

23 August 2023

ASX Announcement

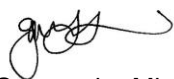
**Perpetual Equity Investment Company Limited
2023 Annual Financial Results**

Please find attached the following announcements for release to the market:

- FY23 Appendix 4E
- 2023 Annual Report to Shareholders
- 2023 Corporate Governance Statement
- Appendix 4G
- FY23 Results Summary
- ✓ **FY23 Results Presentation**

This release has been authorised by the Board of Directors of Perpetual Equity Investment Company Limited.

Yours faithfully,



Gananatha Minithantri
Company Secretary

**PERPETUAL
EQUITY
INVESTMENT
COMPANY
LIMITED**

FY23 results presentation

23 August 2023

Perpetual
S

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) (ASX: PIC) ACN 601 406 419. This presentation is in summary form and is not necessarily complete. It should be read together with other announcements for the Company lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

The presentation is general information 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. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

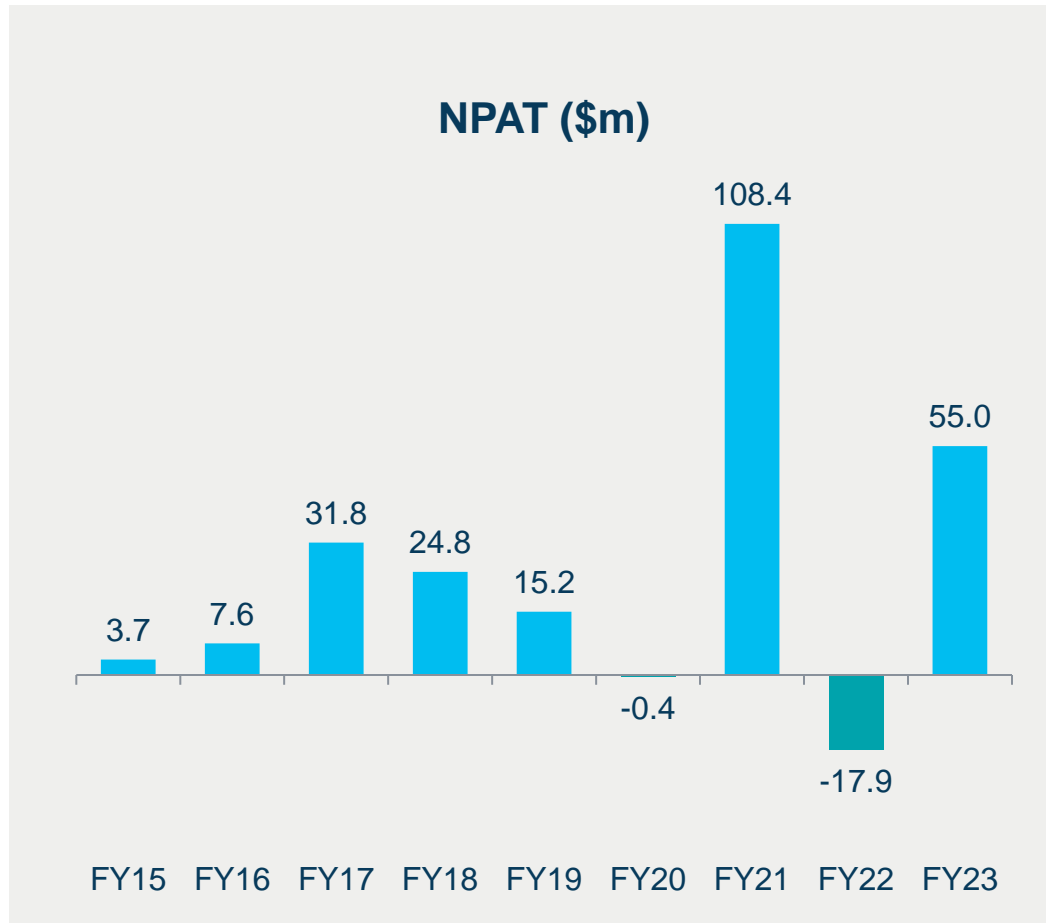
References to securities in this presentation are for illustrative purposes only and are not recommendations, and the securities may or may not be currently held by the Company. Past performance is not indicative of future performance.

This presentation may contain 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 presentation, 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.

Overview of FY23 results



\$112.9m¹
Profit reserve

3.7 years¹
Dividend coverage

16.2%²
Investment portfolio
performance for 12 months to 30
June 2023

9.7%²
Investment portfolio performance
per annum over 5 years to 30
June 2023

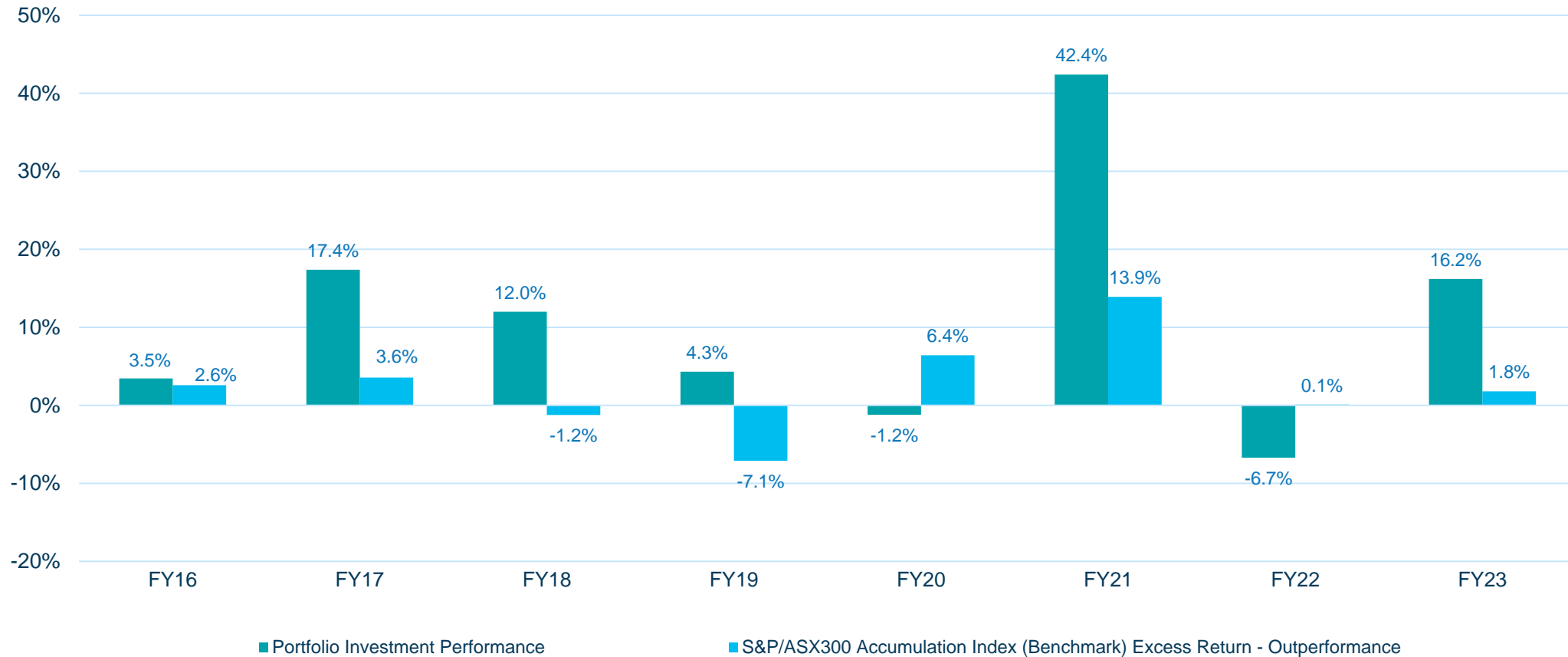
Source: Perpetual Equity Investment Company Limited (PIC) as at 30 June 2023.

¹ Profit reserve of \$112.9 million as at 30 June 2023 after taking into account the estimated payment of the final dividend. This equates to 29.8 cents per share and provides for 3.7 years dividend coverage based on total dividend payments of 8.0 cents per share per annum. This does not take into account any changes to share capital. No representation is made in relation to the payment of future dividends, which will be at the discretion of the Company's Board.

² Returns have been calculated on the growth of 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.

Investment performance

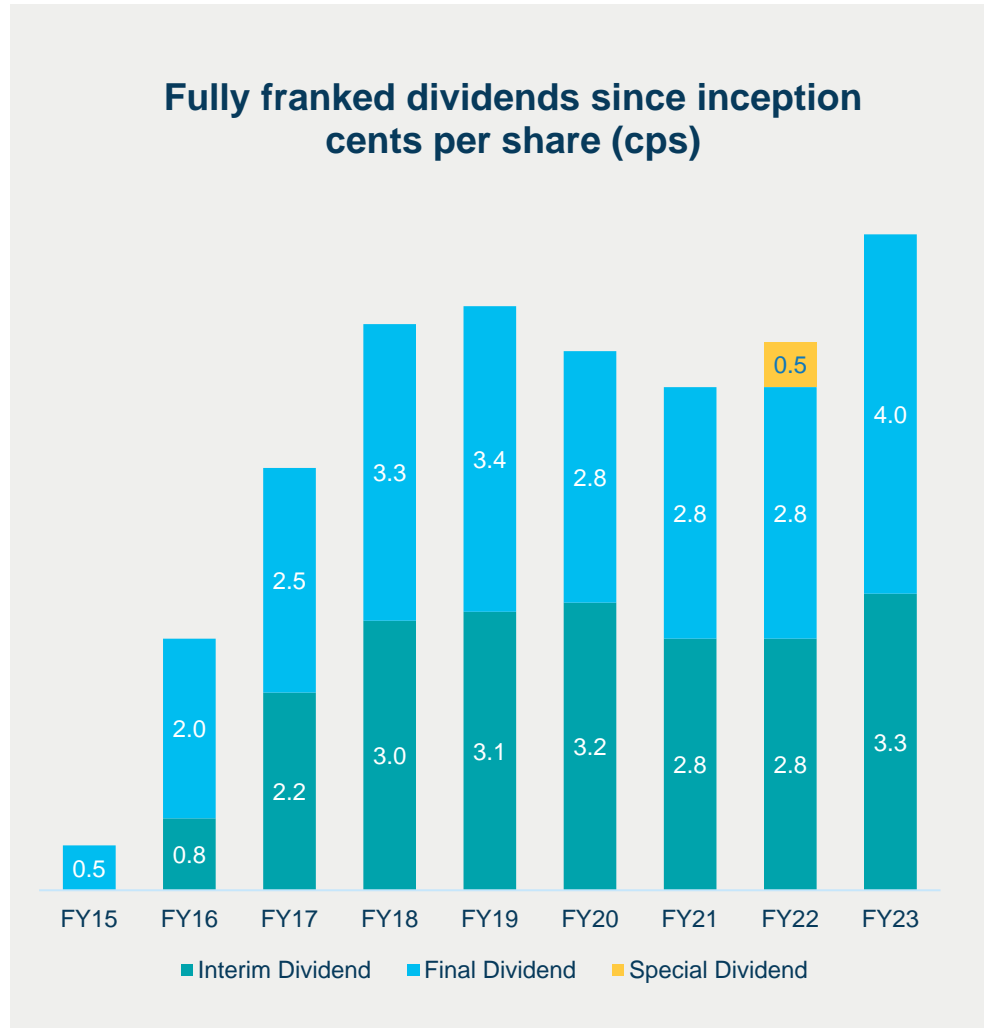
Historical PIC Portfolio Investment Performance vs Benchmark Excess Return



Source: Perpetual Investment Management Limited as at 30 June 2023.

¹ Returns have been calculated on the growth of 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.

Delivering a consistent fully franked dividend stream

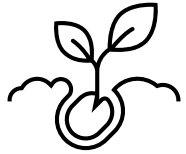


- Total of \$138.1 million paid in dividends since inception
- Highest dividend declared of 4.0 cps fully franked for the FY23 final dividend
 - Annual dividend yield 6.3%¹
 - Grossed up dividend yield 9.0%¹
- Dividend Reinvestment Plan (DRP) is in operation and provides the opportunity to increase your shareholding without incurring brokerage or transaction costs.

Key dates	
FY23 final dividend declared	23 August 2023
Ex-dividend date	26 September 2023
Record date	27 September 2023
DRP Election Date	28 September 2023
Payment date	18 October 2023

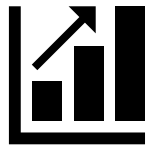
¹ Yield is calculated based on the total dividend of 7.3 cents per share and the closing share price of \$1.165 as at 30 June 2023. Grossed up yield takes into account franking credits at a tax rate of 30%.

Looking ahead



Prudent management of capital

- The Board continues to progress its strategy to deliver sustainable long-term dividend payments to shareholders
- Management of profit reserve and franking account balance



Investment performance

- The Manager has deep expertise in navigating across multiple cycles and a large investment team dedicated to conducting bottom-up fundamental research on companies in Australia and offshore.
- We believe the Manager's focus on quality and value and the flexible investment strategy positions the Company well to deliver returns in the current environment.



Share price to NTA

- The Board is focused on monitoring investment performance, delivering fully franked dividends and communicating to shareholders. By doing so, it believes the share price and NTA will ultimately align as shareholders understand and realise the value that the Company offers.
- All Non-Executive Directors and the Portfolio Manager are shareholders in the Company



Investment Manager Update

Vince Pezzullo, Portfolio Manager
Head of Australian Equities, Perpetual Asset Management Australia

Australian Equities team



Vince Pezzullo

Head of Equities

Portfolio Manager - Perpetual Equity Investment Company (PIC), Australian Shares, Concentrated Equity and Geared Australian Share

Portfolio managers

Anthony Aboud

Deputy Head of Equities
Portfolio Manager - SHARE-PLUS Long-Short, Pure Equity Alpha, Industrial Share

Nathan Hughes

Portfolio Manager – ESG Australian Share, Income Share, Analyst

James Rutledge

Portfolio Manager – Pure Value, Smaller Companies and Pure Microcap, Analyst

Alex Patten

Portfolio Manager – Smaller Companies and Pure Microcap, Analyst

Sean Roger

Deputy Portfolio Manager – Share Plus and Pure Equity Alpha, Analyst

Maryanne Drewe

Head of Proprietary Research, Analyst

Analysts

Guy Bunce

Senior Equities Analyst

Clarke Wilkins

Senior Equities Analyst

Brett Le Mesurier

Senior Equities Analyst

Louise Sandberg

Senior Equities Analyst

Jakov Maleš

Senior Equities Analyst

Rosemary Tan

Equities Analyst

Mitchell Hubble

Equities Analyst

Nick Buisman

Equities Analyst

Tom Horn

Analyst, Proprietary Research

Team's average years experience = 20

Team's average years with Perpetual = 8

Perpetual quality filters are applied to all stocks in investible universe



Quality of business

- Products or services the company offers
- Competitive landscape, positioning and market dynamics
- Barriers to entry, monopoly, duopoly, and sources of competitive advantage
- Operational efficiency
- ESG risks and impacts



Conservative debt

- Strong balance sheet to ensure the company is sustainable across various economic cycles
- Quantitative test:
 - Debt to equity generally should be less than 50% (net debt / equity), but if not
 - Interest cover should be 3x or greater (5x for pre-production)



Sound management

- Track record of a company's management
- Use of shareholder capital
- Corporate governance practices



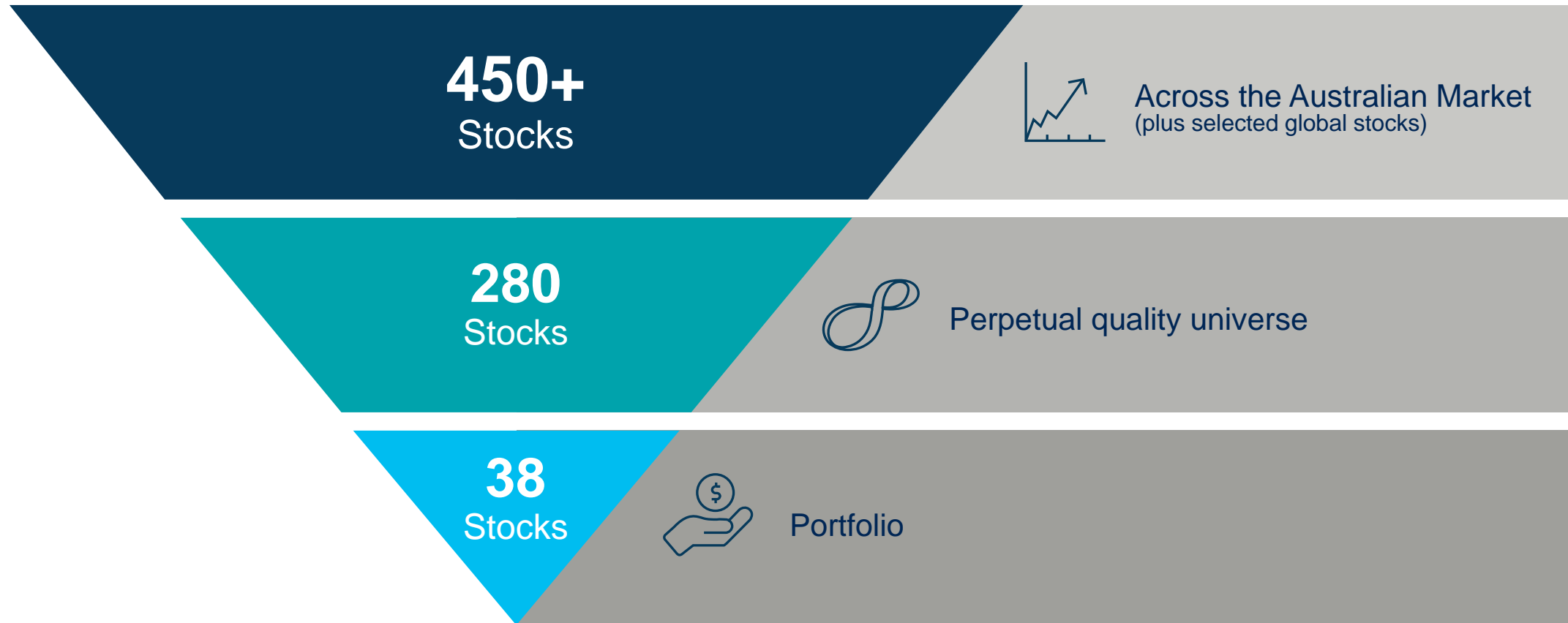
Recurring earnings

- Track record of generating earnings
- Sustainable businesses for the future

A company must generally pass all these filters all of the time to be included in the Perpetual Universe and considered for investment. Our focus on the quality of a company explicitly considers the analysis of ESG factors that may impact the current or future financial performance of the company.

Stock selection of the portfolio

As at 30 June 2023



Our views on markets: contrasting last year and now

- Central banks consistently underestimated inflation over the past year and played catchup
- But core inflation is now embedding at higher levels and will take time to bring down
- Some systemic risks emerging, e.g US regional banks, although they seem to have stabilised
- Deglobalisation / industry policy accelerating through Inflation Reduction Act & CHIPS Act*
- Decarbonisation continues to loom but also risks adding to inflation
- De-rating of growth stocks through to December 2022 although tech bubble has recovered a bit
- Equity markets are very sanguine in the face of high rates and looming recessionary risks
- Bond & equity markets disagree – which is bad for equity indices
- The US Fed is withdrawing liquidity

* Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022 (CHIPS Act)

How we are positioned and our views on these quality and value companies



Strategically important assets; we believe the market has placed little-to-no valuation on ILU's future rare earths business



We are actively engaged with IAG's Board and management to continue to improve returns for shareholders

Brambles

A high quality industrial with critical logistics assets and pricing power that are undervalued

Santos

Valuable LNG assets which remain a critical transitional energy source

FlutterTM

Dominant sports bookmaker that is penetrating into the US market



La Francaise Des Jeux is a French lottery monopoly with digital growth and net cash balance sheet

Investment portfolio performance

Delivering long-term performance

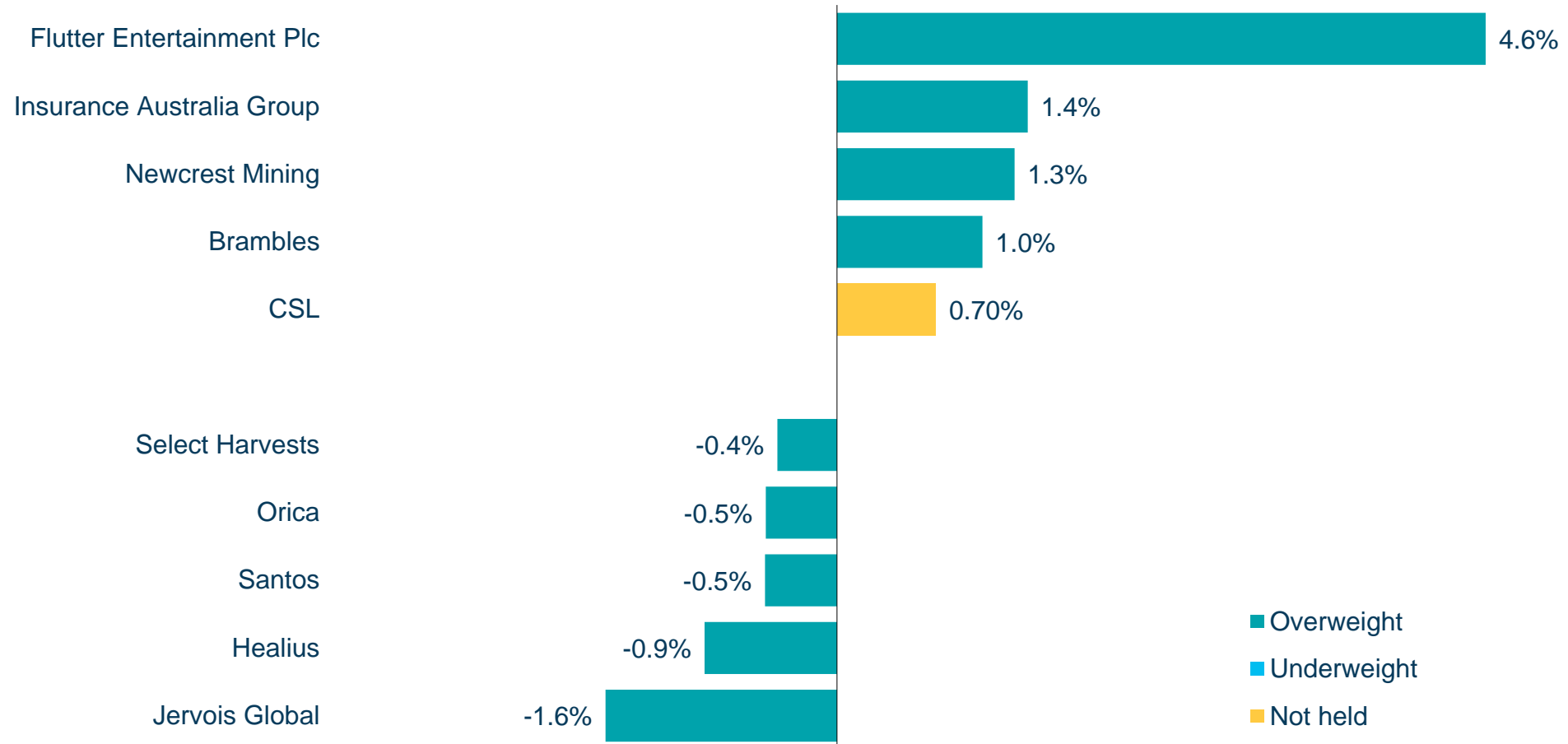
As at 30 June 2023	1 mth	3 mths	6 mths	1 yr	2 yr p.a	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	Since inception p.a.
PIC Investment Portfolio ¹ (net of fees, expenses and before tax paid)	2.1%	1.1%	5.8%	16.2%	4.1%	15.6%	9.7%	11.1%	9.8%
S&P/ASX 300 Accumulation Index	1.7%	1.0%	4.4%	14.4%	3.3%	11.1%	7.1%	8.9%	8.3%
Excess Returns	0.4%	0.1%	1.4%	1.8%	0.9%	4.5%	2.6%	2.2%	1.5%

Source: Perpetual Investment Management Limited

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 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

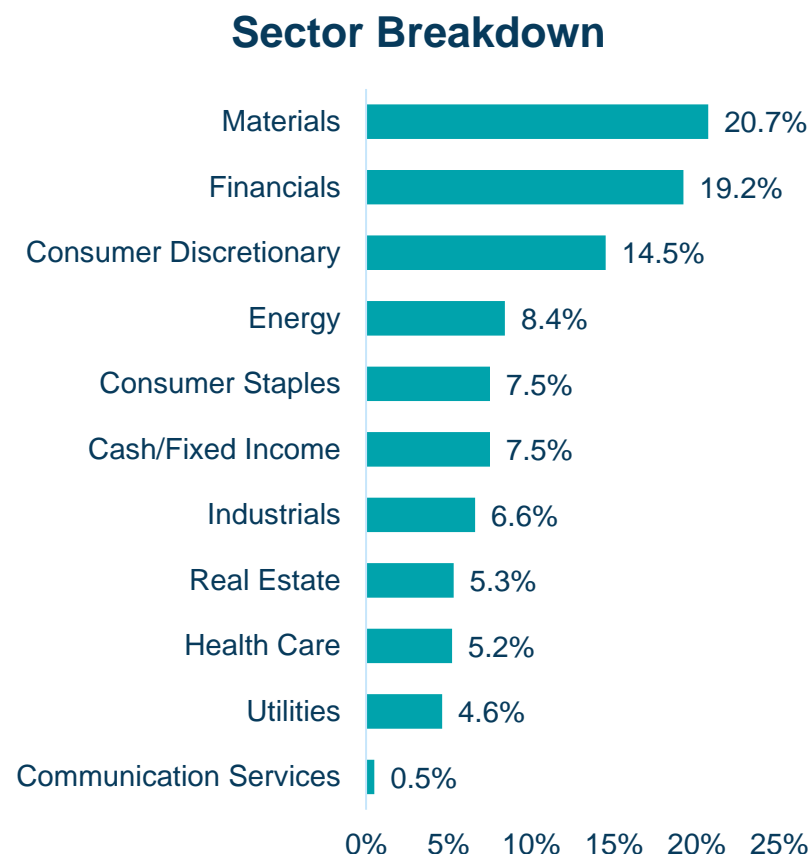
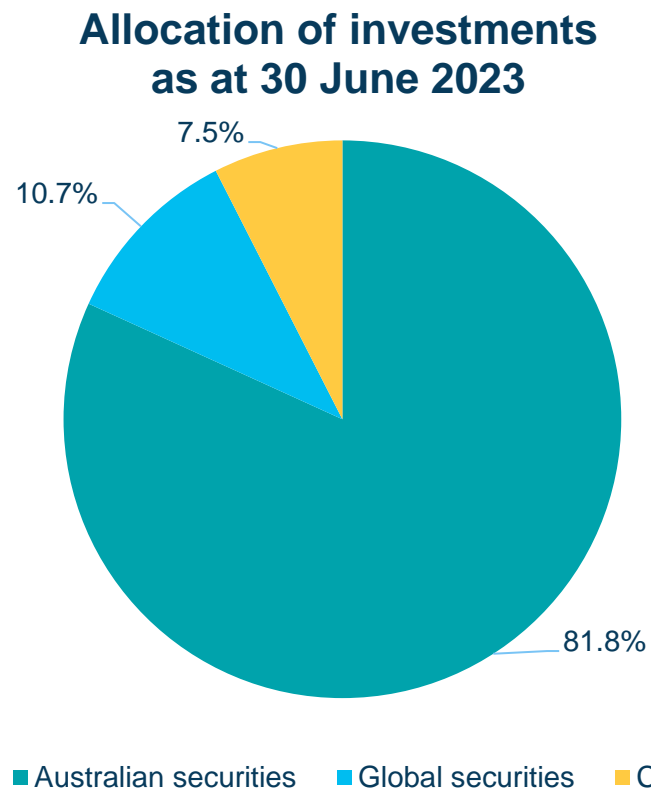
1 year attribution to 30 June 2023

Contribution to excess return relative to benchmark



Portfolio allocation as at 30 June 2023

Top 10 holdings	Portfolio weight
Insurance Australia Group Limited	7.5%
Flutter Entertainment Plc	5.7%
BHP Group Limited	5.6%
Commonwealth Bank of Australia	5.5%
Santos Limited	5.2%
Brambles Limited	4.0%
Goodman Group	3.7%
Iluka Resources Limited	3.4%
Westpac Banking Corporation	3.4%
La Francaise des Jeux SA	3.2%

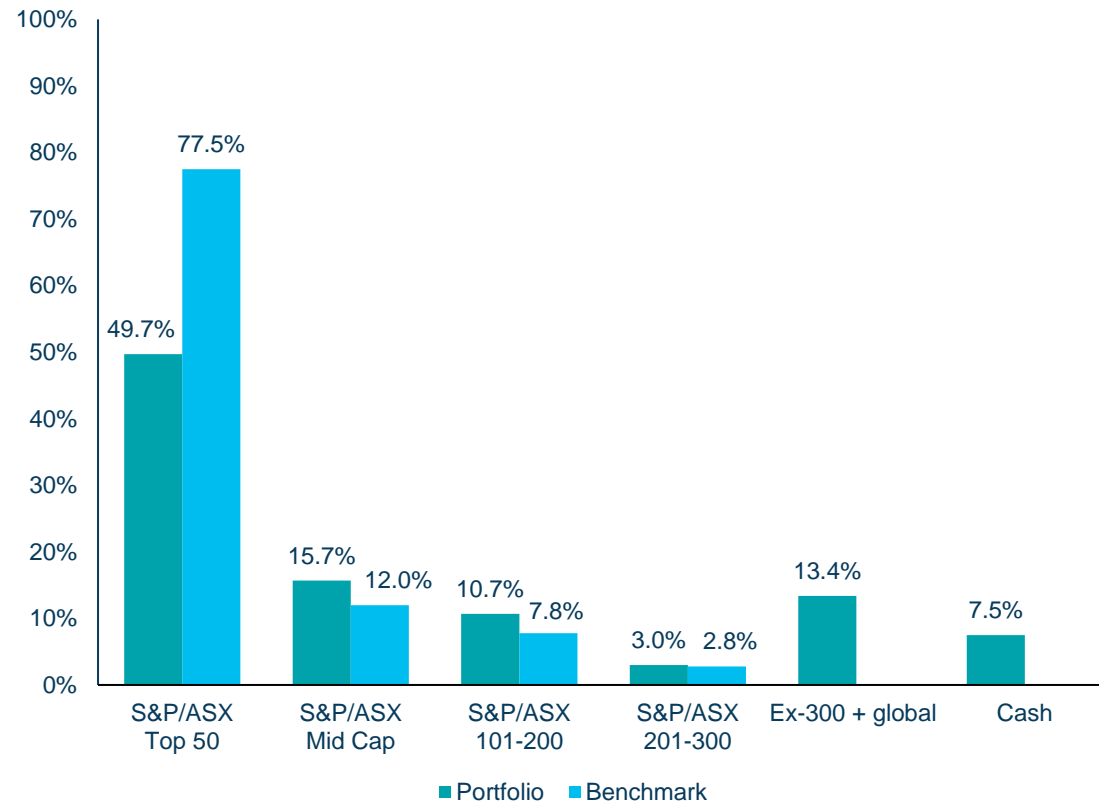


Source: Perpetual Investment Management Limited. Weightings calculated based on direct investments in securities and any indirect exposure via S&P/ASX200 related derivatives. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

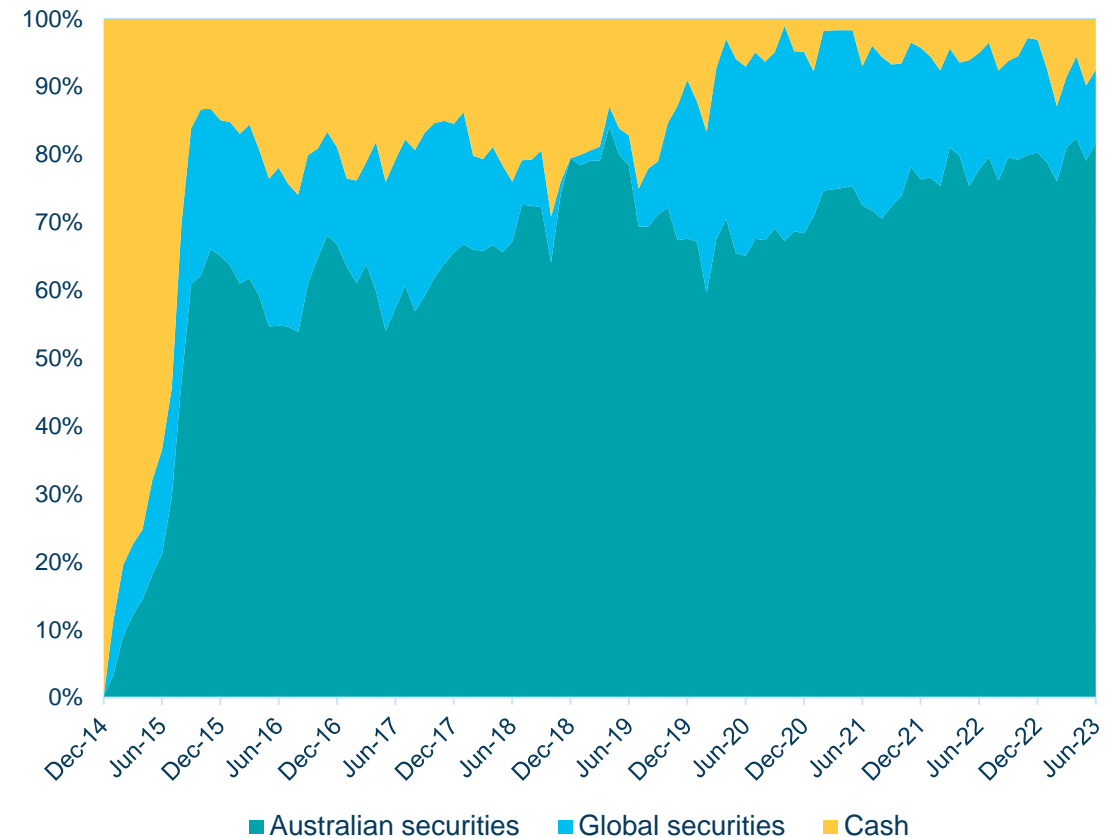
Portfolio allocation

- As an active manager, we utilise the full breadth of our flexible investment strategy to adapt to changing market conditions.
- For example, in the current environment, we are finding more compelling investments in Australian large caps but continue to be opportunistic in global listed securities. This contrasts to previous years and we will continue to seek value across the spectrum.

**Breakdown by market capitalisation
as at 30 June 2023**



PIC asset allocation inception to 30 June 2023



Source: Perpetual Investment Management Limited. Weightings calculated based on direct investments in securities and any indirect exposure via S&P/ASX200 related derivatives. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding. High cash allocation in 2014 and 2015 reflects capital deployment period following IPO. 16

Summary

- We believe the uncertain economic environment should continue to favour active managers such as Perpetual and we have “dry powder” (7.5% cash as at 30 June 2023) ready to deploy
- Perpetual’s quality and value investment process aims for outperformance and steady long-term capital growth with lower than market risk
- PIC aims to provide a consistent and sustainable fully franked dividend stream and the Board believes the size of the profit reserve is well positioned to deliver this

Contact

A close-up photograph of a dandelion seed head, showing the intricate structure of the seeds and the stem. The seeds are covered in small, clear water droplets. The background is a soft, teal color.

Shareholders:

Karen Trau

Investor Relations

P: +61 2 9229 3138

E: karen.trau@perpetual.com.au

Media:

Daniel Wright

Corporate Communications Manager

P: +61 7 3834 5603

E: daniel.wright@perpetual.com.au