

PERPETUAL
EQUITY
INVESTMENT
COMPANY
LIMITED

Perpetual Equity Investment
Company Limited
ABN 68 601 406 419

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14 February 2022

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

Perpetual Equity Investment Company Limited
Monthly Investment Update and NTA Report

Perpetual Equity Investment Company Limited (the Company) (ASX: PIC) advises that it has released the Monthly Investment Update and NTA Report (the Report) for the period ending 31 January 2022 (as attached).

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

Karen Trau
Investor Relations
Perpetual Investment Management Limited
P: 02 9229 3138
E: karen.trau@perpetual.com.au

Yours faithfully



Sylvie Dimarco
Company Secretary
(Authorising Officer)

INVESTMENT UPDATE AND NTA REPORT

January 2022

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 31 JANUARY 2022	AMOUNT
NTA after tax	\$1.310
NTA before tax	\$1.356

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 capital raising costs and 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 2022

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	\$481 million
Share Price:	\$1.285
Shares on Issue:	374,326,238
Dividends:	Half-yearly
Management Fee	1.00% p.a.*
Manager	Perpetual Investment Management Limited

* exclusive of GST

INVESTMENT PERFORMANCE

AS AT 31 JANUARY 2022	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS P.A.	3 YRS P.A.	5 YRS P.A.	SINCE INCEP P.A.
PIC Investment Portfolio	-1.9%	-2.0%	3.5%	24.0%	17.9%	16.8%	12.1%	11.1%
Net of fees, expenses and before tax paid								
S&P/ASX 300 Acc Index	-6.5%	-4.5%	-3.7%	9.6%	3.3%	10.1%	8.6%	8.6%
Excess Returns	4.5%	2.5%	7.2%	14.5%	14.6%	6.8%	3.4%	2.5%

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 SECURITIES

TOP 5 AUSTRALIAN LISTED SECURITIES

COMPANY	PORTFOLIO WEIGHT
BHP Group Ltd	8.3%
Crown Resorts Limited	7.6%
Santos Limited	7.4%
ANZ Banking Group Ltd.	6.7%
Western Areas Limited	4.1%

TOP 3 GLOBAL LISTED SECURITIES

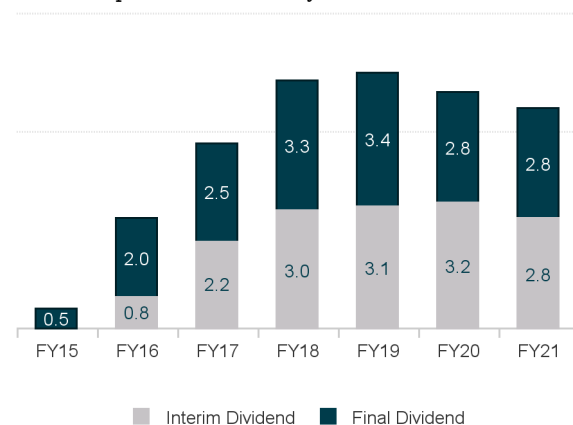
COMPANY	PORTFOLIO WEIGHT
Ferguson Plc	4.1%
La Francaise des Jeux SA	4.1%
Flutter Entertainment Plc	3.9%

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

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 4.4%

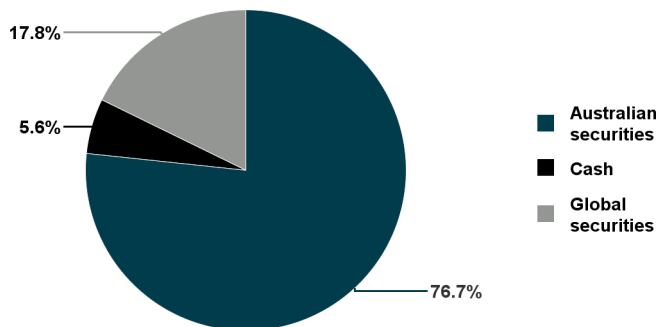
Grossed up annual dividend yield: 6.2%



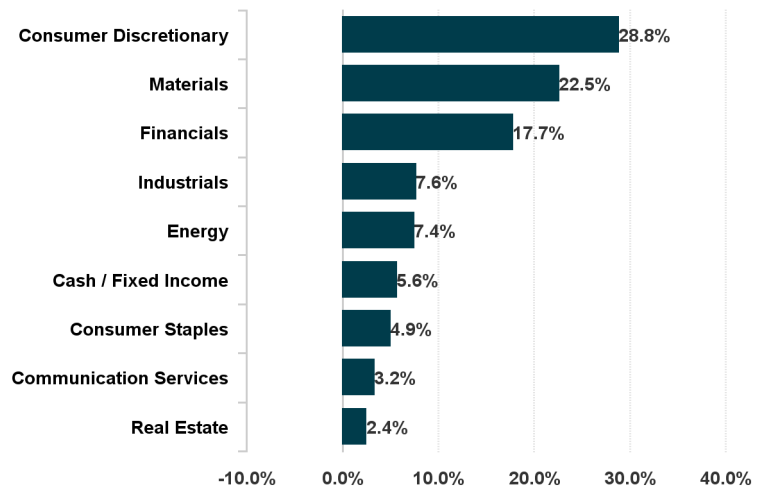
Yield is calculated based on the total dividends of 5.6 cents per share and the closing share price of \$1.285 as at 31 January 2022. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS ^

94.4% 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.

PORTFOLIO COMMENTARY

Markets started the year with a bang, selling off sharply on the 4th of January as hawkish comments from the US Federal Open Market Committee minutes triggered a spike in bond yields and turmoil in tech stocks. The Fed openly weighed faster rate hikes and a more aggressive end to Quantitative Easing as inflation fears increasingly gripped policymakers. The market appeared to regain a footing over the following days as tepid job gains were registered and US Fed Chair, Jerome Powell gave testimony that reinforced his inflation fighting instincts without laying out a specific timeframe for rate hikes. US core CPI printed higher than expected. Positive data from China and stimulus from the People's Bank of China also helped stabilise investor confidence, as did an ongoing surge in commodity prices from the lows of the last quarter of 2021, lifting resource stocks. Consumer confidence softened, but not as widely feared given the explosion in Omicron cases over January.

The tech tremors soon re-emerged however, and the NASDAQ officially entered a correction on 19 January. Weak subscriber numbers from Netflix helped trigger an even broader selloff which even ensnared resource stocks. Australian equities also responded badly as Australian CPI printed stronger than expected, with core CPI moving above the RBA's target of 2-3% for the first time. Futures markets priced in expectations of Australian interest rate rises beginning in May. Softer business conditions reflected the scarcity of labour as Omicron continued to spread.

The S&P/ASX 300 Accumulation Index (benchmark) finished the month down -6.5%. Tech stocks bore the brunt of the squall, declining -17.1%. Healthcare stocks, dominated by richly priced CSL, declined -12.1%. Both Consumer sectors declined over -9.0% whilst interest rate sensitive REITs fell -9.5%.

The PIC portfolio, with its quality and value focus, performed well, declining just -1.9%^ and outperforming the benchmark by +4.5%. Performance was widespread across the portfolio. The top contributors to absolute performance in January were top positions in the portfolio, Santos Limited (ASX: STO) and BHP Group Limited (ASX: BHP) which returned 13.2% and 11.7% respectively. Share price of battery minerals company, Jervois Global Limited (ASX: JRV) also rose 8.5%, in line with the performance of the Materials sector. Despite the consumer discretionary sector falling in December, Crown Resorts Limited (ASX: CWN) held steady.

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COMPANY NEWS

INDICATIVE KEY DATES 2022

Announcement of 2022 half year results Wednesday, 23 February 2022

Interim Dividend

- Ex date Tuesday, 5 April 2022
- Record date Wednesday, 6 April 2022
- DRP election date Thursday, 7 April 2022
- Payment date Friday, 29 April 2022

Options Expiry Friday 2 September 2022

The dates above are indicative only and subject to change. The Company reserves the right to alter the dates above at its discretion, subject to the ASX Listing Rules and Corporations Act. In particular, the Company reserves the right to exercise its discretion as to whether to declare and pay any dividend.

BONUS ISSUE OF OPTIONS

Shareholders are reminded that in June 2021, the Company [announced](#) a one-for-one issue of bonus options which provides holders with the opportunity to acquire a PIC ordinary share for \$1.35 (exercise price) per option before the expiry date of 2 September 2022. The options are trading on the ASX under the ASX code PICOA.

The options provide shareholders with the opportunity to purchase additional shares and participate in the potential growth of the Company without incurring brokerage or transaction costs. Option holders that elect to exercise some or all of their PIC options before the ex-date will also be entitled to the dividend for that respective period.

The Options [Prospectus](#) should be read carefully and in its entirety before you decide whether to deal in or exercise the Options. Further information on the Options, including the Prospectus and Options Exercise Form is available [here](#).

SHAREHOLDER COMMUNICATIONS

The [PIC website](#) hosts a range of information including Monthly Investment Updates, Portfolio Manager insights, dividend history and educational resources. The [News and Insights section](#) of the website also includes the ability for you to subscribe to receive regular updates via email.

REMINDER: TAX CERTIFICATION COMPLETION

Under the Australian Government’s participation in Automatic Exchange of Information (AEOI) regimes, PIC is required to collect FATCA/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 FATCA/CRS certification by logging into the Link investor portal [here](#).

From there, under the Payments & Tax tab you will find ‘FATCA/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](#).

INVESTMENT PHILOSOPHY

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 (see Section 3.7 of the Replacement Prospectus dated 14 October 2014)

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 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 leverages the expertise of Perpetual Asset Management Australia's Equity team, one of the largest investment teams in Australia.

PERPETUAL KEY CONTACTS

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This monthly report has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. PIML is the investment manager of the Perpetual Equity Investment Company Limited (Company) ACN 601 406 419. 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. 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 information is believed to be accurate at the time of compilation and is provided in good faith. No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) nor the Company guarantees the performance of the Company or the return of an investor's capital.

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