

PERPETUAL
EQUITY
INVESTMENT
COMPANY
LIMITED

Perpetual Equity Investment
Company Limited
ABN 68 601 406 419

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16 September 2021

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

**Perpetual Equity Investment Company Limited
Investor Update**

Perpetual Equity Investment Company Limited (the Company) (ASX: PIC) advises that it has released the Investor Update (as attached).

If shareholders or other interested parties have any queries regarding the Investor Update, they can contact:

Karen Davis
Investor Relations
Perpetual Investment Management Limited
P: 02 9229 9114
E: karen.davis@perpetual.com.au

Yours faithfully



Sylvie Dimarco
Company Secretary
(Authorising Officer)

**PERPETUAL
EQUITY
INVESTMENT
COMPANY**

INVESTOR UPDATE

September 2021

Perpetual 

IMPORTANT NOTE

This information 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 or PIC) ACN 601 406 419. The information in this presentation is current as at 16 September 2021. The presentation is general information only and is not intended to provide you with financial advice or take into account your objectives, taxation situation, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. This information does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of the Company's securities. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

References to securities in this publication are for illustrative purposes only and are not recommendations, and the securities may or may not be currently held by the Company. Past performance is not indicative of future performance.

This presentation may contain forward looking statements, including statements regarding PIML's intent, objective, belief or current expectation relating to the Company's investments, market conditions or financial condition. These are based on PIML's current expectations about future events and is subject to risks, uncertainties, which may be beyond the control of the Company or PIML. Actual events may differ materially from those contemplated in such forward looking statements. Forward looking statements are not representations about future performance and should not be relied upon as such. Neither the Company nor PIML undertake to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to its regulatory and disclosure requirements.

The information in this publication is believed to be accurate at the time of compilation and is provided in good faith. This report may contain information contributed by third parties. The Company and PIML do not warrant the accuracy or completeness of any information contributed by a third party. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Neither the Company, PIML nor any company in the Perpetual Group warrants or 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.

PERPETUAL EQUITY INVESTMENT COMPANY (ASX: PIC)

CORE TO OUR INVESTMENT PHILOSOPHY IS THE FOCUS ON VALUE AND QUALITY



Investment Objective

- Deliver an income stream
- Provide long-term capital growth
- Exceed the S&P/ASX 300 Accumulation Index over minimum 5 year investment periods



Investment Guidelines

	Typically 20 – 40 securities
50% - 100%	Australian listed securities
0% - 35%	Global listed securities
0% - 25%	Cash



Investment Process

1

Quality business

2

Conservative debt

3

Sound management

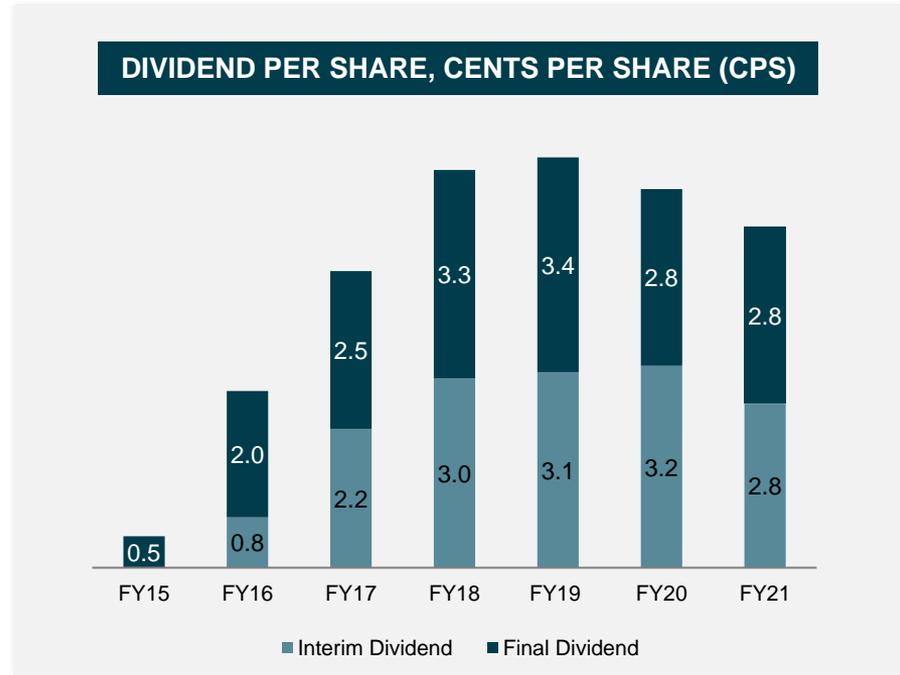
4

Recurring earnings

Supported by a large and experienced investment team of portfolio managers and analysts

FULL YEAR 2021 RESULTS OVERVIEW

DELIVERING A RECORD PROFIT AND FULLY FRANKED DIVIDEND STREAM



Source: Perpetual Equity Investment Company Limited (PIC) as at 30 June 2021.

The FY21 Annual results represent audited figures and are accurate as at 30 June 2021.

INVESTMENT PORTFOLIO PERFORMANCE

DELIVERING LONG-TERM CAPITAL GROWTH IN EXCESS OF THE BENCHMARK

AS AT 31 AUGUST 2021	1 MTH	3 MTHS	6 MTHS	1 YR	2 YR P.A	3 YRS P.A.	5 YRS P.A.	SINCE INCEPTION P.A.
PIC Investment Portfolio ¹ Net of fees, expenses and before tax paid	4.6%	6.4%	18.6%	40.0%	22.0%	14.6%	13.3%	12.0%
S&P/ASX 300 Accumulation Index	2.6%	6.1%	15.1%	28.6%	10.6%	10.1%	11.1%	10.2%
Excess Returns	2.0%	0.3%	3.5%	11.4%	11.4%	4.5%	2.2%	1.8%

¹ 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 set up costs and on unrealised gains and losses are excluded. Inception date is 18 December 2014. 'PIC Investment Portfolio' and 'Benchmark' returns may not sum to 'Excess Returns' due to rounding. Investments can go up and down. The past performance data provided above is not necessarily indicative of future performance.

OUR VIEWS ON CURRENT MARKET CONDITIONS

IDENTIFYING INVESTMENT OPPORTUNITIES FOR THE PIC PORTFOLIO

What we are seeing in the market

- Strong government stimulus globally with a focus on printing money and delivering directly to consumers.
- Anticipation of strong economic re-opening leading to a new and sustained business cycle.
- Supply constraints in various industries as trade / freight bottlenecks build.
- Unwinding of globalisation and large investments to decarbonise will result in higher costs being passed to consumers.
- The reduction in asset purchases by the US Federal Reserve is key to the next rise in bond market yields.

What we believe are the consequences

- Higher than expected inflation as “transitory price rises” reverberate for longer.
- Longer dated bonds are at higher risk of sell-off as investors demand more interest income, reducing bond prices.
- Market will favour quality and value stocks that are pro-cyclical over expensive growth / technology.

Opportunities for PIC#

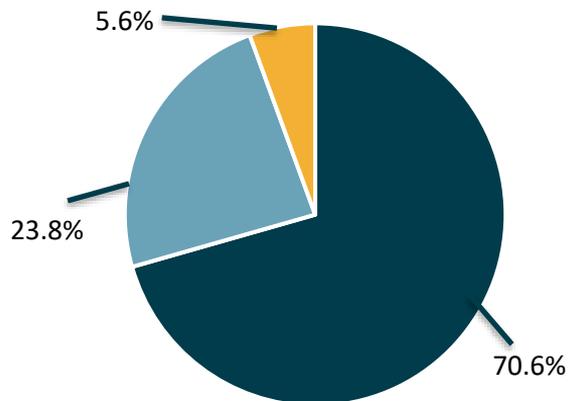
- **Open up / Normalisation** consumer recovery
 - Qantas Airways Limited (ASX: QAN)
 - Crown Resorts Limited (ASX: CWN)
 - Aristocrat Leisure Limited (ASX: ALL)
 - Dexus (ASX: DXS)
- **Insurance** benefits from rising rates
 - Suncorp Group Limited (ASX: SUN)
 - Insurance Australia Group Ltd (ASX: IAG)
 - Nobleoak Life Ltd (ASX: NOL)
 - AUB Group Ltd (ASX: AUB)
- **Industrial materials**: capital spending
 - Bluescope Steel Ltd (ASX: BSL)
 - Buzzi Unicem S.p.A (MTA: BZU)
 - Ferguson PLC (LON: FERG)
- **Metals**: global recovery, electric vehicles, inflation
 - Iluka Resources Ltd (ASX: ILU)
 - Western Areas Ltd (ASX: WSA)
 - Oz Minerals (ASX: OZL)
 - Jervois Global Ltd (ASX: JRV)
 - Deterra Royalties (ASX: DRR)

PORTFOLIO POSITIONING AS AT 31 AUGUST 2021

A HIGH CONVICTION APPROACH TO INVESTING

Allocation of investments[^]

94.4% of capital invested in securities



- Australian Listed securities
- Global listed securities
- Cash

Top holdings in the portfolio^{*}

Company	Portfolio Weight
Flutter Entertainment Plc (LON: FLTR)	5.9%
Crown Resorts Limited (ASX: CWN)	5.6%
PWR Holdings Ltd (ASX: PWR)	4.5%
Commonwealth Bank of Australia (ASX: CBA)	4.4%
La Francaise des Jeux SA (PAR: FDJ)	4.1%
Westpac Banking Corporation (ASX: WBC)	3.9%
Oil Search Limited (ASX: OSH)	3.9%

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

^{*} Top listed securities within the Perpetual Equity Investment Company Limited portfolio by portfolio weight as at 31 August 2021. Portfolio weight based on direct investments in securities and does not include any derivative exposure.

Source: Perpetual Investment Management Limited

CONTINUING TO KEEP INVESTORS INFORMED

WWW.PERPETUALEQUITY.COM.AU

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ABOUT SHAREHOLDERS TOOLS & RESOURCES NEWS & INSIGHTS CONTACT

PIC REPORTS RECORD PROFIT and strong investment portfolio performance

READ MORE

SHARE PRICE: \$1.34 AUD AS AT 3:56PM 15/09/2021



Investments

MONTHLY INVESTMENT UPDATE AND NTA REPORT APRIL 2021

13/09/2021

Portfolio Manager, Vince Pezzullo discusses recent performance of the PIC portfolio and how he is positioning the portfolio against the backdrop of current economic conditions. [Read more.](#)



Investments

PERPETUAL KNOWLEDGE BANK SERIES: MARKET ROTATION

13/09/2021

Market rotation can take different forms but generally refers to the movement of investment capital from one equity class to another. This occurs when a sector, region or style that had previously underperformed peers starts to gain momentum, attracting investors.



Investments

PIC SHAREHOLDER REPORT APRIL 2021

by Nancy Fox | 25/04/2021

In this report, Nancy Fox, Chairman of PIC and Vince Pezzullo, Portfolio Manager provide insight into how PIC has achieved strong performance in recent months and their outlook on equities in 2021.



Investments

TWO NEW EXPOSURES TO THE VALUE ROTATION

15/04/2021

In this LiveWire article, twelve months on from the COVID-19 led market correction, the rotation to value stocks has continued as further economic re opening beckons. [Read More.](#)



Investments

MONTHLY INVESTMENT UPDATE AND NTA REPORT MARCH 2021

14/04/2021

Portfolio Manager, Vince Pezzullo expects the shift in equity markets towards value stocks to continue and have positioned the portfolio accordingly. [Read more.](#)



Investments

PERPETUAL KNOWLEDGE BANK SERIES: FRANKING CREDITS

08/04/2021

Franking credits are a type of tax credit that can be paid by companies to their shareholders. This credit is attached to any dividend and represents the amount of tax paid by the company. It works as a mechanism to prevent double taxation.

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Q & A

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