

Pendal Group Limited  
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Sydney NSW 2000  
Australia  
ABN 28 126 385 822

**PENDAL**  
GROUP

5 November 2021

Company Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**Pendal Group Limited Full Year Profit Announcement for the 12 months ended 30 September 2021**

The following documents are attached for lodgement:

Appendix 4E

ASX Announcement

Annual Report



Analyst Presentation

Shareholder Update

Appendix 4G

Corporate Governance Statement

Corporate Sustainability Report

Yours sincerely



Authorising Officer

Joanne Hawkins  
Group Company Secretary  
Pendal Group Limited  
Tel: +61 2 9220 2000

# FY21 Financial Results

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Nick Good | Group Chief Executive Officer  
Cameron Williamson | Group Chief Financial Officer

5 November 2021



# Agenda

Item	Presenter
FY21 Overview	Nick Good
FY21 Financial results	Cameron Williamson
Strategy and outlook	Nick Good

# FY21 Overview

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# FY21 Financial overview

## Results Context

- Strong financial results and step-change in FUM driven by extraordinary growth in global equity markets & TSW acquisition
- Significant progress in delivering strategic priorities
- Improved performance in broad range of investment strategies

**\$165.3** million

UPAT, up 25%

**\$522.8** million

Base management fees, up 14%

**\$139.2** billion

Closing FUM, up 51%

**48.2** cents per share

Earnings per share up 17%<sup>1</sup>

**\$57.5** million

Performance fees up \$44.1m

FINAL DIVIDEND

**24.0** cents per share

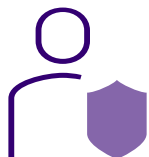
Full year dividend up 11%

Note: All comparative numbers to prior corresponding period (pcp) FY20, restated on a UPAT basis.

<sup>1</sup>Refer to Slide 40 for Underlying EPS calculation.



# FY21 Highlights



## TSW acquisition

- Strong cultural fit
- Accelerated growth opportunities in US market
- Integration underway and progressing well
- Double digit EPS accretion expected in first-full year post completion



## Significant progress in delivering strategic priorities

- Strengthened distribution globally
- Diversified our product offering and expanded ESG/RI capabilities
- Continued to streamline global operating platform to deliver efficiencies and benefits to clients



## Improved performance in broad range of investment strategies

- Four-fold increase in performance fees, including record Australian performance fees
- 42% of FUM in top quartile over one year
- Notable rebound in investment performance particularly in UK and European equities

# TSW acquisition

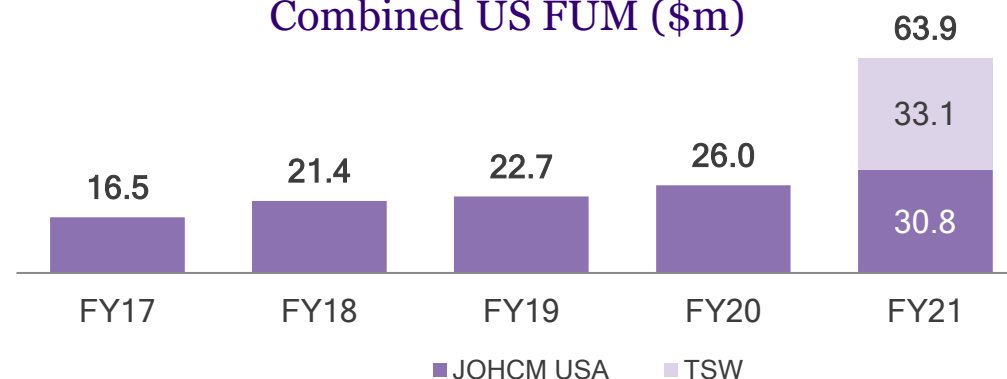
## Strategic Rationale

- ✓ Compelling and strategic transaction with strong client support
- ✓ Brings together complementary strengths to enhance diversification and accelerate growth
- ✓ Doubles addressable market in the US and provides access to a solid base of institutional and sub-advisory relationships

## Progress

- ✓ Integration progressing well with teams coming together
- ✓ No loss of key personnel or client mandates as a result of the transaction
- ✓ Improved opportunities for revenue synergies

## Combined US FUM (\$m)



# Step-change in FUM

Funds Under Management (AUD \$billion)	Sep-20	Flows <sup>1</sup>	Other <sup>2</sup>	FX	Sep-21	Margins (bps)
<b>Australia (excl. Cash)</b>						
Institutional	14.5	(1.4)	2.6	0.0	15.7	30
Wholesale	6.6	0.8	1.0	0.0	8.4	69
Westpac	9.9	0.0	1.9	0.0	11.8	30
<b>Total Australia (excl. Cash)</b>	<b>31</b>	<b>(0.6)</b>	<b>5.5</b>	<b>0.0</b>	<b>35.9</b>	<b>39</b>
<b>Europe, UK &amp; Asia (EUKA)</b>						
Segregated Mandates	10.8	(0.2)	2.6	0.4	13.6	47
OEICs	12.4	(1.6)	3.9	0.5	15.2	63
<b>Total EUKA</b>	<b>23.2</b>	<b>(1.8)</b>	<b>6.5</b>	<b>0.9</b>	<b>28.8</b>	<b>55</b>
<b>US</b>						
JOHCM Segregated Mandates	7.3	(0.7)	0.8	0.0	7.4	50
JOHCM US Pooled Funds	18.8	1.5	3.2	(0.1)	23.4	80
TSW - Sub advisory	0.0	(0.5)	18.1	0.7	18.3	28
TSW - Other	0.0	(0.1)	14.3	0.6	14.8	49
<b>Total US</b>	<b>26.1</b>	<b>0.2</b>	<b>36.4</b>	<b>1.2</b>	<b>63.9</b>	<b>66</b>
<b>Total Pandal Group (excl. Cash)</b>	<b>80.3</b>	<b>(2.2)</b>	<b>48.4</b>	<b>2.1</b>	<b>128.6</b>	<b>53</b>
Cash	12.1	(1.5)	0.0	0.0	10.6	7
<b>Total Pandal Group</b>	<b>92.4</b>	<b>(3.7)</b>	<b>48.4</b>	<b>2.1</b>	<b>139.2</b>	<b>48</b>

<sup>1</sup> TSW flows since completion on 23 July 2021

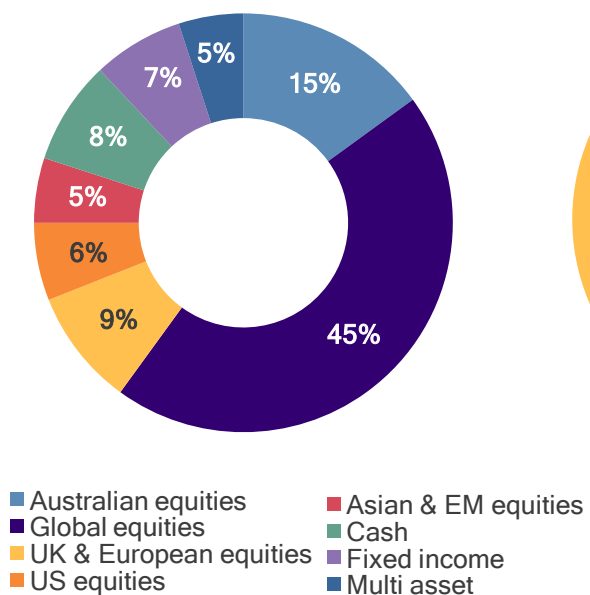
<sup>2</sup> Other includes investment performance, market movement, distributions and FUM acquired upon completion of TSW

- FUM growth of 51% supported by TSW acquisition, higher markets, investment performance and positive currency impact
- Solid inflows in higher margin Australian Wholesale and US Pooled Funds
- Margin stable at 48 bps
- Outflows primarily in lower-margin channels and cash
- Challenging environment in EUKA continuing to weigh on flows

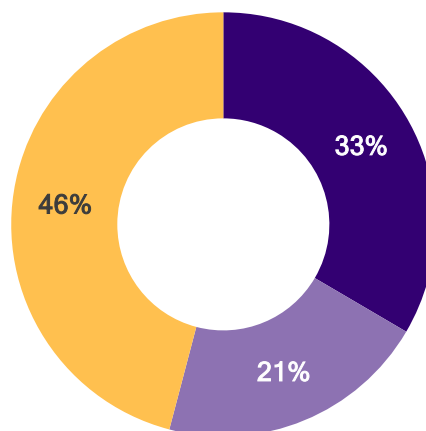


# Increased business diversification

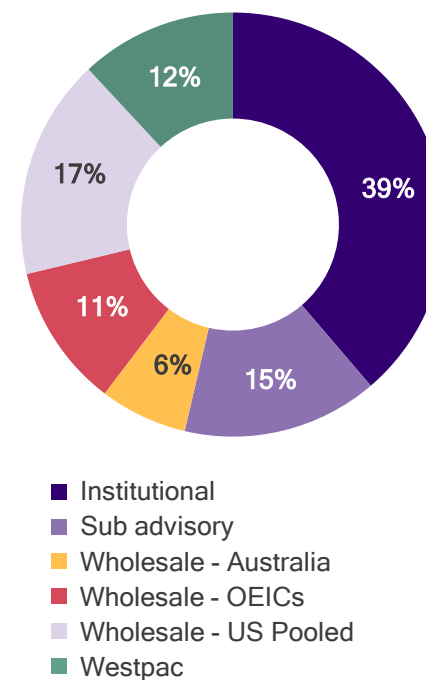
## FUM by asset class



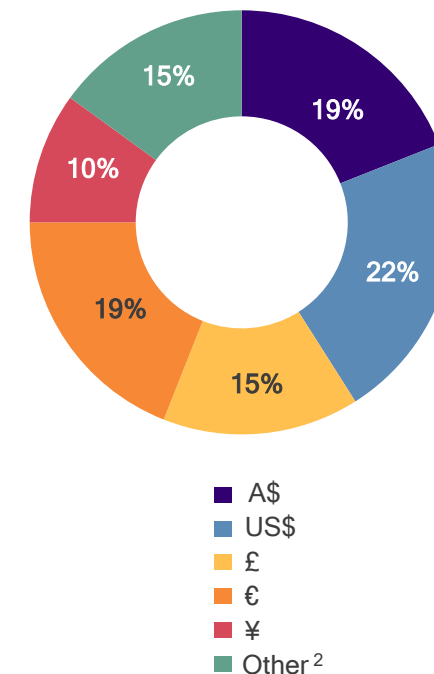
## FUM by geography (client domicile)



## FUM by channel



## FUM by currency (equities only)



Note: As at 30 September 2021

<sup>1</sup> Includes Australia and New Zealand

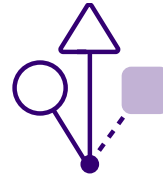
<sup>2</sup> Other includes c. 30 other currencies, largely across emerging markets

# Significant progress on strategic priorities



## Global Distribution

- ✓ Doubled addressable market in the US and opened up opportunities for cross-selling
- ✓ Progressed distribution build out in continental Europe
- ✓ Enhanced sales leadership in Europe and Australia
- ✓ Expanded global distribution of key investment strategies



## Product Diversification

- ✓ Significantly expanded range of products available to US clients
- ✓ Launched Regnan Global Equity Impact Solutions (RGEIS) in all regions
- ✓ Onboarded Regnan Sustainable Water & Waste team and launched fund in the UK
- ✓ Deepened ESG integration and stewardship

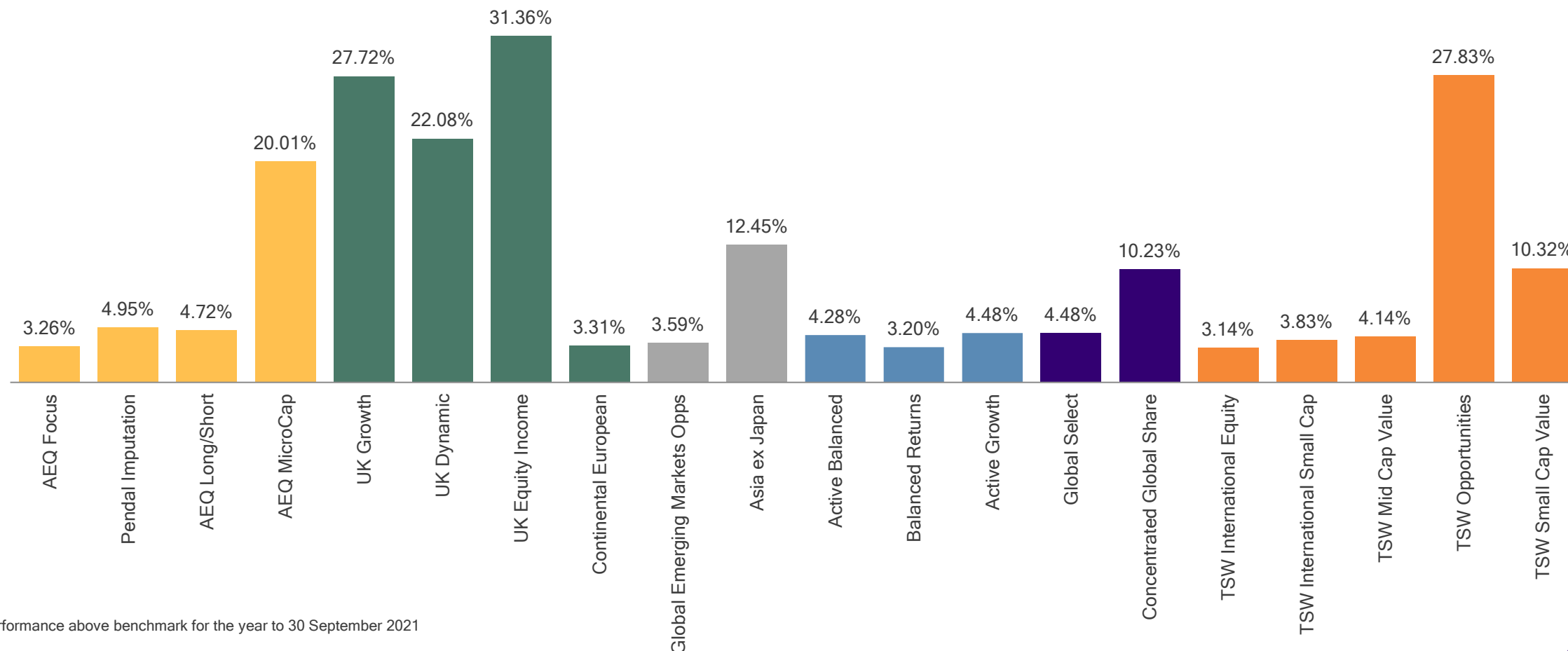


## Global Operating Platform

- ✓ Appointed Northern Trust as group-wide global custodian
- ✓ Established proprietary fund structure for US mutual funds
- ✓ Implemented cloud-based group wide data warehouse and infrastructure
- ✓ Transitioned to new Australian registry provider

# Outperformance across investment strategies

Outperformance over one year<sup>1</sup>



<sup>1</sup> Performance above benchmark for the year to 30 September 2021

# Performance in equities FUM

Percentage of FUM outperforming benchmark over one year





# FY21 Financial Results

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# FY21 financial summary

	FY20	FY21	Change
Average FUM	\$94.8b	\$107.9b	14%
Base management fee margin	48bps	48bps	Steady
Base management fees	\$458.1m	\$522.8m	14%
Performance fees	\$13.4m	\$57.5m	>100%
Fee revenue	\$474.8m	\$581.9m	23%
Employee expenses	\$214.1m	\$275.3m	29%
Other expenses	\$92.8m	\$102.5m	11%
Total operating expenses	\$306.9m	\$377.8m	23%
Operating profit	\$167.9m	\$204.1m	22%
Operating margin	+35%	+35%	Steady
UPAT	\$132.6m	\$165.3m	25%
Statutory NPAT	\$116.4m	\$164.7m	42%
Underlying EPS <sup>1</sup>	41.1cps	48.2cps	17%
Effective tax rate	23%	20%	-3ppts

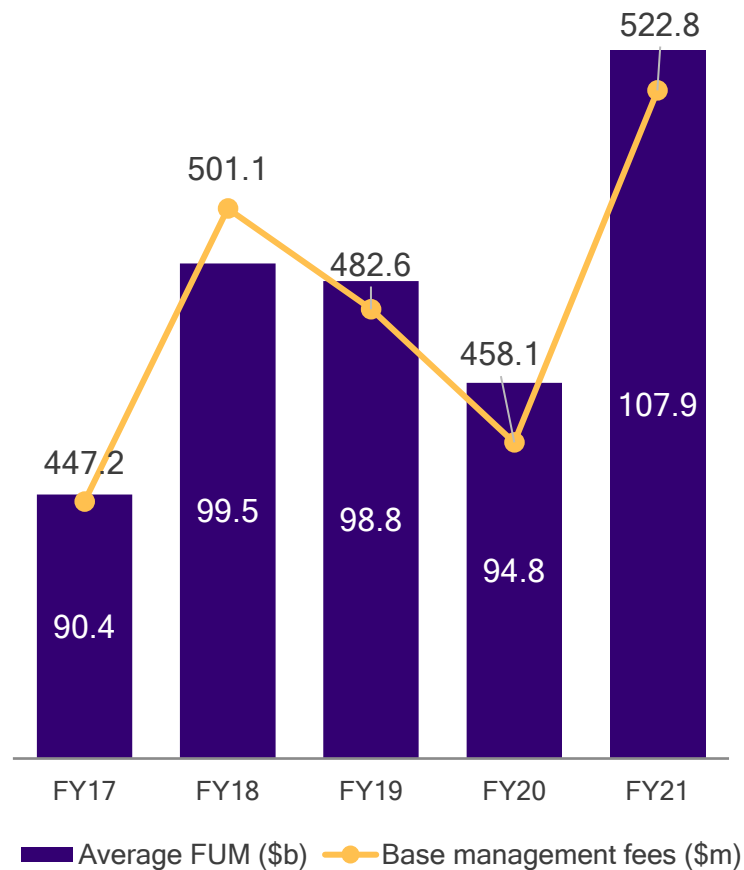
<sup>1</sup> Refer to slide 40 for Underlying EPS calculation

- Strong EPS uplift +17%
- Base fee margin steady over year
- Fee revenue +23%
  - Performance fees
  - Higher markets
  - TSW contribution
- Operating expenses +23%
  - Higher variable staff costs with revenue increase
  - Investments in strategic priorities across global distribution, product diversification and global operating platform

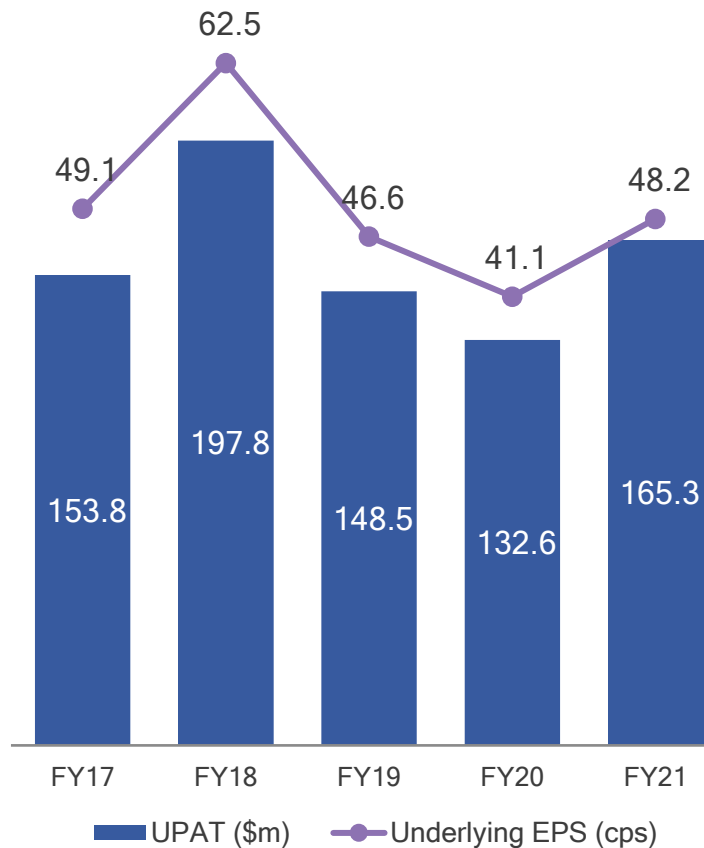


# Five-year financial summary

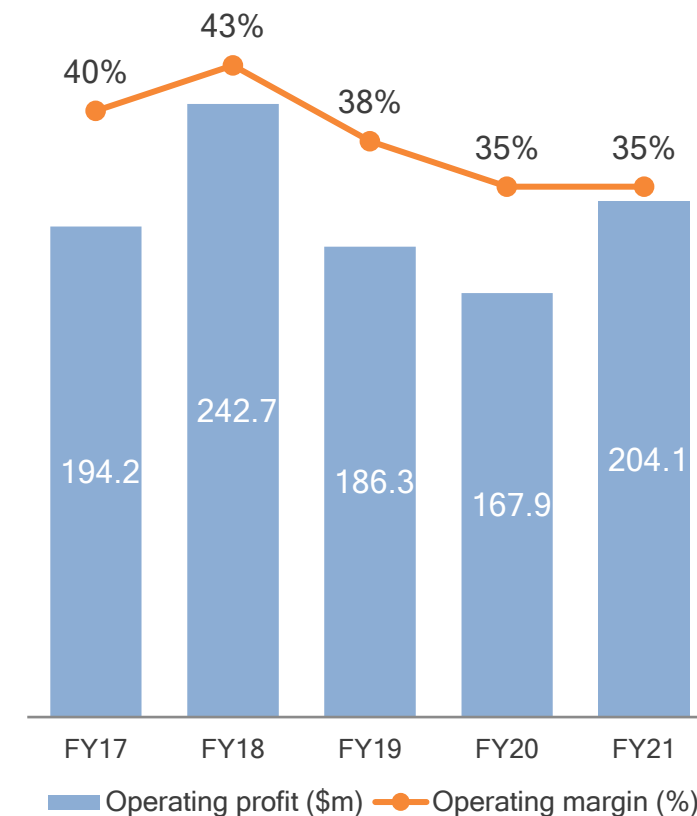
Average FUM and base management fees



UPAT and Underlying EPS



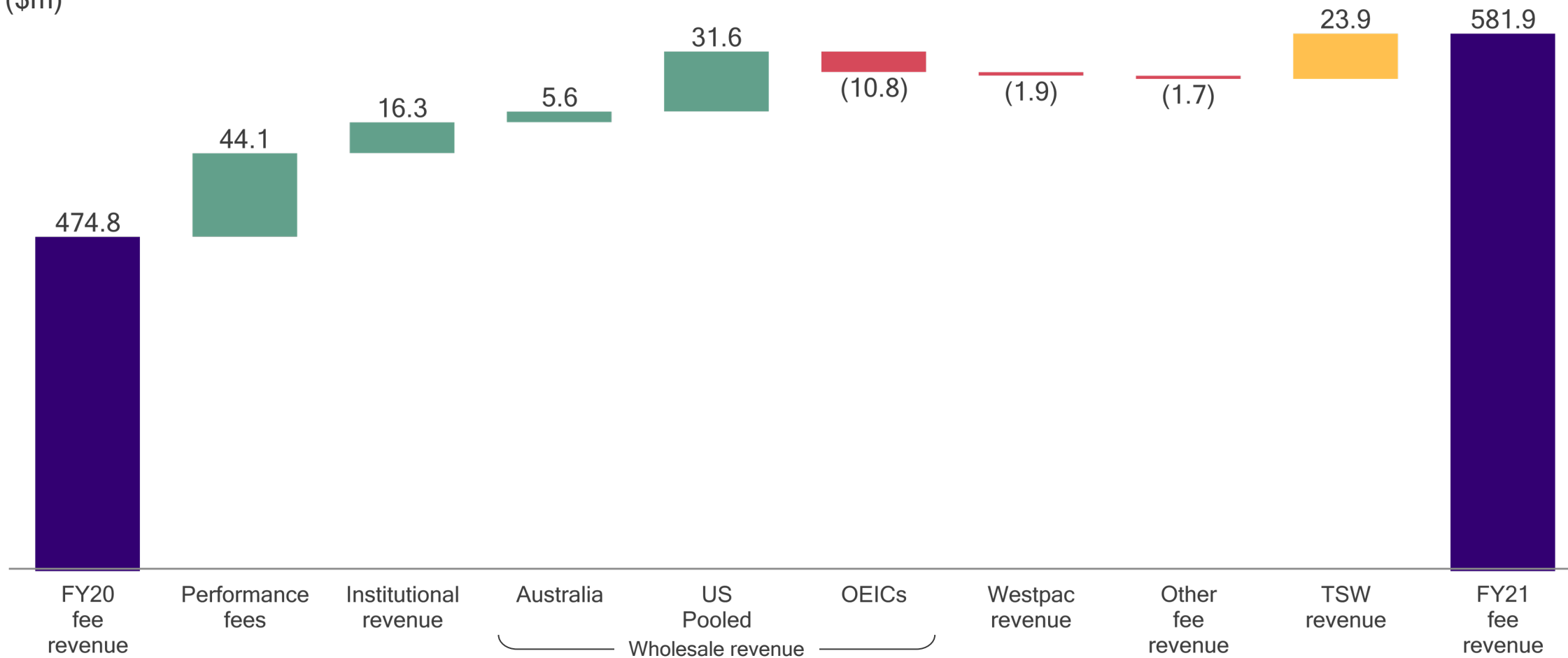
Operating profit and margin



Note: All comparative numbers restated on a UPAT basis

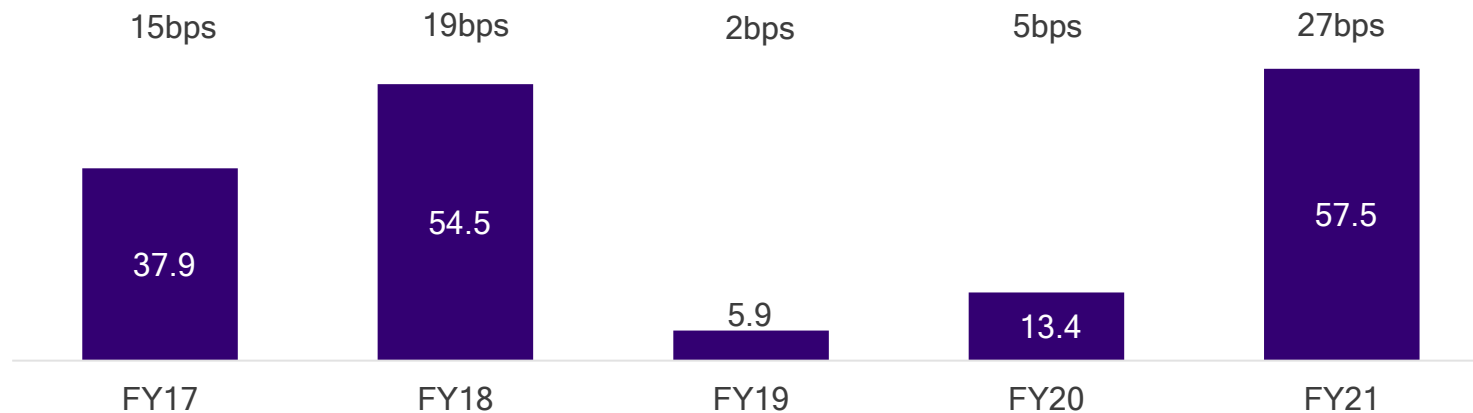
# Revenue

(\$m)



# Performance fees

## Performance fees (\$m) and basis points earned on eligible FUM

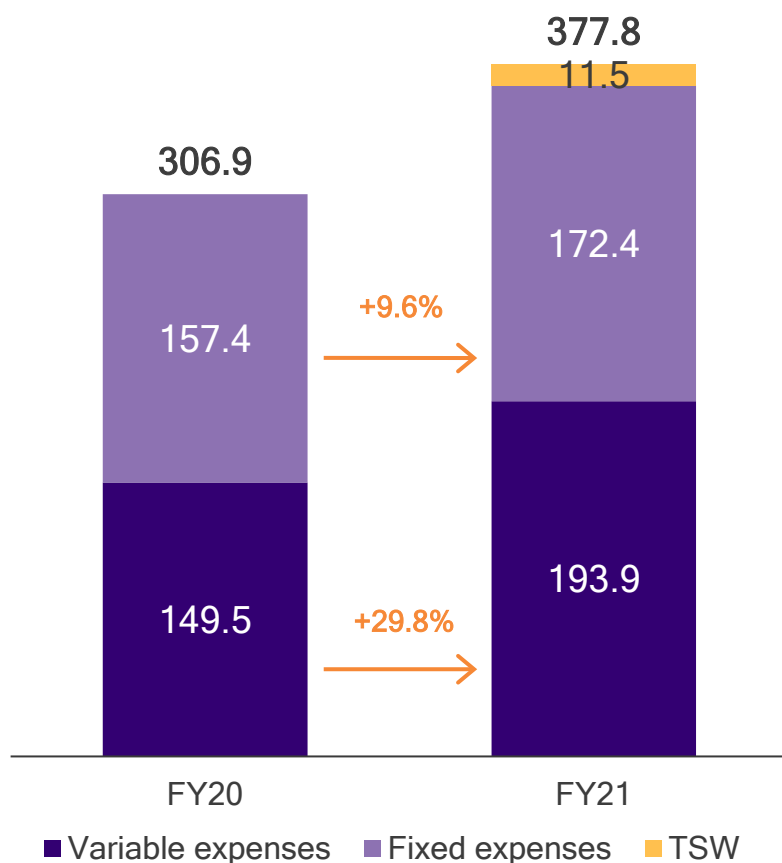


## High-water mark (FUM \$b)



- FY21 performance fees highest in last five years including record year for Pendal Australia
- Significant FY21 contributors:
  - Global / International Select
  - Australian equities (MicroCap, Focus, Long Short)
- Improved performance with \$19.3bn FUM above or within 5% of high-water marks
- Significant improvement led by UK and European strategies

# Expenses



<sup>1</sup> Excluding TSW.

- FY21 fixed costs up \$15m in line with guidance<sup>1</sup>
  - Invested in Regnan thematic and impact investment teams
  - Added distribution FTE including new sales leadership in Europe and Australia
  - Enhanced global operating platform
    - Formed global data team
    - Established proprietary US mutual fund structure
    - Transitioned from Westpac to Mainstream unit registry services
    - Appointed Northern Trust as global custodian for Group
- One-off FY21 spend of \$5m expected to deliver recurring earnings uplift of ~\$5m from FY22
- FY21 variable expenses higher and linked to business growth
  - Higher performance fees, base management fees and profit
  - Updated remuneration schemes

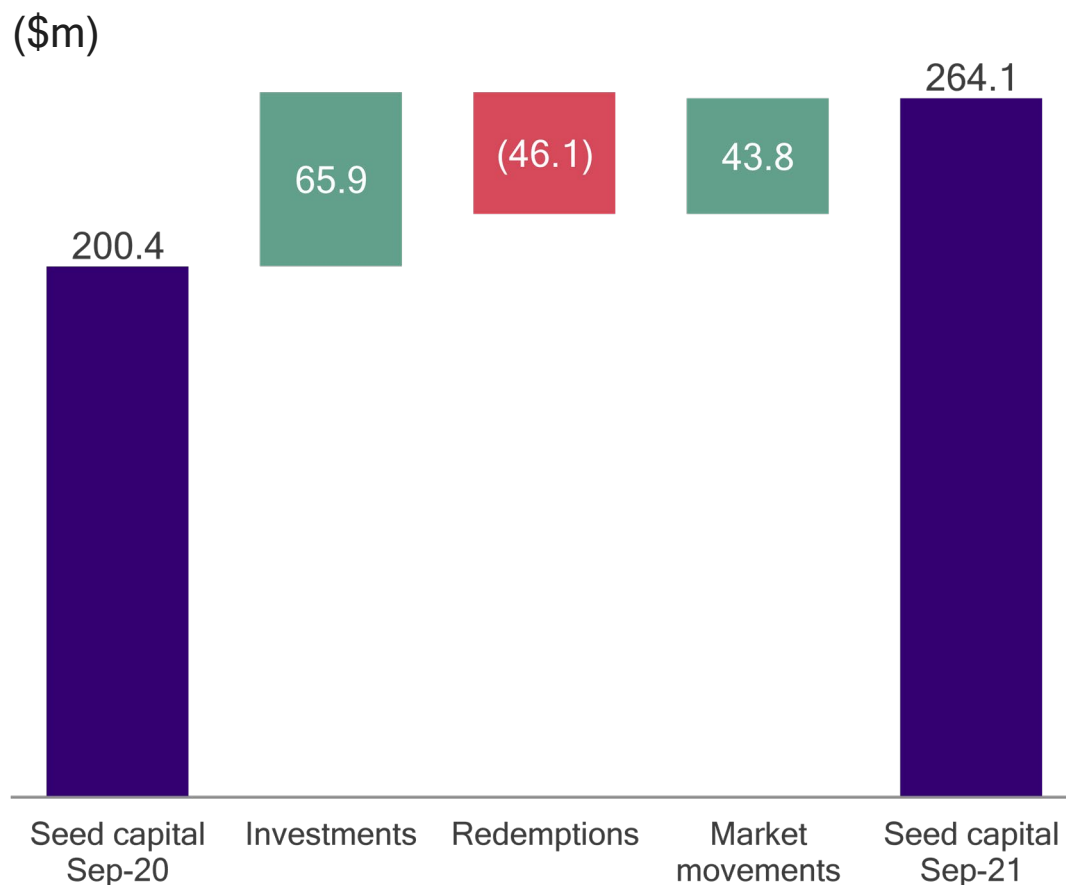
FY22 fixed cost growth of 6-8%<sup>1</sup> as investment program progresses

# Balance sheet

\$m	Sep-20	Sep-21	Change
Cash and cash equivalents	207.5	297.7	90.2
Trade and other receivables	67.0	96.5	29.5
Corporate seed investments	200.4	264.1	63.7
Intangible assets	532.1	930.2	398.1
Other assets	99.4	133.1	33.7
<b>Total assets</b>	<b>1,106.4</b>	<b>1,721.6</b>	<b>615.2</b>
Trade and other payables	41.7	57.0	15.3
Employee benefits	98.0	147.8	49.8
Borrowings	-	48.6	48.6
Other liabilities	70.9	84.0	13.1
<b>Total liabilities</b>	<b>210.6</b>	<b>337.4</b>	<b>126.8</b>
<b>Net assets</b>	<b>895.8</b>	<b>1,384.2</b>	<b>488.4</b>
Net tangible assets	363.7	454.0	90.3
NTA per share	\$1.23	\$1.27	\$0.04
Gross debt/ equity	-	0.04x	0.04x

- Cash levels higher on improved FY21 profits and at seasonal high
- Seed investment growth strongly supported by market gains
- Higher intangible assets reflecting management contracts and goodwill acquired through TSW acquisition
- Increased employee benefits following profit growth and addition of TSW
- US\$35m (\$48.6m) three-year term debt facility to assist TSW funding to be repaid over term
- NTA and NTA/share both improved on prior year demonstrating strength of balance sheet

# Seed portfolio

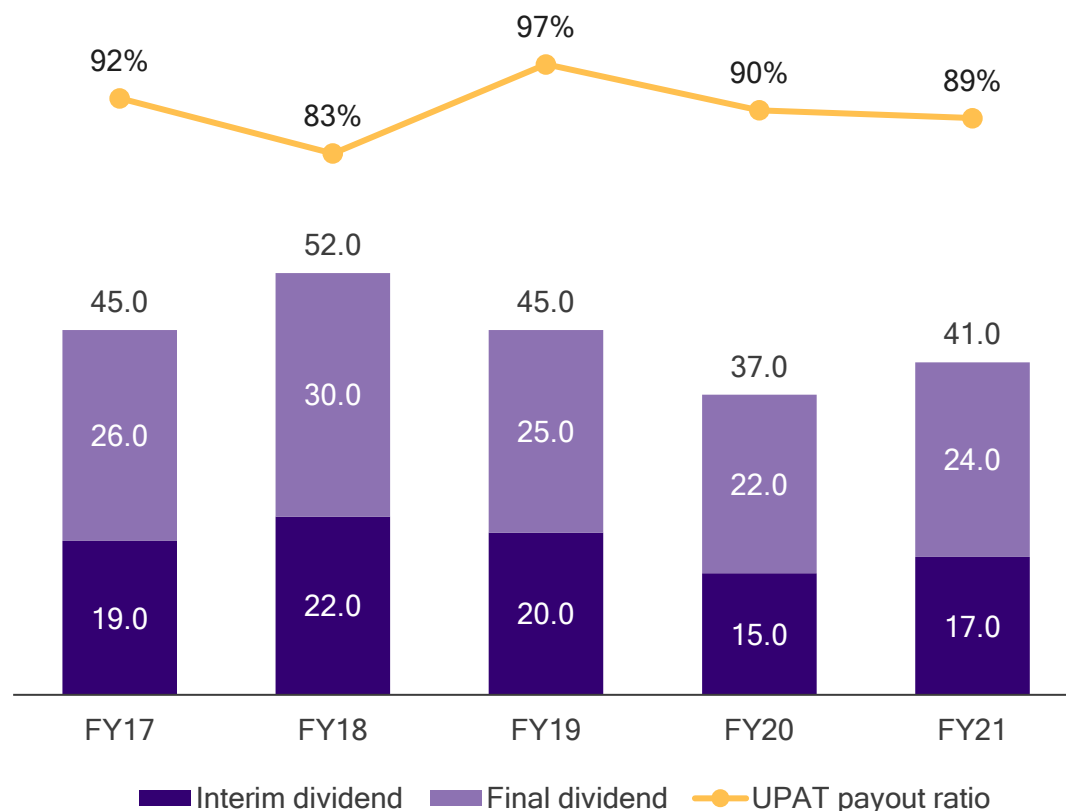


- Notable growth in seed portfolio in FY21 led by mark-to-market movements
- Key FY21 seeded investments:
  - \$44m - Four Regnan Global Equity Impact Solutions (RGEIS) fund vehicles across UK, European, Australian and US markets
  - \$19m - Regnan Sustainable Water and Waste OEIC
- Size of seed portfolio largely at scale and within Board risk appetite



# Dividend

Dividends (cents per share)



<sup>1</sup> Payout ratio represents dividends paid out of UPAT. Refer to slide 40 for Underlying EPS calculation.

## FY21 Dividend

- Final dividend of 24.0 cps to be 10% franked
- Full year dividend of 41.0 cps up 11% on FY20 represents an 89% payout ratio<sup>1</sup>
- Expected FY22 franking level of 10%
- Dividend Reinvestment Plan (DRP) remains deactivated

# Strategy and Outlook

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# The Pental difference

## Who we are

- Independent thinkers investing with conviction
- Talented investment professionals with entrepreneurial spirit and the ability to adapt
- A culture of trust and integrity: we say what we do, and we do what we say
- Deeply connected with our clients

## What we do

- Provide high conviction strategies with differentiated results
- Deliver long-term investment performance for our clients
- Leverage our global distribution to deliver our best products to clients in each region
- Maintain a platform that enables our teams to deliver exceptional client outcomes

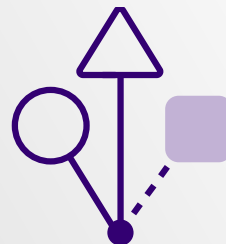
Positioned to grow, positioned to pivot, and positioned to endure

# Strategic priorities – investing for growth



## Global Distribution

Expanding our footprint in key growth markets in the US & Europe



## Product Diversification

Diversifying our product offering and building out ESG / RI capabilities



## Global Operating Platform

Creating a more efficient and scalable global operating platform with regional flexibility

To deliver sustainable growth across a diverse book of business

# Investing in world's largest markets

## United States

**\$ 121.7 trillion<sup>1</sup>**  
(~58% of global FUM)

### Positioned for ongoing growth

- Strong existing reputation in the region with **10+ years** of inflows
- TSW combination provides significant opportunities to accelerate growth



## Europe

**\$ 47.9 trillion<sup>1</sup>**  
(~23% of global FUM)

### Expanding presence in Europe

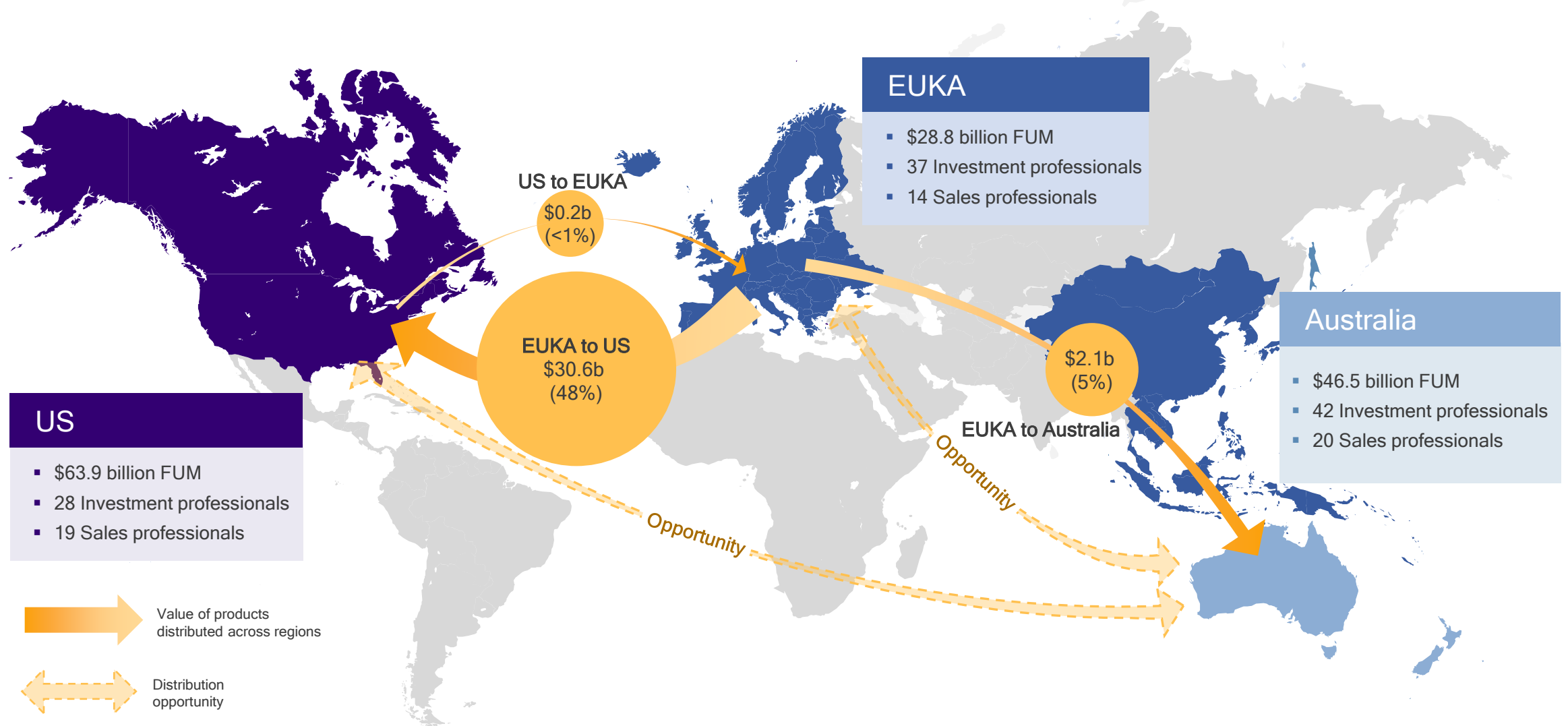
- Repositioning post-Brexit to serve European clients locally
- Well-positioned to meet strong and growing demand for ESG / RI products



<sup>1</sup> ISS market intelligence and OECD report - pension markets in focus. Converted at 30 September 2021 USD/AUD rate of 0.7206.



# Our global reach is a key strategic advantage



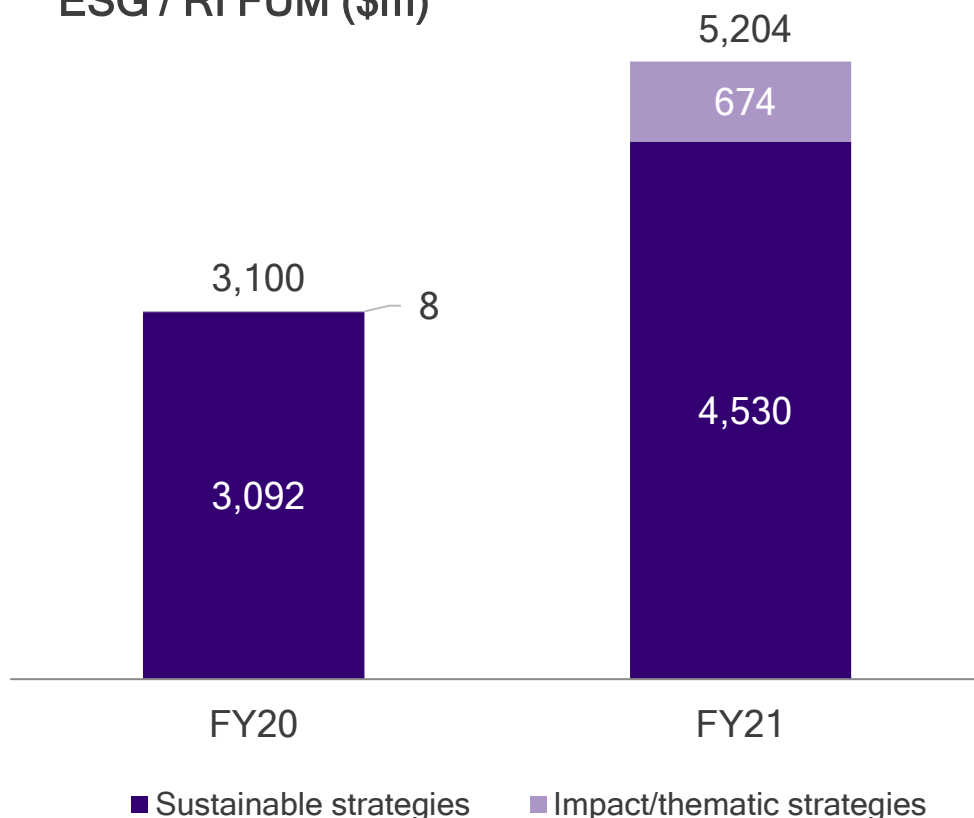


# TSW acquisition expands US product range

Investment strategies	JOHCM US	TSW	Combination
International Growth	✓	-	✓
Emerging Markets	✓	-	✓
Global	✓	-	✓
Multi-Asset Income	✓	✓	✓
International Small Cap	-	✓	✓
Core Fixed Income	-	✓	✓
US Equity	-	✓	✓
International Value	-	✓	✓

# Expanded ESG / RI products and capabilities

ESG / RI FUM (\$m)



## Expanded suite of ESG/RI solutions to our clients globally

- Regnan Global Equity Impact Solutions available in all regions
- Regnan Sustainable Water and Waste fund delivered to clients in the UK, with European launch imminent
- Enhanced Pental Horizon Fund<sup>1</sup> and Pental Sustainable Australian Share Fund available to clients in Australia

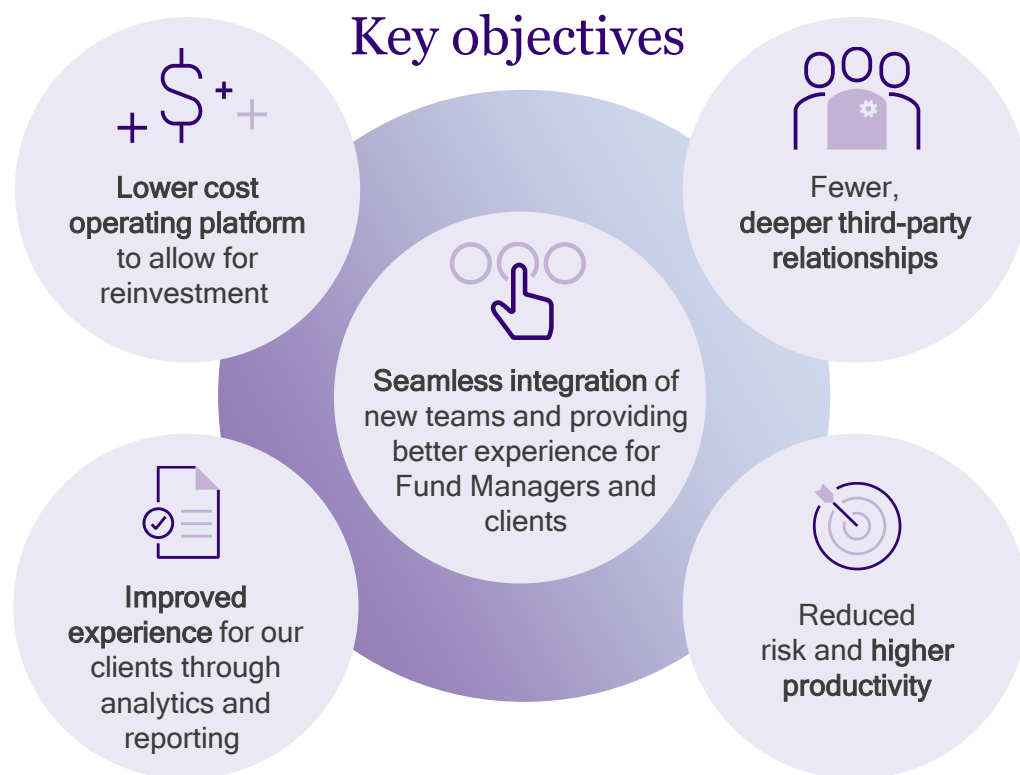
## Deepened ESG / RI capabilities and credibility

- Enhanced ESG /RI integration in investment processes
- Appointed EUKA Investment Director with deep expertise in ESG / RI<sup>2</sup>
- Advanced stewardship reporting - granted signatory status to the UK Stewardship Code 2020
- Investment in ESG-related data and technology solutions

<sup>1</sup>Formerly the Pental Ethical Share Fund

<sup>2</sup> To commence in early 2022

# Enhanced client experience through streamlined global infrastructure



## FY22 priorities

- Commence move to single custody and accounting service
- Continue rollout of new data platform
- Complete transition away from Westpac
- Initiate transition towards single performance analytics & single client reporting system
- Review sales and marketing technology infrastructure

# Summary

## Foundations in place to deliver sustainable growth

- Significant uplift in FUM, revenue, profit and shareholder returns
- TSW acquisition strengthens platform for long-term growth in the US
- Maintained strong balance sheet
- Significant progress on strategic priorities across global distribution, products and operating platform
- Improved investment performance across diverse range of strategies

# Outlook

- Solid starting point given strong markets and impact of TSW
- JOHCM performance fees tracking at £9.7m (A\$18.1m) as at 30 September 2021
- Strong demand for new products, especially ESG / RI
- Short term institutional flow pressure persists
- Disciplined investment in strategic priorities to drive sustainable growth
- Well-positioned to take advantage of opportunities - high-conviction culture and entrepreneurial spirit central to our success.

# Q&A

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# Appendices

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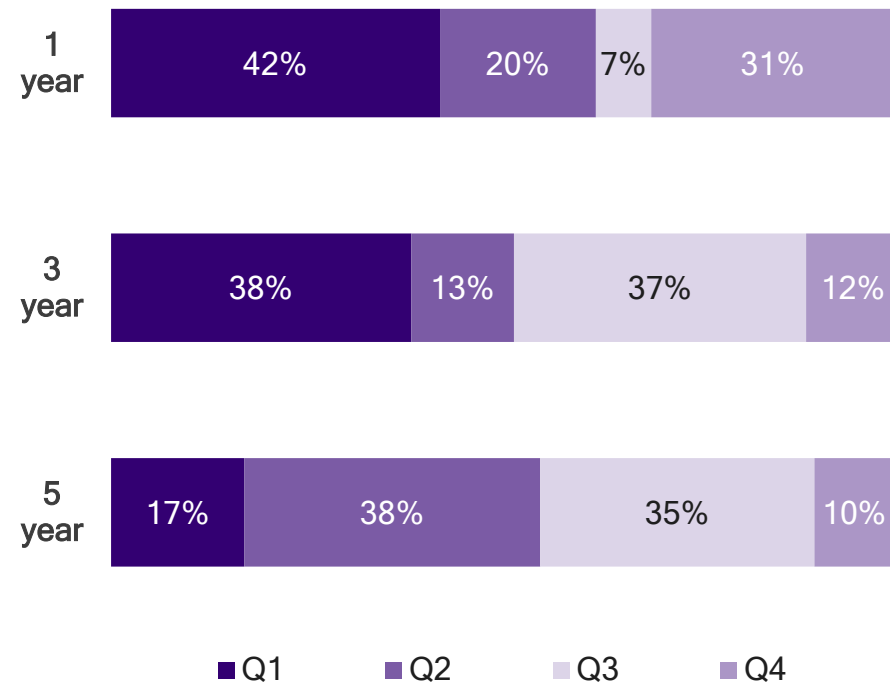
# Segment profit and loss

\$m	Pendal Australia		Pendal EUKA		Pendal US		Pendal Group	
	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21
Average FUM (\$b)	45.1	46.4	26.1	26.7	23.6	34.8	94.8	107.9
Base fee margin	30bps	31bps	58bps	57bps	71bps	66bps	48bps	48bps
Base management fees	135.7	142.7	152.3	151.8	170.1	228.3	458.1	522.8
Performance fees	12.7	16.0	0.4	25.7	0.3	15.8	13.4	57.5
Other fee revenue	3.3	1.5	0.0	0.1	0.0	0.0	3.3	1.6
<b>Fee revenue</b>	<b>151.7</b>	<b>160.2</b>	<b>152.7</b>	<b>177.6</b>	<b>170.4</b>	<b>244.1</b>	<b>474.8</b>	<b>581.9</b>
Inter-segment revenue	(4.4)	(4.8)	107.6	130.1	(103.2)	(125.3)	0.00	0.00
<b>Total fee revenue</b>	<b>147.3</b>	<b>155.4</b>	<b>260.3</b>	<b>307.7</b>	<b>67.2</b>	<b>118.8</b>	<b>474.8</b>	<b>581.9</b>
Employee expenses	(90.6)	(100.4)	(103.4)	(143.3)	(20.1)	(31.6)	(214.1)	(275.3)
Other operating expenses	(36.8)	(40.6)	(46.9)	(47.8)	(9.1)	(14.1)	(92.8)	(102.5)
<b>Operating expenses</b>	<b>(127.4)</b>	<b>(141.0)</b>	<b>(150.3)</b>	<b>(191.1)</b>	<b>(29.2)</b>	<b>(45.7)</b>	<b>(306.9)</b>	<b>(377.8)</b>
Inter-segment expenses	6.6	8.6	(1.9)	(2.0)	(4.7)	(6.6)	0.0	0.0
<b>Total operating expenses</b>	<b>(120.8)</b>	<b>(132.4)</b>	<b>(152.2)</b>	<b>(193.1)</b>	<b>(33.9)</b>	<b>(52.3)</b>	<b>(306.9)</b>	<b>(377.8)</b>
<b>Operating profit</b>	<b>26.5</b>	<b>23.0</b>	<b>108.1</b>	<b>114.6</b>	<b>33.3</b>	<b>66.5</b>	<b>167.9</b>	<b>204.1</b>

Note: All comparative numbers to prior corresponding period (pcp) FY20, restated for comparative on a UPAT basis.

# Investment performance

% of FUM across quartile rankings<sup>1</sup>



<sup>1</sup> Represent funds on offer under prospectus with Lipper/Mercer/eVestment rankings.

	FUM FY21 (\$b)	% FUM outperformed			
		1 Yr	3 Yr	5 Yr	Since inception
Global / International	41.9	20%	70%	90%	83%
Australia	18.9	87%	87%	100%	100%
Cash	10.6	100%	100%	100%	96%
UK	9.5	89%	18%	94%	94%
Fixed Income	8.5	57%	97%	88%	88%
Emerging Markets	5.9	92%	63%	73%	100%
Multi asset	4.7	91%	9%	27%	80%
Europe	3.0	82%	31%	36%	85%
Property	1.6	5%	88%	100%	100%
Asia	1.3	100%	100%	100%	100%
Other	0.2	100%	13%	100%	100%
<b>Total (ex TSW)</b>	<b>106.1</b>	<b>59%</b>	<b>69%</b>	<b>87%</b>	<b>90%</b>
<b>TSW</b>	<b>33.1</b>	<b>91%</b>	<b>33%</b>	<b>28%</b>	<b>97%</b>
<b>Total</b>	<b>139.2</b>	<b>66%</b>	<b>61%</b>	<b>74%</b>	<b>92%</b>



# Long-term investment performance

	Performance relative to benchmark <sup>1,2</sup>			
	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
<b>Australian Equities</b>				
Pendal Australian Share Fund	1.59%	0.61%	1.60%	1.02%
Pendal Focus Australian Share Fund	3.26%	2.01%	3.47%	2.81%
Pendal Imputation Fund	4.95%	-1.18%	0.20%	1.43%
Pendal Australian Long/Short Fund	4.72%	1.54%	2.09%	2.95%
Pendal Horizon Fund	0.04%	0.11%	1.41%	1.37%
Pendal MidCap Fund	-2.91%	-1.00%	0.72%	5.12%
Pendal Smaller Companies Fund	-2.57%	-0.65%	0.33%	5.92%
Pendal MicroCap Opportunities Fund	20.01%	18.72%	12.01%	19.81%
<b>Global equities</b>	<b>1 year (pa)</b>	<b>3 years (pa)</b>	<b>5 years (pa)</b>	<b>Since inception (pa)</b>
JOHCM Global Select Fund	4.48%	6.42%	3.35%	2.89%
JOHCM Global Opportunities Fund	-5.63%	-4.42%	-4.11%	0.10%
JOHCM International Select Fund	-8.27%	5.05%	3.24%	5.33%
Pendal Concentrated Global Share Fund	10.23%	-2.69%	-0.96%	-0.99%
TSW International Equity	3.14%	-0.37%	-0.48%	2.20%
TSW International Small Cap	3.83%	1.56%	1.37%	1.42%
<b>UK equities</b>	<b>1 year (pa)</b>	<b>3 years (pa)</b>	<b>5 years (pa)</b>	<b>Since inception (pa)</b>
JOHCM UK Growth Fund	27.72%	5.79%	4.34%	3.88%
JOHCM UK Dynamic Fund	22.08%	-0.95%	1.54%	4.52%
JOHCM UK Equity Income Fund	31.36%	-0.15%	1.82%	3.03%
JOHCM UK Opportunities Fund	-11.01%	2.18%	-0.56%	2.72%
<b>US equities</b>	<b>1 year (pa)</b>	<b>3 years (pa)</b>	<b>5 years (pa)</b>	<b>Since inception (pa)</b>
TSW Large Cap Value	1.74%	1.42%	1.73%	1.63%
TSW Mid Cap Value	4.14%	0.38%	0.07%	1.27%
TSW Opportunities	27.83%	3.77%	N/A	3.04%
TSW Small Cap Value	10.32%	-0.01%	-1.77%	1.17%
TSW SMID Cap Value	-3.98%	-1.36%	-2.28%	1.00%

<sup>1</sup> Includes funds with performance track record of minimum of three years.

<sup>2</sup> Fund performance is pre-fee, pre-tax and relative to the fund benchmark as at 30 September 2021.

# Long-term investment performance

	Performance relative to benchmark <sup>1,2</sup>			
	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
<b>European equities</b>				
JOHCM Continental European Fund	3.31%	0.30%	0.21%	3.85%
JOHCM European Select Values Fund	2.17%	-3.94%	-3.14%	4.35%
JOHCM European Concentrated Values Fund	-0.68%	-4.50%	-2.80%	-0.35%
<b>Emerging market equities</b>				
JOHCM Global Emerging Markets Opportunities Fund	3.59%	0.46%	0.45%	1.75%
JOHCM Emerging Markets Small Cap Fund	-3.48%	5.06%	4.85%	6.59%
<b>Asian equities</b>				
JOHCM Asia ex Japan Small & Mid Cap Fund	1.06%	8.29%	1.13%	5.24%
JOHCM Asia ex Japan Fund	12.45%	9.52%	0.97%	3.64%
<b>Property</b>				
Pendal Property Securities Fund	-0.64%	3.66%	2.55%	1.30%
Pendal Global Property Securities Fund	-0.41%	0.65%	0.96%	1.18%
<b>Cash &amp; fixed income</b>				
Pendal Short Term Income Securities Fund	1.26%	1.12%	1.17%	0.48%
Pendal Fixed Interest Fund	-0.33%	0.26%	0.11%	0.32%
Pendal Monthly Income Plus Fund	4.39%	3.54%	3.24%	3.31%
Pendal Pure Alpha Fixed Income Fund	-3.61%	-1.01%	-1.52%	-0.72%
TSW Core Plus	2.89%	1.13%	1.23%	1.10%
TSW High Yield Bond	1.20%	-0.37%	-0.16%	0.55%
<b>Multi Asset</b>				
Pendal Active Balanced Fund	4.28%	-0.60%	0.08%	N/A
Pendal Balanced Returns Fund	3.20%	-0.53%	0.06%	0.13%
Pendal Active Conservative Fund	1.55%	-0.38%	-0.05%	0.54%
Pendal Active Growth Fund	4.48%	-0.74%	0.11%	-0.01%
TSW Multi-Asset Income	-5.64%	-3.73%	-5.26%	-1.27%

<sup>1</sup> Includes funds with performance track record of minimum of three years.

<sup>2</sup> Fund performance is pre-fee, pre-tax and relative to the fund benchmark as at 30 September 2021.

# FUM and flows by asset class

(\$b)	30-Sep-20 Closing FUM	Net Flows		Other <sup>2</sup>	30-Sep-21 Closing FUM
		Core <sup>1</sup>	Westpac		
Equities:					
Australia	15.1	(0.2)	(0.4)	4.4	18.9
Global/International	33.9	2.1	(0.5)	27.4	62.9
UK	7.9	(2.0)	0.0	3.6	9.5
US	0.0	(0.4)	0.0	8.2	7.8
Europe	2.9	(0.4)	0.0	0.5	3.0
Emerging Markets	4.8	(0.2)	0.2	1.1	5.9
Asia	1.6	(0.6)	0.0	0.3	1.3
Property	1.7	0.0	(0.4)	0.3	1.6
Fixed Income	8.1	(0.6)	1.2	1.4	10.1
Multi-Asset	4.0	0.3	(0.1)	3.1	7.3
Other	0.3	(0.2)	0.0	0.2	0.3
Total Group (ex cash)	80.3	(2.2)	(0.0)	50.5	128.6
Cash	12.1	(0.1)	(1.4)	0.0	10.6
Total Group	92.4	(2.3)	(1.4)	50.5	139.2

<sup>1</sup> TSW flows since completion on 23 July 2021.

<sup>2</sup> Other includes investment performance, market movement, distributions, FX and FUM acquired upon completion of TSW.

# Performance fees

	Fund	FUM \$m (30 Sep 2021)	Performance fee period to	Benchmark <sup>3</sup>	Participation rate %
<b>Pendal</b>	Pendal Focus Australian Share Fund	1,575	30 June	S&P/ASX 300 Accum Index	15%
	Pendal MidCap Fund	569	30 June	S&P/ASX 150 ex Top 50 Accum Index	20%
	Pendal MicroCap Opportunities <sup>1</sup>	466	30 June	S&P/ASX Small Ord Accum Index	20%
	Pendal Australian Long/Short Fund <sup>1</sup>	408	30 June	S&P/ASX 200 Accum Index	15%
	Mandates	1,196	Various	Various	
<b>JOHCM<sup>2</sup></b>	JOHCM UK Equity Income Fund	3,963	31 December	FTSE All-Share TR Index	15%
	JOHCM Global Select Fund <sup>1</sup>	3,321	31 December	MSCI ACWI NR Index	15%
	JOHCM UK Dynamic Fund	2,490	31 December	FTSE All Share TR Index	15%
	JOHCM European Select Values Fund	1,306	31 December	MSCI Europe NR Index	15%
	JOHCM UK Growth Fund <sup>1</sup>	943	31 December	FTSE All-Share TR Index	15%
	JOHCM Global Opportunities Fund	866	31 December	MSCI ACWI NR Index	15%
	JOHCM Continental European Fund	942	31 December	MSCI Europe ex UK NR Index	15%
	JOHCM UK Opportunities Fund	512	31 December	FTSE All-Share TR Index	15%
	JOHCM Global Emerging Markets Opportunities Fund	413	31 December	MSCI Emerging Markets NR Index	15%
	JOHCM European Concentrated Values Fund	179	31 December	MSCI Europe NR Index	15%
	JOHCM Asia ex Japan Fund	73	31 December	MSCI AC Asia ex Japan NR Index	15%
	JOHCM Asia ex Japan Small & Mid Cap Fund	39	31 December	MSCI AC Asia ex Japan Small Cap NR Index	15%
	Mandates	3,121	Various	Various	
<b>Total funds/mandates with performance fees</b>		<b>22,382</b>			
<b>Current status of JOHCM performance fees with performance period ending 31 December 2021 (£m) <sup>4</sup></b>		<b>£9.7m</b>			

<sup>1</sup> Funds above their high water mark as at 30 September 2021.

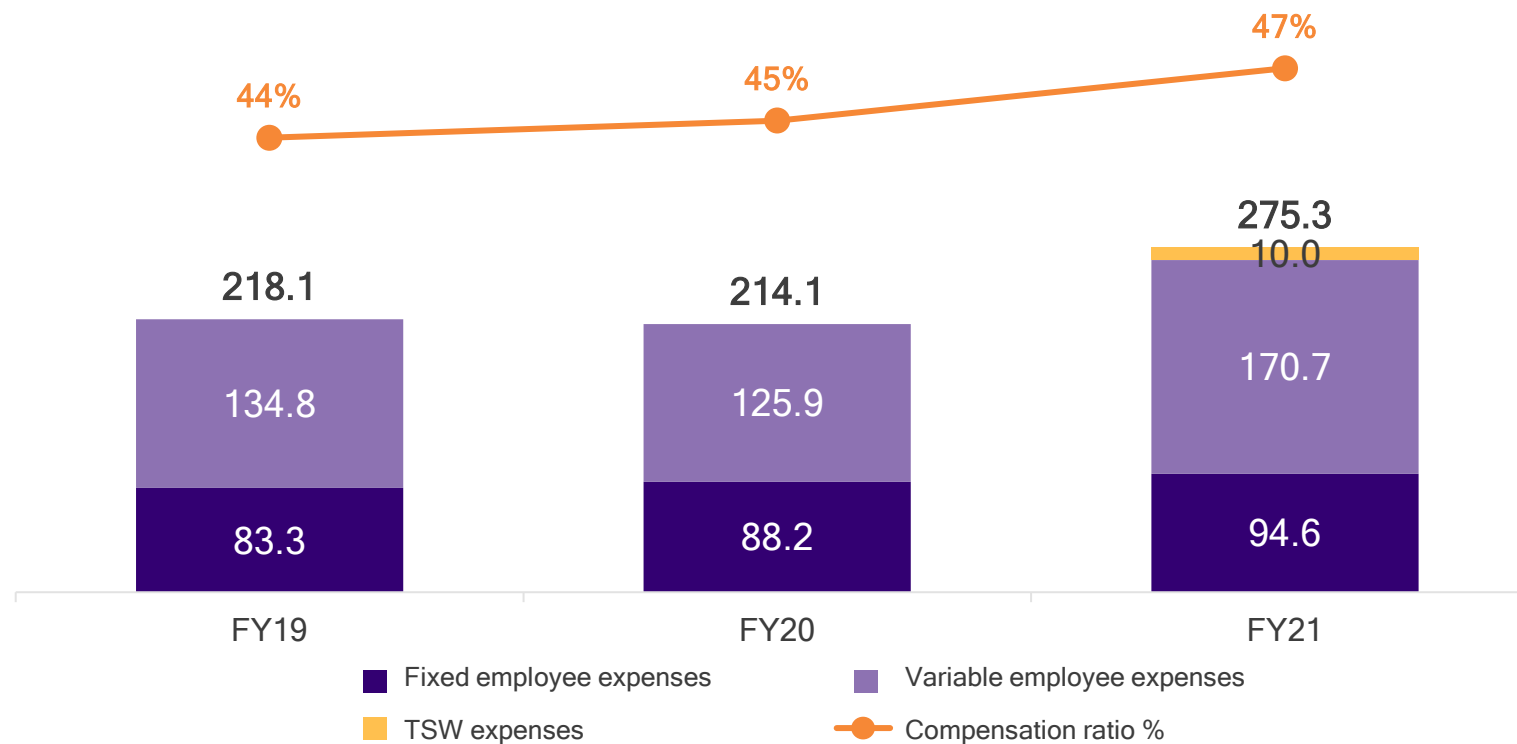
<sup>2</sup> JOHCM FUM converted at 30 September 2021 spot rate of 0.5361.

<sup>3</sup> Benchmarks for certain JOHCM funds tailored to a specific time of day. See fund fact sheets.

<sup>4</sup> Current status as at 30 September 2021.

# Fixed vs variable employee expenses

Employee expenses (\$m)<sup>1</sup>



<sup>1</sup> FY19 and FY20 have been restated on a UPAT basis for comparative purposes.



# Underlying EPS calculation

## Number of securities

(m)	FY20	FY21
Weighted average ordinary shares on issue	322.8	343.2
Number of performance rights on issue	2.3	3.7
Number of options on issue	5.7	5.8

## Underlying EPS calculation<sup>1,2</sup>

	FY20	FY21
Underlying profit after tax (\$m)	132.6	165.3
Weighted average fully diluted ordinary shares on issue (m)	322.8	343.2
Underlying EPS (cps) <sup>3</sup>	41.1	48.2

<sup>1</sup> Performance rights and options are excluded from the fully diluted ordinary shares on issue because they historically have and are anticipated to be met by acquiring ordinary shares on market and holding them in treasury shares for issuance upon conversion of performance rights and exercise of options.

<sup>2</sup> FY20 EPS restated for comparative purposes. Previously reported on a Cash EPS basis at 45.5cps.

<sup>3</sup> The dividend payout ratio represents 89% of UPAT. On an EPS basis the DPS payout is lower at 85% due to the newly issued shares during the year being subject to weighted averaging in their calculation.

# UPAT to Statutory NPAT reconciliation

\$m	FY20	FY21
Underlying profit after tax (UPAT)	132.6	165.3
<i>Adjust for:</i>		
Amortisation and impairment of intangibles <sup>1</sup>	(6.1)	(12.1)
Net (gains)/losses on financial assets held at fair value through profit or loss (FVTPL) <sup>2</sup>	(14.3)	38.7
Transaction and integration costs <sup>3</sup>	-	(16.0)
Adjust for tax effect	4.2	(11.2)
<b>Statutory NPAT</b>	<b>116.4</b>	<b>164.7</b>

<sup>1</sup> Amortisation and impairment of intangibles relates to fund and investment management contracts, and trademarks.

<sup>2</sup> Net gains or losses on financial assets held at FVTPL primarily relate to seed investments in pooled funds managed by Pendal Group.

<sup>3</sup> Transaction and integration costs relate to the acquisition of TSW during the financial year.

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