2019 ANNUAL GENERAL MEETING

Addresses to Shareholders

17 October 2019

Perpetual Limited
ABN 86 000 431 827

PPT FY19 ANNUAL GENERAL MEETING

Chairman

Tony D'Aloisio AM

In a moment, I will ask our CEO Rob Adams to deliver his address. Before I do, I would like to pick up a couple of themes in my letter to shareholders in the Annual Report.

A strong diversified business

Shareholders would have noted that our financial results are down this year – revenue decreased 4% and net profit after tax (NPAT) was down 17%. For shareholders, this translated into dividends being 9% lower (at $2.50 per share) than the previous year. For our Executives, this meant variable incentive outcomes were on average 43% below the financial year's target. For our asset management teams, variable incentive outcomes were impacted by a number of factors. In the case of our Equities asset management team, total variable reward outcomes were down approximately 20% on FY18.

Our total shareholder returns (TSR) do however remain solid – on a three year rolling basis TSR is 7% and one year (last year) 8%.

While the results were down, in what have been challenging market conditions, your Board remains confident with the underlying strength of Perpetual's business. And in the diversified nature of that business. Both Perpetual Private and Perpetual Corporate Trust, on a rolling three year basis, continue to increase their overall contribution to profit.

More specifically, for Perpetual Investments, your Board considers our value approach continues to be the right one for us and our investors. We will stay true to our disciplined investment approach and we continue to strive for improvement. For example, we were pleased with the successful launch and listing of the Perpetual Credit Income Trust (ASX: PCI), raising the maximum $440 million including over subscriptions, demonstrating strong investor demand for our investment expertise.

For Perpetual Private, we are pleased with its growth and the opportunities for us following the Royal Commission. The business is well positioned following the dislocation within the financial advice industry, as we continue to deliver quality advice and services to clients while attracting high quality advisers as well.

Our Perpetual Corporate Trust business delivered strong revenue and profit growth in 2019. In particular, we saw growth in the Data and Analytics Solutions business, reflecting longer-term planning and investment.

Our Brand and the Royal Commission

We have a stellar brand. While we were not directly impacted by the Royal Commission findings, we have examined the final report and recommendations and reviewed our compliance which remains robust. The other side of the Royal Commission fallout are the opportunities created for our strong brand. As just mentioned, we are taking those opportunities where we can (particularly in the Perpetual Private business).

Our Share Register

Our share register continues to be stable although there was one notable addition of BlackRock coming onto our register through its exchange traded funds during the second half of FY19 and becoming a substantial shareholder in the company. That holding (around 11%) remains dependent on the dividend yield criteria which is applied by BlackRock each year.

Our Board of Directors

I would like to take a moment to acknowledge some of the changes to our Board of Directors. Two of our long serving Non-Executive Directors Philip Bullock and Sylvia Falzon are not seeking re-election and their terms will come to an end at the close of this AGM.

I would like (on behalf of the Board and Shareholders) to express our sincere gratitude and thank them for their dedicated service and valuable contribution to Perpetual throughout the years and wish them well in their future endeavours.

I would also like to welcome Greg Cooper who was appointed as a Non-Executive Director last month. Greg will come up for election at this meeting.

We are well advanced in appointing an additional Non-Executive Director and we hope that she will be in a position to accept our offer shortly.

I also congratulate Nancy Fox who will take over from Sylvia as Chair of the People and Remuneration committee from tomorrow.

Senior Management

The Board is pleased and would like to thank our CEO, Rob Adams and his Executive Committee in the way they are managing our business. I introduced Rob's leadership team earlier.

I would also like to take the opportunity to thank Rebecca Nash, who leaves tomorrow, and Kylie Smith, who has left Perpetual, for their hard work and commitment in their previous respective roles as Group Executive of People and Culture and Group Executive of Marketing and Communications.

Our People

I would also like to recognise the hard work and dedication of all our people at Perpetual who put the client first in everything they do. This is evidenced by our excellent client advocacy or Net Promoter Score from our annual client survey.

Our employee engagement levels remain amongst the best in the Australian financial services sector and I truly believe this is reflected in the high standard of service which we offer our clients.

Our Shareholders

Finally, on behalf of the Board, I would like to thank you, our shareholders, for your ongoing support and interest in Perpetual.

I will now hand over to Rob for the CEO's address.

PPT FY19 ANNUAL GENERAL MEETING
CEO and Managing Director
Rob Adams

Good morning ladies and gentlemen and thank you Chairman. It is a privilege to be addressing you today at my second Perpetual AGM as your CEO and Managing Director. I have been in this role now for 12 months and I have had the pleasure of fully immersing myself in the business, engaging with clients and shareholders and interacting every day with our people.

I have experienced firsthand how our people continue to stay true to our brand, and continue to earn the trust of our clients and shareholders in everything they do.

Results overview

Like other value-style investment managers, and many of our peers in financial services, the 2019 financial year was a challenging one for Perpetual.

Despite that, our business remains well positioned and it is important to highlight that Perpetual continued to see client demand for quality investment management expertise, financial advice, and corporate trustee services.

Firstly, I'd like to take you through a quick recap of our headline numbers for the full year.

We delivered total revenue of $514.1 million, 4% down on FY18. The decline in revenue was driven by lower average funds under management (FUM) as a result of net outflows from Perpetual Investments, as well as lower performance fees earned during the year.

Our expenses were up 4% over the period, within our stated 2-4% range, representing additional investment into the business, and expenses associated with the evaluation of inorganic opportunities.

Net Profit after Tax was $115.9 million, 17% lower than the prior corresponding period. Our Board declared a dividend of $1.25 per share for the second half, bringing us to a full year dividend of $2.50, down 9% on the prior year.

We achieved our people and client goals during the year. Our refreshed brand positioning highlights the importance of earning trust in all that we do. We've prospered over decades because we never take our clients for granted.

We realised a significant uplift in our client advocacy or Net Promoter Score, up 5 points to 39 on our already high score in the previous year, which compares very favourably to the Financial Services industry NPS benchmark of -2 [1]. Given the challenging environment we are operating in, it was pleasing to see this uplift, which is clear evidence of the strength and depth of our client relationships.

Our employee engagement score remained strong at 73% during a year of change, keeping us well above the industry average and placing Perpetual in the top quartile of Australian and New Zealand organisations.

Perpetual Investments

Moving onto our business divisions, starting with Perpetual Investments – it was a difficult year for the division. Our team were disciplined and focused, remaining true-to-label in strictly adhering to our value investment style, but the market environment was, and remains tough on all value managers, including Perpetual.

At an industry level, the year to 30 June 2019 was the worst year on record, with retail net outflows from the industry as a whole, driven by a number of factors, including change and dislocation in the advice and broader wealth sectors as well as shifts in asset allocation away from Australian equites to other asset classes. This negative industry backdrop, the continuation of macro conditions suiting growth investing, rather than value, and Perpetual's poor relative investment performance, all combined to lead to net outflows for Perpetual Investments.

The effect of these outflows was reflected in the division's revenue and profit numbers – revenue for FY19 was down 12% to $205.0 million and profit down 29% to $79.9 million.

With some changes in roles to focus on our core strategic priorities – which I will touch on later – and in recognition of the need to concentrate our efforts on Perpetual Investments, I have taken on a greater responsibility for this division.

I have also made a key strategic appointment to the Perpetual Investments leadership team as we continue to focus on leveraging our brand and expanding our distribution footprint both within and beyond Australia.

In looking at the business, better leveraging our distribution capability has been one of my key priorities. With that in mind, I have brought on Adam Quaife who will be taking on the role of General Manager Distribution for Perpetual Investments in early December this year.

[1] Perceptive, Australia NPS Industry Benchmarks 2018

The distribution landscape in the sector is shifting quickly and Adam's deep sector knowledge and extensive experience in sales and marketing will better enable us to adapt to industry change and open up new channels and opportunities.

We understand investment markets are cyclical and the last decade has been a good environment for passive investing and growth investors. However, over recent weeks, as global investment markets have entered what appears to be the late stage of the economic cycle, we have started to see markets shift back towards value, with early signs of improvement in our near-term investment performance coming through, which is encouraging.

Whilst I can't predict future markets, this near-term movement is interesting and may signal a long-awaited return to value investing coming back into favour. Regardless, Perpetual will stay true and firm to our value approach, which has delivered results for more than 50 years, through a variety of market cycles and we remain confident it will continue to do so over time.

Perpetual Private

During a difficult time for the Australian advice sector, Perpetual Private showed the strength and resiliency of its business this financial year with 5% growth in average funds under advice (FUA) – with both positive equity markets and positive net flows contributing.

Activity levels in the advice industry softened due to the Royal Commission and industry flows were impacted. For the full year Perpetual Private's profit before tax was $41.2 million, down 11% on the prior corresponding period. However, I believe the division had a solid year, particularly given the extent of dislocation that is occurring in the advice sector. The business still delivered positive flows for the sixth consecutive year, now advising on $14.8 billion of assets at the end of financial year.

Following the Royal Commission and the disruption to the advice industry, we have been able to attract high quality advisers to our business with 11 new advisers joining us in the second half of the year. We see a clear opportunity for Perpetual Private to continue to attract the industry's best advisers and their clients, given the strength of our brand and our focused business model.

To ensure we are ideally positioned to benefit from the dislocation in the advice sector, we launched our new professional services model during the second half of the year, a holistic approach which delivers the benefits of convenience, access and transparency of fee structures for clients when considering all aspects of their financial planning.

Perpetual Corporate Trust

Moving onto Perpetual Corporate Trust, the division reported profit before tax of $47.7 million for the year, a 12% increase on the prior corresponding period. Another year of strong performance from Perpetual Corporate Trust reflects our market-leading position in the provision of trustee and related services, leveraging the depth and breadth of our long-standing client relationships.

We continue to leverage this strong market position to further deepen our client relationships and open up new revenue streams over time.

We expect to continue to benefit from the growth in the non-bank sector as our client relationships are unmatched across our Debt Markets Services (DMS) business, covering banks, non-banks and challenger banks.

Our strong market position means when combined with our RegTech solutions, we offer real insights, risk management tools and value-add for our clients.

We expect our Managed Funds Services (MFS) business to continue to be a beneficiary of the trend towards outsourcing Responsible Entity and other services following the Royal Commission, as Perpetual Corporate Trust is seen as a trusted partner in this growing area.

Strategic priorities

Turning now to our strategic priorities. To set ourselves up to take better advantage of opportunities, we are realigning the business to adapt to an ever-changing environment.

We have implemented a new operating model that brings us closer to the client, provides improved operational excellence, allows for more innovation, and delivers streamlined governance and decision-making processes.

This includes reframing the Executive Committee, my leadership team – changes which you may already be aware of – to reflect our areas of focus and improve the way we operate. Last year I announced that Chris Green would move into the role of Chief Financial Officer after a decade of running Perpetual Corporate Trust, and that transition has been successful, as has been, Richard McCarthy's move to the role of Group Executive of Perpetual Corporate Trust. I also announced the appointment of Sam Mosse to the role of Chief Risk Officer, as I view it as critical to have the Risk, Compliance and Legal functions as part of the Executive Committee. Having worked with Sam previously, I was confident she would immediately add value and that has indeed been the case.

As a direct result of decisions made through our Operating Model review, I appointed David Lane into the role of Group Executive of Mergers & Acquisitions focused on bringing new asset management capabilities to the firm. I have also created a Chief Operating Officer role as we centralise the key functions of Product, IT and Operations, seeking synergies across our three business as we take an enterprise-wide view of these critical areas. An executive search is underway for that role.

Finally, I have decided our Marketing & Communications and People & Culture functions will no longer be Executive Committee level roles. I would like to express my sincere thanks and gratitude to both Kylie Smith, who left Perpetual earlier this year, and Rebecca Nash, respectively, for their dedication and commitment to Perpetual over the years.

Our new operating model will provide a better platform from which to grow the business, allowing us to empower our people more, enabling quicker decision-making within an enhanced governance framework. We will continue to focus on meeting the needs of our clients through synergies and realignment of roles. Our new Operating Model will enable us to operate more efficiently and is expected to deliver cost savings of between $18-23 million on an annualised basis within two years. As a result, we will be investing more in our brand, technology and distribution.

Perpetual's brand is our greatest strength and one of our most valuable assets which has driven strong client relationships across our businesses. Our strategic priorities across Perpetual's three businesses are focused around better leveraging this strength to deliver sustainable, quality growth in earnings over time. Whilst the financial services landscape evolves, a nimbler Perpetual will be well-positioned to take advantage of the opportunities that arise during a period of change.

Another important strength for Perpetual is our solid financial position. We have diversified revenue streams, we have a positive net cash position and our balance sheet is both clean and strong. This positions us extremely well to exploit the right sort of opportunities that will arise through the industry change that I have commented on. As a result, during the course of the year we actively explored a range of acquisition opportunities across our three businesses and we acquired RFi Analytics to expand our Data Services business within Perpetual Corporate Trust. Our focus on inorganic growth will continue into the future, in addition to driving organic growth across each of our businesses.

In Perpetual Investments we will remain focused on adding additional, world-class investment capabilities to the firm, most likely through acquisitions. These new capabilities will be contemporary and relevant to institutional and retail investors in Australia and globally. We will ensure we continue to maximise our deep and broad distribution footprint in Australia, and we will seek relevant opportunities to expand our presence beyond Australia over time.

Perpetual Private's proven business and advice model is attractive to the industry's best advisers and their clients. We will continue to take advantage of the dislocation in the advice sector, remaining focused on the channels that have delivered consistent growth in recent years – high net worth individuals, business owners, medical practitioners and not-for-profit organisations.

Finally, Perpetual Corporate Trust will continue to build on its already strong relationships across our debt market services offerings as we provide a broader array of RegTech and risk management solutions to a wider client base, and as previously mentioned, we expect our managed funds services business to continue to be a beneficiary of the growing trend to outsource the role of RE and provision of other services.

Whilst there are a number of factors influencing material change in the financial services landscape, I feel Perpetual is increasingly well-placed to capitalise on the opportunities which will typically arise from change.

Though in the short term, negative net flows at an industry level will present challenges to most participants, including Perpetual, I am confident we are well positioned to navigate the industry changes and challenges as we strive to deliver and earn the trust of our clients, our people and our shareholders every day. Our strong and trusted brand, built over 133 years, is unique, irreplaceable and provides us with a solid foundation for future growth.

I would like to thank Tony and the Board for their support, and express what a privilege it is to lead this highly regarded company, to continue its legacy and to be focused on delivering sustainable quality earnings growth into the future.

Thank you.

PPT FY19 ANNUAL GENERAL MEETING
People and Remuneration Committee Chairman
Sylvia Falzon

Good morning fellow shareholders, ladies and gentlemen. As Chairman of the People and Remuneration Committee, it is my pleasure to present to you the highlights of our key remuneration outcomes for the 2019 financial year.

Leadership

It has been a year of change at Perpetual. Since joining in September 2018, Rob has spent time engaging with our clients, people, shareholders and a range of stakeholders to understand what is working well and what needs to change. Rob's focus on driving organic and inorganic growth in the business has brought about a refreshed Executive team coupled with a renewed operating model which Rob has just mentioned. The remuneration structure of his leadership team is outlined in further detail in our recently published remuneration report within the 2019 Annual Report.

Performance

When it comes to deciding whether an incentive is awarded for Executives in any given year, your Board, through its People and Remuneration Committee, considers a range of factors. For a number of years now, we have based our performance measurement framework against a balanced scorecard. This scorecard is a combination of both financial and non-financial measures designed to achieve long term sustainable value. There are a range of measures on the scorecard at different weightings with 60% allocated to financial and growth and 40% to non-financial measures.

While performance is assessed at the end of each financial year, some measures are short term in nature, whereas other measures are designed to drive longer term strategic outcomes.

The outcomes we awarded for the 2019 financial year, are based on a holistic assessment determined by the Board.

As previously mentioned, the 2019 financial year was a challenging year which delivered mixed results across our business divisions. Good progress and above plan results were achieved on some of the growth and client measures, while other measures (including short-term financial) were below target. This mixed result therefore was a major contributor to the variable remuneration outcomes achieved, especially for our Executive team.

Remuneration outcomes

Our overall 2019 financial year outcomes for Executives are down on the prior year, resulting in incentives being paid to a majority of our Executives of 50% of their target. To put this into context, compared to last year where Executives received between 74-78% of their target incentives, the range this year was 50%-75% of target, with target being 100%. In summary, for our Executives, this meant variable incentive outcomes were on average 43% below the financial year's target.

Changes to remuneration structures

As a result of last year's review, the variable equity component for our incoming CEO Rob Adams was modified. It includes an additional long-term absolute Total Shareholder Return (TSR) performance hurdle that applies to half of any allocated equity under the variable incentive plan. This hurdled component vests 50% after year 3 and 50% after year 4.

As part of our ongoing incentive model review, for FY20 the broader Executive team will be aligned to a consistent model to that of our CEO. The Board decided the Executive remuneration framework would operate most effectively if all Executives are aligned to the same structure with the long-term hurdle providing greater shareholder alignment. I would like to thank shareholders and proxy advisers who provided feedback on the introduction of this hurdle for all Executives.

Remunerating our people

In terms of remuneration more broadly, there have been no fixed pay increases for our Executive team and Board this year, except where an Executive transitioned to a different role, such as in the case of Chris Green who was promoted to the role of CFO.

While remuneration is focused on our Executive team, we believe it's also important to highlight details of our approach to remunerating our people throughout our organisation. The allocation of variable reward is also aligned to our overall performance and leaders within the business take a holistic approach to assessing an individual's performance. In light of our headwinds this year:

- our bonus pool across the broader employee population was down approximately 37%;
- with our overall performance being impacted mainly by our Perpetual Investment results and in particular Australian Equities, the incentive pool for these asset managers was 20% lower than prior year; and
- of the fixed pay review budget, the Board made the decision to allocate this pool to those employees earning $150,000 or less which represents approximately 70% of our people.

As part of assessing holistic performance, all performance and reward outcomes incorporate an assessment of risk in the following ways:

- Risk dashboards across the group and our divisions
- Individual behavioural and risk ratings
- Regular assessment of risks to determine application of malus and clawback provisions
- Board and management discretion

In closing, we understand the importance of providing clarity and transparency in relation to our Executive remuneration. We continue our commitment, particularly in the context of the current operating environment with increased focus on remuneration and pay for performance, to engage with our shareholders and proxy advisers for their feedback.

As the Chairman mentioned, this is my final AGM. I would like to take the time to say thank you, our shareholders, for allowing me the privilege to serve on your Board for the past seven years. To our clients, thank you for entrusting us to look after your financial needs, my Board colleagues for all your support and finally, to our people who are committed to serving our clients every day with a genuine desire and passion to do the right thing.

Thank you.

17 October 2019

PERPETUAL LIMITED
2019 ANNUAL GENERAL MEETING

ABN 86 000 431 827

Perpetual

MR TONY D'ALOISIO AM
Chairman

MR ROB ADAMS

Chief Executive Officer and Managing Director

Perpetual

FY19 RESULTS

$514.1m
Revenue
↓ 4% on FY18

$351.9m
Expenses
↑ 4% on FY18

$115.9m
NPAT
↓ 17% on FY18

$2.50
Full-year DPS
↓ 9% on FY18

PERPETUAL INVESTMENTS
FUM $27.1b

Highly regarded investments business
Seeking to add world-class investment capabilities to drive sustained growth

PERPETUAL PRIVATE
FUA $14.8b

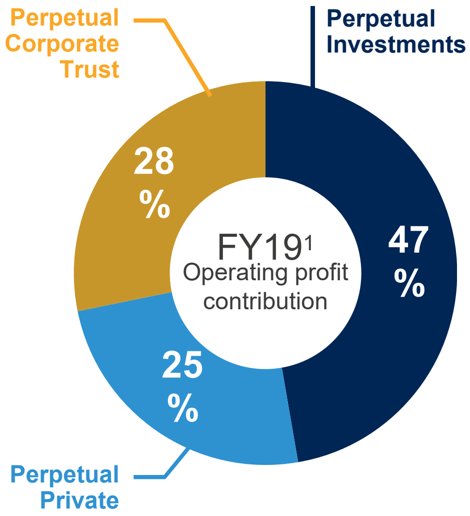
Clear HNW segmentation strategy and new professional services model, well positioned to capitalise on industry disruption

PERPETUAL CORPORATE TRUST
FUA $764.5b

Leader in securitisation and managed fund services, investing in data analytics solutions

FY19 IN REVIEW

INVESTING IN OUR DIVERSIFIED BUSINESS TO ACCELERATE GROWTH



Perpetual Investments

- Raised over $540m of new capital via listed vehicles[2]
- 4 Multi Asset funds upgraded to "Highly recommended" by Lonsec[3]
- Increased focus and investment in distribution

Perpetual Private

- Launched a new integrated professional services model to facilitate deeper client engagement and support growth
- Six consecutive years of positive flows
- Appointed 5 new financial advisers to accelerate growth

Perpetual Corporate Trust

- DAS[4] growth accelerated via RFi Analytics acquisition and mandates won across financial services clients
- MFS[4] mandates from domestic and global asset managers
- DMS[4] benefiting from growth in non-bank sector

NPS score of **+39** up from +34 in FY18[5]

73% Employee engagement top quartile of Australian companies[6]

1. Operating profit before tax from business segments excluding Group Investments and Support Services for the12 months ended 30 June 2019 2. Perpetual Equity Investment Company Limited (ASX: PIC) and Perpetual Credit Income Trust (ASX: PCI) which listed on 14 May 2019. PIC and PCI's investment portfolios are managed by Perpetual Investment Management Limited, a wholly owned subsidiary of Perpetual Limited. 3. As recommended by Lonsec 4. Data and Analytic Solutions (DAS), Managed Funds Services (MFS), Debt Market Services (DMS) 5. Rebased for new target segments. 6. AON Hewitt.

FY19 IN REVIEW
ACTION TAKEN TO POSITION THE BUSINESS FOR GROWTH

Leadership and capability

Sustained quality growth

Brand and reputation

- Defined strategic objectives to accelerate growth and deliver long-term value for our stakeholders
- Designed new operating model to reposition and facilitate growth
- Key executive appointments completed
- Prioritised investments designed to deliver long-term growth
- Evaluated a number of inorganic opportunities across all three businesses, as well as developed a pipeline of further prospects
- Launched “Trust is earned” positioning to articulate our client value proposition

17 October 2019

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2019 ANNUAL GENERAL MEETING

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