

Perpetual Limited 2022 AGM report

ASX code	PPT
Meeting date	20 October 2022
Type of meeting	Hybrid
Monitor	Richard Williams
Pre AGM-meeting	Yes, with Chair, Tony D'Aloisio and executives Shannon Dooley GM of Performance, Reward and Analytics & Ivor Gibbons – Head of Sustainability

Meeting Statistics

Number of holdings represented by ASA	104
Number of shares represented by ASA	185,978 (equivalent to the 15 th largest shareholder – last year 17 th)
Value of shares represented by ASA	\$4.588 m on the day of the meeting
Total number attending meeting	A total of 300 attendees in person and online. 28 shareholders in attendance in person and 11 online.
Market capitalisation	\$1.413 billion (last year \$2.319b)
ASA open proxies voted	On a poll. ASA voted in favour of all the resolutions

Overview

Once again, the Chairman conducted the Perpetual AGM in an orderly manner, ensuring all questions from shareholders were addressed, whether submitted beforehand in writing, online or by phone.

The ASA's voting intentions can be accessed [here](#).

Voting outcomes

All resolutions outlined in the ASA's Voting Intentions were carried with significant **votes for** all resolutions (averaging 91.96%). However, resolution 4c incurred a significant 10.85% vote against the grant of KMP growth long-term incentive performance rights to the CEO/MD. The voting results together with the AGM addresses and presentation can be found at:

<https://www.perpetual.com.au/about/shareholders/asx-announcements>

Cyber security

The ASA asked the Chair of the Audit Risk and Compliance committee if there had been any changes or upgrades to PPT's cyber security arrangements since last year. Ian Hammond provided a detailed response indicating that cyber security issues are a high priority for the board and assured shareholders that there is an on-going program to ensure data security in all projects. The technical leadership team is responsible for overall cyber security risk and is currently initiating a review to ensure cyber security robustness.

In answer to a further question from another shareholder, the Chief Technology Officer (a new position created in March 2022) assured shareholders that access to all computer systems requires multifactor authentication and that all data is encrypted.

Re-appointment of Mr Greg Cooper as a NED

In answer to an ASA question regarding the time he will have to devote to PPT business considering that he has seven other directorships, Mr Cooper replied that these directorships were minor, personal and philanthropic in nature. He pointed to the fact that he had attended all 23 PPT board meetings in FY22. In addition, Mr Cooper estimated that after taking his other commitments into account he would have 70 days per year to devote to PPT's business.

Barrow Hanley (BH) net fund outflows

ASA asked what BH is doing to arrest net fund outflows from its US funds. Shareholders were advised that BH is investing in people, product and platforms. The aim is to invest in retail funds and UCITS (Undertakings for the Collective Investment in Transferable Securities) platforms. UCITS is a regulatory framework that allows for the sale of cross-Europe mutual funds. The aim is to have net fund inflows within three years.

"One off" Executive KMP Growth Long-term Incentive

ASA questioned the need for a "stretch" incentive over and above the existing KMP incentive. The Chair of the people and remuneration committee advised that it was important to realise the expected value of recent and any future acquisitions by providing a "light on the hill" to aim for when "hitting the ball out of the park" in a company performance sense.

Pendal Group (PDL) acquisition

There were many questions regarding the PDL acquisition in addition to those from the ASA.

- The Chairman assured shareholders that the estimated A\$60m in pre-tax synergies within the first two years of the acquisition would continue in future years.
- A question from another shareholder asked if Magellan or Platinum had been considered as acquisitions. The Chairman advised that PDL had been chosen because of its alignment with PPT's existing business and the CEO/MD added that PDL is a high-quality business that can add value to PPT.
- In answer to a question regarding the decline in the PPT share price, the Chairman replied that the board is concerned about the share price and the CEO/MD added that there are three influences on the current share price:
 - o the world situation with rising inflation and uncertainty
 - o asset management companies share prices fall by more than the market because their profits are influenced by asset prices
 - o the influence of merger arbitrage players

He expects the PPT share price to recover when the acquisition is completed.

Other questions from shareholders

There were a number of questions from shareholders concerned about issues relating to them in particular. The Chairman committed to deal with these issues after the meeting.

In summary

Perpetual continues its transformation into an international multi-boutique asset manager and has successfully integrated Trillium and Barrow Hanley. The acquisition of Pental Group is much larger and in the words of the CEO/MD, a “defining investment” and poses greater risks and challenges, however these appear to be minimized by extensive due diligence and the stated intention to retain PDL’s existing brands and management.

In addition, the company continues to grow the Perpetual Corporate Trust and Perpetual Private businesses.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 (“ASA”). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person’s particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person’s acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.