

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED ACN 601 406 419 REPLACEMENT PROSPECTUS

Perpetual 

Manager

Perpetual Investment Management Limited (AFSL 234426)

Joint Arrangers and Joint Lead Managers

CBA Equities Limited (AFSL 238817)

Taylor Collison Limited (AFSL 247083)

Joint Lead Managers

Macquarie Capital (Australia) Limited (AFSL 314416)

Morgan Stanley Australia Securities Limited (AFSL 233741)

ANZ Securities Limited (AFSL 237531)

Co-Lead Managers

Baillieu Holst Ltd (AFSL 245421)

Lonsec Limited (AFSL 246842)

Authorised Intermediary

Taylor Collison Limited (AFSL 247083)

Australian Legal and Tax Adviser

DLA Piper Australia

CommonwealthBank



Lonsec



Morgan Stanley

Baillieu Holst



IMPORTANT NOTICES

OFFER

The Offer contained in this Prospectus is an invitation to acquire Shares in the Company at \$1.00 per Share, together with one Option for every one Share subscribed for under the Offer, with each Option exercisable at \$1.00 on or before 10 June 2016.

LODGEMENT AND LISTING

This replacement Prospectus is dated 14 October 2014 and a copy of this Prospectus was lodged with ASIC on that date. It replaces the Original Prospectus lodged with ASIC on 7 October 2014 (Original Prospectus). The Company will apply to ASX for admission of the Company to the official list of ASX and for quotation of its Shares and Options on ASX within 7 days after the date of the Original Prospectus. Neither ASIC, ASX or their officers take any responsibility for the contents of this Prospectus or for the merits of the investment in which this Prospectus relates.

This replacement Prospectus has been issued due primarily to the inclusion of worked examples of the management fee and termination payment, a definition for the term 'Net Tangible Asset Backing' (and using this defined term in the replacement prospectus), additional disclosure in the Chairman's letter about the potential volatility of the Perpetual Industrial Share Fund's returns, and additional disclosure clarifying Perpetual Investments is the Perpetual Group's investment funds management business and the Manager's services are offered through Perpetual Investments.

EXPIRY DATE

No Securities (other than the Shares to be issued on exercise of the Options) will be allotted or issued on the basis of this Prospectus later than thirteen months after the date of this Prospectus.

NOTE TO APPLICANTS

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its Securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in the Securities. There are risks associated with an investment in the Securities which must be regarded as a speculative investment. Some of the risks that should be considered are set out in Section 5. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues). There may be additional risks that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Securities.

No person named in this Prospectus warrants or guarantees the Company's performance or any return on investment made pursuant to this Prospectus.

INTERMEDIARY AUTHORISATION

The Company does not hold an AFSL under the Corporations Act. Accordingly, the Offer will be made pursuant to an arrangement between the Company and Taylor Collison Limited (AFSL 247083) under Section 911A(2)(b) of the Corporations Act. The Company will only authorise Taylor Collison to make offers to people to arrange for the issue of Securities in accordance with such offers if they are accepted.

The Joint Lead Managers and the Co-Lead Managers will together manage the Offer on behalf of the Company. The Joint Lead Managers are CBA Equities (AFSL 238817), Taylor Collison (AFSL 247083), Macquarie Capital (AFSL 314416), Morgan Stanley (AFSL 233741) and ANZ Securities (AFSL 237531). The Co-Lead Managers are Baillieu Holst (AFSL 245421) and Lonsec (AFSL 246842).

The Joint Lead Managers' and the Co-Lead Managers' functions should not be considered as an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor. The Joint Lead Managers and the Co-Lead Managers do not guarantee the success or performance of the Company or the returns (if any) to be received by investors. Neither the Joint Lead Managers, the Co-Lead Managers nor any other licensee is responsible for, or has caused the issue of, this Prospectus.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Securities in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

NOTICE TO UNITED STATES RESIDENTS

The Securities being offered pursuant to this Prospectus have not been registered under the United States Securities Act of 1933, as amended (US Securities Act) or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act. In addition, any hedging transactions involving the Securities may not be conducted unless in compliance with the US Securities Act.

NOTICE TO NEW ZEALAND INVESTORS

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and Corporations Regulations 2001 (Cth) (Australia). In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings-Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Corporations Regulations 2001 (Cth) (Australia) set out how the Offer must be made.

There are differences in how securities are regulated under Australian Law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment for Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Securities is not New Zealand dollars. The value of the Securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the Securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the Securities are able to be traded on the securities market and you wish to trade the Securities through that market, you will have to make arrangements for a participant in that market to sell the Securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Securities and trading may differ from securities markets that operate in New Zealand.

FINANCIAL INFORMATION AND AMOUNTS

The Pro Forma Financial Information presented in Section 7.2 has, except as otherwise noted, been prepared in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards (“AASBs”), although it is presented in an abbreviated form insofar as it does not include all the

disclosures, statements and comparative information required by the AASBs applicable to annual financial reports prepared in accordance with the Corporations Act. The Pro Forma Financial Information has been prepared to illustrate the financial position of the Company following completion of the Offer and the expenditure of funds associated with the Offer.

The Pro Forma Financial Information is presented in Australian dollars.

DISCLAIMER

No person is authorised by the Company, the Joint Lead Managers or the Co-Lead Managers to give any information or make any representation in connection with the Offer that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, operations and prospects may have changed since the date of this Prospectus.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the forward-looking statements in this Prospectus may turn out to

be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 5. Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements.

These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the date of this Prospectus.

Some numerical figures in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications under the Offer in the seven-day period after the date of lodgement of the Original Prospectus with ASIC (Exposure Period). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offer. This Prospectus will be made generally available to Australian residents during the Exposure Period, without the Application Form, by being posted on the Company's website: www.perpetualequity.com.au

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

ELECTRONIC PROSPECTUS

This Prospectus will be made available in electronic form on the Company's website: www.perpetualequity.com.au

The information on the Company's website does not form part of this Prospectus.

The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia or New Zealand.

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If unsure about the completeness of this Prospectus received electronically, or a print out of it, you should contact the Company. A paper copy of this Prospectus is available for Australian and New Zealand residents free of charge by contacting:

Perpetual Equity Investment Company Limited Offer Information Line
Tel: (+61) 1800 421 712 (between 8:30am to 5:30pm AEDT Monday to Friday)

Applications for Securities under this Prospectus may only be made on either a printed copy of the Application Form attached to or accompanying this Prospectus or via the electronic Application Form attached to the electronic version of this Prospectus, available on the Company's website. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

PRIVACY

The Company will collect, hold, use and disclose personal information provided by investors to allow it to process your Application, service your needs as a security holder, provide facilities and services that you request and carry out appropriate administration of your investment. This means that the Company will need to collect your personal information (for example, your name, address and details of the Shares and Options that you hold). Under the Corporations Act some of this information must be included in the Company's Shareholder and Option holder registers, which will be accessible by the public.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Company and its Share Registry may not be able to process your Application.

The Company may also share your personal information with service providers of the Company or others who provide services on the Company's behalf, some of which may be located outside of Australia.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located on the Company's website. Alternatively, you can contact the Company by telephone on (+61) 1800 421 712 and the Company will send you a copy of its Privacy Policy free of charge. It is recommended that you obtain a copy of the Company's Privacy Policy and read it carefully before making an investment decision.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and the Company's Privacy Policy located on the Company's website.

The Company's Privacy Policy, located on the Company's website, also contains information about how you can access and seek correction of your personal information, complain about a breach by the Company of the Australian privacy laws, and how the Company will deal with your complaint.

DEFINITIONS AND ABBREVIATIONS

Defined terms and abbreviations used in this Prospectus are set out in Section 11.

TIME

All references to time in this Prospectus refer to Australian Eastern Daylight Time unless stated otherwise.

DATA

All data contained in charts, graphs and tables is based on information available as at the date of this Prospectus unless otherwise stated.



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IMPORTANT DATES

LODGEMENT OF THE REPLACEMENT PROSPECTUS WITH ASIC	14 October 2014
OFFER OPENS	21 October 2014
OFFER CLOSES	5:00pm 28 November 2014 (AEDT)
EXPECTED DATE FOR ALLOTMENT OF SHARES AND OPTIONS	8 December 2014
EXPECTED DATE FOR DISPATCH OF HOLDING STATEMENTS	9 December 2014
TRADING OF SHARES AND OPTIONS COMMENCES ON ASX (ON A NORMAL SETTLEMENT BASIS)	12 December 2014

The above timetable is indicative only. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

KEY OFFER STATISTICS

Company	Perpetual Equity Investment Company Limited ACN 601 406 419
Proposed ASX Codes	Shares PIC Options PICO
Securities offered	Fully paid Shares with one Option for every one Share subscribed for
Subscription Price per Share	\$1.00
Minimum number of Securities available under the Offer	150,000,000 Shares 150,000,000 Options
Gross proceeds from the Offer (before exercise of any Options) based on the Minimum Subscription being raised under the Offer	\$150,000,000
Number of Securities available under the Offer based on the Maximum Subscription Amount being raised (before the acceptance of any Oversubscriptions ¹)	500,000,000 Shares 500,000,000 Options
Gross proceeds from the Offer (before exercise of any Options and the acceptance of Oversubscriptions) based on the Maximum Subscription being raised under the Offer ¹	\$ 500,000,000
Maximum number of Securities available under the Offer based on the Maximum Subscription being raised and all Oversubscriptions being accepted ¹	600,000,000 Shares 600,000,000 Options
Gross proceeds from the Offer (before exercise of any Options) based on the Maximum Subscription being raised and all Oversubscriptions accepted under the Offer	\$600,000,000
Exercise Price per Option	\$1.00
Pro forma Net Asset Value (NAV) backing per Share ² based on the Minimum Subscription being received (based on the unaudited pro forma statements on financial position set out in Section 7)	\$0.983
Pro forma NAV backing per Share ² based on the Maximum Subscription being received and before any Oversubscriptions are accepted (based on the unaudited pro forma statements of financial position set out in Section 7)	\$0.984
Pro forma NAV backing per Share ² based on the Maximum Subscription being received and all Oversubscriptions being accepted (based on the unaudited pro forma statements of financial position set out in Section 7)	\$0.984

1. The Company reserves the right to accept applications by way of Oversubscriptions under the Offer to raise up to a further \$100,000,000.
2. Calculated before the exercise of Options and on the assumption that 70% is raised under the Broker Firm Offer and 30% is raised under the General Offer and the Perpetual Limited Shareholder Priority Offer.

CHAIRMAN'S LETTER

ON BEHALF OF THE BOARD OF DIRECTORS I INVITE YOU TO INVEST IN A NEW COMPANY

14 October 2014

Dear Investor

On behalf of the Board of Directors I invite you to invest in a new company which is proposed to be listed on ASX, the Perpetual Equity Investment Company Limited (the Company).

The Company has been established because the Board believes many investors are seeking convenient access to a portfolio of predominantly high quality Australian and global listed securities, selected by Perpetual Investment Management Limited (the Manager), one of Australia's most experienced fund managers, and managed to provide regular income and long-term capital growth.

ABOUT THE MANAGER

The Portfolio of the Company will be managed by the Manager, part of the Perpetual Group, whose consistent track record of investing excellence is underpinned by its proven investment process that focuses on value and quality.

The Perpetual Group was established in 1886. The Manager's services are offered through the Perpetual Group's investment funds management business, Perpetual Investments.

Perpetual Investments is one of Australia's most respected fund managers, with nearly \$30 billion in funds under management at 30 June 2014.

It has been managing some of its funds, such as the Perpetual Industrial Share Fund (ARSN 089 547 875) (PISF), for a period measured in decades. The PISF has generated average annualised returns after fees of 15.3% per year for 38 years which is the period since PISF's first audited performance figures were available to 31 August 2014.¹ Returns may be volatile – for example, during this 38 year period PISF's highest return was +51.4% in the 1987 financial year and lowest return was -24.1% in the 2008 financial year. The historical performance of PISF has been noted, instead of the three other funds managed by the Manager with a similar investment strategy to the Company's investment strategy, since PISF has the longest track record deploying the Manager's proven investment process.²

The Manager is an active, value manager, with a bottom-up investment process. Its investment team is large and conducts an extensive number of domestic and global company visits each year as

¹ The inception date of the Perpetual Industrial Share Fund (PISF) is August 1966, however, the first available audited performance figures for PISF commence from 31 December 1976. Accordingly, PISF's return has been quoted from the date of its first available audited performance figures instead of its inception date. Past performance of the PISF is not an indication of future performance of the Company. The PISF is currently only offered to retail clients via the Perpetual WealthFocus Investment Fund.

² See Sections 4.4 to 4.5 for further information about these Perpetual funds, including PISF.

part of a process built around in-depth company analysis. The Manager has consistently applied this investment process through the market's many ups and downs and due to the rigour of its processes and the quality of its investment management team, has delivered consistent, award-winning performance for investors.

AWARD WINNING INVESTMENT MANAGEMENT

In 2014 the Manager was awarded Morningstar's Fund Manager of the Year award. This was its second consecutive win in this award. It has now won this award six times since 2000. In 2013 the Manager was also named the Zenith/Professional Planner Fund Manager of the Year.

ABOUT THE COMPANY AND THE PORTFOLIO

The Portfolio will be actively managed and focus on delivering regular income and long-term capital growth. While it will have a predominantly Australian equity focus, it has been structured to give the Manager flexibility in how returns are delivered to investors, while effectively managing risk.

The Manager can invest up to 100% of the Portfolio's net asset value in listed Australian securities, and is expected to typically have a mid-cap bias for this portion of the Portfolio. To increase its ability to generate superior returns – and to provide for further diversification – the Manager can also invest up to 25% of the Portfolio's net asset value in global listed securities. To mitigate potential security market risk, the Manager is also able to move up to 25% of the Portfolio's net asset value into cash, deposit products and senior debt with less than one year to maturity

(including any exposure to such investments gained by investing in managed funds). The Manager will fully invest the Portfolio over a period of up to approximately three to six months within the Company's investment guidelines.

INVESTING IN THIS OFFER

I encourage you to read this Prospectus in full and carefully consider the information provided before making your investment decision. It contains detailed information about the Company, the Manager, the Securities and key risks associated with this investment (see Section 5 for details of these risks). You should consider this investment as long-term (investing for at least five years). Accordingly, you should be aware that the value of your investment may fluctuate significantly over time.

I believe that the Company's listed structure, the flexibility of the investment strategy and the quality of the investment manager provide investors with a compelling investment opportunity. You may wish to seek professional advice to determine if this investment is appropriate for you. If appropriate for your circumstances, I look forward to welcoming you as a security holder.

Yours sincerely,



Peter Scott
Chairman

1. INVESTMENT OVERVIEW

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Securities under the Offer, you should read this Prospectus carefully and in its entirety.

If you are in doubt as to the course you should follow, please consult your professional advisers.

ABOUT THE COMPANY

QUESTION	ANSWER	MORE INFORMATION
What is the business of the Company and how will it seek to generate returns for investors?	<p>The Company was only recently incorporated and has not undertaken any business to date. It has been formed specifically for the purposes of the Offer. Following completion of the Offer it is proposed that the Company will be listed on ASX as a listed investment company (LIC). Primarily, the Company will invest in quality listed securities. Its investment portfolio will be managed by the Manager, Perpetual Investment Management Limited.</p> <p>The Manager will undertake the active management of the Company's portfolio, predominantly Australian listed securities with typically a mid-cap bias and cash, deposit products and senior debt, together with opportunistic allocations to global listed securities.</p> <p>The Company will provide investors with the opportunity to invest in an actively managed portfolio and to gain access to the investment management experience and expertise of the Manager.</p>	Section 3.1
Who will manage the investments?	<p>Perpetual Investment Management Limited (the Manager).</p> <p>The Manager is a part of the Perpetual Group, which has been in operation for 128 years, and its services are offered through the Perpetual Group's investment funds management business, Perpetual Investments. Perpetual Investments is one of Australia's leading investment managers, with nearly \$30 billion in funds under management as at 30 June 2014.</p> <p>By employing some of the industry's best investment specialists and applying a proven investment philosophy, the Manager has for over 35 years been able to help generations of Australians manage their wealth.</p> <p>The Manager has won many awards, including Morningstar Fund Manager of the Year two years running in 2014 and 2013.</p>	Section 4 and 9.1

QUESTION	ANSWER	MORE INFORMATION												
<p>What are the key terms of the Management Agreement?</p>	<p>The Manager will be responsible for managing the Portfolio in accordance with the investment objectives, strategy, guidelines, permitted investments and elements of investment set out in this Prospectus.</p> <p>The Management Agreement provides for the appointment of the Manager for an initial term of five years unless terminated earlier. The Management Agreement will be automatically extended for a further five-year term on the expiry of the initial term unless terminated earlier in accordance with its terms.</p> <p>The Company will pay the Manager a management fee of 1.00% per annum (plus GST) for the first \$1 billion of the Portfolio Net Asset Value, and 0.85% per annum (plus GST) of the Portfolio Net Asset Value in excess of \$1 billion, which accrues daily. The management fee is paid monthly in arrears.</p> <p>The table below sets out some worked examples of the potential management fees payable to the Manager on the initial Portfolio Net Asset Value based on the Minimum Subscription, Maximum Subscription (before accepting any Oversubscriptions) and Maximum Subscription (with all Oversubscriptions accepted) being achieved. These worked examples are not based on any forecasts or predictions and are provided for illustrative purposes only.</p> <p>Worked examples of management fee:</p> <p>Management fee rate per annum (before GST): 1.00% of the Portfolio Net Asset Value</p> <table border="1" data-bbox="411 1391 1458 1704"> <thead> <tr> <th></th> <th>Minimum Subscription is achieved¹</th> <th>Maximum Subscription (before accepting any Oversubscriptions) is achieved¹</th> <th>Maximum Subscription (with all Oversubscriptions accepted) is achieved¹</th> </tr> </thead> <tbody> <tr> <td>Estimated first month's management fee²</td> <td>\$121,877</td> <td>\$406,990</td> <td>\$488,456</td> </tr> <tr> <td>Estimated annualised management fee³</td> <td>\$1,462,521</td> <td>\$4,883,885</td> <td>\$5,861,473</td> </tr> </tbody> </table> <p>¹ Based on the Portfolio Net Asset Value immediately after the relevant subscription amount is achieved, which is the estimated net cash position of the Company detailed in Section 7.5.</p> <p>² Management fees are accrued each Business Day at a rate of 1.00% per annum of the Portfolio Net Asset Value and payable monthly in arrears.</p> <p>³ The estimated annualised management fee will change with the value of the Portfolio Net Asset Value.</p> <p>If the Management Agreement is terminated during the extended term, then in certain circumstances the Manager is also entitled to a termination payment equal to 5.0%, reduced by one sixtieth (1/60) for each whole calendar month elapsed between the commencement of the extended term and the termination date, of the Net Tangible Asset Backing of each Share in each class of shares in the Company, as calculated under the Listing Rules.</p>		Minimum Subscription is achieved ¹	Maximum Subscription (before accepting any Oversubscriptions) is achieved ¹	Maximum Subscription (with all Oversubscriptions accepted) is achieved ¹	Estimated first month's management fee ²	\$121,877	\$406,990	\$488,456	Estimated annualised management fee ³	\$1,462,521	\$4,883,885	\$5,861,473	<p>Section 3 and 9.1</p>
	Minimum Subscription is achieved ¹	Maximum Subscription (before accepting any Oversubscriptions) is achieved ¹	Maximum Subscription (with all Oversubscriptions accepted) is achieved ¹											
Estimated first month's management fee ²	\$121,877	\$406,990	\$488,456											
Estimated annualised management fee ³	\$1,462,521	\$4,883,885	\$5,861,473											

QUESTION	ANSWER	MORE INFORMATION
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What are the key terms of the Management Agreement?
(continued)

The termination payment under the Management Agreement provides an appropriate balance between the Manager’s desire to protect its engagement by the Company for long enough to recoup its initial investment in respect of the Company and the right of Shareholders to terminate the Management Agreement after a reasonable fixed term under the Listing Rules. The advantage of the termination payment is that the Manager is only entrenched as the investment manager of the Company for one five year initial term and can be removed in certain circumstances after the expiry of the initial term. The disadvantage of the termination payment is that the Company must make a payment to the Manager, which may be substantial, if the Management Agreement is terminated during the extended term.

The table below sets out some worked examples of the termination payment payable to the Manager if the Management Agreement is terminated at: i) the commencement of the extended term; ii) after 30 months of the extended term has elapsed (i.e. in the middle of the extended term); and iii) the end of the extended term. The worked examples are calculated based on the Net Tangible Asset Backing of the Company immediately after the Maximum Subscription (with all Oversubscriptions accepted) is achieved, which is the estimated net cash position of the Company detailed in Section 7.5, and an assumed 10% per annum increase or decrease of the Net Tangible Asset Backing of the Company over the initial term and extended term of the Management Agreement. These worked examples are not based on any forecasts or predictions of the Company’s returns and are provided for illustrative purposes only.

Worked example of the termination payment:

	Termination at commencement of extended term	Termination after 30 months of the extended term has elapsed	Termination at the end of the extended term
Net Tangible Asset Backing increasing by 10% per annum ¹	\$47,199,805	\$29,983,676	\$0
Net Tangible Asset Backing decreasing by 10% per annum ²	\$17,305,706	\$6,658,370	\$0

1 The Net Tangible Asset Backing of the Company at: i) commencement of the extended term is \$943,996,093; ii) after 30 months of the extended term has elapsed is \$1,199,347,036; and iii) at the end of the extended term is \$1,520,315,148.

2 The Net Tangible Asset Backing of the Company at: i) commencement of the extended term is \$346,114,121; ii) after 30 months of the extended term has elapsed is \$266,334,816; and iii) at the end of the extended term is \$204,376,927.

For ease of reference, the key defined terms used in this Section are detailed and defined below:

- **Net Tangible Asset Backing** means the value of Company’s total assets reduced by the Company’s intangible assets and Company’s total liabilities, which includes provisions for tax on realised income and gains, tax on estimated unrealised income and gains, declared but unpaid dividends, and unpaid management fees earned, as calculated in accordance with the Listing Rules.
- **Portfolio Net Asset Value** means the market value of the assets of the Portfolio reduced by any accrued but unpaid expenses of the Company, but not provisions for tax payable or unpaid dividends of the Company, and after subtracting any borrowings drawn down and adding back borrowings repaid.

QUESTION	ANSWER	MORE INFORMATION
<p>What is the Company's investment objective?</p>	<p>The investment objective of the Company is to provide investors with a growing income stream and long-term capital growth in excess of its benchmark over minimum 5 year investment periods.</p> <p>The Company's benchmark is the S&P/ASX 300 Accumulation Index. Since the Company may invest in global listed securities, the Company will have exposure to different investments to the Benchmark. Although a key tenet of the Company's investment strategy is to provide the Manager with the flexibility to add value by investing in global listed securities, the Company has chosen the above Benchmark to reflect what the Company believes is the opportunity cost of alternatively only investing in Australian securities. This benchmark is intended to focus the Manager on global investment opportunities that add value above the Australian equity market return and focus the Manager on assessing global securities on a risk adjusted return basis from an Australian investor's perspective.</p>	<p>Section 3.2</p>
<p>What is the Company's investment strategy?</p>	<p>The Company will hold an actively managed portfolio of typically 20-40 quality securities, underpinned by the Manager's fundamental, in-depth, bottom-up research. The Manager aims to generate superior, above benchmark returns by investing in high quality securities at attractive prices, which are identified using the Manager's disciplined investment process.</p> <p>The key investment guidelines for the Manager's implementation of the Company's investment strategy are:</p> <ul style="list-style-type: none"> • 50-100% of the Portfolio's net asset value in Australian listed securities. Typically, these securities will have a mid-cap bias; • 0-25% of the Portfolio's net asset value in global listed securities; • 0-25% of the Portfolio's net asset value in cash, deposit products and senior debt with less than one year to maturity (including any exposure to such investments gained by investing in managed funds). <p>In addition, the Portfolio may hold 0-10% of the Portfolio's net asset value in unlisted securities, provided the securities are proposed to be listed on an Australian exchange or securities exchange located outside Australia within 12 months. The Manager expects the Portfolio will be typically unhedged but may hedge the Portfolio defensively where there is significant risk of currency weakness.</p> <p>Derivatives may be used as part of the Company's investment strategy to adjust currency exposures (where applicable), hedge selected investments, gain short term exposure to the market and build positions in selected investments. Derivatives will not be used for gearing purposes. The Manager is also not permitted to use short selling. Borrowing does not form part of the investment strategy of the Manager, however, the Company retains the right to leverage up to 10% of the Portfolio's net asset value at the Board's discretion.</p>	<p>Sections 3.3 to 3.7</p>

QUESTION	ANSWER	MORE INFORMATION
<p>What are the key highlights of the Offer?</p>	<p>The Company offers access to the Manager’s consistent track record of investing excellence, which is underpinned by the Manager’s proven investment process that focuses on value and quality. The Portfolio will be actively managed to invest predominantly in quality listed Australian and global securities, with a focus on providing investors with regular income and long term capital growth.</p> <p>Taking up this Offer will allow investors to:</p> <ul style="list-style-type: none"> • Access the Manager’s proven investment philosophy and process which has consistently delivered outstanding results for its investors. The Manager is an award-winning fund manager, recognised for its investment process, which is both disciplined and flexible allowing the Manager to seek out high-quality securities trading below fair value. • Benefit from the Manager’s rigorous bottom-up securities selection process which has been tried and tested for decades. • The depth and breadth of the Manager’s investment team enables it to find investment opportunities where others may not. The Manager’s investment team conducts extensive domestic and global company visits each year and its decisions are made based on in-depth analysis and research. • The Portfolio will be actively managed 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. • Access global opportunities – up to 25% of the Portfolio’s net asset value can be invested in listed global securities providing the opportunity to add returns above the Benchmark return and diversification to the Portfolio. • Carefully managed dividends and franking credits – the Portfolio will aim to provide a consistent and growing income stream. • Transparency with frequent updates and the invitation to attend and ask questions at the Company’s Annual General Meeting. • Flexibility and control by investing in a liquid investment that can be bought and sold easily on ASX. • For SMSFs – provides actively managed exposure to predominantly quality listed Australian and global securities designed to provide regular income and capital growth. 	<p>Section 3 and 4</p>

QUESTION	ANSWER	MORE INFORMATION
<p>What are the key risks associated with the business model, the Securities and the Offer?</p>	<p>All investments are subject to risk which means the value of your investment may rise or fall. Before making an investment decision, it is important to understand the risks that can affect the value of your investment.</p> <p>Key risks in relation to an investment in the Company include:</p> <p>Strategy risk The Company's success and profitability is very much reliant upon the Manager's ability to devise and maintain an investment portfolio consistent with the Company's investment objective, strategies, guidelines, permitted investments and elements of investment set out in this Prospectus.</p> <p>Manager risk That the Manager may cease to manage the portfolio or a portfolio manager involved in the management of the Company's portfolio may resign requiring the Company and the Manager respectively to find replacements.</p> <p>Concentration risk There may be more volatility in the Company's Portfolio due to the lack of diversity in its investments.</p> <p>Currency risk There is the potential for adverse movements in exchange rates to reduce the Australian dollar value of the Company's global assets, which may reduce the value of the Company's Portfolio.</p> <p>Investment risk The value of your investment in the Company may fall for a number of reasons, which means that you may receive less than your original investment when you sell your Securities. The Securities may also trade on ASX at a discount to NAV per Share for short or long periods of time.</p> <p>Asset risk The value of a particular asset that the Company may invest in may fall in value over time, which can result in a reduction in the value of the Company's Portfolio and its Securities.</p> <p>Foreign jurisdiction risk Where the Company invests in entities located in a foreign jurisdiction, the Company may be exposed to the risks of the foreign jurisdiction offering less legal rights and protections to security holders of foreign entities located in that jurisdiction.</p> <p>Liquidity risk The ability of a security holder in the Company to sell their Securities on ASX will depend on the turnover or liquidity of the Securities at the time of sale. Therefore, security holders may not be able to sell their Securities at the time, in the volumes or at the price they desire.</p> <p>You should bear the above risks in mind when considering whether to participate in the Offer. You are strongly advised to consider any investment in the Company as a long-term proposition (five years plus) and to be aware that, as with any equity investment, substantial fluctuations in the value of your investment may occur over that period and beyond.</p> <p>While it is impractical to identify every conceivable risk relevant to an investment in the Company, other significant risks that might affect your investment are listed in more detail in Section 5.</p>	<p>Investors should read these risks together with the other risks described in Section 5</p>

QUESTION	ANSWER	MORE INFORMATION
What is the time frame for Portfolio construction?	The Manager may take up to approximately three to six months to fully invest the Company's Portfolio. An investment in the Company should be regarded as a long term proposition (five years plus).	Sections 3.5 and 5.3
Will the Company pay dividends?	<p>The Company currently intends to pay a dividend to Shareholders twice a year.</p> <p>The amount of the dividend will be at the discretion of the Board and will depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Board deem relevant. Currently, it is the Board's intention that all dividends paid to Shareholders will be franked to 100% or to the maximum extent possible.</p>	Section 3.9
Who are the Directors?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> • Peter Scott – Not Independent Non-executive Director and Chairman; • Virginia Malley – Independent Non-executive Director; • John Edstein – Independent Non-executive Director; • Christine Feldmanis – Independent Non-executive Director; • Michael Gordon – Not Independent Executive Director. <p>See Section 6.1 for further details regarding the background of the Directors.</p>	Section 6.1
What are the Directors paid and what are their interests in the Offer?	<p>Following their appointment, it is proposed that the Directors will receive the following annual remuneration (including superannuation):</p> <ul style="list-style-type: none"> • Peter Scott – \$50,000. Peter holds approximately 6,590 ordinary shares of Perpetual Limited, which is the ultimate holding company of the Manager, as at the date of this Prospectus. • Virginia Malley – \$40,000 • John Edstein – \$40,000. John Edstein holds approximately 1,620 ordinary shares of Perpetual Limited, which is the ultimate holding company of the Manager, as at the date of this Prospectus. • Christine Feldmanis - \$40,000 • Michael Gordon is an Executive Director of the Company and the Manager. He is remunerated by the Perpetual Group and it is not intended, as at the date of this Prospectus, that he will receive Directors' fees or any other form of remuneration from the Company for his services. Michael holds approximately 4,482 ordinary shares of Perpetual Limited, which is the ultimate holding company of the Manager, as at the date of this Prospectus. In addition, Michael holds 12,653 Long Term Incentive Plan Shares, which have the same rights as ordinary shares. Michael also holds 10,124 Long Term Incentive Plan Performance Rights of Perpetual Limited, which are exercisable subject to relative Total Shareholder Return (TSR) performance hurdles and to Perpetual Limited's earnings per share growth. The Long Term Incentive Plan Shares and Performance Rights are exercisable at the end of a three year performance period for the equivalent number of ordinary shares of Perpetual Limited. 	Section 6.2
What is the financial position of the Company?	While the Company is yet to commence trading, unaudited pro forma statements of its financial position as at 25 August 2014 are set out in Section 7.	Section 7

QUESTION	ANSWER	MORE INFORMATION
<p>Will any related party have a significant interest in the Company or the Offer?</p>	<p>As at the date of this Prospectus, Perpetual Investment Management Limited is the sole Shareholder of the Company and is therefore a related party of the Company. The Company and Perpetual Investment Management Limited have entered into a Management Agreement pursuant to which Perpetual Investment Management Limited is entitled to be paid certain fees by the Company. Further details of the Management Agreement are set out above and in Section 9.1.</p> <p>Other than as set out above and in Section 10 there are no other existing agreements or arrangements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company had or will have a direct or indirect interest in the Company or the Offer.</p>	<p>Sections 2.5, 9.1 and 10.8</p>
<p>What are the Company's material contracts?</p>	<p>In addition to the Management Agreement, the Company has entered into an Offer Management Agreement with respect to the Offer.</p>	<p>Section 9.2</p>
<p>Does the Board approve investments?</p>	<p>Board approval is not required for investments undertaken by the Manager that are in accordance with the Company's investment objectives, strategies, guidelines, permitted investments and elements of investment set out in this Prospectus. Any investments that the Manager proposes outside of these parameters must be approved by the Board.</p>	<p>Section 3.6</p>

ABOUT THE OFFER

QUESTION	ANSWER	MORE INFORMATION																		
Who is the issuer of the Securities and this Prospectus?	Perpetual Equity Investment Company Limited ACN 601 406 419	Section 2																		
What is the Offer?	<p>The Company is offering Shares for subscription to raise a minimum of \$150,000,000 and up to \$500,000,000.</p> <p>Investors will also receive, for no additional consideration, one Option for every one Share subscribed for, exercisable at \$1.00 on or before 10 June 2016.</p> <p>The Company reserves the right to accept Oversubscriptions under the Offer to raise up to a further \$100,000,000 (before the exercise of any Options).</p>	Section 2.1 and 2.2																		
What do Applicants pay when applying under the Offer?	<p>All Applicants under the Offer will pay a Subscription Price of \$1.00 per Share.</p> <p>The Company will retain any interest earned on an Applicant's Application Amount.</p>	Section 2.1 and 2.2																		
Who are the Joint Lead Managers to the Offer?	<p>The Joint Lead Managers are CBA Equities, Taylor Collison, Macquarie Capital, Morgan Stanley and ANZ Securities.</p> <p>Baillieu Holst and Lonsec have been appointed as Co-Lead Managers to the Offer.</p>	Section 2.4																		
What is the purpose of the Offer?	<p>The Company is seeking to raise a minimum of \$150,000,000 and up to \$500,000,000 with the right to accept Oversubscriptions to raise up to a further \$100,000,000 (before the exercise of any Options), to undertake investments consistent with the investment objectives and guidelines outlined in this Prospectus and for paying the costs of the Offer, including obtaining a listing on ASX.</p>	Section 2.1 and 3.1																		
What will the capital structure of the Company be following completion of the Offer?	<p>On completion of the Offer, the capital structure of the Company will be as set out below (before the exercise of any Options):</p> <table border="0"> <tr> <td colspan="2">Minimum Subscription</td> </tr> <tr> <td>Shares</td> <td>150,000,001</td> </tr> <tr> <td>Options</td> <td>150,000,000</td> </tr> <tr> <td colspan="2">Maximum Subscription (before accepting any Oversubscriptions)</td> </tr> <tr> <td>Shares</td> <td>500,000,001</td> </tr> <tr> <td>Options</td> <td>500,000,000</td> </tr> <tr> <td colspan="2">Maximum Subscription (with all Oversubscriptions accepted)</td> </tr> <tr> <td>Shares</td> <td>600,000,001</td> </tr> <tr> <td>Options</td> <td>600,000,000</td> </tr> </table>	Minimum Subscription		Shares	150,000,001	Options	150,000,000	Maximum Subscription (before accepting any Oversubscriptions)		Shares	500,000,001	Options	500,000,000	Maximum Subscription (with all Oversubscriptions accepted)		Shares	600,000,001	Options	600,000,000	Section 10.4
Minimum Subscription																				
Shares	150,000,001																			
Options	150,000,000																			
Maximum Subscription (before accepting any Oversubscriptions)																				
Shares	500,000,001																			
Options	500,000,000																			
Maximum Subscription (with all Oversubscriptions accepted)																				
Shares	600,000,001																			
Options	600,000,000																			

QUESTION	ANSWER	MORE INFORMATION
Who can participate in the Offer?	Investors that have a registered address in Australia or New Zealand can participate in the General Offer. The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand. The Perpetual Limited Shareholder Priority Offer is open to Perpetual Limited shareholders who have a registered address in Australia or New Zealand as at 29 September 2014.	Section 2.1
How do I apply for Securities under the Offer?	<p>The process for applying for Securities in the Company is set out in Section 2.5.</p> <p>Retail Applicants under the Broker Firm Offer should contact their Broker for instructions on how to complete the Broker Firm Offer Application Form accompanying this Prospectus.</p> <p>The Joint Lead Managers and the Co-Lead Managers may seek to obtain identification information from Applicants. The Company reserves the right to reject an Application if that information is not provided.</p>	Section 2.5
What are the fees and costs of the Offer?	<p>The Company will pay to the Joint Lead Managers a joint lead manager fee equal to 1.00% (plus GST) of the total amount raised by the Company under the Offer.</p> <p>The Company will also pay to the Joint Arrangers an Arranger Fee (divided equally) of:</p> <ul style="list-style-type: none"> • \$50,000 (plus GST) if the gross proceeds of the Offer is less than \$150,000,000; • \$150,000 (plus GST) if the gross proceeds of the Offer is between \$150,000,000 and \$300,000,000; and • 0.10% of the gross proceeds of the Offer (plus GST) if the gross proceeds of the Offer are at or above \$300,000,000. <p>The Company will pay a broker firm selling fee equal to 1.50% (plus GST) of the total amount raised under the Broker Firm Offer. No broker firm selling fee will be payable by the Company for amounts raised under the General Offer or the Perpetual Limited Shareholder Priority Offer.</p> <p>Until otherwise agreed between the Manager and the Company, the Manager will fund the marketing, website and valuation expenses.</p>	Section 2.5, 9.1 and 10.11

QUESTION	ANSWER	MORE INFORMATION
Is the Offer underwritten?	No.	Section 2.4
Is there a minimum amount of Securities which I must apply for under the Offer?	Yes. Each Applicant must subscribe for a minimum of 2,500 Shares together with 2,500 Options. Applications in excess of the minimum number of Securities must be in multiples of 500 Shares, together with 500 Options.	Section 2.5
Is there a cooling-off period?	No.	
How can I obtain further information?	If you would like more information or have any questions relating to the Offer, you can contact the Perpetual Equity Investment Company Limited Offer Information Line (+61) 1800 421 712 between 8.30am and 5.30pm (AEDT) Monday to Friday. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	

2. DETAILS OF THE OFFER

2.1 WHAT IS THE OFFER?

THE OFFER

The Company is offering Shares for subscription at a Subscription Price of \$1.00 per Share to raise up to \$500,000,000 together with one free attaching Option for every one Share subscribed for, exercisable at \$1.00 per Option on or before 10 June 2016.

The Company reserves the right to accept Oversubscriptions under the Offer to raise up to an additional \$100,000,000 (before the exercise of any Options).

The rights attaching to the Shares are set out in Section 10.5 and the terms of the Options are set out in Section 10.6.

The Offer comprises:

(i) **Broker Firm Offer** – open to persons who have received a firm allocation from their Broker and:

- (a) who are Retail Applicants or Institutional Applicants, and
- (b) who have a registered address in Australia or New Zealand.

An investor who has been offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. Investors should contact their Broker to determine whether they may be allocated Shares under the Broker Firm Offer.

(ii) **General Offer** – open to investors who have a registered address in Australia or New Zealand.

(iii) **Perpetual Limited Shareholder Priority Offer** – open to Perpetual Limited shareholders as at the record date of 29 September 2014 who have a registered address in Australia or New Zealand (Qualifying Applicants).

Under the Perpetual Limited Shareholder Priority Offer, up to 50,000,000 Shares and the free attaching Option to each Share has been set aside for Qualifying Applicants. Qualifying Applicants will be allocated Securities under the Perpetual Limited Shareholder Priority Offer on a first come first served basis. If the Company receives Applications from Qualifying Applicants for more than 50,000,000 Shares and the free attaching Option to each

Share, the Company intends to treat such additional Applications under the Perpetual Limited Shareholder Priority Offer as being made under the General Offer.

DISCRETION UNDER THE OFFER

The Company (with the consent of the Joint Lead Managers) reserves the right not to proceed with the Offer at any time before the allotment of Securities under the Offer. If the Offer does not proceed, all Application Amounts received by the Company will be refunded in full (without interest). The Company takes no responsibility for any Application Amounts lodged with the Joint Lead Managers, the Co-Lead Managers or Brokers until these are received by the Company.

The Company also reserves the right to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this Prospectus or any Applicant.

2.2 MINIMUM SUBSCRIPTION

The Minimum Subscription required for the Offer to proceed is \$150,000,000.

If the Minimum Subscription is not obtained within four months after the date of this Prospectus, the Company will repay all Application Amounts in full without interest as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Amount in full without interest.

2.3 LICENSED DEALERS

Offers under this Prospectus will be made pursuant to an arrangement between the Company and Taylor Collison (AFSL 247083) under Section 911A(2)(b) of the Corporations Act.

The Company will only authorise Taylor Collison to make offers to people to arrange for the issue of the Securities by the Company under this Prospectus and the Company will only issue the Securities in accordance with Applications made pursuant to such offers if they are accepted.

2.4 IS THE OFFER UNDERWRITTEN?

No, the Offer is not underwritten.

CBA Equities, Taylor Collison, Macquarie Capital, Morgan Stanley and ANZ Securities are acting as Joint Lead Managers to the Offer and Baillieu Holst and Lonsec are acting as the Co-Lead Managers to the Offer. The Company and the Joint Lead Managers have entered into an Offer Management Agreement with respect to the Offer, details of which are set out in Section 9.

2.5 HOW DO I APPLY UNDER THE OFFER?

WHO IS ELIGIBLE TO PARTICIPATE IN THE OFFER?

Who can apply for Securities under the General Offer?	The General Offer (which does not include the Broker Firm Offer or the Perpetual Limited Shareholder Priority Offer) is open to Retail Applicants and Institutional Applicants resident in Australia or New Zealand. The Company reserves the right in its absolute discretion to reject any Application or to allocate a lesser number of Securities than that which is applied for under the General Offer. All Applicants under the General Offer must have an eligible residential or, in the case of a corporate applicant, registered office address in Australia or New Zealand.
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Who can apply under the Broker Firm Offer?	The Broker Firm Offer is open to Retail Applicants and Institutional Applicants resident in Australia or New Zealand who have received a firm allocation from their broker.
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Who can apply under the Perpetual Limited Shareholder Priority Offer?	The Perpetual Limited Shareholder Priority Offer is open to registered Perpetual Limited shareholders resident in Australia or New Zealand as at 29 September 2014.
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COMPLETING AND RETURNING YOUR APPLICATION UNDER THE OFFER

What is the minimum and maximum application under the Offer?	Applications must be for a minimum of 2,500 Shares, together with 2,500 Options. Applications in excess of the minimum number of Shares must be in multiples of 500 Shares, together with 500 Options. There is no maximum amount that may be applied for under the Offer. The Company reserves the right to aggregate any Applications under the Offer which it believes may be multiple Applications from the same person.
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How do I apply under the General Offer?	In order to apply for Securities under the General Offer, please complete the General Offer Application Form that forms part of, is attached to, or accompanies this Prospectus or a printed copy of the General Offer Application Form attached to the electronic version of this Prospectus. The General Offer Application Form must be completed in accordance with the instructions set out in the General Offer Application Form.
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Once completed, please lodge your General Offer Application Form and Application Amount so that they are received at the following address by 5.00 pm (AEDT) on the Closing Date.

By mail to:

Perpetual Equity Investment Company Limited – Offer
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By hand delivery to:

Perpetual Equity Investment Company Limited – Offer
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia

Alternatively, you can apply online at www.perpetualequity.com.au and pay your Application Amount by BPAY.

COMPLETING AND RETURNING YOUR APPLICATION UNDER THE OFFER (CONTINUED)

How do I apply under the Broker Firm Offer?

If you are applying for Securities under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse side of the Broker Firm Offer Application Form.

Applicants under the Broker Firm Offer must lodge their Broker Firm Offer Application Form and Application Amount with their Broker in accordance with the relevant Broker's directions. Applicants under the Broker Firm Offer must not send their Application Forms to the Share Registry.

The allocation of Securities to Brokers will be determined by the Company and the Joint Lead Managers.

Securities that have been allocated to Brokers for allocation to their clients will be issued to the Applicants who have received a valid allocation of Securities from those Brokers.

It will be a matter for the Brokers how they allocate Securities among their clients, and they (and not the Company nor the Joint Lead Managers) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Securities.

The Company, the Share Registry, the Joint Lead Managers and the Co-Lead Managers take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form and Application Amount (including, without limitation, failure to submit Application Forms in accordance with the deadlines set by your Broker).

Please contact your Broker if you have any questions.

How do I apply under the Perpetual Limited Shareholder Priority Offer?

Qualifying Applicants may apply for Securities under the Perpetual Limited Shareholder Priority Offer by completing their personalised Perpetual Limited Shareholder Priority Offer Application Form.

Qualifying Applicants can request a Prospectus and personalised Perpetual Limited Shareholder Priority Offer Application Form to be mailed to them by visiting www.perpetualequity.com.au and using their Perpetual Limited SRN/HIN to log-in, or by calling the Perpetual Equity Investment Company Limited Offer Information Line on (+61) 1800 421 712 between 8.30am and 5.30pm AEDT, Monday to Friday during the Offer period.

The Perpetual Limited Shareholder Priority Offer Application Form must be completed in accordance with its accompanying instructions. Once completed, please lodge your Perpetual Limited Shareholder Priority Offer Application Form and Application Amount so that they are received at the following address by 5.00 pm (AEDT) on the Closing Date.

By mail to:

**Perpetual Equity Investment Company Limited –
Perpetual Limited Shareholder Priority Offer**

C/- Link Market Services Limited

Reply Paid 3560

Sydney NSW 2001

Australia

By hand delivery to:

**Perpetual Equity Investment Company Limited –
Perpetual Limited Shareholder Priority Offer**

C/- Link Market Services Limited

1A Homebush Bay Drive

Rhodes NSW 2138

Australia

Alternatively, Qualifying Applicants can apply online at www.perpetualequity.com.au by using their Perpetual Limited SRN/HIN to log-in and submit an application and pay their Application Amount by BPAY.

COMPLETING AND RETURNING YOUR APPLICATION UNDER THE OFFER (CONTINUED)

How to complete and attach your cheque for the Application Amount

The Application Amount may be provided by BPAY (see below), cheque or bank draft. Cheques or bank drafts must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed “Not Negotiable”; and
- made payable:
 - **for Applicants in the General Offer and Perpetual Limited Shareholder Priority Offer:** to “Perpetual Equity Investment Company Limited – IPO OFFER”; or
 - **for Applicants in the Broker Firm Offer:** in accordance with the directions of the Broker from whom you received a firm allocation.

Applicants should ensure that sufficient funds are held in your account to cover your cheque or bank draft. If the amount of your cheque or bank draft for the Application Amount (or the amount for which your cheque clears in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Amount will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Paying your Application Amount by BPAY

Investors may apply for Securities online and pay their Application Amount by BPAY. Investors wishing to pay by BPAY should complete the online Application Form which is available on the Company’s website and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (**CRN**)). You will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (AEDT) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies. The Company accepts no responsibility for any failure to receive Application Amounts or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

FEES, COSTS AND TIMING FOR APPLICATIONS

When does the Offer open?	The Offer is expected to open for Applications on 21 October 2014. However, this may be delayed if ASIC extends the Exposure Period for the Prospectus.
What is the deadline to submit an Application under the Offer?	It is your responsibility to ensure that your Application Form and Application Amount are received by the Share Registry before 5.00pm (AEDT) on the Closing Date for the Offer which is 28 November 2014. Broker Firm Offer Applicants should return their applications in accordance with the deadline set out to them by their Broker. The Company and the Share Registry take no responsibility in respect of an Application Form or Application Amount which are delivered to your Broker in connection with your Application until such time as your Application Form and Application Amount are received by the Share Registry.

Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Securities under the Offer. The costs of the offer are summarised below.
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What are the costs of the Offer and who is paying them?	The costs of the Offer include the legal, accounting, advisory and other costs associated with the production of the offer documentation. At the time of production of this Prospectus the costs payable by the Company were estimated to be \$3,747,886 (net of claimable GST) assuming the Minimum Subscription is achieved and \$11,611,474 (net of claimable GST) assuming the Maximum Subscription is achieved (before the acceptance of Oversubscriptions) and \$13,852,698 (net of claimable GST) assuming the Maximum Subscription is achieved (and all Oversubscriptions are accepted). The Company is paying the majority of these costs from the proceeds of the Offer. The Manager has also agreed to pay certain costs of the Offer as described in Section 10.11.
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CONFIRMATION OF YOUR APPLICATION AND TRADING ON ASX

When will I receive confirmation whether my Application has been successful?	Applicants under the General Offer and Perpetual Limited Shareholder Priority Offer will be able to call the Perpetual Equity Investment Company Limited Offer Information Line on (+61) 1800 421 712 between 8.30am and 5.30pm AEDT, from 8 December 2014 to confirm their allocation. Holding statements confirming Applicant's allocations under the Offer are expected to be sent to successful Applicants on or around 9 December 2014.
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Is DvP settlement available?	Delivery versus payment (DvP) settlement is available for Applicants under the Broker Firm Offer. Please contact your Broker or the Joint Lead Managers for further details.
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When will I receive my Securities and when can I trade my Securities?	<p>Subject to ASX granting approval for the Company to be admitted to the official list of ASX (see Section 2.8), the Company will issue the Securities to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on 8 December 2014.</p> <p>Trading of the Securities on ASX is expected to commence on 12 December 2014 on a normal T + 3 settlement basis.</p> <p>If you sell your Securities before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Perpetual Equity Investment Company Limited Offer Information line (+61) 1800 421 712.</p>
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Who do I contact if I have further queries?	<p>If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.</p> <p>If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Perpetual Equity Investment Company Limited Offer Information Line on (+61) 1800 421 712 between 8.30am and 5.30pm (AEDT) Monday to Friday.</p>
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2.6 ALLOCATION POLICY

The basis of allocation of Securities under the Offer will be determined by the Company and the Joint Lead Managers, subject to any firm allocations under the Broker Firm Offer and any allocations under the Perpetual Limited Shareholder Priority Offer. Qualifying Applicants under the Perpetual Limited Shareholder Priority Offer will be given preference in the allocation of up to 50,000,000 Shares and the free attaching Option to each Share in accordance with the terms of the Priority Offer. Certain Applicants nominated by the Company may be given preference in allotment of Securities.

The Company reserves the right in its absolute discretion to not issue Securities to Applicants under the General Offer and may reject any Application or allocate a lesser amount of Securities than those applied for at its absolute discretion.

2.7 APPLICATION AMOUNT

The Share Registry will hold all Application Amounts received in the Company's trust account for Application Amounts in relation to the Offer until the Allotment Date when the Securities are issued to successful Applicants.

Applicants under the Broker Firm Offer must lodge their Application Amount with their Broker, who will act as the Applicant's agent in providing their Application Amount to the Company.

The Application Amount will be refunded in Australian dollars to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Amounts.

2.8 ASX LISTING

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the official list of ASX and for its Securities to be granted official quotation by ASX. The Company is not currently seeking a listing of its Securities on any stock exchange other than ASX.

The fact that ASX may admit the Company to the official list of ASX and grant official quotation of the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities offered for subscription

under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Securities, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to confirm their allocation prior to trading in the Securities. Applicants who sell Securities before they receive confirmation of their allotment will do so at their own risk.

If permission for quotation of the Securities is not granted within three months after the date of this Prospectus, all Application Amounts received by the Company will be refunded without interest as soon as practicable.

2.9 TAX IMPLICATIONS OF INVESTING IN THE COMPANY

The taxation consequences of any investment in the Securities will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.

A general overview of the Australian taxation implications of investing in the Company are set out in Section 10.9 and are based on current tax law and ATO tax rulings. The information in Section 10.9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. We recommend you seek independent tax advice.

2.10 OVERSEAS DISTRIBUTION

No action has been taken to register or qualify the offer of Securities under this Prospectus, or to otherwise permit a public offering of Securities, in any jurisdiction outside Australia and New Zealand.

OFFER ONLY MADE WHERE LAWFUL TO DO SO

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons into whose possession this document comes should inform themselves about and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.



UNITED STATES RESIDENTS

The Securities being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving the Securities may not be conducted unless in compliance with the US Securities Act.

OVERSEAS OWNERSHIP AND RESALE REPRESENTATION

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

3. ABOUT THE COMPANY

3.1 OVERVIEW

The Company was only recently incorporated and has not undertaken any business to date. It has been formed specifically for the purposes of the Offer. Following completion of the Offer it is proposed that the Company will be listed on ASX as a listed investment company (LIC). Primarily, the Company will invest in quality listed securities. Its investment portfolio will be managed by the Manager.

The Manager will undertake the active management of the Company's Portfolio, predominantly Australian listed securities with typically a mid-cap bias and cash, deposit products and senior debt, together with opportunistic allocations to global listed securities.

The Company will provide investors with the opportunity to invest in an actively managed portfolio and to gain access to the investment management experience and expertise of the Manager in a listed company vehicle. The Company will benefit from an experienced and proven portfolio manager, who will leverage the full resources of the large equity team of the Manager. The Company will also benefit from the significant broader expertise of the Manager, including operational and marketing support.

3.2 INVESTMENT OBJECTIVE

The investment objective of the Company is to provide investors with a growing income stream and long-term capital growth in excess of its Benchmark over minimum 5 year investment periods.

The Company's Benchmark is the S&P/ASX 300 Accumulation Index. Since the Company may invest in global listed securities, the Company will have exposure to different investments to the Benchmark. Although a key tenet of the Company's investment strategy is to provide the Manager with the flexibility to add value by investing in global listed securities, the Company has chosen the above Benchmark to reflect what the Company believes is the opportunity cost of alternatively only investing in Australian securities. This benchmark is intended to focus the Manager on global investment opportunities that add value above the Australian equity market return and focus the Manager on assessing global securities on a risk adjusted return basis from an Australian investor's perspective.

3.3 FOUNDATION OF THE COMPANY'S INVESTMENT STRATEGY

It is the Manager's view that the Australian equity market provides a concentrated exposure to the financials and materials sectors, with reduced opportunity in potential global growth sectors such as healthcare and information technology. The Manager also believes that Australian investors are frequently under-invested in global securities, and therefore may have less opportunity to benefit from global diversification.

The Manager believes that opportunities will exist to purchase global listed securities at potentially cheaper valuations from time to time relative to Australian listed securities.

Given the Manager has proven expertise and experience investing in Australian and global listed securities, the foundation of the Company's investment strategy rests on the benefits of a flexible mandate, across both Australian and global listed securities.

3.4 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 mid-cap focus refers to a typical preference for Australian listed securities outside the top 20 listed securities by market capitalisation. The allocation to global listed securities will be opportunistic in nature and any global listed securities are not expected to have any consistent capitalisation bias, but will typically be larger and more liquid than comparable Australian entities. The investment strategy will take a high conviction approach, with a flexible mandate, offering a value and quality focus across both Australian and global listed securities. Whilst the portfolio will be concentrated in typically 20-40 securities, the Manager will diversify the portfolio across industry sectors and offshore investments. Up to 25% of the Portfolio's net asset value may be held in cash, deposit products and senior debt with less than one year to maturity (including any exposure to such investments gained by investing in managed funds).

The level of cash, deposit products and senior debt directly or indirectly held within this limit will be determined by the attractiveness (based on the value and quality) of available securities. The Manager expects that maximum levels of cash, deposit products and senior debt directly or indirectly held will only be approached as securities markets become very expensive.

The following table summarises the highlights and benefits of the key aspects of the Company's investment strategy.

KEY ASPECTS OF THE COMPANY'S INVESTMENT STRATEGY	HIGHLIGHTS OF THESE KEY ASPECTS	BENEFITS
Core of quality Australian securities	The Manager has a proven track record of investing excellence in equities Access to the Manager's proven investment philosophy & process Identify quality securities based on the Manager's 4 quality filters	Proven equities experience
Up to 25% invested in global listed securities	Opportunity to add returns above the Benchmark return and diversification Leverage the Manager's experience and expertise globally, with proven performance in global listed securities Local manager, with the Australian investor in mind	Opportunity to add returns above the Benchmark return
Up to 25% cash, deposit products and senior debt (including any exposure to such investment gained by investing in managed funds)	Flexible mandate to vary Portfolio's exposure to equity market risk Exposure determined by the attractiveness and availability of securities	Flexibility to manage downside risk

The Manager will undertake fundamental, in-depth, bottom-up research to identify high quality and attractively valued securities using the Manager's disciplined investment process. The fundamental bottom-up analysis utilised by the Manager is an investment process that focuses on identifying the quality and value of an entity through its fundamental value drivers.

The investment process first assesses companies on four key quality criteria:

- Sound management
- Conservative debt
- Quality of business
- Recurring earnings (where applicable)

The companies are then valued according to the differing nature of their business, and the securities are ranked from 1 (strong overweight) to 5 (sell). The portfolio manager then utilises the rankings and their own judgement to construct the Portfolio.

Please refer to Section 4 for further details on the Manager's investment process.

The Manager's investment philosophy for this disciplined investment process has not changed for more than a decade. The Manager remains true to its investment philosophy through all market cycles.

3.5 INVESTMENT GUIDELINES

The key investment guidelines for the Manager's implementation of the Company's investment strategy are summarised below:

OBJECTIVE	The investment objective of the Company is to provide investors with a growing income stream and long-term capital growth in excess of its Benchmark over minimum 5 year investment periods.
BENCHMARK	S&P/ASX 300 Accumulation Index.
NUMBER OF SECURITIES	As a guide, the Company will hold between 20 to 40 securities.
MAXIMUM INDIVIDUAL SECURITY LIMITS	Maximum 15% of the Portfolio's net asset value.
AUSTRALIAN LISTED SECURITY LIMITS	50 - 100% of the Portfolio's net asset value.
GLOBAL LISTED SECURITY LIMITS	0 - 25% of the Portfolio's net asset value.
CASH, DEPOSIT PRODUCTS AND SENIOR DEBT LIMITS	0 - 25% of the Portfolio's net asset value may be held in cash, deposit products (including term deposits), and senior debt with less than one year to maturity (including any exposure to such investments gained by investing in managed funds).
CURRENCY HEDGING	The Manager considers currency valuations at the entity level when analysing securities, however, 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.
SHORT SELLING	Not permitted.
DERIVATIVES	Permitted (see Section 3.7).
UNLISTED SECURITIES	The Company can hold up to 10% in unlisted securities, on condition that these securities are proposed to be listed on any recognised global (including Australian) exchange within 12 months.
CAPITAL DEPLOYMENT	The Manager may take up to approximately three to six months to fully invest the Portfolio to within the investment guidelines outlined in this Table.
BORROWINGS	Borrowing does not form part of the investment strategy of the Manager, however, the Company retains the right to leverage up to 10% of the Portfolio's net asset value at the Board's discretion.
MAXIMUM HOLDING IN ANY PERMITTED INVESTMENT	The Company may not own more than 10% of any entity in which it is invested.

3.6 PERMITTED INVESTMENTS

Under the Management Agreement, the Manager may undertake investments on behalf of the Company without the prior approval of the Board. In the event that a proposed investment is not in accord with the Company's investment objective, investment strategy and guidelines outlined above, the Manager must obtain Board approval to make the investment.

The Company will predominantly invest in listed securities (or unlisted securities on the condition that they are proposed to be listed within 12 months) which are listed on any global (including Australian) securities exchange. The specific types of securities included in the Company's investable universe include but are not limited to:

- ordinary shares (fully paid or contributing), stock, preference shares or stock, share warrants, rights or share options (whether listed company or exchange traded) of any limited or no liability company listed on any recognised global exchange and of any market capitalisation.
- the units of any unit trust or any combined units and share securities (i.e. stapled securities), or warrants, rights or options of any unit trust listed on any recognised global exchange.
- securities listed on any recognised global exchange that are convertible into shares or units in companies and trusts

The Company may also invest in derivatives (both exchange traded and over the counter). See Section 3.7 for further details.

The Company may invest in cash, deposit products including term deposits and senior debt with less than one year to maturity. Senior debt is borrowed money that generally has the highest priority in being repaid if the borrowing entity goes out of business. The Company may also gain exposure to cash, deposit products and senior debt by investing in managed funds, which may be operated by the Manager or a third party. The Company would generally be charged management fees for its investment in these managed funds. However, if the Company invests in a managed fund operated by the Manager, the Manager will compensate the Company for any management fees paid in respect of this investment.

The assets of the Company will be held by a third party custodian in accordance with the usual market practice in the relevant jurisdiction. The Company has appointed RBC

Investor Services Trust (Custodian). The Custodian's role is limited to holding the assets of the Portfolio as agent of the Company. The Custodian has no supervisory role in relation to the operations of the Company and is not responsible for protecting its interests. The Custodian has no liability or responsibility for any act done or omission made in accordance with the terms of the custodian agreement. The Custodian makes no statement in this Prospectus and has not authorised or caused the issue of it. The Custodian holds the Portfolio as bare trustee and such investments are not investments of the Custodian or any other member of the RBC group of companies (RBC Group). Neither the Custodian nor any other member of the RBC Group guarantees the performance of the investment or the underlying assets of the Portfolio, or provide a guarantee or assurance in respect of the obligations of the Company.

The Company outsources its investment valuation, accounting and certain other functions to the Manager. The Manager incurs external accounting and other costs on behalf of the Company and is entitled to recover these costs from the Company. Under the Management Agreement the Company is responsible for the payment of all costs incurred by the Manager in arranging the calculation of the Portfolio's value, however, the Manager has agreed that it will not charge the Company for the calculation of the Portfolio's value until otherwise agreed between the Company and the Manager.

The Management Agreement sets out the methodology to be used for valuing the Company's assets and liabilities. The Manager will arrange for the Company's Portfolio to be valued at the end of each month. The Manager also currently expects to generally arrange the valuation of the Company's Portfolio with reference to each Business Day. The Manager will as soon as is practical provide these calculations to the Company. The values of the Portfolio's assets are usually based on the closing market values of these assets.

A summary of the terms of the Management Agreement is contained in Section 9.

3.7 DERIVATIVES

Investment in financial derivative instruments such as warrants, options and futures contracts are permitted only for the following purposes:

- To adjust currency exposure (where applicable)
- To hedge selected securities against adverse movements in market prices;

- To gain short-term exposure to the market;
- To build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up.

Derivatives will not be used for gearing purposes.

Where appropriate, the Manager will enter into derivative transactions with multiple reputable and regulated counterparties to minimise the risks associated with transacting with these counterparties. Please refer to the risks described in Section 5 for further information.

3.8 CHANGES TO INVESTMENT STRATEGY

Upon listing of the Company on ASX it is expected that the Manager will implement the Company's investment objectives, guidelines, strategies, permitted investments and elements of investment as detailed in this Prospectus.

It is not expected that the Company will seek to change its investment objectives, guidelines, strategies, permitted investments or elements of investment. However, any such changes would need Board approval, after consultation with the Manager, before they could be implemented. Shareholders will receive advice of any material changes via the Company's website and ASX.

If the Company's Portfolio ceases to comply with the investment objective, strategy guidelines, permitted investments and elements of investment detailed in the Prospectus or any directions or instructions from the Company due to market movements, contributions to or withdrawals from the Portfolio, a change in the nature of an investment or any other event outside the reasonable control of the Manager, the Manager must use its reasonable endeavours to remedy the non-compliance within a reasonable period of time of the Manager becoming aware of the non-compliance or longer period as permitted by the Company.

3.9 DIVIDEND POLICY

The current intention of the Company is to pay a dividend to Shareholders twice a year. The amount of the dividend will be at the discretion of the Board and will depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Board deem relevant.

The current intention of the Board is that all dividends paid to Shareholders will be franked to 100% or to the maximum extent possible.

3.10 STATUS AS A LISTED INVESTMENT COMPANY

It is intended that the Company will qualify as a LIC under Australian taxation laws.

The major requirements the Company must meet to be a LIC are:

- The Company must be listed; and
- 90% of the Portfolio value must comprise certain permitted investments as defined in section 115-290(4) of the Income Tax Assessment Act 1997.

Permitted investments include shares, options, units (provided the Company does not own more than 10% of the entity in which it holds the permitted investment), financial instruments, derivatives and assets that generate passive income such as interest, rent and royalties.

It is expected that the Company will generally be considered to hold its investments on revenue account. Consequently, it is likely that the Company will generally not make capital gains and therefore, Shareholders may not be able to obtain a deduction in relation to dividends attributable to LIC capital gains under the LIC regime.

3.11 REPORTS TO SHAREHOLDERS

The Company will release to ASX a statement of the Net Tangible Asset Backing of its Shares as at the end of each month within 14 days of the end of each month. However, the Company also currently expects to generally release to ASX a statement of the Net Tangible Asset Backing of its Shares as at the end of each Business Day within two Business Days. The calculation of the Net Tangible Asset Backing of Shares will be made in accordance with the Listing Rules.

The Company will provide to shareholders on request, free of charge, a copy of statements released to ASX of the Net Tangible Asset Backing of Shares from time to time.

The Company intends that the Manager will prepare reports at least half-yearly to keep Shareholders informed about the current activities of the Company, the performance of the Company's investments and the investment outlook.

The Company currently expects to generally release its top portfolio holdings on a monthly basis.

These reports and other information about the Company will be accessible on the Company's website www.perpetualequity.com.au

4. ABOUT THE MANAGER

4.1 BUSINESS OF MANAGER

Perpetual Limited is a publicly listed company on ASX, with origins back to 1886. Its market capitalisation was approximately \$2.2 billion as at 30 June 2014. Perpetual Limited has three core businesses: Perpetual Investments with funds under management of \$28.8 billion, Perpetual Private with funds under advice of \$12.6 billion and Perpetual Corporate Trust with funds under advice of \$484 billion as at 30 June 2014. The Manager's passion is to protect and grow its clients' wealth.

Perpetual Investment Management Limited (AFSL 234426) (the Manager) will implement the Company's investment strategy. The Manager is a wholly-owned subsidiary of Perpetual Limited and its services are offered through the Perpetual Group's investment funds management business, Perpetual Investments.

Perpetual Investments has over 35 years' experience in active equities management and growing investor's wealth. It is one of Australia's leading investment managers. The Manager has won many awards, including Morningstar Fund Manager of the Year two years running in 2013 and 2014. In 2013, the Manager was also named the Zenith/Professional Planner Fund Manager of the Year.



*Source Perpetual. As at 30 June 2014.

4.2 INVESTMENT PHILOSOPHY

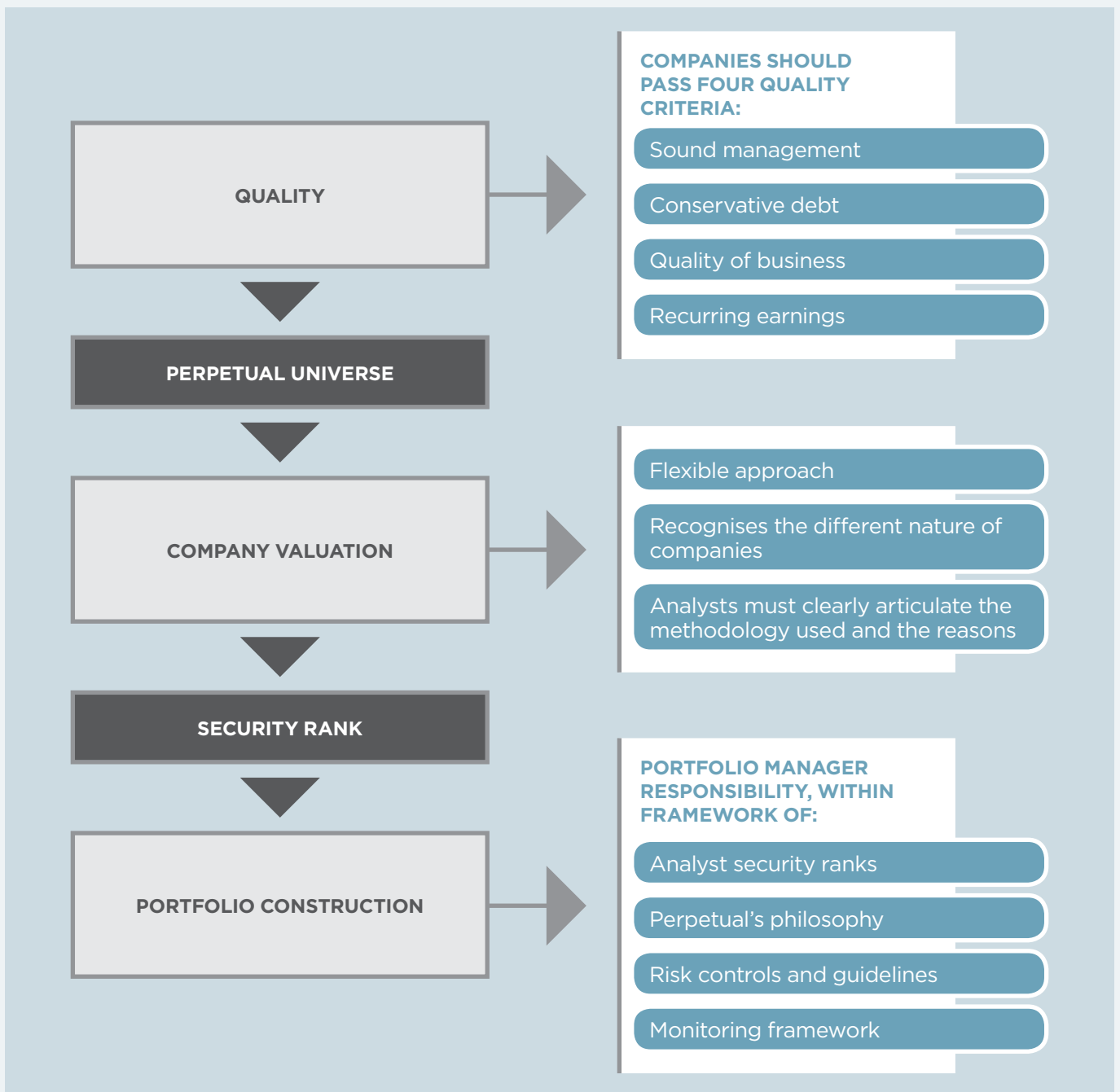
The Manager's approach to active security selection is based upon intensive analysis of an investment's quality, value and potential risk and return. The Manager does not try to predict where markets and prices are heading but instead seeks to buy high quality companies at prices below what are perceived to be fair value given each company's fundamentals and the prevailing market conditions. The Manager expects that the share price of these companies will rise once the mispricing is recognised by the market.

The Manager aims to have a complete, in-depth understanding of the underlying risks and drivers of every company that it purchases, in order to know exactly what it is investing the Company's assets in. The Manager's adherence to the investment philosophy and disciplined investment process enables it to find high quality undervalued securities, while avoiding poor quality securities that may appear cheap. This focus on the quality of a company and not just value, aims to minimise the downside risk in portfolios run by the Manager.

The Manager applies the same disciplined approach to investing in global securities as it does for Australian securities. Globally, the Manager does not seek to have a bias to any particular region or sector, but instead focuses on investing in companies that can deliver strong absolute returns.

4.3 INVESTMENT PROCESS

The diagram below summarises the Manager’s investment process. It is a very disciplined process which has been employed successfully by the Manager’s equities team across Australian and global securities for many years. All of the strategies managed by the Manager’s equities team are managed using this approach.



The Manager applies its quality filter process to refine the universe of securities.

QUALITY FILTERS

The Quality filter process is an important part in the Manager's process. It is constantly being refined, but currently represents four key components.

The four quality filters are:

FILTER	EXPLANATION
Sound management	This test is essentially subjective, based on the Manager's assessment of the track record of a company's management. The Manager is looking for management with a history of using securityholder's capital sensibly, a clear focus on maximising securityholder value and strong governance practices. The Manager looks to see that management is disciplined, delivers on promises and is overseen by an effective, ethical board of directors or equivalent governing body.
Conservative debt	The Manager typically seeks to invest in companies that have a debt to equity ratio ¹ of less than 50%. Where companies have a higher than 50% debt to equity ratio, the Manager may invest if other financial measures indicate that the company has a high chance of being able to pay its debt down over time.
Quality of business	This is also a qualitative test based on subjective judgement. This test looks at the markets in which the company operates, its products and their positioning and any issues such as social and environmental impacts that may affect the future share price of the company. For example, the Manager analyses barriers to entry, monopoly/duopoly, and sources of competitive advantage. The Manager looks for businesses with a good and sustainable market share. The Manager assesses the quality of the products and brands, and looks to see whether the business is cash generative and is able to provide a good return on capital. Companies that pass this test should be viable ongoing concerns from an operational sense, irrespective of the economic cycle. This test also takes account of Environmental, Social and Governance (ESG) risk/opportunities relevant to a company's current and future prospects.
Recurring earnings	Finally, the Manager looks for companies that have a three year track record of generating earnings, where applicable, or a demonstrated ability to provide visible earnings in the future.

¹ Debt to equity ratio calculates the total liabilities of a company divided by its shareholders' equity. It is a measure of a company's financial leverage and indicates the proportion of equity and debt being used by the company to finance its assets.

The Manager believes that the use of these quality filters adds value over time by aiming to ensure that the Manager avoids highly leveraged companies, poor quality, incompetent management, untested ideas, conceptual, or start-up companies.

COMPANY VALUATION

After passing the quality filters, the Manager will value the company. The Manager tends to favour a discounted cash flow valuation methodology, but recognises that the differing nature of companies often requires different valuation approaches. As such the securities analysts are given freedom to determine the appropriate valuation methodology for a given type of security in a given situation. Analysts are expected to defend the valuation methodology used and clearly articulate why a security may or may not be undervalued.

SECURITY RANKS

The next step is security rankings which will ultimately drive the shape of the portfolios.

Each analyst is responsible for ranking their universe of securities on a scale of one to five, indicating the expected level of outperformance and the conviction associated with that security.

RANK		
1	Strong overweight	Substantial outperformance
2	Overweight	Strong outperformance
4	Underweight	Underperformance (relative pricing too high)
5	Sell	Fails the security selection criteria step or is substantially overpriced

Ranks are updated on an ongoing basis. Any change in the rank is brought to the immediate attention of the portfolio manager who constructs the portfolio.

The use of rank “3” is not allowed, to optimise the clarity and conviction of the recommendations.

PORTFOLIO CONSTRUCTION

The last step is portfolio construction. This step involves establishing the appropriate weighting for securities within the above framework. The Manager’s philosophy is that investing is more of an art than a science.

An additional general control that applies to all of the Manager’s managed equity portfolios, is that the maximum holding in any security across all of the Manager’s

managed equity portfolios is not to exceed 15% of fully diluted issued capital of the listed entity.

THE MANAGER’S COMPETITIVE ADVANTAGE

Perpetual Investments is one of Australia’s oldest, largest, and best known investment managers. Some of its key competitive advantages include:

- the Manager’s stable, experienced and empowered team
- proven and disciplined investment process
- consistent and strong track record
- size in the market
- breadth of fundamental analysis
- proprietary dealing desk
- the Perpetual Group’s heritage
- disciplined risk management.

4.4 INVESTMENT STRATEGY OF THE MANAGER’S FUNDS

The Company’s investment strategy is similar to the Manager’s investment strategy for the Perpetual Wholesale Australian Fund (PWAFF), the Perpetual Industrial Share Fund (PISF) and the Perpetual Wholesale Concentrated Equity Fund (PCEF) for the Australian equities component of its portfolio, and the Perpetual Global Share Fund (PGSF) for the global equities component (Funds). Combined, the investment strategies of these Funds resemble the investment strategy to be employed by the Manager in managing the Company’s portfolio. Accordingly, the Company and the Funds will invest in some of the same investments after the Portfolio has been established, but the Company may not always mirror the composition or positioning of the other funds managed by the Manager. The Company will have the opportunity to participate in investment opportunities identified by the Manager on a pro-rata basis with the Funds.

The Manager, because of its position and relative size within the Australian investment industry, offers the Company access to premium market opportunities, such as IPO’s, and leverages its broader investment capabilities.

The investment strategy for the Company is outlined in Section 3.

The investment strategies for the Funds are summarised in the tables below:

INVESTMENT STRATEGY OF THE PERPETUAL WHOLESALE AUSTRALIAN FUND

Investment Return Objective	The PWAF aims to provide investors with long-term capital growth and regular income through investment in quality industrial and resource securities.
Investment Strategy	The PWAF invests in a diversified portfolio of quality ASX listed Australian and New Zealand industrial and resource securities, where these securities are identified by the Manager's investment team as being undervalued.
Inception	February 1997.
Benchmark	S&P/ASX 300 Accumulation Index.
Asset classes and allocation ranges	Cash: 0 – 10% Global securities: 0 – 20% Australian securities: 70 – 100%
Number of securities	No limit applicable, but as a guide between 40 and 80 securities.
Suggested investment timeframe	Minimum 5 year investment periods.

INVESTMENT STRATEGY OF THE PERPETUAL INDUSTRIAL SHARE FUND¹

Investment Return Objective	The PISF aims to provide investors with long-term capital growth and regular income through investment in quality industrial securities.
Investment Strategy	The PISF invests in a diversified portfolio of quality ASX listed Australian and New Zealand securities, where these securities are identified by the Manager's investment team as being undervalued.
Inception	August 1966.
Benchmark	S&P/ASX All Industrials 300 Accumulation Index.
Asset classes and allocation ranges	Cash: 0 – 10% Australian industrial securities: 90 – 100%
Number of securities	No limit applicable, but as a guide between 45 and 70 securities.
Minimum suggested investment timeframe	Five years or longer.

¹ This fund is currently only offered to retail clients via the Perpetual WealthFocus Investment Fund.

INVESTMENT STRATEGY OF THE PERPETUAL WHOLESALE CONCENTRATED EQUITY FUND

Investment Return Objective	The PCEF aims to provide investors with long-term capital growth and regular income through investment in quality industrial and resource securities to out-perform the stated benchmark over a rolling 3 year period.
Investment Strategy	The PCEF invests in a diversified portfolio of quality ASX listed Australian industrial and resource securities.
Inception	August 1999.
Benchmark	S&P/ASX 300 Accumulation Index.
Asset classes and allocation ranges	Cash: 0 – 10% Australian securities: 90 – 100%
Number of securities	Typically between 20 to 45 securities.
Minimum suggested investment timeframe	Minimum 5 year investment periods.

INVESTMENT STRATEGY OF THE PERPETUAL GLOBAL SHARE FUND

Investment Return Objective	The PGSF aims to provide investors with long-term growth and income through investment in quality global securities to out-perform the stated benchmark over a rolling 3 year period.
Investment Strategy	The PGSF invests in a diversified portfolio of quality listed global securities.
Inception	November 2009 ¹ .
Benchmark	MSCI World Accumulation Index (\$A)
Asset classes and allocation ranges	Global securities: 75% – 100% Cash: 0% – 25%
Number of securities	Typically between 20 to 40 securities.
Minimum suggested investment timeframe	Minimum 5 year investment periods.

¹ The inception date of the PGSF is November 2009. The PGSF was an internal fund (not available for investment) that was established so the Manager could commence a track record in global listed securities. The investment strategy has not changed since inception of the fund. However, due to personnel changes immediately following the inception of the fund, the fund was not assigned a dedicated portfolio manager and did not reach its minimum investment in global listed securities of 75% (in line with the investment guidelines for the strategy) until January 2011. The fund has had the same portfolio manager since January 2011 and was launched for external investment in August 2014. Accordingly, the performance inception date of PGSF is January 2011 (see Section 4.5 for further details).

4.5 HISTORICAL PERFORMANCE OF THE MANAGER'S FUNDS

Contained in the following table and graphs are details of historical performance of the Funds listed above and each Fund's benchmark and in the PISF's case, the most relevant index, from the Performance Inception Date to 31 August 2014. The 'Performance Inception Date' for PWAF and PCEF is the relevant Fund's inception date. While the inception date of PISF is August 1966, the first available audited performance figures for PISF commence from 31 December 1976 and this date is the 'Performance Inception Date' of PISF. While the inception date of PGSF is November 2009, PGSF was an internal fund and was not invested within its investment guidelines (minimum allocation of 75% in global listed securities) until January 2011 and this date is the 'Performance Inception Date' of PGSF. For PISF, it is important to note that the benchmark of the PISF did not exist for the full history of the PISF and so PISF's historical performance in the following tables and graphs is compared to the next most comparable index over the entire performance period, the S&P/ASX 300 Accumulation Index.

The Funds are each managed by the Manager and are included in this Prospectus to demonstrate the Manager's record in investment management across its investment philosophy, process and strategy. While the Company's proposed investment philosophy and process is consistent with the Funds' investment philosophy and process, the actual return of the Company could differ materially from the returns of the Funds given there may be differences between the composition and position of the Company's and the Funds' portfolios.

Intending investors should be aware that past performance is not indicative of future performance and that the performance of the Company may be materially different to the performance of the funds managed by the Manager. Further, the Funds are unlisted unit trusts which are structured differently and subject to different fees and expenses to the Company. The returns of unit trusts can be affected by cashflows into and out of the trusts (applications and withdrawals). Unlike unitholders in a unit trust, shareholders in the Company do not have withdrawal rights. Nor is the Company required to finance withdrawals or required to sell assets in a disadvantageous market, as happens with unit trusts.

Investors in the Company are able to realise their investment by selling their Shares and Options on ASX.

The total performance returns in this section are cumulative of income and capital return respectively, of PWAF, PCEF and PGSF and the relevant fund's benchmark for the period from that fund's Performance Inception Date to 31 August 2014. It is important to note that the benchmark of the PISF did not exist for the full history of the PISF, and the PISF has not had the same benchmark over the entire performance period, and so the PISF's historical performance in the following tables and graphs is compared to the next most comparable index over the entire performance period, the S&P/ASX 300 Accumulation Index (and prior to April 2000, which is the introduction date of this index, PISF's historical performance is compared to the All Ordinaries Index). The S&P/ASX 300 Accumulation Index is a broad market index that includes both industrial sector and resource sector securities. The PISF does not invest in resource sector securities. Accordingly, the return of the PISF can differ substantially over the short term from the broad market index when the short term returns between the industrial sector and resource sector differ substantially. Over the long term, market cycles can tend to even out the differences between the industrial sector and the resource sector, and the use of the S&P/ASX 300 Accumulation Index is a good indicator of the Manager's relative performance over the long term. Accordingly, for PISF, the total performance returns in this section are cumulative of income and capital return respectively of PISF and the S&P/ASX 300 Accumulation Index for the period from the date its first available audited performance figures were available (i.e. PISF's 'Performance Inception Date') to 31 August 2014.

For the period 1 January 2011 to 27 August 2014 the Perpetual Global Share Fund had Class W on issue, which was not publicly available for investment and did not incur fees. From 28 August 2014, Class A in PGSF was offered to retail clients. Class A is charged a 1.10% per annum Management Fee and 15% Performance Fee (these fees are quoted inclusive of GST net of reduced input tax credits). Further details on the Performance Fee calculation for Class A are available in the PGSF Product Disclosure Statement offering 'Class A units'.

To give a longer term view of the historical performance of PGSF, the table and graphs below show the longer performance returns for Class W from January 2011 (its 'Performance Inception Date') to 31 August 2014. Class W has identical investments to Class A and its performance return has been adjusted to reflect the fees of Class A. Accordingly, the performance return shown for Class W in the table and graphs below has been calculated using the performance of the Class W less a 1.10% per annum Management Fee and 15% Performance Fee (these fees are quoted inclusive of GST net of reduced input tax credits).

These performance returns of the Funds have been calculated using exit prices after taking into account all of the outgoing fees for the relevant Fund and assume the reinvestment of distributions.

The reference to 'exit' price, is the price at which an investor can withdraw from the relevant Fund (i.e. redeem their units from the relevant Fund). Therefore, the performance returns in the table below illustrate the combined income and capital return on a reinvested ('compound') basis.

TOTAL PERFORMANCE RETURNS TO 31 AUGUST 2014 (AFTER FEES)	PERFORMANCE INCEPTION DATE	1 YEAR	3 YEARS (PER ANNUM)	5 YEARS (PER ANNUM)	SINCE INCEPTION (PER ANNUM)
Perpetual Wholesale Australian Fund (PWAFF)	<i>February 1997</i>	14.15%	16.72%	12.08%	11.82%
S&P/ASX 300 Accumulation Index		14.15%	14.00%	9.07%	9.11%
Outperformance		0.00%	2.72%	3.01%	2.71%
Perpetual Industrial Share Fund (PISF)	<i>December 1976¹</i>	15.88%	20.43%	11.61%	15.33%
S&P/ASX 300 Accumulation Index		14.15%	14.00%	9.07%	13.25%
Outperformance		1.73%	6.43%	2.54%	2.08%
Perpetual Wholesale Concentrated Equity Fund (PCEF)	<i>August 1999</i>	16.21%	18.40%	12.77%	12.67%
S&P/ASX 300 Accumulation Index		14.15%	14.00%	9.07%	8.62%
Outperformance		2.06%	4.40%	3.70%	4.05%
Perpetual Global Share Fund – Class W	<i>January 2011²</i>	26.29%	24.29%	–	16.85%
MSCI World Net Total Return Index (\$A)		15.31%	20.82%	–	14.10%
Outperformance		10.98%	3.47%	–	2.75%

Source: Perpetual Investment Management Limited

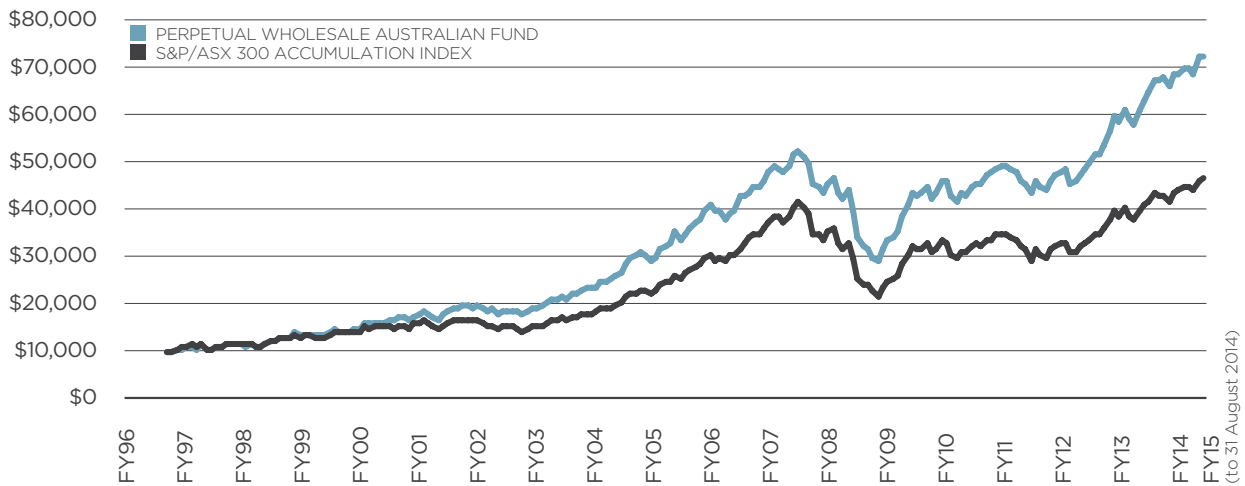
1 First audited performance figures from December 1976.

2 Performance inception date from January 2011.

The graphs below show detail for each fund:

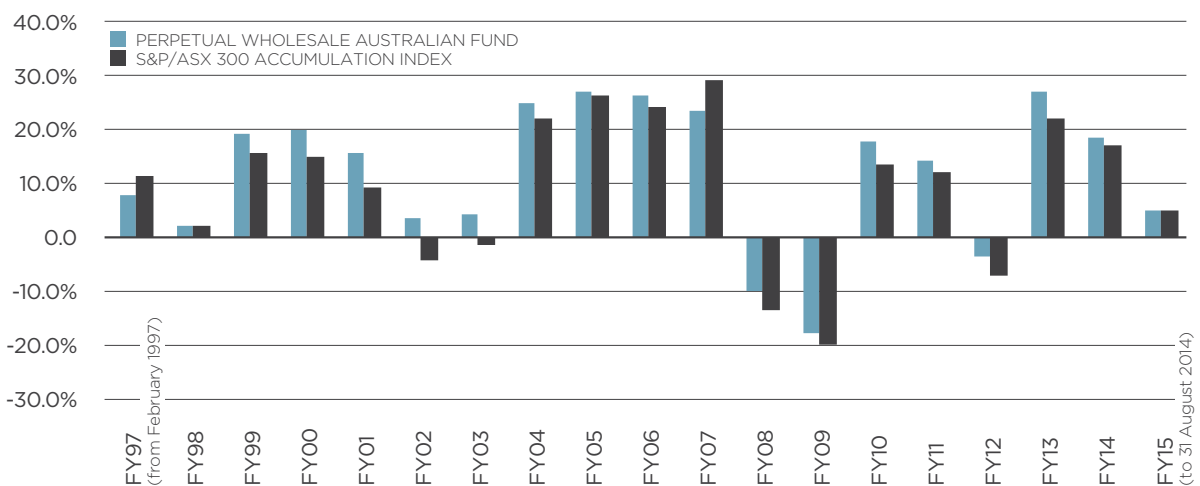
1. the total return for each financial year, net of fees and taxes, of \$10,000 invested in:
 - a. PWAF and PCEF since the relevant fund's inception compared to its benchmark; and
 - b. PISF since the availability of its first audited performance figures from 31 December 1976 (i.e. its 'Performance Inception Date') compared to the S&P/ASX 300 Accumulation Index;
 - c. PGSF since its 'Performance Inception Date' of January 2011 compared to its benchmark;
 2. the annual return for each financial year, net of fees and taxes, of:
 - a. PWAF and PCEF since the relevant fund's inception compared to its benchmark; and
 - b. PISF since the availability of its first audited performance figures from 31 December 1976 (i.e. its 'Performance Inception Date') compared to the S&P/ASX 300 Accumulation Index;
 3. the quarterly return for the periods 1 January to 31 March (eg. Mar 11), 1 April to 30 June (eg. Jun 11), 1 July to 30 September (eg. Sep 11) and 1 October to 31 December (eg. Dec 11) in each year, net of fees and taxes, of:
 - a. PGSF since its 'Performance Inception Date' of January 2011 compared to its benchmark.
 4. The returns shown in the graphs below represent returns from the 'Performance Inception Date' of each fund to 31 August 2014.
- Past performance is not a reliable indicator of future performance.

**PERPETUAL WHOLESALE AUSTRALIAN FUND
TOTAL RETURN V BENCHMARK SINCE INCEPTION**



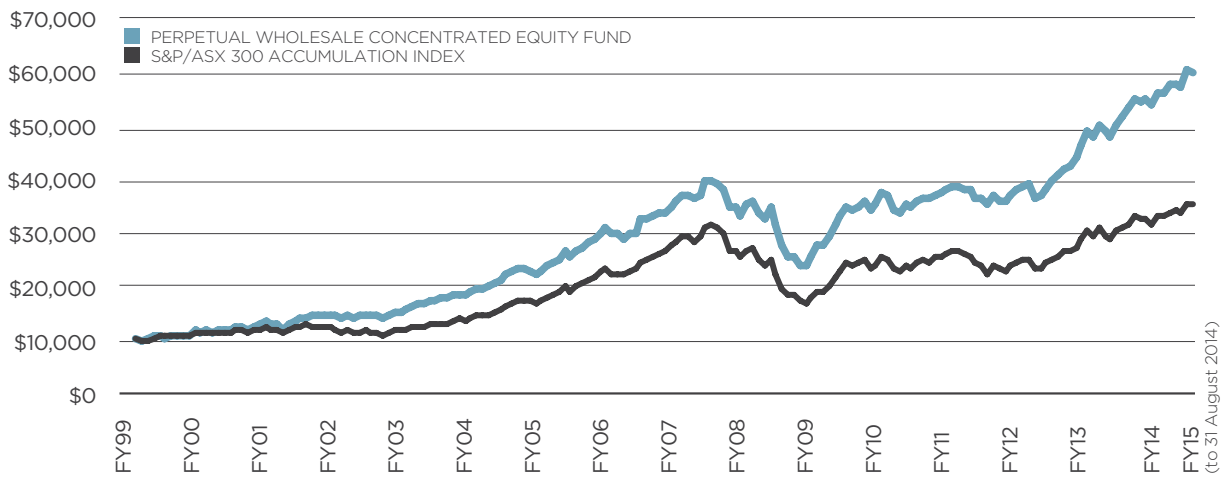
Source: Perpetual & RBC Investor Services.

**PERPETUAL WHOLESALE AUSTRALIAN FUND
ANNUAL FINANCIAL YEAR RETURNS V BENCHMARK SINCE INCEPTION**



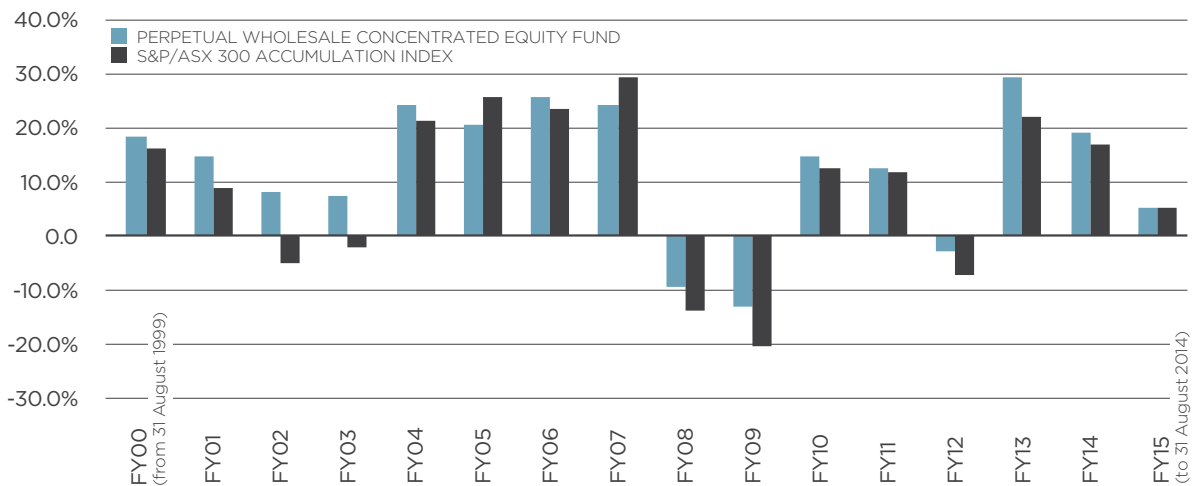
Source: Perpetual & RBC Investor Services

**PERPETUAL WHOLESALE CONCENTRATED EQUITY FUND
TOTAL RETURN V BENCHMARK SINCE INCEPTION**



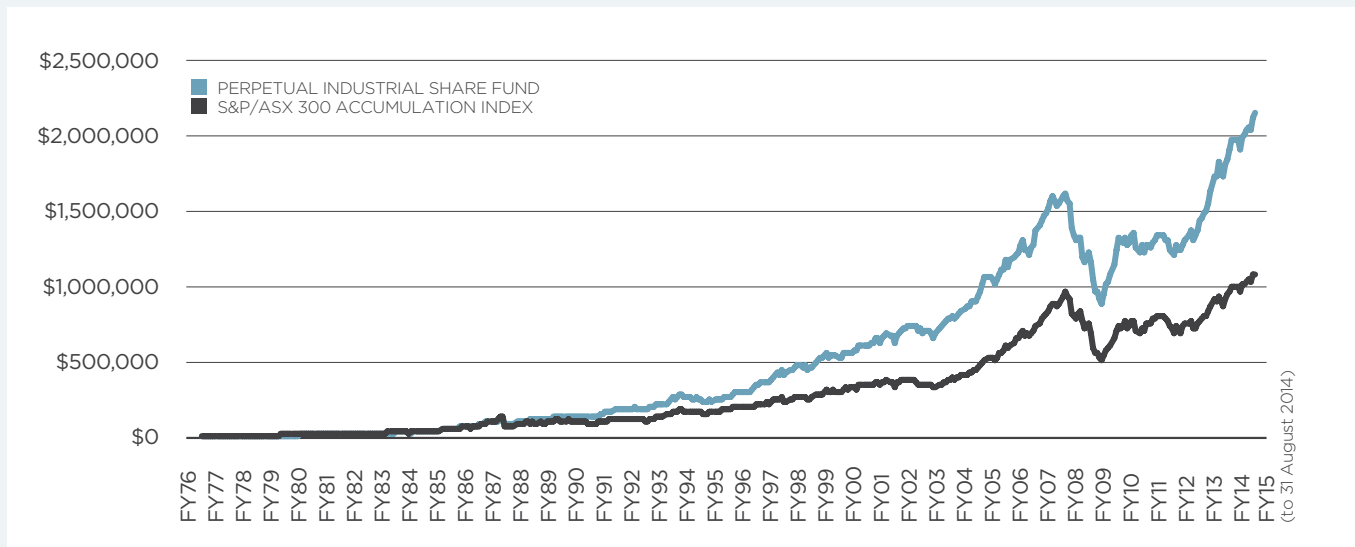
Source: Perpetual & RBC Investor Services.

**PERPETUAL WHOLESALE CONCENTRATED EQUITY FUND
ANNUAL FINANCIAL YEAR RETURNS V BENCHMARK SINCE INCEPTION**



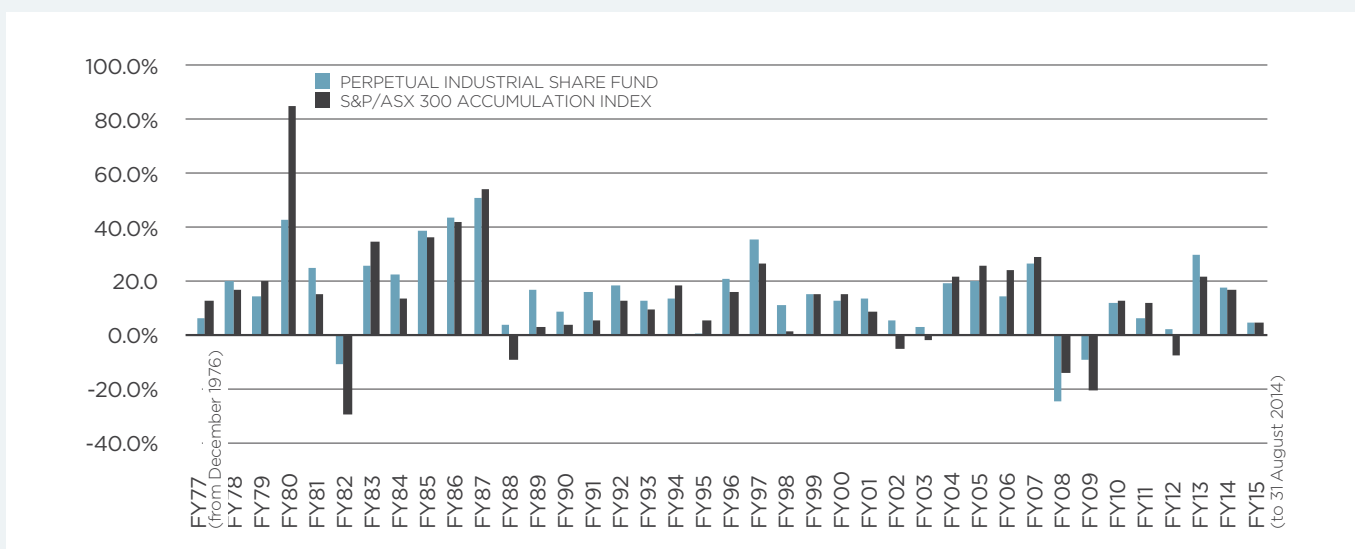
Source: Perpetual & RBC Investor Services.

**PERPETUAL INDUSTRIAL SHARE FUND
TOTAL RETURN V INDEX SINCE PERFORMANCE INCEPTION DATE**



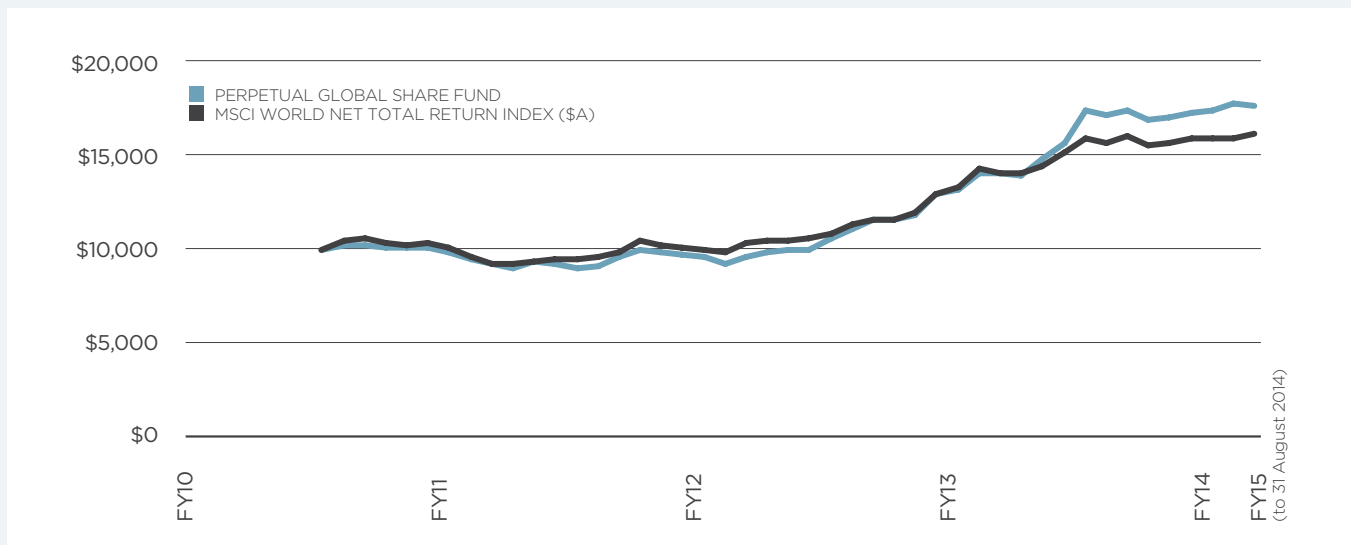
Source: Perpetual & RBC Investor Services.

**PERPETUAL INDUSTRIAL SHARE FUND
ANNUAL FINANCIAL YEAR RETURNS V INDEX SINCE PERFORMANCE INCEPTION DATE**



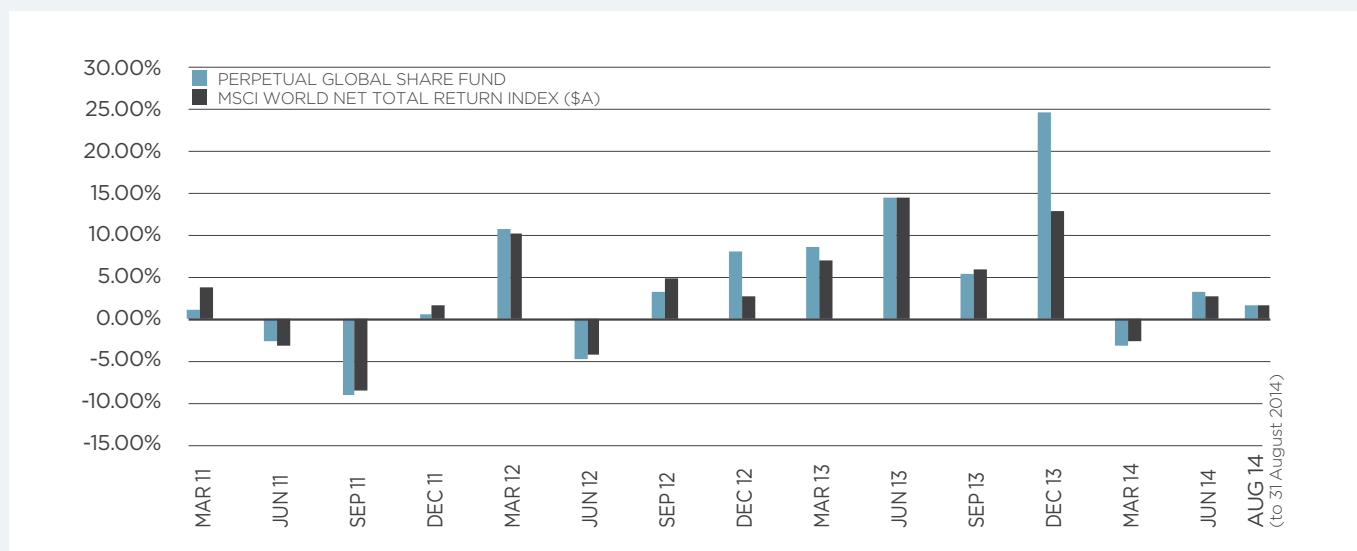
Source: Perpetual & RBC Investor Services.

**PERPETUAL GLOBAL SHARE FUND
TOTAL RETURN V BENCHMARK SINCE PERFORMANCE INCEPTION DATE**



Source: Perpetual & RBC Investor Services.

**PERPETUAL GLOBAL SHARE FUND
QUARTERLY RETURNS V BENCHMARK SINCE PERFORMANCE INCEPTION DATE¹**

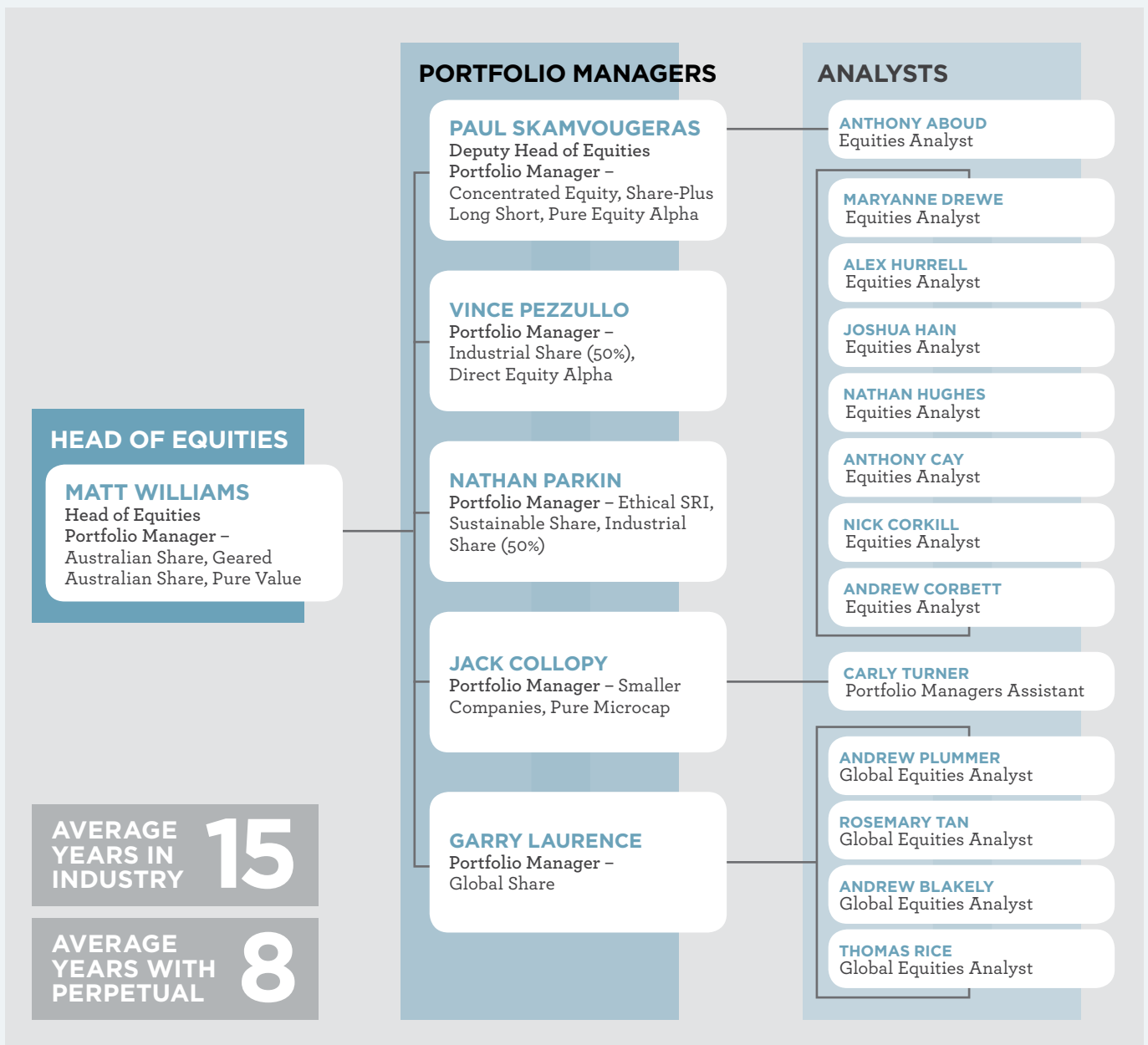


Source: Perpetual & RBC Investor Services.

1. the quarterly return for the periods 1 January to 31 March (eg. Mar 11), 1 April to 30 June (eg. Jun 11), 1 July to 30 September (eg. Sep 11) and 1 October to 31 December (eg. Dec 11) in each year, net of fees and taxes, of PGSF since its 'Performance Inception Date' of January 2011 compared to its benchmark.

4.6 INVESTMENT TEAM MEMBERS FOR THE COMPANY'S PORTFOLIO

The Manager has a large investment team of five Portfolio Managers and 12 Equities Analysts, led by its Head of Equities, Matt Williams.



As at 30 September 2014.

The Company's Portfolio will be managed by the portfolio manager, Vince Pezzullo. Vince is a senior member of the Manager's equity team and part of the collaborative portfolio management approach at the Manager. Vince has over 20 years' experience in the financial services industry, has outperformed consistently, and has prior global experience as both an analyst and a portfolio manager. Vince's biography is detailed below, alongside the Manager's Head of Equities, Deputy Head of Equities and other portfolio managers.

In managing the Company's Portfolio, the portfolio manager will be supported by the Manager's broader equity team.

The amount of time that the portfolio manager will dedicate to the Company's Portfolio will vary over time, depending upon applicable market conditions and the Portfolio's composition. While the Management Agreement does not specify an amount of time to be devoted to the management of the Portfolio, the portfolio manager will be available for the time necessarily required for the Manager to perform its functions and obligations for the management of the Company's Portfolio under the terms of the Management Agreement and to provide appropriate reporting to security holders.

AUSTRALIAN EQUITY PORTFOLIOS

MATT WILLIAMS

Head of Equities/Senior Portfolio Manager, BEc

Years of experience: 24

Years at Perpetual: 21

Matt is Head of Equities and responsible for the strategic direction of the equities business and oversight of all investment strategies. He also provides support and mentoring to the analysts and portfolio managers in the team.

Matt is the Portfolio Manager for the Australian Share strategy, the Pure Value Share strategy and the Geared Australian Share Strategy. In the past he has managed the Smaller Companies strategy and 50% of the Industrial Share strategy.

Matt joined Perpetual Investments in August 1993 as an Equities Dealer, before becoming an Analyst in 1997 and Portfolio Manager in 1998.

Prior to joining Perpetual, Matt worked as a Board Broker on the Australian Option Market and as a Cash/Bills Dealer at Lumley Corporation.

Matt has a Bachelor of Economics from the University of New England.

PAUL SKAMVOUGERAS

Deputy Head Australian Equities/Portfolio Manager, BEc, CA

Years of experience: 19

Years at Perpetual: 11 (in two separate periods)

Paul is the Portfolio Manager for the Concentrated Equity strategy, the SHARE-PLUS Long-Short strategy and the Pure Equity Alpha strategy.

Paul rejoined Perpetual Investments in February 2010 as a Portfolio Manager, having previously spent seven years with Perpetual. He began his career with Perpetual in 1994 in a back office role, moving into a dealing role after three years, working his way up to the Head Dealer role.

Between stints at Perpetual, Paul spent seven years working at CPH/Ellerston Capital, where he had portfolio management responsibilities for an Australian long/short strategy for the first four years and a global long/short strategy for the last three years. Paul also recruited and managed two analysts within his team.

Paul gained international experience, spending 18 months in London, as well as expertise in investing and trading various asset classes ranging from equities, commodities, currencies and fixed interest.

Paul has a Bachelor of Economics from Macquarie University and is a Member of the Institute of Chartered Accountants.

VINCE PEZZULLO

Portfolio Manager, BCom

Years of experience: 20

Years at Perpetual: 7

Vince is the Portfolio Manager for 50% of the Industrial Share strategy and for the Direct Equity Alpha (SMA) strategy.

Vince joined Perpetual Investments in July 2007 as an Analyst and since that time has covered the chemicals, diversified financials, banking, telecommunications, building materials and REITS sectors.

Prior to joining Perpetual, Vince was as a senior portfolio manager/analyst in the large capitalisation Australian equities team at Deutsche Asset Management and led the top 100 equities team. In addition, he had stock research responsibilities across a large number of sectors.

Vince was also a portfolio manager for a number of client portfolios and researched international stocks as part of the international equity division State Super (subsequently Deutsche). Prior to this, Vince worked in corporate finance and foreign currency for Monte Paschi Australia Limited.

Vince has a Bachelor of Commerce with a major in Economics and Finance.

JACK COLLOPY

Portfolio Manager/Equities Analyst, BEc

Years of experience: 14

Years at Perpetual: 12

Jack is the Portfolio Manager of the Smaller Companies strategy, the Microcap strategy and is an Analyst covering small capitalisation industrial companies across a range of sectors.

Jack joined Perpetual in November 2001 as an Investment Administrator and Equity Dealer. After four years he moved into an Analyst role, focusing on small cap industrial companies. Jack took on portfolio management responsibilities in June 2010.

Prior to joining Perpetual, Jack gained two years' industry experience working in London as an Equities Dealer and Investment Administrator at both Salomon Smith Barney and Goldman Sachs Asset Management.

Jack has a Bachelor of Economics from the University of Sydney.

NATHAN PARKIN

Portfolio Manager, BEc, Grad Dip App Fin

Years of experience: 20

Years at Perpetual: 9 (in two separate periods)

Nathan is the Portfolio Manager for the Ethical SRI strategy, Sustainable Share strategy and 50% of the Industrial Share strategy.

Nathan rejoined Perpetual in October 2010 as an Analyst, having previously spent six years with Perpetual from 1997 to 2003 in relationship management and business development roles. In July 2011 he took on portfolio management responsibilities.

Nathan has 11 years experience outside of Perpetual, which most recently included a seven-year period with 452 Capital from 2003 to 2010. At 452 Capital he began as a Dealer, and later moved into an Analyst role where he covered industrials, financials and small caps over the next five years. Nathan's career in financial markets began in 1994 at the Australian Stock Exchange, where he was an Index Analyst.

Nathan has a Bachelor of Economics from Macquarie University, a Graduate Diploma of Applied Finance from FINSIA and is a Fellow of FINSIA.

GLOBAL EQUITY PORTFOLIO

GARRY LAURENCE

Portfolio Manager, BCom, LLB

Years of experience: 11

Years at Perpetual: 6

Garry joined Perpetual in March 2008 as an Analyst and has covered a broad range of sectors. He now holds the title of Global Portfolio Manager for Perpetual Investments and has been managing the Global Share Fund, since its inception, in January 2011. Prior to this, Garry was co-portfolio manager of an Asian fund from 2009-2011.

Prior to joining Perpetual, Garry had three years with PM Capital as an Analyst covering the financial sector for global and Australian strategies and one year with Commonwealth Securities as an Analyst. While studying, Garry gained experience at Morgan Stanley and Meridian Equities as an Analyst. During this time he covered a broad range of sectors across large and small cap companies, including food and beverage, construction and resources.

Garry has a Bachelor of Commerce and a Bachelor of Laws from the University of New South Wales.

5. RISK FACTORS

All investments are subject to risk which means the value of your investment may rise or fall and you may not be able to sell your investment quickly.

Before making an investment decision, it is important to understand the risks that can affect the value of your investment. While it is not possible to identify every risk relevant to investing in the Company, detailed below are the key risks that might affect your investment.

Volatility is an important measure of overall investment risk. It generally refers to the fluctuation in the value of an asset, index or other type of security over a given period. The greater the volatility of an asset, index or security, the larger the fluctuations between its high and low values and the greater the fluctuations in its returns.

A high degree of risk is associated with an investment in the Company. The value of the Company's Shares and Options may decline significantly if the Company's business, financial condition or operations were to be negatively impacted and its Shares may in turn trade below NAV on ASX. In these circumstances, you could lose all or part of your investment in the Company.

Before deciding to invest in the Company, you should carefully consider the key risks outlined below and throughout this Prospectus. These disclosures are not exhaustive.

Your financial adviser can assist you in determining if an investment in the Company is suited to your financial needs.

5.1 INVESTMENT STRATEGY RISK

The historic performance of the various entities managed by the Manager cannot be relied on as a guide to future performance of the Company. The investment strategy to be used by the Manager for the Company includes inherent risks.

These include, but are not limited to the following:

- the Company's success and profitability is very much reliant upon the ability of the Manager to devise and maintain an investment portfolio that complies with the Company's investment objectives, strategies, guidelines, the investments in which it is permitted to invest and elements of investment set out in this Prospectus;

- the ability of the Manager to continue to manage the Company's Portfolio in accordance with this Prospectus and the law may be compromised by such events as the loss of its AFSL or its non-compliance with the licence conditions of its AFSL and the Corporations Act;
- Market and economic risk due to the Company's strategy of predominantly investing in listed Australian and global securities; and
- the diversity of the Company's Portfolio may not be as diversified as other listed entities.

5.2 GENERAL RISKS

The performance and profitability of the Company can be affected by many influences including the fact that the value of securities in which the Company invests can over time vary widely. This can result in either an increase or a decrease in the value of the Company's Shares and ultimately the value of your investment, which can result in the loss of income and the principal you invested. Shares generally are considered to be more risky than fixed interest securities or cash.

Other influences include asset risk, concentration risk, credit risk, counter-party risk, Manager risk and derivative risk.

Because of the Company's investment strategy, its Portfolio will be predominantly in listed Australian and global securities. The Company's risk profile will be considered to be high risk when compared to fixed interest or cash assets. As a result, an investment in the Company cannot be considered a predictable low risk investment. The Company, the Manager, the Joint Lead Managers and the Co-Lead Managers to the Offer do not guarantee the return of capital, any rate of return in terms of income or capital or the investment performance of the Company.

It is recommended that prospective investors familiarise themselves with the possible risks relating to an investment in the Company, which are set out below and described elsewhere in this Prospectus, and seek professional financial advice if they are unsure of any risk aspects, before making an investment in the Company.

While it is impractical to identify every conceivable risk associated with an investment in the Company, a listing of key risks is included below. The listing is not exhaustive and there may be other risks that have not been identified.

Manager risk	The Manager may cease to manage the Portfolio or a portfolio manager involved in the management of the Company's Portfolio may resign requiring the Manager to find a replacement portfolio manager, which may affect the Company's success and profitability. If the Manager ceases to manage the Portfolio or the Management Agreement is terminated, the Company will need to identify and engage a suitably qualified and experienced investment manager to implement the Company's investment strategy. See Section 9 for further details on the Management Agreement terms.
Concentration risk	There may be more volatility in the Portfolio due to the lack of diversity in the Portfolio's investments. The lower the number of investments, the higher the concentration and, accordingly, the higher the potential volatility.
Currency risk	For investments in global assets, which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of the Company's Portfolio. For example, if the Australian dollar rises, the value of the Company's global investments expressed in Australian dollars can fall. While the Manager expects the Company's Portfolio will be typically unhedged, the Manager may hedge the Company's Portfolio defensively if the Manager believes there is a significant risk of currency weakness associated with a global investment.
Investment risk	<p>The value of an investment in the Company and/or the Company's investments may fall over the short or long term for a number of reasons, including the risks set out below, which means that you may receive less than your original investment when you sell your Securities. The price of an individual security may fluctuate or under perform other asset classes over time. An investor is exposed to these risks through their holding in Securities and through the Company's investments.</p> <p>The Securities may also trade on ASX at a discount to NAV per Share for short or long periods of time and, therefore, the performance of the Securities may not be correlated with the performance of the Company's Portfolio.</p> <p>The Manager may take up to approximately three to six months to fully construct the Company's Portfolio and, during this time, the Company's Portfolio will be subject to the risk of market movements which may affect the return of the Portfolio compared to a fully constructed portfolio.</p>
Asset risk	A particular asset that the Company may invest in may fall in value, which can result in a reduction in the value of the Company's Portfolio and its Securities. The prices of securities may be affected by the quality of the relevant entity's management, the general health of the sector it operates in, its financial circumstances and government policy.



Foreign jurisdiction risk	<p>For investments in global assets, the Company may be exposed to risks relating to its investment in the securities of entities located in a foreign jurisdiction, where the laws of those foreign jurisdictions offer less legal rights and protections to security holders of securities in foreign entities in such foreign jurisdictions compared to the laws in Australia.</p>
Liquidity risk	<p>The absence of an established market or shortage of buyers for an investment can result in a loss if the holder of the investment needs to sell it within a particular timeframe.</p> <p>The Company will be an LIC. The ability of a security holder in the Company to sell Securities on the ASX will be dependent on the turnover or liquidity of the Securities at the time of sale, which is a function of a wide variety of factors including the size of the Company and the investment intention of all current and possible investors in the Company at that time. Therefore, depending on the amount raised under the Offer, security holders may not be able to sell their Securities at the time and in the volumes or at the price they desire.</p>
Market and economic risk	<p>Certain events may have a negative effect on the price of all types of investments within a particular market in which the Company holds securities. These events may include changes in economic, social, technological or political conditions, as well as market sentiment.</p> <p>The Manager proposes to construct the Company's Portfolio to minimise market risks but these risks cannot be completely eliminated. Accordingly, in a strong equity market, the Company's Portfolio may underperform the broader market if, at the time, it has lower market exposure than the Benchmark.</p> <p>As a result, there can be no guarantee given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments.</p>
Interest rate risk	<p>Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns.</p>
Credit risk	<p>The issuer or party to a transaction may not repay the principal, make interest payments or fulfil other financial obligations in full and/or on time.</p> <p>The market value of an investment can also fall significantly when the perceived risk of a debt security increases or its credit rating declines, and can negatively impact on the performance of the Company's Portfolio.</p>
Derivatives risk	<p>Derivative market values can fluctuate significantly and, as a result, potential gains and losses can be magnified. Losses can occur where the value of the derivative fails to move in line with the underlying asset or where a greater exposure to a market is created through the derivative position than is backed by the assets of the Company. Other risks applying to derivatives include counter-party risk and liquidity risk, where the derivative position is difficult or costly to reverse.</p> <p>The Company will only use derivatives for the purposes listed in Section 3.7 and is not permitted to use derivatives for gearing purposes. Accordingly, cash and/or underlying assets will be available to meet the exposure positions of all derivatives instruments.</p>

Leverage risk	The use of leverage may magnify the gains and losses achieved by the Company. Borrowing does not form part of the investment strategy of the Manager, however, the Company retains the right to leverage up to 10% of the Portfolio's net asset value at the Board's discretion.
No operating or performance history of the Company	The Company is a newly formed entity with no financial, operating or performance history and no track record, which could be used by an investor to make an assessment of the ability of the Company or the Manager to achieve the investment objectives of the Company. The information in this Prospectus about the investment objectives of the Company are not forecasts, projections or the result of any simulated future performance. There is a risk the Company's investment objectives will not be achieved.
Counterparty risk	<p>A loss may occur if the other party to a contract, such as a derivatives counterparty or a custodian, defaults on their obligations under the contract. The performance of the Company's Portfolio relies on the successful performance of the Company's contracts with external parties. The Company could be exposed to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress or a dispute over the terms of the contract. In the case of a counterparty default, the Company may also be exposed to adverse market movements while it sources replacement transactions.</p> <p>Further, the Company's ability to transact with multiple counterparties may increase the potential for losses by the Company due to the lack of an independent evaluation of a counterparty's financial capabilities and the absence of a regulated market for facilitating the settlement of over the counter derivatives.</p>
Legal and regulatory risk	Changes in legislation and other rules in domestic and foreign markets, including those dealing with taxation, accounting and investments, may adversely impact the Company, the Company's investments or your investment in the Company.
Dividend risk	The Company's ability to pay a fully or partly franked dividend is contingent on it making taxable profits. No guarantee can be given concerning the future earnings of the Company, the earnings and capital appreciation of the Company's Portfolio or the return of your investment. The Manager may make poor investment decisions which may result in the Portfolio's return being inadequate to pay dividends to security holders.
Operational costs	Operational costs for the Company as a proportion of total assets will be affected by the level of acceptance of the Offer. Operational costs representing a greater proportion of total assets will reduce the operating results of the Company and its ability to make dividend payments.
Potential conflicts of interest	The Manager is the investment manager to other funds and investment vehicles. It is possible therefore that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Company and its security holders.

5.3 TIMEFRAME FOR INVESTMENT

Investors are strongly advised to regard any investment in the Company as a long term proposition (five years plus) and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur over that period and beyond.

6. BOARD, MANAGEMENT AND GOVERNANCE

6.1 BOARD OF DIRECTORS

The Board has a broad range of experience in financial services combined with financial and commercial expertise.

The following table provides information regarding the Directors, including their ages and positions:

NAME	AGE	POSITION	INDEPENDENCE ¹
Peter Scott	60	Chairman and Non-executive Director	Not independent
Virginia Malley	52	Non-executive Director	Independent
John Edstein	58	Non-executive Director	Independent
Christine Feldmanis	52	Non-executive Director	Independent
Michael Gordon	54	Executive Director	Not independent

Note:

1. The Company has assessed the independence of its Directors having regard to the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles.

PETER SCOTT

Chairman and Non-executive Director

BE (Hons), M.Eng.Sc

Peter was appointed as a Director on 25 August 2014.

Peter was appointed as a director of Perpetual Limited in July 2005 and Chairman on 26 October 2010. Peter was formerly the Chief Executive Officer of MLC, an Executive General Manager of National Australia Bank and held a number of senior positions with Lend Lease. He is a Director of Stockland Corporation Limited and an advisory board member of Igniting Change. He is Chairman of Perpetual Limited's Nominations Committee.

Peter has more than 20 years of senior business experience in publicly listed companies and extensive knowledge of the wealth management industry.

Company directorships held during the past three financial years:

- Perpetual Limited (from July 2005 to the present)
- Stockland Corporation Limited (from August 2005 to the present)

Peter is the Chairman of Perpetual Limited, which is the holding company of the Perpetual Group. The Perpetual Group will receive revenues derived from the Company as a result of the Management Agreement between the Company and the Manager, which is a wholly owned subsidiary of Perpetual Limited. Accordingly, the Board has determined that Peter is not classified as an independent director.

Peter has informed the Company that the only anticipated, material constraints on his availability to perform his role as Non-executive Director and Chairman of the Company are the time commitments associated with his roles referred to above. Peter has confirmed that, notwithstanding these other commitments, he will be available to spend the required amount of time on the Company's affairs including attending Board meetings of the Company.

VIRGINIA MALLEY

Non-executive Director

BA MAppFin Macq JD UTS GradDipEnvLaw Sydney
GAICD

Virginia was appointed as a Director on 25 August 2014.

Virginia has 27 years' experience in the investment and banking sectors, including 14 years' experience as a company director. Her areas of expertise are regulatory compliance, financial and environmental markets and governance, and risk management.

Virginia is a non-executive director of Perpetual Superannuation Limited; a member of several Perpetual Compliance Committees and the Sydney Airport Trust Compliance Committee; a director of the Nature Conservation Trust of New South Wales; and a member of the Clean Energy Regulator.

Virginia was a previously the Chief Risk Officer and member of the Clean Technology, Asia/Pacific, Private Equity and Global/Advisory Investment Committees at Macquarie Funds Management Group. She oversaw the risk management of portfolios investing in clean technologies, listed equities, derivatives, currencies and private equity.

Virginia has informed the Company that the only anticipated, material constraints on her availability to perform her roles as Non-executive Director, member of the Audit and Risk Committee and member of the Nomination and Corporate Governance Committee of the Company are the time constraints associated with her role referred to above. Virginia has confirmed that, notwithstanding these other commitments, she will be available to spend the required amount of time on the Company's affairs including attending Board meetings, Audit and Risk Committee meetings and Nomination and Corporate Governance Committee meetings of the Company.

JOHN EDSTEIN

Non-executive Director

BEC; LLB; LLM(Hons), University of Sydney

John was appointed a Director on 26 September 2014.

John is currently a director of Macquarie Investment Management Limited (appointed 1 July 2013) and Retail Employees Superannuation Pty Limited (trustee of the Retail Employees Superannuation Trust, appointed 4 October 2013). John is also the Independent Member of the Australian Defence Forces Financial Services Consumer Council (appointed 2008). Until 1 September 2014, John was a director and chairman of The Trust Company (Superannuation) Limited (appointed 1 January 2013).

John was admitted as a solicitor on 13 July 1979. He was a partner in the Tax and Superannuation Group of King & Wood Mallesons (formerly Mallesons Stephen Jaques) from 1990 to 2012 and was National Practice Team Leader of that group from 2006 to 2011. John was a member of the Law Council of Australia Superannuation Committee from 1988 to 2008 and is now an Emeritus Member, is a member of the Tax Institute of Australia and is Chartered Tax Adviser. John has lectured for various universities in legal and tax subjects and now occasionally lectures for the University of Sydney in its Master of Laws course.

John has informed the Company that the only anticipated, material constraints on his availability to perform his roles as Non-executive Director, member of the Audit and Risk Committee and Chair of the Nomination and Corporate Governance Committee of the Company are the time constraints associated with his role referred to above. John has confirmed that, notwithstanding these other commitments, he will be available to spend the required amount of time on the Company's affairs including attending Board meetings, Audit and Risk Committee meetings and Nomination and Corporate Governance Committee meetings of the Company.

CHRISTINE FELDMANIS

Non-executive Director

FAICD, SFFin, CPA, CSA, BComm, MAppFin, JP

Christine was appointed a Director on 26 September 2014.

Christine has worked in the financial arena for over 30 years. During that time she has spanned both the Government and private sectors, having held senior executive and C suite positions with firms including Deloitte, Elders Finance, Bankers Trust, NSW TCorp and Treasury Group. She has extensive experience in investment management, finance, accounting and risk management, legal & regulatory compliance, governance and business building in both the listed and unlisted financial products markets.

Christine is currently a director of Delta Electricity and Netball NSW, where she chairs the Audit and Risk Committees at each organisation. She is also a director of Uniting Financial Service and Ability Capital Limited, an independent member of the Audit & Risk Committees for a number of the government agencies and an independent compliance committee member for AFS licencees in the boutique funds management sector.

Christine has informed the Company that the only anticipated, material constraints on her availability to perform her roles as Non-executive Director, Chair of the Audit and Risk Committee and member of the Nomination and Corporate Governance Committee of the Company are the time constraints associated with her role referred to above. Christine has confirmed that, notwithstanding these other commitments, she will be available to spend the required amount of time on the Company's affairs including attending Board meetings, Audit and Risk Committee meetings and Nomination and Corporate Governance Committee meetings of the Company.

MICHAEL GORDON

Executive Director

Bachelor of Business, Accounting & Finance from the University of Technology, Sydney.

Michael was appointed a Director on 25 August 2014.

Michael joined the Perpetual Group as Group Executive Perpetual Investments in January 2013.

Michael has significant domestic and international experience as a leader of asset management businesses and is a 30-year veteran of the financial services industry. He has held roles with a number of well-regarded global investment managers in Australia, Asia and the UK, where most recently he was BNP Paribas Investment Partners' Chief Investment Officer for Equities. Prior to that, he held senior positions with Fidelity Investments International and Schroders Investment Management.

He leads the end-to-end business of Perpetual Investments, Perpetual's specialised asset management division, which includes the investment management team, product, and distribution.

Michael is an employee of the Perpetual Group and, other than as set out above, performs no other role for any other organisation. Michael has informed the Company that he will be available to spend the required amount of time on the Company's affairs and is able to perform his role as Executive Director.

DIRECTOR DISCLOSURES

No Director of the Company has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for Securities.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

6.2 DIRECTORS' REMUNERATION

The following sets out the Directors' annual remuneration payable for the year ending 30 June 2015:

DIRECTOR	DIRECTORS FEES (INCLUDING SUPERANNUATION)
Peter Scott	\$50,000 per annum
Virginia Malley	\$40,000 per annum
John Edstein	\$40,000 per annum
Christine Feldmanis	\$40,000 per annum
Michael Gordon ¹	Nil

1. Michael Gordon is an Executive Director of the Company and the Group Executive, Perpetual Investments and a Director of the Manager (PIML). He is remunerated by the Perpetual Group and it is not intended, as at the date of this Prospectus, that he will receive Directors' fees or any other form of remuneration from the Company for his services.

6.3 CORPORATE GOVERNANCE

The Company's Constitution provides that the maximum number of Directors is six and the minimum number of Directors is three. The Company currently has five directors serving on the Board.

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest.

Any issue concerning a Director's ability to properly act as a director will be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

BOARD'S ROLE IN RISK OVERSIGHT

The Board's role in risk oversight includes receiving reports from management and the Audit and Risk Committee on a regular basis regarding material risks faced by the Company and applicable mitigation strategies and activities. Those reports detail the effectiveness of the risk management framework and identify and address material business risks such as technological, strategic, business, operational, financial, human resources and legal/regulatory risks. The Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks including appropriate activity to address those risks.

The responsibilities of the Board are set down in the Company's Board Charter, which has been prepared having regard to ASX Corporate Governance Principles. A copy of the Company's Board Charter is available on the Company's website. The Company will also send you a paper copy of its Board Charter, at no cost to you, should you request a copy during the Offer Period.

BOARD COMMITTEES

As set out below, the Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time-to-time to assist in the discharge of its responsibilities. The Company has not established a remuneration committee as at the date of this Prospectus given that it has no paid employees. The services of Michael Gordon (as the Group Executive Perpetual Investments) are, as at the date of this Prospectus, provided to the Company without additional charge as part of the arrangements with the Manager. As such, and given there are no paid employees at this time, the Board has determined that it is not necessary to establish a separate remuneration committee at this time.

Each committee has the responsibilities described in the committee charter (which has been prepared having regard to the ASX Corporate Governance Principles) adopted by the Company. A copy of the charter for the below committees is available on the Company's website. The Company will also send you a free paper copy of its committee charters should you request a copy during the Offer Period.

COMMITTEE	OVERVIEW	MEMBERS
Audit and Risk Committee	<p>Oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements and the qualifications, independence, performance and terms of engagement of the Company's external auditor.</p> <p>Implements, reviews the effectiveness of and supervises the Company's risk management framework, including making recommendations to the Board on any incident involving fraud or breakdown of internal controls and the Company's insurance program.</p>	<p>Christine Feldmanis (Chair) (Independent Non-executive Director)</p> <p>John Edstein (Independent Non-executive Director)</p> <p>Virginia Malley (Independent Non-executive Director)</p>
Nomination and Corporate Governance Committee	<p>Recommends the Director nominees for each annual general meeting and ensures that the audit and risk and nomination and corporate governance committees of the Board have the benefit of qualified and experienced independent directors.</p>	<p>John Edstein (Chair) (Independent Non-executive Director)</p> <p>Christine Feldmanis (Independent Non-executive Director)</p> <p>Virginia Malley (Independent Non-executive Director)</p>

6.4 CORPORATE GOVERNANCE POLICIES

The Company has also adopted the following policies, each of which has been prepared having regard to the ASX Corporate Governance Principles and is available on the Company's website.

- **Code of Conduct** – This policy sets out the standards of ethical behaviour that the Company expects from its Directors, officers and employees.
- **Continuous Disclosure Policy** – Once listed on ASX, the Company will need to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Securities. This policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations
- **Risk Management Policy** – This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business
- **Securities Trading Policy** – This policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of the insider trading laws
- **Shareholder Communications Policy** – This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders
- **Diversity Policy** – This policy sets out the Company's objectives for achieving diversity amongst its board, management and employees.

The Company will also send you a free paper copy of any of the above policies should you request a copy during the Offer Period.

6.5 ASX CORPORATE GOVERNANCE PRINCIPLES

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles. A brief summary of the approach currently adopted by the Company is set out below.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board's responsibilities are defined in the Board Charter. In the absence of a Remuneration Committee for the Company, the Board will also be responsible for evaluating the performance of the Company's employees and any senior executives or employees which are hired by the Company in the future. In the event that the Company hires a number of employees in the future, it will look to establish a remuneration committee to perform the functions recommended in the ASX Corporate Governance Principles.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

The majority of the Board is comprised of independent directors. The Company's Chairman is not an independent director as required by Principle 2. However, notwithstanding that Peter is not an independent director, given his significant experience as a listed company director and Chairman particularly in the financial services' sector, the Board has determined that Peter has the most appropriate mix of skills to act as Chairman of the Company.

As the Company is still in an early stage of development, it has not yet undertaken a formal review of the Board's performance. However, the Board Charter provides for an annual self-assessment of the Board's performance to be provided to the Nomination and Corporate Governance Committee.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

The Company has adopted a Code of Conduct, as well as a Securities Trading Policy, a Diversity Policy and a policy and procedure for related party transactions.

PRINCIPLE 4 - SAFEGUARD INTEGRITY IN CORPORATE REPORTING

The Company has established an Audit and Risk Committee which complies with ASX Corporate Governance Principles to oversee the management of financial and internal risks.

PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE

The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy.

PRINCIPLE 6 - RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has adopted a Shareholder Communications Policy for Shareholders wishing to communicate with the Board. The Company seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with Shareholders is frequent, clear and accessible.

All Shareholders are invited to attend the Company's annual general meeting, either in person or by representative. The Board regards the annual general meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by Shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's external auditors.

PRINCIPLE 7 - RECOGNISE AND MANAGE RISK

In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy, which is designed to assist the Company to identify, evaluate and mitigate risks affecting the Company. In addition, the Board has established two standing committees to provide focused support in key areas, in particular an Audit and Risk Committee to implement, review the effectiveness of and supervise the Company's risk management framework. Regular internal communication between the Company's management and Board supplements the Company's quality system, complaint handling processes, employee policies and standard operating procedures which are all designed to address various forms of risks.

PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY

While the Company has not established a remuneration committee for the reasons set out in Section 6.3, the Board will ensure that it performs the functions recommended in the ASX Corporate Governance Principles to be performed by a remuneration committee (to the extent that these functions are relevant to the Company's business.)

The Company will provide disclosure of its Directors' and executives' remuneration in its annual report. Remuneration of the Directors has been set following a benchmarking process for comparable roles in comparable Listed Investment Companies.

7. FINANCIAL INFORMATION

7.1 INTRODUCTION

The Company was incorporated on 25 August 2014 and has not undertaken any trading activities. As at the date of this Prospectus, the Company has 1 share on issue which is held by the Manager. Refer to Section 10.7 for further information.

This Section contains a summary of the financial information of the Company which includes:

- The unaudited Pro Forma Statements of Financial Position as at 25 August 2014 (the “Pro Forma Financial Information”) (see Section 7.2);
- Directors’ material assumptions used, in the preparation of the Pro Forma Financial Information (see Section 7.3); and
- Significant accounting policies of the Company (see Section 7.7).

The Pro Forma Financial Information has, except as otherwise noted, been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (“AASBs”), although it is presented in an abbreviated form insofar as it does not include all the disclosures, statements and comparative information required by AASBs applicable to annual

financial reports prepared in accordance with the Corporations Act. All amounts disclosed in this Section are presented in Australian dollars.

The Pro Forma Financial Information has been reviewed by KPMG Transaction Services, which has provided an Investigating Accountant’s Report on the Pro Forma Financial Information in Section 8.

The information in this Section should also be read in conjunction with the Risk Factors set out in Section 5 and other information contained in this Prospectus.

7.2 UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Pro Forma Financial Information set out below has been prepared to illustrate the financial position of the Company following completion of the Offer and the expenditure of funds associated with the Offer as if such events had occurred as at 25 August 2014. The Pro Forma Financial Information is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Prospectus or at the Completion of the Offer.

The Pro Forma Financial Information has been prepared in accordance the principles and significant accounting policies set out in Sections 7.1, 7.3 and 7.7 respectively.

PRO FORMA	MINIMUM SUBSCRIPTION	SUBSCRIPTION	MAXIMUM SUBSCRIPTION	OVER SUBSCRIPTION
	\$150,000,000	\$300,000,000	\$500,000,000	\$600,000,000
Current Asset				
Cash (refer to Section 7.5)	146,252,115	292,882,006	488,388,527	586,147,303
Non-Current Assets				
Deferred tax asset (refer to Section 7.3.h)	1,124,366	2,135,398	3,483,442	4,155,809
Total Assets	147,376,481	295,017,404	491,871,969	590,303,112
Total Liabilities	-	-	-	-
Net Assets	147,376,481	295,017,404	491,871,969	590,303,112
Equity				
Share Capital				
Contributed equity	150,000,001	300,000,001	500,000,001	600,000,001
Less: cost of the Offer set off against equity	(2,623,520)	(4,982,597)	(8,128,032)	(9,696,889)
	147,376,481	295,017,404	491,871,969	590,303,112
Total Equity	147,376,481	295,017,404	491,871,969	590,303,112

7.3 DIRECTORS' MATERIAL ASSUMPTIONS IN PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION

The Pro Forma Financial Information has been prepared on the basis of the following assumptions by the Directors of the Company:

- a. Application of the significant accounting policies set out in section 7.7;
- b. The column headed "Minimum Subscription \$150,000,000", has been prepared on the basis of subscriptions of 150,000,000 shares by Applicants under this Prospectus at an issue price of \$1.00 per share;
- c. The column headed "Subscription \$300,000,000", has been prepared on the basis of subscriptions of 300,000,000 shares by Applicants under this Prospectus at an issue price of \$1.00 per share;
- d. The column headed "Maximum Subscription \$500,000,000", has been prepared on the basis of subscriptions of 500,000,000 shares by Applicants under this Prospectus at an issue price of \$1.00 per share;
- e. The column headed "Over Subscription \$600,000,000", has been prepared on the basis of subscriptions of 600,000,000 shares by Applicants under this Prospectus at an issue price of \$1.00 per share;
- f. 30% of the subscription amount is raised under the General Offer and the Perpetual Limited Shareholder Priority Offer and 70% under the Broker Firm Offer;
- g. the Company will derive income of a sufficient nature and amount to enable recognition of a deferred tax asset for the fund raising costs;
- h. Deferred tax asset represents the tax benefit (a 30% tax deduction) that is applied to the Offer costs to reduce them by 30%. The cash outlay of an expense is gross of this tax benefit. For example, an outlay described as \$70 (net of tax) is a cash outlay of \$100 less the tax benefit of a \$30 income tax deduction. The costs described at Sections 2.5, 7.5, 7.6, 10.10 and 10.11 show the gross cash cost (net of GST), before applying the deferred tax asset benefit; and
- i. Expenses related to the Offer to be paid by the Company are set out in Section 7.6.

7.4 CAPITAL STRUCTURE

Set out below is the anticipated capital structure of the Company on completion of the Offer under the different indicated subscriptions amounts.

	MINIMUM SUBSCRIPTION \$	SUBSCRIPTION \$	MAXIMUM SUBSCRIPTION \$	OVER SUBSCRIPTION \$
	150,000,000	300,000,000	500,000,000	600,000,000
Shares	150,000,001	300,000,001	500,000,001	600,000,001
Options	150,000,000	300,000,000	500,000,000	600,000,000
NAV¹	0.983	0.983	0.984	0.984

1 NAV is calculated as the Company's net assets position as presented in the Pro Forma Financial Information in Section 7.2 divided by the corresponding indicated subscription amounts.

7.5 PRO FORMA CASH

Set out below is a reconciliation of the Pro Forma cash balance under the different indicated subscription amounts.

	MINIMUM SUBSCRIPTION \$	SUBSCRIPTION \$	MAXIMUM SUBSCRIPTION \$	OVER SUBSCRIPTION \$
	150,000,000	300,000,000	500,000,000	600,000,000
<i>Initial Subscriber Share at \$1</i>	1	1	1	1
<i>Proceeds of Offer</i>	150,000,000	300,000,000	500,000,000	600,000,000
<i>Expenses of Offer¹</i>	3,747,886	7,117,995	11,611,474	13,852,698
<i>Estimated net cash Position</i>	146,252,115	292,882,006	488,388,527	586,147,303

1 Represents the gross cash payments of expenses relating to the Offer.

7.6 EXPENSES OF THE OFFER

The Company will pay the majority of the expenses of the Offer including lead manager fees, legal and investigating accountant fees, and initial ASX listing fees. Set out below are the expenses to be paid by the Company (net of claimable GST) under the different indicated subscription amounts.

	MINIMUM SUBSCRIPTION \$	SUBSCRIPTION \$	MAXIMUM SUBSCRIPTION \$	OVER SUBSCRIPTION \$
	150,000,000	300,000,000	500,000,000	600,000,000
<i>Joint Lead Manager fees¹</i>	1,691,250	3,382,500	5,637,500	6,765,000
<i>Broker Firm fees¹</i>	1,614,375	3,228,750	5,381,250	6,457,500
<i>Other fees²</i>	442,261	506,745	592,724	630,198
<i>Total estimated gross expenses of the Offer</i>	3,747,886	7,117,995	11,611,474	13,852,698
<i>Deferred tax asset³</i>	(1,124,366)	(2,135,398)	(3,483,442)	(4,155,809)
<i>Total estimated expenses of the Offer</i>	2,623,520	4,982,597	8,128,032	9,696,889

1 Refer to Section 10.10 for further details on expenses paid to the Joint lead manager and Broker Firm in connection with the Offer.

2 Other fees include legal, ASX, Registry, Investigating Accountant, Tax adviser and ASIC Lodgement fees. As noted above, refer to Section 10.10 for further details on expenses paid to advisors in connection with the Offer.

3 Refer to Section 7.3.h for details in relation to the deferred tax asset balances.

7.7 SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies set out below represent the significant accounting policies that have been adopted in the preparation of the Pro Forma Financial Information set out in Section 7.2, and which will be adopted prospectively by the Company.

The Pro Forma Financial Information has, except as otherwise noted, been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (“AASBs”), although it is presented in an abbreviated form insofar as it does not include all the disclosures, statements and comparative information required by AASBs applicable to annual financial reports prepared in accordance with the Corporations Act. All amounts disclosed in this Section are presented in Australian dollars.

(a) Basis of measurement

The Pro Forma Financial Information has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

(b) Functional and Presentation Currency

The Pro Forma Financial Information is presented in Australian dollars, which is the Company’s functional currency.

(c) Use of Estimates and Judgements

The preparation of the Pro Forma Financial Information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(d) Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net foreign exchange gains/(losses) in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

(e) Financial Instruments

i) Classification

The Company’s investments are classified at fair value through profit or loss. They comprise:

- Financial instruments held for trading
Derivative financial instruments such as futures, foreign exchange forward contracts, options and interest rate swaps are included under this classification. The Company does not designate any derivatives as hedges in a hedging relationship.
- Financial instruments designated at fair value through profit or loss upon initial recognition
These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts and commercial papers.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company’s documented investment strategy. The Company’s policy is for the Manager to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

ii) Recognition/Derecognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Scheme has transferred substantially all risks and rewards of ownership.

iii) Measurement

Financial assets and liabilities held at fair value through profit and loss

At initial recognition, the Company measures a financial instrument at its fair value. Transaction costs of financial assets and liabilities held at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment.

Other financial assets and liabilities

Management considers that the carrying amount of cash and cash equivalents, other receivables and amounts due from brokers approximate fair value.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost.

iv) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets and financial liabilities is the last traded price.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

v) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as a liability on the balance sheet.

(g) Investment Income

Interest income is recognised in the statement of comprehensive income for all interest bearing financial instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in (e).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument,

or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date.

Trust distributions (including distributions from cash management trusts) are recognised on a present entitlements basis.

Other income is brought to account on an accruals basis.

(h) Expenses

All expenses, including Investment Manager's fees, are recognised in the statement of comprehensive income on an accruals basis.

Interest expense is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

(i) Income Tax

Under current legislation, the Company is subject to income tax at 30% on taxable income. Refer to section 10 for further information.

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded net of withholding tax in profit or loss.

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the net profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probably that the related tax benefit will be realised.

A deferred tax liability is recognised when there is a taxable temporary difference between the tax base of an asset or liability and its corresponding carrying amount in the statement of financial position. This arises when the carrying amount of an asset exceeds its tax base.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and then the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(j) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(k) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

(l) Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(m) Share Options

Share Options will be measured at the fair value of the Options at the date of issue within equity. An adjustment will be made, with a corresponding adjustment to share capital, on exercise of the Options. At the expiration of the Option period, the portion relating to unexercised Options will be transferred to a capital reserve.



8. INVESTIGATING ACCOUNTANT'S REPORT



KPMG Transaction Services

A division of KPMG Financial Advisory Services
(Australia) Pty Ltd
Australian Financial Services Licence No. 246901
10 Shelley Street
Sydney NSW 2000

ABN: 43 007 363 215
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

PO Box H67
Australia Square 1213
Australia

The Directors
Perpetual Equity Investment Company Limited
Level 12, 123 Pitt Street
Sydney, NSW 2000
Australia

14 October 2014

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide

Investigating Accountant's Report

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Perpetual Equity Investment Company Limited ("PEIC Limited" or the "Company") to prepare this report for inclusion in the replacement prospectus to be dated 14 October 2014 ("Replacement Prospectus"), and to be issued by the Company, in respect of the initial public offering of its shares on the ASX (the "IPO" or the "Transaction").

Expressions defined in the Replacement Prospectus have the same meaning in this report.

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the Pro Forma Financial Information described below and disclosed in the Replacement Prospectus.

The Pro Forma Financial Information is presented in the Replacement Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Financial Information

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the Pro Forma Financial Information of the Company (the responsible party) included in the Replacement Prospectus.

The Pro Forma Financial Information has been derived from the financial information of the Company, after adjusting for the effects of pro forma adjustments described in section 7.3 of the Replacement Prospectus. The Pro Forma Financial Information consists of the Company's Pro Forma Statements of Financial Position as at 25 August 2014 set out in Section 7.2 of the Replacement Prospectus issued by the Company (the "Pro Forma Statements of Financial Position" or "Pro Forma Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 7.7 of the Replacement Prospectus. Due to its nature, the Pro Forma Financial Information does not represent the Company's actual or prospective financial position.

The Pro Forma Financial Information has been compiled by the Company to illustrate the impact of the events or transactions described in Section 7.3 of the Replacement Prospectus on the Company's financial position as if such events had occurred as at 25 August 2014 as set out in Section 7.2.

For the purposes of preparing this report we have performed limited assurance procedures in relation to Pro Forma Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Pro Forma Financial Information is not prepared, in all material respects, by the directors in accordance with the stated basis of preparation. As stated in section 7.2 of the Replacement Prospectus, the stated basis of preparation is the application of pro forma adjustments, determined in accordance with Australian Accounting Standards and the Company's accounting policies to illustrate the effects of the IPO on the Company described in section 7.2 of the Replacement Prospectus.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures we performed were based on our professional judgement and included:

- consideration of the pro forma adjustments described in the Replacement Prospectus;
 - enquiry of directors, management, personnel and advisors;
 - the performance of analytical procedures applied to the Pro Forma Financial Information;
- and

- a review of accounting policies for consistency of application.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

Directors' responsibilities

The directors of the Company are responsible for the preparation of the Pro Forma Financial Information, including the selection and determination of the pro forma transactions and/or adjustments included in the Pro Forma Financial Information.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusions

Review statement on the Pro Forma Financial Information

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information, as set out in section 7.2 of the Replacement Prospectus, comprising the Pro Forma Statements of Financial Position of the Company as at 25 August 2014 is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in section 7.3 of the Replacement Prospectus, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and the Company's accounting policies.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed IPO, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of the Company and from time to time, KPMG may also provide the Company with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Replacement Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to the Important Notices section of the Replacement Prospectus, which describes the purpose of the financial information, being for inclusion in the Replacement Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Replacement Prospectus in the form and context in which it is so included, but has not authorised the issue of the Replacement Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Replacement Prospectus.

Yours faithfully

A handwritten signature in cursive script that reads "Craig Mennie".

Craig Mennie
Authorised Representative

Financial Services Guide Dated 14 October 2014

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**'KPMG Transaction Services'**), and Craig Mennie as an authorised representative of KPMG Transaction Services, authorised representative number 404257 (**'Authorised Representative'**).

This FSG includes information about:

- KPMG Transaction Services and its Authorised Representative and how they can be contacted
- the services KPMG Transaction Services and its Authorised Representative are authorised to provide
- how KPMG Transaction Services and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Transaction Services has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Transaction Services. This FSG forms part of an Investigating Accountant's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Transaction Services and the Authorised Representative are authorised to provide

KPMG Transaction Services holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products; derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;

- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Transaction Services to provide

financial product advice on KPMG Transaction Services' behalf.

KPMG Transaction Services and the Authorised Representative's responsibility to you

KPMG Transaction Services has been engaged by Perpetual Equity Investment Company Limited (the "Company") to provide general financial product advice in the form of a Report to be included in the Company's Replacement Prospectus to be dated 14 October 2014 (the "Replacement Prospectus") prepared by the Company in relation to the Company's proposed initial public offering of shares and listing on the ASX (the "Transaction").

You have not engaged KPMG Transaction Services or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Replacement Prospectus. Neither KPMG Transaction Services nor the Authorised Representative are acting for any person other than the Company.

KPMG Transaction Services and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Transaction Services has been engaged by the Company, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Replacement Prospectus before making any decision in relation to the Transaction.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Company. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Company has agreed to pay KPMG Transaction Services \$37,000 for

preparing the Report. KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities may provide a range of audit, tax and advisory services to the Company and for which professional fees are received. Over the past two years no professional fees have been received from the Company. None of those services have related to the transaction or alternatives to the transaction.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Company or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Transaction Services or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 08

Facsimile: (03) 9613 6399

Email: info@fos.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Transaction Services has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Transaction Services or the Authorised Representative using the contact details:

KPMG Transaction Services
A division of KPMG Financial Advisory
Services (Australia) Pty Ltd
10 Shelley St
Sydney NSW 2000
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

Craig Mennie
C/O KPMG
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

9. MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

9.1 MANAGEMENT AGREEMENT

The Company has entered into the Management Agreement with the Manager on 7 October 2014 with respect to the management of the Portfolio. A summary of the material terms of the Management Agreement are set out below.

SERVICES

Under the Management Agreement, the Manager will manage the Portfolio and manage and supervise all investments in accordance with the terms of the Management Agreement, without the prior approval of the Directors.

The Manager will also provide or procure the provision of administrative support services reasonably required by the Company to conduct its business. These services include:

- (a) maintenance of the corporate, tax and statutory records of the Company;
- (b) compliance with the Company's obligations under the Corporations Act and the Listing Rules;
- (c) liaison with the Share Registry;
- (d) assistance arranging the company's annual general meetings;
- (e) preparation of the Company's Net Tangible Asset Backing reports and arranging for the lodgement of the reports in a timely manner to enable the Company to comply with its reporting requirements under Listing Rule 4.12;
- (f) preparation of the Company's half-year reports and annual reports, and arranging for the printing and distribution of the reports; and
- (g) the provision of information necessary for the maintenance of financial accounts of the Company to be completed.

POWERS AND DISCRETIONS OF MANAGER

Subject to the Corporations Act, the Listing Rules and any written guidelines issued by the Company, the Manager will, on behalf of the Company, invest money constituted in or available to the Portfolio in making, holding, realising and disposing of investments.

Subject to the Manager managing the Portfolio in accordance with investment objectives, strategy, guidelines, permitted investments and elements of investment set out in this Prospectus and any proper and reasonable directions or instructions given by the Company, the Manager has absolute discretion to manage the Portfolio and to do all things considered necessary or desirable in relation to the Portfolio, including, without limitation:

- (a) investigation of, negotiation for, acquisition of, or disposal of the Company's investments;
- (b) selling, realising or dealing with all or any of the Company's investments or varying, converting, exchanging or adding other investments in lieu of those investments;
- (c) if any investments in the Portfolio are redeemed or the capital paid on the investment is wholly or partly repaid by the entity by which that investment was created or issued, to convert that investment into a new investment or accept repayment of the capital paid or advanced on the investment and any other monies payable in connection with that redemption or repayment and invest such monies in other investments;
- (d) retaining or selling any shares, options or other property received by the Company by way of bonus, or in lieu of, or in satisfaction of, a dividend in respect of any investments or from the amalgamation or reconstruction of any company; and
- (e) selling all or some of the rights to subscribe for new securities in the Company's investments, using all or part of the proceeds of such sale for the subscription of new securities or to subscribe for securities pursuant to those rights.

DELEGATION

The Manager may, with the prior approval of the Company, appoint or employ any person, including any related body corporate of the Manager, to be a

sub-contractor for the Manager to perform any or all of the duties and obligations imposed on the Manager by the Management Agreement.

However, the Manager may only appoint and engage a related body corporate of the Manager to provide services in relation to the investment and management of the Portfolio.

VALUATIONS

The Manager must arrange for calculation of the value of the Portfolio and the Net Tangible Asset Backing of each share in each class of shares in accordance with the Listing Rules at least monthly and provide such calculations to the Company. The Manager must arrange for the calculation of the value of the Portfolio and the net tangible asset back of each share in each class of shares in accordance with the Listing Rules or otherwise calculated at more frequent times as agreed between the Manager and the Company.

The value of the Portfolio shall be determined by aggregating the value of each investment forming part of or comprised in the Portfolio and each investment shall be valued in accordance with the following methodology:

- (a) cash (including income) – the amount of such cash;
- (b) securities – the market value of such Securities determined in accordance with Australian accounting standards (unless otherwise agreed by the Company and the Manager); and
- (c) other investments – if any investment is not included in (a) or (b) above, the value of that investment determined in accordance with Australian accounting standards.

The Company may request that the value of an investment be determined by a duly qualified valuer independent of both the Company and the Manager (**Approved Valuer**), which is recommended by the Manager having regard to the particular type or types of investment which are the subject of the valuation. The Manager may also appoint an Approved Valuer to calculate the value of the Portfolio.

All costs incurred by the Manager in arranging these calculations are to be paid by the Company under the Management Agreement. However, the Manager has indicated that it does not currently intend to on-charge such costs to the Company for the foreseeable future.

FEES

The Manager is entitled to be paid a management fee equal to:

- 1.00% per annum (plus GST) of the first \$1 billion of the Portfolio Net Asset Value;
- 0.85% per annum (plus GST) of the Portfolio Net Asset Value in excess of \$1 billion.

The management fee is accrued daily and is paid monthly in arrears.

EXPENSES

The Company is liable for and must pay out of the Portfolio or reimburse the Manager for certain fees, costs and expenses properly incurred in connection with the investment and management of the Portfolio, the acquisition, disposal or maintenance of any investment or performance of the Manager's obligations under the Management Agreement and is responsible for the payment of any fees or charges of any third parties engaged to provide any services in connection with the provision of administrative support services provided by the Manager, including filing and other similar fees and charges.

Notwithstanding the above, if any related body corporate of the Manager has received or is entitled to receive fees from the Company (or the Company incurs such expense) for providing investment and management services in relation to the Portfolio, the fees payable to the Manager under the Management Agreement will be reduced by the amount of that fee or such fee must be re-bated to the Company.

EXCLUSIVITY

The Manager may from time-to-time perform similar investment and management services for itself and other persons similar to the services performed for the Company under the Management Agreement, provided the Manager does not prejudice or otherwise derogate its responsibilities specified in the Management Agreement.

TERM

The initial term of the Management Agreement is five years from the first date of allotment of the Securities unless terminated earlier in accordance with the terms of the Management Agreement (see below). The Management Agreement will be automatically extended for a further term of five years upon the expiry of the initial term unless terminated earlier as described below.

TERMINATION

Automatic Termination

After the expiry of the initial term, the Management Agreement will automatically terminate three months after an ordinary resolution of the Company is passed to end the Management Agreement.

The Management Agreement will also automatically terminate immediately upon the passing of a resolution by Shareholders to voluntarily wind-up the Company.

Termination by the Company

The Management Agreement gives the Company the right to immediately terminate the Management Agreement and remove the Manager by written notice on the occurrence of any one of the following events:

- (a) an insolvency event occurs with respect to the Manager;
- (b) the Manager is in default or breach of its obligations under the Management Agreement in a material respect and, such default or breach is not rectified within 30 days after the Company has notified the Manager in writing to rectify the default or breach;
- (c) the Manager ceases to carry on business in relation to its activities as an investment manager;
- (d) the Manager persistently fails to ensure that investments made on behalf of the Company are consistent with the Company's Investment Strategy at the time the investment is made; and
- (e) the Manager's AFSL is suspended for a period of no less than one month or cancelled at any time and the Manager fails to obtain an authorisation enabling it to perform its obligations under the Management Agreement from a third party holder of a AFSL (collectively, **Termination for Cause**).

The Company may also terminate the Management Agreement on three months' notice after the expiry of the initial term.

Termination by the Manager

The Manager is entitled to terminate the Management Agreement on three months' written notice at any time after the first anniversary of the Management Agreement. No termination payment will apply in this circumstance.

Termination Payment

If the Management Agreement is terminated during the extended term for any reason except for Termination for Cause or Termination by the Manager, the Manager will be entitled to a termination payment at the termination date equal to 5% reduced by one sixtieth (1/60) for each whole calendar month elapsed between the commencement of the extended term and the termination date, of the Net Tangible Asset Backing of each share in each class of shares in the Company as calculated under the Listing Rules multiplied by the number of shares on issue in that class of shares as at the termination date.

AMENDMENT

The Management Agreement may only be altered by the agreement of the parties. However, the Company has provided an undertaking to ASX that it will only make material changes to the Management Agreement if the Company has obtained Shareholder approval to these material changes.

RELATED PARTY PROTOCOLS

If the Manager proposes that the Company acquire assets from or dispose of assets to a related party of the Manager, the Company must approve the acquisition or disposal of the asset to the extent required by the Corporations Act or the Listing Rules.

CHANGE OF CONTROL PROVISIONS

The Manager has no right to terminate the Management Agreement in the event of a change of control of the Company. Similarly, the Company has no right to terminate the Management Agreement in the event of a change of control of the Manager.

The Management Agreement does not contain any pre-emptive rights over the Portfolio which are exercisable by either the Company, the Manager or a related entity of the Manager in the event of a change of control of either the Company or the Manager.

COMPANY INDEMNITY

The Company must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses (including legal expenses on a solicitor/own client basis) incurred in connection with the Manager or any of its officers, employees or agents acting

under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, default, fraud or dishonesty of the Manager or its officers or employees. This obligation continues after the termination of the Management Agreement.

MANAGER'S LIABILITY

Subject to the Corporations Act, the Listing Rules and the Management Agreement, the Manager will, in relation to all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to:

- (a) whether or not to exercise them; and
 - (b) the manner or mode of, and time for, their exercise,
- and, in the absence of negligence, default, fraud or dishonesty, the Manager will not be in any way whatsoever responsible for any loss, costs, damages or inconvenience that may result from the exercise or failure to exercise those powers, authorities and discretions.

MANAGER INDEMNITY

The Manager must indemnify the Company against any losses or liabilities reasonably incurred by the Company arising out of, or in connection with, and any costs, charges and expenses (including legal expenses on a solicitor/own client basis) incurred in connection with, any negligence, default, fraud or dishonesty of the Manager or its officers or Supervised Agents (as defined in the Management Agreement). This obligation continues after the termination of the Management Agreement.

9.2 OFFER MANAGEMENT AGREEMENT

The Company entered into an Offer Management Agreement with the Joint Lead Managers on 7 October 2014 with respect to the management of the Offer. Under the Offer Management Agreement, the Joint Lead Managers have agreed to use their reasonable endeavours to procure Applications under the Offer. A summary of the key terms of the Offer Management Agreement is set out below.

COMMISSION, FEES AND EXPENSES

The Company must pay the Joint Lead Managers in their respective proportions (divided equally) a management fee of 1.00% (plus GST) of the total proceeds of the Offer received by the Company.

The Company must pay each of the Joint Lead Managers a broker firm selling fee of 1.5% (plus GST) of the total amount raised from the Securities subscribed for and settled (or settled subscriptions that are procured) by the relevant Joint Lead Manager and its Brokers and affiliates under the Broker Firm Offer.

The Joint Arrangers are also entitled to an Arranger Fee (divided equally) of:

- \$50,000 (plus GST) if the gross proceeds of the Offer is less than \$150,000,000;
- \$150,000 (plus GST) if the gross proceeds of the Offer is between \$150,000,000 and \$300,000,000; and
- 0.10% of the gross proceeds of the Offer (plus GST) if the gross proceeds of the Offer are at or above \$300,000,000.

The Joint Arrangers Fees are payable by the Company.

The Company has also agreed to reimburse the Joint Lead Managers for certain agreed costs and expenses incurred by the Joint Lead Managers in relation to the Offer and these costs are included in total estimated expenses of the Offer, see Section 7.6.

WARRANTIES

The Offer Management Agreement contains certain standard representations, warranties and undertakings provided by the Company to the Joint Lead Managers. The warranties relate to matters such as the conduct of the parties and information provided by the parties in relation to the Prospectus and the Offer. The Company's undertakings include that it will not, during the period following the date of the Offer Management Agreement until 120 days after the allotment of Securities under the Offer, allot or agree to allot any equity securities or securities that are convertible into equity, or that represent the right to receive equity without the consent of the Joint Lead Managers.

INDEMNITY

Subject to certain exclusions relating to, amongst other things, fraud, recklessness, wilful misconduct, gross negligence or a material breach of the Offer Management Agreement by an indemnified party, the Company agrees to keep the Joint Lead Managers and their respective associated parties indemnified against losses suffered

in connection with their appointment as a Joint Lead Manager, the Offer or the Offer Management Agreement, including a breach by the Company of its obligations under the Offer Management Agreement.

Subject to certain exclusions relating to, amongst other things, fraud, recklessness, wilful misconduct, gross negligence or a material breach of the Offer Management Agreement by an indemnified party, the Manager agrees to keep the Joint Lead Managers and their respective associated parties indemnified against losses suffered in connection with their appointment as a Joint Lead Manager, the Offer or the Offer Management Agreement including a breach by the Manager of its obligations under the Offer Management Agreement.

TERMINATION EVENTS

If any of the termination events included in the Offer Management Agreement (including those set out below) occur at any time before the Allotment Date or such other time as specified below, then each Joint Lead Manager may at any time by written notice to the Company and the other Joint Lead Managers without any cost or liability, terminate all further obligations of that Joint Lead Manager under the Offer Management Agreement:

- **(Market fall)** The S&P/ASX All Ordinaries Index at any time falls to a level that is 90% or less than the level at the close of trading on the date of the Offer Management Agreement and remains at or below that level for a period of two consecutive Business Days or closes at that 90% level on the Business Day immediately prior to the settlement date.
- **(Withdrawal)** The Company withdraws the Offer, or states an intention that it does not intend to proceed with the Offer or:
 - the Prospectus, any Application Form and any supplementary or replacement prospectus required to be lodged with ASIC under section 719 of the Corporations Act in connection with the Offer;
 - any cover email or letter sent to eligible Institutional Investors in Australia or New Zealand with a link to or attaching the Prospectus; and
 - any investor presentation or marketing presentation and/or ASX announcement used in connection with the Offer (including any addendum to those presentations and any draft of such documents used

for roadshow purposes prior to the lodgement date), together the Offer Documents.

- **(Listing and quotation)** ASX approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
 - the Company's admission to the official list of ASX on or before the date by which ASX confirms that it will grant quotation of the Securities; or
 - the quotation of the Securities on ASX or for the Securities to be cleared through the Clearing House Sub-register System on or before the quotation date,
 - or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld or ASX indicates to the Company that approval is likely to be withdrawn, qualified or withheld.
- **(Chairman and chief executive officer)** The chairman, the chief executive officer or chief financial officer of the Company or the Manager is removed from office or replaced.
- **(Compliance with Law)** Any of the Offer Documents, the Public Information (as defined in the Offer Management Agreement) or any aspect of the Offer does not comply with the Corporations Act (including if a statement in any of the Offer Documents or Public Information is or becomes materially misleading or deceptive, or a matter required to be included is omitted from an Offer Document or the Public Information), the Listing Rules, the New Zealand Securities Act 1978, the New Zealand Securities Regulations 2009, the New Zealand Financial Markets Conduct Act 2013 or any other applicable law or regulation.
- **(Notifications):**
 - ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
 - ASIC holds a hearing under section 739(2) of the Corporations Act;
 - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document;

- any person (other than the Joint Lead Manager seeking to Terminate) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent; or
- any person gives a notice under section 730 of the Corporations Act in relation to the Offer Documents.
- **(Applications and proceedings)** Any person makes an application for an order under Part 9.5, or to any government agency, in relation to the Prospectus or the Offer or ASIC commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or the Prospectus or any government agency commences or gives notice of an intention to hold, any enquiry.
- **(Supplementary Prospectus)** The Company issues or, in the reasonable opinion of the Joint Lead Manager seeking to terminate, becomes required to issue a Supplementary Prospectus to comply with section 719 of the Corporations Act; or the Company lodges a Supplementary Prospectus with ASIC in a form that has not been approved by the Joint Lead Managers.
- **(Insolvency Event)** The Company or the Manager is or becomes insolvent or there is an act or omission which may result in the Company or Manager becoming insolvent.
- **(Change to the Company)** The Company:
 - alters the issued capital of the Company;
 - disposes or attempts to dispose of a substantial part of the business or property of the Company,
 other than as permitted by the Offer Management Agreement or disclosed in this Prospectus without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed).
- **(Prosecution)** Any of the following occur:
 - a director or officer of the Company or the Manager is charged with an indictable offence;
 - any government agency commences any public action against the Company or the Manager or any of its directors or officers or announces that it intends to take such action;
 - any director or officer of the Company or the Manager is disqualified from managing a corporation under Part 2D.6; or

- the Company or the Manager or any of its directors or officers engage, or are alleged to have been engaged in, any fraudulent conduct or activity, whether or not in connection with the Offer.

TERMINATION EVENTS SUBJECT TO MATERIALITY

If any of the following events occur at any time before the Allotment Date or such other time as specified below, and such event:

- has had or is likely to have a materially adverse effect on:
 - the marketing, outcome, success or settlement of the Offer or the ability of the Joint Lead Managers to market, promote or settle the Offer;
 - the willingness of investors to subscribe for the Securities; or
 - the likely price at which the Securities will trade on ASX; or
 - has given or would be likely to give rise to a liability for the Joint Lead Manager under, or a contravention by the Joint Lead Manager, of the Corporations Act or any applicable laws,
- then each Joint Lead Manager may at any time by notice in writing to the Company and the other Joint Lead Managers, terminate all further obligations of that Joint Lead Manager under the Offer Management Agreement without cost or liability.
- **(Due Diligence Report)** The due diligence report or verification material or any other information supplied by or on behalf of the Company or the Manager to the Joint Lead Managers in relation to the Company or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission.
 - **(Change in Law)** There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand, or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this agreement).

- **(Material Contracts)** If any contract summarised in Section 9 is varied, terminated, rescinded or altered or amended without the prior consent of the Joint Lead Managers or any contract summarised in Section 9 is breached or is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance is or becomes illegal (Default), a default by the Company in the performance of any of its obligations under the Offer Management Agreement occurs.
- **(Representations and Warranties)** A warranty or representation contained in the Offer Management Agreement on the part of the Company is breached, becomes not true or correct or is not performed.
- **(Hostilities)** There is an outbreak of hostilities not presently existing (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, Japan, New Zealand, the United States, The United Kingdom, the People's Republic of China, South Korea, Israel, Singapore, Malaysia, Cambodia, the United Arab Emirates or any Member State of the European Union or any diplomatic, military, commercial or political establishment in either of those countries or a major terrorist act is perpetrated anywhere in the world.
- **(Change in management)** There is a change in senior management or the board of directors (other than in relation to the Chairman, Chief Executive Officer or Chief Financial Officer) of the Company or the Manager.
- **(Disruption of financial markets)** There is:
 - a general moratorium on commercial banking activities in Australia, New Zealand, Singapore, the United States, the United Kingdom, Hong Kong or any Member State of the European Union, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - any adverse effect on the financial markets in Australia, New Zealand, Singapore, the United States, the United Kingdom, Hong Kong or any Member State of the European Union, or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
 - trading in all securities quoted or listed on ASX, the New Zealand Exchange, the New York Stock Exchange, the London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect.
- **(Force majeure)** There is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Governmental Agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under this agreement, or to market, promote or settle the Offer.
- **(Legal and regulatory proceedings)** Any of the following occurs:
 - the commencement of legal proceedings against the Company or Manager or against any director of the Company or Manager in that capacity;
 - any regulatory body commences any investigation, claim, inquiry, proceedings or public action against the Company or Manager or announces that it intends to take such action (whether in respect of the Offer, the Offer Documents or otherwise); or
 - a Government Agency withdraws, revokes or amends in an adverse manner any authorisation, license or other approval necessary to the conduct of the Company's business.

10. ADDITIONAL INFORMATION

10.1 INCORPORATION

The Company was incorporated on 25 August 2014.

10.2 BALANCE DATE AND COMPANY TAX STATUS

The accounts for the Company will be made up to 30 June annually.

The Company will be taxed as a public company.

10.3 CURRENT CAPITAL STRUCTURE

The issued capital of the Company as at the date of this Prospectus is set out in the table below:

CLASS OF SECURITY	NUMBER OF SECURITIES
Shares	1
Options	Nil

10.4 CAPITAL STRUCTURE FOLLOWING THE OFFER

As at the Allotment Date, the issued share capital of the Company will comprise the following:

CLASS OF SECURITY	NUMBER OF SECURITIES BASED ON MINIMUM SUBSCRIPTION	FULLY DILUTED ¹	NUMBER OF SECURITIES BASED ON MAXIMUM SUBSCRIPTION ²	FULLY DILUTED ¹	NUMBER OF SECURITIES BASED ON MAXIMUM SUBSCRIPTION AND ALL OVERSUBSCRIPTIONS ACCEPTED ³	FULLY DILUTED ¹
Shares	150,000,001	300,000,001	500,000,001	1,000,000,001	600,000,001	1,200,000,001
Options	150,000,000	Nil	500,000,000	Nil	600,000,000	Nil

Notes:

- 1 The fully diluted number of Securities on issue immediately following the Offer assumes that all Options have been exercised for the maximum number of Shares which can be issued under those Options.
- 2 Assumes the Maximum Subscription being achieved but no Oversubscriptions accepted.
- 3 Assumes the Maximum Subscription being achieved and all Oversubscriptions accepted.

10.5 RIGHTS ATTACHING TO THE SHARES

Immediately after issue and allotment, the Shares will be fully paid Shares and the Shares will rank pari passu with the Share currently on issue.

Detailed provisions relating to the rights attaching to the Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Company's Constitution can be inspected during office hours at the registered office of the Company and Shareholders have the right to obtain a copy of the Company's Constitution free of charge.

The detailed provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below:

Each Share will confer on its holder:

- the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Company's Constitution and the Corporations Act;
- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the Share;
- the right to receive, in kind, the whole or any part of the Company's property on a winding up, subject to priority given to holders of Shares that have not been classified by ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
- subject to the Corporations Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

10.6 OPTION TERMS

The terms and conditions of the Options are as follows:

REGISTER

The Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the Corporations Act.

TRANSFER/TRANSMISSION

An Option may be transferred or transmitted in any manner approved by ASX.

EXERCISE

An Option may be exercised by delivery to the Company of a duly completed Notice of Exercise of Options, signed by the registered holder of the Option, together with payment to the Company of \$1.00 per Option being exercised and the relevant option certificate.

An Option may be exercised on any business day from the date of grant to 10 June 2016 (inclusive) but not thereafter. A Notice of Exercise of Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

DIVIDEND ENTITLEMENT

Options do not carry any dividend entitlement until they are exercised. Shares issued on exercise of Options rank equally with other issued Shares of the Company from their date of issue.

PARTICIPATING RIGHTS

For determining entitlements to the issue, an Option holder may only participate in new issues of securities to holders of applicable Shares in the Company if the Option has been exercised and Shares allotted in respect of the Option before the record date. The Company must give at least six business days' notice to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

If, between the date of issue and the date of exercise of an Option, the Company makes one or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue) in accordance with the Listing Rules, the exercise price of Options on issue will be reduced in respect of each rights issue according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{(N+1)}$$

where:

O' is the new exercise price of the Option.

O is the old exercise price of the Option.

E is the number of underlying Shares into which one Option is exercisable.

P is the volume weighted average market price per Share calculated over the five trading days ending on the day before the ex rights date or ex entitlements date.

S is the subscription price for a Share under the pro-rata issue.

D is the dividend due but not yet paid on the existing underlying Share (except those to be issued under the pro-rata issue).

N is the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

If there is a bonus issue to shareholders of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

RECONSTRUCTIONS AND ALTERATION OF CAPITAL

Any adjustment to the number of outstanding Options and the exercise price under a reorganisation of the Company's share capital must be made in accordance with the Listing Rules at the time of the reorganisation.

ASX LISTING

The Company must make an application for quotation of Shares issued on exercise of the Options on ASX in accordance with the Listing Rules. Shares so issued will rank equally with other issued Shares of the Company.

10.7 EXISTING HOLDER

The table below sets out the interests of the Existing Holder as at the date of this Prospectus and immediately following the Offer. The table does not reflect any Securities which the Existing Holder may subscribe for under the Offer.

	DATE OF PROSPECTUS		IMMEDIATELY FOLLOWING THE OFFER ¹	
	Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares on issue at the Minimum Subscription
EXISTING HOLDER				
Perpetual Investment Management Limited	1	100%	1	0%

Notes:

1. The number of Shares on issue immediately following the Offer is based on the Minimum Subscription of \$150,000,000 being achieved.

10.8 INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus, no Director or proposed director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or in the Offer; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

REMUNERATION OF DIRECTORS

The Directors will be entitled to receive the following benefits:

- (a) From the maximum total of \$250,000 set out in the Constitution, the aggregate remuneration of the Directors of the Company has been set initially at \$170,000 per annum (including superannuation) to be divided amongst them in such proportions as they agree.
- (b) The Directors have agreed that Peter Scott will initially receive \$50,000 per annum, Virginia Malley will initially receive \$40,000 per annum, and Christine Feldmanis will initially receive \$40,000 per annum and John Edstein will initially receive \$40,000 per annum.
- (c) Michael Gordon is the Group Executive Perpetual Investments of the Manager. He is remunerated by the Perpetual Group and will not receive Directors' fees or any other form of remuneration from the Company for his services.
- (d) Peter Scott holds approximately 6,590 ordinary shares of Perpetual Limited, which is the ultimate holding company of the Manager, as at the date of this Prospectus.
- (e) Michael Gordon holds approximately 4,482 ordinary shares of Perpetual Limited, which is the ultimate holding company of the Manager, as at the date of this Prospectus. In addition, Michael holds 12,653 Long

Term Incentive Plan Shares, which have the same rights as ordinary shares. Michael also holds 10,124 Long Term Incentive Plan Performance Rights of Perpetual Limited, which are exercisable subject to relative Total Shareholder Return (TSR) performance hurdles and to Perpetual Limited's earnings per share growth. The Long Term Incentive Plan Shares and Performance Rights are exercisable at the end of a three year performance period for the equivalent number of ordinary shares of Perpetual Limited.

- (f) John Edstein holds approximately 1,620 ordinary shares of Perpetual Limited, which is the ultimate holding company of the Manager, as at the date of this Prospectus.

Except as set out elsewhere in this Prospectus, there are no interests that exist at the date of this Prospectus and there were no interests that existed within two years before the date of this Prospectus that are or were, interests of a Director or a proposed Director in the promotion of the Company or in any property proposed to be acquired by the Company in connection with its formation or promotion. Further, except as set out in this Prospectus, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce them to become or qualify them as a Director or otherwise for services rendered by them in connection with the promotion or formation of the Company.

Under the Constitution, each Director (other than a managing director or an executive director) may be paid remuneration for ordinary services performed as a Director.

Under the ASX Listing Rules the maximum fees payable to Directors may not be increased without prior approval from the Company at a general meeting. Directors will seek approval from time to time as deemed appropriate.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this Prospectus the Directors and their associates have no interests in the Securities of the Company. Each of the Directors has indicated an intention to subscribe for Securities under the Offer, however, the final amount of their investment has not been confirmed.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has entered into deeds of indemnity, access and insurance with each Director. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of the Company. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Company, including legal expenses. The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

RELATED PARTY INTERESTS

Other than as set out below or elsewhere in this Prospectus, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest:

- the compensation arrangements with Directors and executive officers, which are described in this Section 10.8;
- the indemnification arrangements with the Directors which are described in this Section 10.8; and
- the Management Agreement between the Company and the Manager which is described in Section 9.1.

As at the date of this Prospectus, the Manager holds 100% of issued capital of the Company, by way of the issue of one share on incorporation of the Company on 25 August 2014.

The Management Agreement has been entered into on arm's length terms between the Company and the Manager.

POLICY FOR APPROVAL OF RELATED PARTY TRANSACTIONS

The Company's Audit and Risk Committee is responsible for reviewing and approving all transactions in which the Company is a participant and in which any parties related to the Company, including its executive officers, Directors,

beneficial owners of more than 5% of the Company's Shares, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Company, has or will have a direct or indirect material interest.

The Audit and Risk Committee, as the case may be, will only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its Shareholders, after taking into account all available facts and circumstances as the Audit and Risk Committee determines in good faith to be necessary. Transactions with related parties will also be subject to Shareholder approval to the extent required by the Listing Rules.

10.9 AUSTRALIAN TAXATION IMPLICATIONS OF INVESTING UNDER THE OFFER

INTRODUCTION

The tax implications provided below only relate to Australian Security holders who hold their Securities on capital account. Different tax implications apply to non-resident Security holders or Security holders whose Securities are held on revenue account.

The comments in this Section 10.9 are general in nature on the basis that the tax implications for each Security holder may vary depending on their particular circumstances. Accordingly, it is recommended that each Security holder seek their own professional advice regarding the taxation implications associated with the Offer.

The comments in this Section 10.9 are based on the *Income Tax Assessment Act 1936*, and the *Income Tax Assessment Act 1997*, *A New Tax System (Goods and Services Tax) Act 1999* and the relevant stamp duties legislation as at the date of this Prospectus.

This Section 10.9 provides a general overview of the Australian income tax implications of investing in the Company, based on current tax law. As such, it is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

If you are in doubt as to the course you should follow, you should seek independent tax advice.

INCOME TAX POSITION OF THE COMPANY

The Company will be taxed as a company at the prevailing company tax rate (currently 30%).

The Australian Federal Government has committed to reducing the rate to 28.5% from 1 July 2015.

The Company will be required to maintain a franking account and may declare franked dividends to Shareholders.

The Directors intend to frank distributions at 100%, or to the maximum extent possible.

INCOME TAX POSITION OF AUSTRALIAN RESIDENT SECURITY HOLDERS

A general outline of the tax implications associated with the Offer for Australian resident security holders who hold their Securities on capital account are set out below.

Issue of Shares and Options

The issue of Shares and Options involves the acquisition of two CGT assets; a Share at a cost price of \$1.00 and a free Option (excluding incidental costs) but should not give rise to a taxing event at the time of issue for the Security holders.

Fees incurred for brokers services, and other incidental acquisition costs borne by investors, will be included in the tax cost base of the relevant Shares issued.

Accordingly, these expenses will be included in the tax cost base of those Shares and will decrease (or increase) any subsequent gain (or loss) realised for capital gains tax purposes upon the event of any disposal of those Shares at a later date.

Disposal of Shares

The disposal of Shares will be a taxing event for Shareholders. Shareholders should derive a taxable capital gain where the capital proceeds that are received as a result of the disposal exceed the cost base of the Shares. Likewise, Shareholders should generally incur a capital loss where the reduced cost base of the Shares exceeds the capital proceeds.

Generally, the capital proceeds that are received as a result of the disposal of the Shares will be equal to the consideration received on disposal. The cost base of the Shares will generally be equal to the amount paid in respect of the acquisition of the Shares plus any incidental costs of acquisition or disposal.

Provided Shareholders (other than corporate Shareholders) have held their Shares for 12 months prior to the disposal, the CGT discount concession may be available in relation to any capital gain arising as a result of the disposal. Where this concession applies, any such capital gain will be reduced (after applying capital losses) by the following discount percentages:

- (a) 50% for an individual or trust; or
- (b) 33.33% for a complying superannuation fund.

Exercise of Options

The exercise of an Option should not give rise to a tax liability for the Option holder. The cost base of the Shares acquired by the Option holders on exercising their Options will have a cost base equal to the consideration paid to exercise the Options plus any incidental costs.

Disposal of Options

The disposal of the Options will give rise to a taxing event. An Option holder should derive a capital gain where the capital proceeds that are received as a result of the disposal exceed the cost base of the Options. Likewise, an Option holder should generally incur a capital loss where the reduced cost base of the Options exceeds the capital proceeds.

Provided an Option holder (other than a corporate Option holder) has held their Options for 12 months prior to the disposal, the CGT discount concession may be available in relation to any capital gain arising as a result of the disposal. Where this concession applies, any such capital gain will be reduced (after applying capital losses) by the following discount percentages:

- (a) 50% for an individual or trust; or
- (b) 33.33% for a complying superannuation fund.

If ownership of the Options ends by the Options being cancelled or by expiring, an Option holder may derive a capital gain if the capital proceeds from the cancellation or expiration of the Option is greater than the cost base of the Option. An Option holder may derive a loss if the capital proceeds from the cancellation or expiration of the Option is less than the reduced cost base of the Option.

Dividends

Dividends received by Shareholders should be included in the assessable income of Shareholders. Generally, Shareholders will be taxed on the dividends at their relevant marginal rate. If the Shareholder is a company, the Shareholder will be taxed at the prevailing company tax rate (currently 30%). The Australian Federal Government has committed to reducing the rate to 28.5% from 1 July 2015, which may impact the future value of any franking credits received by Shareholders.

Generally, to the extent that the dividends are franked, an amount equal to the franking credits attaching to the dividends will be included in the assessable income of the Shareholder. Further, Shareholders will generally be entitled to a tax offset equal to the amount of the franking credits on the dividend (i.e. Shareholders will effectively get a tax credit for the corporate tax paid in respect of the dividends).

Certain Shareholders (including individuals and complying superannuation funds) may be entitled to a refund of 'excess franking credits' where their tax offset in respect of the franked dividends exceeds their tax liability. The income tax rate for complying superannuation funds is 15%. Complying superannuation funds generally obtain a tax offset from franked dividends against the fund's income tax liability, and any excess franking credits may be fully refunded.

A complying superannuation fund 100% in pension phase would be entitled to a full refund of franking credits, as all income of the fund would be attributable to the fund's liability to pay current pensions, and are therefore exempt from income tax.

Status as a Listed Investment Company

It is intended that the Company will qualify as a LIC under Australian taxation laws.

The major requirements the Company must meet to be a LIC are:

- The company must be listed; and
- 90% of the Portfolio value must comprise certain permitted investments as defined in section 115-290(4) of the Income Tax Assessment Act 1997.

Permitted investments include shares, options, units (provided the Company does not own more than 10% of the entity in which it holds the permitted investment) financial instruments, derivatives and assets that generate passive income such as interest, rent and royalties.

It is expected that the Company will generally be considered to hold its investments on revenue account. Consequently, it is likely that the Company will generally not make capital gains and therefore, Shareholders may not be able to obtain a deduction in relation to dividends attributable to LIC capital gains under the LIC regime.

Goods and Services Tax (GST)

Security holders should not be liable to GST in Australia in respect of the acquisition of Securities under the Offer. Security holders may not be entitled to input tax credits (GST credits) for GST incurred on costs associated with the acquisition of Securities under the Offer.

Stamp duty

Security holders should not be liable to stamp duty in Australia in respect of the acquisition of Securities under the Offer.

10.10 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

CBA Equities, Taylor Collison, Macquarie Capital, Morgan Stanley and ANZ Securities have acted as Joint Lead Managers to the Offer. The Company has paid or agreed to pay a minimum amount of \$1,500,000 (plus GST) in respect of these services (based on the Minimum Subscription being achieved) and a maximum amount

of \$5,000,000 (plus GST) (based on the Maximum Subscription being achieved but before the acceptance of Oversubscriptions) or a maximum amount of \$6,000,000 (plus GST) (based on the Maximum Subscription being achieved and all Oversubscriptions are accepted).

CBA Equities and Taylor Collison will be paid an Arranger Fee (divided equally) of up to a minimum amount of \$150,000 (plus GST) in respect of these services (based on the Minimum Subscription being achieved) and a maximum amount of \$500,000 (plus GST) (based on the Maximum Subscription being achieved but before the acceptance of Oversubscriptions) or a maximum amount of \$600,000 (plus GST) (based on the Maximum Subscription being achieved and all Oversubscriptions are accepted) which is to be paid by the Company.

KPMG Transaction Services has acted as the Australian Investigating Accountant and provided the Investigating Accountant's Report on Pro Forma Financial Information in Section 8. For details of the fees that the Company has paid, or agreed to pay, KPMG Transaction Services for the services provided, refer to the Financial Services Guide attached to the Investigating Accountant's Report in Section 8. Further amounts may be paid to KPMG .

DLA Piper Australia has acted as the Australian legal and tax adviser to the Company and performed work in relation to due diligence enquiries on Australian legal matters. The Manager has paid or agreed to pay an amount estimated of approximately \$250,000 (plus disbursements and GST) up to the date of this Prospectus in respect of these services. Further amounts may be paid to DLA Piper Australia in accordance with time-based charges.

DLA Phillips Fox has acted as the New Zealand legal adviser to the Company. The Manager has paid or agreed to pay an amount of approximately \$4,000 in respect of these services. Further amounts may be paid to DLA Phillips Fox in accordance with time-based charges.

10.11 OFFER EXPENSES

The Company will pay all of the costs associated with the Offer. However, the Manager has agreed to pay the website, marketing and ongoing valuation costs and not be reimbursed for these costs by the Company until otherwise agreed between the Manager and the Company.

If the Offer proceeds, the total estimated cash expenses in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees) are estimated to be approximately \$3,747,886 (net of claimable GST) assuming the Minimum Subscription is reached, \$11,611,474 (net of claimable GST) assuming the Maximum Subscription is reached (before the acceptance of Oversubscriptions) and \$13,852,698 (net of claimable GST) assuming the Maximum Subscription is reached (and all Oversubscriptions are accepted).

10.12 CONSENTS

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- CBA Equities has consented to being named as Joint Arranger and Joint Lead Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by CBA Equities;
- Taylor Collison has consented to being named as Joint Arranger, Joint Lead Manager and Authorised Intermediary to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Taylor Collison;

- Macquarie Capital has consented to being named as Joint Lead Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Macquarie Capital;
- Morgan Stanley has consented to being named as Joint Lead Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Morgan Stanley;
- ANZ Securities has consented to being named as Joint Lead Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by ANZ Securities;
- Baillieu Holst has consented to be named as Co-Lead Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Baillieu Holst;
- Lonsec has consented to be named as Co-Lead Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Lonsec;
- Perpetual Investment Management Limited, the Manager, has consented to being named as Manager, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the Manager;
- KPMG Transaction Services has consented to being named in the Corporate Directory of this Prospectus as the Company's Investigating Accountant and to the inclusion of its Investigating Accountant's Report on Pro Forma Financial Information in Section 8 in the form and context in which it appears;
- DLA Piper Australia has consented to being named in the Corporate Directory of this Prospectus as the Australian legal and tax adviser to the Company, but it does not make any statement in this Prospectus,

nor is any statement in this Prospectus based on any statement by DLA Piper Australia;

- DLA Phillips Fox has consented to being named in the Corporate Directory of this Prospectus as the New Zealand legal adviser to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by DLA Phillips Fox; and
- Link Market Services Limited has consented to being named in the Corporate Directory and elsewhere in this Prospectus as the Share Registry for the Company. Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.


10.13 LEGAL PROCEEDINGS

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Company is directly or indirectly involved.

On 22 November 2013, Brickworks Limited commenced proceedings in the Federal Court against the Manager, M.H. Carnegie & Co. Pty Limited (Carnegie) and others. The proceedings relate to proposed transactions undertaken by the Manager and Carnegie which involve calling shareholder meetings of both Brickworks Limited and Washington H. Soul Pattinson and Company Limited. The proceedings are currently before the court. The Manager does not consider the proceedings will have a material impact on its ability to manage the Portfolio, its business operations or its financial prospects.

10.14 INVESTOR CONSIDERATIONS

Before deciding to participate in this Offer, you should consider whether the Securities to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Securities listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.



If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

10.15 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

10.16 STATEMENT OF DIRECTORS

Other than as set out in this Prospectus, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

11. DEFINED TERMS

In this Prospectus:

AEDT	Australian Eastern Daylight Time.
AFSL	Australian Financial Services Licence.
Allotment Date	The date on which the Shares and Options are allotted under the Offer.
ANZ Securities	ANZ Securities Limited ABN 16 004 997 111 (AFSL 237531).
Applicant	A person who submits a valid Application Form and required Application Amount pursuant to this Prospectus.
Application	An application for Shares and Options under this Prospectus.
Application Amount	Money submitted by Applicants under the Offer.
Application Form	The application form attached to or accompanying or provided with this Prospectus for investors to apply for Shares and Options under the Offer.
Approved Valuer	A duly qualified valuer independent of both the Company and the Manager.
ASIC	Australian Securities and Investments Commission.
Associate	Has the meaning given to that term in the Corporations Act.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates, as the context requires.
ASX Corporate Governance Principles	The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
ATO	Australian Taxation Office.
Authorised Intermediary	Taylor Collison Limited ABN 53 008 172 459 (AFSL 247083).
Baillieu Holst	Baillieu Holst Ltd ABN 74 006 519 393 (AFSL 245421).
Benchmark	S&P/ASX 300 Accumulation Index.
Board	The board of directors of the Company.

Broker	Any ASX participating organisation selected by the Joint Lead Managers in consultation with the Company to act as a broker to the Offer.
Broker Firm Offer	Has the meaning given to that term in Section 2.1.
Business Day	A day, other than a Saturday, Sunday or public holiday on which Australian banks are open for business in Sydney Australia.
CBA Equities	CBA Equities Limited ABN 76 003 485 952 (AFSL 238817).
CGT	Capital Gains Tax.
Closing Date	The date that the Offer closes, which is 28 November 2014.
Co-Lead Managers	Baillieu Holst and Lonsec, individually a Co-Lead Manager.
Company	Perpetual Equity Investment Company Limited ACN 601 406 419 .
Constitution	The constitution of the Company.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
CRN	Customer Reference Number.
Custodian	RBC Investor Services Trust ABN 75 116 809 824 (AFSL 295018).
Directors	The directors (including any alternate directors) of the Company as at the date of this Prospectus.
Existing Holder	The Manager as the sole shareholder of the Company as at the date of this Prospectus.
Exposure Period	The seven day period after the date of lodgement of the Prospectus with ASIC (as extended by ASIC (if applicable)).
General Offer	Has the meaning given to that term in Section 2.
Institutional Applicant	An Applicant to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA), and excluding a retail client within the meaning of section 761G of the Corporations Act.

Investigating Accountant	KPMG Transaction Services, a division of KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215.
Joint Arrangers	CBA Equities and Taylor Collison (individually, an Arranger).
Joint Lead Managers	CBA Equities, Taylor Collison, Macquarie Capital, Morgan Stanley and ANZ Securities, individually a Joint Lead Manager.
KPMG	KPMG (ABN 51 194 660 183).
LIC	Listed Investment Company.
Listing Rules	The official Listing Rules of ASX as amended or waived from time to time.
Lonsec	Lonsec Limited ABN 56 061 751 102 (AFSL 246842).
Macquarie Capital	Macquarie Capital (Australia) Limited ABN 79 123 199 548 (AFSL 314416).
Management Agreement	The agreement between the Company and the Manager dated 7 October 2014, a summary of which is included in Section 9.1
Manager	Perpetual Investment Management Limited ACN 000 866 535 (AFSL 234426).
Maximum Subscription	The maximum amount being sought by the Company under the Offer, before any Oversubscriptions, being \$500,000,000.
Minimum Subscription	The minimum amount being sought by the Company under the Offer, being \$150,000,000.
Morgan Stanley	Morgan Stanley Australia Securities Limited ABN 55 078 652 276 (AFSL 233741).
NAV	Net asset value.
Net Tangible Asset Backing	The value of the Company's total assets reduced by the Company's intangible assets and the Company's total liabilities, which includes provisions for tax on realised income and gains, tax on estimated unrealised income and gains, declared but unpaid dividends, and unpaid management fees earned, as calculated in accordance with the Listing Rules.
Notice of Exercise of Options	A written exercise notice (in the form approved by the Board of the Company from time to time) specifying the number of Options being exercised and Shares to be issued.

Offer	The offer of Shares to raise up to \$500,000,000, together with one Option for every one Share subscribed for, with the right to accept Oversubscriptions to raise up to a further \$100,000,000.
Offer Management Agreement	The agreement between the Company, the Manager and the Joint Lead Managers in respect of the Offer dated 7 October 2014, a summary of which is included in Section 9.1.
Offer Period	The period during which investors may subscribe for Securities under the Offer.
Option	An option to acquire one Share for every one Share subscribed for under the Offer, exercisable at \$1.00 per Option on or before 10 June 2016.
Oversubscriptions	The additional subscriptions under the Offer the Company reserves the right to accept for up to an additional 100,000,000 Shares, together with one free attaching Option for every one Share subscribed for, to raise up to \$100,000,000 (before the exercise of any Options) in excess of the Maximum Subscription.
PCEF	Perpetual Wholesale Concentrated Equity Fund ARSN 091 185 590.
Perpetual Group	The independent and diversified financial services group providing specialised investment management, wealth advice and corporate fiduciary services.
Perpetual Investments	The investment funds management business offered by members of the Perpetual Group, including the Manager.
Perpetual Limited Shareholder Priority Offer	Has the meaning ascribed to that term in Section 2.
PGSF	Perpetual Pure Value 2 Share Fund (marketed as Perpetual Global Share Fund) ARSN 601 199 035.
PISF	Perpetual Industrial Share Fund ARSN 089 547 875.
Portfolio	The portfolio of investments of the Company from time-to-time.
Portfolio Net Asset Value	The market value of the assets of the Portfolio reduced by any accrued but unpaid expenses of the Company, but not provisions for tax payable or unpaid dividends of the Company, and after subtracting any borrowings drawn down and adding back borrowings repaid.

Prospectus	This replacement Prospectus, dated 14 October 2014, for the issue of Shares and Options to raise up to \$500,000,000 with the right to accept Oversubscriptions to raise a further \$100,000,000, which replaces the Prospectus lodged with ASIC on 7 October 2014 (including the electronic form of that Prospectus).
PWAF	Perpetual Wholesale Australian Fund ARSN 091 189 132.
Retail Applicant	An Applicant who is not an Institutional Applicant.
Securities	The Shares and Options the subject of the Offer.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
Share Registry	Link Market Services Limited ABN 54 083 214 537.
Subscription Price	The amount payable by Applicants to the Company for the issue of Shares under the Offer being \$1.00 per Share.
Taylor Collison	Taylor Collison Limited ABN 53 008 172 450 (AFSL 247083).
US Person	Citizens and residents of the United States of America.

TAYLOR COLLISON LIMITED

FINANCIAL SERVICES GUIDE (FSG)

This FSG provides you with information about Taylor Collison Limited (“Taylor Collison”, “we”, “us” or “our”) to help you decide whether to use the financial services we offer. The FSG includes information about:

1. who we are and how we can be contacted
2. the services we offer
3. how we are remunerated
4. our internal and external complaints handling procedures and how you can access them
5. our privacy statement; and
6. relationships and associations that we have.

This FSG relates only to financial services provided by Financial Services Representatives of Taylor Collison Limited and our Representatives to retail investors.

1. WHO IS TAYLOR COLLISON AND HOW CAN WE BE CONTACTED

Taylor Collison is a holder of an Australian Financial Services Licence (AFSL #247083) and is Trading Participant of one or more Relevant Exchange, including the Australian Securities Exchange and the SIM Venture Securities Exchange.

As a participant of one or more relevant exchange, all transactions are subject to the ASIC Market Integrity Rules and the regulatory directions, decisions and requirements of the Relevant Exchanges, collectively the “Regulatory Rules”.

Taylor Collison was established in 1928 and provides a broad range of advisory and execution services to a diverse client base. Taylor Collison Limited is licensed to provide financial services under the Corporations Act 2001. You should also note that Taylor Collison is obligated under the Anti-Money Laundering and Counter Terrorism Financing Act not to execute any trades for a client unless the client has been properly identified and verified to our satisfaction. Our contact details are as follows:

**Taylor Collison Limited, Level 16, 211 Victoria Square
Adelaide SA 5000 Ph: +61 8 8217 3900**

2. THE SERVICES WE OFFER

Taylor Collison is a specialist provider of stockbroking services. We provide transactions execution and settlement services, supported by research and other advice:

- transactional and advisory services in domestic and international shares and other tradable products
- access to fixed interest securities and managed funds
- access to non-standard and standard margin lending facilities
- access to short-selling facilities
- access to IPO’s and other capital raisings
- Portfolio Management Services
- Assistance with deceased estates and off-market transfers
- Portfolio advice and reviews
- Depending on your requirements, advice personalised to your objectives, situation and needs, or general advice based solely of the investment or trading merits of the particular product.

Our corporate finance division, TC Corporate Pty Ltd (an authorised representative of Taylor Collison), provides advisory services in relation to mergers and acquisitions, business divestments and restructuring, company IPO’s, rights issues, placements, financing, capital management and corporate governance. Taylor Collison is authorised to give advice (both general and personal) and deal in:

- Basic and non-basic deposit products
- Derivatives (limited)
- Foreign exchange contracts
- Government debentures, stocks and bonds
- Managed investment schemes
- Managed investment warrants
- Retirement savings accounts
- Securities
- Superannuation
- Margin lending facilities

Taylor Collison is authorised to deal in foreign exchange contracts in order to facilitate settlement of international transactions, and to provide custodial services. The custodial services however are usually incidental to our dealing services.

2.1 STATEMENT OF ADVICE

In addition to this Guide, you may receive a Statement of Advice (SOA) from us when we provide you with personal advice (unless the advice is Further Advice). Personal advice is advice which takes into account your investment objectives and financial situation. An SOA is a written record of the advice provided by us to you, and includes information about fees, commissions and associations that may have influenced our advice. SOA's are only relevant in the context of personalised advice. Further Advice is personal advice that is provided on an ongoing basis. If we provide you with Further Advice, we will not give you an SOA, but you can request a copy either verbally or in writing of the Record of Advice (ROA) up to 7 years after the advice was given.

A record of your 'relevant personal circumstances' will be maintained and a SOA, detailing these personal circumstances and any agreed investment strategy and advice, will be provided to new retail clients. Thereafter, a new SOA will only be provided if you advise that your circumstances have changed materially.

2.2 CLIENT RESPONSIBILITIES AND PERSONALISED ADVICE

You need to provide us with details of your personal objectives, risk profile, your current financial situation and any other relevant information, so that we can offer you the most appropriate advice possible.

You have the right not to provide this information. However, if you choose not to provide any or all of the information requested, the advice you receive from us will be limited accordingly and may not be appropriate to your needs, objectives and financial situation. In these circumstances you should consider the appropriateness of our advice in the light of your own objectives, financial situation or needs prior to making any scaled advice investment decision.

2.3 PRODUCT DISCLOSURE STATEMENT

If we recommend to you a particular financial product (other than listed securities), you may receive a Product Disclosure Statement prepared by the financial product issuer. This document contains significant information necessary for you to make an informed decision about that product.

2.4 PERSONAL FINANCIAL PRODUCT ADVICE

In order to provide you with personal advice you will need to provide us with details of your personal investment objectives and current financial situation. We can then make recommendations that are appropriate for your personal investment profile. The provision of this information is voluntary. Naturally, if you do supply this information, it will be strictly confidential. Should you choose not to provide this information, then you are acknowledging and accepting that any advice you receive will be based on our consideration of the investment opportunity or the financial product alone (general advice) and without reference to its appropriateness to your investment objectives, financial situation and particular needs. Under these circumstances it would become your responsibility to assess the appropriateness of any advice to your particular circumstances before acting upon it.

2.5 WHO IS RESPONSIBLE FOR THE FINANCIAL SERVICES PROVIDED?

Your Adviser will be acting on our behalf. Taylor Collison is responsible for the financial services provided to you. When providing advisory services, dealing or other services to you, we will be acting on your behalf as your agent. From time to time we may even be acting as agent for another client who is the counterparty to your transaction. Rarely we may act 'as principal' on our own account on the other side of the transaction with you, and in such circumstances we can not charge you brokerage. We may also accumulate and price-average a number of transactions on one Confirmation. We will seek your consent to these scenarios and may ask you to sign acknowledgments or consents. When your Adviser or Taylor Collison, its directors and/or employees collectively hold a significant interest in a financial product recommended to you, this interest will be disclosed prior to you entering the transaction.

2.6 LIMITATIONS OF RESEARCH

The research undertaken by stockbrokers is basically the opinion of specialist analysts. It can never be guaranteed, is only valid for a limited time and is often subject to market movements. For example, for short term investors a buy recommendation could turn into a sell recommendation where the market price of a stock appreciated by a small amount. Past Performance is not a reliable indication of future performance. For a prospective longer term investor this market movement may not be significant, although a larger movement might be. The mere fact that a stock is recommended by an analyst as a Buy or Hold does not necessarily mean that the stock is a suitable investment for you and you should consult with your Adviser before acting on any research report.

2.7 BEST EXECUTION

When you trade through Taylor Collison, we will always seek to achieve the best outcome for you when handling and executing your orders. For more information please visit our website, and review the Best Execution Policy.

2.8 GENERAL RISK DISCLOSURE

GUIDANCE FOR INVESTORS

We will endeavour to explain to you any significant risks of investments and strategies which we recommend to you. If we do not do so, you should ask us to explain those risks to you.

GENERAL INVESTMENT RISKS

Generally, there are a number of inherent risks associated with any investment in the stock market. These include, but are not limited to, movements in domestic and international markets, the current and future economic environment, company liquidity, investor sentiment, interest rates and market volatility. Market traded products in common with all the other asset classes (e.g. real property and government bonds) can decline in value as well as appreciate. The measure of this change in value is often referred to as volatility. That is the more the value varies over time, the more volatile the asset is and therefore the more risk involved in investing in it. In general the less volatile an asset is, the less likelihood there is for any significant short term capital gain or loss

from investing in that asset. Market traded products are generally more volatile than other asset classes, however, the markets for other asset classes are not as efficient or transparent as the stock market in terms of the information available to investors and the process for continuously determining and making public the real market value of the particular asset. For this reason the real volatility of those other assets is often not fully appreciated. In general, the risks of investing in market traded products can be categorised in the following manner. (Please note that the lists below do not purport to be complete, as it would not be feasible to list all the possible risks in each category).

(a) Overall Market Risks

The risk of loss by reason of movements in the share market generally. These can be caused by any number of factors including political, economic, taxation or legislative factors. Specific examples are changes in interest rates, political changes, changes in taxation or superannuation laws, international crises or natural disasters.

(b) Domestic versus International Factors

The vulnerability of a given company to international events or market factors. These would include movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets.

(c) Sector Specific Factors

These would include demand for the product the company produces, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle changes and changes in technology.

(d) Stock Specific Factors

These would include the company's directors, the strength of the company's management and the significance of any key personnel, the company's profit history, the company's tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, drill results, competition from within the sector, and whether the company already has a profitable business or whether it is exploring for resources or is developing a new product.

3. HOW ARE WE REMUNERATED

3.1 BROKERAGE

When securities are bought or sold, brokerage is charged as a percentage of the total consideration. Our brokerage rates are largely dependent on the type and level of service required, and the size and frequency of transactions. Your Adviser will inform you of your brokerage rate. We have a minimum brokerage charge of \$85 (the rates and minimum charge quoted exclude GST). You may also have to pay GST on brokerage. The applicable brokerage rate will be disclosed in your Statement of Advice (SOA), and on your confirmation.

3.2 FIXED INTEREST

We may receive commissions and/or handling fees from financial institutions with whom we place funds. The interest rates quoted to you at the time of dealing are net of those commissions.

3.3 PORTFOLIO MANAGEMENT SERVICES

We charge a management fee for our Portfolio Management Services calculated as a percentage of the worth of your portfolio. For example, if you agreed a rate of 0.825% (inc GST) with your adviser, the annual fee for a \$600,000 portfolio would be \$4,950 (GST inclusive). Your transactional brokerage rate may vary, usually reduced, from the standard rates when using this service. An establishment fee of \$385 (GST inclusive) may apply to new accounts. A minimum annual Portfolio Management fee of \$1,100 (GST inclusive) applies.

3.4 ADVISERS

Our employees and directors may receive salaries, bonuses, commission and other benefits from us. Advisers receive a percentage share of the commission/fees and other benefits earned by Taylor Collison. This percentage varies depending on the nature of the activity and the Financial Product, but typically ranges from 20%-50% of the fees.

3.5 CORPORATE SERVICES

TC Corporate Pty Ltd earns retainers and other payments in relation to the provision of corporate services.

3.6 REFERRALS

Where you have been referred to us by a third party such as a financial planner, accountant or other professional, we may pay an introductory fee or commission rebate in relation to that referral. The fee or commission paid in respect of the referral depends on the particular circumstances of the arrangement with the third party.

3.7 FURTHER INFORMATION

Where we provide you with personal advice (this may be provided orally), the actual amount of commissions or other benefits that would be earned by us or your Adviser, if you act on the advice, will be detailed in the SOA or noted in the ROA.

3.8 ASSOCIATIONS BETWEEN TAYLOR COLLISON AND FINANCIAL PRODUCT ISSUERS

Taylor Collison acts in its own capacity when recommending financial products to clients. Taylor Collison is not owned or controlled by any product issuer, nor is it bound to recommend any products over any other to you.

3.9 TRUST ACCOUNT

Our Clearing Participant is required by law to maintain a trust account on your behalf in order to hold funds which are to be used for your share trading account. Our Clearing Participant will retain any interest that may be earned on this account.

4. COMPLAINT HANDLING PROCEDURES

Taylor Collison is committed to providing a high standard of client service and to maintaining its reputation for honesty and integrity. If you have a complaint about the service provided to you, you should take the following steps:

1. Firstly, contact your Adviser and discuss your concerns.
2. If your concerns are not resolved to your satisfaction, please contact our Complaints Manager on 08 8217 3900 or put your complaint in writing and send it to our Complaints Manager, Level 16, 211 Victoria Square SA 5000. We will endeavour to resolve your complaint fairly and in a timely fashion.

3. If the complaint is not resolved to your satisfaction, you have the right to refer the matter to the Financial Ombudsman Service (FOS), of which Taylor Collison is a member. FOS can be contacted on

Telephone: 1300 78 08 08

Facsimile: (03) 9613 6399

Website: www.fos.org.au

Email: info@fos.org.au

Mail: GPO Box 3, Melbourne VIC 3001

4.1 COMPENSATION ARRANGEMENTS

Taylor Collison Limited holds a Professional Indemnity Insurance Policy, which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act and section D of ASIC Regulatory Guide 126. Subject to the terms and conditions, the Policy provides cover for the provisions of products and services under AFSL 247083 by Taylor Collison Limited and civil liability resulting from third party claims concerning the professional services provided by Taylor Collison and its employees and representatives. This policy continues to provide coverage for past employees and representatives in respect of professional services performed whilst engaged by Taylor Collison, subject to ASIC Regulatory Guidelines regarding time limits. Taylor Collison Limited is also a member of the Financial Ombudsman Service.

5. PRIVACY POLICY – PRIVACY OF YOUR PERSONAL INFORMATION

We are bound by the Australian Privacy Principles and will provide you with financial services in a secure and confidential manner. This Policy applies to information collected by Taylor Collison Ltd (and its related bodies). In it we advise how we collect and use personal information provided by you in accordance with the Privacy Act.

WHAT KIND OF INFORMATION IS COLLECTED?

We will collect, maintain and use personal information about you that is reasonably necessary to provide the services you have requested. We may collect information such as your name, address, email address, tax file number, phone number, bank account details, information about your investments & transactions and other information that may be required for

identification purposes. We are required by law to collect certain information in order to open accounts (eg. AUSTRAC, AML/CTF Act 2006, Corporation's Act 2001 and the operating rules of the ASX Group). Failure to provide your personal information may prevent or restrict our ability to provide particular services to you. It may also expose you to higher risks in respect of the recommendations made to you and may affect the adequacy of advice we give you.

HOW IS YOUR PERSONAL INFORMATION COLLECTED?

Generally your personal information will be collected in either a face-to-face interview, over the telephone, or by way of a client application form. From time to time, additional and/or updated personal information may be collected through one or more of those methods.

USE OF YOUR PERSONAL INFORMATION

We will only collect and use personal information about you:

- to enable us to assess requests from you for financial advice and to make securities and investment recommendations
- to provide you with information on new opportunities to assist you to achieve your investment objectives
- to open and maintains account/s and process transactions on your behalf
- to provide portfolio services
- to provide advice in relation to options, warrants and other derivative products
- to provide advice in relation to equity financing (margin lending)
- to provide you with products, services or information that you might request or reasonably expect
- to conduct research, planning, product development, risk assessment and marketing
- to manage our rights and obligations under applicable laws and regulations
- for other purposes required or authorised under law

We may use the personal information collected from you for the purpose of providing you with material such as articles that may be of interest to you, however you may request not to receive such information and we will comply with that request a reasonable time after the request is made.

DISCLOSURE POLICIES

We will not use or disclose Personal Information collected by us for any purpose other than:

- the purpose for which it was provided or secondary related purposes in circumstances where you would reasonably expect such use or disclosure; or
- where you have consented to such disclosure; or
- where the Australian Privacy Principles authorise use or disclosure where required or authorised under law, in circumstances relating to public health and safety and in connection with certain operations by or on behalf of an enforcement body. In accordance with this where information is disclosed to an enforcement body Taylor Collison will make a written note of the use or disclosure.

For the purposes we have described, we may disclose your personal information:

- to our suppliers (including service and content providers), third party clearers, contract and service providers, professional advisers, dealers and agents
- other parties involved in the administration of your investments including stock exchanges, product issuers, investment registries or mailing houses

We are required under the Rules and Regulations of the Relevant Exchanges to make certain information available for inspection to ensure ongoing compliance. This may involve the disclosure of your personal information.

We are also obliged pursuant to the Corporations Act 2001, to maintain certain transaction records and make those records available for inspection by the Australian Securities and Investments Commission (ASIC) and AUSTRAC.

STORAGE AND SECURITY OF YOUR PERSONAL INFORMATION

Your personal information is generally held in your client file or a computer database. We will at times seek to ensure that the personal information collected and held by us is protected from misuse, loss, unauthorized access, modification or disclosure. At all times your personal information is treated as confidential and any sensitive information is treated as highly confidential. All computer based information is protected through the use of access passwords on each computer. Data is backed up each evening and stored securely off-site. In the event that you

cease to be a client of Taylor Collison Ltd, any personal information which we hold about you will be maintained in a secure storage facility for a period of seven years in order to comply with legislative and professional requirements, following which time hardcopy information will be destroyed.

GAINING ACCESS TO YOUR PERSONAL INFORMATION

You may at any time by contacting us by any of the methods detailed below, request access to your personal information and we will provide you with access to that information either by providing you with copies of the information requested, allowing you to inspect the information requested or providing you with an accurate summary of the information held. We will prior to providing access in accordance with this policy, require you to provide evidence of your identity. Access to this information will be granted a reasonable time after the request is made. If particular circumstances apply, we are permitted by the Privacy Act to deny your request for access, or limit the access we provide. In the event we refuse you access to your personal information, we will provide you with a written explanation for that refusal and the mechanisms to complain about the refusal.

INFORMATION ACCESS AND CORRECTION POLICES AND PROCEDURES

We will endeavour to ensure that at all times, the personal information we hold about you is up to date and accurate. In the event that you become aware or believe, that any personal information which we hold about you is inaccurate, incomplete or outdated, you may contact us by any of the methods detailed below and provide to us evidence of the inaccuracy or incompleteness. We will, if we agree that the information requires correcting, take all reasonable steps to correct the information a reasonable time after the request is made. If we disagree with you about the accuracy, completeness or currency of our records, we must, take reasonable steps to ensure that whenever your personal information is accessed or handled in the future, it is apparent that you are not satisfied as to the accuracy or completeness of that information. We will provide you with a written explanation for that refusal and the mechanisms to complain about the refusal. We will endeavour to respond to any request for access within 14-28 days depending on the complexity of the information and/or the request. If your request is urgent, please make this clear to us.

DISCLOSURE OF YOUR INFORMATION TO OVERSEAS RECIPIENTS

We may transfer personal information to related bodies corporate and unaffiliated service providers in locations beyond Australia (including but not limited to the United States) in the course of storing that information and when using or disclosing it for one of the purposes referred to above. When transferring personal information to foreign jurisdictions, Taylor Collison Ltd may take steps to ensure the overseas recipient of the information does not breach the Australian Privacy Principles in relation to the information. However, Taylor Collison Ltd may be unable to ensure the overseas recipient does not breach the Australian Privacy Principles in relation to your information. This may mean for information sent overseas you do not have the protections of, or any redress under the Privacy Act.

The overseas recipient may not be subject to privacy obligations equivalent to those under the Privacy Act and could be compelled by foreign law to make disclosure of the information. By using Taylor Collison Ltd services you consent to Taylor Collison Ltd making the disclosure to overseas recipients on this basis.

OUR WEBSITE - COOKIES

A cookie is a small file placed on your computer that contains information about your visit to our website. A cookie identifies your computer to our web server when you visit the site. We do not use the cookie to collect or store personal information about you. If you do not wish to use cookies, you can adjust the settings on your browser to reject cookies or notify you when they are being used. Our site may contain links to other websites and Taylor Collison is not responsible for the privacy practices or the content of these websites.

HOW YOU CAN MAKE A PRIVACY COMPLAINT

If you wish to complain about any breach or potential breach of this privacy policy or the Australian Privacy Principles, you should contact us by any of the methods detailed below and request that your complaint be directed to the Privacy Officer. Your complaint will be

considered and a response will be issued a reasonable time after the complaint is made. It is our intention to use our best endeavours to resolve any complaint to your satisfaction. However, if you are unhappy with our response, you are entitled to contact the Office of the Privacy Commissioner who may investigate your complaint further.

CHANGES TO THIS POLICY

This policy is subject to change from time to time as Taylor Collison Ltd considers necessary. We will publish material changes by making them available to you free of charge through our website and other means whereby our policies are published. If you wish to obtain a copy of our privacy policy in a particular form please make a request to our Privacy Officer.

CONTACT DETAILS: PRIVACY OFFICER

Address: Level 16, 211 Victoria Square Adelaide SA 5000

Email: broker@taylorcollison.com.au

Telephone: (08) 8217 3900

Facsimile: (08) 8231 3506

6. RELATIONSHIPS AND ASSOCIATIONS

Taylor Collison's Group of Companies includes:

- Taylor Collison Limited
- TC Corporate Pty Ltd
- Taycol Nominees Pty Ltd
- Tayscrip Nominees Pty Ltd

6.1 TAYLOR COLLISON AND PERSHING

Taylor Collison has entered into an agreement with Pershing Securities Australia Pty Ltd AFS Licence 338264 and ABN 60 136 184 962 ("Pershing") to settle and clear all traded transactions executed by Taylor Collison. Together with this FSG you will have received the FSG of Pershing. You should read both this FSG and the Pershing FSG before deciding whether to use the services we provide.



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Broker Firm Offer Application Form

This is an Application Form for Shares (and a like number of Options for no additional consideration) in Perpetual Equity Investment Company Limited (Company) under the Broker Firm Offer on the terms set out in the replacement Prospectus dated 14 October 2014. Defined terms in the replacement Prospectus have the same meanings in this Application Form. You may apply for a minimum of 2,500 Shares (and a like number of Options) and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (AEDT) on 28 November 2014.**

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The replacement Prospectus contains information relevant to a decision to invest in Securities and you should read the entire replacement Prospectus carefully before applying for Shares.

The Company's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found at the Company's website www.perpetualequity.com.au.

Shares applied for Price per Share Application Amount
A at **A\$1.00** **B A\$**
(minimum 2,500, thereafter in multiples of 500)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant #1
Surname/Company Name
C
Title First Name Middle Name

Joint Applicant #2
Surname
Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)
TFN/ABN/Exemption Code
First Applicant Joint Applicant #2 Joint Applicant #3
D

TFN/ABN type – if NOT an individual, please mark the appropriate box Company Partnership Trust Super Fund

PLEASE COMPLETE ADDRESS DETAILS
PO Box/RMB/Locked Bag/Care of (c-)/Property name/Building name (if applicable)
E
Unit Number/Level Street Number Street Name
Suburb/City or Town State Postcode
Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)
F X
Please note: if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares (and a like number of Options) issued as a result of the Offer will be held on the issuer sponsored sub-register.

Telephone Number where you can be contacted during Business Hours Contact Name (PRINT)
G

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.
Cheque or Bank Draft Number BSB - Account Number
H

Total Amount **A\$**

LODGEMENT INSTRUCTIONS
You must return your Application directly to the Broker who offered you a Broker Firm Allocation in accordance with their instructions.

Your Guide to the Broker Firm Offer Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form. The Securities to which this Application Form relates are Perpetual Equity Investment Company Limited Securities. Further details about the Securities are contained in the replacement Prospectus dated 14 October 2014 issued by the Company. The replacement Prospectus will expire 13 months after the date of this replacement Prospectus. While the replacement Prospectus is current, the Company will send paper copies of the replacement Prospectus, any supplementary document and the Application Form, free of charge on request. The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant replacement Prospectus. This Application Form is included in the replacement Prospectus. The replacement Prospectus contains important information about investing in the Securities. You should read the replacement Prospectus before applying for Securities.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,500 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Amount. To calculate your Application Amount, multiply the number of Shares applied for by A\$1.00. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Securities. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Perpetual Equity Investment Company Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from the Company and the Security Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Securities will be issued to the Company's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B. Broker Firm Applicants must contact the Broker who offered them an Allocation under the Broker Firm Offer for instructions on how to submit their Broker Firm Application Form and Application Amount.

ACKNOWLEDGMENTS

By returning this Application Form with your Application Amount, I/we declare that I/we:

- have read the replacement Prospectus in full;
- have read the Privacy Policy (available at www.perpetualequity.com.au in full);
- have received a copy of the electronic replacement Prospectus or a print out of it;
- have completed this Application Form in accordance with the replacement Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate;
- agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Privacy Policy (available at www.perpetualequity.com.au);
- acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the replacement Prospectus);
- acknowledge that my/our application may be rejected by the Company in consultation

- with the Joint Lead Managers in their absolute discretion;
- authorise the Joint Lead Managers and the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Securities to be allocated to me/us;
- am/are over 18 years of age;
- agree to be bound by the constitution of the Company;
- acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Securities, nor do they guarantee the repayment of capital;
- represent, warrant and agree that I/we am/are not in the United States or a US Person and am/ are not acting for the account or benefit of a US Person; and
- represent, warrant and agree that I/we have not received this replacement Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Securities may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the replacement Prospectus, the Securities or the Offer.

LODGEMENT INSTRUCTIONS

You must lodge your completed Application Form and your Application Amount with your Broker, who has provided you with your firm allocation of Securities, in accordance with their instructions and by the deadline set out in their offer to you. Do not submit your Application Form and your Application Amount to either the Company or Link Market Services Limited. The Offer closes at **5:00pm (AEDT) on 28 November 2014**. If you have any questions as to how to complete the Application Form, please contact your Broker.

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

The *Corporations Act 2001* requires some of your personal information to be included in the Company's Security holder and Option holder register, which will be accessible by the public. The Company will collect, use, hold and disclose your personal information in accordance with the Privacy Policy (available at www.perpetualequity.com.au). For more details on how the Company collects, stores, uses and discloses your information, please refer to our Privacy Policy. Alternatively, contact the Company by telephone +61 1800 421 712, 8:30 am to 5:30 pm (AEDT) Monday to Friday (excluding public holidays) to request a copy of our complete Privacy Policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Securities. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Gamet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

Perpetual Equity Investment Company Limited

ACN 601 406 419

General Offer Application Form

This is an Application Form for Shares (and a like number of Options for no additional consideration) in Perpetual Equity Investment Company Limited (Company) under the General Offer on the terms set out in the replacement Prospectus dated 14 October 2014. Defined terms in the replacement Prospectus have the same meanings in this Application Form. You may apply for a minimum of 2,500 Shares (and a like number of Options) and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (AEDT) on 28 November 2014**.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The replacement Prospectus contains information relevant to a decision to invest in Securities and you should read the entire replacement Prospectus carefully before applying for Shares.

The Company's Privacy Policy (Privacy Policy) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found at the Company's website www.perpetualequity.com.au.

Shares applied for at **A\$1.00** B A\$ Application Amount
(minimum 2,500, thereafter in multiples of 500)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names) **+**

Applicant #1
Surname/Company Name

Title First Name Middle Name

Joint Applicant #2
Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code
First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box Company Partnership Trust Super Fund

PLEASE COMPLETE ADDRESS DETAILS
PO Box/RMB/Locked Bag/Care of (c-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here) **X** **+**

Please note: if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares (and a like number of Options) issued as a result of the Offer will be held on the issuer sponsored sub-register.

Telephone Number where you can be contacted during Business Hours Contact Name (PRINT)

Cheques or bank drafts should be made payable to "Perpetual Equity Investment Company Limited – IPO OFFER" in Australian currency and crossed "Not Negotiable".

Cheque or Bank Draft Number BSB Account Number

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (AEDT) on 28 November 2014 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

PIC IPO001



Your Guide to the General Offer Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form. The Securities to which this Application Form relates are Perpetual Equity Investment Company Limited Securities. Further details about the Securities are contained in the replacement Prospectus dated 14 October 2014 issued by the Company. The replacement Prospectus will expire 13 months after the date of this replacement Prospectus. While the replacement Prospectus is current, the Company will send paper copies of the replacement Prospectus, any supplementary document and the Application Form, free of charge on request. The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant replacement Prospectus. This Application Form is included in the replacement Prospectus. The replacement Prospectus contains important information about investing in the Securities. You should read the replacement Prospectus before applying for Securities.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,500 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Amount. To calculate your Application Amount, multiply the number of Shares applied for by A\$1.00. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Securities. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Perpetual Equity Investment Company Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from the Company and the Security Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Securities will be issued to the Company's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B. Make your cheque or bank draft payable to "**Perpetual Equity Investment Company Limited – IPO OFFER**" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

ACKNOWLEDGMENTS

By returning this Application Form with your Application Amount, I/we declare that I/we:

- have read the replacement Prospectus in full;
- have read the Privacy Policy (available at www.perpetualequity.com.au in full);
- have received a copy of the electronic replacement Prospectus or a print out of it;
- have completed this Application Form in accordance with the replacement Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate;
- agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Company's Privacy Policy (available at www.perpetualequity.com.au);
- acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the replacement Prospectus);
- acknowledge that my/our application may be rejected by the Company in consultation with the Joint Lead Managers in their absolute discretion;
- authorise the Joint Lead Managers and the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Securities to be allocated to me/us;
- am/are over 18 years of age;
- agree to be bound by the constitution of the Company;
- acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Securities, nor do they guarantee the repayment of capital;
- represent, warrant and agree that I/we am/are not in the United States or a US Person and am/ are not acting for the account or benefit of a US Person; and
- represent, warrant and agree that I/we have not received this replacement Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Securities may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the replacement Prospectus, the Securities or the Offer.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEDT) on 28 November 2014 at:

Mailing Address

Perpetual Equity Investment Company Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Perpetual Equity Investment Company Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

The *Corporations Act 2001* requires some of your personal information to be included in the Company's Security holder and Option holder register, which will be accessible by the public. The Company will collect, use, hold and disclose your personal information in accordance with the Privacy Policy (available at www.perpetualequity.com.au). For more details on how the Company collects, stores, uses and discloses your information, please refer to our Privacy Policy. Alternatively, contact the Company by telephone +61 1800 421 712, 8:30 am to 5:30 pm (AEDT) Monday to Friday (excluding public holidays) to request a copy of our complete Privacy Policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Securities. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.



CORPORATE DIRECTORY

COMPANY

Perpetual Equity Investment Company Limited
ACN 601 406 419

MANAGER

Perpetual Investment Management Limited
Level 12, 123 Pitt Street
Sydney NSW 2000
(AFSL 234426)

DIRECTORS

Peter Scott – Not Independent Non-executive Director and Chairman
Virginia Malley – Independent Non-executive Director
John Edstein – Independent Non-executive Director
Christine Feldmanis – Independent Non-executive Director
Michael Gordon – Not Independent Executive Director

REGISTERED OFFICE

Level 12, 123 Pitt Street
Sydney NSW 2000
Website: www.perpetualequity.com.au

PROPOSED ASX CODES

Shares: PIC
Options: PICO

INVESTIGATING ACCOUNTANT

KPMG Transaction Services, a division of
Financial Advisory Services (Australia) Pty Ltd
10 Shelley Street
Sydney NSW 2000

JOINT ARRANGER AND JOINT LEAD MANAGER

CBA Equities Limited
Ground Level Tower 1
201 Sussex Street
Sydney NSW 2000

JOINT ARRANGER, JOINT LEAD MANAGER AND AUTHORISED INTERMEDIARY

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide SA 5000

JOINT LEAD MANAGER

Macquarie Capital (Australia) Limited
1 Martin Place
Sydney NSW 2000

JOINT LEAD MANAGER

Morgan Stanley Australia Securities Limited
Level 39, Chifley Tower
2 Chifley Square
Sydney NSW 2000

JOINT LEAD MANAGER

ANZ Securities Limited
ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands Victoria 3008

CO-LEAD MANAGER

Baillieu Holst Ltd
Level 26, 360 Collins Street
Melbourne VIC 3000

CO-LEAD MANAGER

Lonsec Limited
Level 14, 2 Bulletin Place
Sydney NSW 2000

AUSTRALIAN LEGAL AND TAX ADVISER

DLA Piper Australia
Level 22, No.1 Martin Place
Sydney NSW 2000

NEW ZEALAND LEGAL ADVISER

DLA Phillips Fox
Level 22, DLA Phillips Fox Tower
205 Queen Street,
Auckland 1010

REGISTRY

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Perpetual 