

Perpetual delivers four consecutive quarters of net inflows

Fourth Quarter 2014 funds under management update

15 July 2014

Perpetual Limited (Perpetual) today announced its funds under management (FUM) as at 30 June 2014 were \$29.8 billion¹, with net inflows of \$0.2 billion for the quarter. Total average FUM for the three months to 30 June 2014 were \$31.2 billion.

Perpetual's CEO and Managing Director Geoff Lloyd said this result represents the fourth consecutive quarter of net inflows for Perpetual.

"The continued momentum in net inflows reflects the strength of Perpetual's asset management team and a clear focus on our reinvigorated sales and distribution strategy.

"We are pleased to announce a distribution payment of \$1.3 billion to clients as at 30 June 2014, which is a reflection of strong performance, as well as a return to a net positive capital gain position across the majority of our funds. This distribution compares to \$0.3 billion at the same time last year.

"From past experience, we look forward to clients reinvesting a portion of this distribution back into Perpetual's suite of products over coming months," said Mr Lloyd.

Perpetual's FUM as at 30 June 2014 included \$1.0 billion from The Trust Company, which was acquired in December 2013.

Change in FUM

The change in Perpetual's FUM over the three months ended 30 June 2014 was mainly attributable to:

- an increase of approximately \$0.2 billion due to market appreciation, with the S&P/ASX 300 Accumulation Index increasing by 0.9% in the period;
- a decrease of \$1.3 billion due to distributions, net of automatic re-investments (as noted above, it is expected that a portion of this will be reinvested in coming months);
- a decrease of \$0.3 billion due to the divestment of the New Zealand business of The Trust Company in April 2014; and
- \$0.2 billion of net inflows, compared to \$0.5 billion of net outflows in the same period last year. Net inflows during the quarter included two significant gains in the institutional channel into several equities strategies.

¹ All figures in this update are in Australian dollars and are rounded.

Appointments and mandates

A strategic focus on sales and distribution has continued to expand the distribution of Perpetual's funds. During the period, the following appointments were made:

- Perpetual's Share-Plus Long Short Fund was added to the approved product list of a large wealth management group;
- Perpetual's Australian Share Fund and Share-Plus Long Short Fund were added to the model of a large wealth management group;
- Perpetual's Dynamic Fixed Income Fund and Pure Equity Alpha Fund were added to a key industry platform; and
- Perpetual Investments was awarded a mandate by a new institutional client for its Concentrated strategy, which was funded during the June quarter.

Ratings

Perpetual Investments won the Responsible Investments category for the Perpetual Ethical SRI Fund at the Money Management/Lonsec Fund Manager of the Year 2014 awards and was a finalist in the Equities (Long Short) category for the Perpetual Share-Plus Fund. This is the second consecutive year that Perpetual won the Responsible Investments award, reflecting consistent, above-market performance.

Since announcing the Transformation 2015 strategy in June 2012, distribution of Perpetual Investments products have benefited from being added to a significant number of platforms, financial adviser approved product lists (APLs) and models, as well as achieving new ratings and rating upgrades. This is illustrated in the table below.

Changes since June 2012	As at 30 Jun 2014
Additions to:	
Discretionary platforms	15
Financial adviser APLs	14
Model Portfolios	17
Fund ratings:	
Fund rating upgrades	15
New fund ratings of investment grade (or its equivalent) or above	13

Appendix

- FUM and flows data by channel, asset class and strategy.

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About Perpetual

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

Appendix

FUM and flows by channel

Channel (A\$billion)	31 Mar 2014	Net Flows	Other ²	30 Jun 2014
Retail	5.7	(0.1)	(0.1)	5.5
Intermediary	14.1	-	(0.8)	13.3
Institutional	9.9	0.3	(0.2)	10.0
Total excl The Trust Company	29.7	0.2	(1.1)	28.8
The Trust Company: Australia	1.0	-	-	1.0
The Trust Company: New Zealand ³	0.3	-	(0.3)	-
Total	31.0	0.2	(1.4)	29.8

FUM and flows by asset class

Asset Class (A\$billion)	31 Mar 2014	Net Flows	Other ^{2,3}	30 Jun 2014
Australian Equities	22.8	0.3	(1.0)	22.1
Global Equities	1.2	-	-	1.2
Total equities	24.0	0.3	(1.0)	23.3
Cash & Fixed Income	5.8	0.0	(0.3)	5.5
Other	1.2	(0.1)	(0.1)	1.0
Total: all asset classes	31.0	0.2	(1.4)	29.8

² 'Other' includes changes in asset value, income, reinvestments, distributions, and asset class rebalancing within the Group's diversified funds. In the June 2014 quarter, this includes a distribution of \$1.3 billion, a portion of which is expected to be reinvested over coming months.

³ The New Zealand business of The Trust Company was divested on 7 April 2014. In the asset class table, this is included in 'Other'.

Channel definitions: Retail = FUM from advisers and individual clients who invest with Perpetual directly; Intermediary = includes FUM from financial advisers who invest with Perpetual via external platform providers; Institutional includes industry superannuation funds and clients who invest large sums.

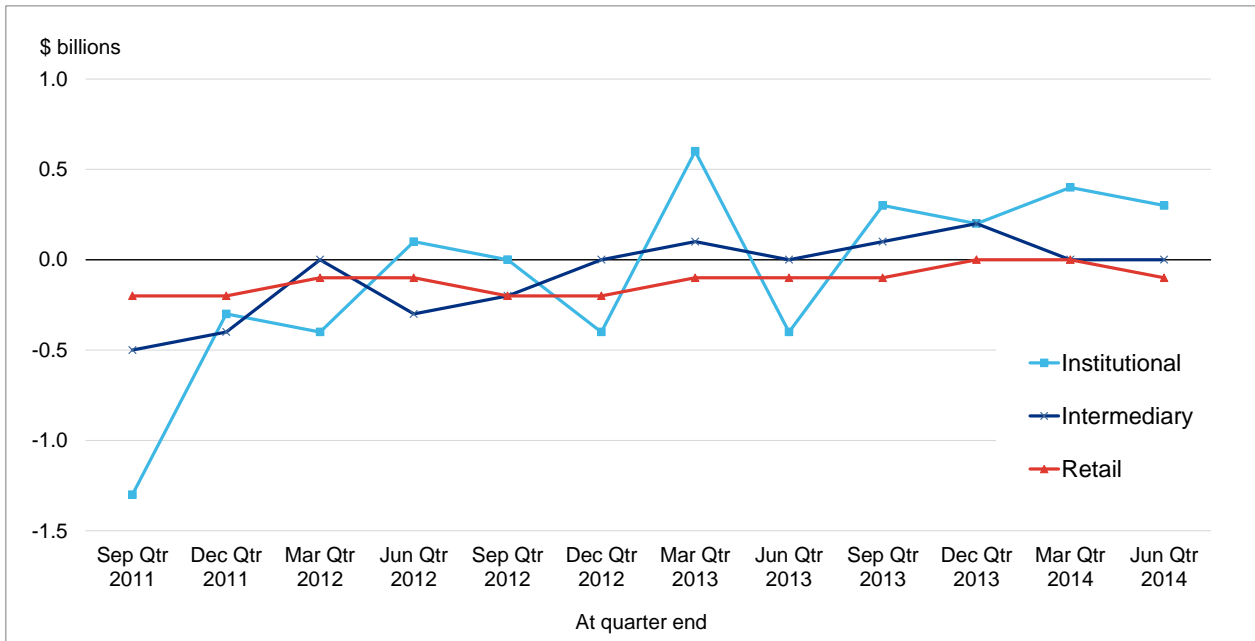
Australian Equities

FUM by strategy 30 June 2014 (A\$billion)	Intermediary & Retail	Institutional	Total FUM
Ordinaries (Aust Share Fund)	2.7	4.8	7.5
Industrials	6.3	-	6.3
Concentrated	1.2	1.8	3.0
Smaller Companies	0.7	0.4	1.1
Other	3.2	1.0	4.2
Total Australian Equities	14.1	8.0	22.1

Cash and Fixed Income

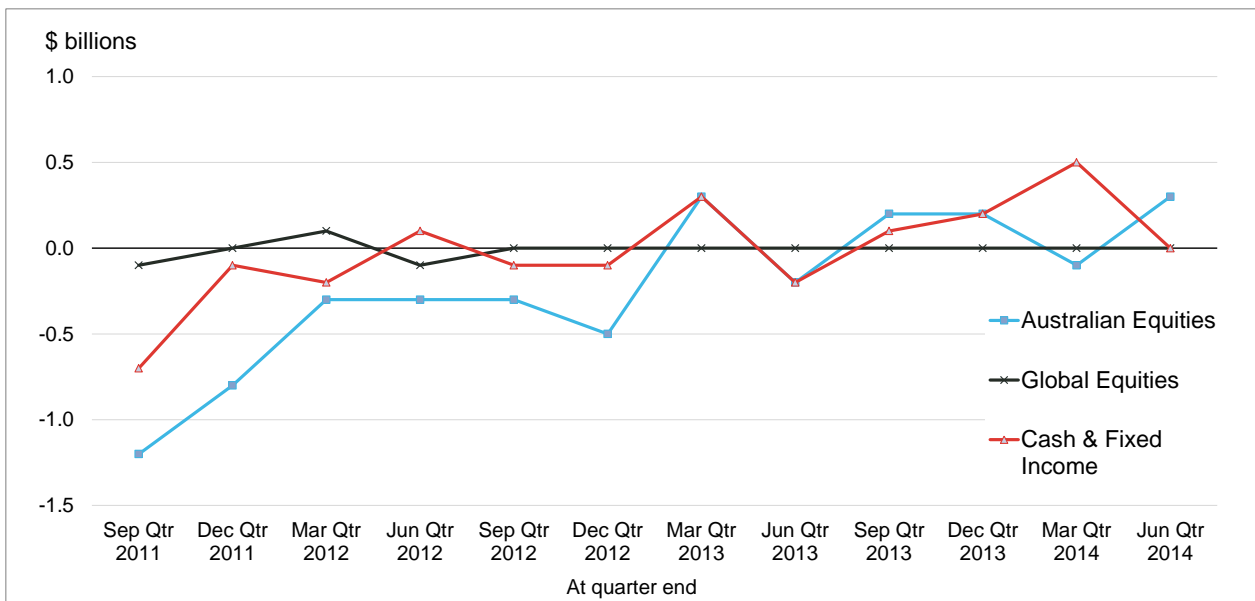
FUM by strategy 30 June 2014 (A\$billion)	Intermediary & Retail	Institutional	Total FUM
Cash / Enhanced Cash	1.0	1.8	2.8
Credit / Fixed Income	2.3	0.1	2.4
Sub-total	3.3	1.9	5.2
Exact Market Cash			0.3
Total			5.5

Net flows by channel: 2011 – 2014



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

Net flows by asset class: 2011 – 2014



Note: Excludes 'Other' Asset Class, return of capital to investors for Mortgage Funds and the Perpetual Private portfolio wrap service cash.