



Company	Perpetual Limited
Code	PPT
Meeting	AGM
Date	21 October 2021
Venue	Online
Monitor	Richard Williams assisted by Peter Gregory

Number attendees at meeting	156 stakeholders attended. It is not known how many were shareholders.
Number of holdings represented by ASA	96
Value of proxies	\$6.77m
Number of shares represented by ASA	167k (equivalent to 17th largest holder in Top 20 list)
Market capitalisation	\$2.319b
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with: Tony D'Aloisio (chairman) Nancy Fox - (NED and chair of the People and Remuneration Committee) Paul Chasemore – EGM, People and Culture Shannon Dooley – GM, Performance and Reward Emma Rumble – GM Corporate Affairs & Investor Relations

Awareness of the challenges ahead, but renewed sense of optimism about the future.

The sentiment of the AGM can best be summarised in the words of CEO, Rob Adams – “We are transforming our business from being a diversified, yet domestically restrained financial services company, with a reasonably traditional and somewhat limited product suite, servicing primarily Australian clients, to now being a business that has an array of globally relevant investment capabilities, all with substantial capacity for growth”. This positive theme, during the meeting,

conveyed a sense that Perpetual has a new confidence in the future and is determined to make it happen.

The underlying momentum of and successful implementation of strategies for Perpetual Private and Perpetual Corporate Trust continue make a strong contribution to results.

Trillium and Barrow Hanley

The Trillium acquisition established a position in North America for Perpetual and enhanced exposure to the fast-growing ESG segment. Barrow Hanley brought global investment capabilities with significant growth potential. In a short space of time the capability of these businesses has enabled Perpetual to also extend its operational footprint and distribution into Europe and the UK.

Sustainability

FY21 has seen commencement of work to develop the Perpetual Sustainability Framework and Strategy stating Perpetual's priority sustainability themes, including climate change, and to formalise commitments and to create strong foundations for future focus. Perpetual has appointed a Sustainability and Modern Slavery Manager.

KMP Presentations

During the formal chair and CEO presentations [shareholders heard from the business heads](#) . Other KMP also assisted with answering shareholder questions, giving us an introduction to the people who are tasked with making it happen, a welcome addition to the AGM format.

Summary of responses to the ASA's questions

Apart from a question from one other shareholder, ASA provided all of the shareholder queries receiving these responses:

Director's fees

Perpetuals increase of director fees is the first since 2016 and for existing directors means an increase of 9%. With the addition of a US based director, who for market competitive reasons will earn more than local board members, total director fees will increase by 30%.

IT upgrade

In answer to our question about benefits expected from Perpetuals 3-year program of investing in a state-of-the-art IT platform we were informed about the upgrade activity without reference to the benefit to clients, employees or shareholders.

Perpetual Asset Management Australia

With the PAMA business we sought to understand to what extent the results are attributed to implementation of strategy vs external factors such as widespread improvement in the value of markets. According to the CEO this is a complex question, but he does think that Perpetual strategies have had a positive impact on flows.

In FY21 half of PAMAs funds outflow was from the intermediary channel, although it was noted that in FY22 Q1 PAMA experienced positive flows.

On PAMA's introduction of active ETFs this is a strategy to provide contemporary access points for retail and intermediary clients in this growing segment. Two will be launched in FY22 with a broader suite available over time.

Integration of Trillium and Barrow Hanley

In response to our question about issues, especially with employees, with the integration of the acquired companies, this was answered in general terms referring to Perpetual's risk management processes, without the expected direct reference to experiences with Trillium and BH.

Integrity of ESG credentials

We raised questions about ESG activity and reporting. Integrity of reporting is fundamental to Perpetual and we were referred to the Sustainability report for more comprehensive information on this topic.

PAMAs newly introduced ESG workbook is a tool used by analysts that raises red flags where there are material ESG issues requiring investigation.

Cyber security

Ian Hammond as chair of the audit and risk committee described Perpetual's cyber security strategy including comprehensive internal and external monitoring of threats to protect both Perpetual's and client's data.

New US based director

Mona Aboelnaga Kanaan described her extensive experience as a CEO, serial entrepreneur, investor and corporate director, expanding on the information included in the Notice of Meeting. She has sat on all sides of the table. Mona said that as a US based Perpetual director, that in addition to governance, she will as Perpetual's director on the ground, bring a deep understanding of the people, performance and trends that dominate and resonate throughout this sector in the US.

Note - it was a consequence of the online meeting format, but some of our questions were not answered as fully as we would have liked.

Voting outcomes

All resolutions outlined in the ASA's Voting Intentions were carried resoundingly with **votes for** between 97.6% for (the grant of performance and share rights to the MD/CEO) and 99% (proportional takeover provisions).

In summary, Perpetual is on a journey of significant transformation, and will face challenges along the way; while optimism was expressed during the meeting and three of the businesses appear to be progressing well PAMA, while showing some green shoots, has a way to go.