

ASX Announcement

Perpetual Limited: funds under management 2Q FY2014 update

22 January 2014

Perpetual Limited (Perpetual) today announced its funds under management (FUM) as at 31 December 2013 were \$30.4 billion[#], an increase of 9.4% since 30 September 2013. This also includes \$1.3 billion of FUM from The Trust Company Limited (The Trust Company) acquisition, which was completed in December 2013. FUM as at 30 September 2013 was \$27.8 billion.

For the three months ended 31 December 2013, the S&P/ASX 300 Accumulation Index increased by 3.4%.

Total average FUM for the three months to 31 December 2013 were \$29.0 billion.

FUM and flows by channel and asset class for the three months to 31 December 2013 were as follows:

Channel	30 Sep 13 \$b	Net Flows \$b	The Trust Company acquisition \$b	Other \$b ^{##}	31 Dec 13 \$b
Retail	5.6	-	-	0.1	5.7
Intermediary	13.3	0.2	-	0.5	14.0
Institutional	8.9	0.2	-	0.3	9.4
All Channels excluding The Trust Company	27.8	0.4	-	0.9	29.1
The Trust Company – Australia	-	-	1.0	-	1.0
The Trust Company – New Zealand	-	-	0.3	-	0.3
Total	27.8	0.4	1.3	0.9	30.4

Asset Class	30 Sep 13 \$b	Net Flows \$b	The Trust Company acquisition \$b	Other \$b ^{##}	31 Dec 13 \$b
Australian Equities	21.3	0.2	0.5	0.7	22.7
Global Equities	1.2	-	-	0.1	1.3
Equities	22.5	0.2	0.5	0.8	24.0
Cash & Fixed Income	4.1	0.2	0.8	0.1	5.2
Other	1.2	-	-	-	1.2
All Asset Classes	27.8	0.4	1.3	0.9	30.4

^{##} Includes changes in asset value, income, reinvestments, distributions, and asset class rebalancing within the Group's diversified funds.

The change in FUM over the three months was mainly attributable to:

- \$1.3 billion of FUM gained from the acquisition of The Trust Company, which was completed in December 2013;

[#] All figures in this update are rounded

- an increase of \$1.0 billion due to market appreciation, offset by a decrease of \$0.1 billion due to semi-annual distributions; and
- \$0.4 billion of net inflows (compared to \$0.6 billion of net outflows for the same period last year), including:
 - \$0.2 billion in net inflows into the Australian Equities asset class. This included:
 - net inflows of around \$0.5 billion, primarily from the institutional and intermediary channels, principally into the Concentrated, Ethical and Share Plus strategies; offset by
 - net outflows of \$0.3 billion from the intermediary and institutional channels, primarily from the Industrials and Sustainability strategies; and
 - \$0.2 billion in net inflows into the Cash and Fixed Income asset class principally into the Credit and Diversified Income strategies primarily by the Institutional and Intermediary channels.

Geoff Lloyd, CEO and Managing Director of Perpetual said: "This is our second consecutive quarter of net inflows for the financial year. This quarter's improvement in net flows in the intermediary and institutional channels has benefited from the consistent outperformance by our asset managers coupled with our reinvigorated sales and distribution strategy."

Appointments and mandates

The focus on strategic accounts and research house partners, combined with a targeted adviser distribution sales model, has continued to expand the distribution of Perpetual's funds during the period through the following appointments:

- Perpetual's SHARE-PLUS Long-Short Fund¹ has been:
 - added to the AMP North menu;
 - added to the Approved Product Lists (APLs) of FSP, RI Advice and Millenium 3; and
 - added to the models of Lonsdale Financial Group and Lonsec.

During the quarter, Perpetual Investments was awarded mandates by two new institutional clients for its Concentrated strategy. These were funded during the December quarter.

Ratings

Momentum on ratings continued to be strong for the Group's Australian Equities capabilities through the end of the December quarter. The Concentrated Equity Fund and Share-Plus Long-Short Funds were both upgraded to Highly Recommended by Lonsec and the Group's Australian Large-cap and Long/Short capabilities were both recognised as winners in their categories at the Australian Fund Manager Awards. Perpetual Investments also won the Australian Large-cap manager of the year and Overall Fund Manager of the Year at the Zenith/Professional Planner Awards.

Since announcing the Transformation 2015 strategy in June 2012, distribution of Perpetual Investments products have benefited from:

- 13 additions into discretionary platforms;
- 12 additions into financial adviser approved product lists;
- 14 additions into model portfolios;
- 12 fund rating upgrades; and
- 11 new fund ratings of investment grade (or its equivalent) or above.

¹ Perpetual's SHARE-PLUS Long-Short Fund aims to provide long-term capital growth and income through investment in quality shares and taking short positions in select Australian shares.

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Australian Equities

The four largest Australian equities strategies as at 31 December 2013 based on FUM were:

Strategy	Intermediary & Retail \$b	Institutional \$b	FUM \$b
Ordinaries (Australian Share Fund)	2.8	4.6	7.4
Industrials	7.2	-	7.2
Concentrated	1.3	1.6	2.9
Smaller Companies	0.7	0.4	1.1
Other	3.2	0.9	4.1
Total Australian Equities	15.2	7.5	22.7

Cash and Fixed Income

Cash and Fixed Income strategies as at 31 December 2013 based on FUM were:

Strategy	Intermediary & Retail \$b	Institutional \$b	FUM \$b
Cash / Enhanced Cash	1.3	1.4	2.7
Credit Income /Fixed Income	2.1	0.1	2.2
Sub-total	3.4	1.5	4.9
Exact Market Cash			0.3
Total			5.2

The next update is expected to be for the three month period ending 31 March 2014.

For further information, please contact:

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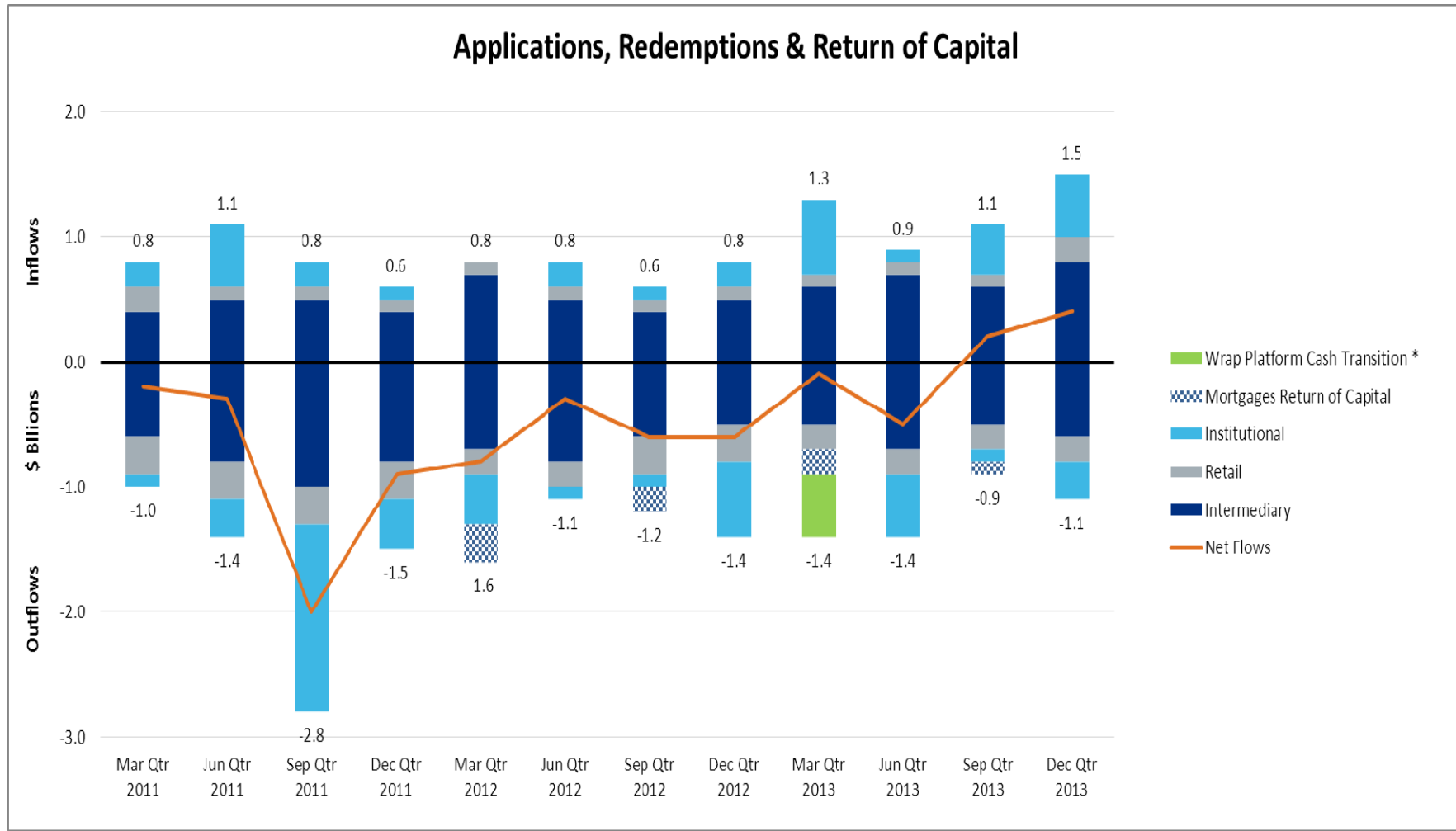
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About Perpetual

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

FACTSHEET – CHART - Applications, Redemptions & Return of Capital for the past three years



* Perpetual Private portfolio wrap service transition.

Note: All figures in the above table are rounded. Institutional inflows and outflows into Cash, Enhanced Cash and Exact Market Cash Funds have been netted out during the quarter so that only a net increase or decrease is included.

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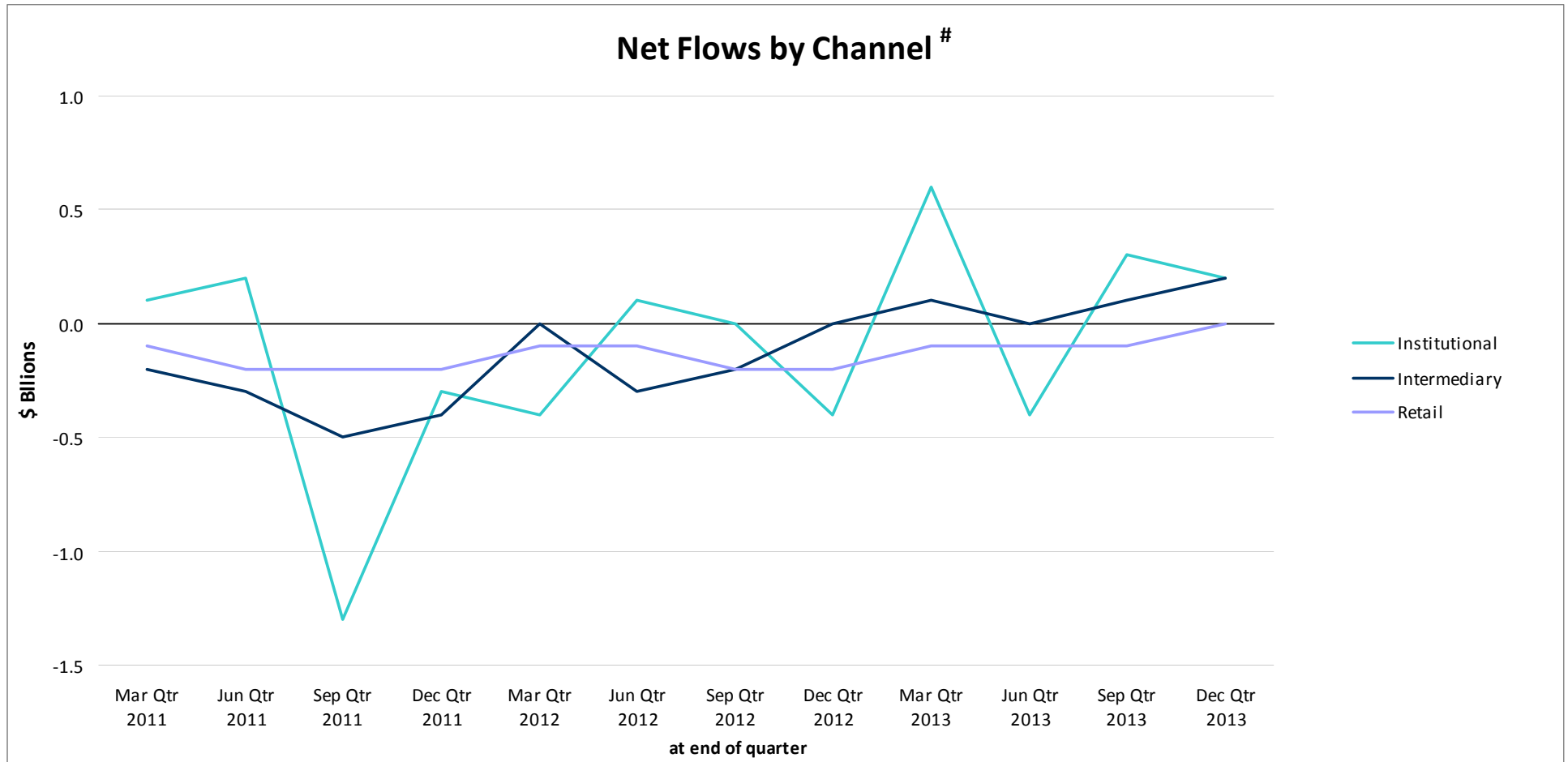
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FACTSHEET – TABLE - Applications, Redemptions & Return of Capital for the past three years

3 Months Ending	Institutional		Intermediary		Retail		Closed Mortgage Funds	Wrap Platform	Total		
	Applications	Redemptions	Applications	Redemptions	Applications	Redemptions	Return of Capital	Cash Transition	Inflows	Outflows	Net Flows
	\$b	\$b	\$b	\$b	\$b	\$b	\$b	\$b	\$b	\$b	\$b
31 Mar 2011	0.2	(0.1)	0.4	(0.6)	0.2	(0.3)	-	-	0.8	(1.0)	(0.2)
30 Jun 2011	0.5	(0.3)	0.5	(0.8)	0.1	(0.3)	-	-	1.1	(1.4)	(0.3)
30 Sep 2011	0.2	(1.5)	0.5	(1.0)	0.1	(0.3)	-	-	0.8	(2.8)	(2.0)
31 Dec 2011	0.1	(0.4)	0.4	(0.8)	0.1	(0.3)	-	-	0.6	(1.5)	(0.9)
31 Mar 2012	-	(0.4)	0.7	(0.7)	0.1	(0.2)	(0.3)	-	0.8	(1.6)	(0.8)
30 Jun 2012	0.2	(0.1)	0.5	(0.8)	0.1	(0.2)	-	-	0.8	(1.1)	(0.3)
30 Sep 2012	0.1	(0.1)	0.4	(0.6)	0.1	(0.3)	(0.2)	-	0.6	(1.2)	(0.6)
31 Dec 2012	0.2	(0.6)	0.5	(0.5)	0.1	(0.3)	-	-	0.8	(1.4)	(0.6)
31 Mar 2013	0.6	-	0.6	(0.5)	0.1	(0.2)	(0.2)	(0.5)	1.3	(1.4)	(0.1)
30 Jun 2013	0.1	(0.5)	0.7	(0.7)	0.1	(0.2)	-	-	0.9	(1.4)	(0.5)
30 Sep 2013	0.4	(0.1)	0.6	(0.5)	0.1	(0.2)	(0.1)	-	1.1	(0.9)	0.2
31 Dec 2013	0.5	(0.3)	0.8	(0.6)	0.2	(0.2)	-	-	1.5	(1.1)	0.4

Note: All figures in the above table are rounded. Institutional inflows and outflows into Cash, Enhanced Cash and Exact Market Cash Funds have been netted out during the quarter so that only a net increase or decrease is included.

FACTSHEET – CHART – Improvement in Net Flows can also be observed by looking at the underlying trends in the Net Flows by Channel



Excludes returns of capital to investors for mortgage funds and the Perpetual Private portfolio wrap service cash