PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

ANNUAL REPORT

FOR THE PERIOD FROM
25 AUGUST 2014 TO 30 JUNE 2015

Perpetual

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CHAIRMAN'S REPORT

Dear Shareholder

I am delighted to provide you with the first Annual Report for Perpetual Equity Investment Company Limited ('the Company') and would like to extend my thanks for your continued support.

The Company was launched in response to demand from investors for a transparent, liquid and diversified portfolio of investments underpinned by a Manager with a consistent track record of investment excellence. The Company engaged extensively with prospective shareholders, together with brokers and advisers so that the Company's investment portfolio could be structured to meet the needs of prospective shareholders. The Company commenced trading on the ASX on 18 December 2014, having successfully raised in excess of $250 million. For the period ending 30 June 2015, the Company reported a net profit after tax of $3.7 million. This result largely reflects the performance of the securities in which the Company has invested and includes the income received from its investments.

PORTFOLIO OF HOLDINGS

Since listing date, Perpetual Investment Management Limited ('the Manager') has been constructing the investment portfolio for the Company. As at 30 June 2015 the Company held a high quality portfolio of ten Australian and global listed securities. The remainder of the portfolio was invested in cash and deposit products.

At this time, 36% of the Company's capital was deployed, with:

- 21% invested in Australian listed securities, and
- 15% invested in global listed securities.

On 29 May 2015, the Board extended the Manager's capital deployment period to 18 December 2015. The Board is satisfied that in investing the portfolio, the Manager has been patiently deploying capital on an opportunistic basis, whilst continuing to follow its highly disciplined approach.

INVESTMENT PERFORMANCE

The Manager delivered a return of 2.0%[1] since inception to 30 June 2015. This return is lower than the benchmark (S&P/ASX 300 Accumulation Index) and this can be attributed to the high level of cash holdings in the portfolio at this early stage in its development. Pleasingly, the cash level has been narrowing as the equity market pulls back and more capital is invested. The Board has confidence in the Manager and their disciplined investment process. We remain satisfied in the Manager's ability to deliver a growing income stream and long-term capital growth for shareholders. Further commentary on the portfolio and the Manager's investment process and approach can be found in the following Portfolio Manager's Report.

DIVIDENDS

I am pleased to report that a fully franked dividend payment of 0.5 cents per share will be paid for the year ended 30 June 2015.

The Board has an objective to pay a regular and growing dividend and remains focused on achieving this objective for shareholders. It is the intention of the Board that wherever possible, the Company will pay fully franked dividends twice a year.

1 Returns shown for the Company have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees and any income tax on realised gains) and assuming reinvestment of dividends. Any provisions for deferred tax on set up costs and on unrealised gains and losses are excluded. Past performance is not indicative of future performance.

In addition, the Company's Dividend Reinvestment Plan (DRP) is now available to shareholders. The DRP will be operating at a 2.5% discount for this year's final dividend.

CAPITAL MANAGEMENT

The Company has put in place capital management initiatives. Shareholders who acquired shares in the Company under the Initial Public Offer are reminded they received one option for every one share exercisable at $1.00.

OUTLOOK

During the period to 30 June 2015, equity markets globally have been very volatile. The macroeconomic climate remains challenging around the globe, and continued volatility in markets is expected over the medium term.

The Board is encouraged that the Manager has continued to identify attractive investment opportunities since the end of the financial year and has made further investments on behalf of the Company. As at 14 August 2015, I am pleased to report that 52% of the Company's capital was deployed, with:

- 32% invested in Australian listed securities, and
- 20% invested in global listed securities.

While volatility can be discomforting in the short-term, it can provide opportunities to purchase assets at prices below their true value. The Manager has a long history of investing capital carefully, and also has a proven ability to identify mispriced investment opportunities. We remain confident that the Manager is applying its disciplined investment philosophy and approach in purchasing securities on your behalf.

KEEPING YOU INFORMED

I would encourage you to visit our website www.perpetualequity.com.au to view the following tools and documents:

- Daily Net Tangible Asset Statements
- Monthly Investment Updates, published on the 14th of each month which gives commentary on the market and portfolio
- Share price information, and
- Information on your shareholding.

The Company will also be holding a series of shareholder updates during October, giving you an opportunity to hear first hand how your capital is being invested. Please refer to our website www.perpetualequity.com.au for the event dates and details.

In addition, the Board is looking forward to seeing shareholders at our first Annual General Meeting on 5 November 2015.

Finally, I would once again like to thank you for your support as shareholders.

Yours sincerely

Peter Scott
Chairman and Non-executive Director
19 August 2015

PORTFOLIO MANAGER'S REPORT

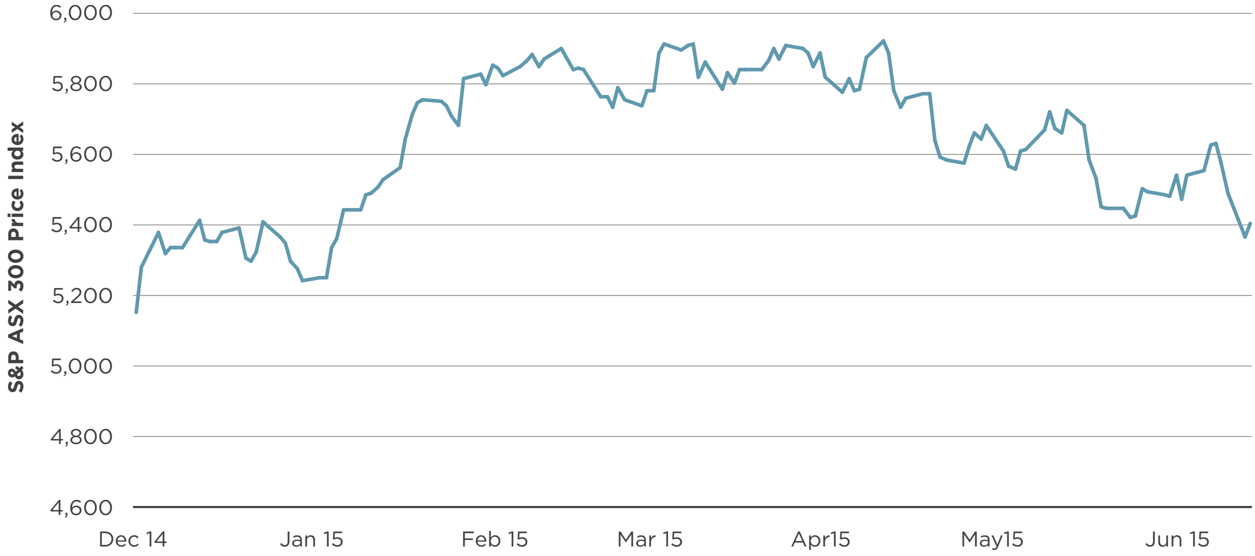
The Perpetual Equity Investment Company (PIC) listed on 18 December 2014 with the objective of providing shareholders with a growing income stream and long-term capital growth. Since the listing date we have been carefully building a portfolio of quality Australian and global listed securities, using our tried and tested investment approach.

MARKET AND PORTFOLIO PERFORMANCE

The Australian equity market, as measured by the S&P/ASX 300 Accumulation Index, rose 7.4% since PIC listed to 30 June 2015. Globally, many markets hit post Global Financial Crisis highs in May before selling off in the final weeks of June. Markets remain focused on the timing and speed of future interest rate rises in the US. During the past six months quantitative easing programs commenced across Europe and in Japan in an effort to stimulate their struggling economies. The Greek debt crisis intensified during the June quarter with markets falling heavily as negotiations between Greece and its creditors broke down. Economic growth in China continued to slow, leading to numerous rate cuts and stimulatory measures from the People's Bank of China. The volatility in Chinese stocks was a notable characteristic of the period in review.

Since PIC listed, the Australian share market has been a tale of two halves with the market rallying very strongly in the first few months, only to give back a lot of its gains more recently. Australian stocks underperformed global counterparts as weakening Chinese demand, falling commodity prices and significant reductions in capital expenditure from the major mining companies weighed on the economy and impacted the federal budget. Yield stocks remained in favour, although banking stocks underperformed in the final quarter as growing regulatory pressure led to a number of equity raisings in order to bolster capital ratios. The Reserve Bank of Australia cut interest rates twice to a record low of 2.0% and the Australian dollar fell heavily against the US dollar to close the year at US$0.77.

S&P/ASX 300 PRICE INDEX
SINCE 18 DECEMBER 2014



Source: FactSet

PIC has delivered a return of 2.0%[1] since listing on 18 December 2014 to 30 June 2015. Whilst PIC lagged its benchmark over this time period, we have been very conscious of the need to preserve investors' capital. The price at which we buy securities for the portfolio is paramount.

DISCIPLINED INVESTMENT PROCESS

Our investment approach focuses on buying high quality companies at prices below what we perceive as their fair value, given the company's fundamentals and the prevailing market conditions. We expect their share prices will rise once the mispricing is recognised by the market. Intensive research is conducted by Perpetual's investment team in determining both quality and value. Key to our investment process is the use of a quality filter to refine the universe of securities. Our quality filter has four components:

- **Sound management:** an assessment of the track record of a company's management is made looking to see that they are disciplined, deliver on promises and are overseen by an effective board.
- **Conservative debt:** we invest in companies that have a debt to equity ratio of less than 50%.
- **Quality of business:** we undertake a qualitative assessment that focuses on the markets in which a company operates, its products and their positioning, and any issues such as social and environmental impacts which may affect the future share price of the company.
- **Recurring earnings:** we look for companies that have at least a three year track record of generating earnings.

1 Returns shown for the Company have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees and any income tax on realised gains) and assuming reinvestment of dividends. Any provisions for deferred tax on set up costs and on unrealised gains and losses are excluded. Past performance is not indicative of future performance.

FOCUS ON BUSINESSES POSITIONED FOR FUTURE GROWTH

The equity market in Australia has seen a material expansion in the price to earning ratios of shares during the past 18 months. During that time, net profit growth has predominantly been driven by cost reductions whilst share buybacks have been used to drive earnings per share growth. This has been advantageous to the large blue chip companies that are able to flex large cost bases to achieve cost savings coupled with capital expenditure being below depreciation (this is the cost of maintaining capital stock and therefore preserving future margins).

Fixed income markets have been pricing in an inflexion point in the cost of money for several months now and interest rate curves have been moving to a pro-growth position. This is very different from the last several years and could cause some dislocation in other financial assets. We have been looking for companies that have maintained a more consistent dividend payout ratio and resisted market calls to increase their dividend payout ratio. These companies have been re-investing in their capital stock to either maintain a low point on the cost curve relative to industry competitors or have been re-investing to develop new markets.

We like companies that are re-investing for a particular reason. A study of the companies in the S&P 500 Index in the US found the average lifespan of a blue chip company in the 1960's was 40 years. By the 1990's this had fallen to 25 years[2]. Projections based on current data predict this will fall to about 15 years in the next 10 years. What this data highlights is that the rate of "creative destruction" has been increasing and that companies that do not reinvest in their business to maintain industry best practise on costs, or innovate into newer revenue streams, will fade quicker than ever before. Therefore we believe buying blue chips or the top twenty stocks is a lot riskier than ten years ago and we retain our preference for mid capitalisation shares.

GLOBAL OPPORTUNITIES

An advantage of PIC's investment strategy is that up to 25% of the portfolio can be held in global listed securities. It is fair to say that since listing we have found valuations offshore more compelling than in the domestic market. Some of the international investments we have made include eBay and Bank of America. eBay is a leading global e-commerce marketplace and online payments provider. It has a leading market position in both of its core businesses and we initiated the position in January 2015. At the time eBay was trading at attractive multiples and was due to spin out PayPal into a separately listed company which occurred in July 2015.

Our view on the major domestic banks has been that the market has not factored in the cost of holding higher levels of capital that will be required through regulatory change. In contrast, offshore banks are much further down this path and we believe represent much better relative value. Two of the banks in the portfolio are Bank of America and a Spanish bank, Banco Bilbao Vizcaya S.A (BBVA). Both of these banks are trading at or below book value, and both have been building their capital ratios. Bank of America is one of the largest banking and financial service providers in the US. It holds a leading market position and has significant market share of loans and deposits. Through its deposit book, it is leveraged to rising US interest rates and an improving US economy. As US interest rates rise, Bank of America will be able to charge higher rates on its loans but continue to fund itself via its deposit book, thereby increasing its interest margin. Bank of America has over US$1 trillion in customer deposits, including US$300 to US$400 billion on which it pays no interest. Bank of America's stock price is trading at a 20% discount to book value per share which is a material discount when compared to Australia's major banks.

BBVA should also benefit from the eventual rise in interest rates in the Eurozone. In the meantime BBVA derives approximately half of its earnings from BBVA Bancomer, its Mexican subsidiary. BBVA Bancomer is a leading bank in Mexico and will be a major beneficiary from moves by the Mexican government to promote the growth of the banking sector in a country that has been traditionally under-banked. In addition, as the US economy improves Mexico will generally benefit.

2 The innovation strategy consulting firm, Innosight, Richard N. Foster, Creative Destruction Whips through Corporate America

UNLOVED AND OVERLOOKED

In the domestic portfolio our investments are concentrated in sectors we believe are “unloved and overlooked” by the market, including Media and Resources. Sky Network Television has a monopoly position in the New Zealand pay TV market with almost 50% of households subscribing to their service. The business is producing strong key cash flow and has a strong balance sheet. We think the market has overestimated the impact of the impending arrival of Netflix, the US streaming giant, as well as local streaming services like Lightbox (Spark) and Coliseum. Sky specialises in sport and high quality TV shows and movies. It has exclusive broadcasting rights to rugby out to 2021, cricket out to 2020 as well as long term deals with the NRL, Formula 1 and an exclusive four year deal with HBO. Sport is extremely important in the NZ market with 71% of subscribers on the “Sports Tier”. We have taken comfort from the US experience where Netflix, with its low price point (US $7.99 per month), has proven to be more complementary rather than a substitute for pay TV.

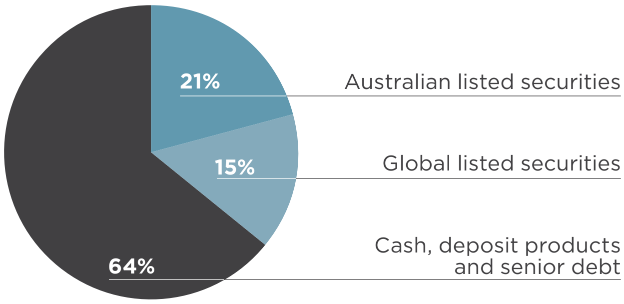
CORPORATE TURNAROUNDS

A theme we see emerging in the domestic market is the turnaround of underperforming businesses. An example of this theme is Bluescope Steel. Bluescope was spun out of BHP Billiton in 2002 and is an independent steel company. Its share price has nearly halved over the past year, giving management the impetus to close loss-making businesses which we believe will result in an improvement in Bluescope’s fortunes. It has a strong balance sheet and most of its operations are high return businesses.

In the domestic Financial sector we hold Genworth Mortgage Insurance Australia and Suncorp. Genworth is one of the largest providers of lenders’ mortgage insurance in Australia and we initiated a position in February. It has a leading position within its industry, a conservative management team with a good track record and has been trading at less than the stated value of its insurance book. The biggest risk to its business would be a severe housing recession in the next few years which looks unlikely with the Reserve Bank of Australia keeping interest rates low. Genworth is attractive as a going concern and also for the potential income and franking credits arising from its insurance book.

CAPITAL DEPLOYMENT

As at 30 June 2015 we had deployed 36% of PIC’s capital. 15% of the portfolio was invested in global listed securities and 21% of the portfolio was invested in Australian listed securities. In May the Board granted an extension to PIC’s capital deployment period to 18 December 2015 and we are confident that we will find attractive investment opportunities within this timeframe. Under PIC’s Investment Guidelines we have a minimum target of 75% of the portfolio invested in securities to achieve deployment.



We are pleased with the quality of the portfolio we are building and we are focused on investing in companies which are re-investing in their businesses in order to deliver future dividend growth. We remain committed to delivering a growing income stream and long-term capital growth for shareholders. Thank you for your continued support of the Perpetual Equity Investment Company Limited.

Yours sincerely

Vince Pezzullo
Portfolio Manager
Perpetual Investment Management Limited
19 August 2015

INVESTMENT PORTFOLIO

List of investments held as at 30 June 2015	Market value $'000
Australian listed securities	
A2 Milk Company Limited	2,086
Bluescope Steel Limited	11,565
Burson Group Limited	5,280
Genworth Mortgage Insurance Australia Limited	12,132
Nine Entertainment Company Holdings Limited	6,046
Sky Network Television Limited	9,935
Suncorp Group Limited	5,726
Total Australian listed securities	**52,770**
Global listed securities	
Ebay Inc	12,462
Bank America Corporation New	13,705
Banco Bilbao Vizcaya S.A.	12,236
Total global listed securities	**38,403**
Cash and deposit products	
Cash at bank	20,107
Perpetual Institutional Cash Management Trust	140,000
Total cash and deposit products	**160,107**
Total	**251,280**

The total number of securities transactions entered during the reporting period was 21.

The total brokerage paid during the reporting period was $90,445.

DIRECTORS' REPORT

The Directors present their report together with the annual financial report of Perpetual Equity Investment Company Limited ("the Company") for the period from 25 August 2014 ("incorporation date") to 30 June 2015 and the auditor's report thereon.

Directors

The following persons were Directors of the Company from their appointment dates and up to the date of this report:

Peter B Scott, Chairman and Non-executive Director
BE (Hons), M.Eng.Sc

Appointed Chairman and Director on 25 August 2014. Peter was formerly the Chief Executive Officer of MLC, an Executive General Manager of National Australia Bank and held a number of senior positions with Lend Lease. He is the Chairman and a Director of Perpetual Limited, a Director of Stockland Corporation Limited and an advisory board member of Igniting Change. He is also the Chairman of Perpetual Limited's Nomination Committee.

Peter has more than 20 years of senior business experience in publicly listed companies and extensive knowledge of the wealth management industry.

Listed company directorships held during the past three financial years:

- Perpetual Limited (from July 2005 to the present)
- Stockland Corporation Limited (from August 2005 to the present)

Virginia Malley, Non-executive Director
BA, MAppFin Macq, Juris Doctor, GradDipEnvLaw, GAICD

Appointed Director on 25 August 2014. Virginia is a member of the Nomination and Corporate Governance Committee and the Audit and Risk Committee of the Company. Virginia was formerly the Chief Risk Officer and member of the Clean Technology, Asia/Pacific, Private Equity and Global/Advisory Investment Committees at Macquarie Funds Management Group. She is a Non-executive Director of Perpetual Superannuation Limited, a member of several Perpetual Compliance Committees and the Sydney Airport Trust Compliance Committee, a Director of the Nature Conservation Trust of New South Wales, and a member of the Clean Energy Regulator.

Virginia has nearly 30 years of experience in the investment and banking sectors, including over 14 years of experience as a company director. Her areas of expertise are regulatory compliance, financial and environmental markets and governance, and risk management.

John Edstein, Non-executive Director
BEc, LLB, LLM (Hons)

Appointed Director on 26 September 2014. John is the Chairperson of the Nomination and Corporate Governance Committee and a member of the Audit and Risk Committee of the Company. John was formerly a partner in the Tax and Superannuation Group of King & Wood Mallesons (formerly Mallesons Stephen Jaques) from 1990 to 2012 and was National Practice Team Leader of that group from 2006 to 2011. He was a member of the Law Council of Australia Superannuation Committee from 1988 to 2008 and is now an Emeritus Member, is a member of the Tax Institute of Australia and is a Chartered Tax Adviser. He is currently a Director of Macquarie Investment Management Limited (appointed 1 July 2013) and Retail Employees Superannuation Pty Limited (Trustee of the Retail Employees Superannuation Trust, appointed 4 October 2013). He is also the Independent Member of the Australian Defence Forces Financial Services Consumer Centre (appointed 2008).

John has more than 35 years of experience as a legal practitioner. His primary practice areas have been superannuation, life insurance and trusts and the tax aspects of those areas. That experience has included extensive consideration of corporate law, corporate governance and the legal aspects of investment structures.

Directors' report

Directors (continued)

Christine Feldmanis, Non-executive Director
FAICD, SFFin, TFASFA, CPA, CSA, BComm, MAppFin, JP

Appointed Director on 26 September 2014. Christine is the Chairperson of the Audit and Risk Committee and a member of the Nomination and Corporate Governance Committee of the Company. Christine formerly held senior executive and C suite positions with firms including Deloitte, Elders Finance, Bankers Trust, NSW TCorp and Treasury Group. She is currently a Non-executive Director and Chair of the Audit and Risk Committees of Delta Electricity and Netball NSW. She is also a Director of Uniting Financial Service, NSW Crown Holiday Parks Trust and Bell Asset Management Limited, an independent member of the Audit and Risk Committees for a number of the government agencies and an independent compliance committee member for AFS licensees in the boutique funds management sector.

Christine has more than 30 years of experience in the financial arena, both government and private sectors. She has extensive experience in investment management, finance, accounting and risk management, legal & regulatory compliance, governance and business building in both the listed and unlisted financial products markets.

Michael Gordon, Executive Director
BBus, GAICD

Appointed Director on 25 August 2014. Michael was formerly the Chief Investment Officer for Equities of BNP Paribas Investment Partners. Prior to that, he held senior positions with Fidelity Investments International and Schroders Investment Management. He is currently the Group Executive of Perpetual Investments (a division of Perpetual Limited), a Director of Perpetual Investment Management Limited and Perpetual Loan Company Limited. He is also a Director of Australasian Gastro-Intestinal Trials Group.

Michael has more than 30 years of experience in financial services. He has significant domestic and international experience as a leader of asset management businesses.

Company secretaries

Joanne Hawkins
BCom, LLB, Grad Dip CSP FGIA, GAICD

Appointed Company Secretary on 25 August 2014. Joanne is currently also Company Secretary of Perpetual Limited and the Head of Perpetual's Legal, Compliance and Company Secretariat teams. Previously Joanne was Assistant Company Secretary of Macquarie Bank and Ord Minnett and was Company Secretary, National Bank of the Solomon Islands. She has also worked as a solicitor and legal adviser in New Zealand.

Sylvie Dimarco
LLB, GIA (Cert), MAICD

Appointed Company Secretary on 25 August 2014. Sylvie joined Perpetual in March 2014 as an Assistant Company Secretary. Sylvie earned a Bachelor of Laws from the University of Sydney and has practised as a commercial lawyer. She has over 7 years' experience in company secretariat practice and administration.

Directors' report

Directors' meetings

The following table sets out the number of meetings held and attended by the Company's Directors during the period ended 30 June 2015:

	Board		Audit and Risk Committee		Nomination and Corporate Governance Committee	
	Held	Attended	Held	Attended	Held	Attended
Directors						
Peter Scott	8	8	-	-	-	-
Virginia Malley	8	7	3	3	1	1
John Edstein	6	6	3	3	1	1
Christine Feldmanis	6	6	3	3	1	1
Michael Gordon	8	8	-	-	-	-

Corporate Governance Statement

The Company's Corporate Governance Statement, which meets the requirements of Australian Securities Exchange Listing Rule 4.10.3, is provided on the Company's website at www.perpetualequity.com.au.

Principal activities

The Company is a listed investment company established to invest predominantly in Australian listed securities with typically a mid-cap bias and cash, deposit products and senior debt, together with opportunistic allocations to global listed securities. The investment objective of the Company is to provide investors with a growing income stream and long term capital growth in excess of its benchmark (the S&P/ASX 300 Accumulation Index) over minimum 5 years investment periods.

Review of operations

	Period from 25 August 2014 to 30 June 2015 $'000
Profit before income tax	5,210
Income tax expense	(1,519)
Profit for the period attributable to equity holders	3,691

The operations of the Company during the period ended 30 June 2015 resulted in profit before tax of $5,210,471 and profit after tax of $3,691,575. The pre-tax Net Tangible Asset (NTA) rose 2% over the period, underperforming its benchmark (the S&P/ASX 300 Accumulation Index) by 5.4%. This underperformance relative to the benchmark can be attributed to the high level of cash holdings while the Company has not had its capital fully deployed.

Directors' report

Review of operations (continued)

As at 30 June 2015 the Manager had deployed 36.4% of the Company's capital. The portfolio was invested in 10 securities with 21% of the portfolio invested in Australian listed securities and 15% of the portfolio invested in global listed securities. On 29 May 2015 the Board granted an extension to the Company's capital deployment period to the 18 December 2015. When the portfolio reaches full deployment (at least 75% of capital) the Company's investment guidelines specify that the Company will hold 20 to 40 securities with a maximum of 25% invested in global securities and a maximum of 25% invested in cash, deposit products and senior debt.

The Manager continues to apply its proven investment process which targets companies with sound management, conservative debt levels, quality businesses and recurring earnings and trading at an attractive price. The Manager is patiently deploying capital on an opportunistic basis whilst continuing to follow its highly disciplined investment process in order to provide shareholders with a growing income stream and long term capital growth.

Dividends

On 19 August 2015, the Directors declared a fully franked dividend payment of 0.5 cents per share, payable to shareholders on 10 September 2015. The financial effect of this dividend has not been included in the financial report for the period ended 30 June 2015 and will be recognised in subsequent financial reports.

Initial Public Offering

During the period ended 30 June 2015, the Company concluded its Initial Public Offering ("IPO") in accordance with the Replacement Prospectus dated 14 October 2014. The Company raised $250,394,277 by the issue of 250,394,277 ordinary fully paid shares at an issue price of $1.00 per share and 250,394,277 free attaching options exercisable at $1.00 each expiring on 10 June 2016. The Company was admitted to the official list of ASX Limited (ASX) on 16 December 2014. The official quotation of its securities commenced on 18 December 2014.

State of affairs

There were no significant changes in the state of affairs of the Company during the financial period other than the matter previously disclosed under review of operations.

Events subsequent to reporting date

The Directors are not aware of any other event or circumstance since the end of the financial period not otherwise dealt with in this report that has or may significantly affect the operations of the Company, the results of these operations or the state of affairs of the Company in subsequent financial years.

Likely developments

The Company will continue to be managed in accordance with the investment objectives and guidelines as set out in the Replacement Prospectus dated 14 October 2014 and in accordance with the provisions of the Company's Constitution.

Environmental regulation

The operations of the Company are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Directors' report

Indemnification of directors and officers

The Company indemnifies, to the extent permitted by law, each Director in respect of certain liabilities which the Director may incur as a result of being or acting as an officer of the Company, including legal expenses.

Insurance

The Company has a directors and officers' liability policy of insurance which covers all Directors for the period that they are officers and for seven years after they cease to act as officers.

Remuneration report

This report sets out the remuneration arrangements for all Key Management Personnel ("KMP"), being the Non-executive Directors and the Executive Director of Perpetual Equity Investment Company Limited for the period ended 30 June 2015.

The information in this Remuneration report has been audited by the Company's auditor, KPMG, as required by section 308(3C) of the *Corporations Act 2001*.

(a) Key management personnel

Below are the Company's KMP for the period.

Name	Position	Term
Peter Scott	Chairman and Non-executive Director	25 August 2014 to present
Virginia Malley	Non-executive Director	25 August 2014 to present
John Edstein	Non-executive Director	26 September 2014 to present
Christine Feldmanis	Non-executive Director	26 September 2014 to present
Michael Gordon	Executive Director	25 August 2014 to present

(b) Remuneration of directors

Remuneration policy

The Board, with the recommendation of the Nomination and Corporate Governance Committee, determines the size and composition of the Board and its Committees. The Company has not established a remuneration committee and the Board has determined it is not necessary to establish a separate remuneration committee given there are no paid employees.

The Board, with advice and assistance of the Nomination and Corporate Governance Committee, reviews and approves the remuneration of individual Board members annually. Remuneration paid to the Non-executive Directors aims to ensure we can attract and retain suitably skilled, experienced and committed individuals.

Non-executive Directors do not receive performance-related remuneration and are not entitled to participate in equity-based incentive plans.

The Executive Director, Michael Gordon, is not entitled to Directors' fees or any other form of remuneration from the Company for his services. He is a Director of Perpetual Investment Management Limited (the Manager) and the Group Executive of Perpetual Investments (a division of Perpetual Limited). His remuneration is governed by the remuneration policy of Perpetual Limited, the holding company of the Manager.

Directors' report

Remuneration report (continued)

(b) Remuneration of directors (continued)

Fee framework

Non-executive Directors receive a base fee. They do not receive additional fees for participating in Board Committees.

Total remuneration available to the Directors is a maximum of $250,000 as set out in the Company's Constitution (excluding the Executive Director). The aggregate amount of Directors' remuneration has been set initially at $170,000 per annum (including superannuation). Any increase in the aggregate amount of Directors' fees (except the remuneration of the Executive Director) over $250,000 must be approved by a resolution of the shareholders as required by the Company's Constitution.

	30 June 2015 $
Non-executive Directors' fees	
Chairman	**50,000**
Directors	**40,000**
Audit and Risk Committee	**-**
Nomination and Corporate Governance Committee	**-**

The fees above are inclusive of superannuation contributions, capped at the maximum prescribed under Superannuation Guarantee legislation. Non-executive Directors may also salary-sacrifice superannuation contributions out of their base fees if they so wish.

Remuneration of the directors (statutory reporting)

The table below sets out the Directors' remuneration paid and payable by the Company for the period from the appointment date to 30 June 2015.

	Total $	Directors' fees $	Superannuation $
Name			
Peter Scott	**42,534**	**38,844**	**3,690**
Virginia Malley	**34,028**	**27,968**	**6,060**
John Edstein	**30,521**	**27,873**	**2,648**
Christine Feldmanis	**30,521**	**27,873**	**2,648**
Michael Gordon	**-**	**-**	**-**
Total	**137,604**	**122,558**	**15,046**

Non-executive Directors do not receive any non-cash benefits as part of their remuneration.

Michael Gordon is not entitled to Directors' fees or any other form of remuneration from the Company for his services. He is remunerated by Perpetual Limited, the holding company of Perpetual Investment Management Limited (the Manager).

Directors' report

Remuneration report (continued)

(c) Retirement policy

Directors who have been in office for three years since their last election must retire and may seek re-election at the Company's next annual general meeting of shareholders.

The Company's Board Tenure and Performance Policy provides that in order to revitalise the Board, Directors should not seek re-election after three elected terms of three years (i.e. a total of 9 years on the Board) unless the Board (through the Nomination and Corporate Governance Committee) requests them to do so.

(d) KMP shareholdings and optionholdings held directly or indirectly

Name	Instrument	Balance at date of incorporation*	Quantity Acquired during the period**	Other changes during the period	Balance at the end of the period
Peter Scott	Shares	-	100,000	-	100,000
	Options	-	100,000	-	100,000
Virginia Malley	Shares	-	40,000	-	40,000
	Options	-	40,000	-	40,000
John Edstein	Shares	-	50,000	-	50,000
	Options	-	50,000	-	50,000
Christine Feldmanis	Shares	-	100,000	-	100,000
	Options	-	100,000	-	100,000
Michael Gordon	Shares	-	100,000	-	100,000
	Options	-	100,000	-	100,000

* 25 August 2014

** Shares and options were acquired in the Company's initial public offering. Options held by Directors are under the same terms and conditions as disclosed in note 11(b).

Non-audit services

Fees for non-audit services paid to KPMG in the current period were $41,036 (Goods and Services Tax inclusive) in relation to the preparation of the Investigating Accountant’s Report for inclusion in the Replacement Prospectus dated 14 October 2014.

The Directors, in accordance with advice received from the Audit and Risk Committee, are satisfied that the provision of these non-audit services is compatible with and do not compromise the auditor independence requirements imposed by the *Corporations Act 2001*.

Directors' report

Lead auditor's independence declaration

A copy of the Lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.

ASIC half-year reporting relief

On 2 February 2015, ASIC granted the Company relief from Chapter 2M.3 of the *Corporations Act 2001* in respect of the requirement for the Company to prepare and lodge a condensed interim financial report for the half-year ended 24 February 2015. As a result, the Company prepared the condensed interim financial report for the period from 25 August 2014 to 31 December 2014 per the ASX listing rules.

Rounding of amounts to the nearest thousand dollars

The Company is of a kind referred to in Class Order 98/100 (as amended) issued by Australian Securities and Investments Commission and consequently amounts in the Directors' report and annual financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Signed on behalf and in accordance with a resolution of the Directors:

Peter Scott
Chairman

Michael Gordon
Director

Sydney
19 August 2015

LEAD AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Perpetual Equity Investment Company Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Martin McGrath
Partner

Sydney

19 August 2015

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Period from 25 August 2014 to 30 June 2015 $'000
Investment income		
Dividends/distributions		3,089
Interest		227
Net gains on financial instruments held at fair value through profit or loss	3	4,330
Net foreign exchange losses		(188)
Total investment income		7,458
Expenses		
Management fees	4	1,360
Other expenses	4	888
Total expenses		2,248
Profit before income tax		5,210
Income tax expense	5	(1,519)
Profit after income tax		3,691
Other comprehensive income		-
Total comprehensive income for the period		3,691
Earnings per share		
Basic earning per share (cents per share)	6	1.47
Diluted earning per share (cents per share)	6	1.47

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2015 $'000
Assets		
Cash and cash equivalents	12	**20,107**
Financial assets held at fair value through profit or loss	8	**231,173**
Receivables	9	**1,109**
Deferred tax asset	5	**1,001**
Total assets		**253,390**
Liabilities		
Current tax payable		**547**
Payables	10	**2,995**
Total liabilities		**3,542**
Net assets		**249,848**
Equity		
Contributed equity	11	**246,157**
Retained earnings		**692**
Profit reserve		**2,999**
Total equity		**249,848**

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Notes	Contributed Equity $'000	Retained Earnings $'000	Profit Reserve $'000	Total $'000
Balance on date of incorporation (25 August 2014)		**-**	**-**	**-**	**-**
Total comprehensive income for the period		**-**	**3,691**	**-**	**3,691**
Transfers to profit reserve		**-**	**(2,999)**	**2,999**	**-**
Transactions with members in their capacity as shareholders:					
Shares issued under IPO	11	**250,394**	**-**	**-**	**250,394**
Transaction costs on the IPO, net of tax	11	**(4,604)**	**-**	**-**	**(4,604)**
Shares issued from options exercised	11	**367**	**-**	**-**	**367**
Balance at 30 June 2015		**246,157**	**692**	**2,999**	**249,848**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOW

	Notes	Period from 25 August 2014 to 30 June 2015 $'000
Cash flows from operating activities		
Dividends/distributions received		2,096
Interest received		208
Other income received		52
Management fees paid		(1,217)
Other expenses paid		(813)
Net cash from operating activities	12	326
Cash flows from investing activities		
Proceeds from sale of investments		122,699
Payments for purchase of investments		(347,102)
Net cash from investing activities		(224,403)
Cash flows from financing activities		
Proceeds from issue of shares under IPO		250,394
Proceeds from exercise of options		367
Payments for transaction cost on the IPO		(6,577)
Net cash from financing activities		244,184
Net increase in cash and cash equivalents		20,107
Cash and cash equivalents held at the beginning of the period		-
Cash and cash equivalents at the end of the period	12	20,107

The above Statement of Cash Flow should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

1 Reporting entity

Perpetual Equity Investment Company Limited ("the Company") is domiciled in Australia. The Company was incorporated on 25 August 2014. The address of the Company's registered office is at Level 12, 123 Pitt Street, Sydney NSW 2000.

The Company is a listed investment company established to invest predominantly in Australian listed securities with typically a mid-cap bias and cash, deposit products and senior debt, together with opportunistic allocations to global listed securities. The investment objective of the Company is to provide investors with a growing income stream and long term capital growth in excess of its benchmark (the S&P/ASX 300 Accumulation Index) over minimum 5 years investment periods. The investment activities of the Company are managed by Perpetual Investment Management Limited ("the Manager").

The annual financial report for the period from 25 August 2014 to 30 June 2015 was authorised for issue by the Directors on 19 August 2015.

2 Basis of preparation

The annual financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards adopted by Australian Accounting Standard Board ("AASB") and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the annual financial report.

The annual financial report has been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The annual financial report is presented in Australian dollars, which is the Company's functional currency.

Compliance with International Financial Reporting Standards

The annual financial report also complies with International Financial Reporting Standards ("IFRS") and interpretations as issued by the International Accounting Standards Board ("IASB").

Use of estimates and judgement

The preparation of the annual financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

3 Investment income

(a) Dividend/distribution income

Dividend income is recognised on the ex-dividend date. Distributions (including distributions from cash management trusts) are recognised on a present entitlements basis.

(b) Interest income

Interest income is recognised as it accrues in profit or loss based on nominated interest rates available on the bank accounts held.

(c) Net gains on financial instruments held at fair value through profit or loss

Net gains arising from changes in the fair value measurement comprise:

	Period from 25 August 2014 to 30 June 2015 $'000
Net unrealised gains on financial instruments designated at fair value through profit or loss	2,211
Net realised gains on financial instruments held for trading	33
Net realised gains on financial instruments designated at fair value through profit or loss	2,086
Net gains on financial instruments held at fair value through profit or loss	**4,330**

(d) Other income

Other income (including Goods and Services Tax refund) is brought to account on an accrual basis.

(e) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net foreign exchange gains/(losses) in the profit or loss.

Translation differences on financial assets and liabilities carried at fair value are reported as part of their fair value gain or loss.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

4 Expenses

All expenses are recognised, net of the amount of Goods and Services Tax ("GST") recoverable from the taxation authority, in profit or loss on an accrual basis.

(a) Management fees

The Manager, Perpetual Investment Management Limited, receives a management fee of 1.00% per annum (plus GST) for the first $1 billion of the Portfolio Net Asset Value, and 0.85% per annum (plus GST) of the Portfolio Net Asset Value in excess of $1 billion. In accordance with the Replacement Prospectus dated 14 October 2014, the Portfolio Net Asset Value means the market value of the assets of the Portfolio reduced by any accrued but unpaid expenses of the Company, but not provisions for tax payable or unpaid dividends of the Company, and after subtracting any borrowings drawndown and adding back borrowings repaid. The management fees are calculated and accrued daily and paid monthly in arrears.

Fees paid and payable for the period	**Period from 25 August 2014 to 30 June 2015 $'000**
Management fees	1,360
	1,360

The Manager was appointed for an initial term of five years unless terminated earlier. The Management Agreement will be automatically extended for a further five-year term on the expiry of the initial term unless terminated earlier in accordance with its terms.

If the Management Agreement is terminated during the extended term, then in certain circumstances the Manager is also entitled to a termination payment equal to 5.0%, reduced by one sixtieth (1/60) for each whole calendar month elapsed between the commencement of the extended term and the termination date, of the net tangible asset backing of each security in each class of shares in the Company, as calculated under the ASX listing rules.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

4 Expenses (continued)

(b) Other expenses

	Period from 25 August 2014 to 30 June 2015 $'000
Directors' remuneration	138
Auditor's remuneration	74
ASX fees	392
Registry services	104
Custody administration fees	47
Others	133
Total other expenses	**888**

(c) Auditor's remuneration

	Period from 25 August 2014 to 30 June 2015 $
KPMG	
Audit and review of financial statements	73,700
Investigating accountant fees	41,036
Total remuneration for audit and audit related services	**114,736**

The investigating accountant fees were included in the transaction costs on the Initial Public Offering.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

5 Income tax

Under current legislation, the Company is subject to income tax at 30% on taxable income.

(a) Income tax expense

	Period from 25 August 2014 to 30 June 2015 $'000
Current tax	
Current income tax provision	**547**
Deferred tax	
Temporary differences	**(1,001)**
Transaction costs on the IPO - recognised in equity	**1,973**
Total income tax expense	**1,519**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current tax is expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at reporting date and, where applicable, any adjustment to tax payable in respect of previous periods. Deferred tax is explained in more detail in note 5(c).

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Period from 25 August 2014 to 30 June 2015 $'000
Profit before income tax	**5,210**
Prima facie income tax calculated at Company's tax rate of 30%	**1,563**
Increase/(decrease) tax payable	
Franking credits	**(27)**
Foreign income tax offsets	**(17)**
Income tax expense	**1,519**

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

5 Income tax (continued)

(c) Deferred tax assets

The balance comprises temporary differences attributable to:

	30 June 2015 $'000
Net unrealised gains	(663)
Audit fee	15
Transaction costs on the IPO - future tax deductions	1,649
Total deferred tax assets	**1,001**

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised when there is a taxable temporary difference between the tax base of an asset or liability and its corresponding carrying amount in the statement of financial position. This arises when the carrying amount of an asset exceeds its tax base.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset deferred tax assets and liabilities and the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

6 Earnings per share

	Period from 25 August 2014 to 30 June 2015
Basic earnings per share - cents per share	**1.47**
Diluted earnings per share - cents per share	**1.47**
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	**250,672,927**
	$
Earnings used in the calculation of basic and diluted earnings per share	**3,691,575**

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue for the period from the date of listing to the reporting date.

Diluted earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue and ordinary shares that the Company expects to issue through the exercise of outstanding options for the reporting period. In the calculation of diluted earnings per share, options are not considered to have a dilutive effect, as the average market price of ordinary shares of the Company during the period did not exceed the exercise price of the options.

7 Dividends

No dividends were declared during the period ended 30 June 2015.

Since the end of the financial period, the Directors declared the payment of a final dividend of 0.5 cents per fully paid ordinary shares, fully franked based on tax rate at 30%. The aggregate amount of the dividend expected to be paid on 10 September 2015, but not recognised as a liability at reporting date, is $1,253,804 (estimated based on the number of shares on issue as at 30 June 2015). The number of shares on issue entitled for a dividend on record date may increase from the exercise of options.

Dividends are recognised as a liability in the period in which they are declared.

Franking account

The balance of franking credits available for future years is $585,848. The available amounts are based on the balance of the dividend franking account at 30 June 2015 adjusted for franking credits that will arise from the payment of current tax liabilities, and franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

7 Dividends (continued)

The ability to utilise franking credits is dependant upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends declared after reporting date, but not recognised as a liability, is to reduce it to $48,503 (estimated based on the number of shares on issue as at 30 June 2015). The franking account balance will reduce when the number of shares entitled for a dividend on record date increases.

Dividend reinvestment plan

The Company has established a dividend reinvestment plan under which eligible shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than by being paid in cash. Shares are issued under the plan at a 2.5% discount to the average market price.

8 Financial assets and liabilities at fair value through profit or loss

The Company's investments are classified at fair value through profit or loss.

	Fair value 30 June 2015 $'000
Designated at fair value through profit or loss	
Listed equities	91,173
Unlisted unit trusts	140,000
Total financial assets held at fair value through profit or loss	231,173

Recognition/derecognition

The Company recognises financial assets and liabilities on the date it becomes party to the purchase contractual agreement (trade date). Financial assets and liabilities are derecognised on the date the Company becomes party to the sale contractual agreement (trade date).

Fair value measurement

At initial recognition, the Company measures the financial assets and liabilities at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently, all financial assets and liabilities are measured at fair value without any deduction for estimated future selling cost. Gains and losses arising from changes in the fair value measurement are included in profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the end of the reporting date without any deductions for the estimated future selling cost. Listed securities and exchange traded derivatives are valued at the last traded price. Unlisted unit trusts are valued at the redemption value as reported by the investment manager of such trusts.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

8 Financial assets and liabilities at fair value through profit or loss (continued)

(ii) Fair value in an inactive market or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net base, or realise the asset and settle the liability simultaneously.

9 Receivables

	30 June 2015 $'000
Distributions receivable	993
Interest receivable	19
Other receivables	97
Total receivables	**1,109**

Receivables are recognised when a right to receive payment is established. Due to the short term nature of the receivables, their carrying value is considered to approximate fair value.

Receivables are stated inclusive of the amount of GST.

10 Payables

	30 June 2015 $'000
Payable for securities purchased	2,628
Management fees	242
Directors' remuneration	42
Other payables	83
Total payables	**2,995**

Payables and trade creditors are recognised when the Company becomes liable. Due to the short term nature of the payables, their carrying value is considered to approximate fair value.

Payables are stated inclusive of the amount of GST.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

11 Contributed equity

(a) Share capital

Ordinary shares entitle the holders to receive dividends as declared and one vote per share at shareholders' meetings.

In the event of winding up the Company, ordinary shareholders rank after creditors and are fully entitled to any surplus capital.

	Period from 25 August 2014 to 30 June 2015 Quantity	Period from 25 August 2014 to 30 June 2015 $
Balance on incorporation date at 25 August 2014	**1**	**1**
Shares issued under IPO on 12 December 2014	**250,394,277**	**250,394,277**
Less transaction costs on the IPO, net of tax	**-**	**(4,604,180)**
Shares issued from options exercised	**366,500**	**366,500**
Shares on issue at 30 June 2015	**250,760,778**	**246,156,598**

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(b) Options

Options can be exercised at any time on or before 10 June 2016. The options give the shareholders the right but not the obligation to subscribe for shares in the Company at $1.00 per share. The options can be exercised in full or in part. The options are currently trading on the ASX under the code PICO.

Options do not carry voting rights or dividend entitlement until they are exercised. Shares issued on exercise of options rank equally with other issued shares of the Company from their date of issue.

	Period from 25 August 2014 to 30 June 2015 Quantity
Balance on incorporation date at 25 August 2014	**-**
Options issued under IPO on 12 December 2014	**250,394,277**
Options exercised	**(366,500)**
Options on issue at 30 June 2015	**250,027,777**

Options are measured at the fair value of the options at the date of issue within equity. An adjustment will be made, with a corresponding adjustment to share capital, on exercise of the options.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

11 Contributed equity (continued)

(c) Transaction costs on the initial public offering, net of tax

The Company incurred expenses associated with the offer. The breakdown of these expenses that have been deducted against the contributed equity are as follows:

	$
Joint Lead Manager fees	**2,566,541**
Broker firm fees	**3,433,918**
Other fees	**576,941**
Less current and future tax deductions	**(1,973,220)**
	4,604,180

Other fees include legal, registry, investigating accountant, tax advisor and ASIC lodgment fees. Certain other expenses such as ASX listing fees have been expensed in the profit or loss.

(d) Profit reserve

The profit reserve represents profit, transferred from accumulated retained earnings, available for distribution as a dividend. Dividends declared subsequent to the reporting date will be paid out of the profit reserve and any outstanding balance is available for future dividend payments.

The Company currently intends to pay a dividend twice a year. The amount of the dividend will be at the discretion of the Board and will depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Board deems relevant. It is the Board's intention that all dividends paid will be franked to 100% or to the maximum extent possible.

(e) Capital risk management

The Company's objective in managing capital is to provide shareholders with a growing income stream and long-term capital growth, by investing in a portfolio of typically 20-40 quality securities, underpinned by the Manager's fundamental, in-depth, bottom-up research. The Company considers its capital to comprise ordinary share capital, profit reserve and accumulated retained earnings. Borrowing does not form part of the investment strategy of the Manager, however, the Company retains the rights to leverage up to 10% of the investment portfolio at the Board's discretion.

Since the Company's initial public offering and listing on the ASX on 18 December 2014, the Manager has been patiently investing capital into a portfolio of securities whilst following its highly disciplined investment approach. To ensure strong capital management, the Board granted an extension to the Company's capital deployment period to 18 December 2015.

Investors who subscribed for shares in the initial public offering were issued 1 option with each share that was issued, which can be exercised at any time on or before 10 June 2016 at $1 per share. There are 250,027,777 options on issue at 30 June 2015. Capital raised from the exercise of options will be deployed into the Company's investment portfolio.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

12 Notes to the statement of cash flow

	Period from 25 August 2014 to 30 June 2015 $'000
(a) Reconciliation of operating profit to net cash inflow from operating activities	
Operating profit	5,210
Increase in dividends/distributions receivable	(993)
Increase in interest receivable	(19)
Increase in other receivables	(97)
Increase in sundry creditors and accruals	367
Net gains on financial instruments held at fair value through profit or loss	(4,330)
Net foreign exchange losses	188
Net cash inflow from operating activities	326

Cash flows are presented on a gross basis. The GST components of cash flows arising from operating and investing activities, which are recovered from the taxation authority, are recognised separately as other income received in the operating cash flows.

(b) Components of cash and cash equivalents

Cash at the end of the financial period as shown in the Statement of Cash Flow is reconciled to the Statement of Financial Position as follows:

Cash at bank	20,107
Total cash and cash equivalents	20,107

Cash and cash equivalents include cash at bank, deposits held at call and other short term deposits with maturity of three months or less from the date of acquisition, which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

13 Financial risk management

This note presents information about the Company's objectives, policies and processes for measuring and managing risks.

The Company's investing activities are exposed to a variety of financial risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Manager has been given the discretionary authority to manage and undertake investments in line with the Company's investment objective, investment strategy and guidelines detailed in the Replacement Prospectus dated 14 October 2014.

The Manager is required to act in accordance with the Management Agreement and reports to the Board quarterly on the portfolio's performance, material actions of the Manager during the quarter and an explanation of the Manager's material proposed actions for the upcoming quarter. The Manager is also responsible for designing and implementing day to day risk management and internal control systems which identify material risks for the Company.

The oversight and management of the Company's risk management program has been conferred upon the Audit and Risk Committee. The Committee is responsible for reviewing that the Company maintains effective risk management and internal control systems and processes and provides regular reports to the Board. The Board will review the effectiveness of the Company's risk management and internal control system annually.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices such as foreign exchange rates, interest rates, equity prices and credit spreads.

The Company is predominantly exposed to market risk from its investment activities. The Company seeks to reduce the risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. The Company's market risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place.

The Company may use derivative instruments to manage its exposure to market risk. Derivatives are not permitted to be used for gearing purposes.

(i) Currency risk

The Company invests in global listed securities and enters into transactions that are denominated in currencies other than its functional currency. Consequently, the Company is exposed to the movements in exchange rates that may have an adverse effect on the fair value or future cash flows of the Company's financial assets or financial liabilities denominated in currencies other than Australian dollars.

The Manager considers currency valuations at the entity level when analysing securities, however the Company's investment portfolio is typically unhedged. Currency exposure may be hedged defensively where the Manager sees a significant risk of currency weakness.

The Company did not hold any derivative instruments to manage its exposure to currency risk at the reporting date.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

13 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The following table summarises the net amount of financial assets and financial liabilities, monetary and non-monetary, which are denominated in currencies that the Company is significantly exposed to:

	Net currency exposure 30 June 2015 $'000
Australian Dollar	211,445
United States Dollar	26,167
Euro	12,236
	249,848

Currency risk sensitivity analysis

The following table sets out the impact on Company's profit and net assets from possible currency movements:

	Sensitivity rates %	Strengthened 30 June 2015 $'000	Weakened 30 June 2015 $'000
United States Dollar	10	(2,617)	2,617
Euro	8	(979)	979

The sensitivity analysis is based on the assumption that Australian dollar strengthened or weakened by the sensitivity rates against the other currencies. The sensitivity rates represent the Manager's estimate of a reasonably possible movement in foreign currency exchange rates given the current exchange rates and the historic volatility.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company can hold up to 25% of its investment portfolio in cash, deposit products and senior debts with less than one year to maturity (including any exposure to such investments gained by investing into cash management trusts). During the period of capital deployment, the majority of its investment portfolio was held in Perpetual Institutional Cash Management Trust. Consequently, the Company is significantly exposed to the changes in market interest rates that may have a negative impact, either directly or indirectly, on the investment return.

The following table summarises the Company's exposure to interest rate risk at the reporting date:

	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
30 June 2015				
Financial Assets				
Cash and cash equivalents	**20,107**	**-**	**-**	**20,107**
Cash management trust	**140,000**	**-**	**-**	**140,000**

Interest rate risk sensitivity analysis

An increase of 1% in interest rates applicable at the reporting date would have increased the Company's profit and net assets by $1,601,072. A decrease of 1% in interest rates would have an equal but the opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(iii) Price risk

Market prices fluctuate due to a range of factors specific to the individual investments or factors affecting the market in general. Price risk exposure arises from the Company's investment portfolio which comprises predominantly Australian listed securities with some opportunistic allocation to global securities.

The Manager's securities selection process is fundamental to the management of price risk. The Manager undertakes fundamental, in-depth, bottom-up research to identify high quality and attractively valued securities using a disciplined investment process. The investment process first assesses companies on four key quality filters: sound management, conservative debt, quality business and recurring earnings. The companies are then valued according to the differing natures of their business and ranked on a scale of one (strong overweight) to five (sell). The additional general control that applies to the Company's investment portfolio is the maximum holding in any individual security is not to exceed 15% of the portfolio net asset value. The Company's investment strategy also allows the flexibility to invest up to 25% of its investment portfolio in cash and deposit products to manage the downward risk.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

Price risk sensitivity analysis

An increase of 15% in market prices applicable at the reporting date would have increased the Company's profit and net assets by $13,675,915. A decrease of 15% in market prices would have an equal but the opposite effect. This analysis assumes that all variables remain constant.

The sensitivity of the Company's profit and net asset to price risk is estimated using the 10 years average return of the Company's benchmark (S&P/ASX 300 Accumulation Index). The analysis assumes that the Company's investments move in correlation with the index. The actual movement in security prices may vary significantly to the movement in the index.

(b) Credit risk

Credit risk is the risk of a counterparty failing to meet its financial obligations or contractual commitments resulting in a financial loss to the Company.

The maximum exposure to credit risk for derivatives is any unrealised profit and margins paid on the positions that the Company held at the reporting date. The credit risk exposure for cash, deposit holdings and debt securities is the carrying amount at the reporting date.

Transactions in listed securities are entered with approved brokers. Payment is only made once a broker has received the securities and delivery of security sold only occurs once the broker receives the payment.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following table summarises the contractual maturity of the Company's financial liabilities at the reporting date:

30 June 2015	Carrying amount $'000	Contractual cash flow $'000	At call $'000	6 months or less $'000
Non-derivative financial liabilities				
Current tax payable	547	547	-	547
Payables	2,995	2,995	-	2,995
Total	3,542	3,542	-	3,542

The Company has sufficient liquidity to meet these liabilities as the majority of its investment portfolio is considered readily realisable.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

13 Financial risk management (continued)

(d) Fair value measurement

The Company classifies fair value measurement using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table analyses within the fair value hierarchy model, the Company's financial assets and liabilities measured at fair value at 30 June 2015:

As at 30 June 2015	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equities	**91,173**	**-**	**-**	**91,173**
Unlisted unit trusts	**140,000**	**-**	**-**	**140,000**
Total	**231,173**	**-**	**-**	**231,173**

Transfers between levels

For the period ended 30 June 2015, there have been no transfers between levels.

14 Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions.

(a) Total Directors' remuneration paid and payable as at 30 June 2015 is $137,604. Details of remuneration are disclosed in the Directors' report.

(b) Directors' interests in the Company held directly or indirectly are disclosed in the Directors' report.

(c) Michael Gordon (Executive Director) is not independent in accordance with the requirements for independence set out in Principle (2) of the ASX Corporate Governance Principles. Michael is an employee of Perpetual Limited, the holding company of the Manager. Details of the Board positions he holds are disclosed in the Directors' report.

(d) Peter Scott (Chairman and Non-executive Director) is not independent in accordance with the requirements for independence set out in Principle (2) of the ASX Corporate Governance Principles. Peter is the Chairman and Director of Perpetual Limited, the holding company of the Manager.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

15 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Company considers all investments in unlisted unit trusts to be structured entities. The Company invests in unlisted unit trusts for the purpose of capital appreciation and earning investment income.

The unlisted unit trusts are managed in accordance with the investment strategy by the respective investment managers. The investment decisions of unlisted unit trusts are based on the analysis conducted by the investment managers. The return of unlisted unit trusts is exposed to the variability of the performance of the investment strategies. The underlying investment managers may receive a management fee for undertaking the management of these investments.

The Company's exposure to investments in structured entity is disclosed in the following table:

	Fair value as at 30 June 2015 $'000	Exposure 30 June 2015 %	Maximum exposure to loss 30 June 2015 $'000
Structured entity			
Perpetual Institutional Cash Management Trust	**140,000**	**56.0**	**140,000**
Total	**140,000**	**56.0**	**140,000**

The fair value of the exposure will change on a daily basis throughout the period and in subsequent periods and will cease when the investments are disposed of.

The Responsible Entity of Perpetual Institutional Cash Management Trust is Perpetual Investment Management Limited, the Manager. The structured entity does not charge any management fees and all transactions are conducted on an arms-length basis.

16 Segment information

The Company is organised into one main operating segment with only one key function, being the investment of funds predominantly in Australia together with opportunistic investments globally.

17 Commitments and contingencies

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2015.

Notes to and forming part of the financial statements for the period from 25 August 2014 to 30 June 2015

18 New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been early adopted by the Company. The assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The standard is available for early adoption.

Management does not expect this to have a significant impact on the recognition and measurement of the Company's financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Company does not apply hedge accounting.

The Company has not yet decided when to adopt AASB 9.

(ii) AASB 15 *Revenue from Contracts with Customers,* (effective from 1 January 2017)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Company's main sources of income are interest, dividends/distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, management does not expect the adoption of the new revenue recognition rules to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.

19 Events occurring after the reporting period

Since the end of the financial period, the Directors have declared a fully franked final dividend payment of 0.5 cents per share payable on 10 September 2015 (refer to note 7).

No other significant events have occurred since the reporting date which would impact on the financial position of the Company disclosed in the statement of financial position as at 30 June 2015 or on the results and cash flows of the Company for the period ended on that date.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Perpetual Equity Investment Company Limited (the "Company"):
   (a) the financial statements and notes, set out on pages 18 to 40, and the Remuneration Report within the Directors' report, are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the period ended on that date; and
      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
   (b) the financial report also complies with International Financial Reporting Standards as discussed in note 2.
   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the persons performing the functions of the Chief Executive Officer and the Chief Financial Officer for the period ended 30 June 2015.

Signed in accordance with a resolution of the Directors.

Peter Scott
Chairman

Michael Gordon
Director

Sydney
19 August 2015

KPMG

Independent auditor's report to the members of Perpetual Equity Investment Company Limited

Report on the financial report

We have audited the accompanying financial report of Perpetual Equity Investment Company Limited (the Company), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the period ended on that date, notes 1 to 19 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Perpetual Equity Investment Company Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the period ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 13 to 15 of the directors' report for the period ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Perpetual Equity Investment Company Limited for the period ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Martin McGrath
Partner

Sydney

19 August 2015

SHAREHOLDER INFORMATION

The 2015 Annual General Meeting of the Company will be held at the Company's registered office, Level 12, 123 Pitt Street, Sydney on 5 November 2015 commencing at 2:00 pm.

The ordinary shares and options of Perpetual Equity Investment Company Limited are listed on the Australian Securities Exchange under the ASX code PIC and PICO with Sydney being the home exchange.

Substantial shareholders

No substantial shareholder appeared in the Company's Register of Substantial shareholders maintained in accordance with section 671B of the *Corporations Act 2001* as at 28 July 2015.

Distribution schedule of holdings - shares as at 28 July 2015	Number of shareholders	Number of ordinary shares
1 - 1,000 shares	60	33,967
1,001 - 5,000 shares	1,460	5,483,629
5,001 - 10,000 shares	1,475	13,435,586
10,001 - 100,000 shares	3,817	133,344,260
100,001 and over shares	297	98,483,336
Total	7,109	250,780,778

Number of shareholders with less than a marketable parcel: 17.

Distribution schedule of holdings - options as at 28 July 2015	Number of optionholders	Number of options
1 - 1,000 options	2	1,500
1,001 - 5,000 options	1,358	5,125,000
5,001 - 10,000 options	1,249	11,694,828
10,001 - 100,000 options	3,308	119,989,601
100,001 and over options	314	113,196,848
Total	6,231	250,007,777

Number of optionholders with less than a marketable parcel: 3,137.

Shareholder Information (continued)

Twenty largest shareholders

The names of the twenty largest holders of ordinary shares as at 28 July 2015 are listed below:

	Number of ordinary shares	%
Navigator Australia Ltd (MLC Investment Sett A/C)*	13,905,230	5.54
Nulis Nominees (Australia) Limited (Navigator Mast Plan Sett A/C)*	6,679,374	2.66
National Nominees Limited	6,043,760	2.41
Mrs Anne Marie Thornton + Mr Brian Edmond Thornton	4,000,000	1.60
Mr Victor John Plummer	2,700,000	1.08
Australian Executor Trustees Limited (No 1 Account)	1,896,289	0.76
D E C Investments Pty Limited	1,202,596	0.48
Chronican Superannuation Fund No 2 Pty Ltd (Chronican Super Fund No 2 A/C)	1,000,000	0.40
Noilly Pty Ltd (Walmsley Family Fund A/C)	1,000,000	0.40
Boksburg Nominees Pty Ltd (The Meggitt Super Fund A/C)	850,000	0.34
Lawvan Pty Ltd (Vanlaws Super Fund A/C)	800,000	0.32
Samlar Pty Ltd (TF & CA Whelan Family A/C)	750,000	0.30
Bond Street Custodians Limited (DCOL23 - RT0157 A/C)	700,000	0.28
SLO Concepts Pty Ltd (Oldham Super Fund A/C)	676,000	0.27
BT Portfolio Services Limited (John Clark Family A/C)	650,000	0.26
Bond Street Custodians Limited (DCOL12 - DD0200 A/C)	600,000	0.24
Proism Pty Ltd (Baudish Family A/C)	585,000	0.23
HSBC Custody Nominees (Australia) Limited (Oasis Shadforth Street A/C)	565,000	0.23
Netwealth Investments Limited (Wrap Services A/C)	560,809	0.22
Yalambie Pty Ltd (Pizzey Super Fund A/C)	550,000	0.22

* Held in capacity as trustee.

Shareholder Information (continued)

Twenty largest optionholders

The names of the twenty largest holders of options as at 28 July 2015 are listed below:

	Number of options	%
Navigator Australia Ltd (MLC Investment Sett A/C)*	13,151,823	5.26
Nulis Nominees (Australia) Limited (Navigator Mast Plan Sett A/C)*	6,309,500	2.52
National Nominees Limited	5,951,960	2.38
Mrs Anne Marie Thornton + Mr Brian Edmond Thornton	4,000,000	1.60
Mr David Murray Clayton	1,950,000	0.78
Mr Domenic Antonio Strano	1,764,000	0.71
Australian Executor Trustees Limited (No 1 Account)	1,748,000	0.70
Netherfield Nominees Pty Ltd (Louise Christie S/F A/C)	1,500,000	0.60
Miss Holly De Boer	1,360,000	0.54
Chronican Superannuation Fund No 2 Pty Ltd (Chronican Super Fund No 2 A/C)	1,000,000	0.40
Noilly Pty Ltd (Walmsley Family Fund A/C)	1,000,000	0.40
Metrogrove Pty Ltd (Halcyon Retirement Fund A/C)	830,364	0.33
Lawvan Pty Ltd (Vanlaws Super Fund A/C)	800,000	0.32
Mr Pascal Schmid	775,000	0.31
Samlar Pty Ltd (TF & CA Whelan Family A/C)	750,000	0.30
Pilsail Pty Limited (Judith Cook Super Fund A/C)	713,672	0.29
Bond Street Custodians Limited (DCOL23 - RT0157 A/C)	700,000	0.28
Netherfield Nominees Pty Ltd (The Pemberley A/C)	700,000	0.28
Proism Pty Ltd (Baudish Family A/C)	680,000	0.27
BT Portfolio Services Limited (John Clark Family A/C)	650,000	0.26

* Held in capacity as trustee.

Shareholder Information (continued)

Other information

Perpetual Equity Investment Company Limited, incorporated and domiciled in Australia, is a publicly listed investment company limited by shares.

Consistency with business objectives

In accordance with ASX Listing Rule 4.10.19, the Company confirms that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission, in a way consistent with its business objectives, for the period from the Company's admission to the official list of ASX Limited on 16 December 2014 to 30 June 2015.

Voting rights

Each share will confer on its holder the right to vote at a general meeting of shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on shares (at present there are none).

On-market buy back

There is no current on-market buy back.

Final dividend

The final dividend of 0.5 cents per share will be paid on 10 September 2015 to shareholders entitled to receive dividends and registered on 27 August 2015 being the record date.

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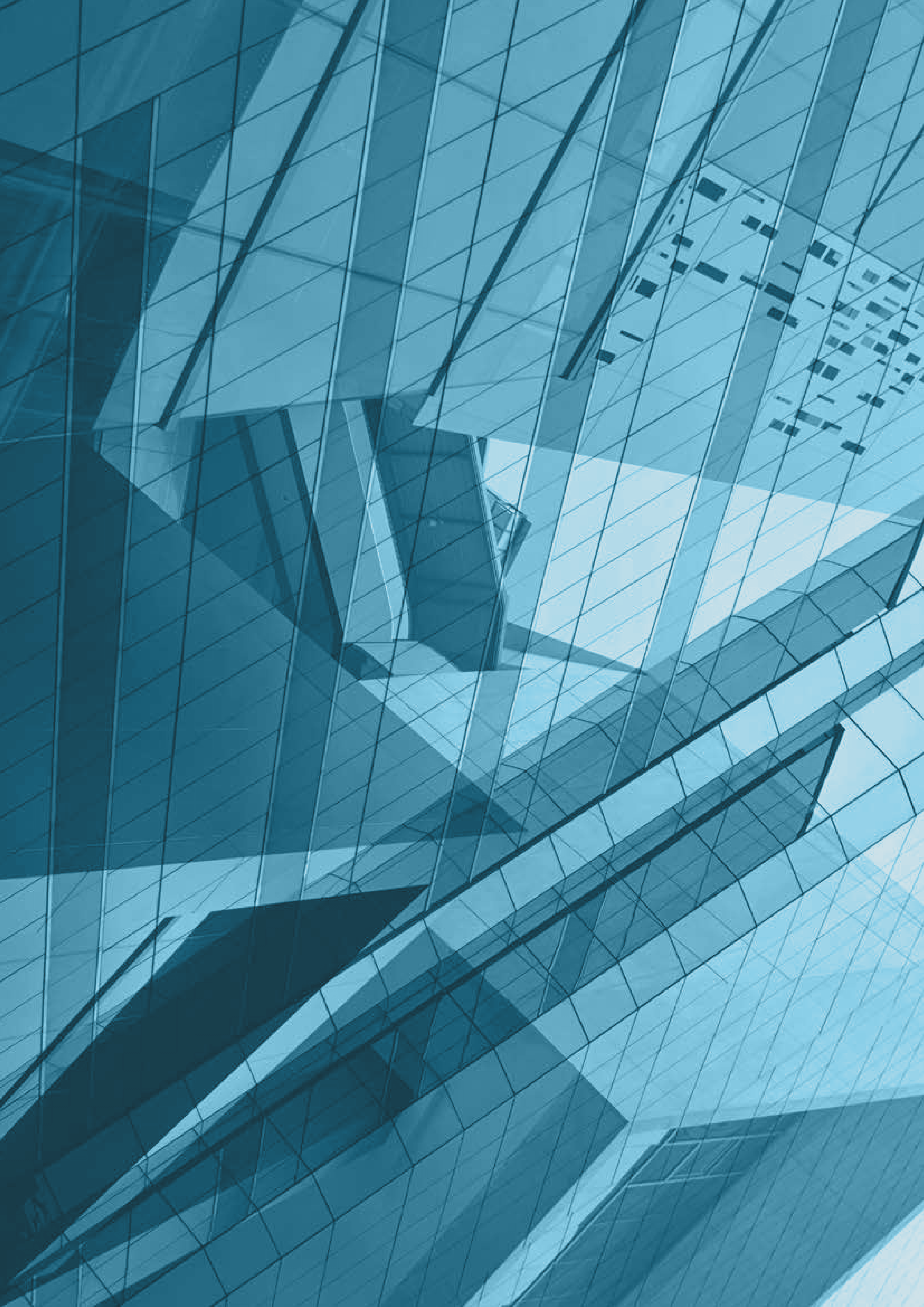

DIRECTORY

COMPANY
Perpetual Equity Investment Company Limited
ACN 601 406 419

DIRECTORS
Peter Scott
Virginia Malley
John Edstein
Christine Feldmanis
Michael Gordon

COMPANY SECRETARIES
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Joanne Hawkins

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Perpetual

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