

23 February 2023

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

Via electronic lodgement

Perpetual Half Year Financial Results

Please find attached the following announcements for release to the market:

Appendix 4D

1H23 ASX Announcement

1H23 Results Presentation

✓ **Half Yearly Report and Accounts**

Operating and Financial Review – 31 December 2022

This release has been authorised by the Board of Directors of Perpetual Limited.

Yours faithfully



Sylvie Dimarco
Company Secretary

Perpetual Limited

Financial Statements

For the half-year ended 31 December 2022

For personal use only

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES

Table of Contents

Table of contents	Page No.
Directors' Report	3
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	14
Primary Statements	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
Condensed Consolidated Statement of Financial Position	16
Condensed Consolidated Statement of Changes in Equity	17
Condensed Consolidated Statement of Cash Flows	18
Section 1	
Group performance	19
1-1 Operating segments	19
1-2 Revenue	23
1-3 Expenses	23
1-4 Income taxes	24
1-5 Earnings per share	25
1-6 Dividends	26
Section 2	
Operating assets and liabilities	27
2-1 Business combinations	27
2-2 Intangibles	28
2-3 Provisions	29
2-4 Accrued incentive compensation	29
Section 3	
Capital management and financing	30
3-1 Cash and cash equivalents	30
3-2 Borrowings	30
3-3 Contributed equity	31
3-4 Commitments and Contingencies	32
Section 4	
Other disclosures	33
4-1 Structured products assets and liabilities	33
4-2 Financial instruments	34
4-3 Events subsequent to balance date	36
Section 5	
Basis of preparation	38
5-1 Reporting entity	38
5-2 Significant accounting policies	39
5-3 New Standards and interpretations not yet adopted	39
Directors' Declaration	40
Independent auditor's review report to the members of Perpetual Limited	41

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors present their report together with the condensed consolidated financial statements of Perpetual Limited, ("Perpetual" or the "Company") and its controlled entities (the "consolidated entity"), for the half-year ended 31 December 2022 and the independent auditor's review report thereon.

Directors

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

Tony D'Aloisio AM, Chairman and Independent Director
BA LLB (Hons) (Age 73)

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 PPB Advisory Pty Ltd 2012-2016 (financial reconstructions) and 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 also a director of the Aikenhead Centre for Medical Discovery Pty Ltd and President of the European Capital Markets Cooperative Research Centre as well as Chairman of Aircellar Pty Ltd.

Listed company directorships held during the past three financial years:

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

Board Committee memberships:

- Chairman of the Nominations Committee

Mona Aboelnaga Kanaan, Independent Director
BSc (Econ) MBA (Age 55)

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

Skills and experience:

Based in New York, USA, Ms Aboelnaga Kanaan is a seasoned 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 firm she co-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 assets under management and continued as Proctor's President and CEO until 2013.

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Directors (continued)

Mona Aboelnaga Kanaan, Independent Director (continued)

With expertise in public as well as private financial services firms, 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 Risk Committees; a Director of Mondee Holdings (Nasdaq: MOND) and is Chair of the Nominations and Governance Committee and member of the Audit Committee; and has served as a Board Member of a number of traditional and alternative asset managers in the United States. With a commitment to education and economic empowerment, she also has extensive non-profit board experience in those fields including as an investment committee member of sizeable educational endowments.

Ms Aboelnaga Kanaan holds a Bachelor of Science in Economics from the Wharton School of the University of Pennsylvania and an MBA from Columbia University's Graduate School of Business.

Listed company directorships held during the past three financial years:

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

Board Committee memberships:

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

**Gregory Cooper, Independent Director
FIA, FIAA, BEc (Actuarial Studies) (Age 52)**

Mr Cooper has been an Independent Non-Executive Director of Perpetual since September 2019.

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 its subsidiaries/ related entities; Catholic Church Insurance, OpenInvest Holdings, the Australian Indigenous Education Foundation and EdStart. Previously Mr Cooper acted as a Non-executive Director to the Financial Services Council and held the position of Chairman from 2014 to 2016.

Board Committee memberships:

- Member of the Audit, Risk and Compliance Committee
- Chairman of the Investment Committee (appointed Chairman January 2023)
- Member of the People and Remuneration Committee

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Directors (continued)

Nancy Fox AM, Independent Director
BA JD (Law) FAICD (Age 66)

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

Skills and experience:

Ms Fox has more than 30 years' of 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 currently Chairman of Perpetual's People and Remuneration Committee and a member of Perpetual's Audit, Risk and Compliance Committee. She is also Chairman of Perpetual Equity Investment Company Limited, Mission Australia Housing and a Non-executive Director of Lawcover Pty Ltd, Mission Australia, Aspect Studios Pty Ltd and O'Connell Street Associates.

Listed company directorships held during the past three financial years:

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

Board Committee memberships:

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

Ian Hammond, Independent Director
BA (Hons) FCA FCPA FAICD (Age 64)

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.

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 a Non-executive Director of Suncorp Group Limited and a Chairman of the not-for-profit organisation Mission Australia and a Non-executive Director of Chris O'Brien Lifehouse.

Listed company directorships held during the past three financial years:

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

Board Committee memberships:

- Chairman of the Audit, Risk and Compliance Committee
- Member of the Investment Committee
- Member of the Nominations Committee

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Directors (continued)

Christopher Jones, Independent Director
MA (Cantab) CFA (Age 62)

Christopher Jones was appointed to the Board of Perpetual in January 2023 following the acquisition of Pental Group. He is a member of the People and Remuneration Committee and the Investment Committee.

Skills and experience

Christopher 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, Christopher 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 over the past three years:

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

Board Committee memberships:

- Member of the People and Remuneration Committee (appointed January 2023)
- Member of the Investment Committee (appointed January 2023)

Kathryn Matthews, Independent Director
BSc BEc (Age 63)

Ms Matthews was appointed to the Board of Perpetual in January 2023 following the acquisition of Pental Group. She is a member of the Audit, Risk and Compliance Committee and the Investment Committee.

Skills and experience

Kathryn is based in London, UK. She brings to the Board over 40 years' experience in funds and investment management with director experience across listed, private and regulated entities. She has extensive experience in global investment management businesses in the UK and Hong Kong, including as Chief Investment Officer, Asia Pacific ex Japan at Fidelity International based in Hong Kong. She commenced her career at Baring Asset Management, holding a broad range of roles over sixteen years as a global equity portfolio manager and latterly as the Head of Institutional Business, Europe and UK.

Kathryn is currently Chair of Barclays Investment Solutions Limited and is also a Non-executive Director British International Investment Plc and VinaCapital Vietnam Opportunity Fund Limited.

Listed company directorships held over the past three years:

- Pental Group Limited, ASX: PDL (2016 until delisting in January 2023)

Board Committee memberships:

- Member of the Audit, Risk and Compliance Committee (appointed January 2023)
- Member of the Investment Committee (appointed January 2023)

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Directors (continued)

Fiona Trafford-Walker, Independent Director
BEC, M. Fin (Age 55)

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 of senior executive and business management experience 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, and until December 2019 was an Investment Director at Frontier Advisors (Frontier). At various times during her tenure, she was responsible for the original development and on-going management of Frontier's business, as well as providing investment and governance advice to a number of the firm's clients.

Currently Ms Trafford-Walker is a Non-executive Director of Victorian Funds Management Corporation, Prospa Group Ltd, Link Administration Holdings, Eclix Group, Chair of the Investment Committee of Hanover House Capital Group, an Investment Committee Member of the Walter and Eliza Hall Institute and a Strategic Advisor to the QE Advisory Board.

Listed company directorships held during the past three financial years:

- Prospa Group Limited, ASX: PGL (from March 2018 to present)
- Link Administration Holdings, ASX: LINK (from October 2015 to present)
- Eclix Limited, ASX: ECX (from July 2021 to present)

Board Committee memberships:

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

P Craig Ueland, Independent Director
BA (Hons and Distinction) MBA (Hons) CFA (Age 64)

Mr Ueland has been an Independent Non-Executive Director of Perpetual since September 2012 and retired in January 2023.

Skills and experience:

Mr Ueland was formerly President and Chief Executive Officer of Russell Investments, a global leader in multi-manager investing. He previously served as Russell's Chief Operating Officer, Chief Financial Officer, and Managing Director of International Operations, which he led from both London and the firm's headquarters in the US. Earlier in his career he opened and headed Russell's first office in Australia.

Mr Ueland brings to the Board detailed knowledge of global financial markets and the investment management industry, gleaned from more than 20 years as a senior executive of a major investment firm, along with a strong commitment to leadership development and corporate strategy development and execution.

Mr Ueland is a Committee member of the Endowment Investment Committee for The Benevolent Society, is a Board Member of the Stanford Australia Foundation and the Supervisory Board of OneVentures Innovation and Growth Fund II.

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Directors (continued)

P Craig Ueland, Independent Director (continued)

Board Committee memberships until retirement:

- Chairman of the Investment Committee
- Member of the Audit, Risk and Compliance Committee
- Member of the Nominations Committee

Rob Adams

Chief Executive Officer and Managing Director

BBus (Accounting) (Age 57)

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.

Mr Adams holds a Bachelor of Business degree (Accounting). He is Chairman of the Abbotsleigh Foundation.

COMPANY SECRETARY

Sylvie Dimarco

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 Head of Company Secretariat & Governance 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 15 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.

Ms Dimarco holds a Bachelor of Laws degree from the University of Sydney and has completed the Governance Institute of Australia's Graduate Diploma of Applied Corporate Governance. Ms Dimarco is a Graduate of the Australian Institute of Company Directors course.

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Review of operations

A review of operations is included in the Operating and Financial Review (OFR).

For the half-year ended 31 December 2022, Perpetual reported a net profit after tax attributable to equity holders of Perpetual Limited of \$26.8 million compared to the net profit after tax attributable to equity holders of Perpetual Limited for the half-year ended 31 December 2021 of \$59.3 million.

For the half-year ended 31 December 2022, Perpetual reported an underlying profit after tax attributable to equity holders of Perpetual Limited of \$67.0 million compared to the underlying profit after tax attributable to equity holders of Perpetual Limited for the half-year ended 31 December 2021 of \$79.1 million.

Underlying profit after tax 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. 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.

The reconciliation of net profit after tax attributable to equity holders of Perpetual Limited to underlying profit after tax (UPAT) attributable to equity holders of Perpetual Limited for the half-year ended 31 December 2022 is shown below, which has been represented using the Company's definition of UPAT.

	6 months ended	
	31 Dec 2022	31 Dec 2021
	\$M	\$M
Net profit after tax attributable to equity holders of Perpetual Limited	26.8	59.3
Significant items after tax:		
Transaction and integration costs ¹	34.6	16.6
Non-cash amortisation of acquired intangible assets ²	9.9	9.5
Unrealised (gains) / losses on financial assets ³	(0.9)	0.7
Accrued incentive compensation liability ⁴	(3.4)	(7.0)
Underlying profit after tax attributable to equity holders of Perpetual Limited	67.0	79.1

¹ Relates to costs associated with the acquisition / establishment of Pandal, Trillium, Barrow Hanley and other entities. Costs include professional fees, administrative and general expenses and staff costs related to specific retention and performance grants.

² Relates to the amortisation expense on intangible assets 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 value of employee owned units in Barrow Hanley.

Underlying profit after tax (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 reviewed 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 reviewed for the half-year.

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Review of operations (continued)

Consistent with the approach applied in the preparation of the annual financial statements at 30 June 2022, 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. As disclosed in the annual financial report, 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 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 annual financial report. The Directors and management continue to closely monitor developments with a focus on potential financial and operational impacts as development arise.

Dividends

On 19 December 2022, the Directors resolved to pay a fully franked special dividend of \$0.35 per share (2022: \$nil per share).

On 23 February 2023, the Directors resolved to pay a 40% franked interim dividend of \$0.55 per share (2022: \$1.12 per share).

State of affairs

The acquisition of Pental was completed on 23 January 2023, refer to events subsequent to reporting date section for more information.

There were no other significant changes in the state of affairs of the consolidated entity during the financial period.

Events subsequent to reporting date

Pental Group

On 25 August 2022, Perpetual announced that it had entered into a binding Scheme Implementation Deed ('SID') with Pental Group ('Pental') (ASX:PDL) under which Perpetual will acquire 100% of shares in Pental by way of a Scheme of Arrangement ('the Acquisition').

On 11 January 2023, the Supreme Court of New South Wales made orders approving the acquisition by way of a Scheme of Arrangement ('Scheme'). Implementation of the scheme occurred on 23 January 2023, at which time Perpetual acquired 100% of the share capital of Pental. Conditions Precedent following the Supreme Court approval were deemed administrative in nature, therefore accounting control of Pental was achieved on 11 January 2023 ('Acquisition Date') and Pental's financial performance will be consolidated from this date.

The acquisition of Pental will create a leading global multi-boutique asset management business with improved scale and distribution reach. The consolidated entity will have a strong presence across all major markets with significant capacity for future growth.

For the 6 months ended 31 December 2022, Pental generated \$267.8 million of revenue and \$33.9 million of statutory net profit after tax. If the acquisition had occurred on 1 July 2022, the revenue and statutory net profit after tax of the consolidated entity would have been \$661.0 million and \$60.7 million respectively.

The above numbers have been calculated by taking the reported revenue and net profit after tax of Perpetual and Pental separately, and adding them together (as required by accounting standards). These figures do not take into account overlays such as cost/revenue synergies or the impact of acquisition accounting.

As at 31 December 2022, funds under management ('FUM') of Pental was \$107.0 billion. If the acquisition had occurred prior to 31 December 2022 then the FUM of the consolidated entity would have been \$200.7 billion.

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Events subsequent to reporting date (continued)

Pendal Group (continued)

Reporting structure:

The asset management business of the consolidated entity will be structured across three key regions - Australia, the Americas, and together, Europe, UK and Asia. The Perpetual Corporate Trust and Perpetual Private businesses will operate as key specialist businesses within the broader diversified Group.

Consideration:

The offer was effected via a share exchange with every 7.0 shares of Pendal stock exchanged for one newly issued Perpetual share and A\$1.65 cash per Pendal share held, less the Permitted Dividend Amount of 3.5 cents per share. Due to the timing of the transaction, the fair value of the consideration is still being determined, this will be completed through the Purchase Price Allocation ('PPA') process.

Assets acquired and liabilities assumed:

Due to the timing of the acquisition, the PPA has not yet been performed, it is expected that assets including Brands and Customer Contracts will be recognised and Goodwill will reflect the value of expected synergies and increased scale of the global distribution framework arising from the acquisition. The Company has 12 months to finalise the PPA. A draft PPA will be included in the 30 June 2023 financial statements, and finalised by 31 December 2023.

Debt facilities:

In November 2022, the consolidated entity refinanced and entered into a new syndicated facility arrangement ('the arrangement'). The arrangement comprised a core facility which refinanced the existing debt facility and an acquisition facility, which was used to fund the cash portion of the Pendal acquisition consideration. Details of the Acquisition facility are presented in the table below:

Facility	Term	Rate	Maximum	Utilisation as at 23 January 2023 \$'m
Acquisition facility 1	3 years	BBSY + margin	A\$215 million	Fully drawn
Acquisition facility 2	3 years	SOFR + margin	GBP115 million	Fully drawn
Acquisition facility 3	4 years	SONIA + margin	US\$45 million	Fully drawn

Further detail on the Group's debt facilities and refinancing is included within Note 3-2 Borrowings.

**PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES**

DIRECTORS' REPORT (continued)

Events subsequent to reporting date (continued)

Pendal Group (continued)

Executive team:

As a result of the acquisition there have been changes effective from 24 January 2023 to the executive committee of the consolidated entity, the amended executive committee is as follows:

Rob Adams	Chief Executive and Managing Director
David Lane	Chief Executive, Asset Management Americas
Alexandra Altinger	Chief Executive, Asset Management UK, EU and Asia
Amanda Gillespie	Chief Executive, Asset Management Australia
Adam Quaife	Chief Distribution Officer
Mark Smith	Chief Executive, Perpetual Private
Richard McCarthy	Chief Executive, Perpetual Corporate Trust
Amanda Gazal	Chief Operating Officer and Interim Chief Integration Officer
Sam Mosse	Chief Risk and Sustainability Officer
Chris Green	Chief Financial Officer
Paul Chasemore	Chief People Officer
Craig Squires	Deputy Chief Operating Officer

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.

PERPETUAL LIMITED
ABN 86 000 431 827
AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

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

The Lead Auditor's Independence Declaration is set out on page 14 and forms part of the Directors' report for the half-year ended 31 December 2022.

Rounding off

The Company is of a kind referred to in *ASIC Corporations Instruments 2016/191* dated 1 April 2016 and in accordance with that Class Order, amounts in the condensed consolidated half-year financial statements and Directors' report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

Signed on behalf and in accordance with a resolution of the Directors:



Tony D'Aloisio
Chairman



Rob Adams
Managing Director

Dated at Sydney this 23rd day of February 2023.



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 review of Perpetual Limited for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Brendan Twining

Partner

Sydney

23 February 2023

For personal use only

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2022

	Section	31 Dec 2022	31 Dec 2021
		\$M	\$M
Revenue	1-2	393.2	383.6
Expenses	1-3	(334.7)	(293.2)
Financing costs		(13.5)	(5.2)
Net profit before tax		45.0	85.2
Income tax expense	1-4	(18.2)	(25.9)
Net profit after tax		26.8	59.3
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations		7.6	13.0
Effective portion of changes in fair value of cash flow hedges		(11.3)	-
Other comprehensive income, net of income tax		(3.7)	13.0
Total comprehensive income		23.1	72.3
Total comprehensive income attributable to:			
Equity holders of Perpetual Limited		23.1	72.3
Earnings per share			
Basic earnings per share – cents per share	1-5	47.3	105.3
Diluted earnings per share – cents per share	1-5	46.1	103.6

The Condensed 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 Condensed Consolidated Financial Statements' set out on pages 19 to 39.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Financial Position
as at 31 December 2022

	Section	31 Dec 2022 \$M	30 Jun 2022 \$M
Assets			
Cash and cash equivalents	3-1	133.6	175.4
Receivables		132.3	122.9
Current tax assets	1-4	23.7	3.6
Structured products - EMCF assets	4-1	174.4	186.3
Other assets		19.0	10.2
Total current assets		483.0	498.4
Other financial assets		149.9	152.0
Property, plant and equipment		71.3	77.8
Intangibles	2-2	948.8	951.7
Deferred tax assets		40.6	53.6
Other assets		11.0	13.0
Total non-current assets		1,221.6	1,248.1
Total assets		1,704.6	1,746.5
Liabilities			
Payables		72.7	54.0
Structured products - EMCF liabilities	4-1	175.5	187.7
Derivative financial instruments		11.3	-
Employee benefits		56.9	90.1
Lease liabilities		15.6	16.4
Provisions	2-3	5.4	5.8
Other liabilities		33.5	15.2
Total current liabilities		370.9	369.2
Payables		30.2	39.7
Borrowings	3-2	277.0	258.4
Deferred tax liabilities		15.9	14.9
Employee benefits		26.3	29.3
Accrued incentive compensation	2-4	46.3	48.6
Lease liabilities		50.2	55.9
Provisions	2-3	5.5	4.7
Total non-current liabilities		451.4	451.5
Total liabilities		822.3	820.7
Net assets		882.3	925.8
Equity			
Contributed equity	3-3	828.1	817.7
Reserves		28.2	34.3
Retained earnings		26.0	73.8
Total equity attributable to holders of Perpetual Limited		882.3	925.8

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the 'Notes to and forming part of the Condensed Consolidated Financial Statements' set out on pages 19 to 39.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2022

\$M	Gross contributed equity	Treasury share reserve	Equity compensation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity attributable to shareholders of Perpetual Limited
Balance at 1 July 2022	858.1	(40.4)	20.9	13.4	-	73.8	925.8
Total comprehensive income	-	-	-	7.6	(11.3)	26.8	23.1
Share Issue	14.7	(12.4)	-	-	-	-	2.3
Movement on treasury shares	(1.6)	10.4	(9.3)	-	-	0.5	-
Repurchase of shares on market	-	(0.7)	-	-	-	-	(0.7)
Equity remuneration expense	-	-	6.9	-	-	-	6.9
Dividends paid / payable to shareholders ¹	-	-	-	-	-	(75.1)	(75.1)
Balance at 31 December 2022	871.2	(43.1)	18.5	21.0	(11.3)	26.0	882.3

¹ Includes \$20.1 million special dividend declared by the Board in December 2022, to be paid in February 2023.

\$M	Gross contributed equity	Treasury share reserve	Equity compensation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity attributable to shareholders of Perpetual Limited
Balance at 1 July 2021	854.6	(39.3)	21.3	(18.8)	-	89.3	907.1
Total comprehensive income	-	-	-	13.0	-	59.3	72.3
Share issue	2.5	-	-	-	-	-	2.5
Movement on treasury shares	(1.0)	13.6	(13.2)	-	-	0.6	-
Repurchase of shares on market	-	(14.8)	-	-	-	-	(14.8)
Equity remuneration expense	-	-	6.5	-	-	-	6.5
Dividends paid to shareholders	-	-	-	-	-	(54.3)	(54.3)
Balance at 31 December 2021	856.1	(40.5)	14.6	(5.8)	-	94.9	919.3

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the 'Notes to and forming part of the Condensed Consolidated Financial Statements' set out on pages 19 to 39.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Cash Flows
for the half-year ended 31 December 2022

	31 Dec 2022	31 Dec 2021
	\$M	\$M
Cash flows from operating activities		
Cash receipts in the course of operations	398.1	395.5
Cash payments in the course of operations	(369.2)	(318.5)
Dividends received	0.3	0.2
Interest received	1.6	0.2
Interest paid	(8.1)	(4.6)
Income taxes paid	(24.3)	(37.4)
Net cash (used in) / from operating activities	(1.6)	35.4
Cash flows from investing activities		
Payments for property, plant, equipment and software	(10.7)	(7.0)
Payments for investments	(26.6)	(28.5)
Payments for acquisition of business	(2.7)	(49.8)
Cash acquired as part of acquisition of business	-	3.5
Proceeds from the sale of investments	33.7	33.3
Net cash used in investing activities	(6.3)	(48.5)
Cash flows from financing activities		
Repurchase of shares on market	(0.5)	(14.8)
Receipt from borrowings	25.0	75.0
Transaction costs related to borrowings	(6.3)	-
Dividends paid	(52.6)	(51.7)
Lease financing costs	(7.4)	(6.4)
Net cash (used in) / from financing activities	(41.8)	2.1
Net decrease in cash and cash equivalents	(49.7)	(11.0)
Cash and cash equivalents at 1 July	175.4	147.1
Effect of movements in exchange rates on cash held	7.9	(5.2)
Cash and cash equivalents at 31 December	133.6	130.9

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with 'Notes to and forming part of the Condensed Consolidated Financial Statements' set out on pages 19 to 39.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022

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 period, segmental information, taxation, earnings per share and dividend information.

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, 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.

Perpetual Asset Management International	Provides investment products and services to global retail and institutional clients, including a distribution presence in the United States, United Kingdom, the Netherlands and Hong Kong. Investment management firm, Barrow Hanley Global Investors (Barrow Hanley), and boutique ESG investment management firm, Trillium Asset Management (Trillium), form part of this operating segment to offer a breadth of high-quality global investment capabilities to our clients.
Perpetual Asset Management Australia	Provides investment products and services to Australian and New Zealand retail, corporate, superannuation and institutional clients, with investment capabilities spanning Australian equities, credit and fixed income, multi-asset and global equities.
Perpetual Private	Is an advisory services business focused on the comprehensive needs of families, businesses and communities. Support for clients spreads across financial advice, risk, estate administration, trustee services and tax and accounting as well as portfolio management. The business is focused on client service excellence and attracting and retaining exceptional talent to meet those standards in our chosen segments.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

1-1 Operating segments (continued)

i. Services provided (continued)

Perpetual Corporate Trust	Provides a broad range of fiduciary, agency and digital products to the debt capital markets and managed funds industries both domestically and internationally. Debt Market Services includes trustee, document custodian, agency, trust management, accounting, standby servicing and reporting solutions. Perpetual Digital provides data services, industry roundtables, and our new Perpetual Intelligence platform-as-a-service products supporting the banking and financial services industry. Managed Funds Services provides services including independent responsible entity, wholesale trustee, custodian, investment management and accounting.
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.

ii. Geographical information

The consolidated entity operates in Australia, United States, United Kingdom, the Netherlands, Singapore and Hong Kong. The majority of the consolidated entity's revenue and assets relate to operations in Australia and United States. The Australian operations are represented by Perpetual Asset Management, Australia, Perpetual Private and Perpetual Corporate Trust. The United States operations are represented by Perpetual Asset Management, International. The operations in the United Kingdom, the Netherlands, Singapore and Hong Kong do not meet the definition of an operating segment as at balance date as they represent less than 10 percent of revenue, profit and assets of the Group.

iii. Major customer

The consolidated entity does not rely on any major customer.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

1-1 Operating segments (continued)

	Perpetual Asset Management International \$M	Perpetual Asset Management Australia ¹ \$M	Perpetual Private \$M	Perpetual Corporate Trust \$M	Total Reportable Segment \$M	Group Support Services \$M	Significant Items \$M	Consolidated Income Statement \$M
31 December 2022								
Major service lines								
Equities	96.6	57.2	-	-	153.8	-	-	153.8
Cash and fixed income	8.8	16.8	-	-	25.6	-	-	25.6
Other AUM related	-	1.5	-	-	1.5	-	-	1.5
Market related	-	-	73.8	-	73.8	-	-	73.8
Non-market related	-	-	33.1	-	33.1	-	-	33.1
Income from structured products	-	2.6	-	-	2.6	-	-	2.6
Debt Market Services	-	-	-	38.3	38.3	-	-	38.3
Managed Funds Services	-	-	-	38.9	38.9	-	-	38.9
Perpetual Digital	-	-	-	11.3	11.3	-	-	11.3
Investment income	0.4	0.2	0.1	0.1	0.8	12.2	-	13.0
Net loss on sale of investments	-	-	-	-	-	(1.1)	-	(1.1)
Unrealised gains/(losses) on financial assets	-	0.3	-	-	0.3	(0.4)	2.5	2.4
Total revenue	105.8	78.6	107.0	88.6	380.0	10.7	2.5	393.2
Operating expenses	(91.0)	(50.3)	(77.6)	(41.7)	(260.6)	(10.9)	(29.0)	(300.5)
Depreciation and amortisation	(1.2)	(2.9)	(4.8)	(4.1)	(13.0)	(1.2)	(13.1)	(27.3)
Equity remuneration amortisation	(0.5)	(1.7)	(2.2)	(1.0)	(5.4)	(0.4)	(1.1)	(6.9)
Financing costs	(0.3)	-	(0.2)	(0.2)	(0.7)	(8.1)	(4.7)	(13.5)
Profit / (loss) before tax	12.8	23.7	22.2	41.6	100.3	(9.9)	(45.4)	45.0
Income tax expense								(18.2)
Net profit after tax								26.8
Reportable segment assets	694.8	217.4	249.2	247.5	1,408.9	295.7		1,704.6
Reportable segment liabilities	(124.6)	(190.3)	(35.5)	(22.5)	(372.9)	(449.4)		(822.3)

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

1-1 Operating segments (continued)

	Perpetual Asset Management International \$M	Perpetual Asset Management Australia ¹ \$M	Perpetual Private \$M	Perpetual Corporate Trust \$M	Total Reportable Segment \$M	Group Support Services \$M	Significant Items \$M	Consolidated Income Statement \$M
31 December 2021								
Major service lines								
Equities ²	98.7	66.5	-	-	165.2	-	-	165.2
Cash and fixed income	11.1	16.0	-	-	27.1	-	-	27.1
Other AUM related ²	-	1.6	-	-	1.6	-	-	1.6
Market related	-	-	77.9	-	77.9	-	-	77.9
Non-market related	-	-	28.0	-	28.0	-	-	28.0
Income from structured products	-	0.6	-	-	0.6	-	-	0.6
Debt Market Services	-	-	-	33.1	33.1	-	-	33.1
Managed Funds Services	-	-	-	33.5	33.5	-	-	33.5
Perpetual Digital	-	-	-	10.0	10.0	-	-	10.0
Investment income	-	-	1.1	-	1.1	5.7	-	6.8
Net gain on sale of investments	-	-	-	-	-	5.0	(1.3)	3.7
Unrealised gains/(losses) on financial assets	-	(0.6)	-	-	(0.6)	(3.9)	0.6	(3.9)
Total revenue	109.8	84.1	107.0	76.6	377.5	6.8	(0.7)	383.6
Operating expenses	(76.4)	(53.0)	(75.6)	(34.4)	(239.4)	(12.6)	(8.3)	(260.3)
Depreciation and amortisation	(1.1)	(2.7)	(4.7)	(4.0)	(12.5)	(1.1)	(13.1)	(26.7)
Equity remuneration amortisation	(0.1)	(2.7)	(1.8)	(0.7)	(5.3)	(0.4)	(0.5)	(6.2)
Financing costs	(0.3)	-	(1.0)	(0.4)	(1.7)	(2.4)	(1.1)	(5.2)
Profit / (loss) before tax	31.9	25.7	23.9	37.1	118.6	(9.7)	(23.7)	85.2
Income tax expense								(25.9)
Net profit after tax								59.3
Reportable segment assets	634.3	234.7	270.8	241.6	1,381.3	324.2		1,705.5
Reportable segment liabilities	(122.9)	(205.6)	(44.7)	(23.1)	(396.3)	(389.9)		(786.2)
30 June 2022								
Reportable segment assets	693.7	229.1	252.8	246.6	1,422.2	324.3		1,746.5
Reportable segment liabilities	(129.8)	(214.3)	(44.0)	(22.9)	(411.0)	(409.7)		(820.7)

¹Segment information for Perpetual Asset Management, Australia includes the Exact Market Cash Funds, refer to section 4-1(i).

²Perpetual Asset Management, Australia revenue for the period to 31 December 2021 has been re-presented between Equities and Other AUM related by \$0.3 million.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

	31 Dec 2022	31 Dec 2021
	\$M	\$M
1-2 Revenue		
Revenue from contracts with customers	376.3	376.4
Income from structured products	2.6	0.6
Dividends	0.3	0.2
Interest and unit trust distributions	12.7	6.6
Net realised (losses) / gains on sale of investments	(1.1)	3.7
Unrealised gains / (losses) on financial assets	2.4	(3.9)
	<u>393.2</u>	<u>383.6</u>

	31 Dec 2022	31 Dec 2021
	\$M	\$M
1-3 Expenses		
Staff related expenses excluding equity remuneration expense	189.5	181.0
Occupancy expenses	4.2	3.0
Administrative and general expenses	104.7	76.3
Distributions and expenses relating to structured products	2.1	-
Equity remuneration expense	6.9	6.2
Depreciation and amortisation expense	27.3	26.7
	<u>334.7</u>	<u>293.2</u>

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

	31 Dec 2022 \$M	31 Dec 2021 \$M
1-4 Income taxes		
Current period tax expense		
Current period tax expense	6.2	19.6
Adjustment to prior periods	(2.2)	-
Total current tax expense impacting income taxes payable	<u>4.0</u>	<u>19.6</u>
Deferred tax expense		
Adjustment to prior periods	1.3	2.5
Temporary differences	12.9	3.8
Total deferred tax expense	<u>14.2</u>	<u>6.3</u>
Total income tax expenses	<u>18.2</u>	<u>25.9</u>
Profit before tax for the period	45.0	85.2
Prima facie income tax expense calculated at 30% (2021: 30%) on profit for the period	13.5	25.6
- Recognition of previously unrecognised capital and revenue losses	(0.4)	(1.8)
- Non-assessable income	(1.3)	
- Prior period adjustments	(0.9)	2.5
- Effect of tax rates in foreign jurisdictions	(2.1)	(1.9)
- Other non-taxable income and tax credits	-	-
- Other non-deductible expenses	9.4	1.5
Total	<u>18.2</u>	<u>25.9</u>
Effective tax rate (ETR)	40.5%	30.4%
	31 Dec 2022	30 Jun 2022
	\$M	\$M
Income taxes (receivable) / payable at the beginning of the period	(3.6)	7.6
Income taxes payable for the financial period	6.2	48.9
Less: tax paid during the period	(24.2)	(59.6)
Other	(2.1)	(0.5)
Income taxes receivable at the end of the period	<u>(23.7)</u>	<u>(3.6)</u>

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

1-4 Income taxes (continued)

Basis of calculation of ETR

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

The consolidated entity currently has tax obligations in Australia, United States, Singapore, Hong Kong, the Netherlands and the United Kingdom (UK). Operations in Singapore, Hong Kong, the Netherlands and the UK do not materially impact the calculation of the ETR.

United States operations include Trillium and Barrow Hanley.

Explanation of variance to the legislated 30% tax rate

The consolidated entity's effective tax rate for the half-year was 40.5% (2022: 30.4%). The increase of 10.5% in the effective tax rate compared to the legislated 30% is mainly attributed to non-deductible Pental acquisition costs, which are partially offset by prior year adjustments, non-assessable income and lower tax rates in foreign jurisdictions.

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

The total tax benefits of realised capital losses are \$21,050,357 (30 June 2022: \$21,327,854), comprising \$3,000,000 (30 June 2022: \$3,000,000) recognised in deferred tax assets and \$18,050,357 (30 June 2022: \$18,327,854) 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.

	31 Dec 2022	31 Dec 2021
	Cents per share	
1-5 Earnings per share		
Basic earnings per share	47.3	105.3
Diluted earnings per share	46.1	103.6
	\$M	\$M
Net profit after tax attributable to equity holders of Perpetual Limited	26.8	59.3

	31 Dec 2022	31 Dec 2021
	Number of shares	
Weighted average number of ordinary shares (basic)	56,594,759	56,342,096
Effect of dilutive potential ordinary shares (including those subject to performance rights)	1,504,245	917,686
Weighted average number of ordinary shares (diluted)	58,099,004	57,259,782

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

1-6 Dividends

	Cents per share	Total amount \$M	Franked / Unfranked	Date of payment
31 December 2022				
Final 2022 ordinary	97	55.0	Franked	30 Sep 2022
Special dividend	35	20.1	Franked	8 Feb 2023
Total amount	132	75.1		
31 December 2021				
Final 2021 ordinary	96	54.3	Franked	24 Sep 2021
Total amount	96	54.3		

All franked dividends declared or paid during the period were franked at a tax rate of 30 per cent 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.

Since the end of the financial period, the Directors declared the following dividend.

	Cents per share	Total amount ¹ \$M	Franked / Unfranked	Date of payment
Interim 2023 ordinary	55	61.6	40% Franked	31 Mar 2023

The financial effect of this dividend has not been brought to account in the financial statements for the half-year ended 31 December 2022 and will be recognised in subsequent financial reports. There are no tax consequences.

Dividend franking account

Amount of franking credits available to shareholders for subsequent financial periods

31 Dec 2022	31 Dec 2021
\$M	\$M
(0.2)	30.0

As at 31 December 2022, the amount of imputation credits available for use in subsequent reporting periods shows a debit balance of \$186,000. This has been calculated for disclosure purposes after debiting the account for franking debits arising on the special dividend payable in February 2023 and notional debits arising referable to potential tax overpayments. We note that monthly PAYG payments to be made in 2023 will return the balance to credit prior to payment of any dividend.

In January 2023, Perpetual obtained an additional \$1.6 million franking credits as a result of the Pandal acquisition.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

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 Group's financing activities are addressed in Section 3.

2-1 Business Combinations

Pendal Group

On 23 January 2023, Perpetual completed its acquisition of Pendal Group. Refer to the subsequent events note for further details.

For personal use only

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

2-2 Intangibles

\$M	Goodwill	Intangible assets				Total
	Customer contracts	Capitalised software	Project work in progress	Other		
Balance as at 31 December 2022						
At cost	601.8	313.1	100.7	25.6	54.5	1,095.7
Accumulated foreign exchange movement	19.4	16.5	0.3	-	3.0	39.2
Accumulated amortisation	-	(93.6)	(78.6)	-	(13.9)	(186.1)
Carrying amount	621.2	236.0	22.4	25.6	43.6	948.8
Balance at 1 July 2022	616.7	241.8	21.3	25.4	46.5	951.7
Additions	-	-	-	6.5	-	6.5
Additions through business combinations	-	-	(0.1)	-	-	(0.1)
Foreign exchange movement	4.5	4.3	-	-	0.5	9.3
Transfers	-	-	6.3	(6.3)	-	-
Amortisation expense	-	(10.1)	(5.1)	-	(3.4)	(18.6)
Balance as at 31 December 2022	621.2	236.0	22.4	25.6	43.6	948.8
Balance as at 30 June 2022						
At cost	601.8	313.1	94.5	25.4	54.5	1,089.3
Foreign exchange movement	14.9	12.2	0.3	-	2.5	29.9
Accumulated amortisation	-	(83.5)	(73.5)	-	(10.5)	(167.5)
Carrying amount	616.7	241.8	21.3	25.4	46.5	951.7
Balance at 1 July 2021	554.5	224.3	19.2	17.3	47.6	862.9
Additions	-	-	-	18.2	-	18.2
Additions through business combinations	39.5	19.7	1.1	-	-	60.3
Foreign exchange movement	22.7	19.3	0.3	-	4.1	46.4
Transfers	-	-	10.1	(10.1)	-	-
Amortisation expense	-	(21.5)	(9.4)	-	(5.2)	(36.1)
Balance as at 30 June 2022	616.7	241.8	21.3	25.4	46.5	951.7

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

	31 Dec 2022	30 Jun 2022
	\$M	\$M
2-3 Provisions		
Current		
Insurance and legal provision	1.2	1.8
Operational process review provision	4.0	3.6
Make good and other occupancy related provisions	0.2	0.4
	<u>5.4</u>	<u>5.8</u>
Non-current		
Make good and other occupancy related provisions	5.5	4.7
	<u>5.5</u>	<u>4.7</u>
2-4 Accrued Incentive Compensation		
Non-current		
Accrued incentive compensation	46.3	48.6
	<u>46.3</u>	<u>48.6</u>

Barrow, Hanley, Mewhinney & Strauss, LLC (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 units may be put back to the Parent of Barrow Hanley (Perpetual US Holding Company, Inc) in the future.

Movement in the fair value of this 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.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

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.

	31 Dec 2022	30 Jun 2022
	\$M	\$M
3-1 Cash and cash equivalents		
Bank balances	125.6	158.4
Short-term deposits	8.0	17.0
	133.6	175.4

Short-term deposits represent rolling 90 day term deposits.

3-2 Borrowings

The consolidated entity has access to the following credit facilities:

Total facility used	277.0	258.4
Facility unused	75.0	122.3

In November 2022, the consolidated entity refinanced and entered into a new syndicated facility arrangement. The arrangement comprises a core facility which refinanced the existing debt facility, and an acquisition facility, which will fund the cash portion of the Pental acquisition.

The core facility comprises 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 a revolving loan facility with a maximum commitment of \$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, Core Facility 3 and Acquisition Facility 3 have an interest rate equal to SONIA plus a margin and Facility C 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 4.32 per cent at 31 December 2022, exclusive of the undrawn line fee (30 June 2022: 2.09 per cent)¹.

During the period, the consolidated entity transitioned its existing debt to the new Core Facilities. The consolidated entity relies on bank guarantees issued under Core Facility 3 to meet its regulatory capital requirements. The Acquisition Facilities remain unavailable and undrawn at 31 December 2022. These facilities became available and were fully drawn in January 2023, following the completion of the Pental acquisition.

¹ Prior period balance have been restated

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

3-2 Borrowings (continued)

In establishing the new syndicated facility arrangement, the consolidated entity incurred costs of \$12.1 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.

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. The consolidated entity is in compliance with the covenants at 31 December 2022 and anticipates being compliant going forward. Should the consolidated entity not satisfy any of these covenants, the outstanding balance of the loans may become due and payable.

31 Dec 2022	30 Jun 2022
\$M	\$M

3-3 Contributed equity

Fully paid ordinary shares 57,308,133 (30 June 2022: 56,713,419)	871.2	858.1
Treasury shares 893,383 (30 June 2022: 651,437)	(43.1)	(40.4)
	828.1	817.7

31 Dec 2022		30 Jun 2022		
Number of shares	\$M	Number of shares	\$M	
Balance at beginning of period/year	56,061,982	817.7	55,958,199	815.3
Shares issued:				
- Issue of ordinary shares	594,714	14.7	140,140	5.3
- Movement on treasury shares	(241,946)	(4.3)	(36,357)	(2.9)
Balance at end of period/year	56,414,750	828.1	56,061,982	817.7

54,735,642 new shares were issued on 23 January 2023 as part of the Pandal Limited acquisition. Refer to the subsequent event note for further details.

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 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.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

	31 Dec 2022	30 Jun 2022
	\$M	\$M
3-4 Commitments and contingencies		
(a) Commitments		
Capital expenditure commitments		
Contracted but not provided for and payable within one year	39.0	38.6
<p>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.</p>		
(b) Contingencies		
Contingent liabilities		
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 the Australian Securities and Investment Commission in relation to the provision of responsible entity services and custodial or depository services	138.9	127.8
Bank guarantee issued in respect of the lease of premises of Perpetual Limited	0.6	0.6
	140.5	129.4

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.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

Section 4 Other disclosures

This section contains other miscellaneous disclosures that are required by accounting standards.

	31 Dec 2022	30 Jun 2022
	\$M	\$M
4-1 Structured products assets and liabilities		
i. Exact Market Cash Funds		
Current assets		
Perpetual Exact Market Cash Fund	174.4	186.3
Current liabilities		
Perpetual Exact Market Cash Fund	175.5	187.7

The Exact Market Cash Fund (EMCF 1) 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), or a variant thereon, 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 (30 June 2022: \$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 use 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.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

4-2 Financial instruments

Fair value

The following tables present the consolidated entity's assets and liabilities measured and recognised at fair value, by valuation method, at 31 December 2022. 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.

Consolidated

	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
At 31 December 2022				
Financial assets				
Listed equity securities	48.4	-	-	48.4
Unlisted unit trusts	-	88.5	-	88.5
Unlisted investment fund	-	-	9.5	9.5
Structured products - EMCF assets	2.4	172.0	-	174.4
Debt securities	3.5	-	-	3.5
	54.3	260.5	9.5	324.3
Financial liabilities				
Derivative financial instruments	-	11.3	-	11.3

At 30 June 2022

Financial assets				
Listed equity securities	50.2	-	-	50.2
Unlisted unit trusts	-	89.8	-	89.8
Unlisted investment fund	-	-	8.6	8.6
Structured products - EMCF assets	1.8	184.5	-	186.3
Debt securities	3.4	-	-	3.4
	55.4	274.3	8.6	338.3

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	31 Dec 2022 \$M	30 Jun 2022 \$M
Balance at beginning of the period	8.6	-
Investments	-	9.2
Capital returns	-	(0.6)
Withdrawals	-	-
Foreign exchange movements	0.2	0.7
Net change in fair value (unrealised)	0.7	(0.7)
Balance at the end of the period	9.5	8.6

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

4-2 Financial instruments (continued)

Fair value (continued)

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 31 December 2022 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:

	31 Dec 2022		30 June 2022	
	Impact on net profit after tax \$M	Impact on equity \$M	Impact on net profit after tax \$M	Impact on equity \$M
+/- 10%	0.7 / (0.7)	0.7 / (0.7)	0.6 / (0.6)	0.6 / (0.6)

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and 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.

	31 Dec 2022		30 Jun 2022	
	Carrying amount \$M	Fair Value \$M	Carrying amount \$M	Fair Value \$M
Current				
Structured products – EMCF liabilities	175.5	174.4	187.7	186.3

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

4-3 Events subsequent to balance date

Pendal Group

On 25 August 2022, Perpetual announced that it had entered into a binding Scheme Implementation Deed ('SID') with Pendal Group ('Pendal') (ASX:PDL) under which Perpetual will acquire 100% of shares in Pendal by way of a Scheme of Arrangement ('the Acquisition').

On 11 January 2023, the Supreme Court of New South Wales made orders approving the acquisition by way of a Scheme of Arrangement ('Scheme'). Implementation of the scheme occurred on 23 January 2023, at which time Perpetual acquired 100% of the share capital of Pendal. Conditions Precedent following the Supreme Court approval were deemed administrative in nature, therefore accounting control of Pendal was achieved on 11 January 2023 ('Acquisition Date') and Pendal's financial performance will be consolidated from this date.

The acquisition of Pendal will create a leading global multi-boutique asset management business with improved scale and distribution reach. The consolidated entity will have a strong presence across all major markets with significant capacity for future growth.

For the 6 months ended 31 December 2022, Pendal generated \$267.8 million of revenue and \$33.9 million of statutory net profit after tax. If the acquisition had occurred on 1 July 2022, the revenue and statutory net profit after tax of the consolidated entity would have been \$661.0 million and \$60.7 million respectively.

The above numbers have been calculated by taking the reported revenue and net profit after tax of Perpetual and Pendal separately, and adding them together (as required by accounting standards). These figures do not take into account overlays such as cost/revenue synergies or the impact of acquisition accounting.

As at 31 December 2022, funds under management ('FUM') of Pendal was \$107.0 billion. If the acquisition had occurred prior to 31 December 2022 then the FUM of the consolidated entity would have been \$200.7 billion.

Reporting structure:

The asset management business of the consolidated entity will be structured across three key regions - Australia, the Americas, and together, Europe, UK and Asia. The Perpetual Corporate Trust and Perpetual Private businesses will operate as key specialist businesses within the broader diversified Group.

Consideration:

The offer was effected via a share exchange with every 7.0 shares of Pendal stock exchanged for one newly issued Perpetual share and A\$1.65 cash per Pendal share held, less the Permitted Dividend Amount of 3.5 cents per share. Due to the timing of the transaction, the fair value of the consideration is still being determined, this will be completed through the Purchase Price Allocation ('PPA') process.

Assets acquired and liabilities assumed:

Due to the timing of the acquisition, the PPA has not yet been performed, it is expected that assets including Brands and Customer Contracts will be recognised and Goodwill will reflect the value of expected synergies and increased scale of the global distribution framework arising from the acquisition. The Company has 12 months to finalise the PPA. A draft PPA will be included in the 30 June 2023 financial statements, and finalised by 31 December 2023.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

4-3 Events subsequent to balance date (continued)

Pendal Group (continued)

Debt facilities:

In November 2022, the consolidated entity refinanced and entered into a new syndicated facility arrangement ('the arrangement'). The arrangement comprised a core facility which refinanced the existing debt facility and an acquisition facility, which was used to fund the cash portion of the Pendal acquisition consideration. Details of the Acquisition facility are presented in the table below:

Facility	Term	Rate	Maximum	Utilisation as at 23 January 2023 \$'m
Acquisition facility 1	3 years	BBSY + margin	A\$215 million	Fully drawn
Acquisition facility 2	3 years	SOFR + margin	GBP115 million	Fully drawn
Acquisition facility 3	4 years	SONIA + margin	US\$45 million	Fully drawn

Further detail on the Group's debt facilities and refinancing is included within Note 3-2 Borrowings.

Executive team:

As a result of the acquisition there have been changes effective from 24 January 2023 to the executive committee of the consolidated entity, the amended executive committee is as follows:

Rob Adams	Chief Executive and Managing Director
David Lane	Chief Executive, Asset Management Americas
Alexandra Altinger	Chief Executive, Asset Management UK, EU and Asia
Amanda Gillespie	Chief Executive, Asset Management Australia
Adam Quaife	Chief Distribution Officer
Mark Smith	Chief Executive, Perpetual Private
Richard McCarthy	Chief Executive, Perpetual Corporate Trust
Amanda Gazal	Chief Operating Officer and Interim Chief Integration Officer
Sam Mosse	Chief Risk and Sustainability Officer
Chris Green	Chief Financial Officer
Paul Chasemore	Chief People Officer
Craig Squires	Deputy Chief Operating Officer

Other than the matters noted above, the Directors are not aware of any 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.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

Section 5 ***Basis of preparation***

5-1 Reporting entity

Perpetual Limited ("the Company") is domiciled in Australia. The condensed consolidated half-year financial statements of the Company as at and for the half-year ended 31 December 2022 comprise 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 condensed consolidated half-year financial statements were authorised for issue by the Board of Directors on 23 February 2023.

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, the Netherlands and Singapore, as well as a presence in Hong Kong.

The consolidated annual financial statements for the consolidated entity as at and for the year ended 30 June 2022 are available at www.perpetual.com.au.

a. Statement of compliance

The condensed consolidated half-year financial statements are a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting.

The condensed consolidated half-year financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements of the consolidated entity for the year ended 30 June 2022.

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

b. Use of judgements and estimates

The preparation of the half-year 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.

Consistent with the approach applied in the preparation of the annual financial statements at 30 June 2022, 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 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.

PERPETUAL LIMITED AND ITS CONTROLLED ENTITIES
Notes to and forming part of the condensed consolidated financial statements
for the half-year ended 31 December 2022 (continued)

5-1 Reporting entity (continued)

b. Use of judgements and estimates (continued)

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies were the same as those that applied to and are described in the consolidated financial statements as at and for the year ended 30 June 2022.

5-2 Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the consolidated entity's financial statements as at and for the year ended 30 June 2022.

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.

5-3 New Standards and interpretations not yet adopted

There are no other 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.

Directors' Declaration

In the opinion of the Directors of Perpetual Limited ("the Company"):

1. the condensed consolidated financial statements and notes set out on pages 15 to 39 are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that Perpetual Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Tony D'Aloisio
Chairman



Rob Adams
Managing Director

Dated at Sydney this 23rd day of February 2023.



Independent Auditor's Review Report

To the shareholders of Perpetual Limited

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Perpetual Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Perpetual Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Consolidated Entity's** financial position as at 31 December 2022 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2022;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date;
- Notes (Section 1 to 5) comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Consolidated Entity** comprises Perpetual Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Consolidated Entity in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Brendan Twining
Partner

Sydney

23 February 2023

About Perpetual

Perpetual Limited ("Perpetual") is an ASX listed (ASX:PPT) global financial services firm operating a multi-boutique asset management business, as well as wealth management and trustee services businesses.

Perpetual owns leading asset management brands including Perpetual, Pandal, Barrow Hanley, J O Hambro, Regnan, Trillium and TSW.

Perpetual's private wealth business services high-net worth clients, not for profits, and small businesses through brands such as Perpetual Private, Jacaranda Financial Planning and Fordham.

Perpetual's corporate trust division provides services to managed funds, the debt market and includes a growing digital business, encompassing Laminar Capital.

Headquartered in Sydney, Perpetual services its global client base from offices across Australia as well as internationally from Asia, Europe, the United Kingdom and United States.

perpetual.com.au

For personal use only