

# PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

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29 May 2015

Dear Shareholder

## Capital Deployment Update

On behalf of the board of Perpetual Equity Investment Company Limited ('the Company'), I would like to provide you with an update on the progress of Perpetual Investment Management Limited ('the Manager') in investing your capital in a portfolio of high quality Australian and global securities.

The Company's stated investment guidelines – which can be found on page 30 of the Replacement Prospectus – included a 'Capital Deployment' guideline that "the Manager may take up to approximately three to six months to fully invest the Portfolio" of the Company.

Since the Company's initial public offering and listing on the Australian Securities Exchange on 18 December 2014, the Australian share market has been extremely buoyant. As a bottom-up investment manager, focussed on quality and value, the Manager has been selectively purchasing quality companies when they have been at attractive valuations during this period. However, the Manager believes that many companies are still continuing to trade either at, or at a premium to, their intrinsic value, and has requested an extension to the capital deployment period.

Today, the board has granted an extension to the Company's capital deployment period to the 18 December 2015. The board is satisfied that in investing the portfolio, the Manager has been patiently deploying capital on an opportunistic basis, whilst continuing to follow its highly disciplined investment approach.

The Manager has made good progress purchasing international stocks with 18% of the portfolio invested in global securities and approaching the maximum global securities limit of 25%. In total the Manager has now deployed 31% of the Company's capital\*. The Manager continues to apply Perpetual's proven investment process which targets companies with sound management, conservative debt levels, quality businesses and recurring earnings and trading at an attractive price. In the local market, the Manager has taken longer to find companies trading at attractive valuations. The board is confident that the Manager is staying true to its disciplined investment process in order to achieve the objective of providing shareholders with a growing income stream and long-term capital growth. Under the investment guidelines the Manager has a minimum target of 75% invested in securities to achieve deployment.

### Further information

You can continue to find monthly updates about the portfolio and the holdings of the Company on the website under 'ASX Announcements' at [www.perpetualequity.com.au](http://www.perpetualequity.com.au). Alternatively, if you need any assistance or further information about your shareholding, please contact Link Market Services on +61 1800 421 712.

Yours sincerely



Peter Scott

**Chairman and Non-executive Director**

\*All data as at 27 May 2015