

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

KEY ASX INFORMATION

As at 31 March 2016

ASX code: PIC

Listing date: 18 December 2014

Market capitalisation: \$232,523 million

Share price: \$0.925

Shares on issue: 251,376,662

Options on issue: 249,645,277

Options ASX Code: PICO

Options expiry date: 10 June 2016

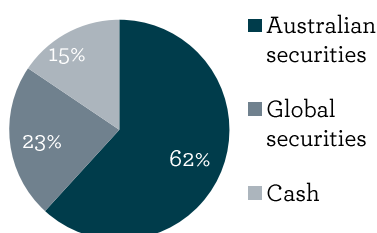
Options Share price: \$0.001

MARCH 2016 MONTHLY INVESTMENT UPDATE AND NTA REPORT

PORTFOLIO PROFILE

ALLOCATION OF INVESTMENTS

85% of capital invested in securities.



PERFORMANCE

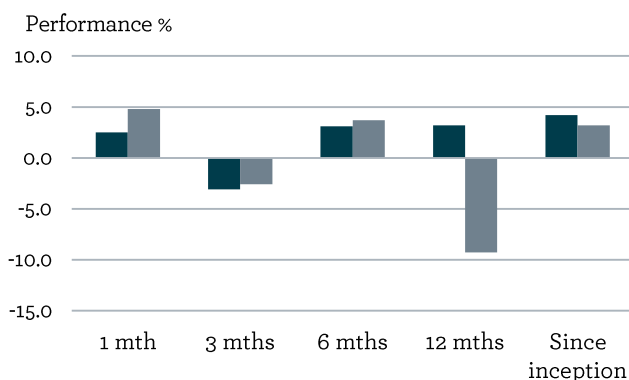
Net of fees, expenses and tax paid

AS AT 31 MARCH 2016	1 MTH	3 MTHS	6 MTHS	12 MTHS P.A.	SINCE INCEP P.A.
PIC	2.5%	-3.1%	3.1%	3.2%	4.2%
S&P/ASX 300 Acc Index	4.8%	-2.6%	3.7%	-9.3%	3.2%
Performance Relative to benchmark	-2.3%	-0.5%	-0.6%	12.5%	1.0%

Inception date is 18 December 2014.

PERFORMANCE - PIC VS BENCHMARK

■ PIC
■ S&P/ASX 300 Accum Index



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. Inception date is 18 December 2014

PORTFOLIO COMMENTARY

The Portfolio performance, as measured by the growth of the net assets per share plus dividends, was 2.5% in March, underperforming the benchmark by 2.3%. Since listing, the Perpetual Equity Investment Company Limited (PIC) has returned 4.2% per annum exceeding the benchmark return by 1.0%.

One of the recent additions to the portfolio has been Ansys Inc (NASDAQ stock code: ANSS). Ansys is the largest engineering software simulation company in the world commanding around 25% market share and twice as big as their next largest competitor. The company has grown rapidly over the past fifteen years under excellent management. It has no debt and holds net cash on its balance sheet. The Manager believes this is a quality and unique industrial company with no comparable company existing in Australia. It has a history of delivering solid results, even in tougher economic times and often trades at a premium valuation. The Manager took advantage of price weakness in early 2016 to establish a position.

Markets rallied strongly in March lead by a recovery in banks and resources. PIC underperformed the benchmark as the portfolio continues to hold none of the four major Australian banks and no large resource companies.

Eighty five percent of PIC's capital is invested in equity securities with 62% in Australian securities and 23% in global securities. Fifteen percent of the portfolio is in Cash.

Shareholders are reminded that PIC Options expire on 10 June 2016. If you would like to exercise your Options please contact LINK on +61 1800 421 712 to obtain an Option exercise form.

Perpetual

MARKET REVIEW

The Australian equity market, as measured by the S&P/ASX 300 Accumulation Index, rose 4.8% during March. Global markets posted strong returns over the month as accommodative central bank activity and positive economic data saw investor sentiment improve following two months of heightened volatility. Following dovish commentary from Federal Reserve chair Janet Yellen, markets paired back expectations on the rate of future US interest rate rises, which led to a sharp selloff in the US dollar. Meanwhile the European Central Bank cut its main refinancing and deposit rates and raised its quantitative easing purchases from €60bn to €80bn per month. Fears around China's softening economy receded somewhat as industrial firms delivered profit growth after 7 months of decline. However most other economic data was relatively weak and the People's Bank of China reduced the reserve requirement ratio for the fifth time in the past 12 months. Iron ore rallied strongly, posting its largest ever one day gain of 19.0% before retreating to close the month up 8.3%. Oil also delivered strong gains with Brent crude up 7.7% on the prospect of potential supply cut agreements amongst major producers.

The domestic market delivered strong returns despite underperforming its global peers. Australian economic data was mixed and the Reserve Bank left rates unchanged at 2.0%. The Australian dollar had a very strong month, appreciating against most major currencies and rising 7.7% against the USD to 0.7693. Bank stocks broke their two month losing streak to post solid gains and mining stocks also outperformed on the back of rising commodity prices.

The best performing sectors for the month were financials ex-property (+6.7%), energy (+6.2%) and materials (+6.0%). The worst performers were health care (+0.4%), utilities (+1.3%) and industrials (+2.3%). As a whole, industrial stocks (+4.5%) underperformed resource stocks (+6.7%) and large cap stocks (+4.6%) underperformed small cap stocks (+5.5%).

TOP SECURITIES

TOP 5 AUSTRALIAN SECURITIES AS AT 31 MARCH 2016

COMPANY	PORTFOLIO WEIGHT
Woolworths Ltd	11.0%
Caltex Australia Ltd	8.4%
Suncorp Group Ltd	7.3%
Sky Network Television Ltd	6.9%
BlueScope Steel Ltd	6.6%

TOP 3 GLOBAL SECURITIES AS AT 31 MARCH 2016

COMPANY	PORTFOLIO WEIGHT
Royal Philips	8.1%
Bank of America Corp	7.4%
Ansys Inc	2.7%

NET TANGIBLE ASSET (NTA) BACKING PER ORDINARY SHARE¹

AS AT 31 MARCH 2016	AMOUNT
NTA before tax ²	\$1.011
NTA after tax	\$1.014

Daily NTA is available on the website.

¹All figures are unaudited and approximate.

²The before and after tax numbers relate to provisions for deferred tax on set-up costs and on unrealised gains and losses in the Company's investment portfolio.

Perpetual 

INVESTMENT PHILOSOPHY

INVESTMENT OBJECTIVE

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 year investment periods.

INVESTMENT STRATEGY

The Company's investment strategy is to create a concentrated and actively managed portfolio of Australian securities with typically a mid-cap focus and global listed securities.

The Company will provide investors with the opportunity to invest in an actively managed portfolio and to gain access to the investment management experience and expertise of the Manager.

ABOUT THE MANAGER

The Company's investment portfolio is managed by Perpetual Investment Management Limited, part of the Perpetual Group, whose consistent track record of investing excellence is underpinned by its proven investment process that focuses on value and quality.

PORTFOLIO MANAGER

Vince Pezzullo - Perpetual Investments

Vince has over 20 years' experience in the financial services industry, has outperformed consistently and has prior global experience as both an analyst and a portfolio manager. Vince leverages the expertise of the Perpetual Investments' Equity team, one of the largest investment teams in Australia.

PERPETUAL KEY CONTACTS

NSW

Stuart Dunn
State Manager, Perpetual Investments
P: 0414 889 001
E: stuart.dunn@perpetual.com.au

VIC/SA

Daniel Moore
State Manager, Perpetual Investments
P: 0400 032 819
E: daniel.moore@perpetual.com.au

QLD

Tony Harte
State Manager, Perpetual Investments
P: 0407 708 109
E: michael.gollagher@perpetual.com.au

WA

Tim McCallum
State Manager, Perpetual Investments
P: 0411 209 403
E: tim.mccallum@perpetual.com.au

This monthly report has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 and Perpetual Trustee Company Limited ABN 42 000 001 007 AFSL 236643. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of the Company or the return of an investor's capital.

CONTACT DETAILS

Investor queries: Telephone: +61 1800 421 712
Mailing address: Link Market Services, Locked Bag A14, Sydney South, NSW 1235
Email: pic@linkmarketservices.com.au
www.perpetualequity.com.au
Page 3 of 3

