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## Pepper Group third quarter AUM update

Pepper Group Limited (ASX:PEP) advises that its' Assets Under Management (AUM) as at 30 September 2016 were \$52.2 billion. This represents a 1.5% decrease on Pepper's 30 June 2016 disclosure.

Total AUM comprised \$6.9 billion in lending assets and a servicing portfolio of \$45.3 billion.

Favourable originations growth in all of Pepper's lending jurisdictions was masked by foreign exchange rates during the period.

In the absence of foreign exchange movements, Pepper's AUM would have increased to \$53.4 billion.

The strong performance in lending was again driven primarily by the Australian mortgage lending business, solid originations in South Korea and continuing record monthly originations in the Australian Asset Finance business. Total loan originations for the quarter were \$1,253.8 million.

Pepper's Australian 90 day mortgage arrears performance for the quarter remained strong at 1.08%. This performance is based on the portfolio of Australian Pepper originated prime and non-conforming mortgages.

### AUM Analysis

\$ millions	As at 30 June 2016*	As at 30 Sept 2016^	% change
AUM	\$53,006.4	\$52,236.2	-1.45%
Servicing AUM	\$46,564.6	\$45,338.8	-2.63%
Lending AUM	\$6,443.7	\$6,897.4	+7.04%
Loan Originations	\$2,210.5 (6 months)	\$1,253.8 (3 months to 30 Sept)	n/a
90+ days mortgage arrears	1.36%	1.08%	-0.21%

For more information, please contact:

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Exchange rates used to calculate Group AUM

\* 30 June 2016 exchange rates: €0.6721 £0.5617 ~~¥859~~

^30 Sept 2016 exchange rates: €0.6821 £0.5891 ~~¥843~~