

14 July 2023

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

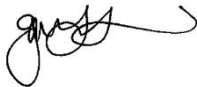
Perpetual Equity Investment Company Limited Monthly Investment Update and NTA Report

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 June 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

JUNE 2023

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 30 JUNE 2023	AMOUNT
NTA after tax	\$1.277
NTA before tax	\$1.297

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 JUNE 2023

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	\$441 million
Share Price:	\$1.165
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 JUNE 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%	1.1%	5.8%	16.2%	4.1%	15.6%	9.7%	11.1%	9.8%
S&P/ASX 300 Acc Index	1.7%	1.0%	4.4%	14.4%	3.3%	11.1%	7.1%	8.9%	8.3%
Excess Returns	0.4%	0.1%	1.4%	1.8%	0.9%	4.5%	2.6%	2.2%	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
Insurance Australia Group Ltd	7.5%
BHP Group Ltd	5.6%
Commonwealth Bank of Australia	5.5%
Santos Limited	5.2%
Brambles Limited	4.0%

TOP 3 GLOBAL LISTED SECURITIES

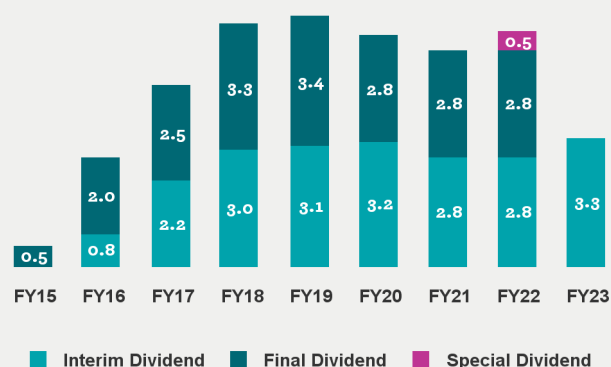
COMPANY	PORTFOLIO WEIGHT
Flutter Entertainment Plc	5.7%
La Francaise des Jeux SA	3.2%
Light & Wonder, Inc.	0.9%

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

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 5.7%

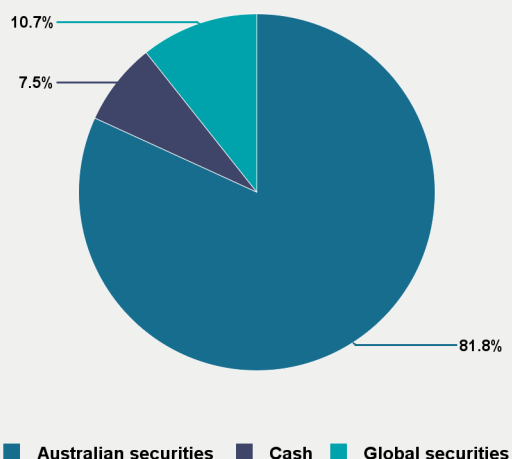
Grossed up annual dividend yield: 8.1%



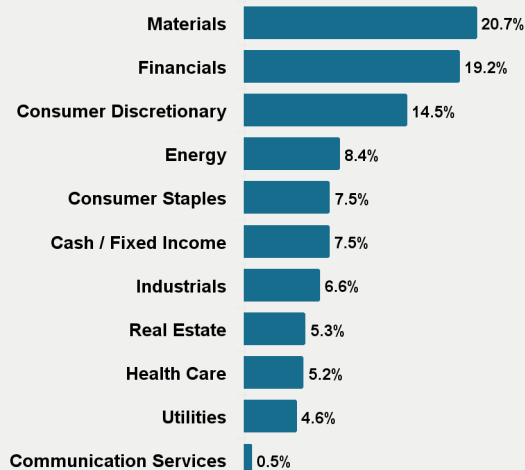
Yield is calculated based on the total dividends of 6.6 cents per share and the closing share price of \$1.165 as at 30 June 2023. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^A

92.5% of capital invested in securities



PORTFOLIO SECTORS^A



^AWeightings 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

The S&P/ASX300 Accumulation Index (benchmark) rose +1.7% during the month of June. The market was particularly strong with the benchmark rising to 7,309 points, not far off February highs. Confidence was spurred early as the US debt ceiling crisis resolved and China's Caixin manufacturing index expanded more than expected. Private capital expenditure for the March 2023 quarter rose by 2.4% quarter on quarter versus 1% consensus. Australian home prices accelerated in May at a faster pace than March and April. Meanwhile the Fair Work Commission announced a hike to minimum wages of 5.75% but also an 8.7% hike for those on the lowest rate. All this bullish data added to creeping expectations of a rate hike however, which the RBA duly delivered on the 6th of June when it lifted the cash rate by 0.25% to 4.10%, sending equities into a spin as the central bank highlighted the risks to inflation of rising wages despite low productivity. Bond yields also surged, particularly the shorter end, with the yield curve becoming fully inverted.

Despite all of this, and rising concerns of recession, the market began to rise strongly again through the middle of the month as the market embraced the idea that US inflation was peaking and the Fed was close to the end of its tightening cycle. However, the rally faded towards the end of the month as commodity prices softened and hopes around China stimulus faded. The US Federal Reserve Chair, Jerome Powell reiterated that more rate hikes were likely and European central banks delivered outsized rate rises, putting paid to the idea that the monetary tightening was over. A softer inflation read for May (5.6% versus 6.1% consensus and 6.8% in April) provided some hope of a reprieve from the RBA but concerns about sticky inflation remain and retail sales for May came in at a solid 0.7% versus 0.1% expected.

In June, the PIC portfolio returned 2.1%^A, outperforming the benchmark by 0.4%. The top contributors to absolute performance were Insurance Australia Group (IAG) and BHP Group. BHP continues to ride high on elevated iron ore prices and rose 7.1% in June. IAG rose 9.8% and has been a beneficiary of rising insurance premiums. Rising interest rates is also a tailwind for the business as it translates into higher investment returns on their balance sheet. Whilst insurance margins have been improving we believe there is more upside here. Suncorp's focus on cost efficiencies has delivered superior profitability. The Manager thinks there is a substantial upside to IAG if it were able to target a similar level of operating efficiency. IAG's renewed focus on capital management, re-instating the share buyback at the end of May, has also helped bolster the share price.

The top detractor to absolute performance for the PIC portfolio was a2 Milk Company. Despite the recent softness in the share price, which trades at a fraction of the \$20 per share peak in 2020, the Manager thinks that a2 is fundamentally well positioned. The business has transitioned from a fast-growing start-up to an established and professional operator in recent years. The a2 brand remains strong in China with healthy lead indicators and growing market share in emerging cities. Management of inventory and pricing is sound and the Manager has growing confidence that the investment in marketing is generating solid returns.

The economic and market outlook remains uncertain as central banks around the world continue to tighten monetary policy to bring “stickier” core inflation back down to lower levels. At the same time aggressive rate rises run the risk of tipping the economy into recession. Despite this, equity market indices remain relatively sanguine and the Manager thinks there are risks to the downside, especially in cyclical sectors with markets yet to fully price any downturn in earnings over the year ahead. There is still the possibility of a “soft landing” or even “no landing” economic scenario due to the resilience of consumers and strength of labour markets, buttressed by years of stimulus of emerging structural shortages. The challenge to this thinking is that it would likely come at the cost of core inflation embedding even more. This would necessitate even higher interest rates. So far during this cycle central banks have consistently underestimated the extent of underlying inflation. Furthermore in a world of rising geopolitical risks, de-globalisation and pressure to decarbonise through higher cost renewable energy, the Manager still believes the risks of higher structural inflation remain. Despite the uncertainty, Perpetual’s quality and value process continues to point towards a range of reasonably priced businesses with solid balance sheets and good prospects able to deliver long term returns with lower than market risk.

[^] 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.

COMPANY NEWS

ANNUAL RESULTS

The Company’s full year results for financial year 2023, including any dividend declaration, will be announced on 23 August 2023.

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

For queries regarding investor relations:

Karen Trau
P: 02 9229 3138
E: karen.trau@perpetual.com.au

For queries regarding investor shareholdings:

Link Market Services
Investor queries:
Telephone: +61 1800 421 712
Mailing Address: Link Market Services,
Locked Bag A14, Sydney South, NSW 1235
Email: pic@linkmarketservices.com.au

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

