



Media Release

Perpetual Equity Investment Company (PIC) receives ratings from Lonsec and Zenith

PIC now officially open to investors

22 October 2014

As it officially opens to investors, Perpetual Investments' first listed investment company - the Perpetual Equity Investment Company Limited (ASX: PIC) - has received a 'Recommended' rating from research house Lonsec and 'Recommended' rating from Zenith.

Lonsec identified Perpetual's "long-standing investment philosophy and process" as "one of the key strengths of this offering". Similarly, Zenith stated that it "has a high level of confidence in Perpetual's investment process and believes that PIC will generate excess returns for its investors over the medium to long-term."

The Zenith report also commented that it "sees PIC as a LIC with solid potential as part of a diversified equities portfolio".

PIC offers its own diversified portfolio through investment in Australian listed securities with typically a mid-cap focus, as well as up to 25% of the portfolio's net asset value in opportunistic allocation to global listed securities. Its structure also offers the flexibility to manage potential equity market risk by moving up to 25% of the portfolio's net asset value into cash and deposit products.

Lonsec highlighted that it, "considers the ability... to alter the asset allocation to global equities and cash to enhance the risk management practices of PIC".

Designed to deliver regular income and long-term capital growth, Perpetual Investments Portfolio Manager, Vince Pezzullo, said these benefits would be attractive to the growing SMSF market.

"Diversification is important in SMSF portfolios, as is flexibility and liquidity. Through PIC we have the ability to increase or decrease our allocation to Australian equities, global equities and cash, based on market conditions," Mr Pezzullo said.

“The allocation to global equities in particular offers investors access to the growth opportunities available through investing overseas.”

Zenith’s assessment also praised Perpetual’s “conceptually sound, rigorous and repeatable” investment process and its experienced investment team and stated: “PIC should suit investors seeking an Australian focussed equities exposure while Perpetual's strong value bias should provide resilience in falling markets along with a steady dividend income.”

“PIC marries the best ideas from Perpetual’s time proven Australian and global equities strategies. Our internal investment team is a deep research engine, expert in bottom-up stock picking which avoids the biases of the ASX300,” Mr Pezzullo.

In its ratings report, Lonsec stated its “high regard for Perpetual’s quality-focused and valuation-driven research process”. It also shared its “favourable view of the investment skill and growing portfolio management track record of Vince Pezzullo as well as the depth and experience of the wider equities investment team”.

Further reinforcing the Perpetual Investment team's capability and solid track record, last week the Wealth Focus Perpetual Industrial Share Fund, which is co-managed by Mr Pezzullo and Portfolio Manager, Nathan Parkin, won the Super Ratings Fund of the Year Awards for the Australian Shares category based on five-year returns.

PIC’s offer period is now open until 28 November 2014 with a minimum raising target of \$150 million. The offer has been arranged through CBA Equities and Taylor Collison and is being jointly managed by Macquarie Capital, Morgan Stanley Australia and ANZ Securities. The co-lead managers are Baillieu Holst and Lonsec.

For further information please visit www.perpetualequity.com.au

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