

PERPETUAL
EQUITY
INVESTMENT
COMPANY
LIMITED

Perpetual Equity Investment
Company Limited
ABN 68 601 406 419

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11 June 2021

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Perpetual Equity Investment Company Limited
Investor Update Teleconference / Webinar

Perpetual Equity Investment Company Limited (the Company) (ASX: PIC) advises that it has released the presentation for the Investor Update teleconference / webinar (as attached).

If shareholders or other interested parties have any queries regarding the presentation, they can contact:

Karen Davis
Senior Manager, Listed Products and Projects
Perpetual Investment Management Limited
P: 02 9229 9114
E: karen.davis@perpetual.com.au

Yours faithfully



Sylvie Dimarco
Company Secretary
(Authorising Officer)

PERPETUAL
EQUITY
INVESTMENT
COMPANY

INVESTOR UPDATE TELECONFERENCE

11 June 2021

Perpetual 

IMPORTANT NOTE

This information was prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. PIML is the Manager for the Perpetual Equity Investment Company Limited (Company or PIC) ACN 601 406 419. The information in this presentation is current as at 11 June 2021. By attending an investor presentation, or accepting, accessing or reviewing this presentation, you acknowledge and agree to the terms set out below.

This presentation has been prepared in relation to:

- An offer of new fully paid ordinary shares in PIC (**Share**) to eligible PIC shareholders in Australia and New Zealand under a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, dated 3 June 2021 (**SPP**);
- A bonus issue of options (**Option**) to eligible shareholders to acquire a Share for the prescribed exercise price per option granted pursuant to the terms of the Prospectus issued by PIC and dated 2 June 2021 (**Prospectus**) (**Option Offer**).

Summary information, not financial product advice or offer

The presentation is general information only and is not intended to provide you with financial product advice or take into account your objectives, taxation situation, financial situation or needs. It is in summary form and is not necessarily complete, and does not contain all information necessary to make an investment decision and is not intended as investment or financial product advice. It must not be relied upon as such, and does not, and will not, form any part of any contract or commitment for the acquisition of Shares or issue of Options. The presentation should be read together with PIC's continuous disclosure information lodged with the Australian Securities Exchange (ASX) which is available at www.asx.com.au under PIC's ticker code (ASX: PIC). The presentation does not take into account the investment objectives, financial situation or needs of any particular investors. You should consider, with a financial adviser, whether the information is suitable for your circumstances. Any investment decision should be made solely on the basis of your own enquiries. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No reliance may be placed for any purpose whatsoever on the information included in this presentation or on its accuracy or completeness. The presentation is for information purposes only and is not, and does not contain all of the information which would be required to be disclosed in a prospectus or other offering document under Australian law or any other law. This information does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of the Company's securities.

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An investment in PIC is subject to known and unknown risks, some of which are beyond the control of PIC and its directors. Neither PIC nor PIML guarantee any particular rate of return or the performance of PIC nor does it guarantee any particular tax treatment. Cooling off rights do not apply to the acquisition of Shares.

No representation or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation.

YOUR PRESENTERS



NANCY FOX

Chairman
Perpetual Equity Investment
Company Limited



VINCE PEZZULLO

Portfolio Manager,
Perpetual Equity Investment
Company Limited

Deputy Head of Equities,
Perpetual Asset
Management Australia

AGENDA

| Company Update

| Share Purchase Plan

| Bonus Issue of Options

| Investment Manager Update

| Q & A

COMPANY UPDATE

Nancy Fox, Chairman

PERPETUAL EQUITY INVESTMENT COMPANY (ASX: PIC)

CORE TO OUR INVESTMENT PHILOSOPHY IS THE FOCUS ON VALUE AND QUALITY



Investment Objective

- Deliver an income stream
- Provide long-term capital growth
- Exceed the S&P/ASX 300 Accumulation Index over minimum 5 year investment periods



Investment Guidelines

	Typically 20 – 40 securities
50% - 100%	Australian listed securities
0% - 35%	Global listed securities
0% - 25%	Cash



Investment Process

1

Quality business

2

Conservative debt

3

Sound management

4

Recurring earnings

Supported by a large and experienced investment team of portfolio managers and analysts

PERPETUAL EQUITY INVESTMENT COMPANY (ASX: PIC)

AIMS TO DELIVER INCOME AND CAPITAL GROWTH

6.1%*

Grossed up annual
dividend yield

49.1%#

Total shareholder return
for 1 year to 31 May 2021

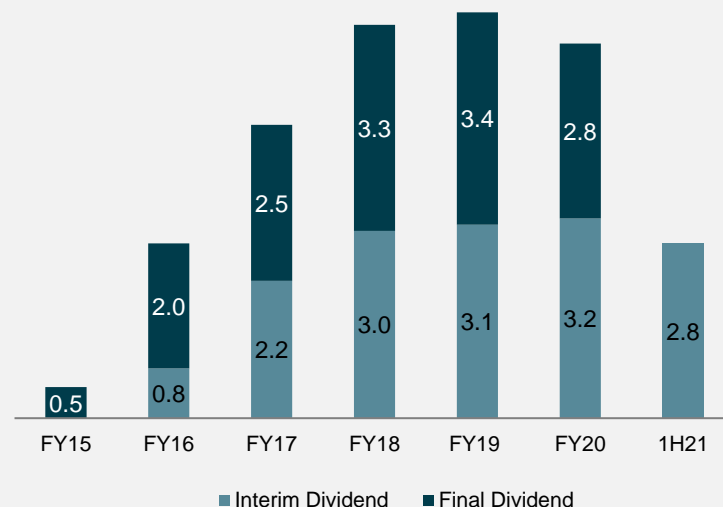
38.6%**

Investment portfolio
performance 1 year to
31 May 2021

\$1.276^

Net Tangible Assets after
tax per share

FULLY FRANKED DIVIDENDS IN CENTS PER SHARE (CPS) SINCE INCEPTION



Source: Perpetual Equity Investment Company Limited (PIC) as at 31 May 2021

* Based on the total grossed up dividends of 8.0 cents per share (taking franking credits into account at a tax rate of 30%) and the closing share price of \$1.31 as at 31 May 2021. This is not a forecast. Past dividend payments should not be taken as an indication of future dividends which may be declared or paid to PIC shareholders

Source: FactSet; Performance presented in AUD, based on the ASX share price assuming reinvestment of dividends on the ex-date.

** Returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on unrealised gains and losses are excluded.

^ 'After tax' refers to tax paid and provisions for deferred tax on unrealised gains and losses of the Company's investment portfolio.

Past performance is not indicative of future performance.

SHARE PURCHASE PLAN (SPP)

OFFER TO ALL ELIGIBLE SHAREHOLDERS

- Eligible shareholders who participate in the SPP will be able to apply for up to \$30,000 worth of PIC shares without incurring brokerage or other transaction costs.
- Issue price of SPP will be the lower of:
 - a 2.5% discount to the closing PIC Share price on the ASX on the SPP Record Date (being Tuesday 1 June 2021) (i.e. \$1.28¹); and
 - a 2.5% discount to the volume weighted average price of PIC shares traded on the ASX during the five trading days up to, and including, the SPP closing date (expected to be Thursday, 17 June 2021), rounded to the nearest cent.
- Once issued, SPP shares will rank equally with existing PIC shares. This means the SPP shares issued will be eligible to receive the FY21 final dividend².

SPP OPEN NOW AND EXPECTED TO CLOSE THURSDAY, 17 JUNE 2021

¹ The closing PIC share price on the ASX on 1 June 2021 was \$1.315

² Where a FY21 final dividend is declared and paid at the discretion of the PIC board

APPLYING FOR THE SPP

BY 5:00PM (SYDNEY TIME) THURSDAY 17 JUNE 2021



Apply online at <https://events.miracle.com/pic-offer>
Make a payment directly via BPAY

OR



Complete and return the personalised Application Form, together with
payment via cheque

Refer to the [SPP Booklet](#) lodged on ASX on 3 June 2021

Questions?



Link Market Services:
+61 1800 421 712 (within Australia)

BONUS ISSUE OF OPTIONS

OFFER TO ALL ELIGIBLE SHAREHOLDERS

- All eligible shareholders that hold PIC shares on the record date of the Options on 23 June 2021 (including those who purchase shares under the SPP Offer) will be entitled to Options at no cost. No action is required by eligible shareholders to be issued the Options. Options are expected to be issued on 29 June 2021.
- Each Option will give eligible shareholders the opportunity, but not the obligation, to purchase an additional ordinary PIC share at \$1.35 (the exercise price). The exercise price was based on the Company's pre-tax NTA as at 27 May 2021¹.
- Expiry date of the Options is 2 September 2022. Option holders can choose to exercise or sell their Options on the ASX on or before this date.
- Options exercised before 29 September 2021 (record date) will be entitled to the FY21 final dividend²

¹ NTA is unaudited and approximate

² PIC reserves the right to exercise its discretion as to whether to declare and pay a FY21 final dividend.

The issue of the options by Perpetual Equity Investment Company Limited is made pursuant to a prospectus which is available at

<http://www.perpetualequity.com.au/shareholders/asxannouncements> and the offer of the options will be made in, or accompanied by, a copy of the prospectus. Anyone

wishing to exercise the options will need to complete the exercise form that will be in, or will accompany, the prospectus. Eligible shareholders should consider the prospectus in deciding whether to deal in, or exercise, the options.

SPP AND BONUS ISSUE OF OPTIONS

BENEFITS OF THE OFFERS



The Manager believes current market conditions provide attractive opportunities for its active, value style of investing



Opportunity to participate in the potential growth of the Company
Potential for enhanced liquidity in the Company



Greater scale in the Company should also benefit shareholders by reducing the Company's fixed expense base on a per share basis.



Options are tradeable on the ASX; opportunity to exercise options which may be at a discount to the current share price at the time of exercise



SPP shares and new shares issued when Options are exercised will be entitled to future dividends¹

SPP AND BONUS ISSUE OF OPTIONS

KEY DATES

Announcement of Option Offer and SPP Lodgement of Options Prospectus	Wednesday 2 June 2021
SPP opens and issue of SPP Booklet	Thursday 3 June 2021
Closing date of SPP applications	5:00pm (Sydney time) on Thursday, 17 June 2021
Shares trade ex-bonus Option entitlements	Tuesday, 22 June 2021
Issue of SPP Shares	Wednesday, 23 June 2021
Record Date to determine entitlements under the bonus option issue	7:00pm (Sydney time) on Wednesday, 23 June 2021
Issue of Options	Tuesday, 29 June 2021
Options expected to commence trading on the ASX Holding statements dispatched	Wednesday, 30 June 2021
Option Expiry Date	5:00pm (Sydney time) on Friday, 2 September 2022

INVESTMENT MANAGER UPDATE

Vince Pezzullo, Portfolio Manager

Deputy Head of Equities, Perpetual Asset Management Australia

OUR VIEWS ON CURRENT MARKET CONDITIONS

IDENTIFYING INVESTMENT OPPORTUNITIES FOR THE PIC PORTFOLIO

What we are seeing in the market

- Anticipation of economic re-opening
- New and sustained business cycle leading rotation from growth to value stocks
- Strong government intervention
- Supply constraints in primary industries, ongoing trade wars and decarbonisation pushing prices up
- Risk of higher inflation and steeper government bond curves
- Timing of tapering by the US Federal Reserve is key to the next rise in bond market yields

What we believe are the consequences

- Upside risk for inflation and higher bond yields has not been priced in by the market
- Market will favour quality and value stocks that are pro-cyclical. This includes companies in insurance, energy, base metals, building and construction
- Expensive growth stocks including many in the Technology sector will be threatened

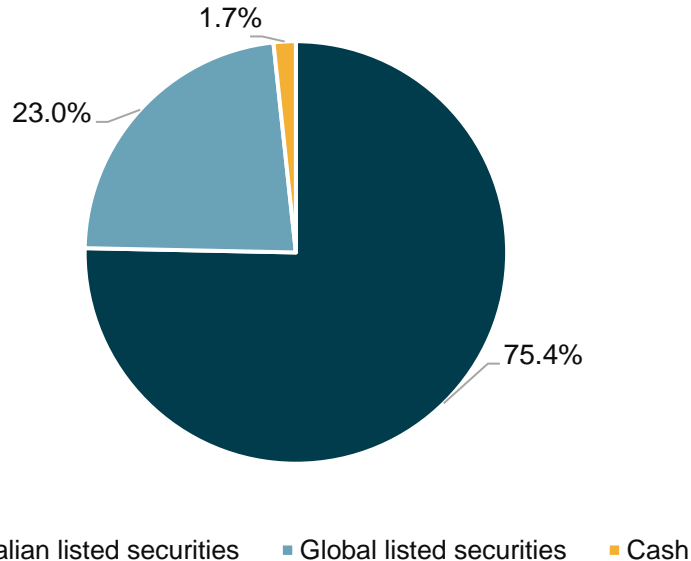
Opportunities for PIC

- We have always focused on investing in quality and value – companies that pass our 4 quality filters and are trading at discounted valuations
- Positioned in companies we believe will benefit from economic re-opening and intended to provide protection against inflation risks – examples on next slide
- We avoid growth stocks in the portfolio which we consider overvalued

PORTFOLIO POSITIONING AS AT 31 MAY 2021

A HIGH CONVICTION APPROACH TO INVESTING

Allocation of investments[^]
98.3% of capital invested in securities



Key holdings in the portfolio*



PAR: FDJ



LON: FERG



Oil Search

ASX: OSH



LON: FLTR



ASX: IAG



ASX: PWH



ASX: SUN



ASX: BLD



ASX: BSL



ASX: AUB



ASX: DXS

[^] All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

* These represent a selection of listed securities held within the Perpetual Equity Investment Company Limited portfolio as at 31 May 2021.

Source: Perpetual Investment Management Limited

INVESTMENT PORTFOLIO PERFORMANCE

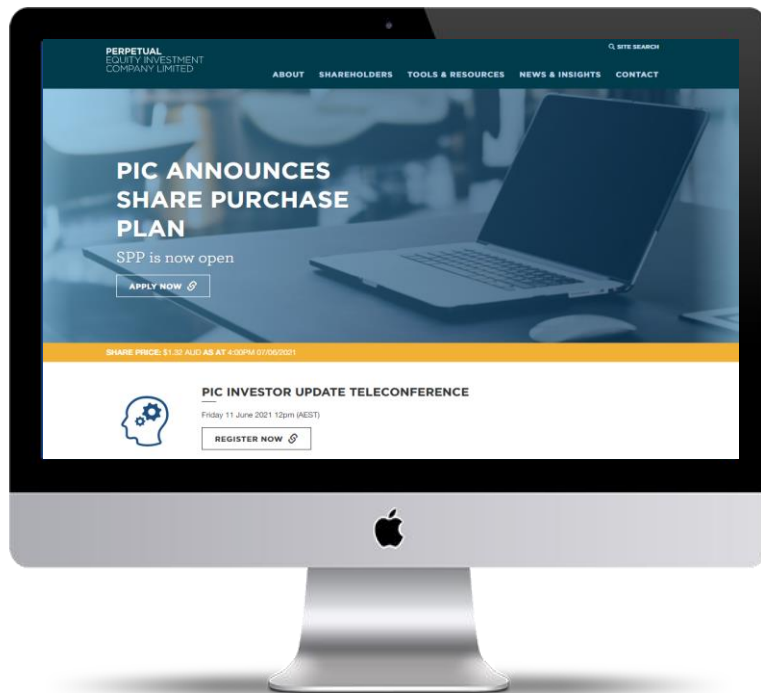
DELIVERING LONG-TERM CAPITAL GROWTH IN EXCESS OF THE BENCHMARK

AS AT 31 MAY 2021	1 MTH	3 MTHS	6 MTHS	1 YR	2 YR P.A.	3 YRS P.A.	5 YRS P.A.	SINCE INCEPTION P.A.
PIC Investment Portfolio ¹ Net of fees, expenses and before tax paid	2.0%	11.5%	17.3%	38.6%	19.2%	14.0%	12.8%	11.4%
S&P/ASX 300 Accumulation Index	2.3%	8.5%	12.0%	28.7%	9.7%	10.1%	10.2%	9.6%
Excess Returns	-0.3%	3.0%	5.4%	9.9%	9.5%	3.9%	2.5%	1.8%

¹Returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on set up costs and on unrealised gains and losses are excluded. Inception date is 18 December 2014. 'PIC Investment Portfolio' and 'Benchmark' returns may not sum to 'Excess Returns' due to rounding. Investments can go up and down. The past performance data provided above is not necessarily indicative of future performance.

CONTINUING TO KEEP INVESTORS INFORMED

WWW.PERPETUALEQUITY.COM.AU



Investments

MONTHLY INVESTMENT UPDATE AND NTA REPORT APRIL 2021

18/05/2021

Portfolio Manager, Vince Pezzullo discusses recent performance of the PIC portfolio and how he is positioning the portfolio against the backdrop of current economic conditions. Read more.



Investments

PERPETUAL KNOWLEDGE BANK SERIES: MARKET ROTATION

15/05/2021

Market rotation can take different forms but generally refers to the movement of investment capital from one equity class to another. This occurs when a sector, region or style that had previously underperformed peers starts to gain momentum, attracting investors.



Investments

PIC SHAREHOLDER REPORT APRIL 2021

by Nancy Fox | 25/04/2021

In this report, Nancy Fox, Chairman of PIC and Vince Pezzullo, Portfolio Manager provide insight into how PIC has achieved strong performance in recent months and their outlook on equities in 2021.



Investments

TWO NEW EXPOSURES TO THE VALUE ROTATION

15/04/2021

In this Livewire article, twelve months on from the COVID-19 led market correction, the rotation to value stocks has continued as further economic re opening beckons. Read More.



Investments

MONTHLY INVESTMENT UPDATE AND NTA REPORT MARCH 2021

14/04/2021

Portfolio Manager, Vince Pezzullo expects the shift in equity markets towards value stocks to continue and have positioned the portfolio accordingly. Read more.



Investments

PERPETUAL KNOWLEDGE BANK SERIES: FRANKING CREDITS

08/04/2021

Franking credits are a type of tax credit that can be paid by companies to their shareholders. This credit is attached to any dividend and represents the amount of tax paid by the company. It works as a mechanism to prevent double taxation.

PERPETUAL
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Q & A

Perpetual 