

25 February 2016

PERPETUAL LIMITED

1H16 RESULTS SIX MONTHS TO 31 DECEMBER 2015

Geoff Lloyd
Chief Executive Officer & Managing Director

Gillian Larkins
Chief Financial Officer

ABN 86 000 431 827

Perpetual 

1H16 OVERVIEW

SOLID RESULTS DESPITE VOLATILE EQUITY MARKETS

SOLID RESULTS

NPAT up
10%
on 1H15

DPS up
9%
on 1H15

**LEAD &
GROW**

Initiatives
showing
momentum

Perpetual Investments

continues to **deliver strong investment outperformance**

Perpetual Private

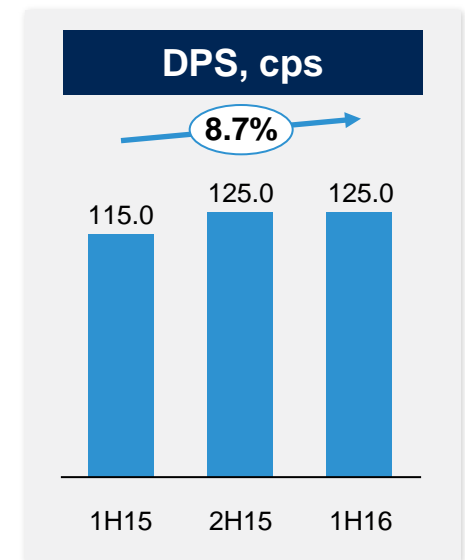
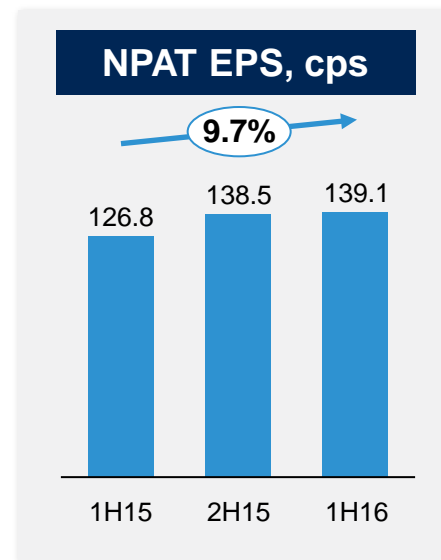
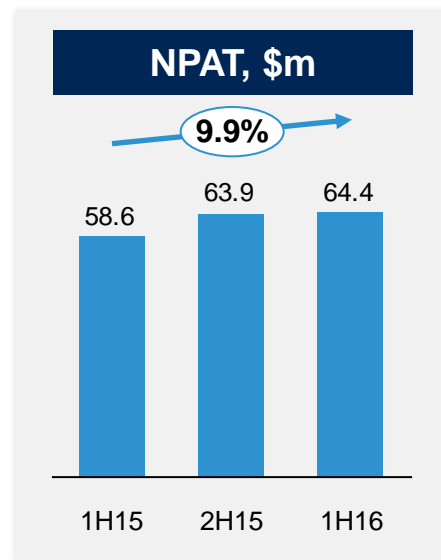
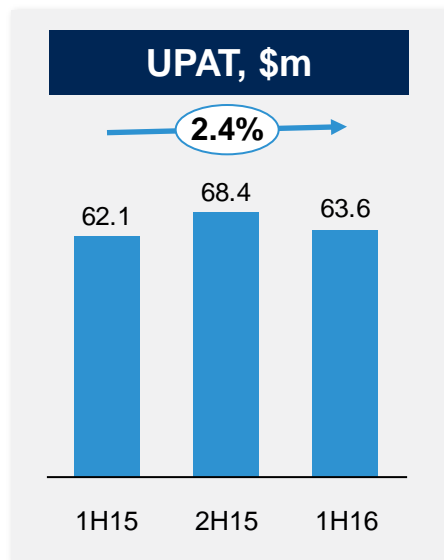
strategy on track with **five consecutive halves of positive net flows and net client growth**

Perpetual Corporate Trust

benefitting from **growth in securitised assets and inbound capital flows into real assets**

1H16

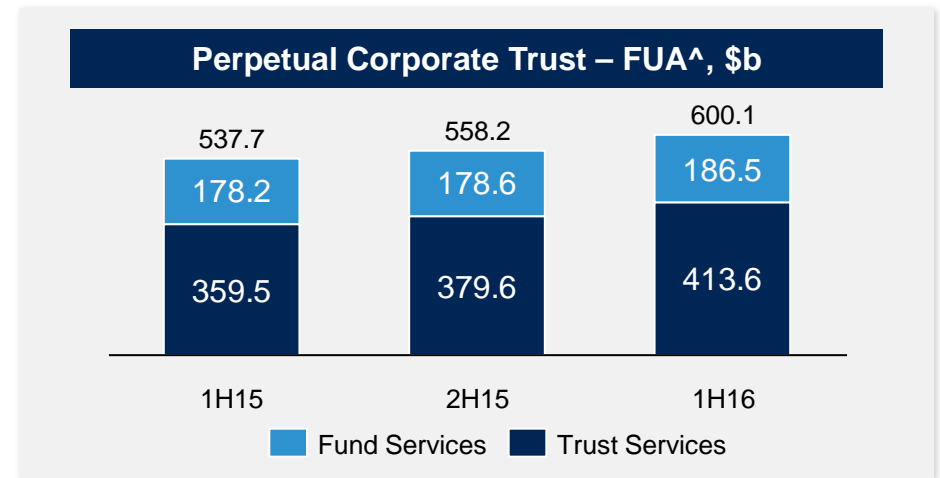
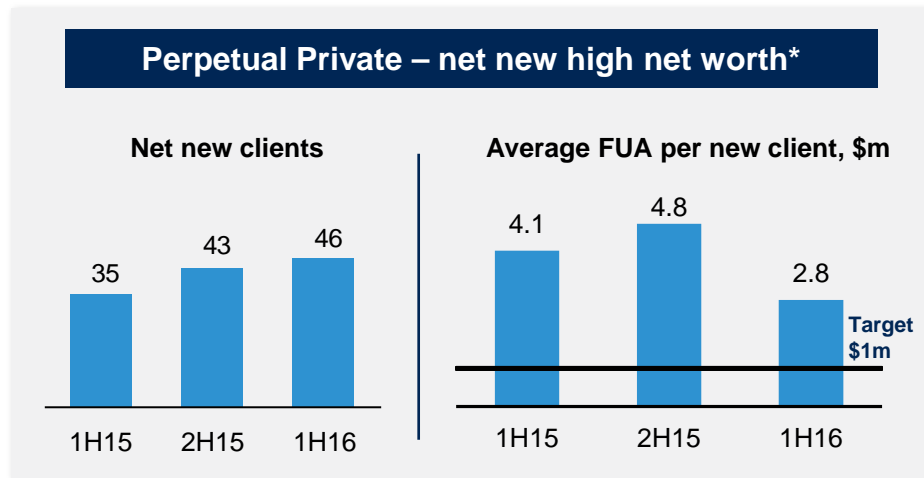
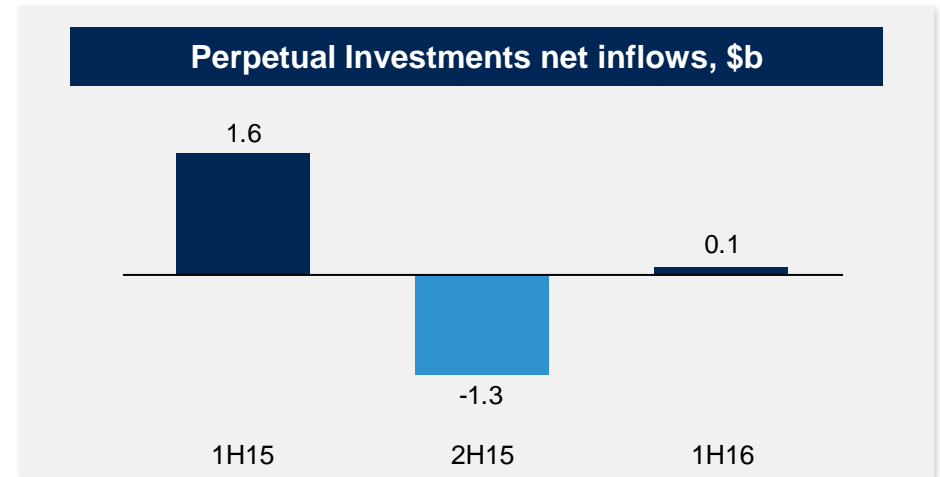
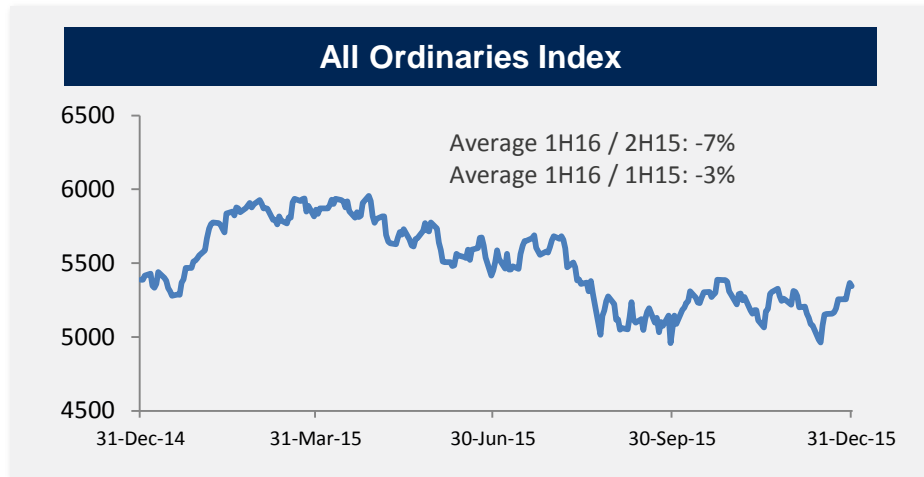
SOLID FINANCIAL RESULTS



Note: Percentage increases represented are CAGR.

1H16 RESULTS – GROWTH HIGHLIGHTS

DIVERSIFIED BUSINESS WITH ALL UNITS CONTRIBUTING TO GROWTH



* High net worth clients must have a portfolio balance with Perpetual Private of at least \$1m.
^ FUA is funds under administration.

STRATEGY



LEAD in core businesses



EXTEND into adjacent markets



EXPLORE new opportunities

GOALS

PEOPLE

Employee Engagement

CLIENTS

Client Advocacy

SHAREHOLDERS

NPAT growth

Vision

Australia's largest and **most trusted** independent wealth manager

Values



Excellence

Delivering exceptional outcomes



Integrity

Doing what's right



Partnership

Succeeding together

PERPETUAL INVESTMENTS

STRONG INVESTMENT PERFORMANCE

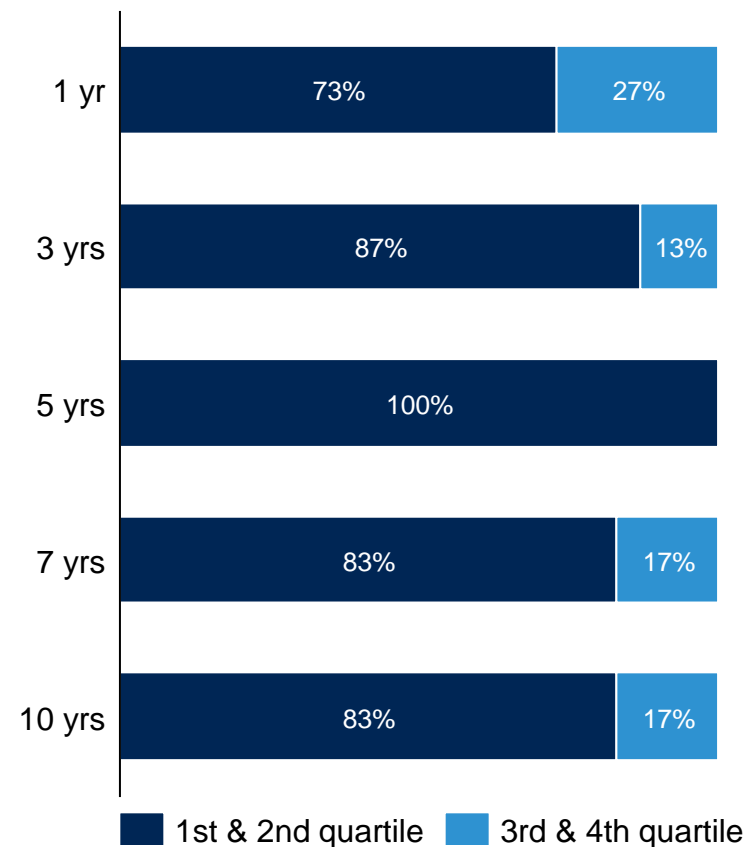
QUARTILE RANKINGS[^] periods ending December 2015

	1Yr	3Yrs	5Yrs	7Yrs	10Yrs		
Equities	Perpetual W Australian	2	3	1	1	1	Open
	Perpetual W Concentrated Equity	2	2	1	1	1	Open
	Perpetual W Ethical SRI	1	1	1	1	1	Open
	Perpetual W Geared Australian	4	1	1	1	3	Open
	Perpetual W Industrial	2	1	1	1	1	Open
	Perpetual W SHARE-PLUS Long-Short	1	1	1	1	1	Open
	Perpetual W Smaller Companies	3	2	2	1	1	Open
	Perpetual Global Share Fund	2	1	-	-	-	Open
	Perpetual Pure Equity Alpha	2	3	-	-	-	Closed*
Global	Perpetual Global Share Fund	2	1	-	-	-	Open
	Perpetual Global Share Fund (hedged)	-	-	-	-	-	Launched
Multi Asset	Perpetual W Balanced Growth	2	2	1	2	2	Open
	Perpetual W Conservative Growth	2	2	1	2	1	Open
	Perpetual W Diversified Growth	3	2	1	3	1	Open
	Perpetual Diversified Real Return	3	2	2	-	-	Open
Credit	Perpetual W Diversified Income	2	2	2	3	3	Open
	Perpetual Active Fixed Interest	2	1	1	1	1	Open

[^] Perpetual flagship funds included in the Mercer wholesale surveys – quartile rankings.

* Closed to new investors only, existing investors can add to their investments.

FUND WEIGHTED % OF FUNDS OVER 1 – 10 YEAR



PERPETUAL INVESTMENTS

HIGHLIGHTS

Australian Equities

Superior outperformance relative to value managers

Share-Plus exceeded \$1 billion in FUM as at 31 December 2015

Global Equities

Global Share Fund delivering strong performance

Global Share Fund rollout on track – national roadshow ongoing and on target for all major retail platforms

Launched Wholesale Global Share Fund (Hedged)

Multi Asset

Established investment team and capability

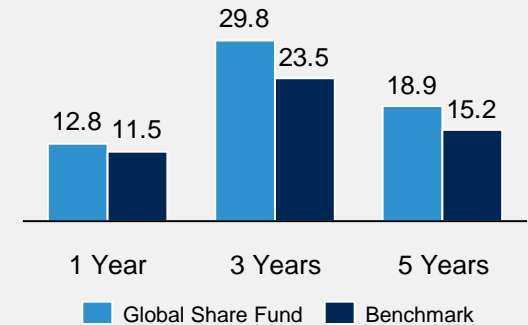
Net flows in Diversified Real Return Fund

Diversified Real Return Fund exceeded CPI +5% investment objective over 5 year period

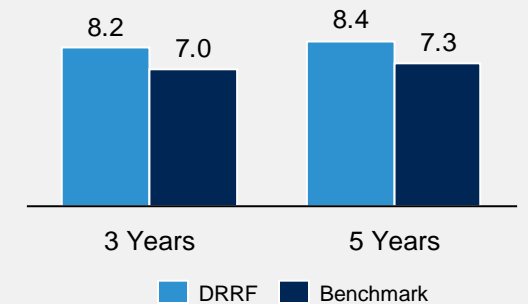
Perpetual Equity Investment Company **delivered strong performance**

New Group Executive **David Kiddie** appointed

Global Share Fund Performance as at 31/12/15, %

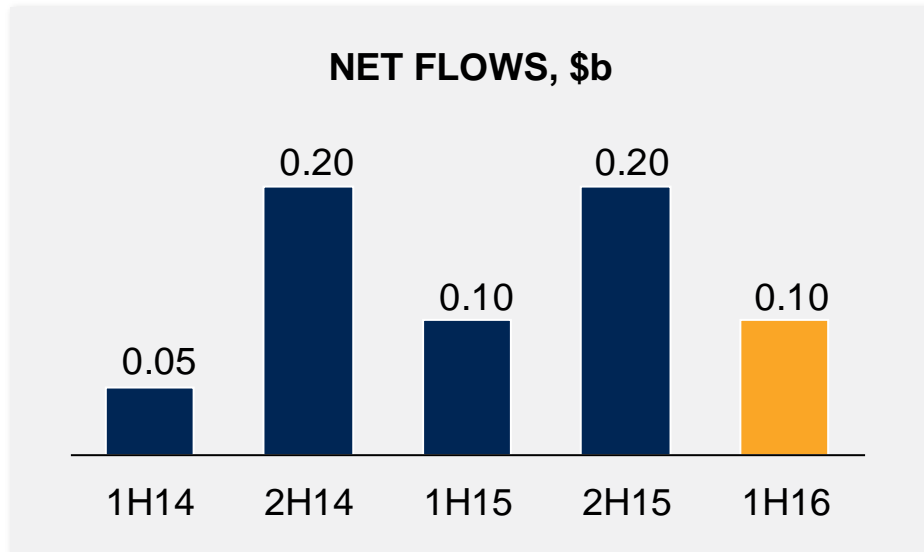


Diversified Real Return Fund Performance as at 31/12/15, %



PERPETUAL PRIVATE

STRATEGY ON TRACK

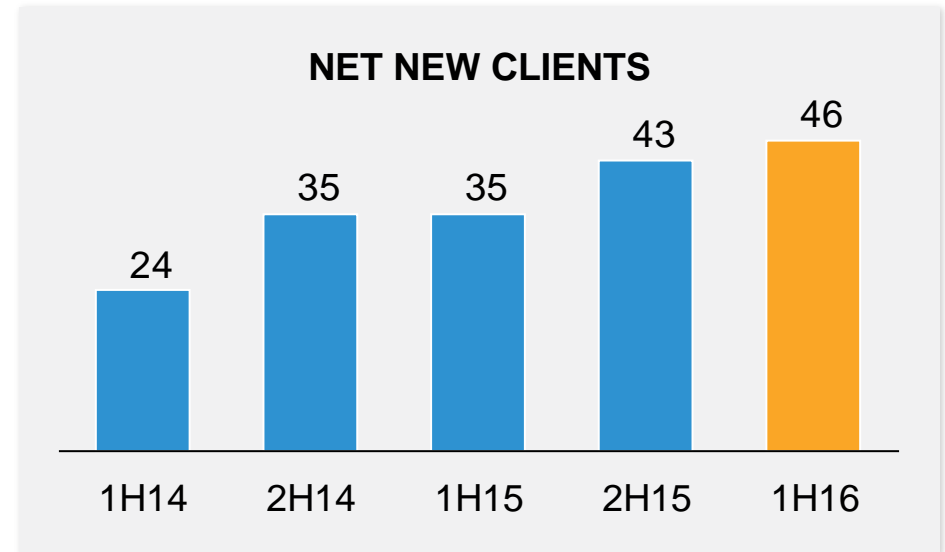


Organic growth continues:

Five consecutive halves of positive flows

Net client growth up

Fordham revenue up strongly in 1H16 versus 1H15



Lead & Grow initiatives now underway:

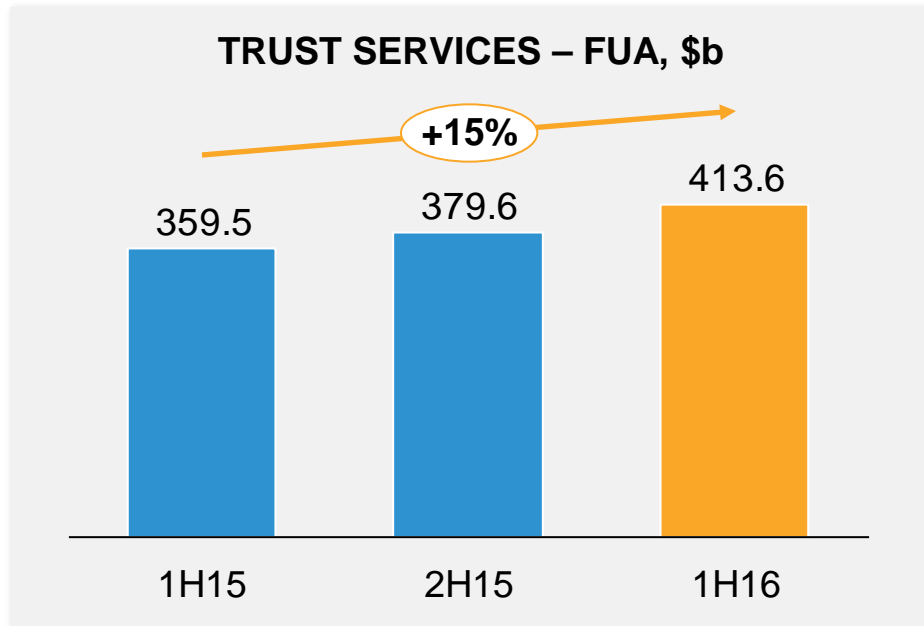
Acquisition of Fintuition deepens distribution presence in the medical segment

Extension of Fordham into the Sydney market with NSW managing partner in place

Investment in modernisation of trustee services commenced

PERPETUAL CORPORATE TRUST

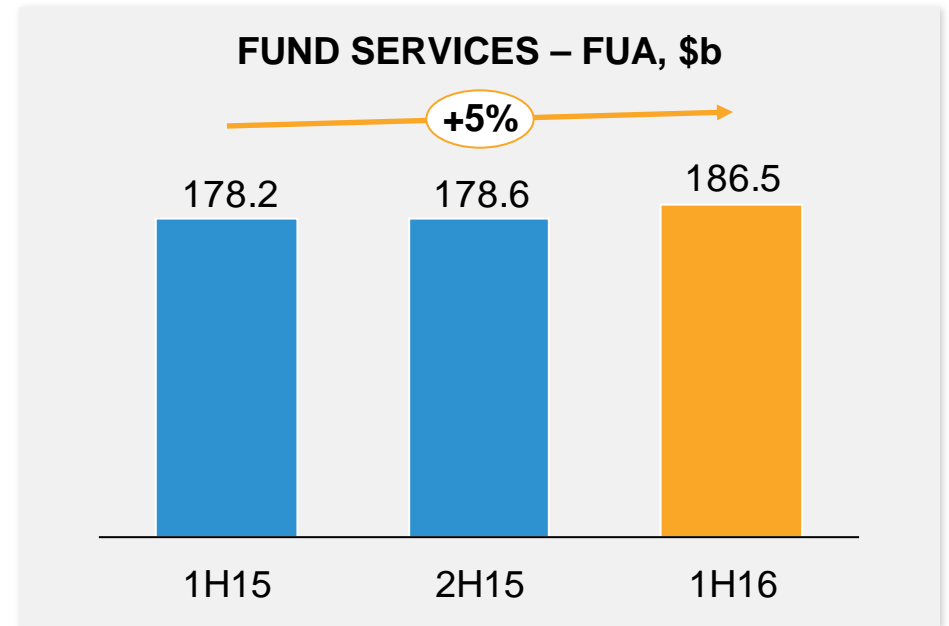
DIVERSIFIED BUSINESS WITH A LEADING MARKET POSITION



New earnings stream from investment in data services

Growth in securitised assets within non-bank RMBS and asset-backed securities

Modest increase in run-off rates from continued de-leveraging of residential borrowers



Continued growth in new business in Fund Services

Fund Services continuing to benefit from inbound capital flows into infrastructure and real assets

FINANCIALS

GILLIAN LARKINS
CHIEF FINANCIAL OFFICER

Perpetual 

FINANCIAL PERFORMANCE – GROUP

INCREASE IN NPAT AND DIVIDENDS

For the period	1H16 \$m	2H15 \$m	1H15 \$m	1H16 v 2H15	1H16 v 1H15
Operating revenue	240.7	252.6	244.5	(5%)	(2%)
Total expenses	(152.7)	(156.2)	(156.6)	2%	2%
Underlying profit after tax (UPAT)	63.6	68.4	62.1	(7%)	2%
Significant items	0.8	(4.5)	(3.5)	118%	123%
Net profit after tax (NPAT) ¹	64.4	63.9	58.6	1%	10%
UPBT Margin on revenue (%)	37	38	36	(1)	1
Diluted EPS on UPAT (cps)	137.4	148.1	134.4	(7%)	2%
Diluted EPS on NPAT (cps)	139.1	138.5	126.8	-	10%
Dividends (cps)	125.0	125.0	115.0	-	9%
Return on Equity on UPAT (%)	22	24	22	(2)	-

KEY THEMES:

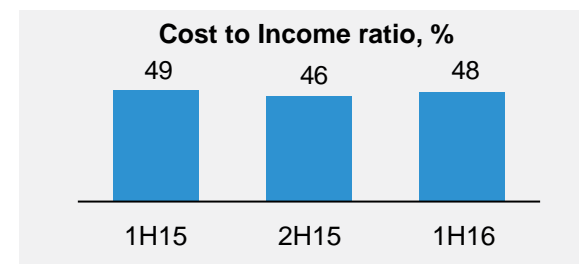
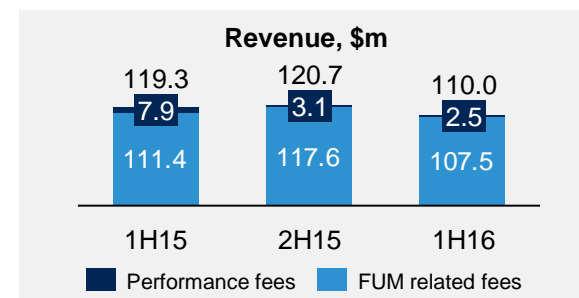
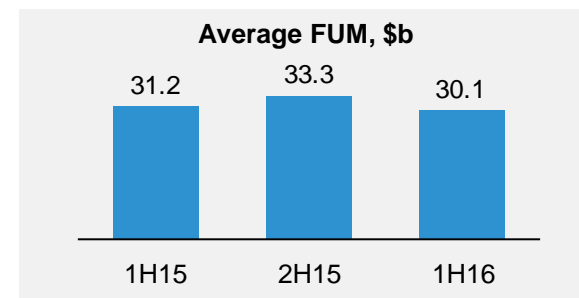
- FUM and FUA impacted by volatile markets
- Strong expense management
- Cost to income ratio of 63% in 1H16 compared to 64% in 1H15
- Fully franked dividend of 125 cps up 9% on 1H15

¹ Attributable to equity holders of Perpetual Limited.

PERPETUAL INVESTMENTS

FOCUSED MARGIN MANAGEMENT IN DIFFICULT EQUITY MARKETS

For the period	1H16 \$m	2H15 \$m	1H15 \$m	1H16 v 2H15	1H16 v 1H15
Revenue	110.0	120.7	119.3	(9%)	(8%)
Operating expenses	(49.0)	(51.7)	(53.2)	5%	8%
EBITDA ¹	61.0	69.0	66.1	(12%)	(8%)
Depreciation & amortisation	(0.9)	(0.9)	(0.6)	-	(50%)
Equity remuneration	(2.9)	(2.8)	(5.2)	(4%)	44%
Profit before tax	57.2	65.3	60.3	(12%)	(5%)
PBT Margin on revenue (%)	52	54	51	(2)	1
Closing FUM (\$b)	30.9	30.2	31.8	2%	(3%)
Average FUM (\$b)	30.1	33.3	31.2	(10%)	(4%)
Net flows (\$b)	0.1	(1.3)	1.6	108%	(94%)
Average FUM revenue margin (bps)	73	72	76	1	(3)

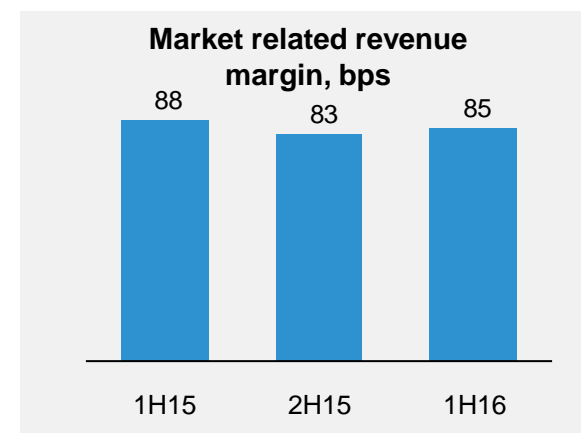
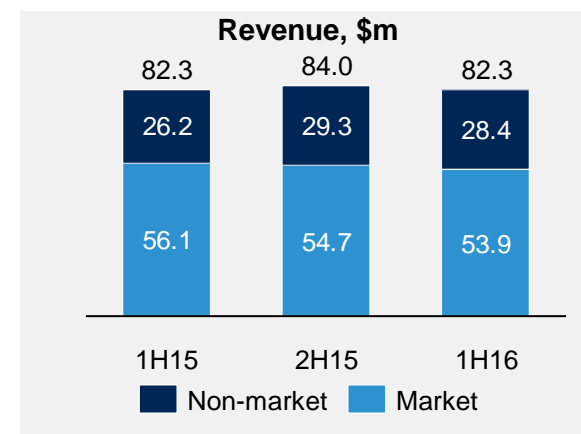


¹ EBITDA represents earnings before interest costs, taxation, depreciation, amortisation of intangible assets, equity remuneration expense, and significant items.

PERPETUAL PRIVATE

CLIENT AND FLOW MOMENTUM OFFSET BY WEAKER MARKETS

For the period	1H16 \$m	2H15 \$m	1H15 \$m	1H16 v 2H15	1H16 v 1H15
Market related revenue	53.9	54.7	56.1	(1%)	(4%)
Non-market related revenue	28.4	29.3	26.2	(3%)	8%
Total revenues	82.3	84.0	82.3	(2%)	-
Operating expenses	(58.5)	(59.2)	(57.5)	1%	(2%)
EBITDA ¹	23.8	24.8	24.8	(4%)	(4%)
Depreciation & amortisation	(4.7)	(4.5)	(4.5)	(4%)	(4%)
Equity remuneration	(1.9)	(1.7)	(1.4)	(12%)	(36%)
Profit before tax	17.2	18.6	18.9	(8%)	(9%)
PBT Margin on revenue (%)	21	22	23	(1)	(2)
Closing FUA (\$b)	12.8	13.1	12.6	(2%)	2%
Average FUA (\$b)	12.8	13.1	12.8	(2%)	-
Net flows (\$b)	0.1	0.2	0.1	(50%)	-
Market related revenue margin (bps)	85	83	88	2	(3)

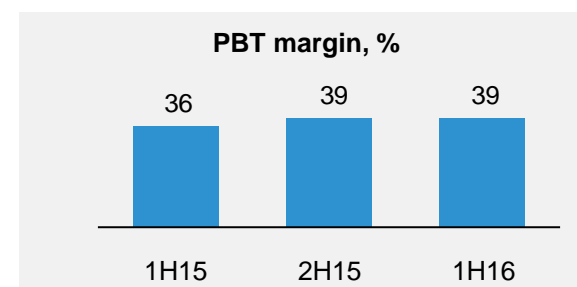
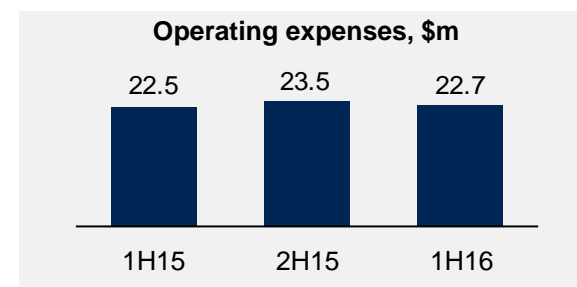
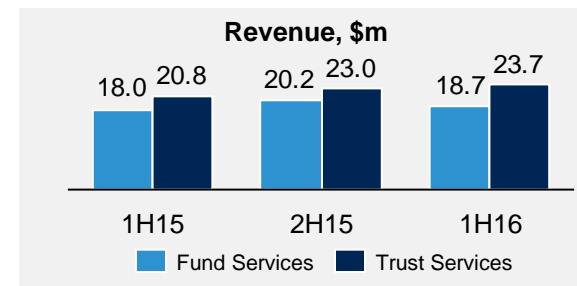


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PERPETUAL CORPORATE TRUST

DIVERSIFIED BUSINESS WITH STRONG GROWTH

For the period	1H16 \$m	2H15 \$m	1H15 \$m	1H16 v 2H15	1H16 v 1H15
Trust services revenue	23.7	23.0	20.8	3%	14%
Fund services revenue	18.7	20.2	18.0	(7%)	4%
Total fiduciary services revenue	42.4	43.2	38.8	(2%)	9%
Sold Business RSE	-	-	0.5	-	(100%)
Total revenues	42.4	43.2	39.3	(2%)	8%
Operating expenses	(22.7)	(23.5)	(22.5)	3%	(1%)
EBITDA ¹	19.7	19.7	16.8	-	17%
Depreciation & amortisation	(2.3)	(2.1)	(2.0)	(10%)	(15%)
Equity remuneration	(0.8)	(0.6)	(0.5)	(33%)	(60%)
Profit before tax	16.6	17.0	14.3	(2%)	16%
PBT Margin on revenue (%)	39	39	36	-	3
Closing FUA (\$b) – Trust Services	413.6	379.6	359.5	9%	15%

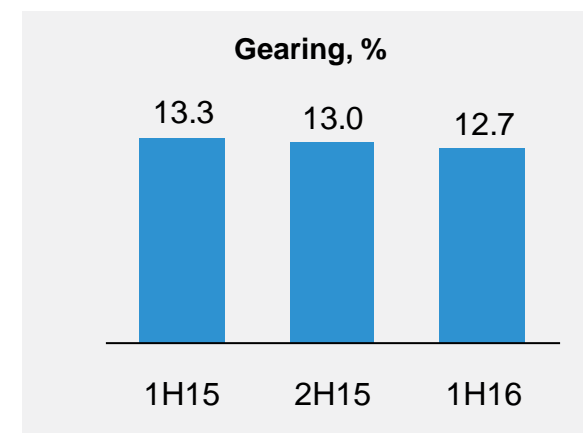
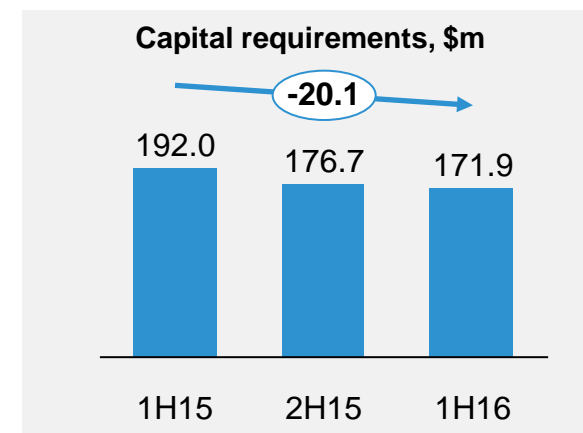


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BALANCE SHEET

STRENGTH PROVIDES OPPORTUNITIES

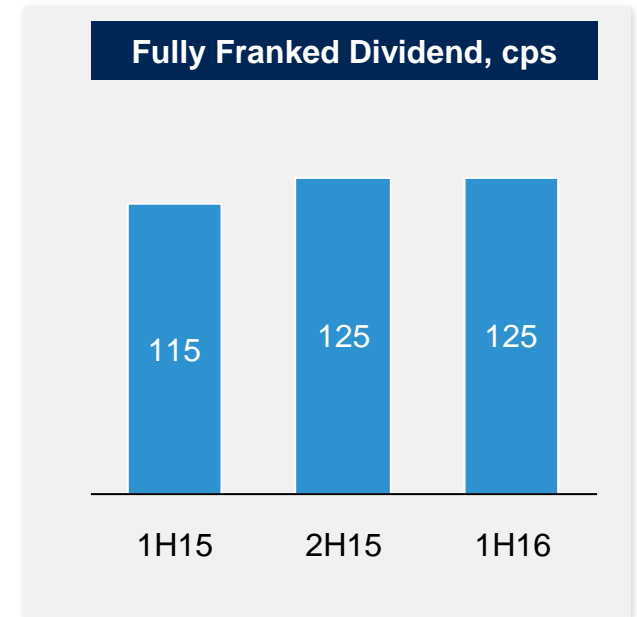
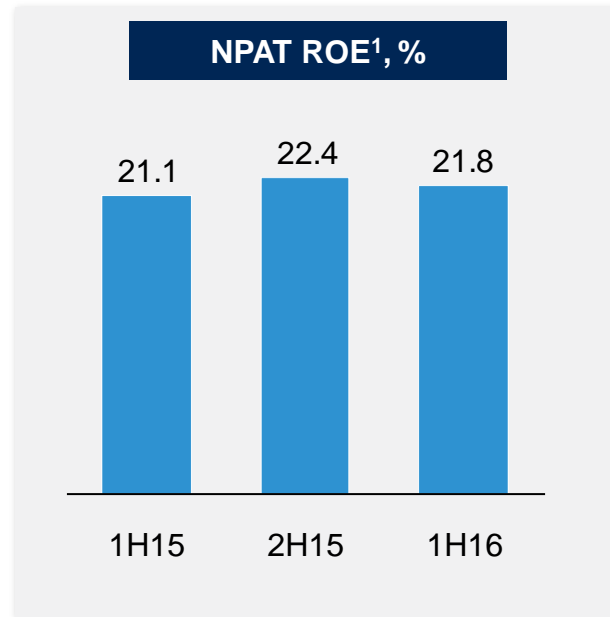
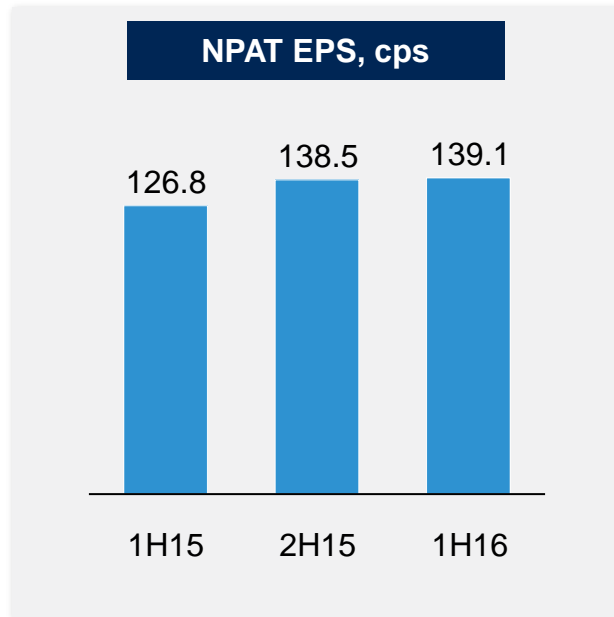
For the period ended	1H16	2H15	1H15
Cash & Liquid investments (\$m)	316.2	341.4	316.0
Corporate debt (\$m)	(87.0)	(87.0)	(87.0)
Net cash (\$m)	229.2	254.4	229.0
Goodwill and other intangibles* (\$m)	344.2	343.4	340.0
Net tangible assets (\$m)	251.2	240.3	227.3
Net tangible assets per share (\$)	5.39	5.16	4.88
Corporate debt to capital ratio (%)	12.7	13.0	13.3
Interest coverage (times)	64	55	48



* Intangibles comprise intangible assets plus deferred tax assets less deferred tax liabilities.

FINANCIAL PERFORMANCE

SUSTAINED DIVIDEND GROWTH OVER THREE YEARS



Fully franked dividend of
125 cps

Payout ratio² of
90.4%

Dividend payable on
24 March

¹ ROE is calculated using NPAT attributable to equity holders of Perpetual Limited for the period divided by average equity attributable to equity holders of Perpetual Limited.

² Dividends paid/payable as a proportion of NPAT. The Dividend Reinvestment Plan will be operational for the interim dividend. No discount will apply.

1H16 OVERVIEW

SOLID RESULTS DESPITE VOLATILE EQUITY MARKETS

SOLID RESULTS

NPAT up
10%
on 1H15

DPS up
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**LEAD &
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Perpetual Private

strategy on track with **five consecutive halves of positive net flows and net client growth**

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APPENDIX



LEAD & GROW

EXTEND – GLOBAL EQUITIES

AUG
2014

GLOBAL SHARE FUND LAUNCH PROGRAM

TARGET
\$1B FUM
BY AUG
2017

People and process	Consultants and researchers	Major platform placements	Dealer Group APLs	Models and multi channels	Retail channel engagement																
		ON TARGET	ON TARGET	ON TARGET	ON TARGET																
<p>Strong team</p> <p>Established team of seven</p> <p>Global equities team operating within equities team of 21</p> <p>Proven investment philosophy and process</p>	<p>Asset consultant engagement</p> <p>JANA, Frontier, Towers Watson, Cambridge, Russell, Mercer and Stamford Associates</p> <p>Retail researcher ratings</p> <p>Zenith Recommended Lonsec Investment Grade Morningstar Neutral</p>	<p>On target for all major retail platforms</p> <p>Currently on:</p> <p>Asgard BT Wrap CFS FirstChoice CFS FirstWrap Netwealth Macquarie Wrap BT Panorama</p>	<p>Six major dealer group Approved Product Lists</p> <p>Representation with the largest wealth management firms</p>	<p>First model portfolio</p> <p>Major dealer group</p>	<p>Major national roadshow underway, 700 advisers</p> <p>Brand and marketing campaign</p>																
				<table border="1"> <thead> <tr> <th>PERFORMANCE As at 31/12/2015, % pa</th> <th>1 Year</th> <th>3 Years</th> <th>5 Years</th> </tr> </thead> <tbody> <tr> <td>Global Share Fund</td> <td>12.8</td> <td>29.8</td> <td>18.9</td> </tr> <tr> <td>Benchmark</td> <td>11.5</td> <td>23.5</td> <td>15.2</td> </tr> <tr> <td>OUTPERFORMANCE</td> <td>1.3</td> <td>6.3</td> <td>3.7</td> </tr> </tbody> </table>		PERFORMANCE As at 31/12/2015, % pa	1 Year	3 Years	5 Years	Global Share Fund	12.8	29.8	18.9	Benchmark	11.5	23.5	15.2	OUTPERFORMANCE	1.3	6.3	3.7
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OUTPERFORMANCE	1.3	6.3	3.7																		

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About Perpetual

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

DISCLAIMER

Important information

The information in this presentation is general background information about the Perpetual Group and its activities current as at 25 February 2016. It is in summary form and is not necessarily complete. It should be read together with the company's unaudited consolidated financial statements lodged with ASX on 25 February 2016. The information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account your financial objectives, situation or needs. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.

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This presentation 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 and 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.

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 the AICD/Finsia principles for reporting underlying profit and ASIC's Regulatory Guide 230 - Disclosing non-IFRS financial information. UPAT attributable to equity holders of Perpetual Limited has not been reviewed by the Group's external auditors, however the adjustments to NPAT attributable to equity holders of Perpetual Limited have been extracted from the books and records that have been reviewed.

Nothing in this presentation should be construed as either an offer to sell or solicitation of an offer to buy or sell Perpetual Limited securities in any jurisdiction.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. All references to NPAT, UPAT etc. are in relation to Perpetual Limited ordinary shareholders. Certain figures may be subject to rounding differences.

Note:

- 1H14 refers to the financial reporting period for the six months ended 31 December 2013
- 2H14 refers to the financial reporting period for the six months ended 30 June 2014
- 1H15 refers to the financial reporting period for the six months ended 31 December 2014
- 2H15 refers to the financial reporting period for the six months ended 30 June 2015
- 1H16 refers to the financial reporting period for the six months ended 31 December 2015
- FY13 refers to the financial reporting period for the twelve months ended 30 June 2013
- FY14 refers to the financial reporting period for the twelve months ended 30 June 2014
- FY15 refers to the financial reporting period for the twelve months ended 30 June 2015, with similar abbreviations for previous and subsequent periods.