

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

PROSPECTUS

Perpetual

For:

- a non-renounceable pro rata offer to Eligible Shareholders of 1 New Share for every 4 Existing Shares at an issue price of \$1.12 per New Share to raise up to approximately \$71.24 million (**Entitlement Offer**);
- an offer to the general public, including Eligible Shareholders, to subscribe for the shortfall to the Entitlement Offer at an issue price of \$1.12 per New Share (**Shortfall Offer**); and
- an offer to the general public to subscribe for New Shares at an issue price of \$1.12 per New Share to raise up to \$30 million (**General Offer**).

ASX Code: PIC

The Entitlement Offer closes at 5.00pm (AEST) 26 September 2018

The General Offer and Shortfall Offer close at 5.00pm (AEST) 28 September 2018

This Prospectus is an important document and should be read carefully and in its entirety. If, after reading this Prospectus, you have any questions about the Shares being offered for issue under it or any other matter, you should contact your stockbroker, financial adviser, accountant, lawyer or other professional advisers.

Manager

Perpetual Investment Management Limited (AFSL 234426)

Joint Lead Managers

Commonwealth Securities Limited (AFSL 238814)

Morgans Financial Limited (AFSL 235410)

Taylor Collison Limited (AFSL 247083)

Authorised Intermediary

Taylor Collison Limited (AFSL 247083)

IMPORTANT NOTICES

This Prospectus is dated 20 August 2018 and a copy of this Prospectus was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus in accordance with the key dates set out in this Prospectus.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

NATURE OF THIS PROSPECTUS

The New Shares offered under this Prospectus are in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a “transaction specific prospectus” to which the special content rules under section 713 of the Corporations Act apply. Section 713 allows the issue of a more concise prospectus in relation to an offer of securities in a class of securities which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the offer on the company and the rights and liabilities attaching to the securities offered. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to the Company which has been disclosed to ASX. This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. This Prospectus does not contain the same level of disclosure as a prospectus for an initial public offering.

This Prospectus should be read carefully and in its entirety before you decide to participate in the Entitlement Offer and/or the General Offer.

The Company may make additional announcements after the date of this Prospectus and throughout the period that the Entitlement Offer and General Offer are open that may be relevant to your consideration about whether you should participate in the Entitlement Offer and/or the General Offer.

You can access these announcements at www.asx.com.au under the stock code PIC or at www.perpetualequity.com.au/shareholders/asx-announcements

By returning your Entitlement Offer and Acceptance Form and/or a General Offer Application Form (as applicable) and paying for your New Shares, you acknowledge that you have read this Prospectus and you have acted in accordance with, and agree to the terms of the Entitlement Offer and/or General Offer (as applicable) detailed in this Prospectus.

Cooling off rights do not apply to an investment in New Shares. This means that, in most cases you cannot withdraw your Application once it has been accepted.

INTERMEDIARY AUTHORISATION

The Company does not hold an AFSL under the Corporations Act. Accordingly, the Entitlement Offer and the General Offer will be made pursuant to an arrangement between the Company and Taylor Collison Limited ACN 008 172 450, a holder of an AFSL under section 911A(2)(b) of the Corporations Act, to act as the Company’s authorised intermediary (**Authorised Intermediary**). The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of New Shares under the Entitlement Offer and General Offer and the Company will only issue the New Shares in accordance with those offers and no others.

JOINT LEAD MANAGERS

The Joint Lead Managers will manage the Entitlement Offer and General Offer on behalf of the Company.

The Joint Lead Managers’ functions should not be considered as an endorsement of the Entitlement Offer and/or the General Offer, nor a recommendation of the suitability of the Entitlement Offer and/or the General Offer for any Shareholder or new investor. The Joint Lead Managers do not guarantee the success or performance of the Company or the returns (if any) to be received by participants of the Entitlement Offer and/or General Offer. The Joint Lead Managers are not responsible for, nor have the Joint Lead Managers caused the issue of this Prospectus.

PROSPECTUS AVAILABILITY

Eligible Shareholders can obtain a copy of this Prospectus at any time prior to the relevant Closing Date on the Company's website at www.perpetualequity.com.au or by contacting the Company. The information on the Company's website does not form part of this Prospectus.

If you access an electronic copy of this Prospectus, you should ensure that you download the entire Prospectus.

Any person accessing the electronic version of this Prospectus, for the purpose of making an investment in the Company, must only access this Prospectus from within Australia or New Zealand, or any jurisdiction outside Australia or New Zealand where the distribution of this Prospectus is not restricted by law.

Applications for New Shares may be made on the Entitlement Offer and Acceptance Form or the General Offer Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from the Company's website. Alternatively, Applicants may apply online for the New Shares at www.perpetualequity.com.au. Any Applicant applying online for the New Shares must personally complete the Online Application Form and pay for the New Shares. Online Application Forms must not be completed by third parties, including authorised third parties (e.g. the Applicant's Broker).

The Corporations Act prohibits any person from passing the Entitlement Offer and Acceptance Form and/or General Offer 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. If section 724 applied, the Company would be required to either:

- (a) repay the money to the Applicants;
- (b) give Applicants a supplementary or replacement prospectus that corrects the relevant deficiency or changes the terms of the Entitlement Offer and/or General Offer (as applicable) and allow the Applicants one month to withdraw their Application in which case any Applicant who withdrew their Application would be repaid their money; or
- (c) issue the New Shares to the Applicants and give the Applicants one month to withdraw their Application in which case any Applicant who withdrew their Application would be repaid their money.

INFORMATION FOR NEW ZEALAND INVESTORS

This 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 regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under the Corporations Act set out how the Offer must be made.

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

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

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 financial products is not New Zealand dollars. The value of the financial products 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 financial products 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 financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf.

If the financial product 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 financial products and trading may differ from financial product markets that operate in New Zealand.

FOREIGN JURISDICTIONS

This Prospectus contains offers to Eligible Shareholders and investors in Australia and New Zealand.

This Prospectus does not constitute an offer 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:

- (a) register or qualify the New Shares or the Offer, or to otherwise permit an offering of the New Shares, in any jurisdiction other than as set out in this section; and
- (b) lodge this Prospectus in any jurisdiction outside of Australia or New Zealand or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia or New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia and New Zealand should consult their stockbroker, financial adviser, accountant, lawyer or other professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

DISCLAIMER OF REPRESENTATIONS

No person is authorised to give information or to make any representation in connection with the Entitlement Offer and/or General Offer that is not contained in this Prospectus.

Any information or representation that is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied on as having been authorised by the Company, its Directors, the Joint Lead Managers or any other person in connection with the Entitlement Offer and General Offer.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 11 of this Prospectus. Forward-looking statements include those statements containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions that are predictions of or indicate future events and future trends.

PRIVACY

By completing an Application to apply for New Shares, you are providing personal information to the Company through the Share Registry that may be personal information for the purposes of the Privacy Act 1988 (Cth).

The Company and the Share Registry, on its behalf, collect, hold, use that personal information in order to process your Application. The Company may also collect, hold and use that personal information in order to, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment.

If you become a Shareholder, the Corporations Act and the Australian taxation legislation require information about you (for example, your name, address and details of the Shares that you hold) to be included in the Company's Shareholder register, which is accessible by the public. The information must continue to be included in the Company's Shareholder register if you cease to be a Shareholder.

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 the Company's agents, service providers and others who provide services on the Company's behalf, some of which may be located outside of Australia where your personal information may not receive the same level of protection as afforded under Australian law.

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 to request 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 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. The Company's Privacy Policy, 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. Refer to section 8.10 for further details on Privacy.

DEFINITIONS, TIME AND CURRENCY

Defined terms used in this Prospectus are contained in section 15.

Unless otherwise stated or implied, all references to time in this Prospectus refer to AEST which are indicative only and are subject to change.

Unless otherwise stated, all dollar values in this Prospectus are in Australian dollars (**\$, A\$ or Dollars**). Rounding of figures provided in this Prospectus may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

DATA

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

ENQUIRIES

If you have any questions please call the Perpetual Equity Investment Company Limited Offer Information Line on 1800 421 712 (between 8:30am and 5:30pm AEST Monday to Friday) until the applicable Closing Date. Alternatively, consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers.

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DIRECTORS

Nancy Fox – Chairman
Virginia Malley
John Edstein
Christine Feldmanis
David Lane

COMPANY SECRETARIES

Sylvie Dimarco
Eleanor Padman

REGISTERED OFFICE

Level 18, 123 Pitt Street
Sydney NSW 2000

WEBSITE

www.perpetualequity.com.au

PHONE

(+61) 1800 421 712
Between 8.30am and 5.30pm (AEST)
Monday to Friday

JOINT LEAD MANAGERS

Commonwealth Securities Limited
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

Morgans Financial Limited
Level 21, Aurora Place
88 Phillip Street
Sydney NSW 2000

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

MANAGER

Perpetual Investment Management Limited
Level 18, 123 Pitt Street
Sydney NSW 2000
(AFSL 234426)

AUTHORISED INTERMEDIARY

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide SA 5000
(AFSL 247083)

SHARE REGISTRY

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

AUSTRALIAN SOLICITORS TO THE OFFER

Mills Oakley
Level 12, 400 George Street
Sydney NSW 2000

NEW ZEALAND SOLICITORS TO THE OFFER

Quigg Partners
Level 7, The Bayleys Building
36 Brandon Street
Wellington 6140
New Zealand

AUDITOR

KPMG
Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

INVESTIGATING ACCOUNTANT

KPMG Financial Advisory Services (Australia) Pty Ltd
Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

TIMETABLE TO THE ENTITLEMENT OFFER, GENERAL OFFER AND SHORTFALL OFFER

EVENT	DATE
Entitlement Offer and General Offer announced	Monday 20 August 2018
Prospectus lodged with ASIC & ASX	Monday 20 August 2018
Opening Date for General Offer	Monday 20 August 2018
Lodgement of Appendix 3B with ASX	Monday 20 August 2018
Ex Date for the Entitlement Offer	Wednesday 22 August 2018
Entitlement Offer Record Date <i>The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer</i>	7.00pm (AEST) Thursday 23 August 2018
Opening Date for Entitlement Offer <i>Prospectus and Entitlement Offer and Acceptance Form despatched to Eligible Shareholders</i>	Tuesday 28 August 2018
Closing Date for Entitlement Offer to Eligible Shareholders (Entitlement Offer & Top-Up Facility)	5.00pm (AEST) Wednesday 26 September 2018
Entitlement Offer Shares trade on ASX on deferred settlement basis	Thursday 27 September 2018
Closing Date for General Offer and Shortfall Offer	5.00pm (AEST) Friday 28 September 2018
ASX notified of Shortfall Shares (if any)	Friday 28 September 2018
Settlement of the Entitlement Offer	Tuesday 2 October 2018
Allotment of New Shares issued under the Entitlement Offer	Wednesday 3 October 2018
Entitlement Offer New Shares trade on ASX on a normal settlement basis	Thursday 4 October 2018
Settlement of the Shortfall Offer and General Offer	Monday 8 October 2018
Allotment of New Shares under the Shortfall Offer and General Offer	Tuesday 9 October 2018
Shortfall Offer and General Offer New Shares trade on ASX on a normal settlement basis	Wednesday 10 October 2018
Ex Dividend Date	Thursday 18 October 2018
Dividend Record Date <i>The date for determining the right to receive the Final Dividend.</i>	7:00pm (ADST) Friday 19 October 2018

The above timetable is indicative only and may change. The Company reserves the right to vary any and all of the dates and times set out above without notice subject to the Listing Rules and the Corporations Act. In particular, the Company reserves the right to close the Entitlement Offer and/or General Offer early, extend the Closing Dates or accept late Applications without notifying any recipients of this Prospectus or any Applicants. If the Offer is cancelled or withdrawn before the allocation of New Shares, then all Application monies will be refunded in full (without interest) in accordance with the requirements of the Corporations Act. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Opening Date for the Entitlement Offer and/or General Offer.

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OVERVIEW OF CAPITAL STRUCTURE

Existing Shares on issue at the date of this Prospectus	254,442,926
New Shares offered under the Entitlement Offer at \$1.12 per New Share (approx.) ¹	63,610,732
New Shares offered under the General Offer at \$1.12 per New Share (approx.) ¹	26,785,714
Maximum amount raised under this Prospectus (approx.) ¹	
- Entitlement Offer	\$71.24 million
- General Offer	\$30 million
Total (approx.)	\$101.24 million

¹ This assumes no further Shares are issued prior to the Entitlement Offer Record Date.

Dear current and prospective Shareholders,

On behalf of my fellow directors, it is my pleasure to invite you to participate in a capital raising by Perpetual Equity Investment Company Limited (the Company) via the Entitlement Offer, Shortfall Offer and General Offer (collectively, the Offer).

FINANCIAL YEAR RESULTS

The end of the 2018 financial year has seen the Company post a strong result in challenging conditions, including an increased dividend.

To recap, the Company announced an operating profit before tax of \$32.3 million for the 12 months to 30 June 2018, with net profit after tax of \$24.8 million.

We also announced a fully franked final dividend of 3.3 cents per share - a 10% increase on the interim dividend announced in February 2018. The increase highlights the Board's confidence in the Company's performance coupled with the healthy franking account we have prudently built. We remain committed to delivering sustainable dividends for our shareholders in future years.

The Company's Shares will trade ex dividend on 18 October 2018, and the Final Dividend will be paid on 2 November 2018. All New Shares issued under the Offer will be eligible for the Final Dividend. The dividend reinvestment plan will be temporarily suspended due to the capital raising.

THE CAPITAL RAISING

The capital raising under this Prospectus will give Eligible Shareholders the opportunity to purchase 1 New Share for every 4 Existing Shares owned (**Entitlement Offer**) at a discounted price. New investors have the opportunity to purchase New Shares in a General Offer, again at a discounted price.

We received strong support from investors when the Company listed on ASX in December 2014, raising more than \$250 million. Since that time we have seen continued appetite among investors for a diversified portfolio of high quality Australian and global listed securities via the ASX and managed by Perpetual Investment Management Limited (the **Manager**). The Board believes that raising additional capital is our logical next step.

The Board believes the Company is in a strong position and all Directors intend to take up their entitlement under the Entitlement Offer.

Capital will be raised through a combination of:

- **Entitlement Offer** – An offer to Eligible Shareholders to participate in a non-renounceable pro rata Entitlement Offer of 1 New Share for every 4 Existing Shares held at an issue price of \$1.12 per New Share to raise up to approximately \$71.24 million;
- **Shortfall Offer** – If the Entitlement Offer is not fully taken up by Eligible Shareholders, an offer of the shortfall to Eligible Shareholders who wish to apply for additional New Shares and the general public at an issue price of \$1.12 per share; and
- **General Offer** – an offer to the general public to purchase New Shares at an issue price of \$1.12 to raise up to \$30 million.

The issue price of \$1.12 per New Share represents a discount of:

- approximately 6.7% to the closing share price on 15 August 2018 of \$1.20;
- approximately 5.2% to the NTA before tax on 15 August 2018 of \$1.182; and
- approximately 3.5% to the NTA after tax on 15 August 2018 of \$1.161.

The Company will not accept oversubscriptions.

Importantly the Manager has agreed to pay the costs of the Offer as further set out in this Prospectus.

This Prospectus should be read carefully and in its entirety before deciding whether to participate in the Offer. There are risks associated with any investment, and some of these are highlighted in the Prospectus (see section 11 for details of these risks).

On behalf of the Board of the Company, I'd like to take this opportunity to invite you to carefully review the Prospectus and consider the Offer and once again thank all shareholders – existing and prospective – for your ongoing support.

Yours sincerely,



A handwritten signature in cursive script that reads "Nancy Fox".

Nancy Fox
Chairman

IMPORTANT DATES

Please note these important dates:

23 August 2018, 7.00pm (AEST)	Entitlement Record Date
26 September 2018, 5.00pm (AEST)	The Entitlement Offer closes
28 September 2018, 5.00pm (AEST)	The General Offer and Shortfall Offer closes

FOR FURTHER INFORMATION:

Consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers.

Visit www.perpetualequity.com.au

Phone (+61) 1800 421 712 between 8.30am and 5.30pm (AEST) Monday to Friday

INVESTMENT OVERVIEW AND KEY RISKS

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 New Shares under the Entitlement Offer and/or General 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 stockbroker, financial adviser, accountant, lawyer or other professional advisers.

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
What is the Offer?	<p>The Offer consists of:</p> <p>(a) A non-renounceable pro rata offer to Eligible Shareholders of 1 New Share for every 4 Existing Shares held by Eligible Shareholders on the Entitlement Offer Record Date at an issue price of \$1.12 per New Share (Entitlement Offer).</p> <p>The Entitlement Offer will raise up to approximately \$71.24 million if fully subscribed.</p> <p>(b) An offer to the general public to subscribe for New Shares at an issue price of \$1.12 per New Share (General Offer).</p> <p>The General Offer will raise up to \$30 million if fully subscribed.</p> <p>(c) Any New Shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility will be offered under the Shortfall Offer. Applications for Shortfall Shares should be made under the General Offer Application Form.</p> <p>Application will be made for the New Shares to be quoted on ASX. New Shares issued under the Offer will be eligible for the Final Dividend.</p>	Sections 9 and 10
Am I an Eligible Shareholder for the purposes of the Entitlement Offer?	<p>The Entitlement Offer is only made to Eligible Shareholders, who are those Shareholders that:</p> <p>(a) are the registered holders of Shares as at the Entitlement Offer Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p>	Section 9.4
Can I apply under the General Offer or the Shortfall Offer?	<p>The General Offer is open to applicants who have a registered address in Australia or New Zealand.</p> <p>The Shortfall Offer is open to Eligible Shareholders and new investors.</p>	Section 10.3 Section 9.6.
How will the proceeds of the Entitlement Offer and General Offer be used?	The proceeds of the Entitlement Offer and General Offer will be used to grow the Portfolio by undertaking investments consistent with the Company's investment policy, objectives and guidelines previously announced by the Company.	Section 7.2

For personal use only

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
<p>What are the key risks associated with the Company?</p>	<p>All investments are subject to risks 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. Key risks in relation to an investment in the Company include, but are not limited to:</p> <p>Investment 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 previously announced by the Company.</p> <p>Market and economic risk 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. In a strong equity market, the Portfolio may underperform the broader market if, at the time, it has lower market exposure than the Benchmark. 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> <p>Manager risk That the Manager may cease to manage the Company's Portfolio or a portfolio manager involved in the management of the Portfolio may resign, requiring the Company and the Manager respectively to find replacements.</p> <p>Concentration risk There may be more volatility in the Portfolio than the Benchmark 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 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 Shares. The Shares may also trade on ASX at a discount to NTA 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 Portfolio and the Shares.</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 and/or different legal rights and protections to shareholders of foreign entities located in that jurisdiction.</p>	<p>Section 11</p>

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
<p>What are the key risks associated with the Company? (continued)</p>	<p>Liquidity risk The ability of a Shareholder to sell their Shares on ASX will depend on the turnover or liquidity of the Shares at the time of sale. Therefore, Shareholders may not be able to sell their Shares 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 Entitlement Offer and/or General Offer. It is strongly suggested that you 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 the key risks that might affect your investment are described in more detail in section 11.</p>	
<p>Is the Entitlement Offer or the General Offer underwritten?</p>	<p>No.</p>	<p>Section 8.3</p>
<p>Is the Entitlement Offer or General Offer subject to any conditions?</p>	<p>The Entitlement Offer is not subject to a minimum subscription. The General Offer is subject to a minimum subscription of 2,000 New Shares. Applications in excess of the minimum number of Shares must be in multiples of 100 New Shares.</p>	<p>Section 9.2 Section 10.2</p>
<p>What will be the effect of the Entitlement Offer and General Offer on control of the Company?</p>	<p>The effect of the Entitlement Offer and the General Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders, the number of Shortfall Shares placed in the Shortfall Offer and the level of Applications received under the General Offer. Irrespective of whether an Eligible Shareholder participates in the Entitlement Offer, their respective shareholding will likely be diluted due to the New Shares issued under the General Offer.</p>	<p>Section 7.5</p>
<p>What will be the capital structure of the Company following completion of the Entitlement Offer and General Offer?</p>	<p>On completion of the Entitlement Offer and the General Offer (assuming both the Entitlement Offer and the General Offer are fully subscribed), the capital structure of the Company will be as set out below:</p> <p>90,396,446 – approximate maximum number of New Shares to be issued under the Entitlement Offer and the General Offer.</p> <p>344,839,372 – approximate total number of Shares after issue of New Shares under the Entitlement Offer and General Offer.</p>	<p>Section 7.4</p>
<p>What are the options available to Eligible Shareholders in respect of the Entitlement Offer?</p>	<p>As an Eligible Shareholder you may:</p> <p>(a) take up all or part of your Entitlement under the Entitlement Offer (and if you have taken up all of your Entitlement, also apply for participation in the Top-Up Facility);</p> <p>(b) exercise only a portion of your Entitlement and allow the balance to lapse; or</p> <p>(c) allow all of your Entitlement to lapse.</p>	<p>Sections 9.9 to 9.12</p>

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
Can I sell my Entitlements?	No, the Entitlement Offer is non-renounceable, meaning Entitlements cannot be transferred or sold by Eligible Shareholders.	Section 9.1
What are the costs of the Entitlement Offer and the General Offer and who is paying them?	<p>The Manager has agreed to pay on behalf of the Company all of the costs of the Entitlement Offer and the General Offer.</p> <p>The costs of the Entitlement Offer and the General Offer include all legal, Investigating Accountant, registry, ASIC, ASX, printing, postage and all other expenses (including travel and other incidental expenses of the Joint Lead Managers) related to the Offer. At the time of production of this Prospectus the costs payable were estimated to be \$2,784,669 (net of claimable GST) assuming the Entitlement Offer and the General Offer are fully subscribed.</p> <p>If the Manager’s appointment is terminated under the Management Agreement (except in some limited circumstances) the Company is required to repay to the Manager an amount equal to the costs paid by the Manager <i>multiplied</i> by the number of days in the period from the date of termination to the last date of the extended term of the Management Agreement <i>divided</i> by the number of days from the “effective date” to the last day of the extended term under the Management Agreement. The “effective date” means the date that the Company allots and issues New Shares pursuant to the Offer (or where the Offer does not proceed, the date the Company would have allotted and issued the New Shares).</p> <p>Accordingly, provided that the appointment of the Manager is not terminated during the initial term or the extended term of the Management Agreement, the costs of the Entitlement Offer and the General Offer will not impact the Company’s net tangible assets.</p>	Section 13.6
Is there a cooling off period?	No.	Refer to “Important Notices” section – “Nature of this Prospectus”
How can I obtain further information?	If you would like more information or have any questions relating to the Entitlement Offer and/or General Offer (as applicable), you can contact the Perpetual Equity Investment Company Limited Offer Information Line on (+61) 1800 421 712 between 8:30am and 5:30pm (AEST) Monday to Friday until the relevant Closing Date. If you are uncertain as to whether an investment in the Company is for you, please consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers.	Section 8.13

For personal use only

6.1 ABOUT THE COMPANY

The Perpetual Equity Investment Company Limited (the Company) was formed in 2014 to offer investors 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. The Company was formed to provide regular income and long term capital growth to Shareholders.

6.2 COMPANY OVERVIEW

The Company debuted on ASX as a listed investment company (LIC) on 18 December 2014. The Company has an established track record of delivering consistent investment performance to Shareholders and a history of providing its Shareholders with a regular fully franked dividend stream.

The Company recently announced a final fully franked dividend of 3.3 cents per share, bringing the total dividend declared for FY2018 to 6.3 cents per share fully franked. On a grossed up basis this corresponds to a 7.55%¹ dividend yield.

The Company's investment portfolio is actively managed by the Manager. This provides investors access to the Manager's track record of investing excellence, underpinned by a unique investment approach that focuses on value and quality. The Manager's commitment to delivering a regular income stream and long term capital growth to Shareholders is underpinned by its ability to identify high quality companies for the Portfolio.

6.3 INVESTMENT STRATEGY

The Company's investment strategy is to create a concentrated and actively managed portfolio of Australian and global listed securities. The Australian securities are typically comprised of mid-cap securities, generally made up of securities outside the top 20 ASX-listed securities by market capitalisation. Investments in global listed securities are opportunistic in nature and these global listed securities are not expected to have any consistent capitalisation bias, but will typically be larger and more liquid than comparable investments in Australian entities. The investment strategy employs a high conviction approach, with a flexible mandate, offering a value and quality focus across both Australian and global listed securities. As a guide, the Company will hold an actively managed portfolio of between 20 to 40 securities and 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 expensive.

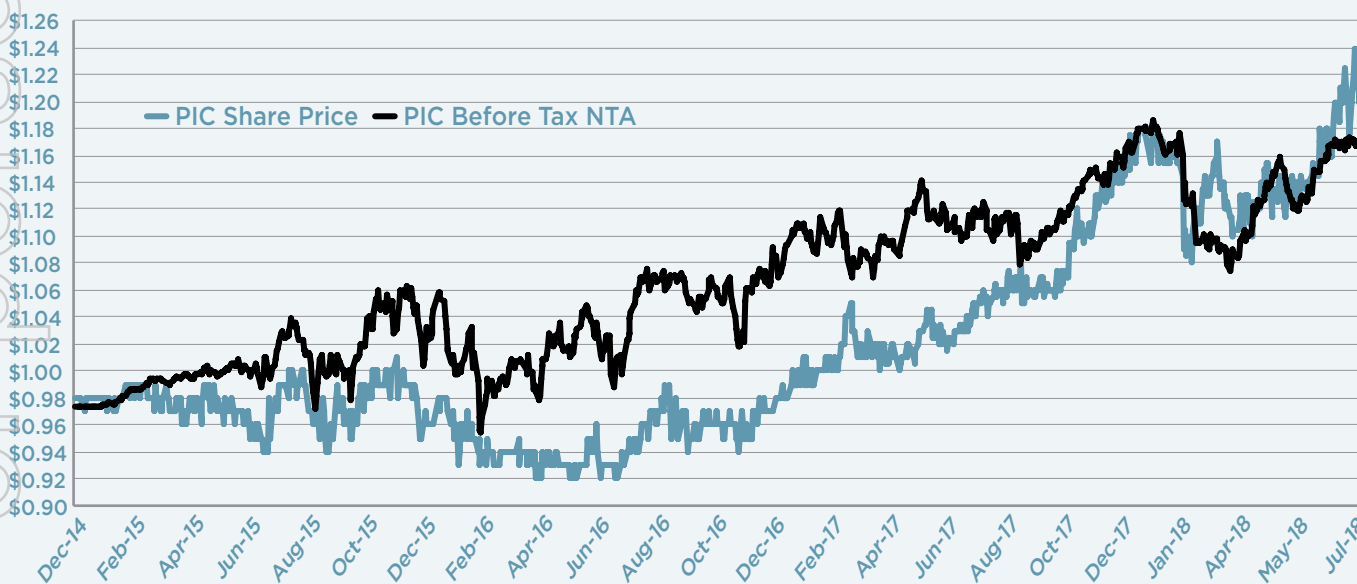
¹ Based on a grossed up dividend of 8.8 cents per share, and the closing share price of \$1.17 on 30 June 2018.

6.4 KEY COMPANY FACTS AS AT 31 JULY 2018

ASX CODE	PIC
LISTING DATE	18 December 2014
MARKET CAPITALISATION	\$308 million
SHARE PRICE	\$1.210
SHARES ON ISSUE	254,442,926
NTA BEFORE TAX ²	\$1.172
NTA AFTER TAX ²	\$1.152
INVESTMENT OBJECTIVE	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	To create a concentrated and actively managed portfolio of Australian securities with typically a mid-cap focus and global listed securities (up to 25%). Additionally, can hold up to 25% in cash, deposit products and senior debt.
NUMBER OF SECURITIES	As a guide, the Company will hold between 20 to 40 securities.
INVESTMENT PHILOSOPHY	The Manager's proven quality and value focus that uses four quality filters to target only quality companies with attractive valuations for investment.
PORTFOLIO MANAGER	Vince Pezzullo, Deputy Head of Equities, Perpetual Investment Management Limited

6.5 HISTORY AND TRACK RECORD

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED (PIC:ASX) - SHARE PRICE AND NTA BEFORE TAX²



Source: FactSet and the Company - as at 15 August 2018.

Past performance is not indicative of future performance. Inception date is 18 December 2014.

² NTA figures are unaudited and approximate. The 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.

6.6 ABOUT THE MANAGER

OVERVIEW OF THE MANAGER

The Manager is wholly owned by Perpetual Limited. Perpetual Limited is a publicly listed company on ASX, with its origins back to 1886. Its market capitalisation was approximately \$2.0 billion as at 31 July 2018. Perpetual Limited has three core businesses: Perpetual Investments with funds under management of \$32.8 billion, Perpetual Private with funds under advice of \$13.7 billion and Perpetual Corporate Trust with funds under administration of \$662 billion as at December 2017.

The Manager implements the Company's investment strategy. The Manager's services are offered through Perpetual Limited's investment funds management business, Perpetual Investments. The Manager has more than 50 years' experience in active equities management and growing investor's wealth. It is one of Australia's leading investment managers.

INVESTMENT PHILOSOPHY AND PROCESS

The investment philosophy and process of the Manager focuses on buying high quality companies at prices below what the Manager perceives as fair value, based on company fundamentals and prevailing market conditions. The Manager has a team of 25 equities investment professionals that undertake intensive research, on an ongoing basis, to determine both the quality and value of a company. Key to the Manager's process is the use of four quality filters

- (a) **Quality of business** – This test looks at the industry in which the company operates, its market share and barriers to entry, its products and their positioning and any issues such as social and environmental impacts.
- (b) **Conservative debt** – Involves strict balance sheet scrutiny to avoid overleveraged companies. Typically the Manager seeks to invest in companies that have less than 50% net debt to equity and strong interest coverage.
- (c) **Sound management** – Based on the Manager's assessment of the track record of a company's management. The Manager looks for management with a history of using shareholder's capital sensibly, a clear focus on maximising shareholder value and strong governance practices.
- (d) **Recurring earnings** – The Manager looks for companies that have at least a three year track record of generating earnings and cash flows.

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.

Through this approach the Manager aims to minimise downside risk and protect the Portfolio during periods of market stress.

1

Quality of business

3

Sound management

2

Conservative debt

4

Recurring earnings

6.7 INVESTMENT PERFORMANCE

The Company has an established track record of delivering consistent investment performance and a history of providing its Shareholders with a regular fully franked dividend stream.

AS AT 31 JULY 2018	RETURN 1 YEAR PER ANNUM	RETURN 2 YEARS PER ANNUM	RETURN 3 YEARS PER ANNUM	RETURN SINCE INCEPTION PER ANNUM
PIC Investment Portfolio* Net of fees, expenses and before tax paid	13.7%	12.2%	9.8%	10.0%
S&P/ASX 300 Acc Index	14.7%	10.8%	8.1%	10.0%
Excess Returns	-1.0%	+1.4%	+1.7%	-0.1%

* 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 set-up costs and on unrealized gains and losses are excluded.

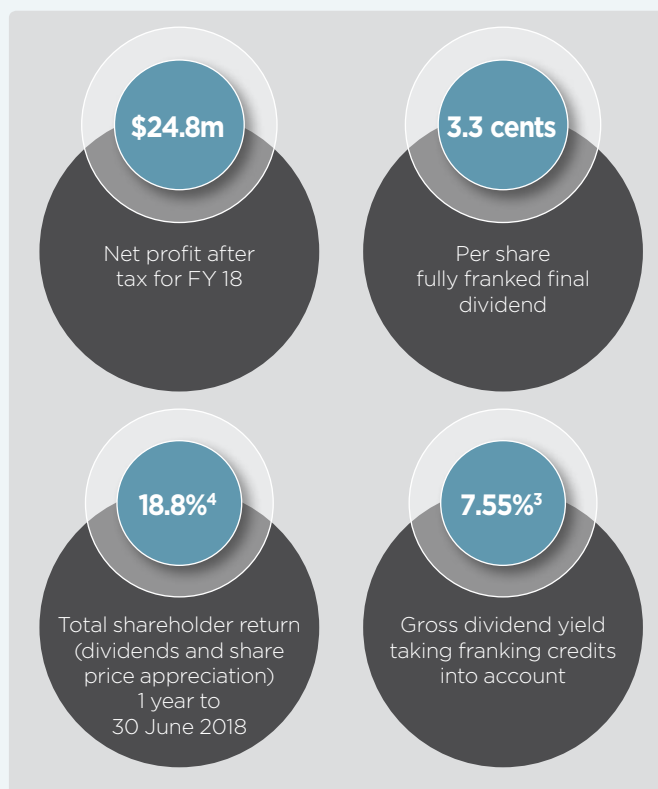
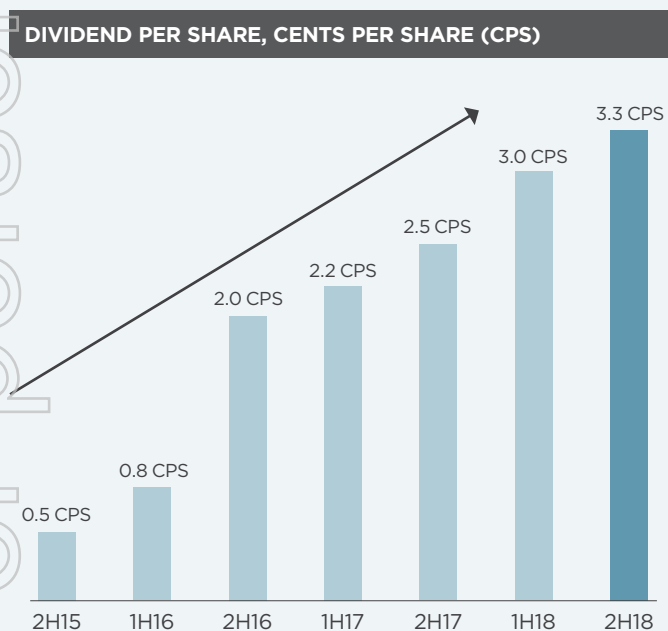
Past performance is not indicative of future performance. Inception date is 18 December 2014. Portfolio and Index return may not sum to Excess Return due to rounding.

Source: Perpetual Equity Investment Company Limited.

6.8 DIVIDEND HISTORY

The Company has a history of paying a regular fully franked dividend to its Shareholders. The Company recently announced a final fully franked dividend of 3.3 cents per share, bringing the total dividend declared for FY2018 to 6.3 cents per share fully franked. On a grossed up basis this corresponds to a 7.55%³ yield.

HISTORICAL DIVIDEND PER SHARE



Source: Perpetual Equity Investment Company Limited as at 20 August 2018.

³ Based on a grossed up dividend of 8.8 cents per share, and the closing share price of \$1.17 on 30 June 2018.

⁴ Total shareholder return assumes reinvestment of dividends.

6.9 PORTFOLIO OF HOLDINGS

The Company has built over time a high-quality Portfolio of Australian and global listed securities. As at 31 July 2018, the Company held 29 Australian and global listed securities and was invested in the following asset classes:

- 72% in Australian listed securities
- 7% in global listed securities
- 21% in cash.

The Company can hold up to a maximum of 25% of net assets of the Portfolio in cash. Holding higher levels of cash provides downside protection and flexibility to take advantage of opportunities when they arise. The Manager is comfortable with the construction of the Portfolio and the quality assets in the Portfolio.

The top Australian and global listed securities as at 31 July 2018 are listed in the table below.

TOP SECURITIES

TOP 5 AUSTRALIAN LISTED SECURITIES

COMPANY	PORTFOLIO WEIGHT
Westpac Banking Corporation	8.0%
Woolworths Ltd	6.7%
Suncorp Group Ltd	5.1%
National Australia Bank Ltd	4.7%
BHP Billiton Ltd	4.1%

TOP 3 GLOBAL LISTED SECURITIES

COMPANY	PORTFOLIO WEIGHT
Shire PLC	5.7%
General Electric Co	0.9%
N/A	-

PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER AND GENERAL OFFER

7.1 INTRODUCTION

The Company is seeking to raise up to:

- **Entitlement Offer** – approximately \$71.24 million by offering Eligible Shareholders 1 New Share for every 4 Existing Shares held as at the Entitlement Offer Record Date at a price of \$1.12 per New Share; and
- **General Offer** - \$30 million by offering the general public a subscription for New Shares at an issue price of \$1.12 per New Share.

The Joint Lead Managers are Commonwealth Securities Limited, Morgans Financial Limited and Taylor Collison Limited. The Manager has agreed to pay the costs of the Entitlement Offer and the General Offer details of which are set out in section 13.6.

7.2 PURPOSE OF THE ENTITLEMENT OFFER AND GENERAL OFFER

The proceeds from the Entitlement Offer and the General Offer will be used to continue to build on the Portfolio. The Company is seeking to raise new capital under the Entitlement Offer and General Offer to undertake investments consistent with the investment objectives and guidelines previously announced by the Company.

The Company anticipates that the proceeds of the Entitlement Offer and General Offer will be substantially invested by the Company within one to three months of the Closing Date. Accordingly, it may take up to three months from the Closing Date for the Portfolio to be invested in accordance with the investment guidelines.

7.3 EFFECT ON THE COMPANY'S FINANCIAL POSITION

Set out in section 16 is the historical Statement of Financial Position of the Company and the Pro Forma Statement of Financial Position, as at 30 June 2018. The Pro Forma Statement of Financial Position is extracted from the statutory financial statements of the Company for the year ended 30 June 2018, lodged with ASX on 20 August 2018, and adjusted for the impact of the Entitlement Offer and General Offer

including the following assumptions:

- (a) no further Shares are issued other than all Shares offered under this Prospectus;
- (b) the Entitlement Offer and General Offer are fully subscribed raising approximately \$101.24 million; and
- (c) the Company's costs in connection with the Entitlement Offer and the General Offer are paid by the Manager.

The Pro Forma Statement of Financial Position set out in Table 16.1 within section 16.2 has been prepared to illustrate the financial position of the Company following completion of the Entitlement Offer and the General Offer. The Pro Forma Statement of Financial Position 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 Entitlement Offer and General Offer.

The Pro Forma Statement of Financial Position has been prepared in accordance with draft ASIC Consultation Paper 69 Disclosing Pro Forma Financial Information (issued July 2005).

The Pro Forma Statement of Financial Position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The significant accounting policies upon which the Pro Forma Statement of Financial Position is based are contained in the statutory financial statements for the year ended 30 June 2018.

7.4 EFFECT OF THE ENTITLEMENT OFFER AND GENERAL OFFER ON THE COMPANY'S CAPITAL STRUCTURE

The Company does not intend to issue any further Shares prior to the Entitlement Offer Record Date. The effect of the Entitlement Offer and the General Offer on the capital structure of the Company, assuming that the Entitlement Offer and the General Offer are fully subscribed (subject to rounding up of fractional Entitlements) is set out below.

Existing Shares on issue at the date of this Prospectus	254,442,926
Approximate maximum number of New Shares to be issued under the General Offer and Entitlement Offer	90,396,446
Approximate total number of Shares after issue of New Shares under the General Offer and Entitlement Offer	344,839,372

7.5 EFFECT ON CONTROL

The maximum number of New Shares which will be issued pursuant to the Entitlement Offer and the General Offer is approximately 90,396,446. This equates to approximately 26.21% of all the issued Shares in the Company immediately following completion of the Entitlement Offer and General Offer (assuming both the Entitlement Offer and General Offer are fully subscribed).

The effect of the Entitlement Offer and the General Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders, the number of Shortfall Shares placed in the Shortfall Offer and the level of Applications under the General Offer.

Irrespective of whether an Eligible Shareholder participates in the Entitlement Offer, their shareholding in the Company will likely be diluted due to the New Shares issued under the General Offer unless Eligible Shareholders also make a successful Application of a sufficient number of New Shares under the General Offer. Examples of how the dilution may impact Shareholders following completion of the Entitlement Offer and the General Offer are set out in the table below.

ELIGIBLE SHAREHOLDER DILUTION EXAMPLES

SHAREHOLDINGS IN THE COMPANY BEFORE THE ENTITLEMENT OFFER AND GENERAL OFFER	SHAREHOLDING % IN THE COMPANY AS AT THE ENTITLEMENT OFFER RECORD DATE	ENTITLEMENT TO NEW SHARES UNDER THE ENTITLEMENT OFFER	SHAREHOLDING % IN THE COMPANY IF THE ENTITLEMENT OFFER IS NOT TAKEN UP ¹	SHAREHOLDING % IN THE COMPANY IF 50% OF THE ENTITLEMENT OFFER IS TAKEN UP ¹	SHAREHOLDING % IN THE COMPANY IF 100% OF THE ENTITLEMENT OFFER IS TAKEN UP ¹
5,000,000	1.97%	1,250,000	1.45%	1.63%	1.81%
1,000,000	0.39%	250,000	0.29%	0.33%	0.36%
750,000	0.29%	187,500	0.22%	0.24%	0.27%
500,000	0.20%	125,000	0.14%	0.16%	0.18%
100,000	0.04%	25,000	0.03%	0.03%	0.04%

¹ This calculation assumes the General Offer is fully subscribed.

DETAILS OF THE ENTITLEMENT OFFER AND GENERAL OFFER

8.1 SHARES OFFERED FOR SUBSCRIPTION

By this Prospectus the Company makes the Entitlement Offer and the General Offer.

Details of the Entitlement Offer are set out at section 9. Shares not taken up under the Entitlement Offer will be offered under the Shortfall Offer.

Details of the General Offer are set out at section 10.

All New Shares offered under this Prospectus will rank equally with Existing Shares. Participants in the Offer will be eligible for the Final Dividend. The rights and liabilities of the New Shares are summarised in section 12.

8.2 JOINT LEAD MANAGERS

Commonwealth Securities Limited, Morgans Financial Limited and Taylor Collison Limited are acting as Joint Lead Managers.

The Joint Lead Managers will be paid a fee for managing the Entitlement Offer and General Offer, details of which are set out in section 13.3.

8.3 UNDERWRITING

Neither the Entitlement Offer nor the General Offer is underwritten.

8.4 OFFER OUTSIDE AUSTRALIA AND NEW ZEALAND

Recipients of this Prospectus must not send or otherwise distribute this Prospectus or the Entitlement Offer and Acceptance Form or General Offer Application Form to any person outside Australia or New Zealand.

8.5 ISSUE OF NEW SHARES AND APPLICATION AMOUNTS

New Shares will be issued only after ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued:

- in respect of the Entitlement Offer on 27 September 2018 on a deferred settlement basis with normal trading of the New Shares on ASX to commence on 4 October 2018; and
- in respect of the General Offer and Shortfall Offer on 9 October 2018 with normal trading of the New Shares on ASX to commence on 10 October 2018.

All Application amounts will be deposited into a separate bank account of the Company and will be held in trust for Applicants until the New Shares are issued or the Application Amounts are returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.6 QUOTATION

The Company will apply for quotation of the New Shares offered by this Prospectus under the Entitlement Offer and General Offer on the date of this Prospectus. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within three months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all Application Amounts (without interest).

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.7 MARKET PRICES OF EXISTING SHARES ON ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months immediately preceding the lodgement of this Prospectus with ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 MONTH HIGH	3 MONTH LOW	LAST MARKET SALE PRICE
Price	\$1.24	\$1.115	\$1.20
Date	2 August 2018	22 May 2018	15 August 2018

8.8 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number (HIN) and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's Share Registry and will contain the number of New Shares issued to you under this Prospectus and your securityholder reference number (SRN).

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.9 TAXATION AND DUTY IMPLICATIONS

The taxation consequences for Shareholders and new investors will differ depending on the individual financial affairs of each Shareholder or new investor.

The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders or new investors in the Entitlement Offer or the General Offer. Applicants of the Entitlement Offer or the General Offer should therefore consult their tax adviser in connection with the taxation implications of the Entitlement Offer or the General Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.10 PRIVACY

The Company collects information about each Applicant provided on an Entitlement Offer and Acceptance Form and General Offer Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement Offer and Acceptance Form and/or the General Offer Application Form (as applicable), each Applicant agrees that the Company may use the information provided by an Applicant on their respective Entitlement Offer and Acceptance Form and/or General Offer Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act and Australian taxation legislation requires the Company to include information about a Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement Offer and Acceptance Form and/or the General Offer Application Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about it subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

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 to request 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.

8.11 PAYMENT METHODS

If you wish to participate in the Entitlement Offer or the General Offer, you need to do one of the following.

OPTION 1:

PAY THE APPLICATION AMOUNT BY BPAY®

Applicants may apply for New Shares online and pay their Application Amount by BPAY®. Applicants 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)). There is no need to return the Entitlement Offer and Acceptance Form and/or General Offer Application Form (as applicable) but Applicants are taken to have made the statements and certifications that are set out in the Entitlement Offer and Acceptance Form and/or the General Offer Application Form (as applicable).

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 (AEST) on the Closing Date in respect of the Entitlement Offer and 5.00pm (AEST) on the Closing Date in respect of the General Offer. 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.

If you have more than one shareholding and consequently receive more than one Entitlement Offer and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the CRN specific to that shareholding as set out in the applicable Entitlement Offer and Acceptance Form. Do not use the same CRN for more than one of your shareholdings.

This can result in your Application Amounts being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

OPTION 2:

PAY THE APPLICATION AMOUNT BY CHEQUE OR BANK DRAFT

Cheque or bank drafts must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed "Not Negotiable"; and
- made payable for all Applicants to "Perpetual Equity Investment Company Limited – OFFER ACCOUNT"

Applicants should ensure that sufficient funds are held in their account to cover the 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 Entitlement Offer and Acceptance Form and/or General Offer Application Form (as applicable), 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 Entitlement Offer and Acceptance Form and/or General Offer Application Form) or your Application may be rejected.

8.12 ENTITLEMENT OFFER AND ACCEPTANCE FORMS AND THE GENERAL OFFER APPLICATION FORMS ARE BINDING

Receipt of a completed and lodged Entitlement Offer and Acceptance Form and/or General Offer Application Form (as applicable) together with a cheque for the Application Amount, or by making a payment in respect of an Application by BPAY® or bank draft, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement Offer and Acceptance Form with the requisite Application Amount, or by making a payment in respect of an Application by BPAY®, you will be deemed to have represented that you are an Eligible Shareholder.

In addition, by completing and returning your Entitlement Offer and Acceptance Form and/or General Offer Application Form, you will be deemed to have represented and warranted on behalf of yourself and/or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Entitlement Offer and/or General Offer (as applicable);
- (b) declare that all details and statements in the Entitlement Offer and Acceptance Form and/or General Offer Application Form (as applicable) are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer and Acceptance Form and/or General Offer Application Form (as applicable);
- (d) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Entitlement Offer and Acceptance Form or General Offer Application Form (as applicable);
- (e) in respect of the Entitlement Offer, declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States of America or a US Person, or acting for the account or benefit of a US Person;
- (f) in respect of the General Offer, declare that you have a registered address in Australia or New Zealand and you are not in the United States of America or a US Person, or acting for the account or benefit of a US Person;
- (g) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and

- (h) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws, in particular the US Securities Act.

The Entitlement Offer and Acceptance Form and General Offer Application Form do not need to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement Offer and Acceptance Form or General Offer Application Form is not completed correctly, is illegible or if the accompanying payment of the Application Amount is for the wrong amount, it may still be treated as a valid Application for New Shares. The Directors' decision whether to treat an Application as valid and how to construe, amend or complete the Entitlement Offer and Acceptance Form and/or General Offer Application Form (as applicable) is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the Application Amount received by the Company.

8.13 ENQUIRIES

Any queries regarding the Entitlement Offer and/or the General Offer should be directed to the Perpetual Equity Investment Company Limited Offer Information Line on 1800 421 712 between 8.30am to 5.30pm (AEST) 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 advisers.

9.1 DETAILS OF THE ENTITLEMENT OFFER

Under the Entitlement Offer, a non-renounceable pro rata offer is made to Eligible Shareholders of 1 New Share for every 4 Existing Shares held as at the Entitlement Offer Record Date at a price of \$1.12 per New Share to raise up to approximately \$71.24 million. Fractional entitlements will be rounded up to the nearest whole number.

The Entitlement Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Entitlements cannot be transferred or sold by Eligible Shareholders.

9.2 MINIMUM SUBSCRIPTION

The Entitlement Offer is not subject to a minimum subscription.

9.3 ACCEPTANCES

The Entitlement Offer may be accepted in whole or in part prior to the Closing Date of the Entitlement Offer subject to the rights of the Company to extend the Entitlement Offer Closing Date.

Instructions for accepting your Entitlement are set out in sections 9.9 to 9.12 and on the Entitlement Offer and Acceptance Form which accompanies this Prospectus.

9.4 ENTITLEMENT TO ENTITLEMENT OFFER

The Entitlement Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 7:00pm (AEST) on the Entitlement Offer Record Date; and
- (b) have a registered address in Australia or New Zealand.

9.5 ISSUE OF ADDITIONAL SHARES UNDER TOP-UP FACILITY

Any New Shares not taken up by Eligible Shareholders by the Closing Date of the Entitlement Offer may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top-Up Facility in accordance with the procedure set out in section 9.11. There is no cap on the number of additional New Shares that Eligible Shareholders may apply for under the Top-Up Facility, although

the number of New Shares available under the Top-Up Facility will not exceed the total number of New Shares not taken up by Eligible Shareholders pursuant to their Entitlements.

There is no guarantee that Eligible Shareholders who apply for additional New Shares under the Top-Up Facility will receive the number of New Shares applied for under the Top-Up Facility. The Directors reserve the right to allot and issue New Shares under the Top-Up Facility at their discretion.

9.6 SHORTFALL OFFER

A shortfall will arise if Applications received for New Shares under the Entitlement Offer (including after the completion of the Top-Up Facility (if any)) are less than the number of New Shares offered under the Entitlement Offer (**Shortfall**).

The Company will allow Eligible Shareholders who take up their full Entitlement and other Applicants to apply for Shares under the Shortfall Offer subject to Applications being received by the Closing Date for the Shortfall Offer. Applications for any Shortfall Shares should be made under the General Offer Application Form.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date of the Entitlement Offer to their existing or new Shareholders at their absolute discretion. If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlement Offer. Eligible Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up under the Shortfall Offer.

9.7 TREATMENT OF INELIGIBLE SHAREHOLDERS

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions outside Australia and New Zealand, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. This Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Entitlement Offer.

No action has been taken to register or qualify the New Shares or the Entitlement Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia). This document is not an offer of securities for sale into the United States of America or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States of America or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States of America.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement Offer and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

The Entitlement Offer is non-renounceable. As a result, Ineligible Shareholders will not receive any value equivalent to the Entitlement attributable to the Shares held by the Ineligible Shareholder.

9.8 BENEFICIAL HOLDERS, NOMINEES, TRUSTEES AND CUSTODIANS

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

9.9 WHAT YOU MAY DO UNDER THE ENTITLEMENT OFFER

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 9.10);
- (b) subscribe for all of your Entitlement and apply for additional securities under the Top-Up Facility or the Shortfall Offer or both (see section 9.11);
- (c) allow all or part of your Entitlement to lapse (see section 9.12).

9.10 SUBSCRIBE FOR ALL OR PART OF YOUR ENTITLEMENT

Applicants should read this Prospectus carefully and in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, financial adviser, accountant, lawyer or other professional advisers in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, please either:

- (a) apply online, using the Online Application Form at www.perpetualequity.com.au and pay your Application Amount via BPAY® in accordance with section 8.11; or
- (b) complete the Entitlement Offer and Acceptance Form that forms part of, is attached to, or accompanies this Prospectus or a printed copy of the Entitlement Offer and Application Form. The Entitlement Offer and Application Form must be completed in accordance with the instructions set out in the Entitlement Offer and Acceptance Form. Once completed, please lodge your Entitlement Offer and Acceptance Form and Application Amount so that they are received at the following address by 5.00 pm (AEST) on the Closing Date of the Entitlement Offer.

By mail to:

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

By hand delivery to:

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

9.11 SUBSCRIBE FOR ALL OF YOUR ENTITLEMENT AND APPLY FOR ADDITIONAL SHARES UNDER THE TOP-UP FACILITY

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for New Shares under the Top-Up Facility regardless of the size of their present holding by completing the Entitlement Offer and Acceptance Form in accordance with the instructions set out on that form. See section 9.5 for details of the manner in which shares under the Top-Up Facility will be allocated.

If you wish to subscribe for all of your Entitlement and apply for additional Shares under the Top-Up Facility please either:

- (a) apply online using the Online Application Form at www.perpetualequity.com.au and pay your Application Amount via BPAY® in accordance with section 8.11; or
- (b) complete your Entitlement Offer and Acceptance Form and note any additional amount of New Shares you may wish to apply for under the Top-Up Facility and submit your Entitlement Offer and Acceptance Form together with the Application Monies so that they are received at the following address by 5.00 pm (AEST) on the Closing Date of the Entitlement Offer.

By mail to:

**Perpetual Equity Investment Company Limited
– Entitlement Offer**

C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By hand delivery to:

**Perpetual Equity Investment Company Limited
– Entitlement Offer**

C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia

Surplus Application Amounts will be returned to Applicants as soon as practicable following the close of the Entitlement Offer.

9.12 ALLOW ALL OR PART OF YOUR ENTITLEMENT TO LAPSE

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to apply for New Shares, you must take action to accept your Entitlement in accordance with the instructions above and on the Entitlement Offer and Acceptance Form.

The number of Existing Shares you hold as at the Entitlement Offer Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement. However, your shareholding will be diluted as a result of the issue of New Shares under the Entitlement Offer and General Offer.

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10.1 DETAILS OF THE GENERAL OFFER

Under the General Offer, the Company also makes an offer to subscribe for New Shares at an issue price of \$1.12 per New Share to raise up to \$30 million. In addition, any Shortfall Shares may be applied for under the General Offer.

10.2 MINIMUM AND MAXIMUM SUBSCRIPTION

Applications under the General Offer must be for a minimum of 2,000 New Shares. Applications in excess of the minimum number of Shares must be in multiples of 100 New Shares.

There is no maximum amount that may be applied for under the General Offer. The Company reserves the right to aggregate any Applications under the General Offer which it believes may be multiple Applications from the same person or that person's related parties.

10.3 ENTITLEMENT TO GENERAL OFFER

The General Offer is open to investors who have a registered address in Australia or New Zealand or in the case of a corporate applicant, a registered office 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 New Shares than that which is applied for under the General Offer.

10.4 HOW TO APPLY UNDER THE GENERAL OFFER

In order to apply for New Shares under the General Offer, please either:

- (a) apply online using the Online Application Form at www.perpetualequity.com.au and pay your Application Amount via BPAY® in accordance with section 8.11; or
- (b) 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.

Once completed, please lodge your General Offer Application Form and Application Amount so that they are received at the following address by 5.00pm (AEST) on the Closing Date of the General Offer.

By mail to:

Perpetual Equity Investment Company Limited – General Offer

C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By hand delivery to:

Perpetual Equity Investment Company Limited – General Offer

C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia

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

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

Before making an investment decision, it is important to understand the risks that can affect the value of your investment.

11.1 KEY RISKS

It is recommended that Shareholders and prospective new investors familiarise themselves with the possible risks relating to an investment in the Company 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. This listing is not set out in order of importance, is not exhaustive and there may be other risks that have not been identified.

Investment strategy risk	<p>Historic performance 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. Such risks, include, but are not limited to:</p> <ul style="list-style-type: none"> • the Company's success and profitability is very much reliant upon the ability of the Manager to devise and maintain a portfolio that complies with the Company's investment objectives, strategies and guidelines previously announced by the Company; and • the ability of the Manager to continue to manage the Portfolio in accordance with the Company's investment strategy previously announced by the Company and the law may be compromised by such events as the loss of the Manager's AFSL or its non-compliance with the licence conditions of its AFSL and/or the Corporations Act.
Manager risk	<p>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.</p>
Concentration risk	<p>There may be more volatility in the Portfolio than the Benchmark 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.</p>
Currency risk	<p>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 Portfolio. For example, if the Australian dollar rises, the value of the Company's global investments expressed in Australian dollars can fall. While the Portfolio is generally unhedged, the Manager may decide to hedge the Portfolio defensively if the Manager believes there is a significant risk of currency weakness associated with a global investment.</p>

<p>Investment risk</p>	<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 in this Prospectus, which means that you may receive less than your original investment when you sell your Shares. The price of an individual Share may fluctuate or underperform other asset classes over time. A Shareholder is exposed to these risks through their holding in Shares and through the Company’s investments.</p> <p>The Shares may also trade on ASX at a discount to NTA per Share for short or long periods of time and, therefore, the performance of the Shares may not be correlated with the performance of the Portfolio.</p> <p>The Manager may take up to approximately one to three months to fully invest the proceeds of the Entitlement Offer and the General Offer and during this time, the 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>
<p>Asset risk</p>	<p>A particular asset that the Company may invest in may fall in value, which can result in a reduction in the value of the Portfolio and the Shares. 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.</p>
<p>Foreign jurisdiction risk</p>	<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/or protections to shareholders of securities in foreign entities in such foreign jurisdictions compared to the laws in Australia.</p>
<p>Liquidity risk</p>	<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 is a listed investment company. The ability of a Shareholder to sell Shares on ASX will be dependent on the turnover or liquidity of the Shares 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, Shareholders may not be able to sell their Shares at the time and in the volumes or at the price they desire.</p>
<p>Market and economic risk</p>	<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 seeks to manage the Portfolio to minimise market risks but these risks cannot be completely eliminated.</p> <p>Accordingly, in a strong equity market, the 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>
<p>Interest rate risk</p>	<p>Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns.</p>
<p>Credit risk</p>	<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 Portfolio.</p>

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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 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	<p>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.</p>
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 Portfolio relies on the successful performance of the Company's contracts with external parties.</p> <p>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	<p>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.</p>
Dividend risk	<p>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 Portfolio or the return on your investment. The Manager may make poor investment decisions which may result in the Portfolio's return being inadequate to pay dividends to Shareholders.</p>
Potential conflicts of interest	<p>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 Shareholders.</p>
General risk	<p>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 vary widely over time. 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 capital you invested. Shares generally are considered to be more risky than fixed interest securities or cash.</p> <p>As a result, an investment in the Company cannot be considered a predictable low risk investment. The Company and the Joint Lead Managers to the Entitlement Offer and General 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.</p>

12.1 RIGHTS AND LIABILITIES ATTACHING TO SHARES

Immediately after issue and allotment, the Shares will be fully paid Shares and the Shares will rank equally with the Shares 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 at www.perpetualequity.com.au or by visiting the registered office of the Company during office hours. Shareholders have the right to obtain a copy of the Company's Constitution.

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

Each New 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 declared on or after the date of allotment of New Shares, according to the amount paid up on the Share. The New Shares issued under the Entitlement Offer and General Offer will be eligible for the Final Dividend;
- 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, the Shares are fully transferable.

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

13.1 CONTINUOUS DISCLOSURE OBLIGATIONS

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a “transaction specific prospectus” to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company’s annual financial report for the financial year ended 30 June 2017 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company’s annual report for the financial year ending 30 June 2018 has been released on the date of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the applicable Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2017 being the last financial report for a financial year, lodged with ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial report referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC (details of which are set out below).

The Company has lodged the following announcements with ASX since its 2017 annual financial report:

DATE	DESCRIPTION OF ANNOUNCEMENT
17/08/2018	Daily Net Tangible Asset Statement
16/08/2018	Daily Net Tangible Asset Statement
15/08/2018	Daily Net Tangible Asset Statement
14/08/2018	Daily Net Tangible Asset Statement
14/08/2018	Monthly Investment Update and NTA Report
13/08/2018	Daily Net Tangible Asset Statement
10/08/2018	Daily Net Tangible Asset Statement
9/08/2018	Daily Net Tangible Asset Statement
8/08/2018	Daily Net Tangible Asset Statement
8/08/2018	Roadshow Invitation

DATE	DESCRIPTION OF ANNOUNCEMENT
7/08/2018	Daily Net Tangible Asset Statement
7/08/2018	Daily Net Tangible Asset Statement
3/08/2018	Daily Net Tangible Asset Statement
2/08/2018	Daily Net Tangible Asset Statement
1/08/2018	Daily Net Tangible Asset Statement
31/07/2018	Daily Net Tangible Asset Statement
30/07/2018	Daily Net Tangible Asset Statement
27/07/2018	Daily Net Tangible Asset Statement
26/07/2018	Daily Net Tangible Asset Statement
25/07/2018	Daily Net Tangible Asset Statement
24/07/2018	Daily Net Tangible Asset Statement
23/07/2018	Daily Net Tangible Asset Statement
20/07/2018	Daily Net Tangible Asset Statement
19/07/2018	Daily Net Tangible Asset Statement
18/07/2018	Daily Net Tangible Asset Statement
17/07/2018	Daily Net Tangible Asset Statement
16/07/2018	Daily Net Tangible Asset Statement
13/07/2018	Daily Net Tangible Asset Statement
13/07/2018	Monthly Investment Update and NTA Report
12/07/2018	Daily Net Tangible Asset Statement
11/07/2018	Daily Net Tangible Asset Statement
10/07/2018	Daily Net Tangible Asset Statement
9/07/2018	Daily Net Tangible Asset Statement
6/07/2018	Daily Net Tangible Asset Statement
5/07/2018	Daily Net Tangible Asset Statement
4/07/2018	Daily Net Tangible Asset Statement
3/07/2018	Daily Net Tangible Asset Statement
2/07/2018	Daily Net Tangible Asset Statement
29/06/2018	Daily Net Tangible Asset Statement
28/06/2018	Daily Net Tangible Asset Statement
27/06/2018	Daily Net Tangible Asset Statement
26/06/2018	Daily Net Tangible Asset Statement
25/06/2018	Daily Net Tangible Asset Statement
22/06/2018	Daily Net Tangible Asset Statement
21/06/2018	Daily Net Tangible Asset Statement
20/06/2018	Daily Net Tangible Asset Statement

DATE	DESCRIPTION OF ANNOUNCEMENT
19/06/2018	Daily Net Tangible Asset Statement
18/06/2018	Daily Net Tangible Asset Statement
15/06/2018	Daily Net Tangible Asset Statement
14/06/2018	Daily Net Tangible Asset Statement
14/06/2018	Monthly Update and NTA Report
12/06/2018	Daily Net Tangible Asset Statement
08/06/2018	Daily Net Tangible Asset Statement
07/06/2018	Daily Net Tangible Asset Statement
06/06/2018	Daily Net Tangible Asset Statement
05/06/2018	Daily Net Tangible Asset Statement
04/06/2018	Daily Net Tangible Asset Statement
01/06/2018	Daily Net Tangible Asset Statement
31/05/2018	Daily Net Tangible Asset Statement
30/05/2018	Daily Net Tangible Asset Statement
29/05/2018	Daily Net Tangible Asset Statement
28/05/2018	Daily Net Tangible Asset Statement
25/05/2018	Daily Net Tangible Asset Statement
24/05/2018	Daily Net Tangible Asset Statement
23/05/2018	Daily Net Tangible Asset Statement
22/05/2018	Daily Net Tangible Asset Statement
21/05/2018	Daily Net Tangible Asset Statement
18/05/2018	Daily Net Tangible Asset Statement
17/05/2018	Daily Net Tangible Asset Statement
16/05/2018	Daily Net Tangible Asset Statement
15/05/2018	Daily Net Tangible Asset Statement
14/05/2018	Daily Net Tangible Asset Statement
14/05/2018	Monthly Investment Update and NTA Report
11/05/2018	Daily Net Tangible Asset Statement
10/05/2018	Daily Net Tangible Asset Statement
09/05/2018	Daily Net Tangible Asset Statement
08/05/2018	Daily Net Tangible Asset Statement
07/05/2018	Daily Net Tangible Asset Statement
04/05/2018	Daily Net Tangible Asset Statement
03/05/2018	Daily Net Tangible Asset Statement
02/05/2018	Daily Net Tangible Asset Statement
01/05/2018	Daily Net Tangible Asset Statement

DATE	DESCRIPTION OF ANNOUNCEMENT
30/04/2018	Daily Net Tangible Asset Statement
27/04/2018	Daily Net Tangible Asset Statement
26/04/2018	Daily Net Tangible Asset Statement
24/04/2018	Daily Net Tangible Asset Statement
23/04/2018	Daily Net Tangible Asset Statement
20/04/2018	Daily Net Tangible Asset Statement
19/04/2018	Daily Net Tangible Asset Statement
18/04/2018	Daily Net Tangible Asset Statement
17/04/2018	Daily Net Tangible Asset Statement
16/04/2018	Change of Director's Interest Notice - N Fox
16/04/2018	Change of Director's Interest Notice - C Feldmanis
16/04/2018	Change of Director's Interest Notice - V Malley
16/04/2018	Daily Net Tangible Asset Statement
13/04/2018	Daily Net Tangible Asset Statement
13/04/2018	Monthly Investment Update and NTA Report
12/04/2018	Daily Net Tangible Asset Statement
11/04/2018	Appendix 3B
11/04/2018	Daily Net Tangible Asset Statement
10/04/2018	Daily Net Tangible Asset Statement
09/04/2018	Daily Net Tangible Asset Statement
06/04/2018	Daily Net Tangible Asset Statement
05/04/2018	Daily Net Tangible Asset Statement
04/04/2018	Update - Dividend/Distribution - PIC
04/04/2018	Daily Net Tangible Asset Statement
03/04/2018	Daily Net Tangible Asset Statement
29/03/2018	Daily Net Tangible Asset Statement
28/03/2018	Daily Net Tangible Asset Statement
27/03/2018	Daily Net Tangible Asset Statement
26/03/2018	Daily Net Tangible Asset Statement
23/03/2018	Daily Net Tangible Asset Statement
22/03/2018	Daily Net Tangible Asset Statement
21/03/2018	Daily Net Tangible Asset Statement
20/03/2018	Daily Net Tangible Asset Statement
19/03/2018	Daily Net Tangible Asset Statement
16/03/2018	Daily Net Tangible Asset Statement

DATE	DESCRIPTION OF ANNOUNCEMENT
15/03/2018	Daily Net Tangible Asset Statement
14/03/2018	Daily Net Tangible Asset Statement
14/03/2018	Monthly Investment Update and NTA Report
13/03/2018	Daily Net Tangible Asset Statement
12/03/2018	Daily Net Tangible Asset Statement
09/03/2018	Daily Net Tangible Asset Statement
08/03/2018	Daily Net Tangible Asset Statement
07/03/2018	Daily Net Tangible Asset Statement
07/03/2018	1H18 Results Investor Update
06/03/2018	Daily Net Tangible Asset Statement
05/03/2018	Daily Net Tangible Asset Statement
02/03/2018	Daily Net Tangible Asset Statement
01/03/2018	Daily Net Tangible Asset Statement
28/02/2018	Daily Net Tangible Asset Statement
27/02/2018	Daily Net Tangible Asset Statement
26/02/2018	Daily Net Tangible Asset Statement
22/02/2018	Daily Net Tangible Asset Statement
21/02/2018	Daily Net Tangible Asset Statement
20/02/2018	Daily Net Tangible Asset Statement
19/02/2018	Daily Net Tangible Asset Statement
19/02/2018	Key Dates for 2018
19/02/2018	Dividend/Distribution - PIC
19/02/2018	Media Release - HY18 Results
19/02/2018	Half-year Report and Accounts
19/02/2018	Half-year Report (Appendix 4D)
16/02/2018	Daily Net Tangible Asset Statement
15/02/2018	Daily Net Tangible Asset Statement
14/02/2018	Daily Net Tangible Asset Statement
14/02/2018	Teleconference for Half Year Results
14/02/2018	Monthly Investment Update and NTA Report
13/02/2018	Daily Net Tangible Asset Statement
12/02/2018	Daily Net Tangible Asset Statement
09/02/2018	Daily Net Tangible Asset Statement
08/02/2018	Daily Net Tangible Asset Statement
07/02/2018	Daily Net Tangible Asset Statement

DATE	DESCRIPTION OF ANNOUNCEMENT
06/02/2018	Daily Net Tangible Asset Statement
05/02/2018	Daily Net Tangible Asset Statement
02/02/2018	Daily Net Tangible Asset Statement
01/02/2018	Daily Net Tangible Asset Statement
30/01/2018	Daily Net Tangible Asset Statement
29/01/2018	Daily Net Tangible Asset Statement
25/01/2018	Daily Net Tangible Asset Statement
24/01/2018	Daily Net Tangible Asset Statement
23/01/2018	Daily Net Tangible Asset Statement
22/01//2018	Daily Net Tangible Asset Statement
19/01/2018	Daily Net Tangible Asset Statement
18/01/2018	Daily Net Tangible Asset Statement
17/01/2018	Daily Net Tangible Asset Statement
16/01/2018	Daily Net Tangible Asset Statement
15/01/2018	Daily Net Tangible Asset Statement
12/01/2018	Daily Net Tangible Asset Statement
12/01/2018	Monthly Investment Update and NTA Report
11/01/2018	Daily Net Tangible Asset Statement
10/01/2018	Daily Net Tangible Asset Statement
09/01/2018	Daily Net Tangible Asset Statement
08/01/2018	Daily Net Tangible Asset Statement
05/01/2018	Daily Net Tangible Asset Statement
04/01/2018	Daily Net Tangible Asset Statement
03/01/2018	Daily Net Tangible Asset Statement
02/01/2018	Daily Net Tangible Asset Statement
29/12/2017	Daily Net Tangible Asset Statement
28/12/2017	Daily Net Tangible Asset Statement
27/12/2017	Daily Net Tangible Asset Statement
22/12/2017	Daily Net Tangible Asset Statement
21/12/2017	Daily Net Tangible Asset Statement
20/12/2017	Daily Net Tangible Asset Statement
19/12/2017	Daily Net Tangible Asset Statement
18/12/2017	Daily Net Tangible Asset Statement
18/12/2017	Daily Net Tangible Asset Statement
15/12/2017	Daily Net Tangible Asset Statement
14/12/2017	Daily Net Tangible Asset Statement
14/12/2017	Monthly Investment Update and NTA Report

DATE	DESCRIPTION OF ANNOUNCEMENT
13/12/2017	Daily Net Tangible Asset Statement
12/11/2017	Daily Net Tangible Asset Statement
11/12/2017	Daily Net Tangible Asset Statement
08/12/2017	Daily Net Tangible Asset Statement
07/12/2017	Daily Net Tangible Asset Statement
06/12/2017	Daily Net Tangible Asset Statement
05/12/2017	Daily Net Tangible Asset Statement
04/12/2017	Daily Net Tangible Asset Statement
01/12/2017	Daily Net Tangible Asset Statement
30/11/2017	Daily Net Tangible Asset Statement
29/11/2017	Daily Net Tangible Asset Statement
28/11/2017	Daily Net Tangible Asset Statement
27/11/2017	Daily Net Tangible Asset Statement
24/11/2017	Daily Net Tangible Asset Statement
23/11/2017	Key Dates 2018
23/11/2017	Daily Net Tangible Asset Statement
22/11/2017	Daily Net Tangible Asset Statement
21/11/2017	Daily Net Tangible Asset Statement
20/11/2017	Initial Director's Interest Notice - D Lane
20/11/2017	Final Director's Interest Notice - G Lloyd
20/11/2017	New Executive Director
17/11/2017	Daily Net Tangible Asset Statement
16/11/2017	Daily Net Tangible Asset Statement
15/11/2017	Daily Net Tangible Asset Statement
14/11/2017	Daily Net Tangible Asset Statement
14/11/2017	Monthly Investment Update and NTA Report
13/11/2017	Daily Net Tangible Asset Statement
10/11/2017	Daily Net Tangible Asset Statement
09/11/2017	Daily Net Tangible Asset Statement
08/11/2017	Daily Net Tangible Asset Statement
07/11/2017	Daily Net Tangible Asset Statement
06/11/2017	Daily Net Tangible Asset Statement
03/11/2017	Daily Net Tangible Asset Statement
02/11/2017	Daily Net Tangible Asset Statement
02/11/2017	AGM - Results of Meeting
02/11/2017	Investor Update

DATE	DESCRIPTION OF ANNOUNCEMENT
02/11/2017	AGM – Chairman's Address and presentation slides
01/11/2017	Daily Net Tangible Asset Statement
31/10/2017	Daily Net Tangible Asset Statement
30/10/2017	Daily Net Tangible Asset Statement
27/10/2017	Daily Net Tangible Asset Statement
26/10/2017	Daily Net Tangible Asset Statement
25/10/2017	Daily Net Tangible Asset Statement
24/10/2017	Daily Net Tangible Asset Statement
23/10/2017	Daily Net Tangible Asset Statement
20/10/2017	Daily Net Tangible Asset Statement
19/10/2017	Daily Net Tangible Asset Statement
18/10/2017	Daily Net Tangible Asset Statement
17/10/2017	Daily Net Tangible Asset Statement
16/10/2017	Daily Net Tangible Asset Statement
13/10/2017	Daily Net Tangible Asset Statement
13/10/2017	Monthly Investment Update and NTA Report
12/10/2017	Daily Net Tangible Asset Statement
11/10/2017	Daily Net Tangible Asset Statement
10/10/2017	Daily Net Tangible Asset Statement
09/10/2017	Daily Net Tangible Asset Statement
06/10/2017	Daily Net Tangible Asset Statement
05/10/2017	Daily Net Tangible Asset Statement
04/10/2017	Investor Updates Invitation
04/10/2017	Daily Net Tangible Asset Statement
03/10/2017	Daily Net Tangible Asset Statement
03/10/2017	Daily Net Tangible Asset Statement
29/09/2017	Daily Net Tangible Asset Statement
28/09/2017	Daily Net Tangible Asset Statement
27/09/2017	Daily Net Tangible Asset Statement
27/09/2017	Notice of Annual General Meeting/ Proxy Form
26/09/2017	Daily Net Tangible Asset Statement
25/09/2017	Daily Net Tangible Asset Statement
22/09/2017	Daily Net Tangible Asset Statement
21/09/2017	Daily Net Tangible Asset Statement
20/09/2017	Daily Net Tangible Asset Statement
19/09/2017	Daily Net Tangible Asset Statement

DATE	DESCRIPTION OF ANNOUNCEMENT
18/09/2017	Daily Net Tangible Asset Statement
15/09/2017	Daily Net Tangible Asset Statement
14/09/2017	Daily Net Tangible Asset Statement
14/09/2017	Monthly Investment Update and NTA Report
13/09/2017	Daily Net Tangible Asset Statement
13/09/2017	Change of Director's Interest Notice – C Feldmanis
13/09/2017	Change of Director's Interest Notice – V Malley
13/09/2017	Change of Director's Interest Notice – N Fox
12/09/2017	Daily Net Tangible Asset Statement
11/09/2017	Daily Net Tangible Asset Statement
08/09/2017	Daily Net Tangible Asset Statement
08/09/2017	Appendix 3B
07/09/2017	Daily Net Tangible Asset Statement
06/09/2017	Daily Net Tangible Asset Statement
05/09/2017	Daily Net Tangible Asset Statement
04/09/2017	Daily Net Tangible Asset Statement
04/09/2017	Update – Dividend/Distribution – PIC
01/09/2017	Daily Net Tangible Asset Statement
31/08/2017	Daily Net Tangible Asset Statement
30/08/2017	Daily Net Tangible Asset Statement
29/08/2017	Daily Net Tangible Asset Statement
25/08/2017	Daily Net Tangible Asset Statement
24/08/2017	Daily Net Tangible Asset Statement
23/08/2017	Daily Net Tangible Asset Statement
22/08/2017	Daily Net Tangible Asset Statement
21/08/2017	Daily Net Tangible Asset Statement
21/08/2017	Appendix 4E – correction to hyperlinks
21/08/2017	Appendix 4G
21/08/2017	Corporate Governance Statement
21/08/2017	FY2017 Results

Copies of all documents lodged with ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

Publicly available information about the Company is available at www.asx.com.au

13.2 DIRECTORS' INTERESTS

As at the date of this Prospectus, the Directors have a relevant interest in securities of the Company, remuneration and the other interests as set out below.

DIRECTOR	CURRENT HOLDING	ENTITLEMENT
	SHARES	NEW SHARES
Nancy Fox	157,833	39,459
Virginia Malley	99,387	24,847
John Edstein	98,268	24,567
Christine Feldmanis	218,971	54,743
David Lane	0	0

The Directors intend to take up their Entitlement under the Entitlement Offer.

REMUNERATION PAID TO DIRECTORS IN THE TWO FINANCIAL YEARS PRIOR TO THE DATE OF THIS PROSPECTUS		
DIRECTOR	FY2018 ¹	FY2017 ¹
Nancy Fox ²	\$50,000	–
Peter Scott ²	–	\$50,000
Virginia Malley	\$40,000	\$40,000
John Edstein	\$40,000	\$40,000
Christine Feldmanis	\$40,000	\$40,000
David Lane ³	–	–
Geoff Lloyd ⁴	–	–
David Kiddie ⁴	–	–

¹ Includes superannuation.

² Peter Scott resigned as a director and chairman on 30 June 2017. Nancy Fox was appointed as a director and chairman on 1 July 2017.

³ David Lane was appointed as a director on 20 November 2017. David Lane is not entitled to Directors' fees or any other form of remuneration from the Company for his services. David Lane is remunerated by Perpetual Limited, the parent company of the Manager.

⁴ Geoff Lloyd resigned as a director on 20 November 2017 and David Kiddie resigned as a director on 23 September 2016. Geoff Lloyd and David Kiddie were not entitled to Directors' fees or any other form of remuneration from the Company for their services. They were each remunerated by Perpetual Limited, the parent company of the Manager.

Under the Constitution, each Director may be paid remuneration for ordinary services performed as a Director. The remuneration of any executive director may be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission or percentage of operating revenue. Under the Listing Rules the maximum fees payable to Directors may not be increased without prior approval from the Company at a general meeting.

The Directors are 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 at \$170,000 per annum (including superannuation) to be divided amongst them in such proportions as they agree;
- (b) Nancy Fox receives \$50,000 per annum and the other Directors (except for David Lane as noted below) receive \$40,000 per annum; and
- (c) David Lane is remunerated by Perpetual Limited, the parent company of the Manager, and will not be entitled to Directors' fees or any other form of remuneration from the Company for his services.

Other interests of the Directors include:

- (a) David Lane holds 4,687 long term incentive shares of Perpetual Limited;
- (b) John Edstein controls 600 ordinary shares of Perpetual Limited which are held by a family trust; and
- (c) Nancy Fox holds 3,300 ordinary shares of Perpetual Limited and is also a director of Perpetual Limited.

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.

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

- (a) 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 in connection with the Entitlement Offer and General Offer; or
- (b) 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 Entitlement Offer and General Offer.

13.3 INTERESTS OF PROMOTERS AND NAMED PERSONS

Except as disclosed in this Prospectus, no expert, promoter nor any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two-year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer and General Offer; or
- (c) the Entitlement Offer and General Offer.

KPMG Financial Advisory Services (Australia) Pty Ltd has acted as the Company's Investigating Accountant in connection with the Entitlement Offer and General Offer. In respect of this work, the Company will pay approximately \$75,000 exclusive of GST.

Mills Oakley has acted as Australian solicitors to the Entitlement Offer and General Offer. In respect of this work, the Company will pay approximately \$120,000 exclusive of GST. Subsequently, fees will be paid in accordance with normal hourly rates. Mills Oakley has not received fees for services to the Company in the two years prior to the date of this Prospectus.

Quigg Partners has acted as New Zealand solicitors to the Entitlement Offer and General Offer. In respect of this work, the Company will pay approximately \$3,500.

Further costs may be incurred in respect of KPMG, Mills Oakley and Quigg Partners in accordance with the terms of their engagement.

Commonwealth Securities Limited, Morgans Financial Limited and Taylor Collison Limited will act as Joint Lead Managers to the Entitlement Offer and General Offer. In respect of this work, the Joint Lead Managers will be paid a management fee of 1.2% (plus GST) of the total proceeds raised under the Offer in immediately available funds by 5.00pm on the settlement date of the Shortfall and General Offer, to be shared in equal proportions between the three Joint Lead Managers in accordance with the Offer Management Agreement.

Other fees payable under the Offer Management Agreement are:

- (a) a discretionary fee of up to 0.20% (plus GST) of the total Offer proceeds (in proportions at the sole discretion of the Company) within a reasonable time after completion of the Entitlement Offer and General Offer (taking into account various factors including the quality of the services and demand generated by each Joint Lead Manager); and
- (b) fees of 1.5% (plus GST) of the General Offer and Shortfall Offer proceeds and 1.0% (plus GST) on the Entitlement Offer proceeds (subject to a fee claim process). Broker fees will be paid on an allocation basis (whether from the Joint Lead Managers, Manager or third parties).

The Manager has agreed to pay all costs of the Offer. Refer to section 13.6 for further details regarding the payment of the costs of the Offer by the Manager.

13.4 MATERIAL CONTRACTS

The Joint Lead Managers have agreed to manage the Entitlement Offer and General Offer pursuant to the terms of an offer management agreement signed by each Joint Lead Manager, the Company and the Manager on the date of this Prospectus (**Offer Management Agreement**).

The obligations of the Joint Lead Managers are subject to a number of conditions precedent under the Offer Management Agreement.

The principal condition precedent to be satisfied as at the date of lodgement of this Prospectus with ASIC is that on or before 10:00am on the settlement date of the Shortfall Offer and General Offer, ASX:

- (a) not having indicated to the Company or the Joint Lead Managers that it will not grant permission for quotation of the New Shares; or
- (b) having indicated to the Company or the Joint Lead Managers that it will grant permission for quotation of the New Shares, subject to the customary pre-quotations listing conditions.

Under the Offer Management Agreement, the Company must pay:

- (a) (**Joint Lead Manager fees**) the Joint Lead Managers a management fee of 1.2% (plus GST) of the Offer proceeds in immediately available funds by 5.00pm on the settlement date of the Shortfall and General Offer, and fees of:
 - (i) 1.5% (plus GST) of the amount equal to the total number of New Shares in respect of which that Joint Lead Manager and its affiliates have received or procured Applications under the General Offer or Shortfall Offer, multiplied by the issue price, subject to a valid claim being made by such Joint Lead Manager;
 - (ii) 1.0% (plus GST) of the amount equal to the total number of New Shares in respect of which that Joint Lead Manager and its affiliates have received or procured Applications under the Entitlement Offer, multiplied by the issue price, subject to a valid claim being made by such Joint Lead Manager;
- (b) (**Co-lead managers, co-managers and broker fees**) fees of:
 - (i) 1.5% (plus GST) of the number of New Shares allotted and issued pursuant to Applications received or procured by the relevant co-manager, co-lead manager or broker under the General Offer or Shortfall Offer multiplied by the issue price, subject to a valid claim being made;
 - (ii) 1.0% (plus GST) of the number of New Shares allotted and issued pursuant to Applications received or procured by the relevant co-manager, co-lead manager or broker under the Entitlement Offer multiplied by the issue price, subject to a valid claim being made.

The Company may, at its sole discretion, also decide to pay the Joint Lead Managers an additional incentive fee of up to 0.20% (plus GST) of the Offer proceeds.

As is customary with these types of arrangements:

- (a) the Joint Lead Managers may appoint co-lead managers, co-managers and brokers to the Offer;
- (b) the Company and Manager have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer and content of this Prospectus;
- (c) the Company has agreed to indemnify each Joint Lead Manager, their affiliates and related bodies corporate, and their directors, officers, employees, agents and advisors against any claims or losses arising out of or in connection with the Offer, this Prospectus and other offer materials and the Offer Management Agreement; and
- (d) a Joint Lead Manager may terminate the Offer Management Agreement and be relieved of their obligations under the Offer Management Agreement in certain circumstances, including, but not limited to:
 - (i) this Prospectus or other disclosure document contains a statement that is or becomes misleading or deceptive, or otherwise fails to comply with all relevant laws or requirements;
 - (ii) the Company lodges a supplementary prospectus under section 719 of the Corporations Act;
 - (iii) ASIC issues or threatens to issue any proceeding or investigation in relation to the Offer;
 - (iv) any of the written consents in section 13.5 are withdrawn;
 - (v) there is, in the reasonable opinion of a Joint Lead Manager, an adverse change or any development involving a prospective adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company when compared to the position disclosed in this Prospectus;

- (vi) a director of the Company or the Manager is charged with an indictable offence or any regulatory body commences or announces that it intends to commence any public action against the director in their capacity as director of the Company or the Manager;
- (vii) the S&P/ASX All Ordinaries Index closes on any Business Day before the settlement of the Shortfall Offer and General Offer at a level that is 10% or more below the level of that index at the close of normal trading on ASX on the Business Day immediately preceding the date of the Offer Management Agreement and closes at or below that level:
 - (A) for at least two consecutive Business Days; or
 - (B) on the Business Day before the settlement date of the Shortfall Offer and General Offer;
- (viii) any event specified in the timetable is delayed for more than two Business Day without the prior written consent of the Joint Lead Managers;
- (ix) a change in the board of directors of the Company occurs;
- (x) any forecast or forward looking statement in the Offer materials becomes, in the reasonable opinion of a Joint Lead Manager, incapable of being met;
- (xi) there is a change in the ownership of the Manager;
- (xii) a change in Perpetual Investments Management occurs; or
- (xiii) the Management Agreement between the Company and the Manager is terminated or is able to be terminated.

13.5 CONSENTS

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC, withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context in which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statements and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statements and/or reports (if any) made in connection with their role as specified below and included in this Prospectus with the consent of that person.

NAME	ROLE
Mills Oakley	Australian Solicitors
Quigg Partners	New Zealand Solicitors
Perpetual Investment Management Limited	Manager
KPMG	Auditor
KPMG Financial Advisory Services (Australia) Pty Ltd	Investigating Accountant
Commonwealth Securities Limited	Joint Lead Manager
Morgans Financial Limited	Joint Lead Manager
Taylor Collison Limited	Joint Lead Manager and Authorised Intermediary
Link Market Services Limited	Share Registry

13.6 EXPENSES OF THE OFFER

Assuming Full Subscription, the total estimated expenses of the Entitlement Offer and General Offer are as set out below:

COST ⁴	(APPROXIMATELY) (\$)
Fundraising expenses	\$2,377,368
Legal fees	\$120,000
ASX fees	\$77,000
ASIC fees	\$3,206
Printing, postage and other expenses	\$132,095
Investigating Accountant	\$75,000
Total	\$2,784,669

⁴ Further costs may be incurred in respect of the legal fees and Investigating Accountant fees in accordance with the terms of engagement.

The Manager has agreed to pay on behalf of the Company all of the costs incurred in raising capital under the Entitlement Offer and General Offer. If the Offer does not proceed and the Company does not allot and issue ordinary shares pursuant to the Offer, the Manager agrees to pay, on behalf of the Company, all costs incurred in preparing the Offer.

If the Management Agreement is terminated during the initial term (i.e. before December 2019) or the extended term (i.e. before December 2024) of the Management Agreement the Company is required to pay to the Manager a payment equal to the amount of costs paid by the Manager *multiplied* by the number of days in the period from the date of termination to the last date of the extended term of the Management Agreement *divided* by the number of days from the “effective date” to the last day of the extended term under the Management Agreement. The “effective date” means the date that the Company allots and issues New Shares pursuant to the Offer (or where the Offer does not proceed, the date the Company would have allotted and issued the New Shares). The requirement to repay this amount does not apply where the Company has terminated the Management Agreement:

- (a) due to the Manager’s insolvency;
- (b) due to default or breach of its obligations under the Management Agreement;
- (c) where the Manager ceases to carry on business in relation to its activities as an investment manager;
- (d) where the Manager persistently fails to ensure that investments made on behalf of the Company are consistent with the investment strategy applicable at the time the investment is made; or
- (e) where the Manager’s AFSL is suspended for a period of not less than one month or is cancelled at any time and the Manager fails to obtain an authorisation enabling it to perform its obligations under the Management Agreement.

Accordingly, provided that the appointment of the Manager is not terminated during the initial term or the extended term of the Management Agreement, the costs of the Entitlement Offer and the General Offer will not impact the Company’s net tangible assets.

13.7 LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any legal proceedings pending or threatened against the Company.

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

Dated: 20 August 2018



Signed for and on behalf of
Perpetual Equity Investment Company Limited

Nancy Fox
Chairman

For personal use only

Where the following terms are used in this Prospectus they have the following meanings:

1H	1st half financial year.
2H	2nd half financial year.
\$, AUD or Dollars	Australian dollars unless otherwise stated.
ADST	Australian Daylight Savings Time.
AEST	Australian Eastern Standard Time
AFSL	Australian Financial Services Licence.
Applicant	a person who submits a valid Entitlement Offer and Acceptance Form or General Offer Application Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement Offer and Acceptance Form and/or a General Offer Application Form to subscribe for New Shares pursuant to this Prospectus.
Application Amount	the amount specified in the Entitlement Offer and Acceptance Form and/or the General Offer Application Form (as applicable) being the consideration for New Shares under the Entitlement Offer, Top-Up Facility, General Offer or Shortfall Offer (as applicable).
Application Form	an Entitlement Offer and Acceptance Form, the General Offer Application Form or the Online Application Form (as the context requires).
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Authorised Intermediary	Taylor Collison Limited ACN 008 172 450 (AFSL 247083).
Benchmark	S&P/ASX 300 Accumulation Index.
Board	the board of Directors of the Company.
Business Day	a day, other than a Saturday, Sunday or public holiday on which Australian banks are open for business in Sydney, Australia.
Closing Date	the date that the Entitlement Offer closes, which is 26 September 2018 and the date that the General Offer and Shortfall Offer closes, which is 28 September 2018 (as applicable).
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).
Director	a director of the Company.
Dividend Record Date	7.00pm (ADST) Friday 19 October 2018.
Eligible Shareholders	a Shareholder as at the Entitlement Offer Record Date with a registered address in Australia or New Zealand.
Entitlement	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Entitlement Offer	the non-renounceable pro rata offer to Eligible Shareholders of 1 New Share for every 4 Existing Shares at an issue price of \$1.12 per New Share to raise up to approximately \$71.24 million under this Prospectus.

Entitlement Offer and Acceptance Form	the Entitlement Offer and Acceptance Form accompanying this Prospectus.
Entitlement Offer Record Date	7.00pm (AEST) Thursday 23 August 2018.
Existing Share	a Share issued as at 7:00pm (AEST) on the Entitlement Offer Record Date.
Final Dividend	the dividend announced by the Company on or about 20 August 2018.
Full Subscription	approximately \$101.24 million.
FY	Financial year ended 30 June.
General Offer	the offer to the general public to subscribe for New Shares at an issue price of \$1.12 per New Share to raise up to \$30 million under this Prospectus and if the context requires the offer of New Shares under the Shortfall Offer.
General Offer Application Form	the General Offer application form accompanying this Prospectus.
Ineligible Shareholder	a Shareholder as at the Entitlement Offer Record Date who is not an Eligible Shareholder.
Investigating Accountant	KPMG Financial Advisory Services (Australia) Pty Ltd (ABN 43007363215).
Joint Lead Managers	Commonwealth Securities Limited (AFSL 238814), Morgans Financial Limited (AFSL 235410) and Taylor Collison Limited (AFSL 247083).
Listing Rules	the official Listing Rules of ASX as amended or waived from time to time.
Management Agreement	the management agreement between the Company and the Manager dated 7 October 2014 as amended from time to time.
Manager	Perpetual Investment Management Limited ACN 000 866 535 (AFSL 234426).
NTA	Net Tangible Assets.
New Shares	Shares offered under this Prospectus.
Offer	the offer made under this Prospectus to subscribe for New Shares.
Online Application Form	means the application form for New Shares pursuant to the Offer available on the Company's website.
Portfolio	the portfolio of investments held by the Company from time to time, to be managed in accordance with the Management Agreement.
Prospectus	this Prospectus and includes the electronic prospectus.
Share	a fully paid ordinary share in the Company.
Share Registry	Link Market Services Limited.
Shareholder	the registered holder of Shares in the Company.
Shortfall Offer	a facility where the remaining New Shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility are offered to investors, at the discretion of the Company and managed by the Joint Lead Managers.
Shortfall Shares	those New Shares for which valid Applications have not been received by the Closing Date under the Entitlement Offer.
Top Up Facility	the facility under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.
US Person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.

16.1 INTRODUCTION

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

- the historical Statement of Financial Position as at 30 June 2018, as extracted from the statutory financial statements of the Company for the year ended 30 June 2018 and lodged with ASX on 20 August 2018 (see section 16.2);
- the statutory financial statements for the year ended 30 June 2018 were audited by KPMG, who has issued an unqualified opinion;
- pro forma adjustments applied to the historical Statement of Financial Position as at 30 June 2018 as a result of both the Entitlement Offer and the General Offer (collectively, the **Offer**);
- the Pro Forma Statement of Financial Position incorporating the effect of the Offer and the Directors material assumptions as at 30 June 2018;
- Directors' material assumptions used in the preparation of the Pro Forma Statement of Financial Position (see section 16.3);
- Net Tangible Asset per share, pre and post-tax, as at 30 June 2018 on an actual and pro forma basis;
- sensitivities on the Net Tangible Asset per share, pre and post tax, as at 30 June 2018; and
- significant accounting policies of the Company (see section 16.4).

The Pro Forma Statement of Financial Position (**Pro Forma Financial Information**) has, except as otherwise noted, been prepared in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards Board (**AASBs**), which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board. 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 Financial reports prepared in accordance with the Corporations Act.

All amounts disclosed in this section are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest \$100,000. Any discrepancies between totals and sums of components in tables or figures contained in this section are due to rounding.

The Directors are responsible for the preparation and presentation of the Pro Forma Financial Information.

The 30 June 2018 Annual Report lodged with ASX can be found at the Company's website.

The Pro Forma Financial Information has been reviewed by KPMG Financial Advisory Services (Australia) Pty Ltd in their role as Investigating Accountant.

The information in this section should also be read in conjunction with the Risk Factors set out in section 11 and other information contained in this Prospectus.

16.2 PRO FORMA FINANCIAL INFORMATION

The Pro Forma Financial Information set out below has been derived from the statutory Historical Statement of Financial Position as at 30 June 2018, with pro forma adjustments made to reflect the capital structure of the Company and Net Tangible Assets per share, pre and post-tax, that will be in place following the completion of the Offer, as if they had occurred at 30 June 2018.

The Pro Forma Financial information is intended to be illustrative only and is not represented as being necessarily indicative of the Company's 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 with the principles and significant accounting policies set out in sections 16.1, 16.3 and 16.4 respectively.

TABLE 16.1 PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018	AUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 \$'000	PRO FORMA ADJUSTMENTS \$'000	PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 \$'000
ASSETS			
Cash and cash equivalents	69,093	101,244	170,337
Financial assets held at fair value through profit and loss	224,382	-	224,382
Receivables	1,590	-	1,590
Total Assets	295,065	101,244	396,309
LIABILITIES			
Current tax payable	(531)	-	(531)
Payables	(388)	-	(388)
Deferred tax liability	(4,159)	-	(4,159)
Total Liabilities	(5,078)	-	(5,078)
Net Assets	289,987	101,244	391,231
EQUITY			
Contributed Equity	249,861	101,244	351,105
Retained Earnings	10,403	-	10,403
Profit Reserve	29,723	-	29,723
Total Equity	289,987	101,244	391,231
Net Tangible Asset (pre-tax) per share	1.156	-	1.147
Net Tangible Asset (post-tax) per share	1.139	-	1.135

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SENSITIVITIES

As the Entitlement Offer and General Offer is not underwritten, there is the possibility that less than the full issue will be taken up. The effect on the Pro Forma Statement of Financial Position of this scenario is to reduce cash and contributed equity on a dollar for dollar (\$) basis.

The impact on the Net Tangible Asset per share under various scenarios of the take up of the Offer is shown below as at 30 June 2018.

TABLE 16.2 SENSITIVITIES - NET TANGIBLE ASSET PER SHARE	% OFFER TAKE UP		
	100%	75%	50%
Net Tangible Asset per share (pre-tax)	1.147	1.148	1.151
Net Tangible Asset per share (post-tax)	1.135	1.136	1.137

16.3 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:

- application of the significant accounting policies set out in section 16.4;
- the Pro Forma Statement of Financial Position has been prepared on the basis that 100% of both the Entitlement and General Offer have been taken up;
- the Pro Forma Statement of Financial Position has been prepared on the basis that the Entitlement Offer issue price is \$1.12 and General Offer issue price is \$1.12. This results in 90,396,446 shares issued on new contributed equity of \$101.24 million, above the 254,442,926 shares on issue as at 30 June 2018, a total of 344,839,372 shares post completion of the Offer; and
- all expenses of the Offer are paid by the Manager.

On 20 August 2018, the Directors of the Company declared a fully franked final dividend payment of 3.3 cents per share payable on 2 November 2018. The effect of the dividend has not been included in the Pro Forma Statement of Financial Position as at 30 June 2018.

The Manager has agreed to pay all costs incurred in relation to the Offer. If the Management Agreement is terminated during the initial or extended term, then in certain circumstances the Manager will be entitled to be reimbursed for these costs.

16.4 SIGNIFICANT ACCOUNTING POLICIES

The Pro Forma Financial Information has been prepared on the basis of the same accounting policies as disclosed in the Company's latest annual report which can be found at the Company's website.

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General Offer Application Form

This is an Application Form for New Shares in Perpetual Equity Investment Company Limited under the General Offer on the terms set out in the Prospectus dated 20 August 2018 and relates to the offer of 26,785,715 New Shares made under the Prospectus to the general public with a registered address in Australia or New Zealand to subscribe for New Shares at the offer price of \$1.12 per New Share. You may apply for a minimum of 2,000 New Shares and multiples of 100 New Shares thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (AEST) on 28 September 2018**.

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

Shares applied for at **A\$1.12** Price per Share Application Monies **B A\$**

(minimum 2,000 Shares, thereafter in multiples of 100 Shares)

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)

CHES HIN (if you want to add this holding to a specific CHES holder, write the number here)

X **+**

Please note: that if you supply a CHES HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHES, your Application will be deemed to be made without the CHES HIN and any Shares 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 - Offer Account”** 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 (AEST) on 28 September 2018 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

PIC IPO001



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Your Guide to the 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 New Shares to which this Application Form relates are Perpetual Equity Investment Company Limited ("PIC") New Shares. Further details about the New Shares are contained in the Prospectus dated 20 August 2018 issued by Perpetual Equity Investment Company Limited. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. While the Prospectus is current, Perpetual Equity Investment Company Limited will send paper copies of the 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 Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the New Shares. You should read the Prospectus before applying for New Shares.

- A** Insert the number of New Shares you wish to apply for. The Application must be for a minimum of 2,000 New Shares and thereafter in multiples of 100 New Shares. You may be issued all of the New Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of New Shares applied for by the issue price. 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 New Shares. 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 Perpetual Equity Investment Company Limited and the Share 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 New Shares will be issued to Perpetual Equity Investment Company Limited'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 - Offer Account**" 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.
If you receive a firm allocation of New Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEST) on 28 September 2018 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)

DECLARATION AND STATEMENT

By either returning the Application Form with payment to the Registry, or making payment received by Bpay@:

- you declare that you have received a copy of the Prospectus dated 20 August 2018 issued by Perpetual Equity Investment Company Limited and that you are eligible to participate in the General Offer;
- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations including those set out in section 8.12 of the Prospectus;
- you declare that all details and statements made by you are complete and accurate;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Perpetual Equity Investment Company Limited;
- you acknowledge that the Company will send you a paper copy of the Prospectus free of charge if requested during the currency of the Prospectus;
- you authorise the Company to complete and execute any documentation necessary to effect the issue of New Shares to you;
- you acknowledge that returning the Application Form with the Application Monies will constitute your offer to subscribe for New Shares and that no notice of acceptance of the Application will be provided; and
- you acknowledge that the Company retains absolute discretion to allocate any or all of the amount applied for above under the General Offer or the Shortfall Offer as those terms are defined in the Prospectus.

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.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. 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.

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2D Is this investment held by a public listed company, or a majority owned subsidiary of a public listed company (other than financial institutions)?

No – Go to question 2E

Yes – If registered with ASIC, what is the company's registration number?

What is the name of the public listed parent company if a majority owned subsidiary?

What is the name of the market or exchange where the company is listed?

What is the company's unique exchange code e.g. ASX Code, ticker code?

Your certification is complete once you sign at section 5

2E Is this investment held by or on behalf of an entity i.e. does the Account Designation include a reference to one or more entities (e.g. a family trust or partnership etc) as being the beneficial owner/s?

No – the account is held solely for the benefit of the registered holders who is/are entities

Yes – the account is held for the benefit of an entity

In both cases, go to section 3 - Entities

SECTION 3 – ENTITIES (If more than one entity, attach a separate sheet with the requested information)

Please select the option that best describes the entity. Provide the entity's Australian registration number (e.g. ACN, ABN, ARBN, ARSN) where applicable

The entity is best described as:

3A An entity or legal arrangement established under the laws of the United States (U.S.) or otherwise considered to be a resident of the U.S. for tax purposes
Go to question 4A

3B **Financial Institution (other than a U.S. financial institution)**

A financial institution includes the following entity types: a Depository Institution, an Investment Entity, a Specified Insurance Company or a Custodial Institution

What is your GIIN?

If your entity does not have a GIIN, select the Foreign Financial Institution (FFI) status that most applies:

Deemed Compliant Financial Institution

Non-Participating Financial Institution

Excepted Financial Institution

Other – please describe:

If registered in Australia, what is the entity's ACN, ABN, ARBN or ARSN?

Are you an Investment Entity located in a non-CRS participating jurisdiction and professionally managed by another financial institution?
Note: You can review the Automatic Exchange of Information (AEOI) guidance for non-CRS participating jurisdictions on the ATO website at: <https://www.ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/>

No - **Your certification is complete once you sign at section 5**

Yes – What is the non-CRS participating jurisdiction?

Go to question 4A

3C **Not a Financial Account**

If registered in Australia, what is the entity's ACN, ABN, ARBN or ARSN?

Certain accounts are not considered to be 'Financial Accounts' for the purposes of FATCA and CRS. These include:

- An Employee Share Scheme or Trust as defined in the Income Tax Assessment Act 1997
- An Escrow Account established in connection with a court order or judgment, or a sale, exchange, or lease of real or personal property where certain requirements have been met

Your certification is complete once you sign at section 5

3D **Exempt Beneficial Owner**

If registered in Australia, what is the entity's ACN, ABN, ARBN or ARSN?

Under FATCA and CRS, an Exempt Beneficial Owner includes:

- Australian government organisation or agency
- Reserve Bank of Australia
- International (including intergovernmental) organisation

Your certification is complete once you sign at section 5

3E **Non-Financial Entity (NFFE/NFE)**

If registered in Australia, what is the entity's ACN, ABN, ARBN or ARSN?

A NFE/NFFE includes the following entity types: a company that is NOT a financial institution, a partnership, a trust, a co-operative, association or club, or a charitable organisation etc.

Go to question 3F

3F Is your entity an active or a passive NFFE/NFE?

- (i) **Active NFFE/NFE**
The entity operates an active trade or business (other than a financial business) earning its income from providing services, or is engaged in producing, manufacturing or selling products or goods. Examples include: listed and regularly traded corporations, service providers, charities, primary producers, central banks and government agencies etc

Go to question 4A

- (ii) **Passive NFFE/NFE**
The entity earns 50% or more of its revenue from investment activities (e.g. rent, dividends, interest or distribution), or 50% or more of the entity's assets are used to generate investment income

Go to question 4A, 4B and 4C

SECTION 4 – TAX RESIDENCY DETAILS

4A Entity from question 3A and question 3E/3F

Please provide information about the entity's tax residency

Legal Name of Entity

Entity Street Address

Tax resident of Australia only?

- Yes – If the entity is a passive NFFE/NFE, **go to question 4B**
If the entity is an active NFFE/NFE, **go to section 5 - signing requirements**

No – Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency Country 2 Tax Residency Country 3 Tax Residency

TIN 1 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

TIN 2 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

TIN 3 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

4B Passive NFFE/NFE from question 3F(ii) and question 4A:

Are there any beneficial owners or controlling persons (including those with direct or indirect ownership of 25% or more) of the Passive NFFE/NFE who is a U.S. citizen, OR a resident for tax purposes in a country other than Australia? Controlling persons include the settlor, protector or appointer of a trust. All beneficiaries of a trust are considered to be controlling persons. In relation to a company or other entity, if there are no beneficial owners or controlling persons as described above, then the person who exerts ultimate control over the entity (e.g. has the authority to make financial, policy and operating decisions) is the controlling person.

- No – Your certification is complete once you sign at section 5
- Yes – Go to question 4C

4C Individuals from question 1B and Beneficial Owners and Controlling Persons from question 4B:

Complete the following information for each individual investor, or each individual beneficial owner or controlling person. If there are more than four individual investors, beneficial owners or controlling persons, please attach a sheet with the required information.

Individual 1:

Legal Name of Person Date of Birth (dd/mm/yyyy)

Residential Street Address

Tax resident of Australia only? Yes - Your certification is complete once you signed at section 5

No - Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency Country 2 Tax Residency Country 3 Tax Residency

TIN 1 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

TIN 2 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

TIN 3 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

Individual 2:

Legal Name of Person Date of Birth (dd/mm/yyyy)

Residential Street Address

Tax resident of Australia only? Yes - **Your certification is complete once you signed at section 5**
 No - Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency Country 2 Tax Residency Country 3 Tax Residency

TIN 1 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN
TIN 2 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN
TIN 3 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

Individual 3:

Legal Name of Person Date of Birth (dd/mm/yyyy)

Residential Street Address

Tax resident of Australia only? Yes - **Your certification is complete once you signed at section 5**
 No - Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency Country 2 Tax Residency Country 3 Tax Residency

TIN 1 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN
TIN 2 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN
TIN 3 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

Individual 4:

Legal Name of Person Date of Birth (dd/mm/yyyy)

Residential Street Address

Tax resident of Australia only? Yes - **Your certification is complete once you signed at section 5**
 No - Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency Country 2 Tax Residency Country 3 Tax Residency

TIN 1 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN
TIN 2 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN
TIN 3 OR County does not issue TINs OR TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

SECTION 5 – SIGNING REQUIREMENTS

The signatories declare that the certification provided on this form is correct to the best of his/her knowledge and belief. The signatories further acknowledge that they must re-certify if any of the information disclosed on this form changes or becomes invalid.

Investor/Individual 1 or Entity (Authorised Person)	Investor/Individual 2 or Entity (Authorised Person)	Investor/Individual 3 or Entity (Authorised Person)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary/Director/Trustee/Partner/Governing Member	Director/Company Secretary/Trustee/Partner/Governing Member	Date <input type="text"/> / <input type="text"/> / <input type="text"/>
Print Name	Print Name	Print Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Personal Information Collection Notification Statement: Link Group advises that the *Tax Laws Amendment (Implementation of the FATCA Agreement) Act 2014*, which inserted Division 396–FATCA into Schedule 1 of the Taxation Administration Act 1953 and Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 (Cth) which gave domestic legal effect to the CRS obligations by inserting Division 396-C Common Reporting Standard into the Taxation Administration Act 1953 (Cth), requires that organisations seek information about your residency and/or citizenship status for tax purposes. The personal information and self-certification collected complies with the requirements of the FATCA Intergovernmental Agreement (IGA) entered into between the Australian and United States governments and the OECD requirements relating to the CRS including the guidelines of the ATO. Some or all of your personal information may be disclosed to the Australian Taxation Office (ATO), the U.S. Internal Revenue Service (IRS) or other foreign competent tax authorities, or as required under other Australian law. For further information about Link’s privacy policy, visit our website at www.linkmarketservices.com.au

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CORPORATE DIRECTORY

DIRECTORS

Nancy Fox – Chairman
Virginia Malley
John Edstein
Christine Feldmanis
David Lane

COMPANY SECRETARIES

Sylvie Dimarco
Eleanor Padman

REGISTERED OFFICE

Level 18, 123 Pitt Street
Sydney NSW 2000

WEBSITE

www.perpetualequity.com.au

PHONE

(+61) 1800 421 712
Between 8.30am and 5.30pm (AEST)
Monday to Friday

JOINT LEAD MANAGERS

Commonwealth Securities Limited
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

Morgans Financial Limited
Level 21, Aurora Place
88 Phillip Street
Sydney NSW 2000

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

MANAGER

Perpetual Investment Management Limited
Level 18, 123 Pitt Street
Sydney NSW 2000
(AFSL 234426)

AUTHORISED INTERMEDIARY

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide SA 5000
(AFSL 247083)

SHARE REGISTRY

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

AUSTRALIAN SOLICITORS TO THE OFFER

Mills Oakley
Level 12, 400 George Street
Sydney NSW 2000

NEW ZEALAND SOLICITORS TO THE OFFER

Quigg Partners
Level 7, The Bayleys Building
36 Brandon Street
Wellington 6140
New Zealand

AUDITOR

KPMG
Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

INVESTIGATING ACCOUNTANT

KPMG Financial Advisory Services (Australia) Pty Ltd
Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

Perpetual