

# 2019 Full Year Results

Twelve months to 30 September 2019

**PENDAL**  
GROUP

Emilio Gonzalez CFA, Group Chief Executive Officer  
Cameron Williamson CA, Group Chief Financial Officer

6 November 2019



# Agenda

Item	Presenter
FY19 overview	Emilio Gonzalez
Flows and investment performance	Emilio Gonzalez
Financials	Cameron Williamson
Strategy and outlook	Emilio Gonzalez
Q&A	Emilio Gonzalez & Cameron Williamson



# FY19 overview

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# FY19 overview

Average FUM down 1% to

**\$98.8 billion**

Base management fees down 4% to

**\$482.6 million**

Operating profit excl. performance fees down 8% to

**\$198.5 million**

Cash EPS decrease of 19% to

**51.3 cents per share**

Cash NPAT 19% lower to

**\$163.5 million**

Performance fees down 89% to

**\$5.9 million**

Expenses down 8% to

**\$290.2 million**

Dividend decreased by 13% to

**45.0 cents per share**

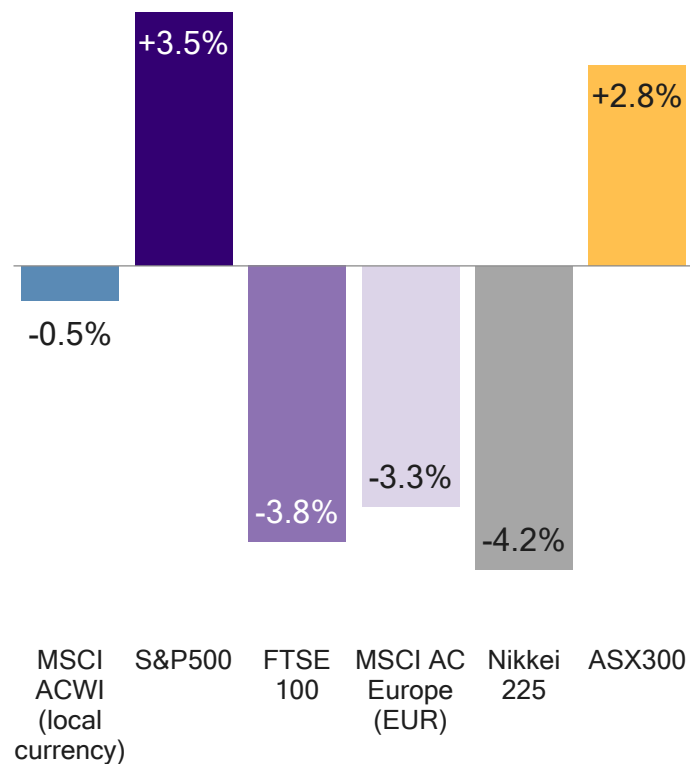
## Business strength

- Diversified business across markets, distribution channels and asset classes
- Proven and successful business model
- Global distribution reach
- Track record of stable investment teams
- Financial strength

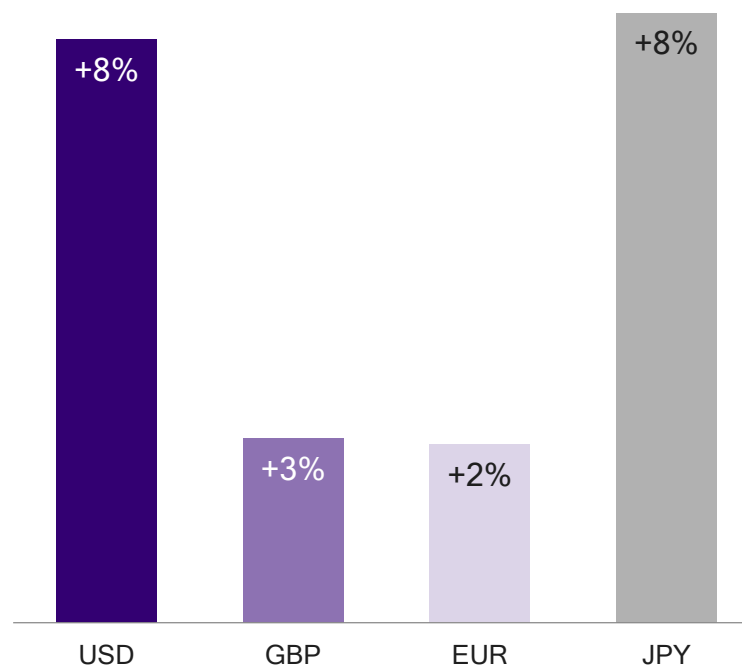
Note: All comparative numbers to prior corresponding period (pcp) FY18

# Macroeconomic drivers

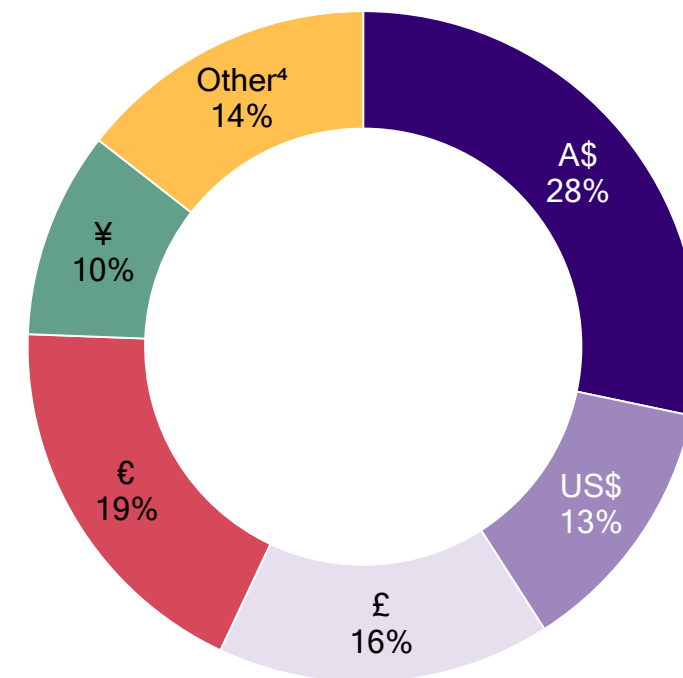
World markets<sup>1</sup>  
Average levels FY19 v FY18



Major currencies v AUD<sup>2</sup>  
Average levels FY19 v FY18



Pendal Group equities FUM<sup>3</sup>  
by currency



<sup>1</sup> Factset September 2019

<sup>2</sup> RBA

<sup>3</sup> Includes Multi-Asset allocation to equities

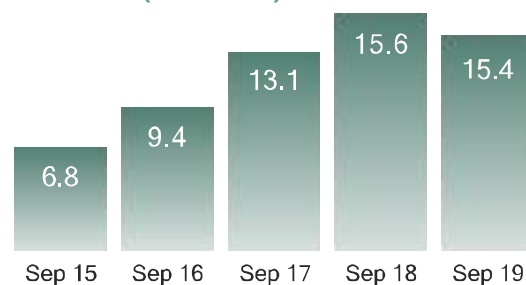
<sup>4</sup> Other includes c. 25 other currencies, largely across emerging markets

# Delivering investment strategies globally

Our vision is to be a global investment management business that delivers exceptional investment returns to clients by attracting and retaining superior investment talent.

## North America

FUM (US\$b)<sup>1</sup>

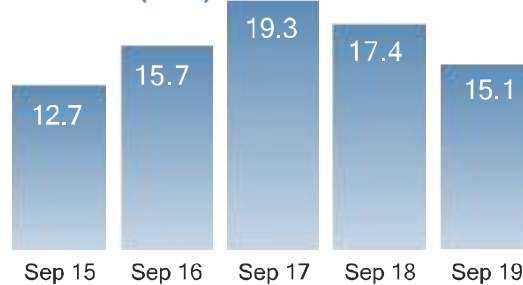


- Regional Equities
- Global & International Equities
- Multi-Asset

<sup>1</sup> FUM classified by client domicile

## UK & Europe

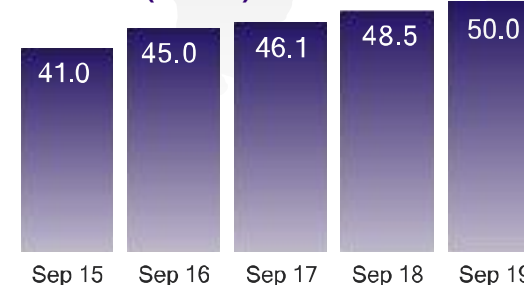
FUM (£b)<sup>1</sup>



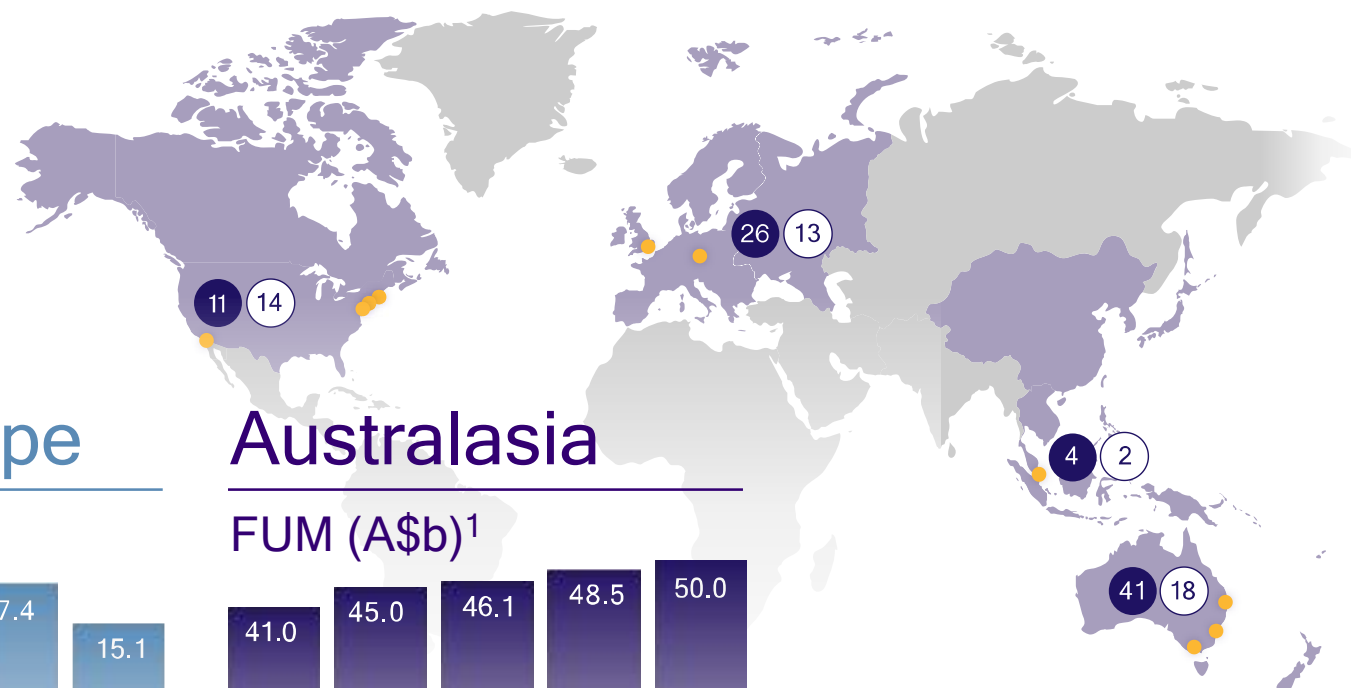
- Regional Equities
- Global & International Equities
- Multi-Asset

## Australasia

FUM (A\$b)<sup>1</sup>



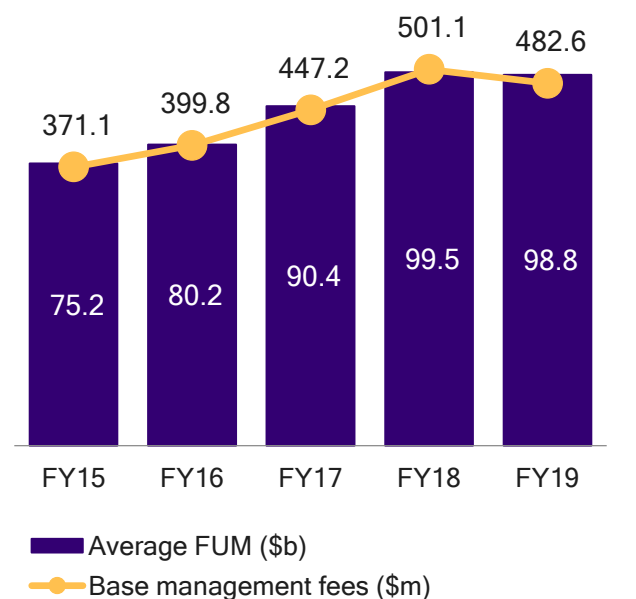
- Regional Equities
- Global & International Equities
- Bonds, Income & Defensive Strategies
- Multi-Asset



- Investment personnel
- Sales personnel
- Pendal office locations

# Strong long term financial performance

Average FUM and base management fees



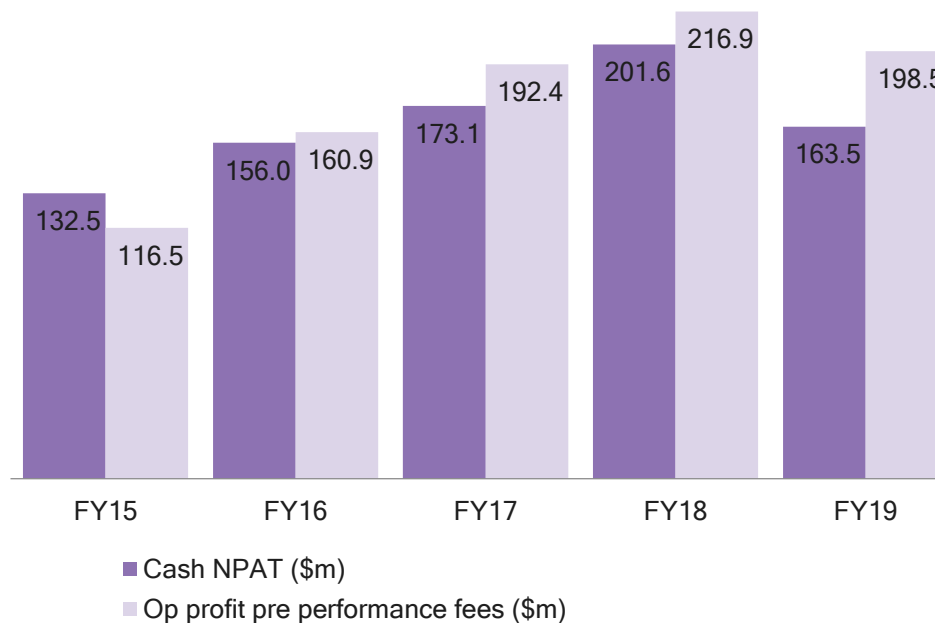
Ave FUM CAGR +7%



Base fees CAGR +7%



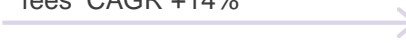
CNPAT and operating profit pre-performance fees



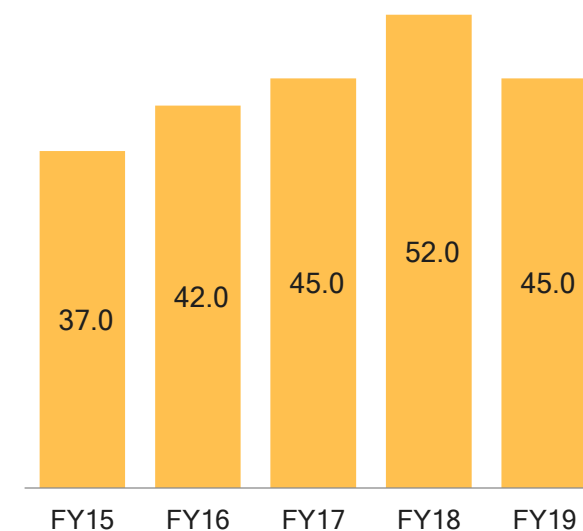
CNPAT CAGR +5%



Op profit pre-performance fees CAGR +14%



Full year dividend (cps)



Full year dividend CAGR +5%



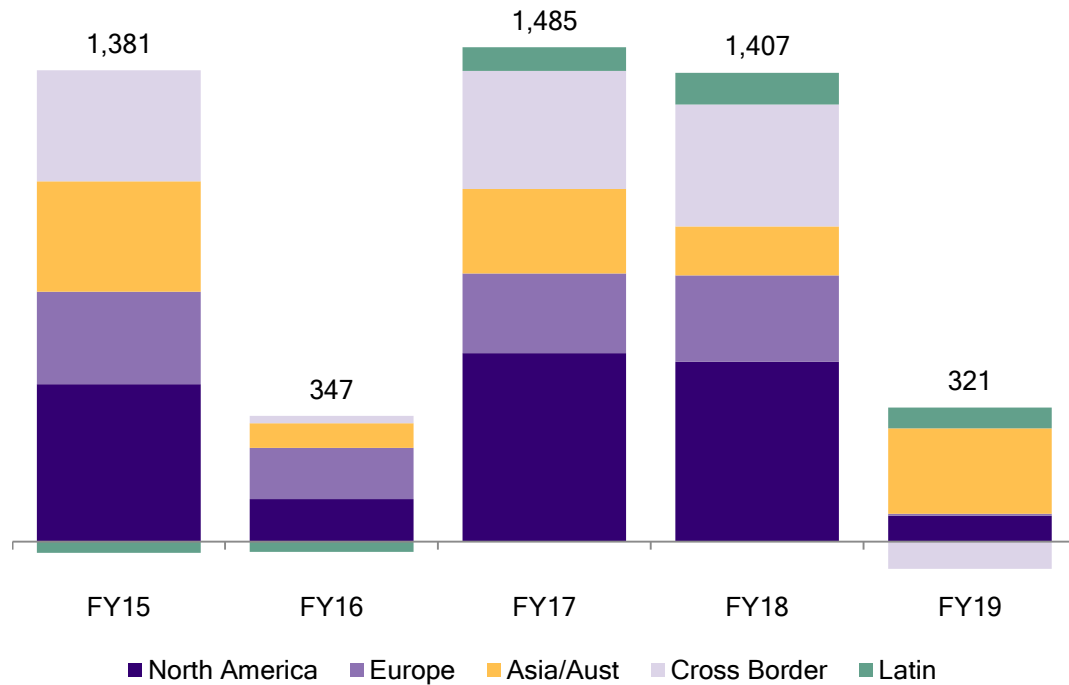
# Flows and investment performance

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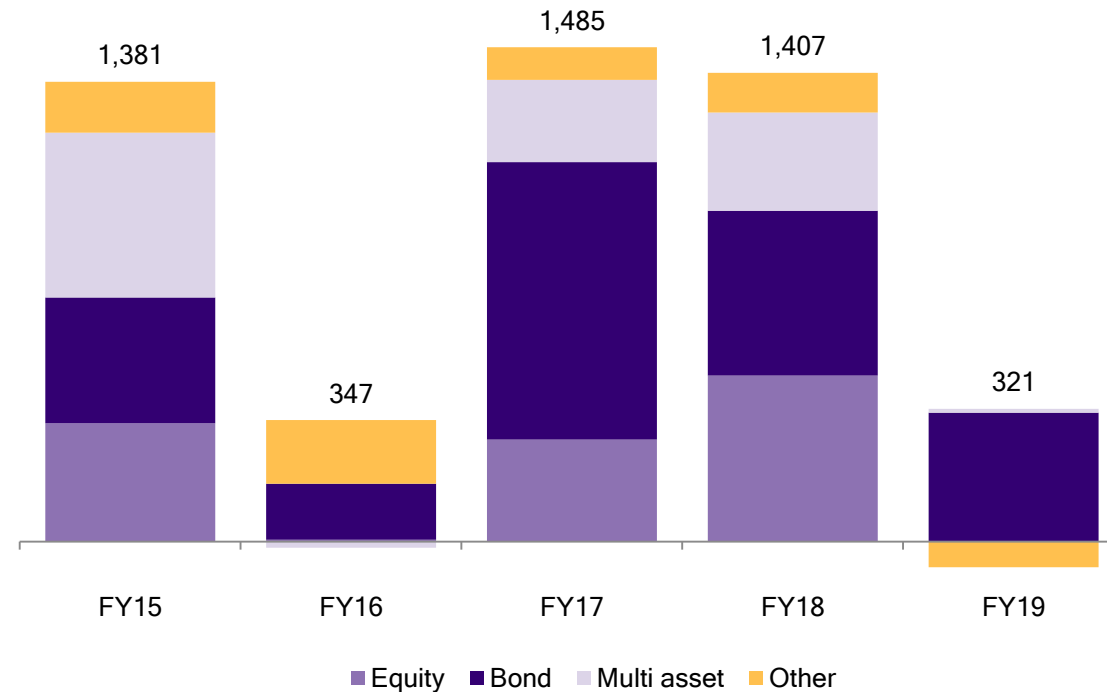
# Global industry flows

By region (US\$b)



Source: Strategic Insights; June financial year end

By asset class (US\$b)



# FUM and flows by channel

- Strong institutional flows into cash and fixed income
- US Pooled Funds continue to attract flows
- OEIC outflows predominantly from European strategies
- Westpac legacy outflows largely due to corporate super transitions

\$b	30-Sep-18 Closing FUM	Net flows	Other <sup>2</sup>	FX impact	30-Sep-19 Closing FUM	Breakdown of net flows		Fee margin (bps)	
						Pendal	JOHCM	Pendal	JOHCM
<b>Institutional</b>	33.9	1.5	2.2	0.4	38.0	2.0	(0.5)	26	50
<b>Wholesale</b>									
Australia	7.9	0.0	0.3	-	8.2	0.0	-	68	-
OEICs	23.5	(3.6)	(1.0)	0.2	19.1	-	(3.6)	-	64
US Pooled	15.3	0.7	(0.6)	0.9	16.3	-	0.7	-	80
<b>Pendal Group Core Funds</b>	<b>80.6</b>	<b>(1.4)</b>	<b>0.9</b>	<b>1.5</b>	<b>81.6</b>	<b>2.0</b>	<b>(3.4)</b>	<b>37</b>	<b>64</b>
<b>Westpac - Other<sup>1</sup></b>	<b>13.5</b>	<b>(0.6)</b>	<b>0.9</b>	<b>-</b>	<b>13.8</b>	<b>(0.6)</b>	<b>-</b>	<b>20</b>	<b>-</b>
<b>Westpac - Legacy</b>	<b>7.5</b>	<b>(2.7)</b>	<b>0.2</b>	<b>-</b>	<b>5.0</b>	<b>(2.7)</b>	<b>-</b>	<b>31</b>	<b>-</b>
<b>Total Pendal Group FUM</b>	<b>101.6</b>	<b>(4.7)</b>	<b>2.0</b>	<b>1.5</b>	<b>100.4</b>	<b>(1.3)</b>	<b>(3.4)</b>	<b>32</b>	<b>64</b>

<sup>1</sup> Westpac - other: represents all Westpac directed mandates covering corporate and retail superannuation, multi-manager portfolios, managed accounts and Westpac capital

<sup>2</sup> Other: includes market movement, investment performance and distributions



# FUM and flows by asset class

- European equities affected by negative sentiment
- Positive flows into International Select, Global Opportunities, UK Dynamic, cash and fixed income
- Growing demand for Global Income Builder

\$b	30-Sep-18 Closing FUM	Net Flows			Other <sup>2</sup>	30-Sep-19 Closing FUM
		Core	Westpac Legacy	Westpac Other <sup>1</sup>		
Equities:						
Australia	16.7	(0.2)	(0.4)	(0.1)	1.3	17.3
Global/International	28.9	0.7	(0.3)	0.0	1.5	30.8
UK	11.5	(0.4)	-	-	(0.5)	10.6
Europe	9.9	(2.7)	-	-	(0.5)	6.7
Emerging Markets	4.6	(0.4)	-	0.0	0.2	4.4
Asia	2.7	(0.7)	-	-	(0.1)	1.9
Property	1.8	(0.1)	(0.1)	0.1	0.3	2.0
Cash	10.0	1.3	(0.2)	(0.3)	0.6	11.4
Fixed Income	6.8	1.1	0.0	(0.2)	0.6	8.3
Multi-Asset	7.7	0.2	(1.7)	(0.1)	0.2	6.3
Other	1.0	(0.2)	-	-	(0.1)	0.7
Total FUM	101.6	(1.4)	(2.7)	(0.6)	3.5	100.4

<sup>1</sup> Westpac Other: represents all Westpac directed mandates covering corporate and retail superannuation, multi-manager portfolios, managed accounts and Westpac capital

<sup>2</sup> Other includes investment performance, market movement, distributions and FX

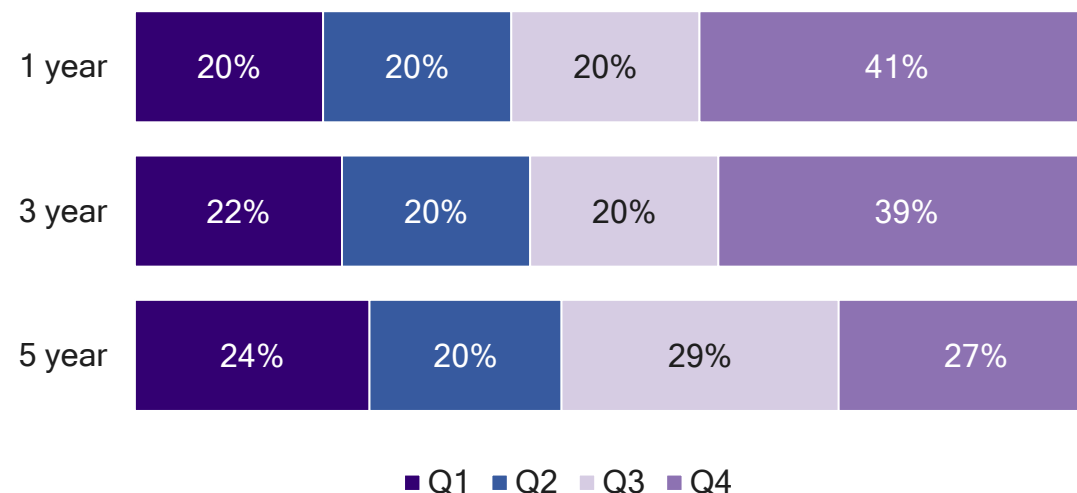
# Investment performance summary

	FUM FY19 (\$b)	% FUM outperformed <sup>1</sup> 3 Yr	% FUM outperformed <sup>1</sup> 5 Yr
<b>Equities:</b>			
Australia	17.3	80%	88%
Global/International	30.8	30%	76%
UK	10.6	88%	96%
Europe	6.7	0%	100%
Emerging Markets	4.4	70%	100%
Asia	1.9	0%	3%
<b>Property</b>	2.0	100%	100%
<b>Cash</b>	11.4	100%	100%
<b>Fixed Income</b>	8.3	50%	50%
<b>Multi-Asset</b>	6.3	2%	16%
<b>Other</b>	0.7	86%	86%
<b>Total FUM</b>	<b>100.4</b>	<b>52%</b>	<b>79%</b>

**52%** of FUM has  
outperformed<sup>1</sup> over 3 years

**79%** of FUM has  
outperformed<sup>1</sup> over 5 years

% of funds<sup>2</sup> across quartile rankings



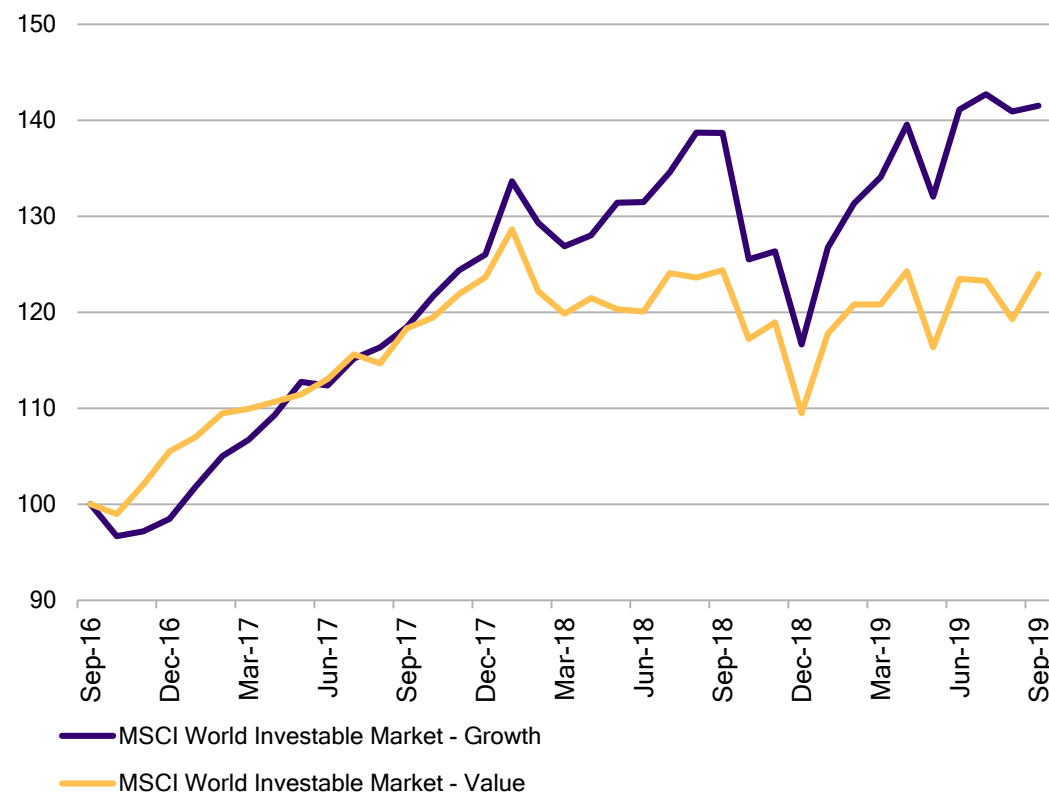
<sup>1</sup> Fund performance is pre-fee, pre-tax and relative to the fund benchmark; % of FUM outperforming relates to FUM with sufficient track record only

<sup>2</sup> Funds represent funds on offer under prospectus with Lipper/Mercer rankings

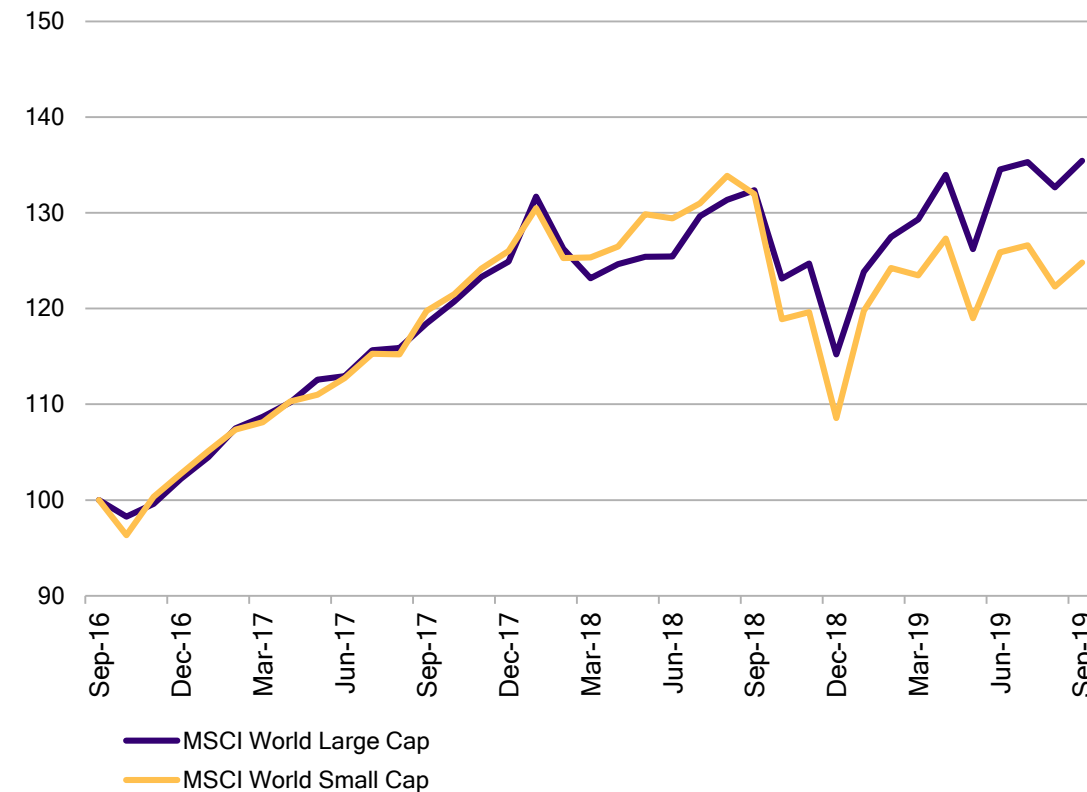


# Large cap & growth stocks driving market returns

## Growth vs Value (USD)<sup>1</sup>



## Large Cap vs Small Cap (USD)<sup>1</sup>



<sup>1</sup> Factset September 2019

# Long-term performance remains strong

	Performance relative to benchmark			
<b>Australian Equities</b>	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
Pendal Australian Share Fund	-3.49%	+0.90%	+0.48%	+0.90%
Pendal Focus Australian Share Fund	-2.67%	+2.89%	+2.51%	+2.60%
Pendal Imputation Fund	-2.06%	+0.85%	-0.18%	+1.65%
Pendal Australian Long/Short Fund	-0.62%	+1.74%	+1.28%	+3.01%
Pendal Ethical Share Fund	-3.69%	+1.01%	+0.88%	+1.30%
Pendal MidCap Fund	-1.28%	+1.71%	+1.76%	+6.11%
Pendal Smaller Companies Fund	-4.87%	-0.55%	+1.03%	+6.23%
Pendal MicroCap Opportunities Fund	+12.21%	+5.75%	+10.91%	+19.46%
<b>Global Equities</b>	1 Year (pa)	3 Years (pa)	5 Years (pa)	Since inception (pa)
JOHCM Global Select Fund	+3.27%	+0.33%	-0.33%	+1.98%
JOHCM Global Opportunities Fund	+4.44%	-0.90%	+3.01%	+2.69%
JOHCM International Small Cap Equity Fund	-3.39%	+0.87%	+1.32%	+0.96%
JOHCM International Select Fund	-0.95%	-0.01%	+2.69%	+4.74%
Pendal Concentrated Global Share Fund	+0.27%	+1.26%	N/A	+1.09%
<b>UK Equities</b>	1 Year (pa)	3 Years (pa)	5 Years (pa)	Since inception (pa)
JOHCM UK Growth Fund	-10.81%	-2.59%	-3.84%	+2.64%
JOHCM UK Dynamic Fund	-1.08%	+3.25%	+2.28%	+5.54%
JOHCM UK Equity Income Fund	-6.50%	+0.87%	+0.17%	+3.01%
JOHCM UK Opportunities Fund	+3.89%	-1.85%	+1.09%	+2.92%
<b>European Equities</b>	1 Year (pa)	3 Years (pa)	5 Years (pa)	Since inception (pa)
JOHCM Continental European Fund	-4.34%	-1.47%	+0.95%	+3.96%
JOHCM European Select Values Fund	-10.53%	-4.96%	+0.42%	+4.95%
JOHCM European Concentrated Values Fund	-6.46%	-2.36%	N/A	+4.86%

Notes:

<sup>1</sup> Includes funds with performance track record of minimum of 3 years or minimum FUM over \$100 million

<sup>2</sup> Fund performance is pre-fee, pre-tax and relative to the fund benchmark as at 30 September 2019



# Long-term performance remains strong

	Performance relative to benchmark			
<b>Emerging Market Equities</b>	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
JOHCM Emerging Markets Fund	-1.52%	-2.63%	+0.28%	+1.64%
JOHCM Global Emerging Markets Opportunities Fund	+2.97%	+1.30%	+3.29%	+2.35%
JOHCM Emerging Markets Small Cap Fund	+5.62%	+4.93%	N/A	+7.25%
<b>Asian Equities</b>	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
JOHCM Japan Fund	-2.93%	-0.56%	-2.57%	+0.96%
JOHCM Asia ex Japan Small & Mid Cap Fund	+15.89%	-0.36%	+4.65%	+5.56%
JOHCM Asia ex Japan Fund	+7.54%	-4.89%	-0.81%	+1.97%
<b>Property</b>	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
Pendal Property Securities Fund	+3.41%	+1.72%	+1.03%	+1.07%
Pendal Global Property Securities Fund	+0.75%	+1.21%	+0.76%	+1.27%
<b>Cash and Fixed Income</b>	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
Pendal Enhanced Cash Fund	+0.79%	+1.10%	+0.85%	+0.42%
Pendal Fixed Interest Fund	-0.40%	-0.20%	-0.08%	+0.30%
Pendal Monthly Income Plus Fund	+6.44%	+3.99%	+3.94%	+3.55%
Pendal Pure Alpha Fixed Income Fund	-1.42%	-2.01%	-0.83%	-0.69%
<b>Multi-Asset</b>	1 year (pa)	3 years (pa)	5 years (pa)	Since inception (pa)
Pendal Active Balanced Fund	-3.39%	-0.40%	-0.02%	N/A
Pendal Balanced Returns Fund	-2.91%	-0.34%	+0.04%	+0.10%
Pendal Active Conservative Fund	-1.47%	-0.18%	+0.08%	+0.57%
Pendal Active Growth Fund	-4.14%	-0.47%	-0.04%	-0.11%

Notes:

<sup>1</sup> Includes funds with performance track record of minimum of 3 years or minimum FUM over \$100 million

<sup>2</sup> Fund performance is pre-fee, pre-tax and relative to the fund benchmark as at 30 September 2019

# Performance focus and initiatives

- Ongoing review of investment portfolios, including testing positioning, thesis and staying 'true to label'
- Global leadership expertise and experience to support investment teams and sales and marketing initiatives
- Intensified engagement with clients to ensure alignment with needs, expectations and portfolio understanding
- Increased promotion of UK Equity Income, Global Select, Global Opportunities, Global Emerging Markets Opportunities and Global Income Builder through marketing campaigns, roadshows and client events
- Invested in additional sales resources in the UK and US
- Realigned Australian sales team by client segment to better serve clients post Royal Commission
- Initiated brand campaign in Australia to raise Pendal brand awareness and specifically target the adviser community

# Expanded global leadership

## Appointed regional CEOs for JOHCM

### Alexandra Altinger

CEO UK, Europe & Asia

Significant cross-border leadership experience and expertise in investment and wealth management

### Nick Good<sup>1</sup>

CEO US

Track record of success in developing strategy and building businesses in the asset management industry



## Established new role of Global Chief Risk Officer

### Bindesh Savjani

20 years' working in financial services including extensive experience in senior risk roles



## Appointed Investment Directors for JOHCM and Pental Australia

### Aled Smith

Investment Director JOHCM

Highly experienced individuals delivering investment oversight and assistance in developing product strategies

### Daniel Campbell

Investment Director Pental Australia



<sup>1</sup> Commences 2<sup>nd</sup> December 2019



# Financials

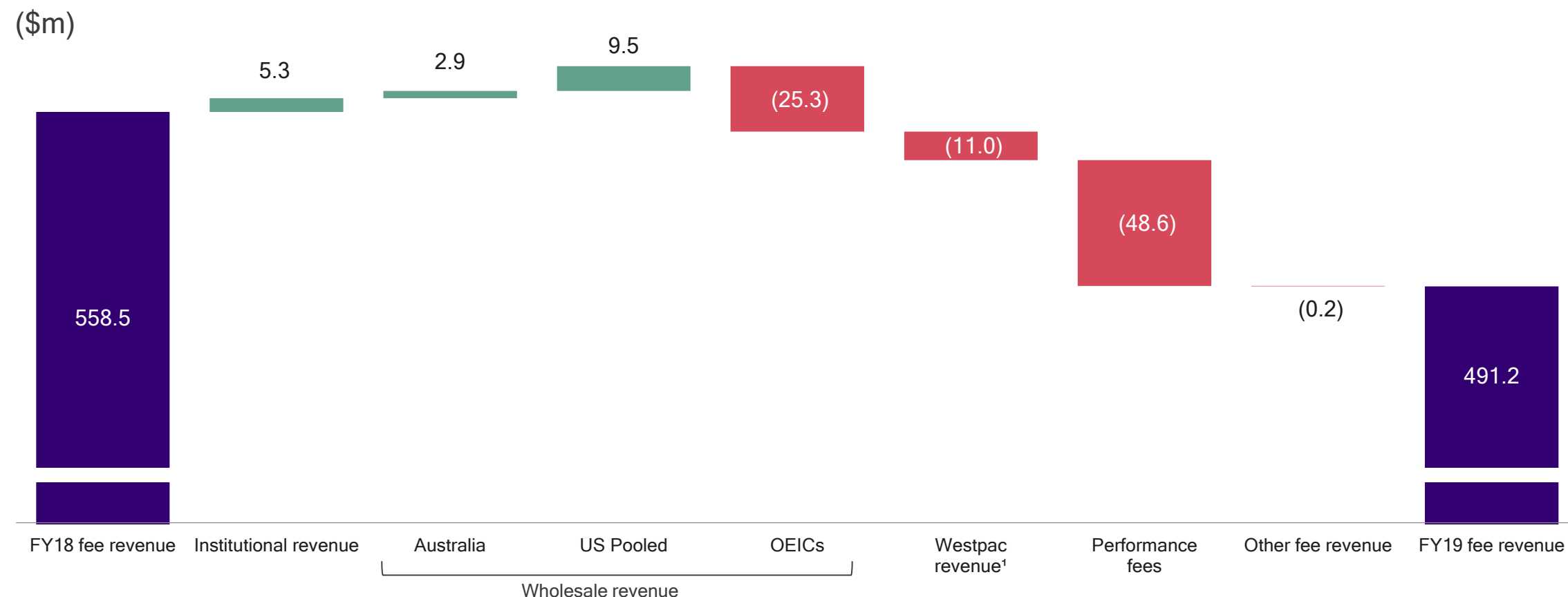
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# Financial results

\$m	FY15	FY16	FY17	FY18	FY19	FY19 vs FY18
Average FUM (\$b)	75.2	80.2	90.4	99.5	98.8	(1%)
Base management fee margin (%)	49 bps	50 bps	50 bps	51 bps	49 bps	(2 bps)
Base management fees	371.1	399.8	447.2	501.1	482.6	(4%)
Performance fees	51.9	77.2	37.9	54.5	5.9	(89%)
Other fee revenue	13.6	16.9	5.9	2.9	2.7	(7%)
<b>Total fee revenue</b>	<b>436.6</b>	<b>493.9</b>	<b>491.0</b>	<b>558.5</b>	<b>491.2</b>	<b>(12%)</b>
Employee expenses	(203.0)	(227.6)	(208.1)	(224.7)	(203.3)	(10%)
Operating expenses	(65.2)	(69.4)	(73.8)	(92.2)	(86.9)	(6%)
<b>Total operating expenses</b>	<b>(268.2)</b>	<b>(297.0)</b>	<b>(281.9)</b>	<b>(316.9)</b>	<b>(290.2)</b>	<b>(8%)</b>
<b>Operating profit</b>	<b>168.4</b>	<b>196.9</b>	<b>209.1</b>	<b>241.6</b>	<b>201.0</b>	<b>(17%)</b>
Non operating income	0.3	5.4	7.2	14.1	7.3	(48%)
Tax	(36.2)	(46.3)	(43.2)	(54.1)	(44.8)	(17%)
<b>Cash NPAT</b>	<b>132.5</b>	<b>156.0</b>	<b>173.1</b>	<b>201.6</b>	<b>163.5</b>	<b>(19%)</b>
Cash EPS	44.0	50.8	55.3	63.7	51.3	(19%)
Operating profit margin	39%	40%	43%	43%	41%	(5%)
Effective tax rate	21%	23%	20%	21%	22%	2%

# Lower performance fees - biggest impact on revenue decline

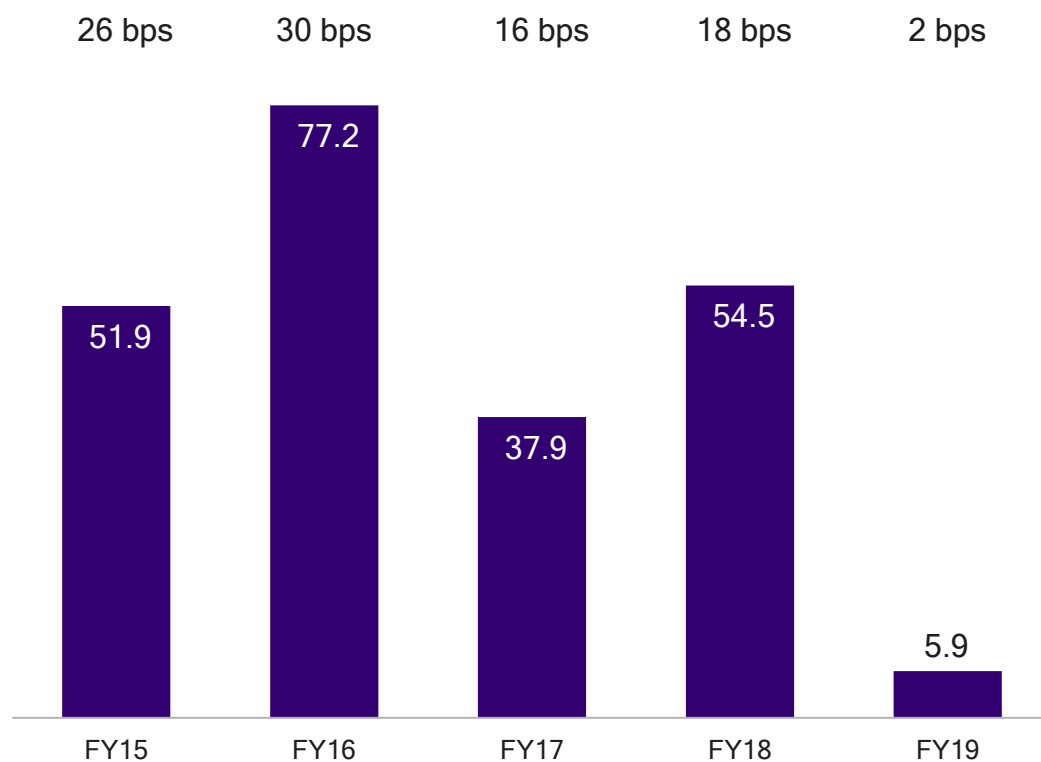


<sup>1</sup> Westpac revenue represents all Westpac directed mandates covering corporate and retail superannuation, legacy retail, multi-manager portfolios, managed accounts and Westpac capital

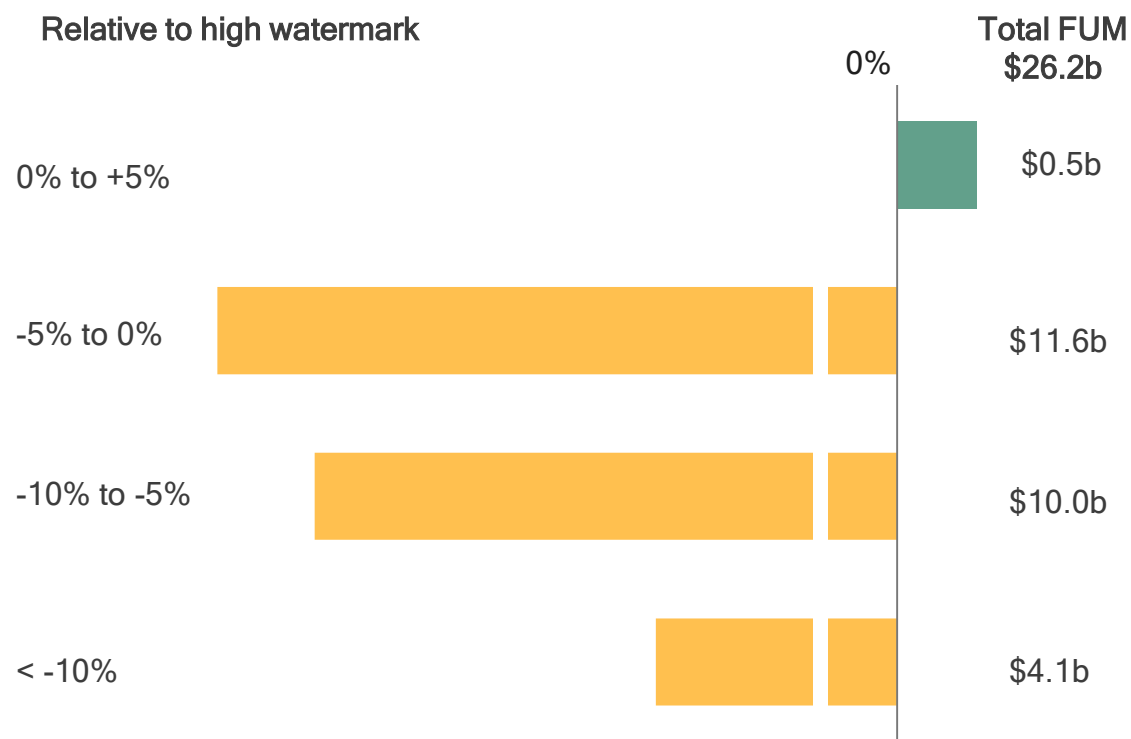
# Performance fees

JOHCM performance fee status of \$0.8 million (£0.5 million) as at 30 September 2019

Performance fees (\$m) earned and average basis points on FUM capable of earning performance fees

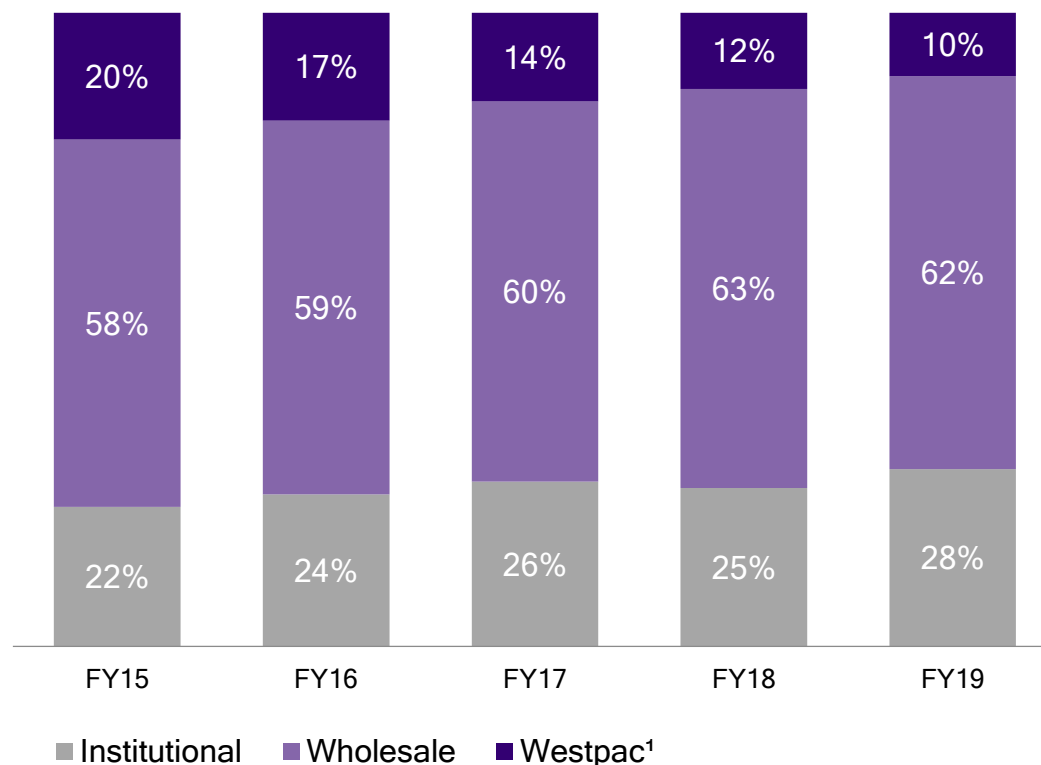


FUM capable of earning performance fees relative to high watermark as at 30 September 2019

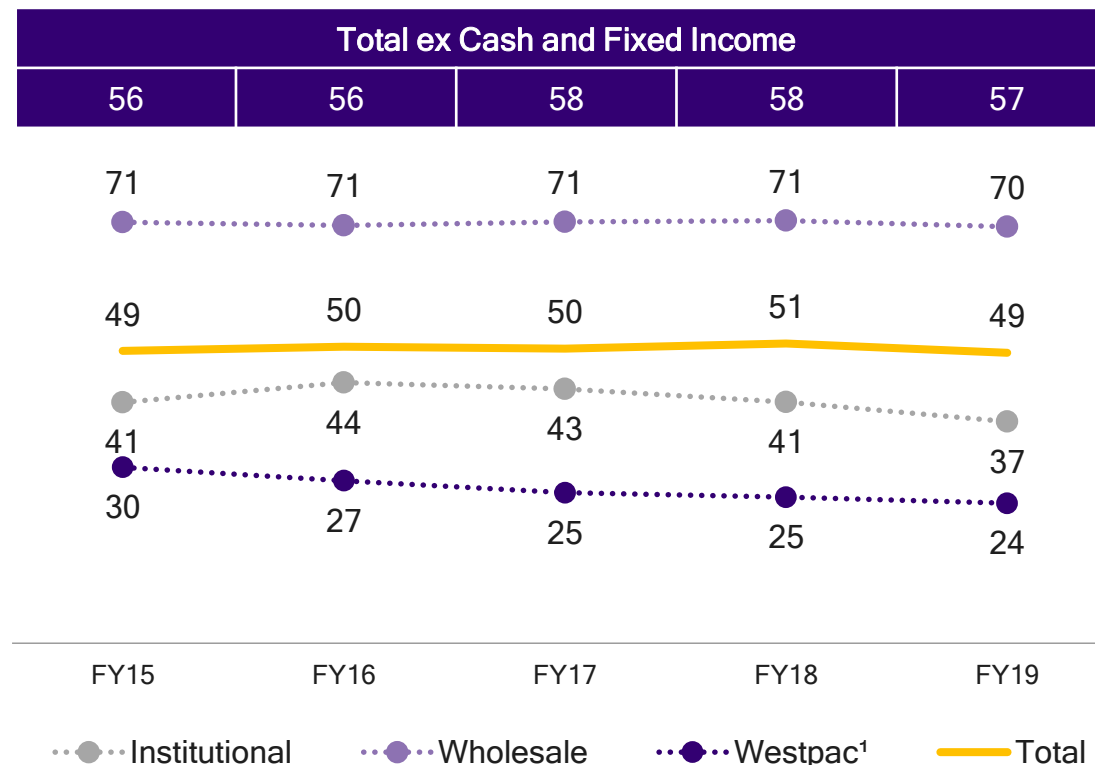


# Margins impacted by change in asset mix

Base management fee by channel (%)



Base management fee margins by channel (bps)



<sup>1</sup> Westpac base management fees represent all Westpac directed mandates covering corporate and retail superannuation, legacy retail, multi-manager portfolios, managed accounts and Westpac capital. Westpac mandates previously classified as Institutional FUM (FY15-FY17) have been reclassified from Institutional to Westpac



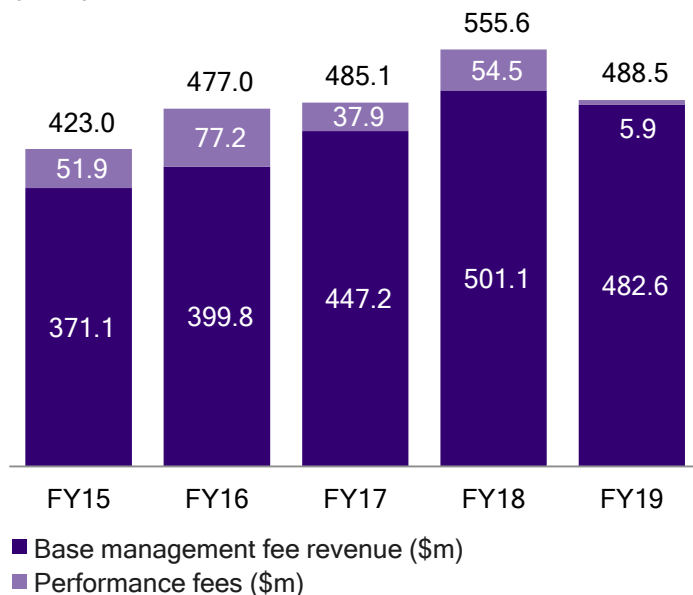
# Lower expenses, largely variable

(\$m)



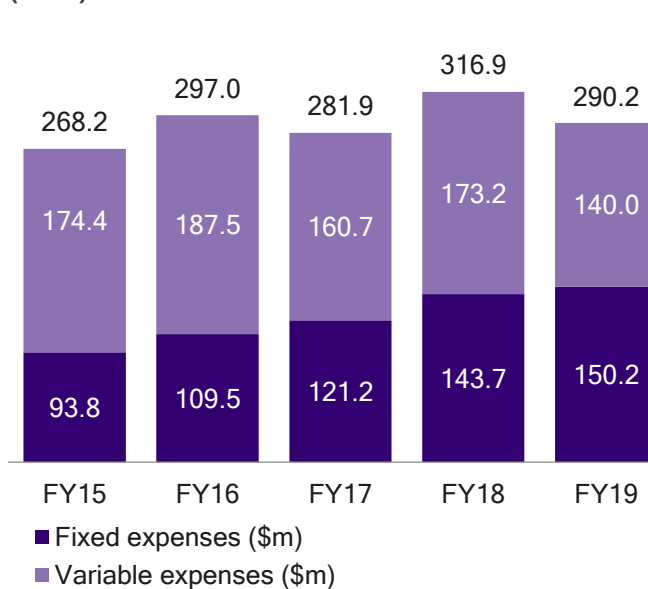
# Variability of cost base

Base and performance fees  
(\$m)



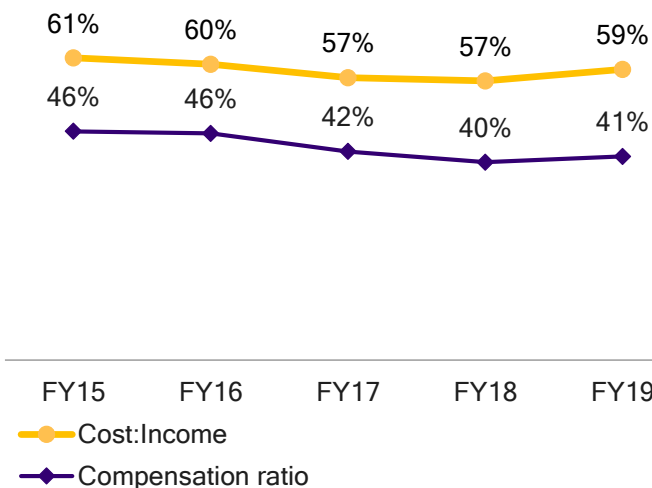
- FY19 was first decline in base management fees in 8 years
- Cyclical low in performance fees leading to total fee revenue back to FY17 level

Fixed and variable expenses  
(\$m)



- FY19 variable costs lowest in last 5 years
- FY19 fixed costs +5% low end of guidance
- FY20 fixed cost growth percentage, mid to high single digits

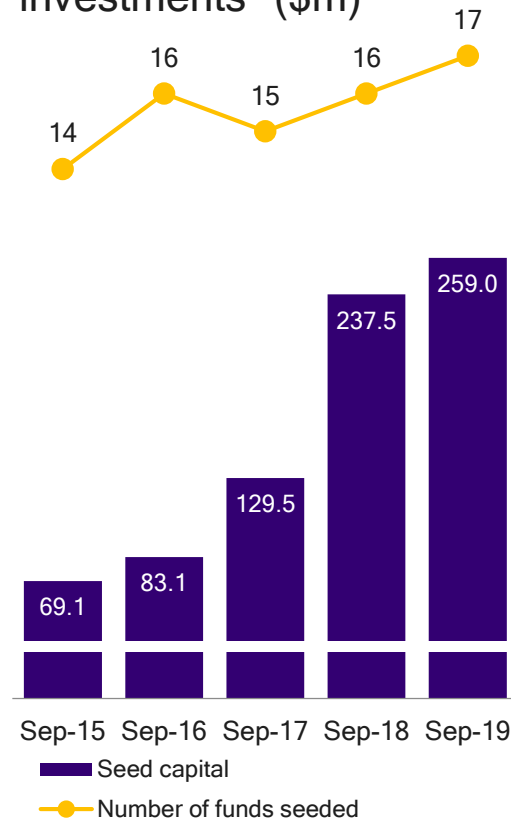
Key ratios  
(%)



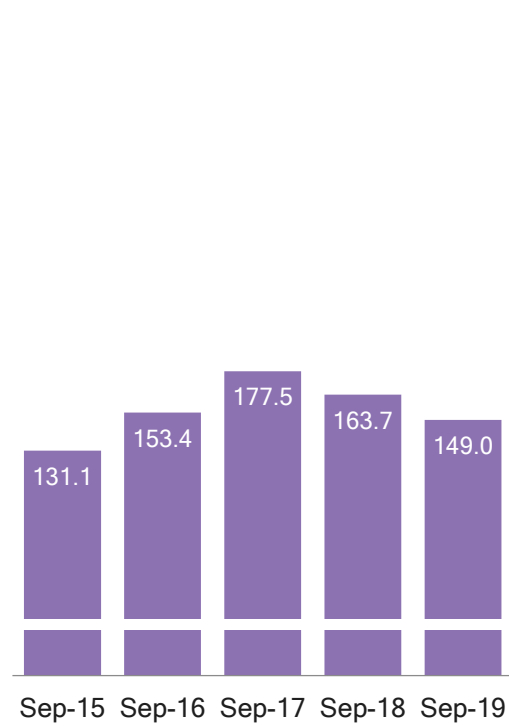
- FY19 ratios trended higher on lower revenue
- FY20 compensation ratio expected to increase 1-2% led by higher variable costs (excl. performance fees)

# Strong balance sheet supports investment

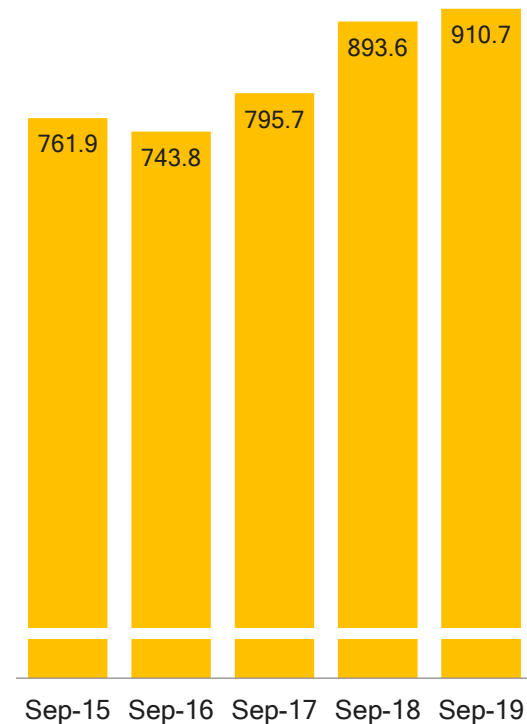
Seed capital investments<sup>1</sup> (\$m)



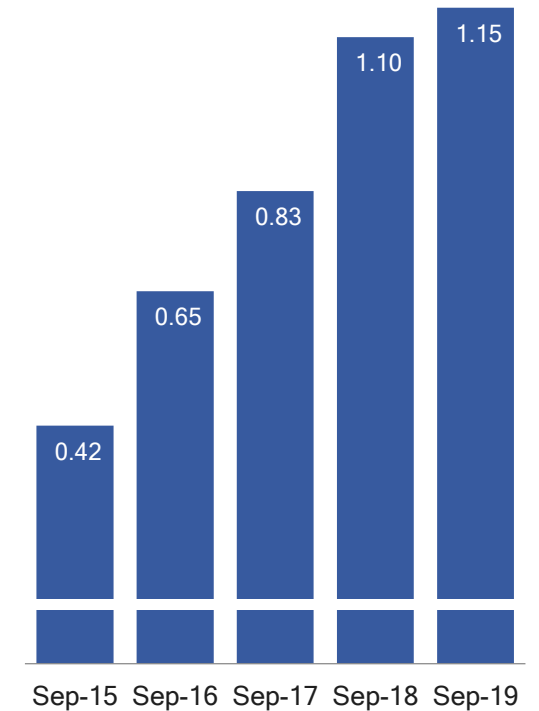
Net cash<sup>1</sup> (\$m)



Net assets (\$m)



Net tangible assets per share<sup>2</sup> (\$)



1. Seed investments and net cash excludes escrowed fund manager deferred remuneration held in trust
2. Based on closing number of ordinary shares

# Seed portfolio supporting growth initiatives

(A\$m)



<sup>1</sup> As at 30 September 2019

## Current seed portfolio

- 17 investment vehicles - \$259m
- External client FUM raised of \$170m in past 12 months

## Previously seeded investments

- 11 investment vehicles
- FUM raised of \$8.5b<sup>1</sup>
- Annualised revenue of ~\$64m

## FY20 Q1 redemption

- Closure of US SMID and Global Smaller Companies strategies
- Market value of seed capital is ~\$109m<sup>1</sup>
- Expected realised gains of ~\$38m<sup>1</sup>



# Dividend

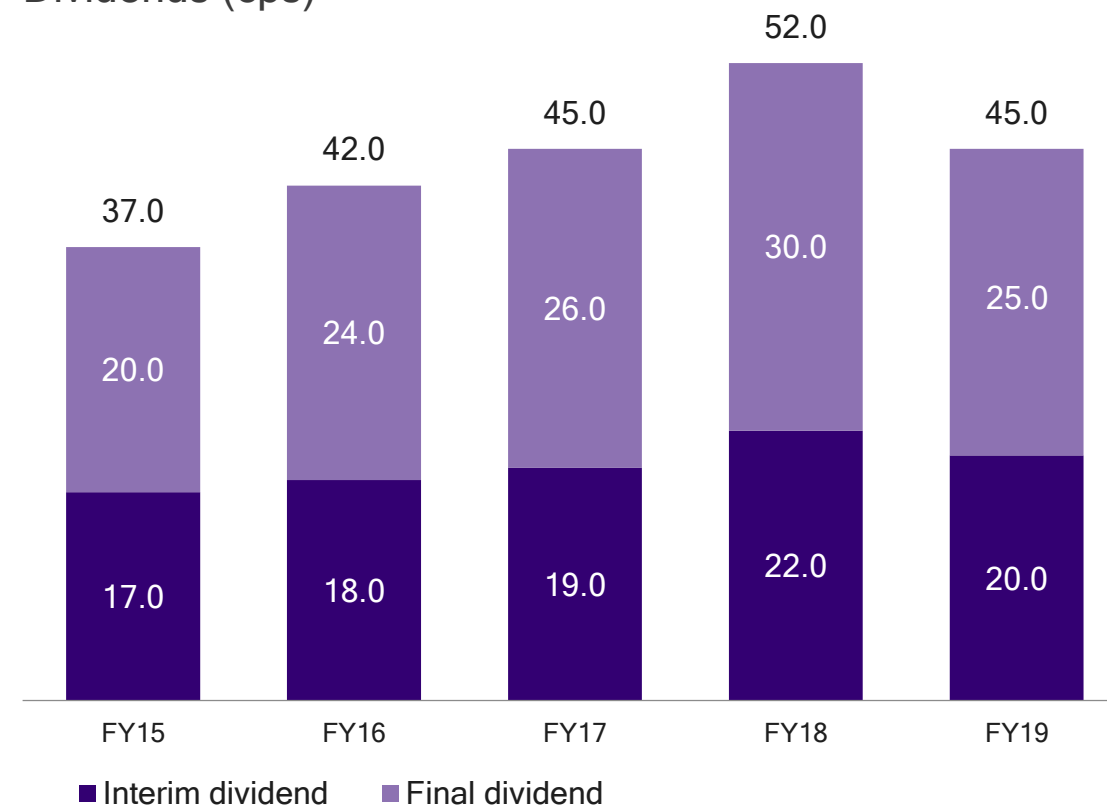
## FY19 Dividend

- Final dividend of 25.0 cps to be 10% franked
- Full year dividend of 45.0 cps, down 13%
- Dividend represents a FY19 payout ratio of 88%
- Current pre-tax dividend yield of more than 6%
- Expected FY20 franking level of 10-15%

## Cash NPAT Classification from FY20

- To exclude realised movements on financial assets such as seed investments
- Considered capital in nature, not subject to dividend distribution

Dividends (cps)



# Strategy and outlook

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# Strategy - The future is worth investing in

## Consistent focus on investing for growth and diversification

- Attract and retain investment talent that creates a portfolio of complementary strategies
- Disciplined capacity management for the preservation of investment performance
- Ongoing development of extension strategies and new products
- Continued investment for growth; targeted regional opportunities
- Develop and enhance distribution channels to drive sales
- Invest in technology to increase efficiencies and enhance client service

# Attract and retain investment talent

## Strong business model

- Investment autonomy
- Capacity management
- Transparent remuneration structure
- Support through seed capital
- Investment led culture
- Global distribution capabilities

Model generating interest with potential new teams

## Stable investment teams with long-term track record

82 Investment professionals

19 Investment teams

20 years average industry experience

8 years average tenure across Group

Turnover of investment staff is 2% over the last 5 years<sup>1</sup>

<sup>1</sup> Includes voluntary resignations only, excludes retirement and involuntary departures

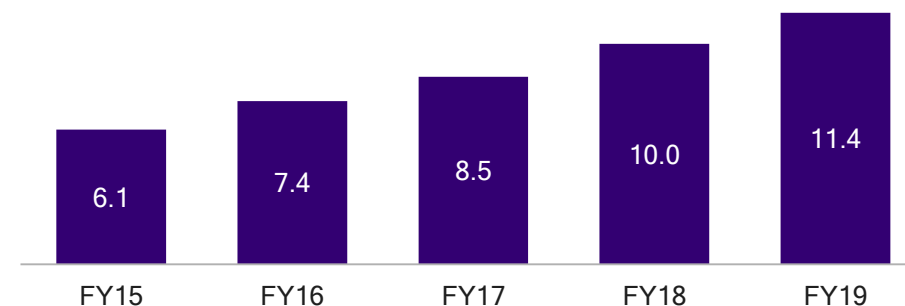


# Growing income book

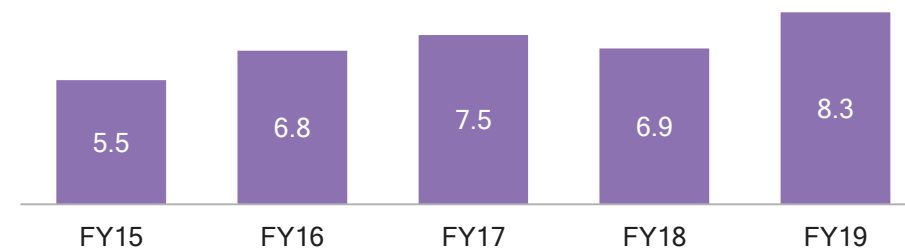
Through product development and new capabilities

- Ageing population is driving increased demand for products to provide income in retirement
- Investors willing to pay for active managers to provide products that meet income needs
- Progressively rolled out new products which are now getting broader platform representation and flows:
  - JOHCM Global Income Builder
  - Pental Wholesale Fixed Interest Fund
  - Pental Monthly Income Plus Fund
  - Pental Dynamic Income Fund
  - Pental Multi-Asset Target Return Fund
  - Pental Enhanced Cash Fund

Cash FUM (\$m)



Fixed Income FUM (\$m)



# Strategic focus - invest in ESG / RI capabilities

- Strong heritage in ESG investing that spans 35 years
- Specialist range of funds with long-term track record
- In-house expertise through Regnan as a specialist ESG research, advisory and engagement firm
- Ability to provide depth of research and engagement to existing strategies
- Investing to expand research capability and expertise to be a global leader



Investor Group on  
Climate Change

Founding member

**AUSTRALIAN ADVISORY BOARD  
ON IMPACT INVESTING**

Board representation



JOHCM's Engagement  
Policy aligns with the FRC's  
UK Stewardship Code.



Signatory and  
investor participant

# Summary and outlook

## FY19 Result

- Cash NPAT down 19%
- Operating profit pre-performance fees down 8%
- Average FUM down 1%
- Currency supportive
- Equity flows subdued globally
- OEIC flows impacted by Brexit
- Strong flows into cash & fixed income
- Continued flows into US pooled funds
- Remain confident in our high-active approach despite investment performance being challenged

## Business strength

- Diversification provides resilience
- Strong balance sheet
- Seed capital supporting growth
- Business model offers strong value proposition
- Global distribution

## Outlook

- Macroeconomic and geopolitical uncertainty to impact in the short-term
- Starting FY20 FUM slightly higher than FY19 average FUM
- Started financial year on back of improved trend in net flows
- Investment in new capabilities and teams
- Focus on new product development and extension strategies
- Increased focus on income products
- Launch of new ESG / RI products
- Investment in technology platform



# Q&A

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# Appendices

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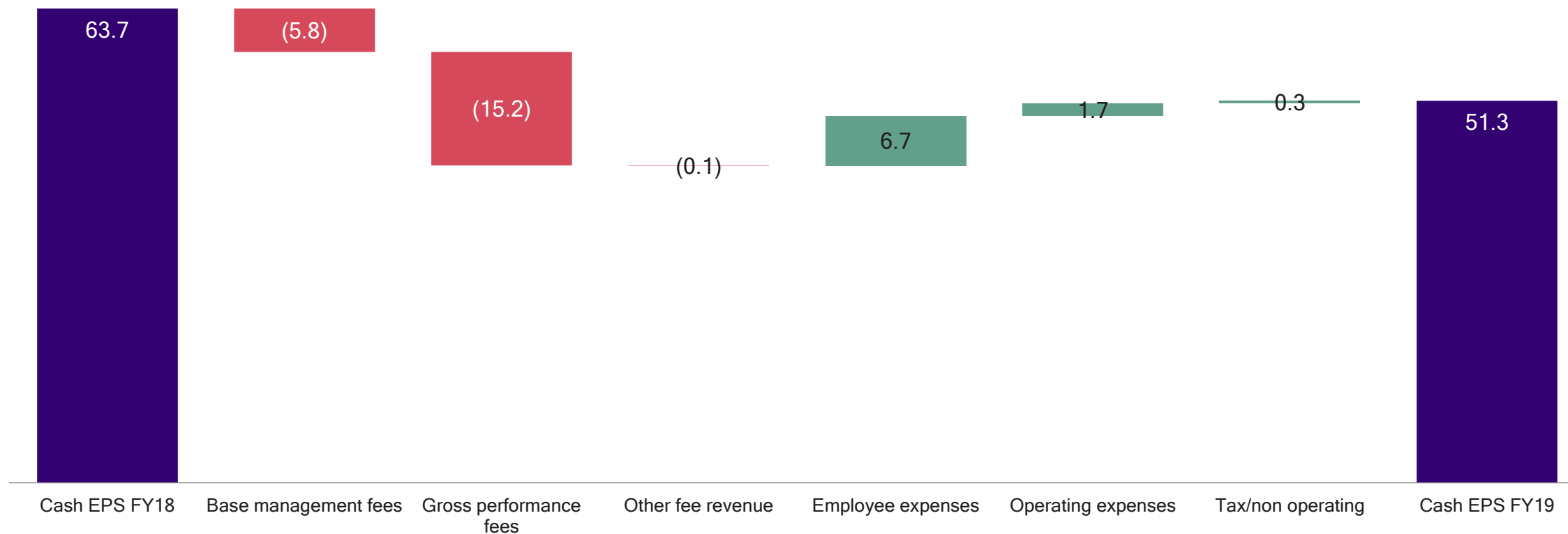


# Segment profit and loss

\$m	FY18	FY19				Change	Change %
		Pendal Australia	JOHCM	Inter-segment	Pendal Group		
Average FUM (\$b)	99.5	47.2	52.9	(1.3)	98.8	(0.7)	(1%)
Base fee margin	51 bps	32 bps	64 bps	34 bps	49 bps	(2 bps)	(3%)
Base management fees	501.1	147.1	339.9	(4.4)	482.6	(18.5)	(4%)
Performance fees	54.5	1.5	4.4	0.0	5.9	(48.6)	(89%)
Other fee revenue	2.9	2.6	0.1	0.0	2.7	(0.2)	7%
<b>Total fee revenue</b>	<b>558.5</b>	<b>151.2</b>	<b>344.4</b>	<b>(4.4)</b>	<b>491.2</b>	<b>(67.3)</b>	<b>(12%)</b>
Employee expenses	(224.7)	(85.3)	(118.0)	0.0	(203.3)	21.4	(10%)
Operating expenses	(92.2)	(34.5)	(56.8)	4.4	(86.9)	5.3	(6%)
<b>Total cash operating expenses</b>	<b>(316.9)</b>	<b>(119.8)</b>	<b>(174.8)</b>	<b>4.4</b>	<b>(290.2)</b>	<b>26.7</b>	<b>(8%)</b>
<b>Operating profit</b>	<b>241.6</b>	<b>31.4</b>	<b>169.6</b>	<b>0.0</b>	<b>201.0</b>	<b>(40.6)</b>	<b>(17%)</b>
Non operating items	14.1	5.1	2.2	0.0	7.3	(6.8)	(48%)
Tax	(54.1)	(10.7)	(34.1)	0.0	(44.8)	9.3	(17%)
<b>Cash NPAT</b>	<b>201.6</b>	<b>25.8</b>	<b>137.7</b>	<b>0.0</b>	<b>163.5</b>	<b>(38.1)</b>	<b>(19%)</b>
Operating profit margin	43%	21%	49%	0%	41%	(2%)	(5%)

# Cash EPS

(cps)



# Cash EPS calculation

## Number of securities

(m)	FY18	FY19
Weighted average ordinary shares on issue	316.7	318.9
Number of performance rights on issue	1.9	1.8
Number of options on issue	12.4	13.9

## Cash EPS calculation<sup>1</sup>

	FY18	FY19
Cash net profit after tax \$m	201.6	163.5
Weighted average fully diluted ordinary shares on issue (m)	316.7	318.9
Cash EPS (cps)	63.7	51.3

<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

# Performance fees

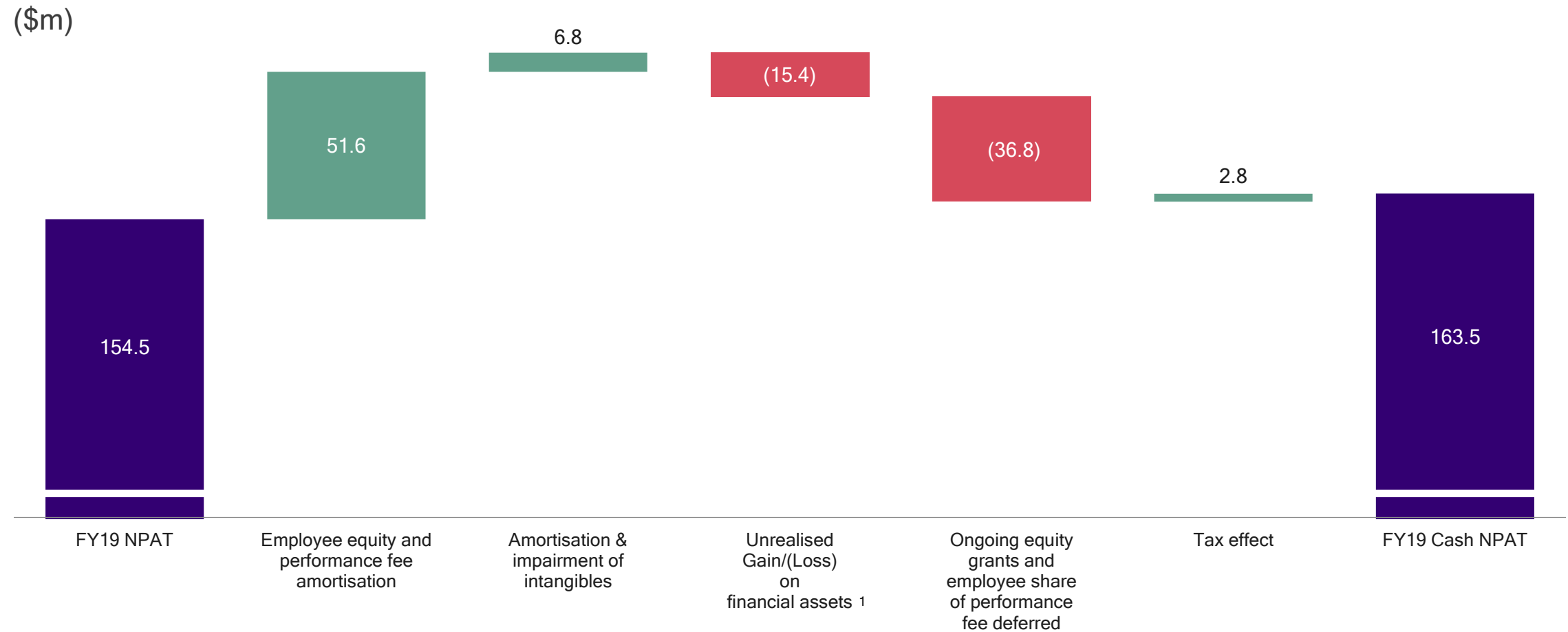
	Fund	FUM \$m 30 Sep 2019	Performance fee period to	Benchmark <sup>3</sup>	Participation rate %
<b>Pendal</b>	Pendal Focus Australian Share Fund	702	30 June	S&P/ASX 300 Accum Index	15%
	Pendal MidCap Fund	498	30 June	S&P/ASX 150 ex Top 50 Accum Index	20%
	Pendal MicroCap Opportunities Fund <sup>1</sup>	362	30 June	S&P/ASX Small Ord Accum Index	20%
	Pendal Australian Long/Short Fund	2	30 June	S&P/ASX 200 Accum Index	15%
	Mandates	2,067	Various	Various	
<b>JOHCM<sup>2</sup></b>	JOHCM UK Equity Income Fund	5,401	31 December	FTSE All-Share TR Index	15%
	JOHCM UK Dynamic Fund	3,045	31 December	FTSE All Share TR Index	15%
	JOHCM European Select Values Fund	2,745	31 December	MSCI Europe NR Index	15%
	JOHCM Global Select Fund	2,464	31 December	MSCI ACWI NR Index	15%
	JOHCM Continental European Fund	1,934	31 December	MSCI Europe ex UK NR Index	15%
	JOHCM Global Opportunities Fund	820	31 December	MSCI ACWI NR Index	15%
	JOHCM UK Opportunities Fund	801	31 December	FTSE All-Share TR Index	15%
	JOHCM Global Emerging Markets Opportunities Fund	653	31 December	MSCI Emerging Markets NR Index	15%
	JOHCM European Concentrated Values Fund	589	31 December	MSCI Europe NR Index	15%
	JOHCM Japan Fund	460	31 December	Topix TR Index	15%
	JOHCM UK Growth Fund	421	31 December	FTSE All-Share TR Index	15%
	JOHCM Asia ex Japan Fund	233	31 December	MSCI AC Asia ex Japan NR Index	15%
	JOHCM US Small Mid Cap Equity Fund <sup>1</sup>	94	31 December	Russell 2500 TR Index	15%
	JOHCM Japan Dividend Growth Fund	58	31 December	Topix 100 TR Index	15%
	JOHCM Asia ex Japan Small & Mid Cap Fund	28	31 December	MSCI AC Asia ex Japan Small Cap NR Index	15%
	JOHCM Emerging Markets Fund	9	31 December	MSCI Emerging Markets NR Index	15%
	JOHCM Global Smaller Companies Fund <sup>1</sup>	8	31 December	MSCI AC World SMID NR Index	15%
	JOHCM Concentrated Global Share	4	31 December	MSCI World	15%
	Mandates	2,845	Various	Various	
	<b>Total funds/mandates with performance fees</b>	<b>26,243</b>			
<b>Current status of JOHCM performance fees with performance period ending 31 December 2019 (\$m)</b>		<b>0.8</b>			

<sup>1</sup> Funds above their high watermark as at 30 September 2019

<sup>2</sup> JOHCM FUM converted at 30 September 2019 spot rate of 0.5488

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

# Adjustments from statutory to Cash NPAT



<sup>1</sup> From FY20, realised movements in financial assets will also be excluded from Cash NPAT.



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