EQUITY TRUSTEES LIMITED

ANNUAL GENERAL MEETING

31 OCTOBER 2002

Results Summary

Equity Trustees Limited (Not Consolidated)	$000s			
	2000	2001	2002	% 01/02
Gross Revenue	**12,820**	**14,369**	**24,183**	
Gross Expenses	**10,877**	**12,419**	**19,242**	
Operating Revenues (Trading Only)	**9,994**	**12,429**	**14,774**	**19%**
Operating Expenses (Trading Only)	**9,209**	**11,342**	**12,731**	**12%**
EBIT Gross	**1,942**	**1,949**	**4,942**	
EBIT (Trading Only)	**785**	**1,088**	**2,044**	**82%**
EBITDA	**1,081**	**1,489**	**2,465**	**65%**
EPS Gross (Cents) Reported	**26**	**20**	**59**	
Dividends (Cents)	**37**	**40**	**39**	
Tax Expense	**610**	**714**	**1,570**	

Segmented Reporting				
	'99/'00 $M	'00/'01 $M	'01/'02 $M	% Increase '01/'02
Funds Income	3.4	4.2	5.8	38%
Trustee Services	5.4	5.8	6.8	17%

Consolidated Balance Sheet

ASSETS ($000s)	2000	2001	2002
Current Assets	3,620	2,650	7,619
Short term deposits	1,831	3,833	4,500
Building	3,800	3,776	
Total Current Assets	**9,251**	**10,259**	**12,119**
Non-Current Assets			
Non-Current Assets	2,913	2,111	2,230
Quoted investments*	4,663	3,942	4,389
Total Non-Current Assets	**7,576**	**6,053**	**6,619**
TOTAL ASSETS	**16,827**	**16,312**	**18,738**
*Quoted Investments at net fair value 30 June 2002	**10,552**	**9,335**	**8,541**

Consolidated Balance Sheet (cont.)

LIABILITIES ($000s)	2000	2001	2002
Total Current Liabilities	2,108	2,788	4,170
Total Non-Current Liabilities	767	679	576
Total Liabilities	**2,875**	**3,467**	**4,746**
NET ASSETS			
EQUITY			
Contributed Equity	9,505	9,505	9,505
Reserves and Retained Profits	4,447	3,340	4,487
TOTAL EQUITY	**13,952**	**12,845**	**13,992**

ASSET BASE

Assets under Management and Administration:

- Funds Management of $700 million
- Responsible Entity and Custody roles $2.6 billion
- Private clients $1 billion

PRIVATE CLIENT

In respect of Australia, the ABS forecasts:

"the population aged 65 and over could triple in size by 2051 from 2.3m in 1999 to 6.4-6.8m in 2051…The size of this group will increase rapidly from 2011 onwards when the post World War II "baby boomers" start turning 65."

- Our profile and services in the aged market.

PRIVATE CLIENT SERVICES

- Going Forward
- Focus on selling Estate Planning to Accountants and Financial Planners
- Estate administration to the legal market
- More sophisticated investment services for our traditional clients

FUNDS MANAGEMENT

- Core products:
  - Index Funds (Aust., International, Property)
  - Income Funds (Mortgage, High Income, Cash)
  - Charitable Balanced Fund
- Niche products:
  - Small Companies Fund
  - Ethical Fund

FUNDS MANAGEMENT

- Equity High Yield Fund
  - Managed by Grange Financial Services
  - No. 1 Fund - Multisector 30 (1 year)
- EQT Mortgage Income Fund
  - No. 1 - 5 Years
  - Top quartile 1, 3, 5 and 10 year

FUNDS MANAGEMENT

- Equity Ethical Fund
  - Managed by Bell Potter Securities
  - No. 1 Performing Ethical Fund 01/02

FUNDS MANAGEMENT

- Equity Small Companies
  - Managed by S G Hiscock
  - 44.6% return
  - No. 1 fund (of all types) Australia wide

RE & CUSTODIAL SERVICES

Responsible Entity Services

- **Focus on provision of services to associated smaller managers.**
- **Offshore larger institutions i.e. Pimco and AXA.**

RE & CUSTODIAL SERVICES

- Private Client Custody
- Funds custody targeting managers with less than $400m
  - Below $400m major custodians won't pitch
  - Above $400m fees are too small

ACQUISITIONS

Wealthpac Australia Limited

- Established 20 years
- Based: North Sydney
- Staff: 16
- Master Trust: $100 million
- Admin. only: $30 million
- Total Members: 7,600
- Software: Self-developed
- Licences: Approved trustee APRA and Dealer's Licence – Master Fund operator, ASIC.
- Sales: Own staff

ACQUISITIONS

<u>Templetons Superannuation Services</u>

- Established 7 years
- Based: Brisbane
- Staff: 2
- Master Trust: $80 million
- Total Members: 7,000
- Admin.: Outsourced
- Outsourced approved trustee services
- Sales: Own staff and Bob Templeton Financial Group

THE IMMEDIATE PAST

- We have over the last three years:
  - Rebuilt our internal accounting systems
  - Rebuilt our custody business
  - Built a funds management business
  - Built the FUM/FUA from $2.3bn to $4.1bn
  - Grown revenue from $9m to $15m
  - Grown operating profit from $800k to $2.1m.

Sale of Accounting Practices

- Non-binding Heads of Agreement have been signed for the sale of the accounting practices at Ringwood and Camberwell.

- Sale proceeds are expected to be in excess of the current carrying value of these businesses in the books of Equity Trustees.

THE FUTURE

- Our immediate priorities:
  - Focus on the external sales of our niche funds management products.
  - Enhance the Private Client business and build a distribution capability.

THE FUTURE

- Create further partnerships with smaller fund managers for RE, Custody and mezzanine and retail distribution of new niche products

- Consider acquisitions which add to FUM and capabilities and which add to EPS

THE LONGER TERM

- From a Trustee base, Perpetual has built a national wide ranging financial services company
- They have used the success of the funds management company to refresh and enhance their image in personal services
- We have a similar opportunity