

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

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27 June 2016

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Correction to Monthly Investment Update and NTA Report lodged on 14 June 2016

On 14 June 2016, Perpetual Equity Investment Company Limited (ASX Code: PIC) released the Monthly Investment Update and NTA Report for the month of May. The report contained the following table:

Performance

Net of fees, expenses and tax paid

AS AT 31 AS AT MAY 2016	1 MTH	3 MTHS	6 MTHS	12 MTHS P.A.	SINCE INCEP P.A.
PIC	2.1%	6.1%	0.3%	5.5%	9.1%
S&P/ASX 300 Acc Index	3.1%	11.7%	6.6%	-2.1%	11.0%
Performance Relative to benchmark	-1.0%	-5.6%	-6.3%	7.6%	-1.9%

The table should be as follows:

Performance

Net of fees, expenses and tax paid

AS AT 31 MAY 2016	1 MTH	3 MTHS	6 MTHS	12 MTHS P.A.	SINCE INCEP P.A.
PIC	2.1%	6.1%	0.3%	5.5%	6.2 %
S&P/ASX 300 Acc Index	3.1%	11.7%	6.6%	-2.1%	7.4 %
Performance Relative to benchmark	-1.0%	-5.6%	-6.3%	7.6%	-1.2%

The updated information is contained in the "SINCE INCEP P.A." column of the tables. These changes are also reflected in the Performance – PIC VS Benchmark graph and the commentary on page 1 of the report.

In the original report, the numbers in the "Since Incep P.A. column" were not annualised and therefore were not stated on a "per annum" basis.

Attached is a copy of the updated report.

Yours faithfully

Sylvie Dimarco
Company Secretary

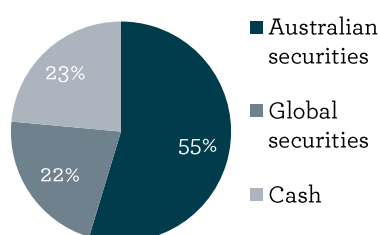
PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

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MAY 2016 MONTHLY INVESTMENT UPDATE AND NTA REPORT

PORTFOLIO PROFILE ALLOCATION OF INVESTMENTS

78% of capital invested in securities.



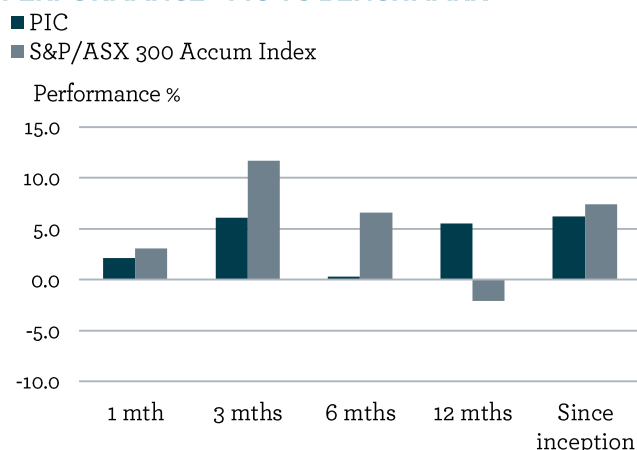
PERFORMANCE

Net of fees, expenses and tax paid

AS AT 31 MAY 2016	1 MTH	3 MTHS	6 MTHS	12 MTHS P.A.	SINCE INCEP P.A.
PIC	2.1%	6.1%	0.3%	5.5%	6.2 %
S&P/ASX 300 Acc Index	3.1%	11.7%	6.6%	-2.1%	7.4 %
Performance Relative to benchmark	-1.0%	-5.6%	-6.3%	7.6%	-1.2%

Inception date is 18 December 2014.

PERFORMANCE - PIC VS BENCHMARK



Returns shown for the Company have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees and any income tax on realised gains) and assuming reinvestment of dividends. 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

KEY ASX INFORMATION

As at 31 May 2016

ASX code: PIC

Listing date: 18 December 2014

Market capitalisation: \$237.8 million

Share price: \$0.945

Shares on issue: 251,640,162

Options on issue: 249,381,777

Options ASX Code: PICO

Options expiry date: 10 June 2016

Options Share price: \$0.001

PORTFOLIO COMMENTARY

The Portfolio performance, as measured by the growth of the net assets per share, was 2.1% in May. Despite positive returns, the portfolio did not keep pace with the benchmark S&P/ASX300 which rose 3.1%. Since listing, the Perpetual Equity Investment Company Limited (PIC) has returned 6.2% per annum.

After bouncing last month, BHP and Rio slumped again in May. Since the portfolio does not own any of their shares, investors were shielded from this volatility. The portfolio also benefited from its positions in Bank of America and GrainCorp.

Sky Network TV was the key detractor during the month. Whilst the company has faced some falls in subscriptions, management has a number of options to improve revenue and earnings, especially once current capex is complete. The stock rallied significantly after month end with the announcement of the merger between Sky and Vodafone NZ to create an integrated telco and media group.

One of the key holdings in the portfolio is Royal Philips, a Dutch industrial company founded in 1891. The Manager believes that until recently Phillips has broadly been a poorly run conglomerate with consistent restructuring charges stemming from their wide-ranging portfolio of electronic businesses; from semiconductor production to television manufacturing to LED lighting. Current CEO, Frans Van Houten, appointed in 2011 put into motion a program of selling non-core assets, with the intention of simplifying the operations and business structure. In 2012 Phillips sold its television manufacturing, in 2013 it sold its audio and video recording operations, in 2015 it sold its upstream lighting business and most recently it has spun out its downstream lighting business as a separately listed entity. This rationalisation has left Phillips with two core business units – health technology and consumer lifestyle products – which the Manager believes positions them as a much more focused company.

The health technology business will now account for approximately 75% of earnings, made up largely of high-end hospital equipment for diagnosis and monitoring of patients.

Perpetual

This segment also has strong recurring earnings from the ongoing maintenance and servicing of this equipment, which is costly and time consuming for a hospital to change once built into their technology network. The consumer electronics business will make up the remaining 25% of earnings, where Phillips owns high margin consumer brands like Sonicare toothbrushes, Phillips shavers and kitchen appliances. In the Manager's opinion, this simplified operating structure and exposure to stable growth industries with higher margin solutions should result in Phillips' valuation rating higher, particularly given its leverage to the healthcare sector.

MARKET REVIEW

The Australian equity market, as measured by the S&P/ASX 300 Accumulation Index, rose 3.1% during May. Global markets delivered mostly positive results, with developed markets performing well while emerging markets lost ground on the back of falling commodity prices. Better than expected economic data, solid US company 1Q earnings results and hawkish commentary from the Federal Reserve saw major markets move higher during the month. With the exception of oil, commodity prices fell heavily, with iron ore losing 24.3% as Chinese regulators clamped down on speculative futures trading. In Australia, Federal Treasurer Scott Morrison delivered his first budget, which forecasts a deficit of \$37.1bn, around 2.2% of GDP. Meanwhile the Reserve Bank of Australia (RBA) moved to lower the cash rate to 1.75%, following the release of weaker than expected core inflation figure in March, which came in well below the RBA's target band of 2.0-3.0%. The Australian dollar dropped accordingly, falling against most major currencies and sinking 5.1% against the USD to close the month at US\$0.7245.

The best performing sectors for the month were health care (+9.4%), information technology (+7.0%) and consumer discretionary (+5.6%). The worst performers were materials (-3.0%), energy (-1.6%) and consumer staples (-0.9%). As a whole, industrial stocks (+1.5%) underperformed resource stocks (+15.4%) and large cap stocks (+3.5%) outperformed small cap stocks (+3.0%).

INSIGHTS: ARE UTILITY AND INFRASTRUCTURE STOCKS TOO GOOD TO BE TRUE?

Many infrastructure businesses – such as toll roads, airports, gas pipelines and transition lines – are attractive investments as they can be hard to replicate, often generate strong cash flow and offer inflation protection. But are they too good to be true? Read Perpetual's latest Insights piece for one perspective on why these businesses may be riskier than they seem. [Click here](#) to read Bridges over Troubled Waters, or visit www.perpetual.com.au

TOP SECURITIES

TOP 5 AUSTRALIAN SECURITIES AS AT 31 MAY 2016

COMPANY	PORTFOLIO WEIGHT
Woolworths Ltd	10.6%
Suncorp Group Ltd	6.0%
GrainCorp Ltd	5.8%
Sky Network Television Ltd	5.4%
Caltex Australia Ltd	4.7%

TOP 3 GLOBAL SECURITIES AS AT 31 MAY 2016

COMPANY	PORTFOLIO WEIGHT
Bank of America Corp	8.3%
Royal Philips	7.8%
Icon Plc	2.9%

NET TANGIBLE ASSET (NTA) BACKING PER ORDINARY SHARE ¹

AS AT 31 MAY 2016	AMOUNT
NTA before tax ²	\$1.046
NTA after tax	\$1.043

Daily NTA is available on the website.

¹All figures are unaudited and approximate.

²The before and after tax numbers relate to provisions for deferred tax on set-up costs and on unrealised gains and losses in the Company's investment portfolio.

INVESTMENT UPDATE WEBINAR

The Company would like to thank all shareholders, option holders and interested parties who attended the live Investment Update webinar on Wednesday 25 May 2016 with Vince Pezzullo – Portfolio Manager and David Kiddie – Group Executive from Perpetual Investments. If you were unable to attend you can watch the On Demand recording of the webinar by [clicking here](#) or visiting: www.perpetualequity.com.au. An email address is required to view the webinar.



INVESTMENT PHILOSOPHY

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 (the S&P/ASX 300 Accumulation Index) over minimum 5 year investment periods.

INVESTMENT STRATEGY

The Company's investment strategy is to create a concentrated and actively managed portfolio of Australian securities with typically a mid-cap focus and global listed securities.

The Company will 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.

ABOUT THE MANAGER

The Company's investment portfolio is managed by Perpetual Investment Management Limited, 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.

PORTFOLIO MANAGER

Vince Pezzullo - Perpetual Investments

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 leverages the expertise of the Perpetual Investments' Equity team, one of the largest investment teams in Australia.

PERPETUAL KEY CONTACTS

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This monthly report has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 and Perpetual Trustee Company Limited ABN 42 000 001 007 AFSL 236643. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of the Company or the return of an investor's capital.

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