

INVESTMENT UPDATE AND NTA REPORT

APRIL 2024

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 30 APRIL 2024	AMOUNT
NTA after tax	\$1.249
NTA before tax	\$1.287

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 2024

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	\$445 million
Share Price:	\$1.17
Shares on Issue:	380,716,264
Dividends:	Half-yearly
Management Fee:	1.00% p.a.*
Manager:	Perpetual Investment Management Limited

* exclusive of GST

INVESTMENT PERFORMANCE

AS AT 30 APRIL 2024	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>	-3.0%	3.4%	14.8%	4.3%	4.1%	5.9%	10.8%	9.4%	9.5%
S&P/ASX 300 Acc Index	-2.9%	1.2%	15.3%	9.0%	5.5%	7.1%	8.0%	8.0%	8.6%
Excess Returns	0.0%	2.2%	-0.5%	-4.7%	-1.4%	-1.2%	2.8%	1.4%	0.9%

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 10 STOCK HOLDINGS

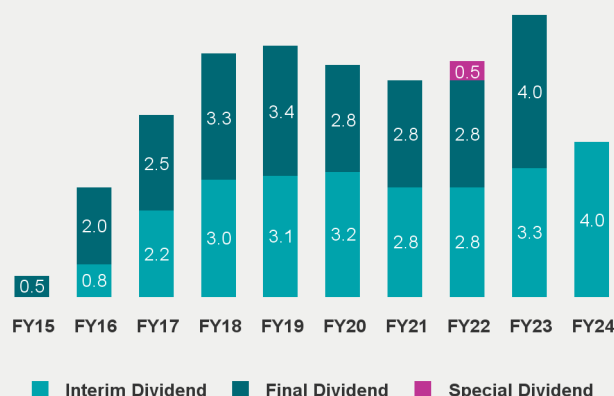
COMPANY	PORTFOLIO WEIGHT
National Australia Bank Limited	9.1%
BHP Group Ltd	6.2%
Flutter Entertainment Plc	5.6%
Origin Energy Limited	5.1%
Goodman Group	4.9%
GWA Group Limited	3.9%
Graincorp Limited	3.8%
Iluka Resources Limited	3.5%
Insurance Australia Group Ltd	3.3%
Premier Investments Limited	3.0%

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

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 6.8%

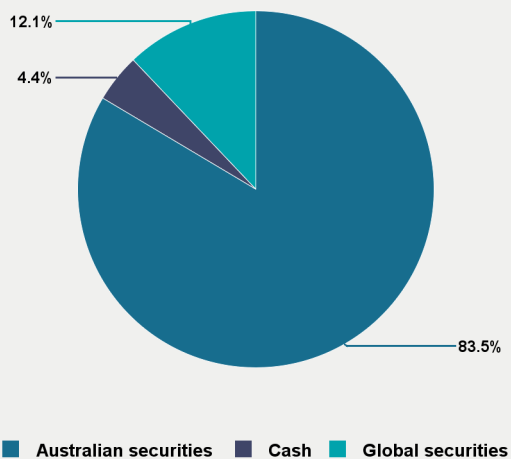
Grossed up annual dividend yield: 9.8%



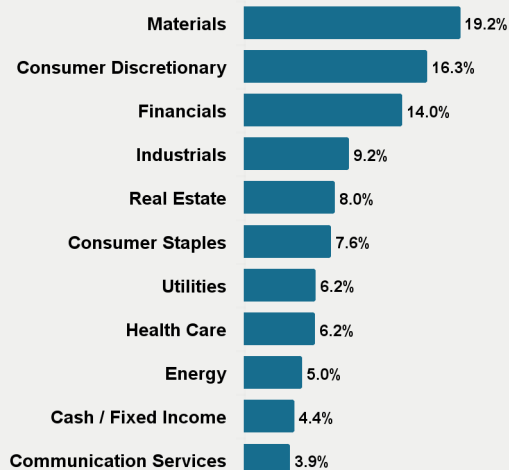
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of \$1.170 as at 30 April 2024. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS[^]

95.6% 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

Market Review

In April market sentiment shifted as 9 of the 11 main sectors experienced declines with the S&P/ASX 300 Accumulation Index (benchmark) registering a -2.9% decline. March's top performers faced a downturn, contributing to overall market weakness. Rate-sensitive sectors suffered, reflecting diminished expectations of rate cuts and a growing anticipation of an RBA rate hike by year-end, now nearing 60%. Heightened concerns over inflation arose from hotter-than-expected Q1 CPI data, further impacting market dynamics. Additionally, the Australia 10 year bond yield reached a five-month high at 4.56%. The market started weak and drifted lower, with notable outflows from banks/financials and consumer discretionary stocks. Gold miners remained resilient, while the S&P/ASX 200 VIX Index surged by +21.3%, signalling a shift from bullish sentiment.

Portfolio

Contributors

Origin Energy contributed to portfolio returns in April with its share price rising 6.0%. While electricity prices have remained volatile (weak during summer before improving afterwards), ORG's portfolio of gas peakers provides the flexibility to manage market instability and optimise exposure. While the pure upstream energy plays have produced inconsistent operational performance, ORG's Australia Pacific LNG (APLNG) exhibited solid volumes and capex outcomes in the 3rd quarter report. Speculation is that the NSW Government will now require the Eraring power station to remain open a further 2 years on top of the original 2 years indicated beyond the planned shutdown next year. This should deliver additional profits to ORG shareholders. Octopus, the least transparent but potentially highest growth business, is conducting a briefing session in early May and we expect this to provide greater clarity around both the retail and licencing economics and outlooks for the business.

PIC's overweight position in Iluka Resources contributed to performance over the month as the stock rallied +6.5% after having experienced some volatility. This is largely due to the market digesting some lead indicators from downstream producers that demand was recovering which is supportive for the core feedstock side of the business where the company has idled some production to reduce output through a period of soft demand. Iluka is a major producer of rutile and synthetic rutile that is used to produce pigment (paint) and the largest producer of zircon which is used to produce ceramics (tiles). We think a recovery in these markets can be met by releasing excess inventory and reducing working capital before production is restarted. Iluka has a very strong balance sheet (net cash) and also owns a valuable stake in Deterra Royalties, which was spun-off in an IPO so is able to buffer these periods of demand distortion that is a feature of these markets. The next catalyst for the company is the update on the funding for the increased capex of the fully integrated rare earths refinery being built in WA to break China's stronghold on these markets. The project is largely funded from a non-recourse loan of more than \$1 billion from the Federal Government that has a \$200 million overrun facility, but there remains uncertainty between how much of the increased capex is funded by debt versus equity.

The overweight position to Whitehaven Coal greatly contributed to performance over the month (+8.7%). Despite coal exports from Australia increasing due to less inclement weather and another mild winter in Europe has left utilities well supplied with LNG/coal, coal demand in South East Asia remains robust and prices have recovered to ~US\$145/t for the high energy content coal that Whitehaven produces. Whitehaven also recently concluded its US\$4.1b purchase of the Blackwater/Duania assets in Queensland from BHP. This transaction will increase the exposure to metallurgical coal used in steel making, but will move the company from a net cash to net debt position. A sell-down of a 20-30% interest in the Blackwater mine to a Joint Venture partner should allay some market concerns over the balance sheet by reducing debt when completed in the second half of 2024. Whitehaven recently received initial approvals for its Winchester South project that is adjacent to Daunia, which has delayed the sell down of that asset as it will take a couple of years to work through an integration proposal for those assets.

Detractors

Select Harvests (SHV) detracted from performance in April, falling -21.4% as the company delivered a trading update that indicated a softer production and pricing than initially expected for its 2024 crop. SHV's 2024 crop is now expected to be 28,500 - 30,000t, versus initially >30,000t. SHV's balance sheet is stretched but current projections still have it within its facility limits and covenants. The market is now looking to the Californian 2024/25 crop which is anticipated to see a recovery in yields after a weaker 2023/24. Nonetheless, with California seeing net declines in almond orchard land allocation, we believe the medium-term outlook for the almond price is positive.

After a period of strong performance, the overweight position in Light & Wonder detracted from the portfolio's performance (-11.2%). Despite the soft month, in March Light & Wonder delivered a result ahead of analyst expectations, driven primarily by outperformance in the core land-based gaming division. The strong performance of one of its new release games, Dragon Train, in the home Australian market is of particular note. Dragon Train is showing strong early signs of success with leading game performance translating to market share gains. Management highlighted in the result that the game will be imminently released into the larger US market, providing a solid foundation for anticipated earnings growth in 2024. Over the past few years, Light & Wonder has undergone a transformative journey, resulting in a repositioned company with a robust balance sheet, an exceptional management team, creative talent, and a clear strategic vision. Pleasingly, recent operational results suggest that the foundational changes made in the business are translating to better products for customers and ultimately better earnings and overall outcomes for shareholders. Despite the recent re-rate, we maintain that the company trades at an attractive valuation relative to its attainable growth prospects.

Premier Investments also detracted from performance. Despite negative industry trends and heightened consumer pressures, Premier has demonstrated its strength through consistently robust trading outcomes. It has been a cornerstone of our core retail investments, renowned for its quality business model, fortified by a robust net cash balance and overseen by engaged and experienced executive leadership. Premier's strategic review signals proactive measures to assess and potentially enhance the corporate, operating, and capital structure, reinforcing its commitment to sustained excellence. The strategic review has resulted in a potential demerger and separate listings of its Smiggle and Peter Alexander brands. Although future outcomes are currently uncertain, they are expected to reflect Premier's commitment to maintaining its high-quality standing in the market.

In the current environment, we are finding more compelling investments in Australia but continue to be opportunistic in global listed securities and seek value across the spectrum. Whilst we have typically been unhedged in recent years with the Australian dollar (AUD) drifting to lower levels, particularly against a resurgent US dollar, the AUD has now fallen to multi year lows. To protect against any appreciation in AUD we have begun hedging the majority of our global exposure.

Outlook

The outlook remains clouded by uncertainty over the direction of the economy and markets. Investors are still unsure if the final outcome is recession, a soft landing or economic rebound. Strong commodity prices point to growth but other data, including employment, is mixed as consumers are under pressure from high interest rates. The majority of the last decade and a half since the '08-'09 Global Financial Crisis (GFC) has been dominated by the central banks and their ultra-low interest rate policies. Chairman Powell kicked off the normalization with the fastest rate hiking cycle in history in 2022, however, as quickly as "higher for longer" entered the lexicon of investors, it was replaced by "soft landing" and debates over rate cuts. Fears are growing that inflation will rise either way, raising the prospect of stagflation. We continue to invest in a selection of quality businesses with good prospects and solid balance sheets trading at reasonable valuation.

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.

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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.

This report 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 report is in summary form and is not necessarily complete. It should be read together with other announcements for the Company lodged with the ASX, which are available at www.asx.com.au.

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This report 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 report, 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.