

INVESTMENT UPDATE AND NTA REPORT

JANUARY 2024

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 31 JANUARY 2024	AMOUNT
NTA after tax	\$1.261
NTA before tax	\$1.284

Daily NTA is available at www.perpetualequity.com.au

All figures are unaudited and approximate.

The before and after tax numbers relate to provisions for deferred tax on unrealised gains and losses of the Company's investment portfolio.

NTA figures are calculated as at the end of day on the last business day of the month.

KEY ASX INFORMATION

AS AT 31 JANUARY 2024

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	\$444 million
Share Price:	\$1.17
Shares on Issue:	379,548,351
Dividends:	Half-yearly
Management Fee:	1.00% p.a.*
Manager:	Perpetual Investment Management Limited

* exclusive of GST

INVESTMENT PERFORMANCE

AS AT 31 JANUARY 2024	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS p.a.	3 YRS p.a.	5 YRS p.a.	7 YRS p.a.	SINCE INCEP p.a.
PIC Investment Portfolio <small>Net of fees, expenses and before tax paid</small>	3.3%	11.0%	0.1%	3.2%	3.4%	9.8%	11.3%	9.5%	9.3%
S&P/ASX 300 Acc Index	1.1%	13.9%	5.6%	6.7%	9.1%	9.3%	9.7%	8.8%	8.7%
Excess Returns	2.2%	-2.9%	-5.5%	-3.5%	-5.7%	0.6%	1.6%	0.7%	0.6%

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 and excluding tax paid. Any provisions for deferred tax on unrealised gains and losses are excluded. Past performance is not indicative of future performance. Inception date is 18 December 2014. Portfolio and Index return may not sum to Excess Return due to rounding.

TOP 10 STOCK HOLDINGS

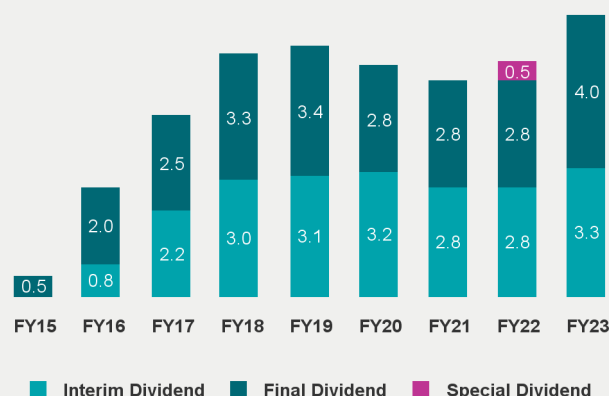
COMPANY	PORTFOLIO WEIGHT
BHP Group Ltd	10.0%
Commonwealth Bank of Australia	7.2%
National Australia Bank Limited	6.8%
Flutter Entertainment Plc	5.9%
Goodman Group	4.8%
Whitehaven Coal Limited	4.5%
La Francaise des Jeux SA	4.0%
Santos Limited	3.8%
Origin Energy Limited	3.7%
GWA Group Limited	3.1%

Portfolio weight based on direct investments in securities and does not include any derivative exposure

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 6.2%

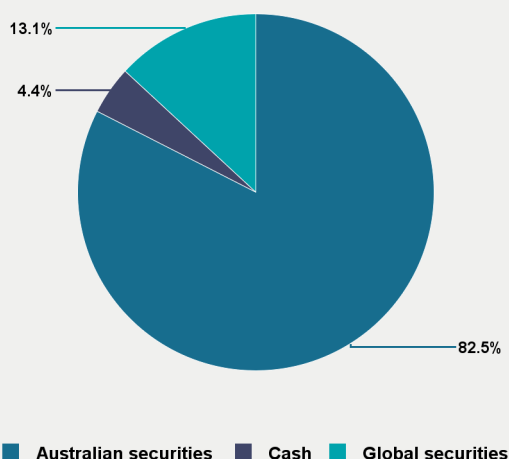
Grossed up annual dividend yield: 8.9%



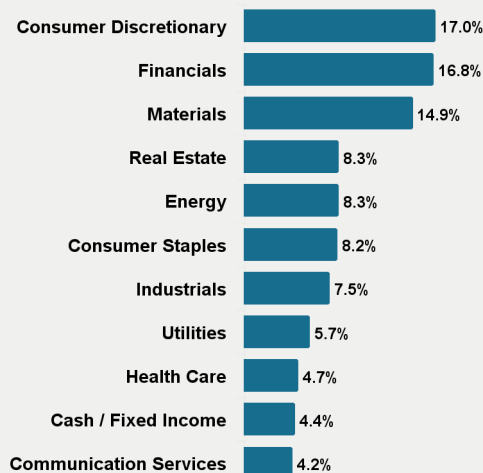
Yield is calculated based on the total dividends of 7.3 cents per share and the closing share price of \$1.170 as at 31 January 2024. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS[^]

95.6% of capital invested in securities



PORTFOLIO SECTORS[^]



[^]Weightings calculated based on direct investments in securities and any indirect exposure via S&P /ASX 200 related derivatives. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

COMPANY NEWS

HALF YEAR RESULTS 2024

The Company's half year results for financial year 2024, including any dividend announcement, will be announced on Tuesday 20 February 2024. Indicative key dates for 2024 are now available on the [PIC website](#).

PORTFOLIO COMMENTARY

Market Review

The S&P/ASX300 rose 1.1% in January. The Energy and Financial sectors bounced back strongly in January after the dominance of growth (Healthcare) and interest rate sensitive stocks (Real Estate) in the closing quarter of 2023. Materials bellwethers BHP and Rio also sold off in January after hitherto strong iron ore prices began to weaken. Growth and bond proxies had rallied strongly into Christmas in response to the Federal Reserve pivoting towards rate cuts. However, as January unfolded markets began to question the timing and scale of the rate cuts. Economic data proved stronger than expected and the size of the late 2023 market rally also loosened financial conditions to the extent that the need for immediate cuts were increasingly questioned.

Portfolio

Net investment performance for PIC was 3.3%[^] in January, outperforming the benchmark by 2.2%. Pleasingly many of our key positions re-bounded as fundamentals became more important in driving the market. This contrasted to the market being more driven by macro factors in late 2023, including hopes of a Fed pivot towards lower interest rates that fired up growth stocks and bond proxies mentioned above.

Our position in Flutter Entertainment Plc led the pack, strongly contributing to performance as the stock rose (20.5%) over the month. The share price rose in response to a positive trading update in mid-January and in the lead up to the dual listing of Flutter on the NYSE that went live in late January. The trading update highlighted a strong Q4 performance for the key US asset FanDuel where market share increased sequentially in both online sports betting and online casino. This outcome was a timely reminder to investors of the dominant position FanDuel holds in the rapidly growing US market. Flutter also announced it is planning to move its primary listing to the US later this year. We are supportive of the move in listing to the US given the increasing materiality of FanDuel to the overall valuation of the company.

Whilst we have typically been unhedged in recent years with the Australian dollar (AUD) drifting to lower levels, particularly against a resurgent US dollar, the AUD has now fallen to multi-year lows. To protect against any appreciation in the AUD we have begun hedging the majority of our global exposure.

Outlook

Markets are increasingly focused on the direction of the economy. Concerns of a recession in the near term keep fading and instead markets are trying to determine the extent to which the Fed has pulled off a soft landing or even no landing. Some have pointed to the strong performance of US tech as indicating we are heading to a late 1990s growth market whilst others highlight the risks that we are still in a 1970s environment marked by rising energy costs, geopolitical instability and shorter economic cycles. Hovering in the background however we continue to consider significant challenges of higher interest rates, lingering challenges in the financial system including troubled commercial property loans and losses from the 2023 US banking crisis.

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REMINDER: TAX CERTIFICATION COMPLETION

Under the Australian Government's participation in Automatic Exchange of Information (AEOI) regimes, PIC is required to collect CRS certification information and an investor's tax residency from shareholders. The information in certain circumstances may be reported to the Australian Taxation Office (ATO) which in turn reports to various global tax authorities.

Please check that you have completed your CRS certification by logging into the Link investor portal [here](#).

From there, under the Payments & Tax tab you will find 'CRS', where you can fill in the Self Certification. Completing this information online is straightforward as the questions will guide you, and in some instances, it is only a couple of steps.

If you do not certify, PIC may be required to provide information about your account to the ATO. For more information on the self-certification process via Link please click [here](#). For further information on FATCA and CRS, please visit [here](#).

WHY CHOOSE THE PERPETUAL EQUITY INVESTMENT COMPANY?

- Designed to deliver investors an income stream of **fully franked dividends**.
- **Active management** to vary the portfolio's exposure to equity market risk, and to enhance the value of the portfolio when opportunities arise both domestically and globally.
- **Flexibility** to invest up to 35% in global securities and up to 25% in cash for diversification with the intention to add returns above the benchmark, or to manage downside risk.
- Access to Perpetual's tried and tested **quality and value** investment process that assesses companies on 4 key quality criteria: quality of business, conservative debt, sound management and recurring earnings.
- **Depth and breadth** of Perpetual's investment team enables it to conduct extensive company visits each year and make decisions to invest in high quality and attractively valued securities based on fundamental, in-depth, bottom-up research.
- **Ease of access** as you can buy and sell PIC on the ASX.
- **Daily NTA published on the ASX** to provide transparency of the portfolio.

KEY FEATURES

INVESTMENT OBJECTIVE

The investment objective of the Company is to provide investors with an 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 typically hold 20 to 40 securities.

50% - 100%	Australian listed securities
0% - 35%	Global listed securities
0% - 25%	Cash

The Manager typically expects that the portfolio will be unhedged. Currency exposures may be hedged defensively where the Manager sees significant risk of currency weakness, but no attempt is made to add value to the portfolio by actively managing currency. Derivatives are permitted.

ABOUT THE MANAGER

The Company's investment portfolio is managed by Perpetual Investment Management Limited, part of the Perpetual Group, whose has a longstanding commitment to deliver superior outcomes over the long-term for clients. This is underpinned by its proven investment process that focuses on value and quality.

PORTFOLIO MANAGER

Vince Pezzullo
Perpetual Asset Management Australia
Vince has over 25 years' experience in the financial services industry, and has prior global experience as both an analyst and a portfolio manager. Vince is Head of Equities and leverages the expertise of Perpetual Asset Management Australia's Equity team, one of the largest investment teams in Australia.

All investments are subject to risk which means the value of investments may rise or fall, which means that you may receive back less than your original investment or you may not receive income over a given time frame. Refer to announcements and other information for the Company lodged with the ASX, which is available at www.asx.com.au. A financial adviser can assist you in determining whether an investment in the Company is suited to your objectives, financial situation or needs.

CONTACT DETAILS

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FIND OUT MORE

Visit our website www.perpetual.com.au/equity to access a range of information including Monthly Investment Updates, Portfolio Manager insights, dividend history and educational resources.

This report was prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. PIML is the Manager for the Perpetual Equity Investment Company Limited (Company) (ASX: PIC) ACN 601 406 419. This report is in summary form and is not necessarily complete. It should be read together with other announcements for the Company lodged with the ASX, which are available at www.asx.com.au.

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This report may contain information that is based on projected and/or estimated expectations, assumptions or outcomes. These forward-looking statements are subject to a range of risk factors. The Company and PIML caution against relying on any forward-looking statements. While PIML has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from the forward-looking statements. Neither the Company nor PIML will be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections or other forward-looking statements from time to time. Neither the Company nor PIML undertake to update any forward-looking statement to reflect events or circumstances after the date of this report, subject to disclosure obligations under the applicable law and ASX listing rules.

Neither the Company, PIML nor any company in the Perpetual Group guarantees the performance of, or any return on an investment made in, the Company. Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries.