

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

ASX Announcement

Wednesday, 2 June 2021

Perpetual Equity Investment Company Limited announces Share Purchase Plan and bonus issue of Options to all eligible shareholders

- Offer to eligible shareholders to participate in a Share Purchase Plan and a bonus issue of Options without incurring brokerage or other transaction costs.
- Offer proceeds intended to be used to pursue additional investments in line with the Company's investment strategy and approach.

Perpetual Equity Investment Company Limited (ASX:PIC; the **Company**) today announces a Share Purchase Plan (**SPP**) and one-for-one bonus issue of options (**Options**) over shares in the Company (**Options Offer**) (together the **Offers**), both of which will be available to eligible shareholders with a registered address in Australia or New Zealand on the relevant record date. The Offers aim to provide the Company's shareholders with the opportunity to purchase additional shares and participate in the potential growth of the Company without incurring brokerage or transaction costs. New shares issued under the SPP and on exercise of the Options will rank equally with existing shares and be entitled to future dividends.¹

Chairman Nancy Fox said "We are proud to have delivered regular fully franked dividends since inception and are encouraged by the Manager's strong investment portfolio performance of 47.6% outperforming its benchmark by 16.0%, over the 12 months to 30 April 2021.² Given the Manager considers that current market conditions provide further investment opportunities, we believe it is an appropriate time to look to grow the size of the Company via the Offers, for the benefit of all our shareholders."

The Board considers the Offers provide the potential for enhanced liquidity for shareholders. As the Company's size increases, it is expected the liquidity in the Company's shares traded on the ASX should also increase and may generate further interest from new investors, brokers, analysts and financial advisers. Greater scale in the Company should also benefit shareholders by reducing the Company's fixed expense base on a per share basis.

How the proceeds will be used

The proceeds from the Offers are intended to enable Perpetual Investment Management Limited (the **Manager**) to actively pursue additional investments in accordance with the Company's investment strategy. The Manager is of the view that current market conditions provide attractive opportunities for the active, value style of investing that has underpinned the Manager's approach since the Company's inception.³ This is reflected in the Company's investment portfolio being almost fully invested, holding just 1.7% cash as at 30 April 2021.⁴

¹ Where paid at the discretion of the Board.

² Returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on unrealised gains and losses are excluded. Portfolio and Index return may not sum to Excess Return due to rounding. The benchmark is the S&P/ASX 300 Accumulation Index. Note investments may go up and down and past performance is not indicative of future performance.

³ Inception date is 18 December 2014.

⁴ Figure is unaudited and approximate.

The Manager actively manages the Company's franking credit balance and will also consider this when deploying the additional capital raised.⁵ As at 30 April 2021, the annual dividend yield of the Company was 4.4% and the grossed up annual dividend yield was 6.3%.⁶

Details of the Offers:

The SPP

The SPP provides the opportunity for eligible shareholders in Australia and New Zealand to apply for up to \$30,000 worth of fully paid ordinary shares in the Company, without incurring brokerage or other transaction costs.

SPP Shares are being offered at the issue price of the lower of:

- a 2.5% discount to the closing PIC share price on the ASX on the SPP Record Date (being Tuesday, 1 June 2021); and
- a 2.5% discount to the volume weighted average price of PIC shares traded on the ASX during the five trading days up to, and including, the SPP Closing Date (expected to be Thursday, 17 June 2021),

rounded to the nearest cent.

Participation in the SPP is voluntary. Once issued, SPP shares will rank equally with existing PIC shares and have the same voting rights, dividend rights and other entitlements as these shares. SPP Shares will be eligible to receive the Financial Year 2021 (**FY21**) final dividend.⁷ SPP Shares are expected to be issued by the Options Record Date so that they will be included in calculating entitlements to the Options issued under the Options Offer.

The SPP opens Thursday, 3 June 2021 and is expected to close at 5:00pm (Sydney time) on Thursday, 17 June 2021. Shareholders who would like to participate in the SPP are encouraged to apply online given the general delays with postal services. Full details of the SPP will be available in the SPP Booklet to be lodged with the ASX Thursday, 3 June 2021.

The Options Offer

The Options Offer provides eligible shareholders with bonus Options on a one-for-one basis at no cost. Under the Options Offer, all eligible shareholders who hold their shares at 7:00pm (Sydney time) Wednesday, 23 June 2021 (**Options Record Date**) will be entitled to the Options. Eligible shareholders who participate in the SPP will also be entitled to Options on any new shares issued under the SPP which continue to be held on the Options Record Date.

Each Option provides its holder with the opportunity to purchase one additional fully paid ordinary share in the Company for \$1.35 (the **Exercise Price**), without incurring any brokerage costs. The Exercise Price has been set at the Company's pre-tax net tangible asset backing per share amount as at Thursday, 27 May 2021. The closing PIC share price on that day was \$1.30.

The Options are expected to commence trading on the ASX from Wednesday, 30 June 2021. Options can be exercised by option holders, or sold on the ASX, at any time up until 2 September 2022 (**Option Expiry Date**). Once the Options are exercised, the shares issued will have the same voting rights, dividend rights and other entitlements as existing shares at the time of issue. This means any Options exercised prior to the FY21 final dividend record date (Wednesday, 29 September 2021) will be entitled to this final dividend.⁸

Full details of the Options Offer are available in the Prospectus lodged with the ASX on Wednesday, 2 June 2021.

⁵ No assurance can be given as to the ability of the Company to frank any future dividends.

⁶ Yield is calculated based on the total dividends of 5.6 cents per share and the closing share price of \$1.26 as at 30 April 2021. Grossed up yield takes into account franking credits at a tax rate of 30%. Note that this is not a forecast. Past dividend payments should not be taken as an indication of future dividends which may be declared or paid to shareholders.

⁷ Where paid at the discretion of the Board.

⁸ Where paid at the discretion of the Board.

Indicative timetable

Event	Date
SPP Record Date (7:00pm Sydney time)	Tuesday, 1 June 2021
Announcement of Offers	Wednesday, 2 June 2021
Lodgement of Options Prospectus	Wednesday, 2 June 2021
SPP opens and issue of SPP Booklet	Thursday 3 June 2021
SPP closes	Thursday, 17 June 2021
Issue of SPP shares	Wednesday, 23 June 2021
Options Record Date (7:00pm Sydney time)	
SPP shares expected to commence trading on the ASX	Thursday, 24 June 2021
Issue of Options	Tuesday, 29 June 2021
Options expected to commence trading on the ASX	Wednesday, 30 June 2021
Prospectus and holding statements dispatched	
Ex date of FY21 final dividend	Tuesday, 28 September 2021
Record date of FY21 final dividend	Wednesday, 29 September 2021
Payment date of FY21 final dividend	Wednesday, 20 October 2021
Option Expiry Date	Friday, 2 September 2022

This timetable is subject to change. The Company reserves the right to alter the dates above at its discretion, subject to the ASX Listing Rules and Corporations Act. All references to times in this timetable are to Sydney time. In particular, the Company reserves the right to exercise its discretion as to whether to declare and pay a FY21 final dividend.

Investor Update Webinar / Teleconference

An Investor Update Webinar and Teleconference will be held **Friday, 11 June 2021 at 12pm (Sydney time)**. Nancy Fox, Chairman of PIC will join Vince Pezzullo, Portfolio Manager to present an update on the Company and the portfolio as well as outline the details of the Offers. There will be a question and answer session following the presentation. You will also be able to pre-submit questions upon registration.

To register for the Investor Update please go to www.perpetualequity.com.au or use the following link to **REGISTER NOW**.

- Ends -

For further enquiries, please contact:

Investors:

Karen Davis
Investor Relations
02 9229 9114 | 0401 852 723
karen.davis@perpetual.com.au

Media

Sue I Ong
Corporate Communications Manager
02 9229 9370 | 0466 526 023
suei.ong@perpetual.com.au

Further information on PIC is available at www.perpetualequity.com.au.

Important Notice

This announcement is not for distribution or release in the United States.

This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The SPP shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares to be offered and sold, in the SPP may not be offered and sold to any person in the United States or to any person that is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States).

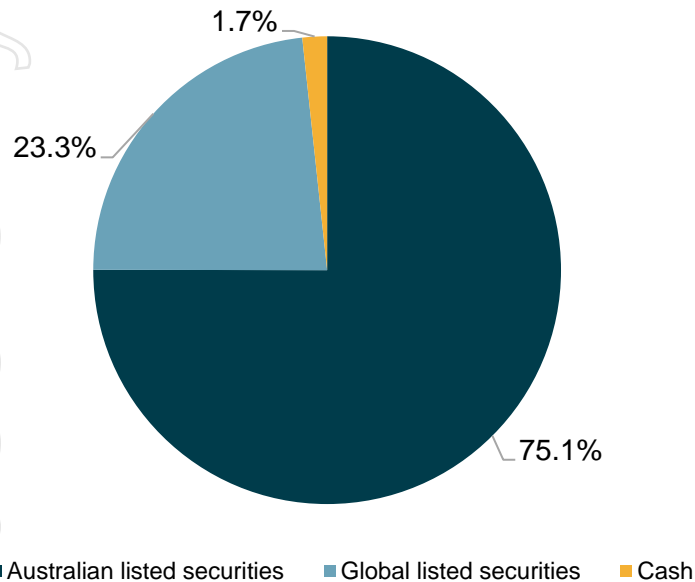
This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Perpetual Equity Investment Company Limited (Company) and its directors. This includes statements about market and industry trends, which are based on interpretations of current market conditions. These forward-looking statements should not be relied upon as a representation or warranty, express or implied, as to future matters or an indication or guarantee of future performance. Prospective financial information has been based on current expectations about future events and is, however, subject to risks, uncertainties, contingencies and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information. The forward-looking statements are based on information available to the Company as at the date of this announcement. None of the Company, Perpetual Investment Management Limited (Manager), or their respective representatives or advisers undertakes any obligation to update any forward-looking statement to reflect events or circumstances after the date of this review, subject to disclosure obligations under the applicable law or any relevant listing rules of the ASX.

Neither the Company, the Manager, or their respective representatives guarantees the performance of any return on any investment made in the Company.

PORTFOLIO POSITIONING

A HIGH CONVICTION APPROACH TO INVESTING

Allocation of investments
as at 30 April 2021[^]



[^]All figures are unaudited and approximate

Top 10 holdings as at 30 April 2021



PAR: FDJ



LON: FLTR



ASX: PWH



ASX: BSL



CROWN
RESORTS

ASX: CWN



ASX: AUB



ASX: SUN



ASX: DXS



ASX: BLD



ASX: NAB

INVESTMENT PORTFOLIO PERFORMANCE

POSITIVE PERFORMANCE COMPARED TO THE BENCHMARK

AS AT 30 APRIL 2021	1 MTH	3 MTHS	6 MTHS	1 YR	2 YR P.A.	3 YRS P.A.	5 YRS P.A.	SINCE INCEPTION P.A.
PIC Investment Portfolio ¹ Net of fees, expenses and before tax paid	4.9%	15.5%	28.1%	47.6%	18.7%	13.1%	12.8%	11.2%
S&P/ASX 300 Accumulation Index	3.7%	7.6%	20.6%	31.6%	9.4%	9.7%	10.4%	9.3%
Excess Returns	1.2%	7.9%	7.5%	16.0%	9.3%	3.4%	2.4%	1.9%

¹Returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on set up costs and on unrealised gains and losses are excluded. Past performance is not indicative of future performance. Inception date is 18 December 2014. Portfolio and Index returns may not sum to Excess Returns due to rounding.