

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

Friday 19 August 2016

Perpetual Equity Investment Company announces increased dividend following strong full year results

FY16 Highlights:

- Net profit after tax of \$7.6m.
- An increased fully-franked final dividend of 2.0 cents per share bringing the total dividends declared for 2016 financial year to 2.8 cents per share.
- Portfolio performance for the 12 months to 30 June 2016 was 3.1%, outperforming the benchmark by 2.2%¹
- The Net Tangible Asset backing per ordinary security was \$1.014 as at 30 June 2016²

Perpetual Equity Investment Company Limited (ASX:PIC) has announced a strong result for the year ending 30 June 2016, with net profit after tax of \$7.6 million. This represents a 106% increase compared to net profit after tax declared for the period ending 30 June 2015.

The PIC Board declared a fully-franked final dividend payment of 2.0 cents per share for the year ended 30 June 2016, which brings the year's total dividend payment to 2.8 cents per share – a 2.3 cents per share increase in the dividend when compared with the 2015 financial year.

The PIC portfolio delivered investors an increase in dividends and strong growth in the face of low interest rates and increased market volatility. Portfolio performance for the 2016 financial year was 3.1%, outperforming the benchmark by 2.2%¹.

Vince Pezzullo, PIC's Portfolio Manager, said the strong performance against a backdrop of global volatility highlighted the benefits of a disciplined investment approach.

"Equity markets globally have been volatile over the past 12 months, and there are a number of macroeconomic factors that will continue to impact markets moving forward.

"Volatility can be uncomfortable in the short-term for many investors, but it also provides opportunities to purchase assets at prices below their true value. We maintain our disciplined focus on buying high quality companies at attractive prices, given company fundamentals and the prevailing market conditions," Mr Pezzullo said.

Fully invested portfolio³

As at the end of FY16 the portfolio held 55% in Australian securities, 23% in global securities and 22% in cash.

"The second half of this financial year represents the first full six months where the portfolio was fully invested and this has improved capacity to deliver an increased dividend."

¹ 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. The benchmark is the S&P/ASX 300 Accumulation Index. Inception date is 18 December 2014. Past performance is not indicative of future performance.

² All figures are unaudited and approximate.

³ Under the Company's investment guidelines it can hold up to 25% of the Portfolio's Net Asset Value in cash.

PIC's capital deployment has been guided by its investment philosophy which targets quality companies that must exhibit four characteristics: quality business, conservative debt levels, sound management and recurring earnings.

"We have a strong focus on identifying quality companies that can deliver strong absolute returns for the portfolio, with the objective of providing shareholders with a growing income stream and long term capital growth," added Mr Pezzullo.

PIC is the only Listed Investment Company in Australia to release the Net Tangible Assets (NTA) per ordinary security daily, making it the most transparent NTA price in the market. This ensures shareholders always have a current valuation of the investment portfolio. As at 30 June 2016, the value of the portfolio's NTA was \$1.014 after tax. The NTA continues to grow and is \$1.061 after tax, as at 17 August 2016.

For further information please visit www.perpetualequity.com.au

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The issuer of the securities referred to in this publication is Perpetual Equity Investment Company Limited ACN 601 406 419. Further information on PIC is available at www.perpetualequity.com.au.

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