

# PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

## ASX Announcement

21 August 2017

### **Disciplined investing sees Perpetual Equity Investment Company announce \$31.8 million net profit, up 318% on FY16**

#### **FY17 Highlights:**

- Strong growth in net profit after tax (NPAT) of \$31.8 million – up 318% on FY16
- Final dividend of 2.5 cents per share fully franked, bringing total dividends declared for FY17 to 4.7 cents per share fully franked – a 68% increase on FY16
- Investment return of 17.4%, outperforming the benchmark return by 3.6% net of management fees and operating expenses<sup>1</sup>

Investors will be rewarded with an increased dividend after the Perpetual Equity Investment Company Limited (ASX:PIC) today announced a \$31.8 million net profit for the year ending 30 June 2017, a 318% increase on FY16.

The PIC Board declared a final dividend payment of 2.5 cents per share fully franked, bringing the total dividend payment for FY17 to 4.7 cents per share fully franked. This represents a 68% increase on the total dividend payment for FY16.

PIC Chairman Nancy Fox said: “The Board’s objective is to pay a regular dividend and we remain focused on achieving this for shareholders. The Board is pleased to announce today’s dividend which is a reflection of the continued strong performance and increasing maturity of the company.”

Commenting on the 2017 financial year, Ms Fox said: “Market uncertainty appears to be the new normal. In this context it’s important to highlight PIC is managed by one of Australia’s most experienced fund managers, Perpetual Investments, with a track record of delivering consistent performance to investors for more than 50 years.”

The PIC portfolio delivered investors an increased dividend and strong growth, including an investment return after management fees and operating expenses of 17.4%, outperforming the benchmark return by 3.6%<sup>1</sup>.

PIC portfolio manager Vince Pezzullo said: “The portfolio has delivered strong investment returns against a backdrop of market uncertainty. PIC’s key differentiator in the market – capacity to invest up to 25% of the portfolio in global equities – has the ability to enhance returns and better manage market risk.

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<sup>1</sup> Returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends. Any tax paid and provisions for deferred tax on set up costs and on unrealised gains and losses are excluded. Past performance is not indicative of future performance. The benchmark is the S&P/ASX300 Accumulation Index.

“The Australian equity market provides a concentrated exposure to the Financials and Materials sectors. We believe it’s important to provide investors with genuine diversification outside of this and the opportunity to benefit in global growth sectors such as Healthcare and Information Technology, which we have done throughout the year.

“Over the year the portfolio had an average global exposure of 18%, which is reflective of the opportunities we’ve identified abroad. Deutsche Boerse AG, ICON Plc and Bank of America Corporation are just three examples of global stocks that have contributed to performance.”

### **Continued discipline**

PIC is managed by Perpetual Investments, with an investment philosophy and process focused on buying high quality companies at prices below what is perceived as true value.

“This process means we do not focus on trying to predict where markets and prices are heading. We make investment decisions based on in-depth research which allows us to understand the fundamental risks and opportunities of each company we own in the portfolio.”

“We remain committed to this approach which has proven beneficial for investors over the long-term.”

PIC is one of the few Listed Investment Companies in Australia to release its Net Tangible Assets (NTA) per share daily, ensuring our shareholders always have a current valuation of the investment portfolio. As at 30 June 2017, the value of the portfolio’s NTA per share was \$1.097 after tax<sup>2</sup>. The NTA per share continues to grow and is \$1.105 after tax<sup>2</sup> as at 17 August 2017.

For further information please visit: [www.perpetualequity.com.au](http://www.perpetualequity.com.au).

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*The issuer of the securities referred to in this publication is Perpetual Equity Investment Company Limited ACN 601 406 419. Further information on PIC is available at [www.perpetualequity.com.au](http://www.perpetualequity.com.au).*

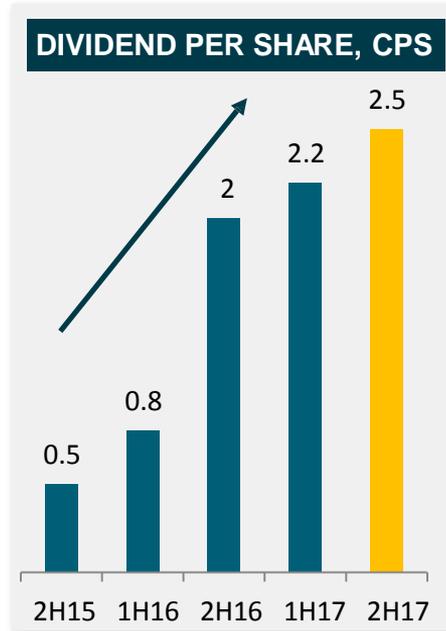
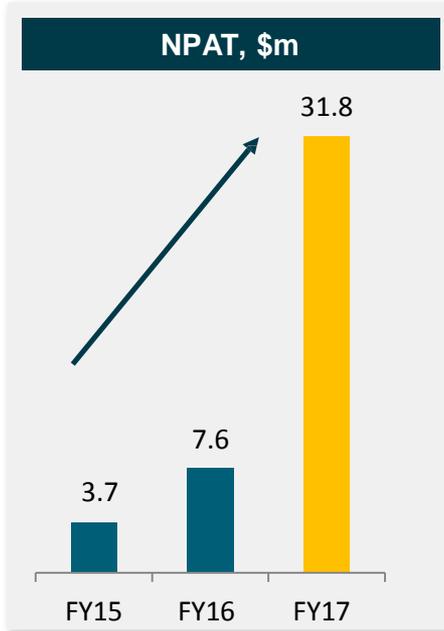
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<sup>2</sup> All figures are unaudited and approximate.

# FULL YEAR 2017 OVERVIEW

## STRONG RESULTS AND INCREASED DIVIDEND



**\$31.8m**

Operating profit  
after tax

**4.7 cents**

Fully franked total  
dividends per share for  
FY17

**\$1.097\***

Net tangible assets  
after tax per share

**17.4%^**

Investment performance  
1 year to 30 June 2017

Source: Perpetual Equity Investment Company Limited (PIC) as at 30 June 2017.

\*After tax refers to after tax paid and provisions for deferred tax on set-up costs and on unrealised gains and losses in the Company's investment portfolio.

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