

Dear Fellow Shareholders,

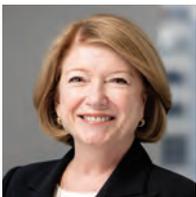
As you may have seen, on 23 February 2026 the Company released its results for the half year ended 31 December 2025, declaring a fully franked interim dividend of 4.0 cents per share, consistent with both the interim and final dividend payment in the 2025 financial year. Notably, this interim dividend translates to an annual dividend yield of 6.4% and a grossed-up dividend yield of 9.1%¹. We believe this represents attractive outcomes for our shareholders, especially when compared to the S&P/ASX 300 Accumulation Index dividend yield of 3% as at 31 December 2025³.

Over the six months to 31 December 2025, the Company's investment portfolio delivered a return of 5.5%, outperforming the benchmark by 1.5%⁴. Irrespective of the heightened geopolitical uncertainty and market volatility, the portfolio management team remains focused on identifying high quality, attractively valued securities using a proven investment process that can navigate through tougher operating environments.

After the payment of the 1H26 dividend, the profit reserve for the Company sits at \$68.4 million which provides 2.2 years dividend coverage². The Company's franking account balance of \$13.3 million also provides 1 year dividend coverage after the payment of the interim dividend². This provides a strong foundation for the ongoing delivery of a sustainable, long term stream of fully franked dividends to our shareholders.

Thank you for your ongoing support in PIC and I look forward to updating you in the future.

Yours sincerely,



Nancy Fox AM
Chairman

1H26 Dividend

4.0 cps fully franked FY26 interim dividend

6.4%¹ annual dividend yield

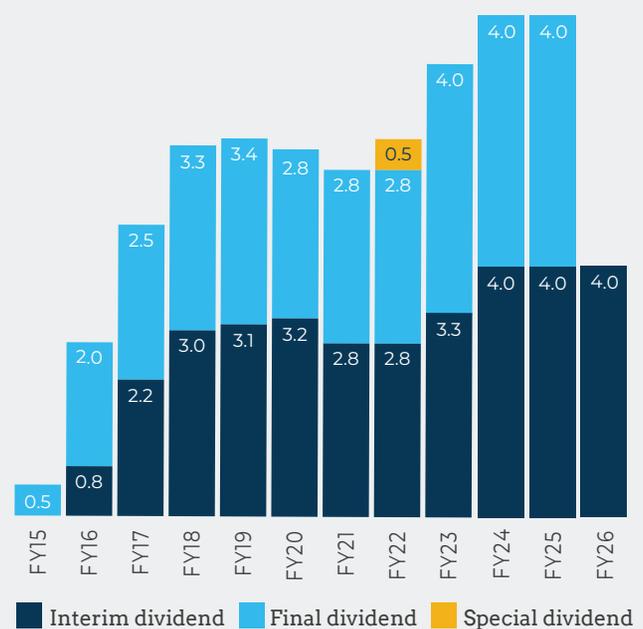
9.1%¹ grossed up dividend yield

Sustainable income

Profit reserve of 17.8 cents per share which provides for 2.2 years dividend coverage²

Franking account balance of 8.1 cents per share which provides for 1 year dividend coverage²

Fully franked dividends since inception in cents per share (cps)



Source: Perpetual

Portfolio Managers' update

In late 2025 and early 2026, stubborn inflation shifted rate expectations from cuts to rises, culminating in the largest large/small cap divergence in over a decade. Performance became highly concentrated in mega-cap Materials and Financials. Commonwealth Bank rallied strongly, with its valuation returning to historically elevated levels – around 26x forward earnings – even as Australian households face acute cost-of-living pressures and despite significant leverage in banking stocks.

The strength of the market leaders drove strong returns over for the S&P/ASX 300 in early 2026, peaking at the end of February before retreating sharply on developments in Iran. Beneath the headline strength, however, it has been one of the most complex environments for investors to navigate in recent memory - defined not by a steady upward trend but by sharp rotations, violent reversals and narrow leadership.

Against this backdrop, the opportunity set has shifted meaningfully. Mid and small-cap valuations appear as compelling as they have in years, cyclicals trade cheaply on a mid-cycle basis, and many high-quality businesses have been overlooked in the rush toward mega-cap "safety."

PIC entered the back half of 2025 skewed toward small-mid caps and cyclicals, which has driven recent underperformance. We have used recent volatility to increase exposure to holdings that have sold off despite having strong operational momentum and added new positions where we see risk asymmetrically skewed to the upside.

Current positioning remains focused on companies with tangible assets, resilient business models, and strong management teams - characteristics that offer meaningful protection in an environment still defined by uncertainty.

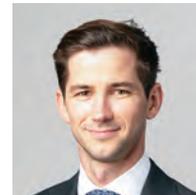
As at 28 February 2026, the PIC portfolio comprises 75.1% Australian listed securities, 19.4% global listed securities and 5.5% cash.

Thank you for your ongoing support in PIC.

Yours sincerely,



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



Sean Roger
PIC Co-Portfolio Manager

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- 1 Yield is calculated based on the dividends announced in the prior 12 months, being a total of 8.0 cents per share and the closing share price of \$1.250 as at 31 December 2025. Grossed up yield includes franking credits at a tax rate of 30%.
 - 2 Profit reserve of \$68.4 million and franking account balance of \$13.3 million as at 31 December 2025 after taking into account the payment of the interim dividend. The profit reserve equates to 17.8 cents per share and provides for 2.2 years dividend coverage based on a total dividend payment of 8.0 cents per share per annum. The franking account balance equates to 8.1 cents per share and provides for 1 year dividend coverage based on a total dividend payment of 8.0 cents per share per annum. This does not take into account any changes to share capital. No representation is made in relation to the payment of future dividends, which will be at the discretion of the Company's Board.
 - 3 Dividend yield is a 12-month trailing figure. Source: FactSet
 - 4 The benchmark is the S&P/ASX 300 Accumulation Index. Returns have been calculated on the growth of 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.
For details of the Company's investment performance, please visit <https://www.perpetualequity.com.au/tools-and-resources/research-reports>.

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