

Pendal Group Limited
Level 14, The Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia
ABN 28 126 385 822

PENDAL
GROUP

4 November 2022

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

**Pendal Group Limited (PDL) Full Year Profit Announcement for
the twelve months ended 30 September 2022**

The following documents are attached for lodgement:

- Appendix 4E
- ASX Announcement
- Analyst Presentation**
- Shareholder Update
- Annual Report
- Appendix 4G
- Corporate Governance Statement
- Sustainability Report

Yours sincerely



Authorising Officer

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

FY22 Financial Results

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

4 November 2022



Agenda

Item	Presenter
FY22 Overview	Nick Good
FY22 Financial results	Cameron Williamson
Strategy & Summary	Nick Good

FY22 Overview

PENDAL
GROUP

FY22 Financial overview

Results Context

- Solid financial results delivered in a challenging market environment
- Prudent cost management and TSW contributing to improved operating margin
- TSW delivering financial and diversification benefits in first full year of ownership

\$194.2 million

UPAT, up 17%

\$577.0 million

Base management fees, up 10%

\$124.3 billion

Average FUM, up 15%

50.7 cents per share

Earnings per share up 5%¹

\$51.9 million

Performance fees down 10%

FINAL DIVIDEND

3.5 cents per share

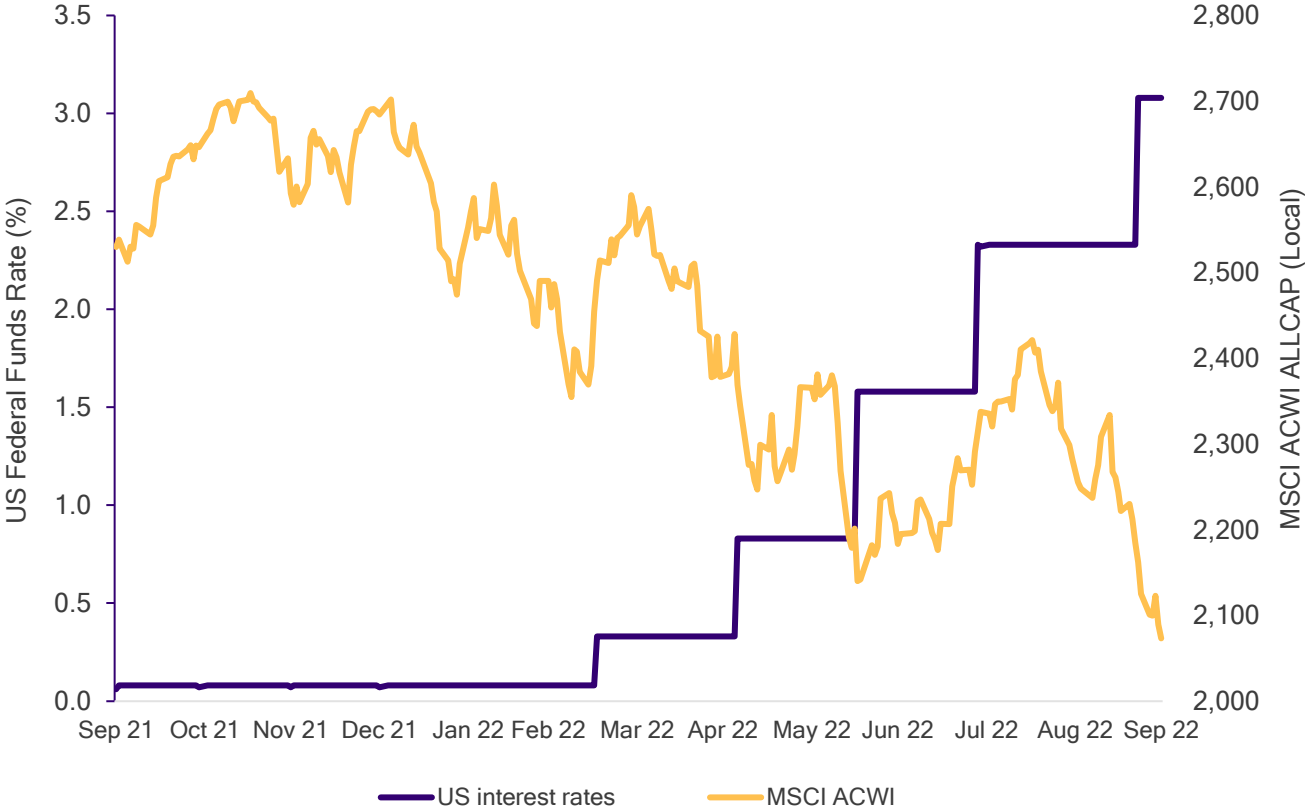
100% franked

Note: All comparative numbers to prior corresponding period (pcp) FY21.

¹ Underlying EPS. Refer to Slide 28 for calculation.

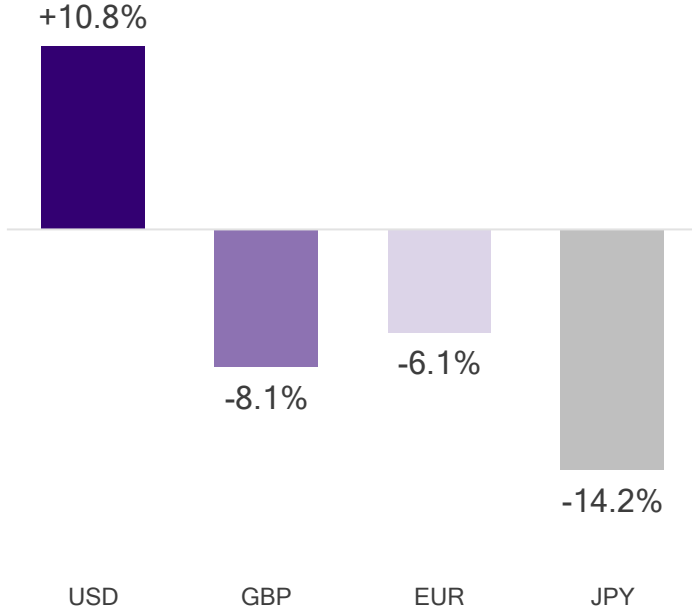
Macroeconomic drivers

US interest rate¹ vs MSCI ACWI (Local)



¹ Bloomberg
² RBA

Major currencies v AUD²
Closing levels FY22 v FY21



FUM & flows

- FUM impacted by weaker market environment and net outflows
- Heightened client caution in response to rising geopolitical tension and inflationary concerns

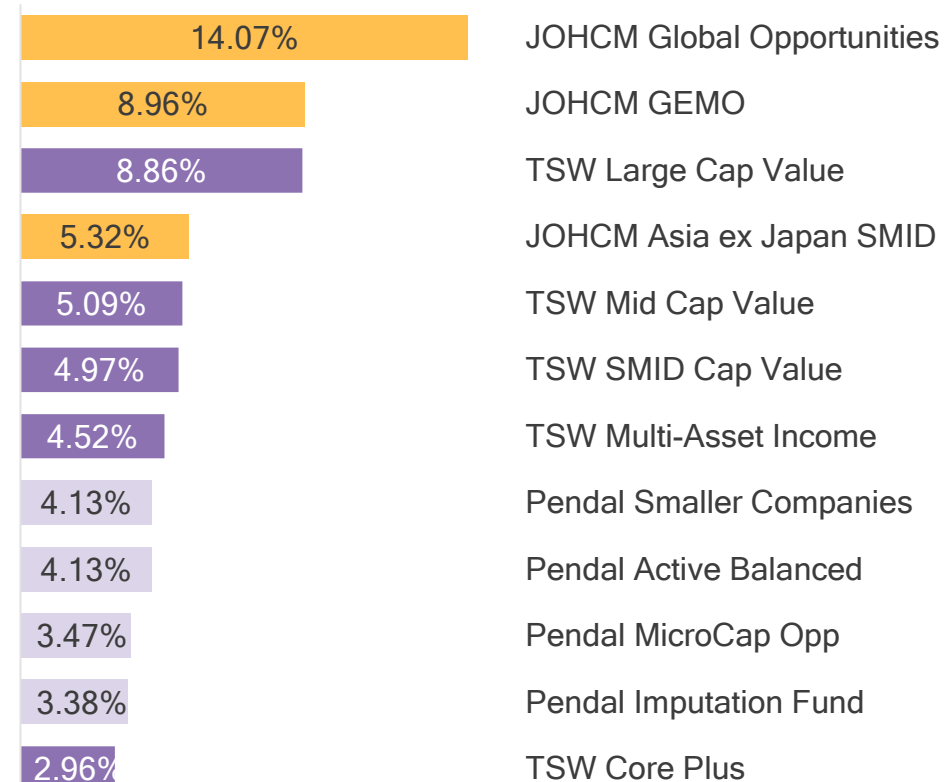
Funds Under Management (AUD \$billion)	Sep-21	Flows	Other*	FX	Sep-22	Base fee margin (bps)
Australia (excl. Cash)						
Institutional	15.7	(1.4)	(1.6)	0.0	12.7	31
Wholesale	8.4	0.2	(1.4)	0.0	7.2	66
Westpac	11.8	(2.1)	(1.1)	0.0	8.6	30
Total Australia (excl. Cash)	35.9	(3.3)	(4.1)	0.0	28.5	39
Europe, UK & Asia (EUKA)						
Segregated Mandates	13.6	(2.7)	(0.8)	(0.7)	9.4	47
OEICs	15.2	(1.2)	(1.8)	(1.0)	11.2	61
Total EUKA	28.8	(3.9)	(2.6)	(1.7)	20.6	55
US						
JOHCM Segregated Mandates	7.4	(0.6)	(1.9)	0.4	5.3	50
JOHCM US Pooled Funds	23.4	(2.4)	(8.7)	1.3	13.6	79
TSW - Sub advisory	18.3	(1.8)	(3.6)	1.4	14.3	29
TSW - Other	14.8	(0.8)	(2.4)	1.1	12.7	49
Total US	63.9	(5.6)	(16.6)	4.2	45.9	53
Total Pandal Group (excl. Cash)	128.6	(12.8)	(23.3)	2.5	95.0	50
Cash	10.6	(1.2)	0.1	0.0	9.5	7
Total Pandal Group	139.2	(14.0)	(23.2)	2.5	104.5	46

* Other includes investment performance, market movement, and distributions.

Investment performance

	FUM FY22 (\$b)	% FUM outperformed			
		1 Yr	3 Yr	5 Yr	Since inception
Global / International	44.5	55%	49%	89%	76%
Australia	15.3	64%	98%	96%	99%
Cash	9.5	84%	100%	100%	100%
US	7.2	100%	100%	100%	100%
UK	6.7	0%	58%	0%	87%
Multi asset	6.7	72%	74%	77%	86%
Fixed Income	6.6	10%	75%	97%	95%
Emerging Markets	4.5	100%	100%	100%	100%
Europe	1.2	52%	52%	52%	97%
Property	1.2	21%	100%	100%	100%
Asia	1.0	4%	100%	100%	100%
Other	0.1	82%	34%	34%	34%
Total FUM	104.5	58%	73%	85%	88%

One-year outperformance¹



¹ Fund performance is pre-fee, pre-tax and relative to the fund benchmark as at 30 September 2022

Measured investment for growth



Distribution

- Enhanced European regulatory licence to MiFID status and established offices in Paris and Munich
- Leveraged broader US distribution network following acquisition of TSW in 2021
- Strengthened marketing leadership in UK & US and rolled-out high-profile brand campaign in Australia



Product

- Continued to expand fund range into new markets globally, including Global Select in Australia, Regnan Global Equity Impact Solutions in Australia & US
- Launched Regnan Sustainable Water & Waste Fund in Europe with US launch targeted for December quarter
- Steady growth each quarter in ESG / RI FUM supported by expanded capabilities globally



Infrastructure

- Successfully migrated Australian middle and back-office to Northern Trust
- Completed transition of all support services in Australia from Westpac to new providers
- Steady progress in migration of EUKA & US middle office to Northern Trust



Talent

- Updated remuneration structures in the UK to align with market practice and regulatory changes
- Progressed planning related to talent development, succession planning and global mobility
- Advanced global diversity, equity and inclusion framework.

FY22 Financial Results

PENDAL
GROUP

FY22 financial summary

	FY21	FY22	Change
Average FUM	\$107.9b	\$124.3b	15.2%
Base management fee margin	48bps	46bps	-2bps
Base management fees	\$522.8m	\$577.0m	10%
Performance fees	\$57.5m	\$51.9m	(10%)
Fee revenue	\$581.9m	\$629.7m	8%
Employee expenses	\$275.3m	\$294.5m	7%
Other expenses	\$102.5m	\$108.7m	6%
Total operating expenses	\$377.8m	\$403.2m	7%
Operating profit	\$204.1m	\$226.5m	11%
<i>Operating margin</i>	<i>+35.1%</i>	<i>+36.0%</i>	<i>+0.9%</i>
UPAT	\$165.3m	\$194.2m	17%
Statutory NPAT	\$164.7m	\$112.8m	(32%)
Underlying EPS¹	48.2cps	50.7cps	5%
<i>Effective tax rate</i>	<i>+20%</i>	<i>+20%</i>	<i>+0%</i>

- Uplift in underlying EPS +5.3%
- Base management fee margin lower due to channel mix
- Another year of solid performance fees
- Costs controlled given market conditions
- Investment in strategic growth areas including global distribution, ESG / RI and global infrastructure continued
- Operating margin expansion to 36%

¹ Refer to slide 28 for Underlying EPS calculation

Revenue

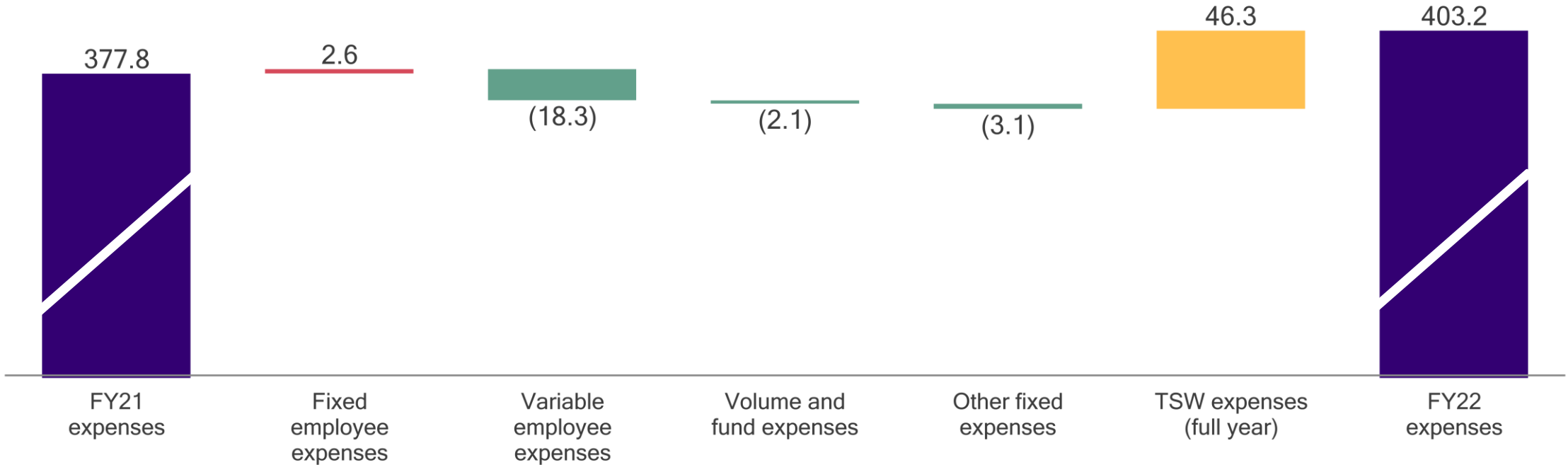
(\$m)



¹ Includes \$1.3m TSW performance fee revenue

Expenses

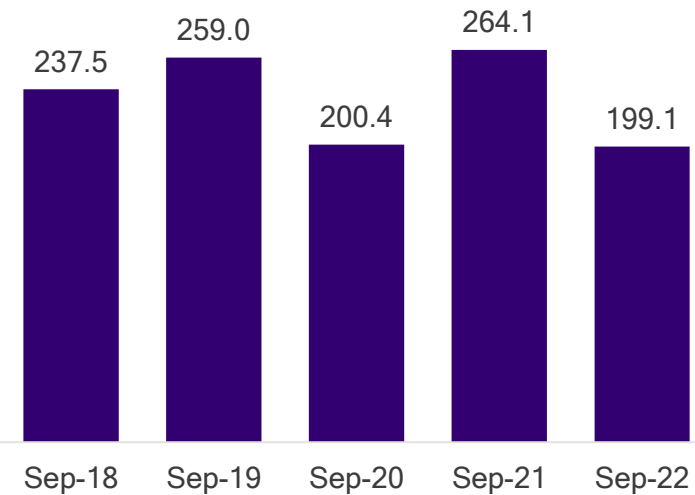
(\$m)



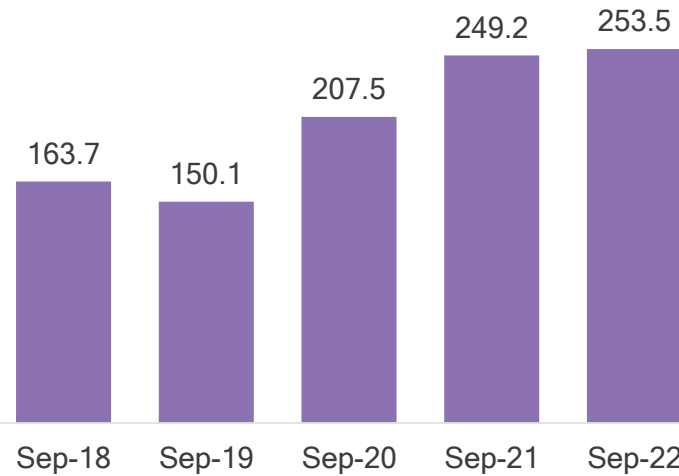
- Fixed cost growth below expectations, managed lower given trading conditions and pressure on revenue
- Modest headcount growth with higher attrition, in line with industry trends
- Investment in strategic priorities continued with pace moderated

Strong balance sheet

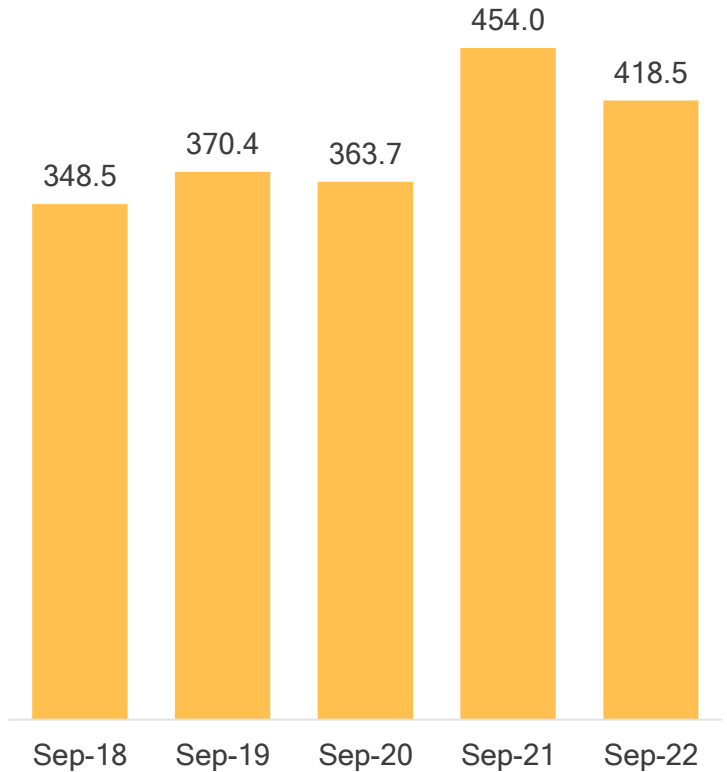
Seed capital investments¹ (\$m)



Net cash^{1,2} (\$m)



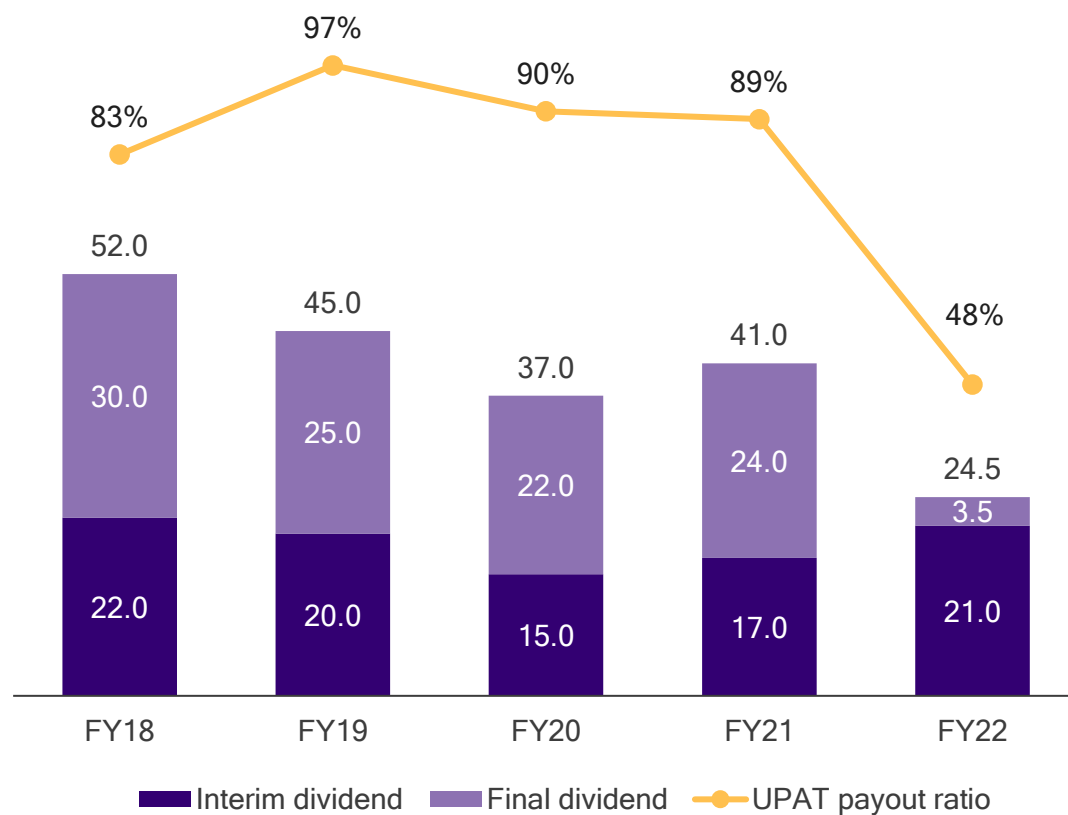
Net tangible assets (\$m)



1. Seed investments and net cash excludes escrowed fund manager deferred remuneration held in trust
2. Gross cash less drawn debt

Dividend

Dividends (cents per share)



FY22 Dividend

- Final dividend of 3.5 cps, 100% franked
- Full year dividend of 24.5 cps represents a 48% payout ratio¹
- Lower than stated dividend payout ratio having regard to proposed Scheme with Perpetual
- Cash component of Scheme Consideration to be reduced by final dividend to \$1.941

¹ Payout ratio represents dividends paid out of UPAT. Refer to slide 28 for Underlying EPS calculation.

Strategy

PENDAL
GROUP

Our Culture

- 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

Our Business

- Respected **investment talent**, with a track record of superior long-term performance
- A compelling **global distribution footprint** across the US, the UK, Europe and Australia
- A broad, **diversified product set** with success in bringing sustainable and impact investing to market
- **Strong balance sheet** with a significant seed portfolio to support organic and inorganic growth
- **Transparent remuneration** structure that rewards success and aligns employee, client and shareholder interests

Our Strategy

- Leverage our **global distribution footprint** to deliver our best products to clients in each region
- Deliver long-term investment performance for our clients with a forward-looking **diversified product set**
- Provide a **platform** that enables our teams to deliver exceptional client outcomes
- Continuing to invest to **attract, develop and retain the best talent**

To deliver investment excellence to our clients by being the best home for talent in the industry

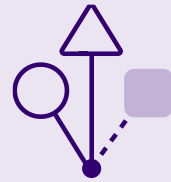
Combination with Perpetual supports strategy

Increases the impact of recent investments in distribution, ESG / RI, technology and new teams



Global Distribution

Global distribution platform covering majority of key markets



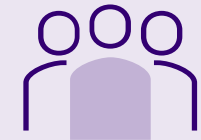
Product

Brings greater diversification of investment capabilities, particularly in ESG and RI



Infrastructure

Scalable operating infrastructure provides investment teams with support to focus on delivering for clients



Talent

Well positioned to continue to attract top-ranking talent over the long term.

FY23 guiding priorities



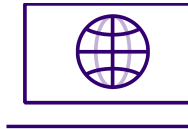
Global Distribution

- Strong focus on client retention
- Leverage European distribution presence to expand regional client base
- Upgrade digital marketing and drive improved client experience



Product

- Execute quick win opportunities including Regnan Sustainable Water & Waste strategy in US
- Leverage Regnan expertise to advance ESG / RI priorities



Infrastructure

- Complete migration of Europe middle and back office to Northern Trust
- Efforts focused on short-term improvements with quick pay-backs while completing long-term projects

Our focus is on managing costs and optimising short-term results while ensuring we remain ready to take advantage of a market upturn

Summary

- Solid financial result in a challenging market environment
- TSW acquisition delivering financial and diversification benefits
- Challenging trading conditions and short-term flow pressure persists
- Measured investment for growth with a focus on distribution, ESG / RI and operating infrastructure

Pendal and Perpetual transaction

- Process to satisfy conditions precedent tracking well - regulatory approvals and client consents
- Scheme Booklet expected to be issued in November with Scheme Meeting targeted for December 2022
- Completion targeted for January 2023.

Q&A

PENDAL
GROUP



Appendices

PENDAL
GROUP

Segment profit and loss

\$m	Pendal Australia		Pendal EUKA		Pendal US		Pendal Group	
	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
Average FUM (\$b)	46.4	43.8	26.7	23.1	34.8	57.4	107.9	124.3
Base fee margin	31bps	31bps	55bps	55bps	66bps	53bps	48bps	46bps
Base management fees	142.7	137.7	151.8	132.8	228.3	306.5	522.8	577.0
Performance fees	16.0	6.9	25.7	36.7	15.8	8.3	57.5	51.9
Other fee revenue	1.5	0.8	0.1	0.0	0.0	0.0	1.6	0.8
Fee revenue	160.2	145.4	177.6	169.5	244.1	314.8	581.9	629.7
Inter-segment revenue	(4.8)	(4.9)	130.1	115.1	(125.3)	(110.2)	0.0	0.0
Total fee revenue	155.4	140.5	307.7	284.6	118.8	204.6	581.9	629.7
Employee expenses	(100.4)	(84.9)	(143.3)	(141.0)	(31.6)	(68.6)	(275.3)	(294.5)
Other operating expenses	(40.6)	(41.7)	(47.8)	(43.6)	(14.1)	(23.4)	(102.5)	(108.7)
Operating expenses	(141.0)	(126.6)	(191.1)	(184.6)	(45.7)	(92.0)	(377.8)	(403.2)
Inter-segment expenses	8.6	5.6	(2.0)	4.5	(6.6)	(10.1)	0.0	0.0
Total operating expenses	(132.4)	(121.0)	(193.1)	(180.1)	(52.3)	(102.1)	(377.8)	(403.2)
Operating profit	23.0	19.5	114.6	104.5	66.5	102.5	204.1	226.5

Long-term investment performance

	Performance relative to benchmark ^{1,2}			
	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
Australian Equities				
Pendal Australian Share Fund	0.52%	1.86%	0.75%	1.00%
Pendal Focus Australian Share Fund	-0.31%	2.60%	1.72%	2.60%
Pendal Imputation Fund	3.38%	0.76%	0.25%	1.53%
Pendal Australian Long/Short Fund	0.98%	2.00%	1.25%	2.80%
Pendal Horizon Sustainable Australian Share Fund	-6.02%	-1.07%	-1.15%	0.95%
Pendal MidCap Fund	2.21%	0.37%	0.42%	4.85%
Pendal Smaller Companies Fund	4.13%	2.76%	1.00%	5.83%
Pendal MicroCap Opportunities Fund	3.47%	14.40%	10.80%	18.49%
Global equities	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
JOHCM Global Select Fund	-11.61%	0.34%	1.66%	1.62%
JOHCM Global Opportunities Fund	14.07%	-0.92%	0.17%	1.58%
JOHCM International Select Fund	-11.48%	-0.63%	0.85%	3.42%
Pendal Concentrated Global Share Fund	0.16%	-2.51%	-1.71%	-0.76%
TSW International Equity	0.68%	1.10%	0.04%	1.46%
TSW International Small Cap	1.20%	1.31%	1.46%	1.41%
UK equities	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
JOHCM UK Growth Fund	-16.64%	2.86%	-0.34%	2.68%
JOHCM UK Dynamic Fund	-3.10%	-1.68%	-0.87%	3.92%
JOHCM UK Equity Income Fund	-5.08%	0.22%	-1.02%	2.51%
JOHCM UK Opportunities Fund	-6.95%	-1.66%	-0.66%	2.05%
US equities	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
TSW Large Cap Value	8.86%	5.51%	4.18%	2.83%
TSW Mid Cap Value	5.09%	1.55%	1.99%	1.48%
TSW SMID Cap Value	4.97%	0.47%	0.33%	1.27%

¹ Includes funds with performance track record of minimum of three years.

² Fund performance is pre-fee, pre-tax and relative to the fund benchmark as at 30 September 2022.

Long-term investment performance

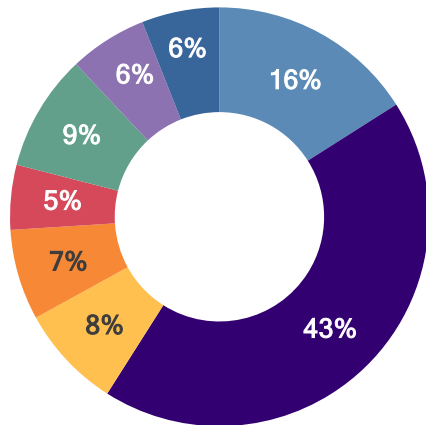
	Performance relative to benchmark ^{1,2}			
	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
European equities				
JOHCM Continental European Fund	2.33%	2.63%	0.94%	3.76%
JOHCM European Select Values Fund	-13.67%	-5.63%	-5.98%	3.14%
Emerging market equities				
JOHCM Global Emerging Markets Opportunities Fund	8.96%	2.81%	2.32%	2.48%
JOHCM Emerging Markets Small Cap Fund	0.93%	3.05%	3.27%	5.65%
Asian equities				
JOHCM Asia ex Japan Small & Mid Cap Fund	5.32%	4.44%	3.47%	5.26%
JOHCM Asia ex Japan Fund	-1.44%	5.81%	2.29%	3.06%
Property				
Pendal Property Securities Fund	-0.89%	1.90%	2.07%	1.18%
Pendal Global Property Securities Fund	0.06%	0.40%	0.66%	1.10%
Cash & fixed income				
Pendal Short Term Income Securities Fund	-0.01%	0.85%	0.84%	0.46%
Pendal Fixed Interest Fund	-0.02%	0.35%	0.17%	0.31%
Pendal Monthly Income Plus Fund	-5.50%	-0.47%	1.77%	2.61%
Pendal Pure Alpha Fixed Income Fund	-0.53%	-0.71%	-1.00%	-0.69%
TSW Core Plus	2.96%	2.35%	1.53%	1.23%
TSW High Yield Bond	1.61%	0.61%	0.28%	0.62%
Multi Asset				
Pendal Active Balanced Fund	4.13%	2.05%	0.49%	N/A
Pendal Balanced Returns Fund	3.71%	1.79%	0.47%	0.26%
Pendal Active Conservative Fund	2.89%	1.14%	0.32%	0.63%
Pendal Active Growth Fund	3.64%	1.99%	0.35%	0.17%
TSW Multi-Asset Income	4.52%	1.30%	0.69%	-0.71%

¹ Includes funds with performance track record of minimum of three years.

² Fund performance is pre-fee, pre-tax and relative to the fund benchmark as at 30 September 2022.

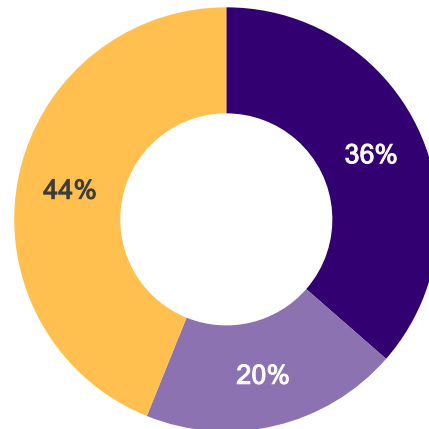
Business diversification

FUM by asset class



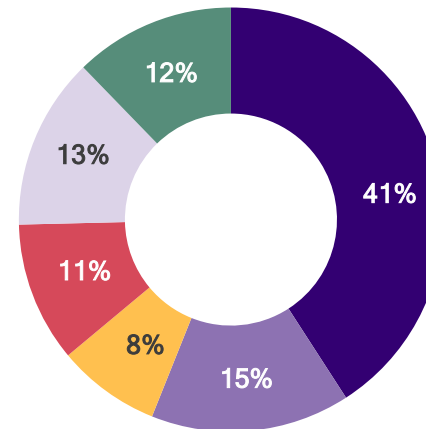
- Australian equities
- Global equities
- UK & European equities
- US equities
- Asian & EM equities
- Cash
- Fixed income
- Multi asset

FUM by geography (client domicile)



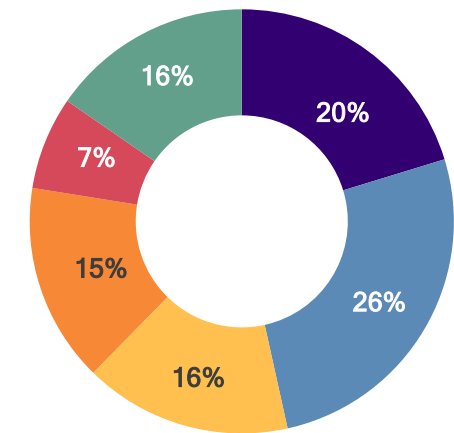
- Australia¹
- EUKA
- USA

FUM by channel



- Institutional
- Sub advisory
- Wholesale - Australia
- Wholesale - OEICs
- Wholesale - US Pooled
- Westpac

FUM by currency (equities only)



- A\$
- US\$
- £
- €
- ¥
- Other²

Note: As at 30 September 2022

¹ Includes Australia and New Zealand

² Other includes c. 30 other currencies, largely across emerging markets

FUM and flows by asset class

(\$b)	30-Sep-21 Closing FUM	Net Flows		Other ¹	30-Sep-22 Closing FUM
		Core	Westpac		
Equities:					
Australia	18.9	(1.2)	(0.4)	(2.0)	15.3
Global/International	62.9	(4.7)	(0.1)	(13.6)	44.5
UK	9.5	(1.1)	0.0	(1.7)	6.7
US	7.8	(0.5)	0.0	(0.1)	7.2
Europe	3.0	(1.2)	0.0	(0.6)	1.2
Emerging Markets	5.9	(0.4)	(0.1)	(0.9)	4.5
Asia	1.3	(0.1)	0.0	(0.2)	1.0
Property	1.6	0.1	0.0	(0.5)	1.2
Fixed Income	10.1	(1.3)	(1.2)	(1.0)	6.6
Multi-Asset	7.3	(0.2)	(0.3)	(0.1)	6.7
Other	0.3	(0.1)	0.0	(0.1)	0.1
Total Group (ex cash)	128.6	(10.7)	(2.1)	(20.8)	95.0
Cash	10.6	(0.6)	(0.6)	0.1	9.5
Total Group	139.2	(11.3)	(2.7)	(20.7)	104.5

¹ Other includes investment performance, market movement, distributions and FX

Performance fees

	Fund	FUM \$m (30 Sep 2022)	Performance fee period to	Benchmark ³	Participation rate %
Pendal	Pendal Focus Australian Share Fund	1,440	30 June	S&P/ASX 300 Accum Index	15%
	Pendal MidCap Fund	384	30 June	S&P/ASX 150 ex Top 50 Accum Index	20%
	Pendal MicroCap Opportunities Fund ¹	351	30 June	S&P/ASX Small Ord Accum Index	20%
	Pendal Australian Long/Short Fund	11	30 June	S&P/ASX 200 Accum Index	15%
	Mandates ¹	371	Various	Various	
JOHCM²	JOHCM UK Equity Income Fund	2,933	31 December	FTSE All-Share TR Index	15%
	JOHCM Global Select Fund	2,408	31 December	MSCI ACWI NR Index	15%
	JOHCM UK Dynamic Fund	1,958	31 December	FTSE All Share TR Index	15%
	JOHCM Global Opportunities Fund	922	31 December	MSCI ACWI NR Index	15%
	JOHCM Continental European Fund	655	31 December	MSCI Europe ex UK NR Index	15%
	JOHCM European Select Values Fund	515	31 December	MSCI Europe NR Index	15%
	JOHCM UK Growth Fund	441	31 December	FTSE All-Share TR Index	15%
	JOHCM Global Emerging Markets Opportunities Fund ¹	323	31 December	MSCI Emerging Markets NR Index	15%
	JOHCM UK Opportunities Fund	251	31 December	FTSE All-Share TR Index	15%
	JOHCM European Concentrated Values Fund	69	31 December	MSCI Europe NR Index	15%
	JOHCM Asia ex Japan Fund	44	31 December	MSCI AC Asia ex Japan NR Index	15%
	JOHCM Asia ex Japan Small & Mid Cap Fund ¹	34	31 December	MSCI AC Asia ex Japan Small Cap NR Index	15%
	Mandates ¹	2,342	Various	Various	
Total funds / mandates with performance fees		15,452			
Current status of JOHCM performance fees with performance period ending 31 December 2022 (£m) ⁴		£2.6m			

¹ Funds/mandates above their high water mark as at 30 September 2022.

² JOHCM FUM converted at 30 September 2022 spot rate of 0.5835.

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

⁴ Current status as at 30 September 2022.

Underlying EPS calculation

Number of securities

(m)	FY21	FY22
Weighted average ordinary shares on issue	343.2	383.0
Number of performance rights on issue	3.5	3.2
Number of options on issue	6.0	5.9

Underlying EPS calculation¹

	FY21	FY22
Underlying profit after tax (\$m)	165.3	194.2
Weighted average fully diluted ordinary shares on issue (m)	343.2	383.0
Underlying EPS (cps)	48.2	50.7

¹ 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.

UPAT to Statutory NPAT reconciliation

\$m	FY21	FY22
Underlying profit after tax (UPAT)	165.3	194.2
<i>Adjust for:</i>		
Amortisation and impairment of intangibles ¹	(12.1)	(45.2)
Net gains/(losses) on financial assets held at fair value through profit or loss (FVTPL) ²	38.7	(37.3)
Transaction and integration costs ³	(16.0)	(12.4)
Adjust for tax effect	(11.2)	13.5
Statutory NPAT	164.7	112.8

¹ Amortisation and impairment of intangibles relates to fund and investment management contracts and trademarks and is a significant increase on FY21 as a result of the acquisition of TSW.

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

³ Transaction and integration costs relate to the acquisition of TSW during FY21 and the proposed Scheme of Arrangement with Perpetual Limited during FY22.

Disclaimer

Important information for investors

This presentation has been prepared by Pental Group Limited (ABN 28 126 385 822).

While the information in this presentation has been prepared in good faith and with reasonable care, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation.

This presentation contains forward looking statements. These forward looking statements have been made based upon Pental Group's expectations and beliefs concerning future developments and their potential effect upon Pental Group and are subject to risks and uncertainty which are, in many instances, beyond Pental Group's control. No assurance is given that future developments will be in accordance with Pental Group's expectations. Actual results could differ materially from those expected by Pental Group.

The information contained in this presentation is not intended to be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.

In this presentation, unless otherwise stated or the context otherwise requires, references to 'dollar amounts', '\$', 'AUD' or 'A\$' are to Australian dollars.