

31 January 2020

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

### Perpetual to acquire Trillium Asset Management

Please find attached ASX announcement. Shareholders or other interested parties with queries regarding the announcement can contact:

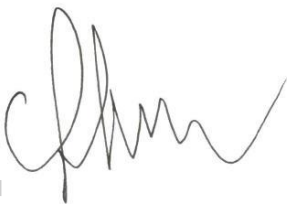
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Yours faithfully



Chris Green  
Company Secretary  
(Authorising Officer)

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31 January 2020

ASX Announcement

## **Perpetual to acquire Trillium, a leading specialist ESG investment firm in the US**

***– Establishes US distribution arm to accelerate Trillium's growth –***

### **Highlights**

- Trillium is a pioneer in specialist ESG investments, with US\$3.8 billion (A\$5.5 billion) funds under management (FUM) and a 38-year track record in integrated ESG investing
- Acquisition establishes a US footprint for Perpetual and increases exposure to the fast growing client demand for sustainable investing across the world<sup>1</sup>
- Perpetual will leverage its existing distribution capabilities in Australia while building a US-based distribution team to accelerate the growth of Trillium's specialist ESG and impact investment products
- Completion expected before financial year end subject to Trillium obtaining regulatory and other customary approvals

Perpetual Limited (Perpetual) today announced its intention to acquire Trillium Asset Management (Trillium), a Boston-based specialist ESG investment firm with FUM of US\$3.8 billion (A\$5.5 billion)<sup>2</sup> and concurrently establish a US distribution arm to accelerate Trillium's growth and support any future acquisitions.

### **Acquisition of Trillium establishes US beachhead and increases exposure to fast growth ESG sector**

Perpetual will acquire 100% of Trillium for US\$36 million (A\$54 million), plus an earnout which ensures alignment to future growth, bringing together two highly respected investment management businesses. The transaction will be funded by available cash, with the acquisition being earnings accretive in the first year<sup>3</sup>.

Trillium has one of the longest track records globally within responsible investing, incorporating environmental, social and governance (ESG) factors into its investment approach since its foundation in 1982. It has a variety of ESG focused US, global and thematic equity and US fixed income offerings, including fossil fuel free strategies operating in excess of 20 years. Its funds have a strong investment performance record, with positive net FUM flows and significant capacity for growth across all strategies. The business will continue to operate under the Trillium brand, with the current management team aligned to deliver business growth and no changes to its investment teams or investment process.

The transaction is consistent with Perpetual's strategic intention to grow via additional investment capabilities across asset classes, investment strategies, geographies and client groups.

### **Perpetual to build out US-based distribution team to accelerate Trillium's growth**

Perpetual will leverage its strong brand and distribution capabilities to accelerate the growth of Trillium's highly sought-after products to clients in Australia and has commenced the build-out of an experienced and scalable US-based distribution team. Perpetual is finalising the appointment of a highly experienced, proven candidate to head this new team to be announced in future weeks.

The new US distribution team will be responsible for driving the growth of Trillium's specialist ESG and impact investment products across the US. Perpetual's existing team intends to also extend its reach to key targets in Asia Pacific, the Middle East and into Europe under the leadership of Adam Quaife, Perpetual's Head of Global Distribution, who has managed teams across these markets over many years. Perpetual is committed to supporting Trillium and any future acquisitions through increased investment, marketing resources and other relevant distribution capabilities in the US and other markets as required.

Mr Rob Adams, Perpetual Managing Director and CEO, said, "Our acquisition of Trillium represents a compelling global growth initiative with exciting opportunities for all stakeholders. This is an important initial

<sup>1</sup> The Cerulli Report – US Environmental, Social and Governance Investing 2019: Meeting Evolving Investor Expectations

<sup>2</sup> As at 31 December 2019

<sup>3</sup> On an underlying basis

step for our business as we execute our strategy of adding world class investment capabilities and expanding our geographic reach.

“We are at a vital stage in the evolution of responsible investing. Investor demand, in part driven by the largest intergenerational wealth transfer in history, regulatory change and greater certainty about the positive correlation between ESG and long-term financial performance are all playing a role in the rapid growth of the sector. In the US, total assets committed to ESG have grown 75% from 2013 to 2019<sup>4</sup> and in Australia, ESG was the fastest growing category, rising 53% over the year to June 2019<sup>5</sup>. ESG investing is fast-becoming mainstream and Trillium has an unmatched history of investing via a fully integrated ESG approach, while also delivering superior investment performance.

“We are pleased to have found a partner with such a long-standing pedigree in ESG. Importantly, the acquisition is underpinned by strong cultural alignment, with Perpetual itself having an 18-year history in ethical investing. This partnership will enable us to better meet the evolving expectations of our clients, shareholders, employees and the broader community.

“We look forward to supporting Trillium by building on the deep and respected relationships they have with existing individual investors, foundations, endowments and institutional clients in the US, as well as adding distribution resources to expand their footprint globally.”

Commenting on the transaction, Mr Matthew Patsky, CEO of Trillium, said, “For almost 40 years we have provided for the financial needs of our clients while leveraging their capital for positive social and environmental impact in alignment with their values.

“In Perpetual, we have found a partner who supports our overall mission and who will help us to accelerate our growth and enable us to focus our efforts on delivering investment returns, as well as positive social and environmental outcomes on behalf of a larger client base.”

The transaction is expected to be completed by the end of the financial year, subject to Trillium obtaining regulatory and other customary approvals.

- Ends -

**For further information, please contact:**

**Investors and analysts**

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**About Trillium**

Founded in 1982, Trillium is an employee-owned specialist ESG investment management firm with US\$3.8 billion in (FUM) as of 31 December 2019. Headquartered in Boston with offices in Portland and San Francisco, Trillium integrates ESG factors into the investment process to identify the companies best positioned to deliver strong long-term performance.

Trillium offers clients equity and fixed income strategies across promoting social and environmental change while providing both impact and performance to its investors. Trillium has grown to become one of the largest socially responsible investment firms in the US. For further information, go to [www.trilliuminvest.com](http://www.trilliuminvest.com)

**About Perpetual**

Perpetual is a 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](http://www.perpetual.com.au)

<sup>4</sup> The Cerulli Report – US Environmental, Social and Governance Investing 2019: Meeting Evolving Investor Expectations

<sup>5</sup> Rainmaker Roundup June 2019