

INVESTMENT UPDATE AND NTA REPORT

NOVEMBER 2022

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

| AS AT 30 NOVEMBER 2022 | AMOUNT |
|------------------------|---------|
| NTA after tax | \$1.277 |
| NTA before tax | \$1.290 |

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 30 NOVEMBER 2022

| | |
|------------------------|---|
| ASX Code: | PIC |
| Structure: | Listed Investment Company |
| Listing Date: | 18 December 2014 |
| Market Capitalisation: | \$449 million |
| Share Price: | \$1.19 |
| Shares on Issue: | 377,461,658 |
| Dividends: | Half-yearly |
| Management Fee: | 1.00% p.a.* |
| Manager: | Perpetual Investment Management Limited |

* exclusive of GST

INVESTMENT PERFORMANCE

| AS AT 30 NOVEMBER 2022 | 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> | 4.6% | 4.2% | 1.1% | 3.9% | 11.9% | 12.1% | 9.7% | 10.0% | 10.0% |
| S&P/ASX 300 Acc Index | 6.5% | 5.7% | 3.2% | 4.3% | 10.0% | 6.0% | 8.2% | 9.4% | 8.8% |
| Excess Returns | -1.9% | -1.6% | -2.0% | -0.3% | 1.9% | 6.2% | 1.5% | 0.7% | 1.3% |

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 |
|-----------------------------------|------------------|
| Westpac Banking Corporation | 11.7% |
| Newcrest Mining Limited | 5.6% |
| Brambles Limited | 5.4% |
| Insurance Australia Group Limited | 5.3% |
| Santos Limited | 5.3% |

TOP 3 GLOBAL LISTED SECURITIES

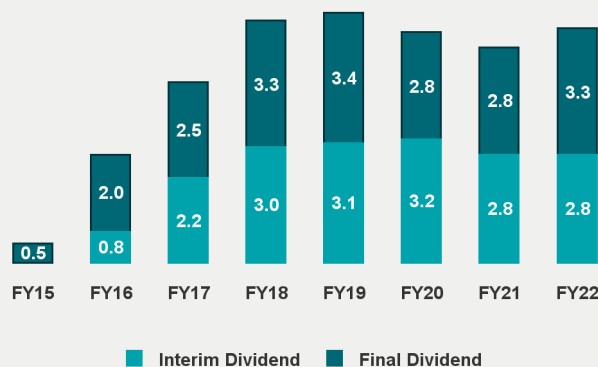
| COMPANY | PORTFOLIO WEIGHT |
|---------------------------|------------------|
| Flutter Entertainment Plc | 7.4% |
| La Francaise des Jeux SA | 4.3% |
| De'Longhi S.p.A. | 2.1% |

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

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 5.1%

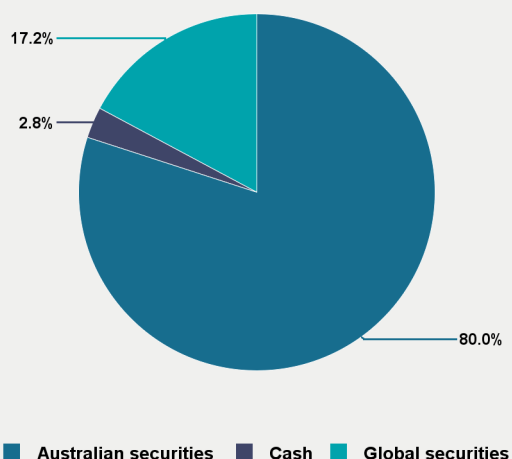
Grossed up annual dividend yield: 7.3%



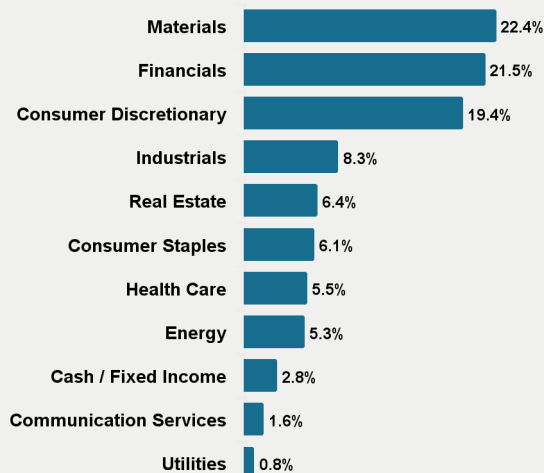
Yield is calculated based on the total dividends of 6.1 cents per share and the closing share price of \$1.190 as at 30 November 2022. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS[^]

97.2% 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

Overall, November was dominated by macroeconomic factors once again, not least the speculation around the change of course in Chinese economic policy. The US Federal Reserve (the Fed) also sent signals that interest rate rises might slow which helped fuel a solid rebound in US equity indices. This in turn created concerns that rising equity markets were easing financial conditions too much which offset rate hikes. A decline in the October US Consumer Price Index (CPI) seemed to justify a change of economic policy. However, attention soon returned to the strong state of the jobs market, including solid wage gains, suggesting that whilst the Fed may begin to slow rate hikes it would commit to a higher terminal policy rate above 5.0% in 2023 to contain inflationary pressures.

During the month, iron ore stocks responded to a dramatic recovery in the iron ore price, which rose sharply in anticipation of China ditching long-enforced COVID-19 zero policies and signalling a reopening and potential for sharp catchup growth.

The PIC portfolio rose 4.6%[^] in November but did not keep up with the S&P/ASX Accumulation Index (the Benchmark) return of 6.5%. The Benchmark's return was driven by a handful of megacaps, especially the iron ore majors (BHP +21.8%, Fortescue +31.8% and Rio Tinto +24.3%). CSL also performed strongly, up 7.0%.

The PIC portfolio had 4.6% invested in BHP during November, compared with 9.8% for the Benchmark, but had no exposure to Fortescue or Rio Tinto. The PIC portfolio also had no exposure to CSL. Although, the PIC portfolio did benefit from resource stocks which all rose during the month including 29Metals (+31.8%), Iluka Resources (+16.7%) and Newcrest Mining (+14.1%) as well as premium dairy brand A2 Milk Company (+17.9%) and French lottery La Francaise des Jeux (+15.2%). Santos was a disappointment falling -4.0% (despite a rise in the energy sector) and there were also declines for Healius (-15.2%), Jervois (-22.5%) and Select Harvest (-17.4%), although these all remain fundamentally undervalued businesses where the Manager is prepared to absorb short term volatility.

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COMPANY NEWS

KEY DATES 2023

The Company's indicative key dates for 2023 are now available on the [PIC website](#). The Company's half year results for financial year 2023, including any dividend announcement, will be announced on 21 February 2023.

SHAREHOLDER COMMUNICATIONS

The [PIC website](#) hosts a range of information including Monthly Investment Updates, Portfolio Manager insights, dividend history and educational resources. The [News & Insights section](#) of the website also includes the ability for you to subscribe to receive regular updates via email. You can also elect to receive electronic communications by logging into the Link investor portal [here](#).

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 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.

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