

12 May 2023

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

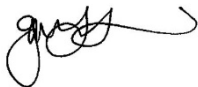
Perpetual Equity Investment Company Limited Monthly Investment Update and NTA Report

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 30 April 2023 (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



Gananatha Minithantri

Company Secretary
(Authorising Officer)

INVESTMENT UPDATE AND NTA REPORT

APRIL 2023

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 30 APRIL 2023	AMOUNT
NTA after tax	\$1.284
NTA before tax	\$1.313

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 30 APRIL 2023

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	\$458 million
Share Price:	\$1.21
Shares on Issue:	378,388,340
Dividends:	Half-yearly
Management Fee:	1.00% p.a.*
Manager:	Perpetual Investment Management Limited

* exclusive of GST

INVESTMENT PERFORMANCE

AS AT 30 APRIL 2023	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>	2.1%	2.3%	9.3%	4.0%	6.6%	18.8%	10.5%	11.0%	10.1%
S&P/ASX 300 Acc Index	1.8%	-1.0%	8.4%	2.1%	6.1%	14.0%	8.2%	9.1%	8.5%
Excess Returns	0.2%	3.2%	0.9%	1.9%	0.6%	4.9%	2.3%	1.8%	1.5%

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 5 AUSTRALIAN LISTED SECURITIES

COMPANY	PORTFOLIO WEIGHT
BHP Group Ltd	7.0%
Insurance Australia Group Ltd	6.7%
Commonwealth Bank of Australia	6.3%
Brambles Limited	5.7%
Santos Limited	5.2%

TOP 3 GLOBAL LISTED SECURITIES

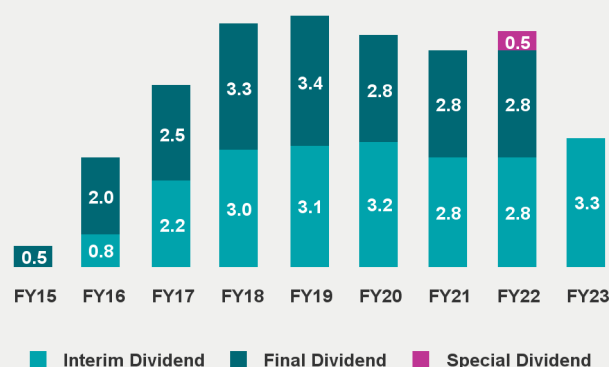
COMPANY	PORTFOLIO WEIGHT
Flutter Entertainment Plc	6.8%
La Francaise des Jeux SA	3.3%
Ferguson Plc	1.1%

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

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 5.5%

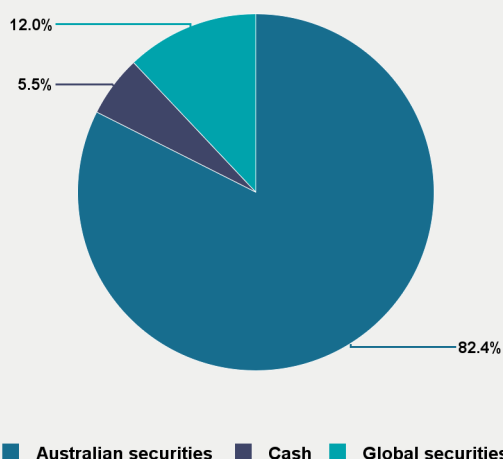
Grossed up annual dividend yield: 7.8%



Yield is calculated based on the total dividends of 6.6 cents per share and the closing share price of \$1.210 as at 30 April 2023. Grossed up yield takes into account franking credits at a tax rate of 30%.

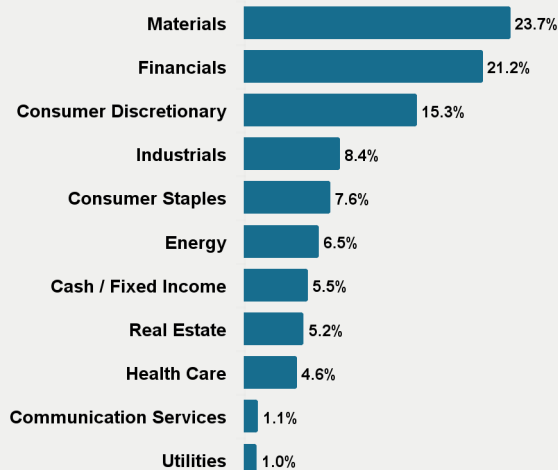
ALLOCATION OF INVESTMENTS[^]

94.5% of capital invested in securities



[^]Weightings calculated based on direct investments in securities and any indirect exposure via S&P /ASX 200 related derivatives. The portfolio does not have direct exposure to Information Technology. The portfolio comprises a put option on the S&P/ASX 200 Index which is reflected on a look through basis to underlying securities and sector allocation. As a result, there is a negative allocation to Information Technology. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

PORTFOLIO SECTORS[^]



PORTFOLIO COMMENTARY

Equity markets stabilised and rallied through April. The RBA paused its rate hike cycle as it sought to assess the impact of recent monetary tightening, although minutes later showed that the bank retained a hawkish stance overall, concerned about inflation. Consumer confidence rose to the highest levels since June 2022. March employment surged 53,000, more than double consensus and kept the unemployment rate at a record low level of 3.5%.

The March inflation annual movement rose 6.3%, down from 6.8% in February, easing pressure on the RBA. Meanwhile an expert review of the RBA recommended a new expert policy board be established, that the RBA Governor holds regular press conferences, board members be allowed to speak publicly and that it would maintain its inflation target of 2-3%. Overall the interpretation was that this was more hawkish for policy over the cycle. As always, the Manager maintains a keen eye on inflation and wage pressure in the US, which has been leading Australia by several months.

Real Estate and Industrial stocks rose the most during April, although Financials were the largest contributor from a benchmark weight perspective. Materials were the largest detractors with bellwethers BHP and Rio Tinto both down around -6% as iron ore slipped to five-month lows on concerns of oversupply and soft Chinese steel demand.

The PIC portfolio returned +2.1%[^] in April, outperforming the S&P/ASX300 Accumulation Index (benchmark) by 0.2%. Flutter Entertainment Plc (LON: FLTR) was, once again, the largest contributor to absolute performance for the portfolio, with the stock up +12% over April. In early May the company reported total revenue for Q1 2023 of more than £2.4 billion pounds. In the US, revenues rose an astonishing 92% overall and sports book revenue soared 147% over the period from 2022. Flutter holds a 50% share of the sporting gambling market, up 14% year on year, reinforcing its rising dominance in this emerging gaming market. Although the Manager is always mindful of the need to manage this position in the portfolio, given occasional volatility, the long term strategic value of Flutter is significantly higher than the current share price, as its US business strategy successfully plays out.

Iluka Resources Limited (ASX: ILU) also continues to be a contributor to long term performance. The Manager has held this stock for a number of years. Whilst significant value has already been unlocked in PIC's period of ownership, the Manager thinks there is considerably more to come. When the Manager first purchased the stock, it was active in convincing Iluka to de-merge the Deterra Royalties business, which now trades at a market cap of \$2.4 billion under ticker ASX:DRR. Iluka still owns a 20% stake worth nearly \$500 million. Iluka's core mineral sands business of zircon and rutile has been a strong staple for the business, generating significant cashflow over time, and continues to underpin the current value of the business. More recently however Iluka was recipient of a \$1.25 billion non-recourse loan from the government to help develop rare earth refining capacity in Australia. Iluka has been stockpiling rare earths for years and the stock-pile itself, one million metric tons, is the world's highest grade rare earths deposit. With COVID-19 highlighting the need for the government to support critically important industries, Iluka was an obvious candidate to develop a rare earths refining capacity. It would be only the second fully integrated rare earths refinery operating outside of China, which provides critical material for electronic devices including smartphones, windmills and solar panels. The refinery at Eneabba could drive significant further upside valuation in the stock which the Manager thinks is under-appreciated by the market.

As we head into May, the Manager is conscious of the ongoing inflation battle, the risks of an economic downturn and also an earnings downgrade cycle. Despite this, markets continue to trade only ~5% below all time highs. The Manager continues to believe the mix of quality and value stocks is best for the portfolio until markets find a new path forward.

[^] 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.

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](#).

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.

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