



PERPETUAL
EQUITY
INVESTMENT
COMPANY
LIMITED

CAPITAL RAISING

20 AUGUST 2018

IMPORTANT TO NOTE

This investor presentation (Presentation) has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426 and issued by Perpetual Trustee Company Limited (PTCo) ABN 42 000 001 007, AFSL 236643. PIML is the Manager for the Perpetual Equity Investment Company Limited (PIC) ACN 601 406 419. This Presentation has been prepared in connection with the offer of new PIC ordinary shares (New Shares) via a non-renounceable pro rata entitlement offer to eligible shareholders, an offer of the shortfall under the Entitlement Offer to eligible shareholders who wish to subscribe for New Shares in excess of their entitlement and to eligible investors and a general offer to eligible investors (collectively, the Offer).

This Presentation contains summary information about the current activities of PIC as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete.

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NOT AN OFFER: The Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products. The Offer will be made on the basis of the information to be contained in the prospectus to be prepared for eligible shareholders and eligible investors in Australia and New Zealand (Prospectus), and made available following its lodgement with ASX. Any eligible investor in Australia and New Zealand who wishes to participate in the Offer should consider the Prospectus before deciding whether to participate in the Offer. Anyone who wishes to apply for New Shares under the Offer will need to apply in accordance with the instructions contained in the Prospectus and the accompanying entitlement and acceptance form and/or general offer application form (as applicable). The distribution of this Presentation in other jurisdictions outside Australia and New Zealand may also be restricted by law and any such restrictions should be observed. By accepting this Presentation you represent and warrant that you are entitled to receive such Presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

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IMPORTANT TO NOTE (CONTINUED)

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Forward looking statements are based on assumptions and are not guarantees of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Past performance is not necessarily a guide to future performance. Nothing contained in this Presentation is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

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INVESTMENT RISK: An investment in PIC shares is subject to investment and other known and unknown risks, some of which are beyond the control of PIC including possible loss of income and principal invested. PIC does not guarantee any particular rate of return or the performance of PIC, nor does it guarantee the repayment of capital from PIC or any particular tax treatment. In considering an investment in PIC shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.

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INVESTING FOR REGULAR INCOME AND LONG-TERM CAPITAL GROWTH

MANAGER WITH PROVEN TRACK RECORD

PERPETUAL
EQUITY
INVESTMENT
COMPANY



Immediate exposure
to an actively managed
portfolio of stocks



Flexibility to invest
25% in global listed
securities and
25% in cash



A regular fully
franked
dividend stream



Committed to
transparency and
keeping investors
informed

INVESTMENT OBJECTIVES

- Deliver a growing income stream
- Provide long term capital growth
- Exceed its benchmark

PORTFOLIO MANAGER – VINCE PEZZULLO

- 20+ years in financial services industry
- Extensive domestic and global equity experience

COMPANY OVERVIEW

KEY FACTS AS AT 31 JULY 2018

PERPETUAL
EQUITY
INVESTMENT
COMPANY

COMPANY NAME	Perpetual Equity Investment Management Limited
ASX CODE	PIC
INVESTMENT MANAGER	Perpetual Investment Management Limited
LISTING DATE	18 December 2014
MARKET CAPITALISATION	\$308 million
SHARE PRICE	\$1.21
NTA BEFORE TAX	\$1.172
NTA AFTER TAX	\$1.152
INVESTMENT OBJECTIVE	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	To create a concentrated and actively managed portfolio of Australian securities with typically a mid-cap focus and global listed securities (up to 25%). Can hold up to 25% in cash.
NUMBER OF STOCKS	As a guide, 20 to 40 securities
INVESTMENT PHILOSOPHY	The Manager's proven quality and value focus that uses four quality filters to ensure only quality companies with attractive valuations are selected.
PORTFOLIO MANAGER	Vince Pezzullo – Deputy Head of Equities, Perpetual Investment Management Limited

Source: Perpetual Equity Investment Company Limited as at 31 July 2018

OFFER STRUCTURE

CAPPED AT APPROXIMATELY \$101.24 MILLION

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Perpetual Equity Investment Company Limited (ASX:PIC)

ENTITLEMENT OFFER

Entitlement Offer to Eligible Shareholders at the record date of 23 August 2018:

- Each Eligible Shareholder is entitled to acquire: 1 New Share for every 4 Existing Shares
- Issue price: \$1.12 per share
- Entitlement Offer to raise up to approximately \$71.24 million

SHORTFALL OFFER

If the Entitlement Offer is not fully taken up by Eligible Shareholders, an offer of the shortfall to:

- Eligible Shareholders who wish to apply for additional New Shares
- General public
- Issue price of \$1.12 per share

GENERAL OFFER

An Offer to the general public to subscribe for New Shares:

- Issue price of \$1.12 per share
- General Offer to raise up to \$30 million

Note: All New Shares issued under the Offer will be eligible to receive the 2018 final dividend.

KEY DATES FOR THE OFFER

Announcement of the Entitlement Offer, Shortfall Offer and General Offer	Monday 20 August
Opening of the General Offer	Monday 20 August
Ex Date for the Entitlement Offer	Wednesday 22 August
Record Date for the Entitlement Offer (7.00pm AEST)	Thursday 23 August
Opening Date for the Entitlement Offer and Shortfall Offer	Tuesday 28 August
Closing Date for the Entitlement Offer (5.00pm AEST)	Wednesday 26 September
New Shares under the Entitlement Offer quoted on a deferred settlement basis	Thursday 27 September
Closing Date for the General Offer and Shortfall Offer (5.00pm AEST)	Friday 28 September
New Shares under the Entitlement Offer trade on normal settlement basis	Thursday 4 October
New Shares under the General Offer and Shortfall Offer trade on normal settlement basis	Wednesday 10 October
Ex Dividend Date	Thursday 18 October
Dividend Record Date (7.00pm AEDT)	Friday 19 October

OFFER DETAILS

ENTITLEMENT OFFER, SHORTFALL OFFER AND GENERAL OFFER

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ENTITLEMENT OFFER

Ratio	1 for 4 non-renounceable Entitlement Offer
Offer price	\$1.12 per New Share* (approximately 6.7% discount to the closing share price on 15 August 2018 of \$1.20; approximately 5.2% discount to the NTA before tax on 15 August 2018 of \$1.182; approximately 3.5% discount to the NTA after tax on 15 August 2018 of \$1.161)
Offer size	To raise up to approximately \$71.24 million
Top up facility	Eligible Shareholders may apply for additional shares in excess of their 1 for 4 entitlement
Eligibility	PIC shareholders who have a registered address in Australia or New Zealand as at the Record Date of 23 August 2018 (7.00pm AEST)
Potential scale back	Shares available under the Top-Up Facility will not exceed the total number of shares not taken up by Eligible Shareholders pursuant to their Entitlements. Therefore, applications under the Top-Up Facility may be subject to scale back, at the Directors' discretion.

GENERAL OFFER AND SHORTFALL OFFER

Offer price	\$1.12 per New Share
Offer size	\$30 million for the General Offer plus any Shortfall Offer
Shortfall Offer	New Shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility may be offered to investors under the Shortfall Offer

Joint Lead Managers: Commonwealth Securities Limited, Morgans Financial Limited and Taylor Collison Limited

*Note: All New Shares issued under the Offer will be eligible to receive the 2018 final dividend.

BENEFITS OF THE OFFER

A NEW OPPORTUNITY TO INVEST



Managed by Perpetual Investment Management Limited, **one of Australia's most experienced fund managers.**



Access to a **high quality portfolio** of Australian and global securities selected by the Manager.



The Manager is paying the costs of the Offer.



No brokerage is incurred.



A track record of **paying a regular fully franked dividend** (Annual dividend yield is 5.38%, grossed up to 7.55%)¹. **All New Shares are eligible for the final dividend payment** of 3.3 cents per share.

¹ Based on a grossed up dividend of 8.8 cents per share (grossed up to take franking credits into account), and the closing share price of \$1.17 on 30 June 2018.

PRO FORMA BALANCE SHEET

POST CAPITAL RAISE

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TABLE 16.1 PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018	AUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 \$'000	PRO FORMA ADJUSTMENTS \$'000	PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 \$'000
ASSETS			
Cash and cash equivalents	69,093	101,244	170,337
Financial assets held at fair value through profit and loss	224,382	-	224,382
Receivables	1,590	-	1,590
Total Assets	295,065	101,244	396,309
LIABILITIES			
Current tax payable	(531)	-	(531)
Payables	(388)	-	(388)
Deferred tax liability	(4,159)	-	(4,159)
Total Liabilities	(5,078)	-	(5,078)
Net Assets	289,987	101,244	391,231
EQUITY			
Contributed Equity	249,861	101,244	351,105
Retained Earnings	10,403	-	10,403
Profit Reserve	29,723	-	29,723
Total Equity	289,987	101,244	391,231
Net Tangible Asset (pre-tax) per share	1.156	-	1.147
Net Tangible Asset (post-tax) per share	1.139	-	1.135

EXECUTIVE SUMMARY



CAPITAL STRUCTURE



Existing Shares on issue	254,442,926
Approximate New Shares issued under the Entitlement Offer ¹	63,610,732
New Shares offered under the General Offer	26,785,714
Approximate total number of Shares after issue of New Shares ¹	344,839,372
Amount to be raised under the Offer ¹	\$101.24 million

OFFER DETAILS



The Offer is not underwritten
The Company will not accept oversubscriptions
No brokerage or stamp duty will be payable by applicants.

Joint Lead Managers: Commonwealth Securities Limited, Morgans Financial Limited and Taylor Collison Limited.

1. Assuming the Offer is fully subscribed.

FOR FURTHER INFORMATION

The Offer will be made in a Prospectus issued by the Company and you should obtain and read a copy of the Prospectus in its entirety when considering whether to participate in the Offer.

You can download an electronic copy of the Prospectus and the application form online at www.perpetualequity.com.au You can also request a paper copy of the Prospectus and the application form by calling the Offer Information Line on (+61) 1800 421 712 between 8.30am and 5.30pm (AEST) Monday to Friday.

You should consult your stockbroker, accountant or other professional adviser for advice in relation to the Offer.

If you have any questions in relation to the Offer please call the **Offer Information Line on (+61) 1800 421 712** between 8.30am and 5.30pm (AEST) Monday to Friday or visit www.perpetualequity.com.au.