

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419



MONTHLY INVESTMENT UPDATE AND NTA REPORT

MONTH IN REVIEW

The Australian equity market, as measured by the S&P/ASX 300 Accumulation Index, rose 2.0% during December. Global equity markets had a mixed month, with early declines offset by a mid-month rally following guidance from the US Federal Reserve that it would 'be patient' before raising rates. The price of oil fell heavily during the month (-19.2%) slumping to a five and a half year low following OPEC's decision to maintain its current production levels despite weaker prices and increasing output from Russia and Iraq. This led to further volatility around the globe, particularly amongst oil-exporting countries. The Australian dollar fell heavily against most major currencies as the RBA reinforced its view that the currency remains overvalued. Governor Glenn Stevens indicated that a rate 0.75 against the USD would be most favourable for the economy and the dollar closed the month down 4.1% at US\$0.8183.

PORTFOLIO COMMENTARY

The macroeconomic environment remains challenging, with asset prices displaying increased levels of volatility as growth prospects around the globe begin to diverge. The Manager will continue to cautiously deploy capital over the next 3-6 months as attractive investment opportunities become available. Once the Company is fully invested we will disclose selected stock commentaries, the top securities in the portfolio and information on the allocation of investments.

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

As at 31 December 2014
ASX code: PIC
Listing date: 18 December 2014
Market capitalisation: \$245.39 million
Share price: \$0.98
Shares on issue: 250,394,278
Options on issue: 250,394,277

NET TANGIBLE ASSET (NTA) BACKING PER ORDINARY SHARE¹

	AMOUNT
NTA before tax ²	\$0.973
NTA after tax	\$0.981

Daily NTA is available on the website.

¹All figures are unaudited and approximate.

²The before and after tax numbers relate to the provision for deferred tax on the unrealised gains in the Company's investment portfolio.

PERFORMANCE - NET OF FEES, EXPENSES AND TAX PAID

PERFORMANCE	SINCE INCEPTION
PIC	0.1%
S&P/ASX 300 Accumulation Index	4.1%
Performance Relative to benchmark	-4.0%

Inception date is 18 December 2014.

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, any income tax and any realised capital gains tax) and assuming reinvestment of dividends. Past performance is not indicative of future performance.

PORTFOLIO PROFILE

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.

TOP SECURITIES

The Manager may take up to approximately three to six months to fully invest the Portfolio to within the investment guidelines. When the Portfolio is fully invested the Company will disclose the top 10 Australian securities and top 5 International securities and their weightings in the Portfolio.

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