assets and liabilities of EMCF 1 are disclosed separately on the face of the Consolidated Statement of Financial Position as structured product assets and structured product liabilities. The benchmark return generated by EMCF 1 and distributions to unitholders are disclosed in section 1.3 Expenses as distributions and expenses related to structured products.

The financial assets represented by the structured products assets balance are accounted for in accordance with the underlying accounting policies of the consolidated entity. These consist of investments that are mandatorily classified at FVTPL.

5.2 Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2024 the parent entity of the consolidated entity was Perpetual Limited.

	2024 $M	2023 $M
Result of the parent entity		
Profit after tax for the year	166.1	305.6
Total comprehensive income for the year	166.1	305.6
Financial position of the parent entity at year end		
Current assets	2,519.2	2,530.2
Total assets	3,701.6	3,645.7
Current liabilities	1,103.1	435.5
Total liabilities	1,211.4	1,216.1
Total equity of the parent entity comprising:		
Share capital	2,235.7	2,195.0
Reserves	(8.0)	(3.5)
Retained earnings	262.5	238.1
Total equity	**2,490.2**	**2,429.6**

Parent entity contingencies

The Directors are of the opinion that provisions are not required in respect of any parent entity contingencies, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	2024 $M	2023 $M
Uncalled capital of the controlled entities	12.5	12.5

In the ordinary course of business, contingent liabilities exist in respect of claims and potential claims against the parent entity. The parent entity does not consider that the outcome of any such claims known to exist at the date of this report, either individually or in aggregate, are likely to have a material effect on its operations or financial position.

Parent entity guarantees

In November 2022, the Company provided a financial guarantee to secure a syndicated banking facility (refer to section 3.2). The bank facility covers a period of up to 4 years.

No liability was recognised by the Company in relation to this guarantee as the fair value of this guarantee is considered to be immaterial. The Company does not expect the financial guarantee to be called upon.

5.3 Controlled entities

ENTITY NAME	BENEFICIAL INTEREST 2024 %	BENEFICIAL INTEREST 2023 %	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS
Perpetual Limited[4]			
Controlled Entities[1]			
Perpetual Investment Management Limited	100	100	Australia
Perpetual Assets Pty. Ltd.[2]	100	100	Australia
Australian Trustees Limited[4]	100	100	Australia
Commonwealth Trustees Pty. Ltd.[2,3]	–	100	Australia
Perpetual Trustee Company (Canberra) Limited[4]	100	100	Australia
Perpetual Trustee Company Limited[3]	100	100	Australia
Perpetual Trustees Consolidated Limited[4]	100	100	Australia
Perpetual Trustees Queensland Limited[4]	100	100	Australia
Perpetual Trustees Victoria Limited[4]	100	100	Australia
Perpetual Trustees W.A. Ltd[4]	100	100	Australia
Queensland Trustees Pty. Ltd.[2]	100	100	Australia
Fordham Business Advisors Pty Ltd[2]	100	100	Australia
Perpetual Superannuation Limited	100	100	Australia
Perpetual Nominees Limited	100	100	Australia
Perpetual Tax and Accounting Pty Ltd[2,3]	–	100	Australia
Perpetual Services Pty Limited[2]	100	100	Australia
Perpetual Mortgage Services Pty Limited[2,3]	–	100	Australia
Perpetual Australia Pty Limited[2,4]	100	100	Australia
Perpetual Trust Services Limited	100	100	Australia
Perpetual Acquisition Company Limited[4]	100	100	Australia
Perpetual Digital Holdings Pty Ltd[2]	100	100	Australia
PCT PWM HoldCo Pty Ltd[8]	100	100	Australia
Trillium ESG Global High Conviction Equity Fund[6]	–	100	Australia
Barrow Hanley US ESG Value[6]	–	100	USA
BHMS All Country World Ex-U.S. Value	100	100	USA
BHMS Credit	100	100	USA
BHMS Concentrated U.S. Opportunities	100	100	USA
Trillium ESG Global Equity Fund	35	47	USA
BHMS US Opportunistic Value DLCV, SCV	100	100	USA
BHMS Diversified Small Cap Value Strategy	100	100	USA
Trillium ESG International Conviction[6]	–	100	USA
Barrow Hanley Concentrated Global Equity	100	100	USA
Barrow Hanley Emerging Markets Ex China Value Equity	100	100	USA
Perpetual Exact Market Cash Fund	100	100	Australia
Perpetual Strategic Capital Fund[6]	–	100	USA
Barrow Hanley Concentrated US Value Opportunities	100	–	USA
Barrow Hanley Emerging Markets	97	–	USA
Barrow Hanley Mid Cap Value	100	–	USA

ENTITY NAME	BENEFICIAL INTEREST 2024 %	2023 %	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS
Barrow Hanley Diversified Large Cap Value	100	–	USA
Barrow Hanley Large Cap Value	100	–	USA
Barrow Hanley European Focus Value Equity Fund	100	–	USA
Entities under the control of Perpetual Digital Holdings Pty Limited			
Perpetual Digital Pty Ltd[2]	100	100	Australia
Perpetual Roundtables Pty Limited[2]	100	100	Australia
Perpetual Wholesale Fiduciary Services Pty Ltd[2]	100	100	Australia
Laminar Capital Pty Ltd	100	100	Australia
Laminar Markets Pty Ltd[2]	100	–	Australia
Entities under the control of Laminar Capital Pty Ltd			
Easterly Asset Management Pty Ltd[2]	100	100	Australia
Laminar Advisory Pty Ltd[2]	100	100	Australia
Entities under the control of Perpetual Trustee Company Limited			
Perpetual Corporate Trust Limited	100	100	Australia
Perpetual Custodians Ltd[3]	–	100	Australia
P.T. Limited	100	100	Australia
Perpetual Legal Services Pty Ltd[2,5]	100	100	Australia
Entities under the control of P.T. Limited			
Perpetrust Nominees Proprietary Limited[2]	100	100	Australia
Entities under the control of PCT PWM HoldCo Pty Ltd[8]			
Perpetual PCT Services Pty Ltd[2,8]	100	–	Australia
Perpetual PWM Services Pty Ltd[2,8]	100	–	Australia
Entities under the control of Perpetual Acquisition Company Limited			
The Trust Company Limited	100	100	Australia
Fintuition Pty Limited[2,3]	–	100	Australia
Fintuition Institute Pty Limited[2]	100	100	Australia
Skinner Macarounas Pty Limited[2,3]	–	100	Australia
Perpetual US Holding Company, Inc	100	100	USA
Perpetual Asset Management UK Limited	100	100	UK
Trillium Asset Management UK Limited	100	100	UK
Perpetual Europe Holding Company B.V	100	100	Netherlands
Jacaranda Financial Planning	100	100	Australia
Perpetual Asia – Hong Kong Ltd	100	100	Hong Kong
Perpetual Finance UK Ltd	100	100	UK
Pendal Group Limited	100	100	Australia
Entities under the control of Perpetual Finance UK Ltd			
Barrow Hanley Concentrated Emerging Markets Fund	100	100	UK
Trillium ESG Global Conviction Fund[6]	–	100	UK
Barrow Hanley US ESG Value Opp Fund	100	100	UK
Trillium ESG Global Equity Fund	100	–	UK

5.3 Controlled entities continued

ENTITY NAME	BENEFICIAL INTEREST 2024 %	2023 %	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS
Entities under the control of Perpetual Europe Holding Company B.V			
Perpetual Netherlands B.V	100	100	Netherlands
Entities under the control of Pendal Group Limited			
Pendal Institutional Limited	100	100	Australia
Pendal Fund Services Limited	100	100	Australia
JOHCM (Singapore) PTE. Limited	100	100	Singapore
JOHCM Funds (UK) Limited	100	100	UK
J O Hambro Capital Management Limited	100	100	UK
Perpetual Investment Services Europe Limited	100	100	Ireland
Pendal USA Inc.	100	100	USA
Entities under the control of Pendal USA Inc.			
JOHCM (USA) Inc.	100	100	USA
Thompson, Siegel & Walmsley LLC	100	100	USA
Entities under the control of Thompson, Siegel & Walmsley LLC			
WPS Capital Management, LLC	50	50	USA
Entities under the control of The Trust Company Limited			
Perpetual (Asia Holdings) Pte. Ltd.	100	100	Singapore
The Trust Company (Australia) Limited	100	100	Australia
The Trust Company (UTCCL) Limited	100	100	Australia
Entities under the control of The Trust Company (Australia) Limited			
The Trust Company (Nominees) Limited	100	100	Australia
The Trust Company (PTAL) Limited	100	100	Australia
The Trust Company (RE Services) Limited	100	100	Australia
Entities under the control of The Trust Company (RE Services) Limited			
The Trust Company (Sydney Airport) Limited[7]	–	100	Australia
Entities under the control of Perpetual (Asia Holdings) Pte. Ltd.			
Perpetual (Asia) Limited	100	100	Singapore
Perpetual Wealth Management PTE. Limited	100	100	Singapore
Entities under the control of Perpetual US Holding Company, Inc			
Trillium Asset Management Group, LLC	100	100	USA
Perpetual US Services, LLC	100	100	USA
Perpetual US TDC, LLC	100	100	USA
Barrow Hanley Mewhinney & Strauss, LLC	77	77	USA
BHMS Investment GP, LLC	100	100	USA
Entities under the control of Trillium Asset Management Group, LLC			
Trillium Asset Management, LLC	100	100	USA
Trillium Impact GP, LLC	100	100	USA

ENTITY NAME	BENEFICIAL INTEREST 2024 %	BENEFICIAL INTEREST 2023 %	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS
Entities under the control of Perpetual US TDC, LLC			
Barrow Hanley Emerging Markets Value Fund	64	71	USA
Entities under the control of Barrow Hanley Mewhinney & Strauss, LLC			
BH Credit Holdings GP, LLC	100	100	USA
BH Credit Management, LLC	100	100	USA
Barrow Hanley Holding GP, LLC	100	100	USA

1. Entities in bold are directly owned by Perpetual Limited.
2. A small proprietary company as defined by the *Corporations Act 2001* and is not required to be audited for statutory purposes.
3. Company was deregistered on 24 January 2024.
4. Company is a party to the Deed of Cross Guarantee as noted in section 5.4.
5. Indirectly owned through PLS Charitable Trust Fund.
6. Ceased being a controlled entity in FY24.
7. The Trust Company (Sydney Airport) Limited was divested on 31 October 2023.
8. Company was incorporated on 25 June 2024.

5.4 Deed of cross guarantee

Perpetual Limited and certain wholly owned subsidiaries listed below (collectively, 'the Closed Group') have entered into a Deed of Cross Guarantee ('the Deed') effective 29 June 2017 and varied by Assumption Deed effective 28 June 2024. The effect of the Deeds is that Perpetual Limited has guaranteed to pay any deficiency in the event of a winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. The subsidiaries have also given a similar guarantee in the event that Perpetual Limited is wound up.

Pursuant to *ASIC Corporations (wholly owned companies) Instrument 2016/785* ('Instrument'), the wholly owned subsidiaries noted below within the Closed Group are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of their financial reports.

The subsidiaries to the Deed forming the Closed Group are;

- Perpetual Trustees Consolidated Limited
- Perpetual Trustee Company (Canberra) Limited
- Perpetual Trustees Victoria Limited
- Perpetual Trustees Queensland Limited
- Perpetual Trustees WA Limited
- Perpetual Australia Pty Limited
- Perpetual Acquisition Company Limited
- Australian Trustees Limited
- Pendal Group Limited[1]

A summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position comprising the Closed Group as at 30 June 2024 are set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	YEAR ENDED 30 JUNE 2024 $M	YEAR ENDED 30 JUNE 2023 $M
Revenue	173.6	404.4
Expenses	(164.9)	(82.2)
Financing costs	(62.3)	(37.9)
Net profit before tax	**(53.6)**	**284.3**
Income tax benefit	65.6	23.0
Net profit after tax	**12.0**	**307.3**
Other comprehensive income, net of income tax	(20.7)	–
Total comprehensive income	**(8.7)**	**307.3**
Total comprehensive income attributable to:		
Equity holders of the Company	(8.7)	307.3

1. Added to the Closed Group via Assumption Deed effective 28 June 2024.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2024 $M	2023 $M
Current assets		
Cash and cash equivalents	30.7	34.2
Receivables	191.6	178.8
Current tax assets	5.6	21.1
Structured Products – EMCF assets	159.9	163.9
Prepayments	18.6	17.0
Other assets	–	0.8
Total current assets	**406.4**	**415.8**
Non-current assets		
Prepayments	–	2.7
Other financial assets	2,825.3	3,075.6
Property, plant and equipment	103.1	46.8
Intangibles	235.1	0.4
Deferred tax assets	66.8	35.5
Total non-current assets	**3,230.3**	**3,161.0**
Total assets	**3,636.7**	**3,576.8**
Current liabilities		
Payables	204.9	175.3
Structured Products – EMCF liabilities	159.5	164.2
Borrowings	679.0	–
Current tax liabilities	0.1	–
Employee benefits	115.5	62.8
Lease liabilities	8.4	12.1
Provisions	4.4	2.3
Total current liabilities	**1,171.8**	**416.7**
Non-current liabilities		
Borrowings	–	734.4
Deferred tax liabilities	3.6	1.5
Employee benefits	15.1	12.4
Lease liabilities	90.0	27.5
Provisions	1.0	4.7
Total non-current liabilities	**109.7**	**780.5**
Total liabilities	**1,281.5**	**1,197.2**
Net assets	**2,355.2**	**2,379.6**
Equity		
Contributed equity	2,235.7	2,195.0
Reserves	(36.4)	(3.4)
Accumulated losses	(20.7)	–
Retained earnings	176.6	188.0
Total equity	**2,355.2**	**2,379.6**

5.5 Unconsolidated structured entities

Perpetual Limited and its subsidiaries have interests in various structured entities that are not consolidated. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

Perpetual has an interest in a structured entity when the Company has a contractual or non-contractual involvement that exposes it to variable returns from the performance of the entity. The Company's interest includes investments held in securities or units issued by these entities and fees earned from management of the assets within these entities.

Information on the Company's interests in unconsolidated structured entities as at 30 June is as follows:

INVESTMENT FUNDS – COMPANY MANAGED	CARRYING AMOUNT $M	MAXIMUM EXPOSURE TO LOSS[1] $M
Year ended 30 June 2024		
Statement of Financial Position line item		
Other financial assets – non-current	317.3	300.4
Year ended 30 June 2023		
Statement of Financial Position line item		
Other financial assets – non-current	189.8	186.5

1. The maximum exposure to loss is the maximum loss that could be recorded through profit and loss as a result of the involvement with these entities.

Company managed investment funds

The Company manages unlisted unit trusts and investment funds through asset management subsidiaries. Control over these managed unlisted unit trusts and investment funds may exist since the Company has power over the activities of the funds. However, these unlisted unit trusts and investment funds have not been consolidated because the Company does not have the ability to affect the level of returns and is not exposed to significant variability in returns from the funds. The Company earns management fees from the management of these unlisted unit trusts and investment funds which are commensurate with the services provided and are reported in revenue from the provision of services. Management fees are generally based on the value of the assets under management. Therefore, the fees earned are impacted by the composition of the assets under management and fluctuations in financial markets. The revenue earned is included in revenue from the provision of services in section 1.2.

Unlisted unit trusts and investment funds are investment vehicles that consist of a pool of funds collected from several investors for the purpose of investing in securities such as money market instruments, debt securities, equity securities and other similar assets. For all unlisted unit trusts and investment funds, the Company's maximum exposure to loss is equivalent to the cost of the investment in the fund. Unlisted unit trusts and investment funds are generally financed through the issuance of fund units.

5.6 Share-based payments

i. Employee share schemes

(a) Long-term Incentive Plan (LTI)

Management and specialist employees may be eligible to receive ordinary shares in the Company on an annual basis as part of their variable remuneration. The vesting conditions are continued employment and minimum individual performance requirements. The vesting period is three years.

(b) One Perpetual Share Plan (OPSP)

The OPSP awards eligible employees with annual grants of up to $1,000 worth of Perpetual shares subject to the Company meeting its net profit after tax target. Shares granted under the OPSP cannot be sold or transferred until the earlier of three years from the date the shares are allocated or cessation of employment. Employees who are granted shares have full dividend and voting rights during this time.

For financial accounting purposes, shares granted under the OPSP are deemed to vest immediately because there is no risk of forfeiture. Accordingly, the fair value of the grant is recognised as an expense over the performance period with the corresponding entry directly in equity.

No new grants have been made under this plan during the year.

(c) Perpetual Asset Manager Deferred Short-term Incentive

Investment managers are paid a combination of fixed and variable reward in the form of cash and mandatory deferred ordinary shares in the Company. The vesting condition is continued employment. The vesting period is up to three years.

(d) Pendal Australia Boutique Variable Reward Scheme

Eligible fund managers receive variable remuneration based on a profit share arrangement directly attributed to the boutique, with a portion of the variable reward deferred into ordinary shares in the Company. The vesting condition is continued employment. The vesting period is up to five years.

(e) Pendal Australia/JOHCM Corporate Variable Reward Scheme

Management employees are paid a combination of fixed and variable reward in the form of cash and mandatory deferred ordinary shares in the Company. The vesting condition is continued employment. The vesting period is up to five years.

(f) JOHCM/TSW Fund Manager Variable Reward Scheme

Eligible fund managers receive variable remuneration based on a revenue share arrangement with a portion of the variable reward deferred into ordinary shares in the Company. The vesting condition is continued employment. The vesting period is up to five years.

(g) New and existing employee grants

New and existing employees may receive one-off grants of deferred ordinary shares for retention. The vesting condition is continued employment. The vesting period is up to three years.

Details of the movement in employee shares

All shares granted during the year were issued at market price. The number of shares granted is determined by dividing the value of the grant by the VWAP of Perpetual shares traded on the ASX in the five business days up to and including the grant date. Dividends on employee shares are either received directly by the employees or held in the share plan bank account depending on the likelihood of the shares vesting.

During the year, $44,554,728 (2023: $39,245,074) of amortisation relating to shares, performance rights and share rights was recognised as an expense with the corresponding entry directly in equity.

5.6 Share-based payments continued

i. Employee share schemes continued

The following table illustrates the movement in employee shares during the financial year:

NUMBER	OPENING BALANCE 1 JULY	VESTED SHARES	SHARES PURCHASED ON MARKET	SHARES ISSUED ON MARKET	ACQUISITION OF EMPLOYEE BENEFITS TRUST (EBT)	PURCHASE PRICE ALLOCATION (PPA) ADJUSTMENT	FORFEITED SHARES	GRANTED SHARES[1]	CLOSING BALANCE AT 30 JUNE
2024	4,223,834	(1,533,040)	40,000	1,410,000	–	–	(1,272,648)	1,272,648	4,140,794
2023[2]	651,437	(434,267)	861,648	840,000	(282,387)	2,587,403	(3,146,196)	3,146,196	4,223,834

1. Prior year granted shares includes replacement awards issued in connection with the acquisition of Pendal Group.
2. Prior year comparatives have been restated following the completion of Purchase Price Allocation (PPA) of Pendal Group. Refer to section 2.1.

ii. Rights

(a) Long Term Incentive (LTI)

Management and specialist employees may be eligible to receive performance Rights on an annual basis as part of their variable remuneration. The vesting conditions are continued employment and minimum individual performance requirements. The vesting period is three years.

(b) Executive KMP Variable Incentive Plan

Executive KMP are eligible to receive variable remuneration in the form of Performance Rights on an annual basis, subject to performance against company and individual scorecards. The vesting conditions are continued employment and performance hurdles based on total shareholder return (TSR). The vesting period is up to four years.

(c) Executive KMP Growth Incentive

A one-off award of Performance Rights to Executive KMP in FY23 as a retention incentive. The vesting conditions are continued employment and performance hurdles based on TSR. The vesting period is up to five years.

(d) New and existing employee grants

New and existing employees may receive one-off grants of Performance Rights for retention. The vesting condition is continued employment. The vesting period is up to three years.

Detail of movement in rights

During the year, the Company granted $6,679,997 (30 June 2023: $52,155,190) of Share Rights and Performance Rights.

Share Rights are granted to Executives under the Variable Incentive Plan. The number of Share Rights granted is determined by dividing the value of the grant by the VWAP of Perpetual shares traded on the ASX in the five business days up to and including the grant date.

Performance Rights are granted to eligible employees under the LTI Plan. The number of Performance Rights granted is determined by dividing the value of the LTI grant by the VWAP of Perpetual shares traded on the ASX in the five business days up to and including the grant date, discounted for the non-payment of dividends during the performance period, as calculated by an independent external adviser.

Performance Rights and Share Rights do not receive dividends or have voting rights until they have vested and have been converted into Perpetual shares.

30 JUNE 2024					MOVEMENT IN NUMBER OF RIGHTS GRANTED				
GRANT DATE	VEST DATE	EXPIRY DATE	TSR HURDLE OR NON-TSR HURDLE	ISSUE PRICE	1 JULY 2023	GRANTED	FORFEITED	VESTED	OUTSTANDING AT 30 JUNE 2024
Oct 2017	Oct 2020	Sep 2032	Non TSR	$44.64	1,869	–	–	(238)	1,631
Jul 2018	Sep 2021	Sep 2034	Non TSR	$28.70	44,864	–	–	(44,864)	–
Jul 2019	Sep 2023	Sep 2035	TSR	$12.30	52,034	–	(52,034)	–	–
Jul 2019	Sep 2024	Sep 2035	TSR	$12.63	52,031	–	–	–	52,031
Oct 2020	Oct 2023	Oct 2030	Non TSR	$23.82	222,113	–	(3,634)	(218,479)	–
Jul 2020	Sep 2023	N/A[1]	Non TSR	$33.72	56,701	–	–	–	56,701
Jul 2020	Sep 2024	N/A[1]	Non TSR	$19.93	28,349	–	(1,410)	–	26,939
Jul 2020	Sep 2025	N/A[1]	Non TSR	$16.88	28,349	–	(1,410)	–	26,939
Oct 2021	Oct 2024	N/A[1]	Non TSR	$32.66	179,810	–	(6,106)	(7,667)	166,037
Dec 2021	Dec 2024	N/A[1]	Non TSR	$34.43	1,936	–	(174)	(1,278)	484
Sep 2022	Aug 2024	N/A[1]	TSR	$22.50	101,036	–	(5,451)	–	95,585
Sep 2022	Aug 2025	N/A[1]	TSR	$6.94	52,434	–	–	–	52,434
Sep 2022	Aug 2025	N/A[1]	TSR	$8.44	161,043	–	(35,121)	–	125,922
Sep 2022	Aug 2025	N/A[1]	TSR	$13.30	53,212	–	(2,725)	–	50,487
Sep 2022	Sep 2025	N/A[1]	TSR	$8.44	44,942	–	–	–	44,942
Sep 2022	Aug 2026	N/A[1]	TSR	$6.55	56,565	–	–	–	56,565
Sep 2022	Aug 2026	N/A[1]	TSR	$7.85	173,734	–	(40,536)	–	133,198
Sep 2022	Aug 2026	N/A[1]	TSR	$11.26	53,215	–	(2,726)	–	50,489
Sep 2022	Sep 2026	N/A[1]	TSR	$7.85	48,484	–	–	–	48,484
Sep 2022	Aug 2027	N/A[1]	TSR	$6.16	61,162	–	–	–	61,162
Sep 2022	Aug 2027	N/A[1]	TSR	$7.28	187,853	–	(45,548)	–	142,305
Sep 2022	Sep 2027	N/A[1]	TSR	$7.28	52,424	–	–	–	52,424
Mar 2023	Jul 2023	N/A[1]	Non TSR	$24.37	135,436	–	–	(135,436)	–
Mar 2023	Mar 2024	N/A[1]	Non TSR	$23.24	52,685	–	(1,412)	(51,273)	–
Mar 2023	Jul 2024	N/A[1]	Non TSR	$22.70	118,938	–	–	–	118,938
Mar 2023	Sep 2025	N/A[1]	Non TSR	$20.65	59,327	–	(3,539)	(1,304)	54,484
Sep 2023	Sep 2025	N/A[1]	Non TSR	$16.46	–	65,938	(5,687)	–	60,251
Sep 2023	Sep 2025	N/A[1]	Non TSR	$16.45	–	28,407	–	–	28,407
Sep 2023	Sep 2026	N/A[1]	Non TSR	$10.09	–	53,819	(4,713)	–	49,106
Sep 2023	Sep 2026	N/A[1]	Non TSR	$10.37	–	25,919	–	–	25,919
Sep 2023	Sep 2027	N/A[1]	Non TSR	$8.42	–	53,814	(4,712)	–	49,102
Sep 2023	Sep 2027	N/A[1]	Non TSR	$8.67	–	25,918	–	–	25,918
Oct 2022	Oct 2025	N/A[1]	Non TSR	$24.84[2]	16,490	–	–	–	16,490
Mar 2023	Sep 2025	N/A[1]	TSR	$6.23	22,471	–	(22,471)	–	–
Mar 2023	Sep 2026	N/A[1]	TSR	$5.96	24,242	–	(24,242)	–	–
Mar 2023	Sep 2027	N/A[1]	TSR	$5.64	26,212	–	(26,212)	–	–
Mar 2023	Oct 2023	N/A[1]	Non TSR	$24.84[2]	10,386	–	–	(10,386)	–

5.6 Share-based payments continued

ii. Rights continued

Detail of movement in rights continued

30 JUNE 2024					MOVEMENT IN NUMBER OF RIGHTS GRANTED				
GRANT DATE	VEST DATE	EXPIRY DATE	TSR HURDLE OR NON-TSR HURDLE	ISSUE PRICE	1 JULY 2023	GRANTED	FORFEITED	VESTED	OUTSTANDING AT 30 JUNE 2024
Mar 2023	Oct 2024	N/A[1]	Non TSR	$24.84[2]	10,386	–	–	–	10,386
Mar 2023	Oct 2025	N/A[1]	Non TSR	$24.84[2]	3,026	–	–	–	3,026
Mar 2023	Oct 2026	N/A[1]	Non TSR	$24.84[2]	2,295	–	–	–	2,295
Mar 2023	Oct 2027	N/A[1]	Non TSR	$24.84[2]	1,828	–	–	–	1,828
Mar 2023	Jul 2024	N/A[1]	Non TSR	$24.84[2]	528,332	–	(53,998)	(6,519)	467,815
Mar 2023	Jan 2026	N/A[1]	Non TSR	$24.84[2]	592,035	–	(60,508)	(7,305)	524,222
Jun 2023	Jul 2024	N/A[1]	Non TSR	$24.84[2]	49,400	–	–	–	49,400
Jun 2023	Jan 2026	N/A[1]	Non TSR	$24.84[2]	55,357	–	–	–	55,357
Oct 2023	Oct 2024	N/A[1]	Non TSR	$19.42	–	424	–	–	424
Oct 2023	Oct 2025	N/A[1]	Non TSR	$17.89	–	460	–	–	460
Oct 2023	Oct 2026	N/A[1]	Non TSR	$16.22	–	10,989	–	–	10,989
May 2024	Jul 2024	N/A[1]	Non TSR	$24.96	–	65,055	–	–	65,055
May 2024	Jan 2026	N/A[1]	Non TSR	$24.96	–	72,899	–	–	72,899
					3,423,006	**403,642**	**(404,369)**	**(484,749)**	**2,937,530**

30 JUNE 2023					MOVEMENT IN NUMBER OF RIGHTS GRANTED				
GRANT DATE	VEST DATE	EXPIRY DATE	TSR HURDLE OR NON-TSR HURDLE	ISSUE PRICE	1 JULY 2022	GRANTED	FORFEITED	VESTED	OUTSTANDING AT 30 JUNE 2023
Oct 2017	Oct 2020	Sep 2032	Non TSR	$44.64	2,989	–	–	(1,120)	1,869
Jul 2018	Sep 2021	Sep 2034	Non TSR	$28.70	44,864	–	–	–	44,864
Jul 2018	Sep 2022	Sep 2034	TSR	$8.22	5,276	–	(5,276)	–	–
Jul 2018	Oct 2022	Oct 2034	Non TSR	$31.53	11,131	–	–	(11,131)	–
Jul 2018	Sep 2023	Sep 2034	TSR	$8.40	5,275	–	(5,275)	–	–
Sep 2018	Sep 2020	Sep 2033	Non TSR	$37.03	30,951	–	–	(30,951)	–
Oct 2018	Oct 2021	Oct 2033	Non TSR	$34.97	140,416	–	–	(140,416)	–
Jul 2019	Sep 2023	Sep 2035	TSR	$12.30	52,034	–	–	–	52,034
Jul 2019	Sep 2024	Sep 2035	TSR	$12.63	52,031	–	–	–	52,031
Oct 2019	Oct 2022	Oct 2034	Non TSR	$31.53	157,766	–	(4,870)	(152,896)	–
Oct 2020	Oct 2023	Oct 2030	Non TSR	$23.82	284,912	–	(45,301)	(17,498)	222,113
Jul 2020	Sep 2023	N/A[1]	Non TSR	$33.72	56,701	–	–	–	56,701
Jul 2020	Sep 2024	N/A[1]	Non TSR	$19.93	28,349	–	–	–	28,349
Jul 2020	Sep 2025	N/A[1]	Non TSR	$16.88	28,349	–	–	–	28,349
Oct 2021	Oct 2024	N/A[1]	Non TSR	$32.66	237,210	–	(51,452)	(5,948)	179,810
Dec 2021	Dec 2024	N/A[1]	Non TSR	$34.43	4,646	–	(1,452)	(1,258)	1,936
Sep 2022	Aug 2024	N/A[1]	TSR	$22.50	–	101,036	–	–	101,036
Sep 2022	Aug 2025	N/A[1]	TSR	$6.94	–	52,434	–	–	52,434
Sep 2022	Aug 2025	N/A[1]	TSR	$8.44	–	161,043	–	–	161,043
Sep 2022	Aug 2025	N/A[1]	TSR	$13.30	–	53,212	–	–	53,212
Sep 2022	Sep 2025	N/A[1]	TSR	$8.44	–	44,942	–	–	44,942

30 JUNE 2023					MOVEMENT IN NUMBER OF RIGHTS GRANTED				
GRANT DATE	VEST DATE	EXPIRY DATE	TSR HURDLE OR NON-TSR HURDLE	ISSUE PRICE	1 JULY 2022	GRANTED	FORFEITED	VESTED	OUTSTANDING AT 30 JUNE 2023
Sep 2022	Aug 2026	N/A[1]	TSR	$6.55	–	56,565	–	–	56,565
Sep 2022	Aug 2026	N/A[1]	TSR	$7.85	–	173,734	–	–	173,734
Sep 2022	Aug 2026	N/A[1]	TSR	$11.26	–	53,215	–	–	53,215
Sep 2022	Sep 2026	N/A[1]	TSR	$7.85	–	48,484	–	–	48,484
Sep 2022	Aug 2027	N/A[1]	TSR	$6.16	–	61,162	–	–	61,162
Sep 2022	Aug 2027	N/A[1]	TSR	$7.28	–	187,853	–	–	187,853
Sep 2022	Sep 2027	N/A[1]	TSR	$7.28	–	52,424	–	–	52,424
Oct 2022	Oct 2025	N/A[1]	Non TSR	$23.47	–	67,527	(67,527)	–	–
Mar 2023	Jul 2023	N/A[1]	Non TSR	$24.37	–	135,436	–	–	135,436
Mar 2023	Mar 2024	N/A[1]	Non TSR	$23.24	–	52,685	–	–	52,685
Mar 2023	Jul 2024	N/A[1]	Non TSR	$22.70	–	118,938	–	–	118,938
Mar 2023	Sep 2025	N/A[1]	Non TSR	$20.65	–	59,327	–	–	59,327
Oct 2022	Oct 2025	N/A[1]	Non TSR	$24.84[2]	–	16,490	–	–	16,490
Mar 2023	Sep 2025	N/A[1]	TSR	$6.23	–	22,471	–	–	22,471
Mar 2023	Sep 2026	N/A[1]	TSR	$5.96	–	24,242	–	–	24,242
Mar 2023	Sep 2027	N/A[1]	TSR	$5.64	–	26,212	–	–	26,212
Mar 2023	Oct 2023	N/A[1]	Non TSR	$24.84[2]	–	10,386	–	–	10,386
Mar 2023	Oct 2024	N/A[1]	Non TSR	$24.84[2]	–	10,386	–	–	10,386
Mar 2023	Oct 2025	N/A[1]	Non TSR	$24.84[2]	–	3,026	–	–	3,026
Mar 2023	Oct 2026	N/A[1]	Non TSR	$24.84[2]	–	2,295	–	–	2,295
Mar 2023	Oct 2027	N/A[1]	Non TSR	$24.84[2]	–	1,828	–	–	1,828
Mar 2023	Jul 2024	N/A[1]	Non TSR	$24.84[2]	–	532,678	(4,346)	–	528,332
Mar 2023	Jan 2026	N/A[1]	Non TSR	$24.84[2]	–	596,905	(4,870)	–	592,035
Jun 2023	Jul 2024	N/A[1]	Non TSR	$24.84[2]	–	49,400	–	–	49,400
Jun 2023	Jan 2026	N/A[1]	Non TSR	$24.84[2]	–	55,357	–	–	55,357
					1,142,900	**2,831,693**	**(190,369)**	**(361,218)**	**3,423,006**

1. Rights either vest or are forfeited on the vesting Date, or part of new scheme terms, hence there is no expiry date.
2. The replacement awards included restricted, unhurdled share rights which entitle holders to ordinary shares following their vesting date. The fair value of these awards were measured by reference to the fair value of the equity instruments at the acquisition date, being 11 January 2023. The fair value calculation was performed by an external valuation expert and determined using the Black Scholes Model and other market based valuation techniques, taking into account the terms and conditions upon which the replacement awards were granted. Since the rights permit dividend entitlement, the fair value of these awards is equal to the share price of Perpetual on the acquisition date, being $24.84. Refer to 2.1 Business Combinations for more information.

5.6 Share-based payments continued

ii. Rights continued

Detail of movement in rights continued

The fair value of services received in return for Performance Rights and Share Rights granted is based on the fair value of rights granted, measured using a face value approach for scorecard performance conditions, Monte Carlo simulation for TSR performance conditions and the Black Scholes option pricing formula for share rights and EPS performance conditions, with the following inputs:

	VALUATION DATE 1 OCT 2016	VALUATION DATE 1 SEP 2017	VALUATION DATE 1 OCT 2017	VALUATION DATE 1 SEPT 2018	VALUATION DATE 1 OCT 2018	VALUATION DATE 1 OCT 2018	VALUATION DATE 1 OCT 2018	VALUATION DATE 1 SEP 2019	VALUATION DATE 1 SEP 2019
Performance period	3 years	2 years	3 years	2 years	1 year	2 years	3 years	1 year	2 years
Share price ($)	46.28	54.70	51.94	43.89	42.40	42.40	42.40	35.55	35.55
Dividend yield (%)	5.5	5.1	5.2	6.4	6.6	6.6	6.6	6.5	6.7
Expected volatility (%)	N/A	25	N/A	20	N/A	N/A	N/A	30	30
Risk free interest rate (%)	N/A	N/A	N/A	N/A	1.93	2.00	2.07	0.70	0.70

	VALUATION DATE 1 SEP 2019	VALUATION DATE 1 OCT 2019	VALUATION DATE 1 OCT 2019	VALUATION DATE 1 OCT 2019	VALUATION DATE 1 SEP 2020	VALUATION DATE 1 SEP 2020	VALUATION DATE 1 OCT 2020	VALUATION DATE 1 OCT 2020	VALUATION DATE 1 OCT 2020
Performance period	3 years	1 year	2 years	3 years	3 years	4 years	1 year	2 years	3 years
Share price ($)	35.55	37.85	37.85	37.85	30.62	30.62	28.40	28.40	28.40
Dividend yield (%)	6.7	5.7	5.9	6.1	5.5	5.5	5.0	5.5	5.9
Expected volatility (%)	30	N/A	N/A	N/A	40	40	N/A	N/A	N/A
Risk free interest rate (%)	0.70	N/A	N/A	N/A	0.27	0.39	N/A	N/A	N/A

	VALUATION DATE 1 SEP 2021	VALUATION DATE 1 SEP 2021	VALUATION DATE 1 SEP 2021	VALUATION DATE 1 SEP 2022	VALUATION DATE 1 SEP 2022	VALUATION DATE 1 SEP 2022	VALUATION DATE 1 SEP 2022	VALUATION DATE 1 SEP 2022	VALUATION DATE 1 SEP 2022
Performance period	2 years	3 years	4 years	2 years	3 years	4 years	3 years	4 years	5 years
Share price ($)	41.66	41.66	41.66	27.06	27.06	27.06	27.06	27.06	27.06
Dividend yield (%)	4.8	5.0	5.0	6.8	7.2	7.2	6.3	6.3	6.3
Expected volatility (%)	30	30	30	28	28	28	31	31	31
Risk free interest rate (%)	0.01	0.44	0.44	3.02	3.31	3.36	3.28	3.37	3.43

	VALUATION DATE 20 OCT 2022	VALUATION DATE 20 OCT 2022	VALUATION DATE 20 OCT 2022	VALUATION DATE 1 MAR 2023	VALUATION DATE 1 MAR 2023	VALUATION DATE 1 MAR 2023	VALUATION DATE 1 SEP 2023	VALUATION DATE 1 SEP 2023	VALUATION DATE 1 SEP 2023
Performance period	2.9 years	3.9 years	4.9 years	3 years	4 years	5 years	2 years	3 years	4 years
Share price ($)	24.89	24.89	24.89	24.48	24.48	24.48	21.12	21.12	21.12
Dividend yield (%)	6.3	6.3	6.3	6.6	6.6	6.6	7.5	8.0	8.0
Expected volatility (%)	31	31	31	31	31	31	32.5	32.5	32.5
Risk free interest rate (%)	3.57	3.67	3.75	3.51	3.50	3.53	3.80	3.67	3.68

Critical accounting assumptions and estimates

The cost of equity-settled share-based payments is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value calculation is performed by an external valuation expert and is determined using the Black Scholes Model and Binomial/Monte-Carlo simulation valuation techniques and other market based valuation techniques, taking into account the terms and conditions upon which the equity instruments were granted. The valuation methodologies involve a number of judgements and assumptions which may affect the share based payment expense taken to profit and loss and equity.

The tax effect of the excess of estimated future tax deductions for share-based payments over the related cumulative remuneration expense is recognised directly in equity. The estimated future tax deduction is based on the share price of ordinary shares in the Company at balance date in accordance with AASB 112 *Income Taxes*.

Accounting policies

Employee share purchase plans

Share incentive programs allow employees to acquire shares in the Company. The fair value of shares and/or rights granted under these programs is recognised as an employee expense with a corresponding increase in equity. Fair value is measured at grant date and amortised over the period during which employees become unconditionally entitled to the shares.

The fair value of the rights granted is measured using a binomial model, taking into account the terms and conditions upon which the rights were granted. The amount recognised as an expense is adjusted to reflect the actual number of rights that vest except where forfeiture is due to share prices not achieving their threshold for vesting.

Deferred staff incentives

The Company grants certain employees shares under long-term incentive, short-term incentive and retention plans. Under these plans, shares vest to employees over relevant vesting periods. To satisfy the long-term incentives granted, the Company purchases or issues shares under the LTI Plan.

The fair value of the shares granted is measured by the share price adjusted for the terms and conditions upon which the shares were granted. This fair value is amortised on a straight-line basis over the applicable performance and vesting period.

The consolidated entity makes estimates of the number of shares that are expected to vest. Where appropriate, revised estimates are reflected in profit or loss with the corresponding adjustment to the equity compensation reserve. Where shares containing a market linked hurdle do not vest, due to total shareholder return not achieving the threshold for vesting, an adjustment is made to retained earnings and equity compensation reserve.

Rights

Performance Rights and Share Rights are issued for the benefit of eligible Perpetual employees pursuant to the LTI Plan.

Unlike Perpetual's other employee share plans, there will be no treasury shares issued to employees at the rights grant date.

Over the vesting period of the rights, an equity remuneration expense will be amortised to the equity compensation reserve based on the fair value of the rights at the grant date.

On vesting, the intention is to settle the rights with available treasury shares. A fair value adjustment between contributed equity and treasury shares will be recognised to revalue the recycled shares to the fair value of the rights at the vesting date.

5.7 Key management personnel and related parties

The Executive and Non-executive key management personnel of Perpetual Limited during the period were as follows:

NAME	POSITION	TERM AS KMP IN FY24
Executive KMP		
Rob Adams	Chief Executive Officer and Managing Director	Full year
Alexandra Altinger	Chief Executive, UK, Europe and Asia (EUKA)	Partial Year[1]
Amanda Gazal	Chief Integration Officer	Partial Year[2]
Amanda Gillespie	Chief Executive, Asset Management Australia	Partial Year[3]
Chris Green	Chief Financial Officer	Full year
Craig Squires	Chief Operating Officer	Partial Year[4]
David Lane	Chief Executive, Americas	Partial Year[5]
Mark Smith	Chief Executive, Wealth Management	Full year
Richard McCarthy	Chief Executive, Corporate Trust	Full year
Sam Mosse	Chief Risk and Sustainability Officer	Full year
Non-executive KMP		
Tony D'Aloisio	Chairman	Full year
Christopher Jones	Independent Director	Full year
Fiona Trafford-Walker	Independent Director	Full year
Gregory Cooper	Independent Director	Full year
Ian Hammond	Independent Director	Full year
Kathryn Matthews	Independent Director	Partial Year[6]
Mona Aboelnaga Kanaan	Independent Director	Full year
Philip Wagstaff	Independent Director	Partial Year[7]
Nancy Fox	Independent Director	Full year

1. Alexandra Altinger resigned as a KMP of Perpetual Limited on 24 August 2023.
2. Amanda Gazal resigned as a KMP of Perpetual Limited on 2 November 2023.
3. Amanda Gillespie ceased as a KMP of Perpetual Limited on 24 August 2023.
4. Craig Squires joined as a KMP of Perpetual Limited on 2 November 2023.
5. David Lane resigned as a KMP of Perpetual Limited on 24 August 2023.
6. Kathryn Matthews resigned as an Independent Director of the Perpetual Limited Board on 19 October 2023.
7. Philip Wagstaff joined as an Independent Director of the Perpetual Limited Board on 1 November 2023.

Total compensation of key management personnel

	2024 $	2023 $
Short-term	10,864,487	9,401,657
Post-employment	246,251	285,977
Share-based	4,512,542	4,725,475
Other long-term	68,086	125,983
Termination benefits	41,682	266,800
Total	**15,733,047**	**14,805,892**

Related party disclosures

Executives have not entered into material contracts with the Company or a member of the consolidated entity since the end of the previous financial year and there were no material contracts involving key management personnel's interests existing at year end. Perpetual services and products, including financial advice by Wealth Management, are made available to Directors and KMP on normal commercial terms consistent with other employees and clients.

Controlled entities and associates

The consolidated entity has a related party relationship with its key management personnel (see Remuneration Report).

Business transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

5.8 Auditor's remuneration

	2024 $	2023 $
Audit and review services		
Auditors of the Group – KPMG Australia		
Audit and review of financial statements – Group	1,343,198	1,767,620
Audit and review of financial statements – Controlled entities	268,932	315,019
Audit and review of financial statements – Perpetual Funds[1]	2,654,179	1,944,319
Audit and review of financial statements – Administrator or Trustee[2]	–	445,221
	4,266,309	**4,472,179**
Overseas KPMG Firms		
Audit and review of financial statements – Group	632,524	582,493
Audit and review of financial statements – Controlled entities	1,066,971	1,138,443
Audit and review of financial statements – Perpetual funds[1]	473,128	469,080
	2,172,623	**2,190,016**
Total audit and review services	**6,438,932**	**6,662,195**
Assurance Services		
Auditors of the Group – KPMG Australia		
Regulatory assurance services	402,227	414,729
Assurance over internal controls reports	636,301	433,678
Sustainability assurance services	75,000	95,000
Other assurance services	36,663	36,048
	1,150,191	**979,455**
Overseas KPMG Firms		
Regulatory assurance services	220,252	514,286
Other assurance services	118,811	112,873
	339,063	**627,159**
Total Assurance Services	**1,489,254**	**1,606,614**
Other Services[3]		
Auditors of the Group – KPMG Australia		
Advisory Services	50,715	46,058
Transactional services	–	242,130
Other non-assurance services	141,810	64,693
	192,525	**352,881**
Overseas KPMG Firms		
Other non-assurance services	42,986	55,053
	42,986	**55,053**
Total Other Services	**235,511**	**407,934**
	8,163,697	**8,676,743**

1. These fees are incurred by the consolidated entity on behalf of managed funds and superannuation funds for which Perpetual Investment Management Limited and Perpetual Superannuation Limited act as responsible entity or trustee for and are recovered from the funds via management fees.
2. These fees are incurred as part of the audit of the Group by the consolidated entity on behalf of external funds for which the consolidated entity act as administrator or trustee for and are recovered from the funds via management fees.
3. Other services primarily relate to the provision of risk and controls gap analysis and agreed upon procedures.

Non-audit services paid to KPMG are in accordance with the Company's auditor independence policy as outlined in Perpetual's Corporate Responsibility Statement.

5.9 Subsequent events

A final 50% franked dividend of 53 cents per share was declared on 29 August 2024 and is to be paid on 4 October 2024.

On 5 July 2024, Perpetual Limited entered into two forward contracts to hedge its foreign currency exposure to the USD and GBP denominated borrowings to be settled upon completion of the Transaction. The net value of these forward contracts is $474.9m AUD.

On 21 August 2024, Perpetual Limited announced the appointment of Bernard Reilly as Group Managing Director and CEO, commencing 2 September 2024.

On 29 August 2024, Perpetual Limited announced additional changes to its Board of Directors as it prepares for Transaction implementation and transitioning to a single purpose asset management business. Perpetual Chair Tony D'Aloisio intends to retire from the Perpetual Board following implementation of the Scheme of Arrangement with KKR in early 2025. Mr Gregory Cooper, appointed Deputy Chair in May 2024, will assume the role of Chair on Mr D'Aloisio's retirement. Independent Non-Executive Directors, Mr Ian Hammond (Chair of Audit, Risk and Compliance Committee) and Ms Nancy Fox AM (Chair of People and Remuneration Committee, PARC), will retire at the Annual General Meeting (AGM) on 17 October 2024 in accordance with Perpetual's Board rotation policy. Ms Fiona Trafford-Walker will Chair the PARC following Ms Fox's retirement at the AGM. Perpetual is well advanced with the recruitment of an Independent Non-Executive Director to replace Mr Hammond as Chair of the ARCC. Perpetual is in the final stages of that appointment and will make the announcement in time for voting at the AGM.

Subsequent to year end, the Consolidated Entity obtained a waiver from the banking syndicate with respect to debt covenant clauses associated with impairment. As a result of the waiver, subsequent to year end, the borrowings will be classified as non-current with the debt not due for repayment until 22 November 2025 for its 3-year facilities and 22 November 2026 for its 4-year facilities. The Consolidated entity continues to be able to meet its funding and liquidity requirements.

At the date of signing, Perpetual Limited had commenced the separation program in order to meet an early 2025 completion date for the Transaction. The agreed sale price remains unchanged at $2.175 billion. The final net proceeds to shareholders are subject to the finalisation of any closing adjustments, which may include balance sheet adjustments, duties and tax. These adjustments cannot be determined until such time as the transaction completes in accordance with the accounting standards. Further details will be provided in a Scheme Booklet which will be provided to shareholders in advance of a Scheme Meeting.

Other than the matters noted above, the Directors are not aware of any other event or circumstance since the end of the financial year not otherwise dealt with in this report that has affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

SECTION 6 BASIS OF PREPARATION

This section sets out Perpetual's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to a single note, the policy is described in the note to which it relates. This section also shows new accounting standards, amendments and interpretations, and whether they are effective in 2024 or later years. We explain how these changes are expected to impact the financial position and performance of Perpetual.

6.1 Reporting entity

Perpetual Limited ('the Company') is domiciled in Australia. The consolidated financial report of the Company as at and for the year ended 30 June 2024 comprises the Company and its controlled entities (together referred to as 'the consolidated entity') and the consolidated entity's interests in associates.

The Company is a for-profit entity and primarily involved in portfolio management, financial planning, trustee, responsible entity and compliance services, executor services, investment administration and custody services.

The financial report was authorised for issue by the Directors on 29 August 2024.

The Company is a public company listed on the Australian Securities Exchange (code: PPT), incorporated in Australia and operating in Australia, United States, United Kingdom, Europe and Asia.

The consolidated annual report for the consolidated entity as at and for the year ended 30 June 2024 is available at www.perpetual.com.au.

6.2 Basis of preparation

i. Statement of compliance

The financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The financial report of the consolidated entity also complies with *International Financial Reporting Standards (IFRS)* adopted by the International Accounting Standards Board (IASB).

ii. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets which are measured at fair value.

The consolidated financial statements are presented in Australian dollars, which is the functional currency of the majority of the consolidated entity.

The Company is of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest one hundred thousand dollars, unless otherwise stated.

Where necessary, comparative information has been restated to conform to changes in presentation in the current year.

Going concern – net current liability position

As at 30 June 2024, the Consolidated Entity has net current liabilities of $587.9m. This is a result of the reclassification of $679.0m of borrowings from non-current to current as at balance date. This change in classification is a consequence of an accounting standard requirement resulting from the impairment of goodwill (as set out in Note 2.4 Intangibles).

Subsequent to year end, the Consolidated Entity obtained a waiver from the banking syndicate with respect to debt covenant clauses associated with impairment. As a result of the waiver, subsequent to year end, the borrowings will be classified as non-current with the debt not due for repayment until 22 November 2025 for its 3-year facilities and 22 November 2026 for its 4-year facilities. The Consolidated entity continues to be able to meet its funding and liquidity requirements.

As at 30 June 2024, the Consolidated Entity had $221.3m in cash and cash equivalents. In addition, as disclosed in Note 3.2 Borrowings, the Consolidated Entity expects that the debt will be repaid in full following implementation of the Scheme of Arrangement entered into with Kohlberg Kravis Roberts & Co. L.P. to acquire the Wealth Management and Corporate Trust businesses.

Based on these forecasts, the directors consider that the Consolidated Entity will continue as a going concern and be able to meet its obligations as and when they fall due over the coming 12-month period from the date these financial statements were authorised for issue.

Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Financial markets are dealing with rising inflation and interest rates impacting global economies and financial markets. The consolidated entity continues to monitor the impact of these factors on its operations, control environment and financial reporting.

Management has evaluated whether there were any additional areas of significant judgment or estimation uncertainty, assessed the impact of market inputs and variables potentially impacted by prevailing conditions on the carrying values of its assets and liabilities, and considered the impact on the consolidated entity's financial statement disclosures. The consolidated entity's revenues have a high degree of exposure to market volatility which has the potential to lead to a material financial impact. The US and UK operations are similarly exposed to market movements due to the nature of the business. Whilst this has been factored into the preparation of the financial report, the accounting policies and methodologies have been applied on a consistent basis throughout the financial year. The Directors and management continue to closely monitor developments with a focus on potential financial and operational impacts as developments arise.

6.2 Basis of preparation continued

ii. Basis of preparation continued

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies are described below:

(a) Judgements

Information about critical judgements in applying accounting policies in accordance with Australian Accounting Standard AASB 10 *Consolidated Financial Statements* is included in section 5.3 Controlled entities.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ended 30 June 2024 are included in the following notes:

- Section 1.2 Revenue
- Section 1.3 Expenses
- Section 1.4 Income taxes
- Section 2.1 Business combinations
- Section 2.4 Intangibles
- Section 2.5 Provisions
- Section 2.6 Employee benefits
- Section 2.7 Accrued incentive compensation
- Section 3.5 Commitments and contingencies
- Section 4.1 Financial risk management
- Section 5.1 Structured products assets and liabilities
- Section 5.6 Share-based payments

The consolidated entity has considered the impact of prevailing conditions specifically with respect to the recognition of Expected Credit Losses (ECLs) on the consolidated entity's Receivables (Section 2.2), Intangibles and the impairment of Goodwill and Other intangible assets (Section 2.4), Structured products assets and liabilities (Section 5.1), and Other financial assets (Section 2.3).

Whilst there has been an increase in the estimation uncertainty and the application of further judgement within these areas, they are not considered to have had a material financial impact on these areas.

Measurement of fair values

A number of the consolidated entity's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The consolidated entity has an established control framework with respect to the measurement of fair values. This includes overseeing all significant fair value measurements.

Significant unobservable inputs and valuation adjustments are regularly reviewed. If third party information, such as broker quotes or pricing services, is used to measure fair values, an assessment is made of the evidence obtained from the third parties. This is used to support the conclusion that such valuations meet the requirements of AASB 9 *Financial Instruments*, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit, Risk and Compliance Committee.

When measuring the fair value of an asset or a liability, the consolidated entity uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The consolidated entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Section 2.6 Employee benefits
- Section 2.7 Accrued incentive compensation
- Section 4.1 Financial risk management
- Section 5.1 Structured products assets and liabilities
- Section 5.6 Share-based payments

6.3 Other material accounting policies

Material accounting policies have been included in the relevant notes to which the policies relate. Other material accounting policies are listed below:

i. Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the consolidated entity. The consolidated entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the consolidated entity's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the associates or, if not consumed or sold, when the consolidated entity's interest in such entities is disposed of.

(c) Collateralised loan obligation (CLO)

Perpetual holds an equity interest in a collateralised loan obligation investment fund (the 'Fund') established to invest its assets primarily in the economic equity interests of multiple CLO transactions and warehouse facilities in connection therewith. The Fund is managed by Barrow Hanley Credit Management LLC ('BH Credit').

A significant judgement for Perpetual is whether the Group controls the Fund and is therefore required to consolidate the Fund in the results of the consolidated entity. Control is determined based on the consolidated entity's assessment of decision making authority, rights held by other parties, remuneration and exposure to returns.

In assessing whether the consolidated entity controls the Fund it is necessary to consider whether the consolidated entity acts in capacity of principal or agent for the Fund. In doing so, the consolidated entity has assessed in combination, whether the kick-out rights of third-party investors into the Fund are substantive and the aggregate economic interest of the consolidated entity into the Fund. Based on our assessment, we have determined that the Fund does not require consolidation into the Group.

ii. Foreign currency

(a) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Translation differences on financial assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(b) Foreign operations

The results and financial position of subsidiaries that have a functional currency different from the presentation currency are translated into Australian dollars as follows:

– Assets and liabilities for each statement of financial position item presented are translated at the closing rate at the date of that statement of financial position.
– Income and expenses for each statement of comprehensive income item are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

Foreign currency differences are recognised in other comprehensive income. When an international operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss or to non-controlling interest as part of the profit or loss on disposal.

iii. Payables

Payables are non-interest-bearing and are stated at amortised cost, with the exception of contingent consideration recognised in business combinations, which is recorded at fair value at the acquisition date.

Contingent consideration recognised in business combinations is classified as a financial liability and is subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

iv. Impairment

(a) Financial assets (including receivables)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between the present value of the cash flows due to the entity in accordance with the contract and the present value of cash flows that the consolidated entity expects to receive.

The consolidated entity has applied the simplified approach under AASB 9 to calculate expected credit losses for Receivables. Under this approach, expected credit losses are calculated based on the life of the instrument. During this process, the probability of the non-payment of the receivables is assessed using the single loss rate approach.

Impairment losses on financial assets measured at amortised cost are recognised in profit or loss and deducted from the gross carrying amount of the assets. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(b) Non-financial assets

The carrying amounts of the consolidated entity's non-financial assets, other than deferred tax assets (see section 1.4), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit' or CGU).

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The consolidated entity's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

6.3 Other material accounting policies continued

iv. Impairment continued

(b) Non-financial assets continued

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

v. Hedge accounting

A foreign currency exposure arises from a net investment in subsidiaries that have a different functional currency from that of the consolidated entity. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and the consolidated entity's functional currency, which causes the amount of the net investment to vary in the consolidated financial statements. This risk may have a significant impact on the consolidated entity's financial statements. The consolidated entity's policy is to hedge these exposures only when not doing so would be expected to have a significant impact on the regulatory capital ratios of the Company and its subsidiaries.

The hedged risk in the net investment hedge is the variability in the US dollar exchange rate against the Australian dollar that will result in a reduction in the carrying amount of the consolidated entity's net investment in the subsidiaries. An economic relationship exists between the hedged net investment and hedging instrument due to the shared foreign currency risk exposure.

The consolidated entity uses foreign currency denominated debt as a hedging instrument. The consolidated entity assesses effectiveness by comparing past changes in the carrying amount of the debt that are attributable to a change in the spot rate with past changes in the investment in the foreign operation due to movement in the spot rate (the offset method).

The consolidated entity's policy is to hedge the net investment only to the extent of the debt principal; therefore, the hedge ratio is established by aligning the principal amount of the debt with the carrying amount of the net investment that is designated. There are no sources of ineffectiveness because changes in the spot exchange rate are designated as the hedged risk.

(a) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probably forecast transactions arising from changes in foreign exchange rates and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(b) Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the cash flow hedge reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

6.4 Changes in material accounting policies

The accounting policies applied in these financial statements are the same as those applied in the consolidated entity's financial statements as at and for the year ended 30 June 2023.

AASB 17 *Insurance Contracts* which was effective from 1 January 2023 has no impact on the consolidated entity as it is not an issuer of insurance contracts.

6.5 New standards and interpretations not yet adopted

Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following standards and interpretations were issued but not yet effective. The consolidated entity has not early adopted any of them during the period.

- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to AASB 101) (Effective for annual reporting periods beginning on 1 July 2024)
- Presentation and Disclosure in Financial Statements (Amendments to AASB 18) (Effective for annual reporting periods beginning on 1 July 2027)

The consolidated entity is assessing the potential impact of the above standards and interpretations issued but not yet effective on its financial statements, however they are not expected to have a material impact.

There are no new standards, amendments to standards, and interpretations effective for the first time in the current financial period that would have a material impact to the consolidated entity.

Consolidated Entity Disclosure Statement

The tables below meet the requirements of the 'Consolidated entity disclosure statement' required by the *Corporations Act 2001*:

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS	% OF SHARE CAPITAL HELD DIRECTLY OR INDIRECTLY BY THE COMPANY IN THE BODY CORPORATE 2024 %	2023 %	AUSTRALIAN OR FOREIGN TAX RESIDENT	TAX JURISDICTION FOR FOREIGN RESIDENT
Perpetual Limited[4]						
Controlled Entities[1]						
Perpetual Investment Management Limited	Body corporate	Australia	100	100	Australian	N/A
Perpetual Assets Pty. Ltd.[2]	Body corporate	Australia	100	100	Australian	N/A
Australian Trustees Limited[4]	Body corporate	Australia	100	100	Australian	N/A
Commonwealth Trustees Pty. Ltd.[2,3]	Body corporate	Australia	–	100	Australian	N/A
Perpetual Trustee Company (Canberra) Limited[4]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Trustee Company Limited[3]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Trustees Consolidated Limited[4]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Trustees Queensland Limited[4]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Trustees Victoria Limited[4]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Trustees W.A. Ltd[4]	Body corporate	Australia	100	100	Australian	N/A
Queensland Trustees Pty. Ltd.[2]	Body corporate	Australia	100	100	Australian	N/A
Fordham Business Advisors Pty Ltd[2]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Superannuation Limited	Body corporate	Australia	100	100	Australian	N/A
Perpetual Nominees Limited	Body corporate	Australia	100	100	Australian	N/A
Perpetual Tax and Accounting Pty Ltd[2,3]	Body corporate	Australia	–	100	Australian	N/A
Perpetual Services Pty Limited[2]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Mortgage Services Pty Limited[2,3]	Body corporate	Australia	–	100	Australian	N/A
Perpetual Australia Pty Limited[2,4]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Trust Services Limited	Body corporate	Australia	100	100	Australian	N/A
Perpetual Acquisition Company Limited[4]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Digital Holdings Pty Ltd[2]	Body corporate	Australia	100	100	Australian	N/A
PCT PWM HoldCo Pty Ltd[8]	Body corporate	Australia	100	100	Australian	N/A
Trillium ESG Global Equity Fund	Trust	USA	35	47	Foreign	USA
Entities under the control of Perpetual Digital Holdings Pty Limited						
Perpetual Digital Pty Ltd[2]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Roundtables Pty Limited[2]	Body corporate	Australia	100	100	Australian	N/A
Perpetual Wholesale Fiduciary Services Pty Ltd[2]	Body corporate	Australia	100	100	Australian	N/A
Laminar Capital Pty Ltd	Body corporate	Australia	100	100	Australian	N/A
Laminar Markets Pty Ltd[2]	Body corporate	Australia	100	–	Australian	N/A

Consolidated Entity Disclosure Statement continued

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS	% OF SHARE CAPITAL HELD DIRECTLY OR INDIRECTLY BY THE COMPANY IN THE BODY CORPORATE 2024 %	2023 %	AUSTRALIAN OR FOREIGN TAX RESIDENT	TAX JURISDICTION FOR FOREIGN RESIDENT
Entities under the control of Laminar Capital Pty Ltd						
Easterly Asset Management Pty Ltd[2]	Body corporate	Australia	100	100	Australian	N/A
Laminar Advisory Pty Ltd[2]	Body corporate	Australia	100	100	Australian	N/A
Entities under the control of Perpetual Trustee Company Limited						
Perpetual Corporate Trust Limited	Body corporate	Australia	100	100	Australian	N/A
Perpetual Custodians Ltd[3]	Body corporate	Australia	–	100	Australian	N/A
P.T. Limited	Body corporate	Australia	100	100	Australian	N/A
Perpetual Legal Services Pty Ltd[2,5]	Body corporate	Australia	100	100	Australian	N/A
Entities under the control of P.T. Limited						
Perpetrust Nominees Proprietary Limited[2]	Body corporate	Australia	100	100	Australian	N/A
Entities under the control of PCT PWM HoldCo Pty Ltd[8]						
Perpetual PCT Services Pty Ltd[2,8]	Body corporate	Australia	100	–	Australian	N/A
Perpetual PWM Services Pty Ltd[2,8]	Body corporate	Australia	100	–	Australian	N/A
Entities under the control of Perpetual Acquisition Company Limited						
The Trust Company Limited	Body corporate	Australia	100	100	Australian	N/A
Fintuition Pty Limited[2,3]	Body corporate	Australia	–	100	Australian	N/A
Fintuition Institute Pty Limited[2]	Body corporate	Australia	100	100	Australian	N/A
Skinner Macarounas Pty Limited[2,3]	Body corporate	Australia	–	100	Australian	N/A
Perpetual US Holding Company, Inc	Body corporate	USA	100	100	Foreign	USA
Perpetual Asset Management UK Limited	Body corporate	UK	100	100	Foreign	UK
Trillium Asset Management UK Limited	Body corporate	UK	100	100	Foreign	UK
Perpetual Europe Holding Company B.V	Body corporate	Netherlands	100	100	Foreign	Netherlands
Jacaranda Financial Planning	Body corporate	Australia	100	100	Australian	N/A
Perpetual Asia – Hong Kong Ltd	Body corporate	Hong Kong	100	100	Foreign	Hong Kong
Perpetual Finance UK Ltd	Body corporate	UK	100	100	Foreign	UK
Pendal Group Limited	Body corporate	Australia	100	100	Australian	N/A
Entities under the control of Perpetual Finance UK Ltd						
Barrow Hanley Concentrated Emerging Markets Fund	Trust	UK	100	100	Foreign	UK
Trillium ESG Global Conviction Fund[6]	Trust	UK	–	100	Foreign	UK
Barrow Hanley US ESG Value Opp Fund	Trust	UK	100	100	Foreign	UK
Trillium ESG Global Equity Fund	Trust	UK	100	–	Foreign	UK

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS	% OF SHARE CAPITAL HELD DIRECTLY OR INDIRECTLY BY THE COMPANY IN THE BODY CORPORATE 2024 %	2023 %	AUSTRALIAN OR FOREIGN TAX RESIDENT	TAX JURISDICTION FOR FOREIGN RESIDENT
Entities under the control of Perpetual Europe Holding Company B.V						
Perpetual Netherlands B.V	Body corporate	Netherlands	100	100	Foreign	Netherlands
Entities under the control of Pendal Group Limited						
Pendal Institutional Limited	Body corporate	Australia	100	100	Australian	N/A
Pendal Fund Services Limited	Body corporate	Australia	100	100	Australian	N/A
JOHCM (Singapore) PTE. Limited	Body corporate	Singapore	100	100	Foreign	Singapore
JOHCM Funds (UK) Limited[9]	Body corporate	UK	100	100	Foreign	UK
JOHCM Funds (UK) Limited – Prague Branch	Body corporate	Czech Republic	100	100	Foreign	UK
JOHCM Funds (UK) Limited – Swiss Branch	Body corporate	Switzerland	100	100	Foreign	UK
JOHCM Funds (UK) Limited – Amsterdam Branch	Body corporate	Netherlands	100	100	Foreign	UK
J O Hambro Capital Management Limited	Body corporate	UK	100	100	Foreign	UK
Perpetual Investment Services Europe Limited[9]	Body corporate	Ireland	100	100	Foreign	Ireland
Perpetual Investment Services Europe Limited – Paris Branch	Body corporate	France	100	100	Foreign	Ireland
Perpetual Investment Services Europe Limited – Munich Branch	Body corporate	Germany	100	100	Foreign	Ireland
Pendal USA Inc.	Body corporate	USA	100	100	Foreign	USA
Entities under the control of Pendal USA Inc.						
JOHCM (USA) Inc.	Body corporate	USA	100	100	Foreign	USA
Thompson, Siegel & Walmsley LLC	Body corporate	USA	100	100	Foreign	USA
Entities under the control of Thompson, Siegel & Walmsley LLC						
WPS Capital Management, LLC	Body corporate	USA	50	50	Foreign	USA
Entities under the control of The Trust Company Limited						
Perpetual (Asia Holdings) Pte. Ltd.	Body corporate	Singapore	100	100	Foreign	Singapore
The Trust Company (Australia) Limited	Body corporate	Australia	100	100	Australian	N/A
The Trust Company (UTCCL) Limited	Body corporate	Australia	100	100	Australian	N/A
Entities under the control of The Trust Company (Australia) Limited						
The Trust Company (Nominees) Limited	Body corporate	Australia	100	100	Australian	N/A
The Trust Company (PTAL) Limited	Body corporate	Australia	100	100	Australian	N/A
The Trust Company (RE Services) Limited	Body corporate	Australia	100	100	Australian	N/A

Consolidated Entity Disclosure Statement continued

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS	% OF SHARE CAPITAL HELD DIRECTLY OR INDIRECTLY BY THE COMPANY IN THE BODY CORPORATE 2024 %	2023 %	AUSTRALIAN OR FOREIGN TAX RESIDENT	TAX JURISDICTION FOR FOREIGN RESIDENT
Entities under the control of The Trust Company (RE Services) Limited						
The Trust Company (Sydney Airport) Limited[7]	Body corporate	Australia	–	100	Australian	N/A
Entities under the control of Perpetual (Asia Holdings) Pte. Ltd.						
Perpetual (Asia) Limited	Body corporate	Singapore	100	100	Foreign	Singapore
Perpetual Wealth Management PTE. Limited	Body corporate	Singapore	100	100	Foreign	Singapore
Entities under the control of Perpetual US Holding Company, Inc						
Trillium Asset Management Group, LLC	Body corporate	USA	100	100	Foreign	USA
Perpetual US Services, LLC	Body corporate	USA	100	100	Foreign	USA
Perpetual US TDC, LLC	Body corporate	USA	100	100	Foreign	USA
Barrow Hanley Mewhinney & Strauss, LLC	Body corporate	USA	77	77	Foreign	USA
BHMS Investment GP, LLC	Body corporate	USA	100	100	Foreign	USA
Entities under the control of Trillium Asset Management Group, LLC						
Trillium Asset Management, LLC	Body corporate	USA	100	100	Foreign	USA
Trillium Impact GP, LLC	Body corporate	USA	100	100	Foreign	USA
Entities under the control of Perpetual US TDC, LLC						
Barrow Hanley Emerging Markets Value Fund	Trust	USA	64	71	Foreign	USA
Entities under the control of Barrow Hanley Mewhinney & Strauss, LLC						
BH Credit Holdings GP, LLC	Body corporate	USA	100	100	Foreign	USA
BH Credit Management, LLC	Body corporate	USA	100	100	Foreign	USA
Barrow Hanley Holding GP, LLC	Body corporate	USA	100	100	Foreign	USA

1. Entities in bold are directly owned by Perpetual Limited.
2. A small proprietary company as defined by the *Corporations Act 2001* and is not required to be audited for statutory purposes.
3. Company was deregistered on 24 January 2024.
4. Company is a party to the Deed of Cross Guarantee as noted in section 5.4.
5. Indirectly owned through PLS Charitable Trust Fund.
6. Ceased being a controlled entity in FY24.
7. The Trust Company (Sydney Airport) Limited was divested on 31 October 2023.
8. Company was incoporated on 25 June 2024.
9. JOCHM Funds (UK) Limited and Perpetual Investment Services Europe Limited also lodged as branches in 5 jurisdictions – France, Germany, Czech Republic, Netherlands and Switzerland.

Key assumptions and judgements

Determination of tax residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997.* The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

– Australian tax residency – the consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.
– Foreign tax residency – the consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Branches (permanent establishments)

Foreign branches of Australian subsidiaries are not separate level entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations.

Additional disclosures on the tax status of Australian subsidiaries having a foreign branch with a taxable presence in that jurisdiction have been provided where relevant.

Directors' declaration

1. In the opinion of the Directors of Perpetual Limited (the 'Company'):

   (a) the consolidated financial statements and notes set out on pages 104 to 164, and the Remuneration Report in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

   (b) the consolidated entity disclosure statement as at 30 June 2024 set out on pages 165 to 169 is true and correct; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the certain wholly owned subsidiaries identified in section 5.3 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and these entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Managing Director and the Chief Financial Officer for the financial year ended 30 June 2024.

4. The Directors draw attention to section 6.2(i) to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Dated at Sydney this 29th day of August 2024.

Tony D'Aloisio
Chairman

Rob Adams
Chief Executive Officer & Managing Director

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Independent Auditor's Report

To the shareholders of Perpetual Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Perpetual Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Consolidated Entity***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of Financial Position as at 30 June 2024;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended;
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Consolidated Entity*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Consolidated Entity in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of goodwill;
- Revenue; and
- Employee remuneration.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill ($973.7m)

Refer to Section 2-4 'Intangibles' of the Financial Report

The key audit matter	How the matter was addressed in our audit
The Consolidated Entity's annual testing of goodwill for impairment is a key audit matter given the: • the Consolidated Entity recorded an impairment charge of $547.4 million against goodwill during the year; • size of the balance (being 28.6% of total assets); • net outflow of FUM experienced by certain Cash Generating Units (CGUs) of the Consolidated Entity in the current year. This increases the possibility of goodwill being impaired; • judgement applied by us when evaluating the evidence available for forward-looking assumptions applied by the Consolidated Entity in its value-in-use models, including: – forecast operating cash flows, growth rates and terminal growth rates which are influenced by subjective drivers such as forecast FUM. These are difficult to predict as they rely on the Consolidated Entity's expectation of future customer activity and market performance, which can be impacted by economic uncertainties arising from the ongoing geopolitical events, increasing the risk of future fluctuations and inaccurate forecasting where there is a wider range of possible outcomes; – the Consolidated Entity operating across different geographies with varying pressures on market	Working with our valuation specialists, our procedures included: • Evaluating the Consolidated Entity's determination of their CGUs based on our understanding of the operations of the Consolidated Entity's business, and how independent cash inflows are generated, against the requirements of the accounting standards; • Assessing the appropriateness of the value in use and fair value less costs of disposal methods applied by the Consolidated Entity to perform the annual test of goodwill for impairment against the requirements of the accounting standards; • Assessing the integrity of the value-in-use models used, including the determination of carrying values and the accuracy of the underlying calculation formulas; • Assessing the accuracy of previous Consolidated Entity forecasts to inform our evaluation of forecasts incorporated in the models; • Comparing the forecast cash flows contained in the value-in-use models to Board approved forecasts and our inquiries with management of the Consolidated Entity for consistency; • Challenging the Consolidated Entity's forecast operating cash flows, growth assumptions and forecast profits in light of the Consolidated Entity's net FUM flows and the ongoing economic uncertainty arising from the geopolitical events in the current year. We compared forecast growth rates and terminal

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performance and capital flows, which increases the risk of an inaccurate forecast or a wider range of possible outcomes; and – discount rates, including CGU specific risk premiums, which are complicated in nature and vary according to the conditions and environment the specific CGU is subject to from time to time. • judgement applied by us when evaluating the evidence available for forward-looking assumptions applied by the Consolidated Entity in its fair value less costs of disposal models, including: – forecast profits which are influenced by subjective drivers such as forecast FUM. These are difficult to predict as they rely on the Consolidated Entity's expectation of future customer activity and market performance, which can be impacted by economic uncertainties arising from the ongoing geopolitical events, increasing the risk of future fluctuations and inaccurate forecasting where there is a wider range of possible outcomes; – price to earnings multiples of comparable companies, including weighting applied across geographical regions, and estimated costs of disposal which are subjective in nature and tend to be prone to greater risk for potential bias, error and inconsistent application. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	growth rates to published studies of industry trends and expectations. In doing so, we also considered the differences between industry trends and the Consolidated Entity's operations and used our knowledge of the Consolidated Entity, its past performance, business activities, customer base, committed future strategic plans, and our industry experience; • Independently developing a range of discount rates considered comparable with the Consolidated Entity, using publicly available market data for comparable entities, adjusted by CGU specific risk factors; • Performing sensitivity analysis by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range to identify CGUs at higher risk of impairment, assumptions at higher risk of bias and determining where to focus our further procedures; • Assessing the integrity of the fair value less costs of disposal models used, including the accuracy of the underlying calculation formulas; • Independently developing a range of price to earnings multiples considered comparable with the CGUs, using publicly available market data for comparable entities and compared them with implied multiple from the Consolidated Entity's fair value less costs of disposal model; • Comparing the implied costs of disposal from comparable market transactions to the estimated costs of disposal used in the Consolidated Entity's fair value less costs of disposal model; • Recalculating the impairment charge against the recorded amount disclosed; and • Assessing the disclosures in the financial report using our understanding of the issues obtained from our testing, and against the requirements of the accounting standards.

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Revenue ($1,357.5m)	
Refer to Section 1-2 'Revenue' of the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Revenue is a key audit matter due to: • its significance to the financial performance of the Consolidated Entity; • the significant audit effort required as a result of: – the various streams of revenue generated from a diverse range of products and services and across geographies, each with varying fee rates and contractual terms; – high volume of transactions across key revenue streams; and – key inputs used in the calculation of revenue being sourced from several of the Consolidated Entity's third party service organisations which provide custody, investment administration and unit registry services, as well as custodian banks. This required us to understand the key processes and assess the key controls of these service organisations relevant to the Consolidated Entity's revenue recognition. • judgements applied in the Consolidation Entity's revenue recognition policy for performance fees, particularly where the point of revenue recognition is dependent on varying contractual terms. We involved senior team members in assessing this key audit matter. Significant revenue streams include fees from: • the provision of investment management services to institutional mandate clients, investment funds and superannuation funds; • trustee and document custodian services; • management and administrative services for securitisation trusts; and • the provision of financial advice and accounting services.	Our procedures included: • Inquiring of management and inspecting underlying documentation to understand processes for key revenue streams, and testing key controls at the Consolidated Entity related to these revenue streams; • Assessing the Consolidated Entity's revenue recognition policies, including how contractual terms impact performance fees, against the requirements of the accounting standards; • Testing statistical samples of revenue across each key revenue stream. We performed the following: – Inspected contracts and assessed the revenue recognised against the revenue recognition criteria, considering the satisfaction of performance obligations; – Recalculated the investment management and financial advice services revenue recognised based on the various fee rates in the underlying contracts, and the underlying funds under management (FUM) or funds under advice (FUA) sourced from third party service organisation reports or statements from custodial banks; – Tested trustee services, securitisation services and document custodian services revenue by checking to invoices and subsequent cash receipts; and – Tested financial advice and accounting services revenue by checking to invoices, engagement letters and subsequent cash receipts. • Analysing data within the investment management revenue stream to identify trends and outliers to further inform our work. Examples of outliers included contracts where fees exhibit an inverse movement to FUM flows or client fees falling considerably outside of statistical trends. For outliers identified, we recalculated the revenue recognised based on the underlying contracts and the FUM; • Obtaining and reading the Consolidated Entity's

	third party service organisations' GS007 (Guidance Statement 007 *Audit Implications of the Use of Service Organisations for Investment Management Services)*, ISAE 3402 (International Standard on Assurance Engagements 3402 *Assurance Reports on Controls at a Service Organisation*) and SOC 1 (System and Organisation Controls) assurance reports (together "controls assurance reports") to understand the service organisations' processes and assess controls related to investment administration and custody; • We obtained and read the Consolidated Entity's bridging letters over the period not covered by the relevant controls assurance reports. We compared the information presented in the bridging letter for consistency with those in the controls assurance reports; • Assessing the reputation, professional competence and independence of the auditors of the GS007 and SOC 1 assurance reports; • Recalculating a sample of performance fee revenue based on the underlying contractual terms and product performance relative to the benchmark, such as the Reserve Bank of Australia Cash Rate, and checking the inputs to source. We compared to amounts recorded in the Consolidated Entity's bank statements; and • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Employee remuneration (included within staff related and equity remuneration expenses of $807m)	
Refer to Section 1-3 'Expenses', Section 2-6 'Employee benefits', Section 2-7 'Accrued Incentive Compensation' and Section 5-6 'Share-based payments' to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Employee remuneration is a key audit matter due to: • the size of the balance relative to the Consolidated Entity's results (67% of expenses); • complexities associated with various share incentive programs and other employee benefits plans across the Consolidated Entity which impact employee remuneration. This	Our procedures included: • Enquiring of the Consolidated Entity and inspecting a sample of share incentive programs and other employee benefit plans to understand the remuneration process, structure and various share incentive programs and other employee benefit plan offerings; • Working with our technical accounting specialists, assessing the Consolidated Entity's

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increases the risk of interpretational differences against the principles-based criteria contained in the accounting standards; • judgements made by the Consolidated Entity, with assistance from their external valuation experts, in the determination of the fair value of share-based payments granted during the year, of which the grant date share price on valuation date and vesting periods are key inputs for us to assess; • the significant judgement required by us when evaluating the evidence available for forward-looking assumptions applied by the Consolidated Entity in valuing its long-term employee benefit plans, including forecast business growth assumptions and the achievement of performance hurdles. These are influenced by subjective drivers such as FUM flows across different geographies, and are difficult to predict as they rely on the Consolidated Entity's expectation of future customer activity and market performance. This increases the risk of inaccurate forecasts by the Consolidated Entity or wider range of possible outcomes for us to consider; and • the calculation of equity remuneration expenses is performed manually which increases the risk of error. This required significant audit effort. We involved our technical accounting specialists to supplement our senior audit team members in assessing this key audit matter	accounting treatment of share incentive program arrangements and employee benefit plans against the principles- based criteria in the accounting standards; • Evaluating the Consolidated Entity's external valuation expert's scope of work, competence and objectivity with respect to their valuation of share- based payments granted during the year; • Assessing the external valuation expert's methodology against industry practice and the requirements of the accounting standards; • Checking the grant date share price and vesting period used in the external expert's valuation against the Consolidated Entity's share price on valuation date and vesting period based on a sample of share-based payment agreements and underlying offer letters; • For a sample of new grants made during the year, we checked the inputs contained in the Consolidated Entity's manual calculation to underlying offer letters, share incentive program agreements and the grant date fair value calculated by the Consolidated Entity's external expert; • For a sample of awards vested and forfeited, we checked that these were correctly applied in the Consolidated Entity's manual calculation to evidence of vesting conditions being satisfied or a list of leavers; • We recalculated the equity remuneration expense and compared this to the expense recognised by the Consolidated Entity; • Challenging the Consolidated Entity's forecast business growth assumptions and judgement related to the achievement of performance hurdles in the measurement of complex employee benefit plans across different geographies. We did this by comparing forecast FUM growth rates to industry trends and expectations. In doing so, we also considered the differences between industry trends and the Consolidated Entity's operations using our industry experience and our knowledge of the Consolidated Entity, its past performance, business activities, customer base and committed future strategic plans; and • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in Perpetual Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Corporate Governance Statement, Remuneration Report, Operating and Financial Review and Securities Exchange and Investor Information. The Chairman's report, 2024 Highlights, CEO's Report, 2024 Group Results and Business Unit Overview and 2024 Sustainability Report are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Consolidated Entity, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Consolidated Entity, and that is free from material misstatement, whether due to fraud or error
- assessing the Consolidated Entity's and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Consolidated Entity and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

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A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Perpetual Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 29 to 71 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Brendan Twining

Partner

Sydney

29 August 2024

2024 Annual General Meeting

The 2024 Annual General Meeting of the Company will be held at Perpetual's offices, Level 18, 123 Pitt Street, Sydney on Thursday 17 October 2024 commencing at 10:00 am. Shareholders can also participate online.

Securities exchange listing

The ordinary shares of Perpetual Limited are listed on the Australian Securities Exchange (ASX) under the ASX code PPT, with Sydney being the home exchange.

Substantial shareholders

NAME	NUMBER OF SHARES	% OF INTEREST	DATE OF LAST SUBSTANTIAL SHAREHOLDER NOTIFICATION
Washington H. Soul Pattinson and Company Limited	13,214,115	11.66	12 December 2023
State Street Corporation and subsidiaries	8,086,323	7.13	20 March 2024
Blackrock Group	5,682,201	5.00	21 June 2024

Unmarketable parcels of shares

The number of security investors holding less than a marketable parcel of 24 securities ($21.510 on 2 August 2024) is 960 and they hold 11,492 securities.

DISTRIBUTION SCHEDULE OF HOLDINGS AS AT 2 AUGUST 2024	NUMBER OF HOLDERS	NUMBER OF SHARES
1 – 1,000 shares	31,691	11,362,997
1,001 – 5,000 shares	10,077	21,341,188
5,001 – 10,000 shares	1,023	7,297,612
10,001 – 100,000 shares	504	10,074,424
100,001 and over shares	42	64,050,900
Total	**43,337**	**114,127,121**

Twenty largest shareholders as at 2 August 2024

NAME	NUMBER OF ORDINARY SHARES	PERCENTAGE OF ISSUED CAPITAL
HSBC Custody Nominees[1]	16,326,471	14.31%
JP Morgan Nominees Australia[1]	11,116,321	9.74%
Citicorp Nominees Pty Limited[1]	10,583,369	9.27%
Washington H Soul Pattinson and Company Limited	5,651,727	4.95%
Washington H Soul Pattinson & Co Ltd	5,562,388	4.87%
Pacific Custodians Pty Limited (PPT Plans Ctrl A/C)[1]	3,197,673	2.80%
National Nominees Limited[1]	2,080,219	1.82%
Mutual Trust Pty Ltd	1,203,650	1.05%
BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd)[1]	918,523	0.80%
Queensland Trustees Pty Ltd (LTI Plan #Account 2 A/C)[2]	901,699	0.79%
BNP Paribas Noms Pty Ltd[1]	762,682	0.67%
Netwealth Investments Limited	563,432	0.49%
Equiniti TST (Jersey) Ltd (PDL Emp Benefit TST)[3]	534,056	0.47%
BNP Paribas Noms Pty Ltd[1]	481,731	0.42%
Carlton Hotel Ltd	424,964	0.37%
Enbeear Pty Ltd	369,832	0.32%
Citicorp Nominees Pty Limited (Colonial First State Inv A/C)[1]	319,326	0.28%
Queensland Trustees Pty Ltd[2]	271,634	0.24%
First Samuel Ltd ACN 086243567 (ANF ITS MDA Clients A/C)[1]	243,844	0.21%
HSBC Custody Nominees (Australia) Limited (NT-COMNWLTH Super Corp A/C)[1]	226,959	0.20%
Total	**61,740,500**	**54.07%**

1. Held in capacity as executor, trustee or agent.
2. The total number of shares held by Queensland Trustees Pty Ltd as trustee of the various Perpetual Employee Share Plans is 1,117,333 shares.
3. The total number of shares held by Equiniti TST (Jersey) Ltd as trustee for the various Pendal Employee Share Plans is 539,765 shares.

Restricted securities

There are no securities subject to voluntary escrow.

Unquoted securities

The Company has the following unquoted rights on issue under its Employee Share Plans:

– 2,883,827 performance rights

For further information, please refer to Section 5.6 in the Financial Report.

Other information

Perpetual Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Voting rights

Under the Company's Constitution, each member present at a general meeting (whether in person, by proxy, attorney or corporate representative) is entitled:

1. on a show of hands to one vote, and
2. on a poll to one vote for each share held.

If a member is present in person, any proxy of that member is not entitled to vote.

Voting by proxy

Voting by proxy allows shareholders to express their views on the direction and management of the economic entity without attending a meeting in person.

Shareholders who are unable to attend the 2024 Annual General Meeting are encouraged to complete and return the proxy form that accompanies the notice of meeting enclosed with this report.

On-market buyback

There is no current on-market buyback.

Final dividend

The final dividend of 53 cents per share will be paid on 4 October 2024 to shareholders entitled to receive dividends and registered on 13 September 2024, being the record date.

Enquiries

If you have any questions about your shareholding or matters such as dividend payments, tax file numbers or change of address, you are invited to contact the Company's share registry office below, or visit its website at www.linkmarketservices.com.au or email PPT@linkmarketservices.com.au.

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Perpetual Shareholder Information Line:
1300 732 806
Fax: (02) 9287 0303

and

Parramatta Square
Level 22, Tower 6
Parramatta NSW 2150

Locked Bag A14
Sydney South NSW 1235

Any other enquiries which you may have about the Company can be directed to the Company's registered office, or visit the Company's website at www.perpetual.com.au.

Principal registered office

Level 18
123 Pitt Street
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