

INVESTMENT UPDATE AND NTA REPORT

FEBRUARY 2025

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 28 FEBRUARY 2025	AMOUNT
NTA after tax (cum dividend)	\$1.258
NTA before tax (cum dividend)	\$1.290

Daily NTA is available at www.perpetualequity.com.au

All figures are unaudited and approximate.

The before and after tax numbers relate to provisions for deferred tax on unrealised gains and losses of the Company's investment portfolio. As at 28 February 2025, the NTA after tax (ex dividend) was \$1.218 and the NTA before tax (ex dividend) was \$1.250. The ex dividend NTA figures are reduced by a provision for the 4.0 cents per share final dividend that was declared on 20 February 2025. The ex date for the final dividend is 12 March 2025 and payment date 4 April 2025.

NTA figures are calculated as at the end of day on the last business day of the month.

INVESTMENT PERFORMANCE

AS AT 28 FEBRUARY 2025	1 MTH	3 MTHS	6 MTHS	1 YR	3 YRS p.a.	5 YRS p.a.	7 YRS p.a.	10 YRS p.a.	SINCE INCEP p.a.
PIC Investment Portfolio <small>Net of fees, expenses and before tax paid</small>	-0.2%	-0.7%	3.0%	6.8%	4.9%	12.0%	9.4%	9.3%	9.3%
S&P/ASX 300 Acc Index	-3.8%	-2.6%	2.8%	9.7%	8.9%	8.8%	8.5%	7.5%	8.8%
Excess Returns	3.6%	1.9%	0.3%	-2.9%	-4.0%	3.2%	0.9%	1.8%	0.5%

Returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on unrealised gains and losses are excluded. 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.

TOP 10 STOCK HOLDINGS

COMPANY	PORTFOLIO WEIGHT
BHP Group Ltd	8.2%
Flutter Entertainment Plc	8.0%
Whitehaven Coal Limited	3.6%
GPT Group	3.5%
GWA Group Limited	3.5%
Sigma Healthcare Ltd	3.4%
Westpac Banking Corporation	3.3%
a2 Milk Company Limited	3.3%
ANZ Group Holdings Limited	3.2%
Bluescope Steel Limited	3.2%

Portfolio weight based on direct investments in securities and does not include any derivative exposure

KEY ASX INFORMATION

AS AT 28 FEBRUARY 2025

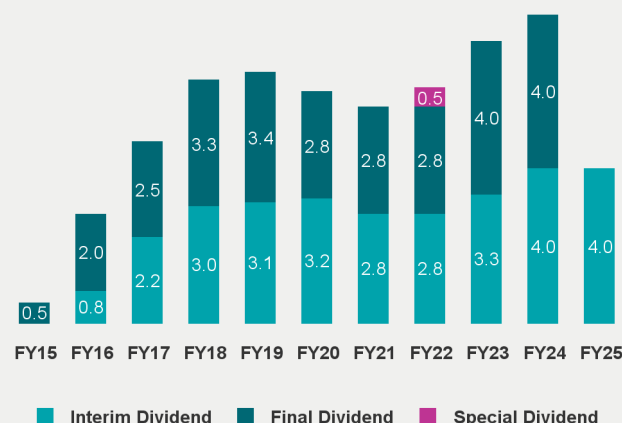
ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 September 2014
Market Capitalisation:	\$466 million
Share Price:	\$1.22
Shares on Issue:	381,867,088
Dividends:	Half-yearly
Management Fee	1.00% p.a.*
Manager	Perpetual Investment Management Limited

* exclusive of GST

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 6.6%

Grossed up annual dividend yield: 9.4%

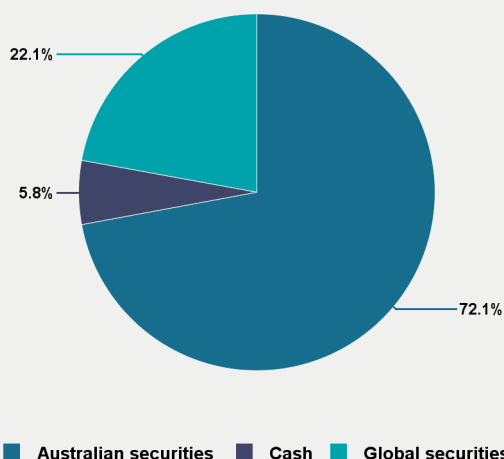


■ Interim Dividend ■ Final Dividend ■ Special Dividend

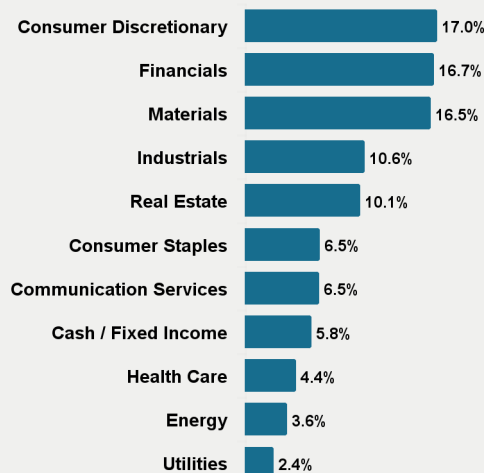
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of \$1.220 as at 28 February 2025. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS[^]

94.2% of capital invested in securities



PORTFOLIO SECTORS[^]



[^]Weightings calculated based on direct investments in securities and any indirect exposure via S&P /ASX 200 related derivatives. All figures are unaudited and approximate. Allocations may not sum to 100% due to rounding.

COMPANY NEWS

Appointment of Co-Portfolio Manager

On 7 March 2025, the Company announced the appointment of Sean Roger as Co-Portfolio Manager, working alongside current Portfolio Manager Vince Pezzullo. The ASX announcement can be viewed [here](#).

PORTFOLIO COMMENTARY

Market Commentary

The S&P/ASX300 Accumulation Index fell -3.8% in February, buffeted by wild swings as company results were reported. Large caps in particular disappointed, many of which were in relation to outlook rather than reported results. This reporting season also marked a major break in momentum with many companies that had had a strong run in the previous year struggling. Amongst the biggest reversals and share price falls were NAB (-12.1%), Wisetech (-27.7%), Cochlear (-19.0%) and Fortescue (-11.1%).

On a sector basis, Utilities (+3.2%), Communication Services (+2.8%) and Consumer Staples (+1.4%) performed best. Information Technology was the worst performing sector, falling -12.3%. Healthcare (-7.6%) and Real Estate (-6.2%) were also laggards. The sell-off in the market accelerated in the last half of the month in sympathy with a declining US market which increasingly worried about the frenetic and sometimes disruptive pace of White House initiatives, particularly in relation to tariffs.

Portfolio contributors

A2 Milk was the top contributor to returns in the PIC portfolio in February, with the stock rising 35.3%. The management team continues to demonstrate its ability to execute operationally through supply constraints and other external and market headwinds. The company reported a stronger than expected first half financial year 2025 (FY25) result and FY25 guidance was upgraded and implies that A2 Milk sales and margins will accelerate and expand further in the second half of the year. The strong sales growth and market share gains in early-stage products for A2 are a strong lead indicator for future sales growth and the shift in consumer purchasing towards English label product presents a relative tailwind for the company over the medium term.

We remain optimistic about A2 Milk, given its strong balance sheet, ongoing expansion into tier 2 and 3 cities in China, as well as the potential from the launch of new products and entry into new markets, all of which present substantial growth opportunities.

Light & Wonder contributed to performance over February, rising +22.6%, after reporting solid operational performance despite disruptions. U.S. gaming operations grew and were the highlight of the result, with units up 850 sequentially and ahead of market expectations. Management attributed slower growth in its Sciplay business to a live operations strategy misstep, now corrected. I-gaming performed in line, and Light & Wonder divested its live casino segment due to pricing pressure. The CY25 outlook remains positive, with double-digit EBITDA growth expected despite a softer Q1 due to international sales timing. During February, Light and Wonder also announced the acquisition of Grover Gaming, which provides a platform for Light & Wonder to enter the charity gaming market. Expansion into adjacent markets such as charity gaming enables the company to leverage its core content capability over a wider distribution footprint. Looking ahead, Light & Wonder continues on its growth trajectory, with favourable competitive dynamics and ongoing investments in content development capability supporting the medium term outlook.

PORTFOLIO COMMENTARY (continued)

Portfolio contributors (continued)

BlueScope Steel also contributed to performance in February, with its share price rising +15.4% as the company reported better than feared results and outlined its medium-term earnings outlook. This detail provided clarity to the market on expected returns from recent capital investments and earnings sensitivity on a return to mid-cycle end market conditions. The outcome was an earnings and free cash outcome ahead of market expectations. The performance of the downstream value added Colorbond brand in Australia was a highlight, delivering strong market share gains in a weak market. We were further encouraged by management delaying previously flagged midstream investment in the US. Steel pricing has reached a level where there is asymmetric upside potential, and we are observing recent trends with hot-rolled coil steel prices increasing in the US. BlueScope remains one of the highest quality steel producers globally, with a capable and experienced management team, low-cost US steel assets, and the Colorbond brand, which not only boosts margins but also represents a substantial overseas opportunity.

Portfolio detractors

Insurance Australia Group (IAG) detracted from relative performance as the share price fell -12.8% despite reporting a very strong net profit after tax. The company guided to a slower rate of premium rate growth into the 2H, which was taken as a signal we are nearing the end of the strong pricing environment. Despite this, there remains an opportunity for the firm to continue to take cost out and despite pricing growth moderating, easing claims inflation provides an environment for the company to continue to deliver earnings growth moving forward. We also favourably view IAG's Adverse Development Cover (ADC) strategy, designed to shield its existing reserves from significant fluctuations. A second layer of protection comes from a reinsurance arrangement focused on natural perils, which provides a buffer against the unpredictable costs of weather-related events. This arrangement is structured to cover most expected scenarios, helping to stabilise the company's claims expenses. Although this layered protection introduces upfront costs, it reduces financial impact over time and is expected to moderate earnings volatility, protect target margins, and enhance long-term returns by lowering capital strain.

The PIC portfolio has an overweight position to Myer Holdings which detracted from portfolio performance in February. Despite the market noise, we view the combination with Premier Investments apparel brands business, including brands Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E as favourable. We believe cost synergies are highly likely from the combination which could come from debt refinancing, cost of goods sold (COGS) sourcing, rent reductions, and cost of doing business (CODB) efficiencies, with additional optionality from internal margin initiatives. Revenue synergies, while harder to realise, could stem from integrating Apparel Brands online, expanding MyerOne, and store consolidation. The combination has created a leading omni-channel retail platform that brings enhanced scale and significant operating leverage benefits. Myer will also benefit from the expected addition of Retail Stalwart Solomon Lew's potential addition to the board.

Outlook

Equity markets had looked expensive going into February with Australian growth stocks, like their US counterparts, trading at elevated price-to-earnings ratios. Many of these stocks bore the brunt of the sell-off as the momentum dynamic that has underpinned markets for the last 18 months showed initial signs of reversing. Markets had broadly welcomed the pro-business Trump administration choosing to focus on a welcome agenda of tax cuts, de-regulation and budget savings which they expected would boost economic growth whilst also containing inflation. Meanwhile Trump's much vaunted love of tariffs was widely considered to be, in the most part, a bargaining tool in trade negotiations. However, there are some fears that headline-grabbing cuts to government spending could be increasingly hurting consumer sentiment whilst on-and-off tariffs on allies and close trading partners could be having a more profound pre-emptive impact on business confidence and supply side chains than fully appreciated. While markets overall remain expensive, there continues to be pockets of value in certain sectors of the market.

REMINDER: TAX CERTIFICATION COMPLETION

Under the Australian Government's participation in Automatic Exchange of Information (AEOI) regimes, PIC is required to collect CRS certification information and an investor's tax residency from shareholders. The information in certain circumstances may be reported to the Australian Taxation Office (ATO) which in turn reports to various global tax authorities.

Please check that you have completed your CRS certification by logging into the Link investor portal [here](#).

From there, under the Payments & Tax tab you will find 'CRS', where you can fill in the Self Certification. Completing this information online is straightforward as the questions will guide you, and in some instances, it is only a couple of steps.

If you do not certify, PIC may be required to provide information about your account to the ATO. For more information on the self-certification process via Link please click [here](#). For further information on FATCA and CRS, please visit [here](#).

WHY CHOOSE THE PERPETUAL EQUITY INVESTMENT COMPANY?

- Designed to deliver investors an income stream of **fully franked dividends**.
- **Active management** to vary the portfolio's exposure to equity market risk, and to enhance the value of the portfolio when opportunities arise both domestically and globally.
- **Flexibility** to invest up to 35% in global securities and up to 25% in cash for diversification with the intention to add returns above the benchmark, or to manage downside risk.
- Access to Perpetual's tried and tested **quality and value** investment process that assesses companies on 4 key quality criteria: quality of business, conservative debt, sound management and recurring earnings.
- **Depth and breadth** of Perpetual's investment team enables it to conduct extensive company visits each year and make decisions to invest in high quality and attractively valued securities based on fundamental, in-depth, bottom-up research.
- **Ease of access** as you can buy and sell PIC on the ASX.
- **Daily NTA published on the ASX** to provide transparency of the portfolio.

KEY FEATURES

INVESTMENT OBJECTIVE

The investment objective of the Company is to provide investors with an income stream and long-term capital growth in excess of its benchmark (the S&P/ASX 300 Accumulation Index) over minimum 5 year investment periods.

INVESTMENT STRATEGY

The Company's investment strategy is to create a concentrated and actively managed portfolio of Australian securities with typically a mid-cap focus and global listed securities. The Company will typically hold 20 to 40 securities.

50% - 100%	Australian listed securities
0% - 35%	Global listed securities
0% - 25%	Cash

Currency exposures may be hedged defensively, but no attempt is made to add value to the portfolio by actively managing currency. Derivatives are permitted.

ABOUT THE MANAGER

The Company's investment portfolio is managed by Perpetual Investment Management Limited, part of the Perpetual Group, who has a longstanding commitment to deliver superior outcomes over the long-term for clients. This is underpinned by its proven investment process that focuses on value and quality.



Vince Pezzullo
Co-Portfolio Manager
Head of Australia Equities,
Perpetual Asset Management Australia



Sean Roger
Co-Portfolio Manager

All investments are subject to risk which means the value of investments may rise or fall, which means that you may receive back less than your original investment or you may not receive income over a given time frame. Refer to announcements and other information for the Company lodged with the ASX, which is available at www.asx.com.au. A financial adviser can assist you in determining whether an investment in the Company is suited to your objectives, financial situation or needs.

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This report was prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. PIML is the Manager for the Perpetual Equity Investment Company Limited (Company) (ASX: PIC) ACN 601 406 419. This report is in summary form and is not necessarily complete. It should be read together with other announcements for the Company lodged with the ASX, which are available at www.asx.com.au.

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Neither the Company, PIML nor any company in the Perpetual Group guarantees the performance of, or any return on an investment made in, the Company. Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries.