PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

INVESTMENT UPDATE AND NTA REPORT

MAY 2025

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 31 MAY 2025	AMOUNT
NTA after tax	$1.223
NTA before tax	$1.257

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

KEY ASX INFORMATION

AS AT 31 MAY 2025

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	$456 million
Share Price:	$1.19
Shares on Issue:	383,088,501
Dividends:	Half-yearly
Management Fee	1.00% p.a.*
Manager	Perpetual Investment Management Limited

* exclusive of GST

INVESTMENT PERFORMANCE

AS AT 31 MAY 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 Net of fees, expenses and before tax paid	3.3%	0.0%	-0.7%	6.0%	5.3%	11.3%	9.0%	9.1%	9.0%
S&P/ASX 300 Acc Index	4.2%	4.3%	1.6%	13.2%	9.3%	12.0%	9.0%	8.1%	9.0%
Excess Returns	-0.9%	-4.3%	-2.3%	-7.1%	-4.0%	-0.7%	0.0%	1.0%	0.0%

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.

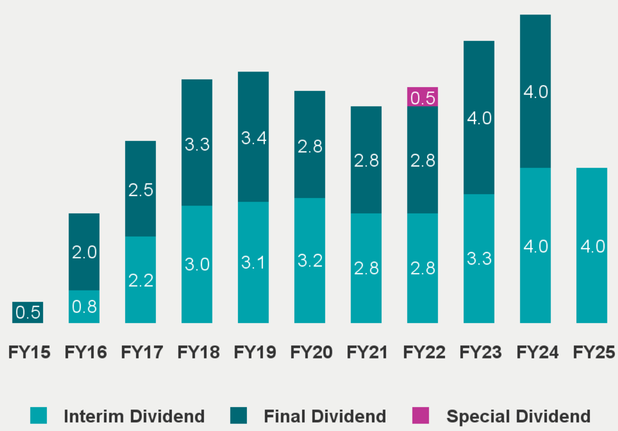
TOP 10 STOCK HOLDINGS

COMPANY	PORTFOLIO WEIGHT
BHP Group Ltd	8.5%
Flutter Entertainment Plc	8.2%
GPT Group	4.3%
GWA Group Limited	3.6%
Westpac Banking Corporation	3.5%
Howden Joinery Group PLC	3.4%
Aspen Group Limited	3.4%
EVT Limited	3.3%
Sigma Healthcare Ltd	3.2%
ANZ Group Holdings Limited	3.2%

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

DIVIDENDS IN CENTS PER SHARE

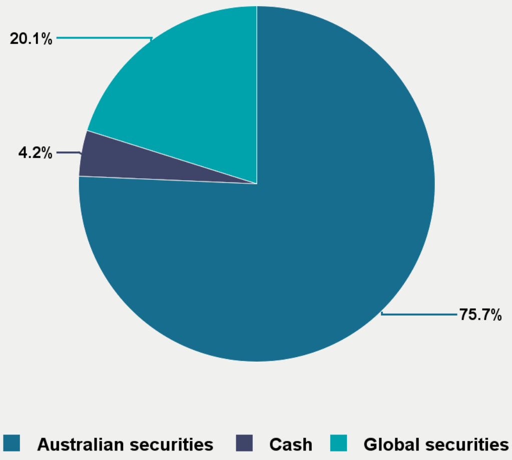
Annual dividend yield: 6.7%
Grossed up annual dividend yield: 9.6%



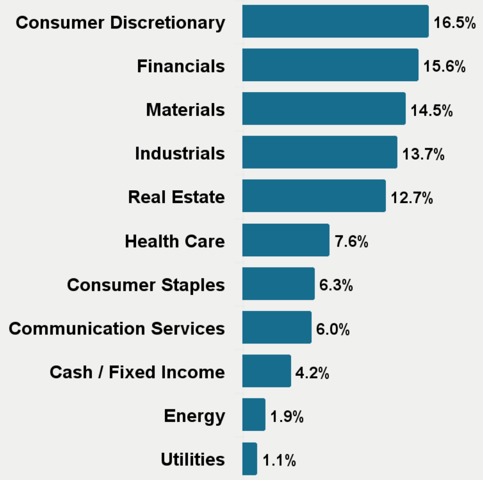
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.190 as at 31 May 2025. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^

95.8% 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.

PORTFOLIO COMMENTARY

Market Commentary

The S&P/ASX 300 Accumulation Index rose 4.2% in May, marking a strong rebound after April's tariff-driven sell-off. Global markets found relief as President Trump paused his sweeping tariff agenda, fuelling hopes that the so-called "Trump put" – the tendency to reverse course after market weakness – remains intact. The rally was further supported by stronger-than-expected US earnings, with more than 70% of S&P 500 companies beating estimates – helping risk sentiment recover. Locally, Information Technology (+18.8%) surged on AI optimism, while Energy (+8.7%) rebounded alongside firmer oil prices. Defensive sectors lagged as risk appetite returned, with Health Care (+1.4%), Consumer Staples (+1.2%) and Utilities (+0.3%) underperforming. Despite the rally, Australian forward earnings expectations softened further and gains were driven by valuation expansion, with the market's P/E multiple returning to recent highs at 18.6x. While valuations have risen and local earnings forecasts remain more measured than global peers, the environment continues to present selective opportunities – particularly for investors focused on quality, resilient business models and disciplined capital allocation.

Portfolio

The portfolio's largest overweight positions include Flutter Entertainment PLC, GPT Group, and GWA Group Limited. Conversely, the portfolio's largest relative underweight positions include Commonwealth Bank of Australia, National Australia Bank Limited, and Wesfarmers Limited – all of which are not held in the portfolio.

Contributors

The portfolio's overweight to EVT Limited contributed to relative performance over May (+15.0%), as the stock continued to appreciate despite the lack of announced news. We took a position in EVT when the share price reflected only the value of its property portfolio and attributed little to its operating businesses. A recovery in cinema earnings is underway, supported by an improving box office pipeline and growing spend per visitor. Operating leverage in cinemas remains underappreciated, particularly given the fixed-cost nature of the model. Meanwhile, the company's hotel and property assets offer embedded value, with planned divestments and strategic reviews acting as near-term catalysts. As earnings momentum builds and asset-level transparency improves, we maintain our conviction in EVT and believe the market will narrow the valuation gap implied by its current trading levels.

Cobram Estate Olives also contributed to portfolio performance in May, with the stock rising 9.2%. We visited CBO's Boort olive grove and bottling facility in Victoria, which reinforced the quality of Cobram's infrastructure – from well-managed groves to highly automated bottling facilities, which supports consistent production and positions the business well for scalable growth. With a large investment program now complete in Australia, maturation of olive groves over the next five years will drive substantial volume growth, improved margins and return on capital employed. Loyalty to the Cobram brand remains firm, underpinned by its freshness, provenance and sustainability credentials. Despite variable weather and cost pressures facing the broader agricultural sector, Cobram's strategic focus on innovation, efficiency and premiumisation offers resilience. Long-term demand tailwinds for extra virgin olive oil, along with Cobram's leading domestic market share and growing international footprint, provide a strong foundation for sustainable value creation. In the US, Cobram is laying foundations for long-term growth with early stage production, rising brand traction and increasing customer diversification. The business is identifying distressed but high-quality groves for potential acquisition, and while currently small, the US could become as profitable as Australia with modest share gains. The business remains well-positioned to compound earnings over time through operational leverage and brand-led growth.

PORTFOLIO COMMENTARY (continued)

Detractors

BlueScope detracted from portfolio performance in May, as the stock fell 4.7% on the back of Trump finally giving the greenlight to the US Steel and Nippon "partnership". Nippon promised extensive investment in the US to get the deal approved, promising to build a new steel mill, preserve existing steelworker jobs and potentially add more unionised roles. The approved deal was granted despite the steel lobby indicating that a US Steel revitalised with Nippon capital could force industry distress and lead to investment and job cuts from incumbents. While the finer details of Nippon's commitments are uncertain, the decision slows down the consolidation of the industry which is a key component of the long-term thesis of improving industry rationality, including capacity and pricing. Despite this, we are observing positive short-term trends, with hot-rolled coil steel prices increasing. BlueScope remains one of the highest-quality steel producers globally – with a capable management team, a significant asset in Port Kembla, and the Colorbond brand, which not only boosts margins but also represents a substantial overseas opportunity.

Select Harvests detracted from relative performance over May (-8.8%). The company released its first-half results for FY25, which pointed to a full-year result largely in line with market expectations after an update in April highlighted a lower-than-expected crop size. Approximately 60% of the current almond crop is committed for sale at attractive prices, with the remainder expected to support further debt reduction by year-end. The refinancing of debt facilities has mitigated short-term funding risks and working capital cycles remain seasonally predictable. The outlook for global pricing in the short and medium term remains highly favourable, with recent planted acreage reductions in California pointing to a constrained supply outlook.

Outlook

Markets are at a critical crossroads. Despite rising concern over the US debt and deficit – highlighted by talk of another "big, beautiful bill" that would further increase liabilities – equity markets remain surprisingly resilient. Bond vigilantes are showing signs of returning and fears about future inflation persist – and yet markets have quickly rebounded into growth and tech trades, reversing the sharp sell-off seen from February through to early April. To be fair, some of this optimism is supported by strong fundamentals, such as Nvidia's continued robust revenue growth.

However, a deeper shift appears to be underway. The global economy is entering a period of rebalancing and markets normally follow. US equity markets are still trading near peak valuations, with peak profit margins and a historically high US dollar – conditions that are rarely sustainable. Historically, similar peaks in 1985 and 2000 have marked turning points where global capital begins to flow toward regions offering more attractive valuations, often in emerging markets. Similarly in Australia, valuations at the top end of our market are extreme – especially for banks like CBA (now trading on a P/E of 28x NTM), tech, and large-cap industrials including defensives. While the earnings outlook can point to growth and be defensive, extreme multiples make such "expensive defensives" a risky place to be if markets pivot.

At the same time, the policy backdrop is shifting. The Trump Administration is focused on opening up global market access and challenging the use of currency policy and regulation as tools-of-trade suppression. In parallel, both the US and UK are moving toward banking deregulation to stimulate credit growth. Meanwhile, Germany is reflating its economy through structural reforms and a €500 billion defence and infrastructure fund. India is overtaking Japan to become one of the top three economies. Together, these forces point to an inflection point – for the global economy and for market leadership. Investors should be alert to the possibility that the next phase may look very different from the last, both for Australia and other world markets.

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.

CONTACT DETAILS

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