PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

INVESTMENT UPDATE AND NTA REPORT
JUNE 2026

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 30 JUNE 2026	AMOUNT
NTA after tax	$1.197
NTA before tax	$1.207

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 30 JUNE 2026

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	$455 million
Share Price:	$1.18
Shares on Issue:	385,264,407
Dividends:	Half-yearly
Management Fee	1.00% p.a.*
Manager	Perpetual Investment Management Limited

* exclusive of GST

INVESTMENT PERFORMANCE

AS AT 30 JUNE 2026	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	1.1%	6.9%	-2.6%	2.8%	5.6%	5.0%	8.7%	9.5%	8.7%
S&P/ASX 300 Acc Index	0.6%	4.1%	2.0%	6.2%	10.6%	7.6%	8.0%	9.4%	8.9%
Excess Returns	0.5%	2.7%	-4.6%	-3.4%	-4.9%	-2.5%	0.8%	0.0%	-0.2%

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.

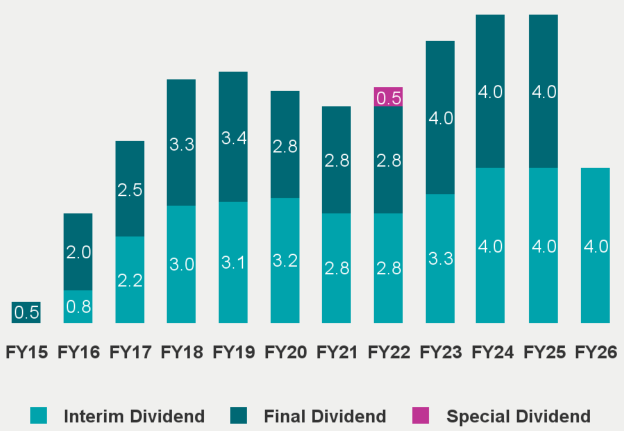
TOP 10 STOCK HOLDINGS

COMPANY	PORTFOLIO WEIGHT
Rio Tinto Limited	9.1%
Washington H. Soul Patt.	6.7%
News Corporation	5.3%
BHP Group Ltd	5.1%
Goodman Group	5.1%
Cobram Estate Olives Ltd.	4.7%
Aspen Group Limited	3.9%
Ramsay Health Care Limited	3.1%
Howden Joinery Group PLC	2.7%
Mainfreight Limited	2.6%

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

DIVIDENDS IN CENTS PER SHARE

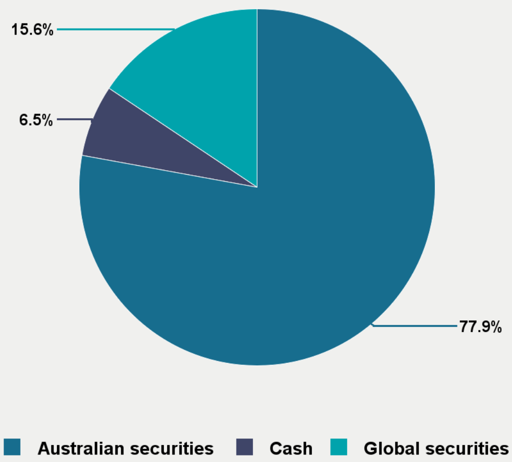
Annual dividend yield: 6.8%
Grossed up annual dividend yield: 9.7%



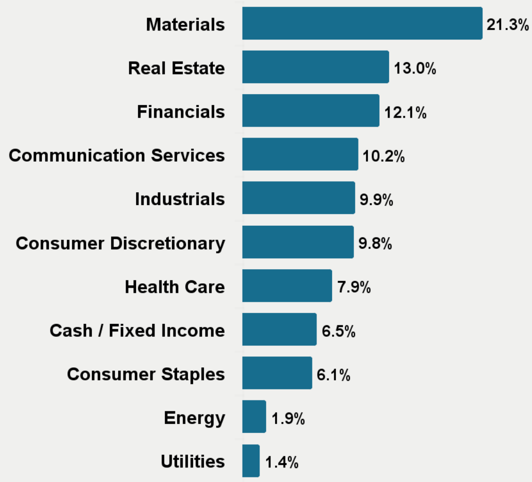
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.180 as at 30 June 2026. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^

93.5% 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 finished modestly higher for a third straight month, with a 0.60% gain, though it remained below February's record high. Early weakness reversed mid-month as the US–Iran peace agreement eased geopolitical tensions and lowered oil prices, lifting global risk sentiment. A more hawkish Fed drove the AUD to a three-month low against the greenback, its worst monthly performance since December 2024. Sector leadership favoured defensives and consumer-facing names: Consumer Staples (+12.5%) and Health Care (+12.5%) topped returns, followed by Consumer Discretionary (+11.7%), supported by an easing of the rate outlook. Materials (-6.8%) and Energy (-9.0%) lagged as the stronger dollar weighed on commodities, with gold down ~12.1% and iron ore pressured by China Mineral Reources Group pricing disputes and rising Simandou supply. Domestically, the RBA held rates at 4.35%, citing tightening financial conditions, weakening property markets and a slowing economy consistent with expectations.

Portfolio

The portfolio's largest overweight positions include Rio Tinto, Washington H. Soul Pattinson and News Corporation. Conversely, the portfolio's largest relative underweight positions include CBA and Westpac, both of which were not held, and BHP.

Contributors

A2 Milk Company (A2M-AU)

After a difficult April and May, the a2 Milk Company rebounded strongly, returning 39.3% in June. The share price had been under pressure post an earnings downgrade driven by shortages of its China label infant formula product which had been impacted by a product recall, customs clearance delays and supply issues stemming from Synlait's reduced capacity following the sale of its North Island factory. Negative sentiment prevailed, with some analysts cutting price targets as low as $3.80 in early June, implying a further 30% downside from the share price at the time. We believed the market had become overly pessimistic and we added to our exposure this month.

The recovery during June was primarily driven by improved product availability of the China label infant formula in market, instilling confidence that the company was on a pathway to return to full supply. The stock was then buoyed by news that it had received final approval from the State Administration for Market Regulation (SAMR) to transition two China label infant milk formula (IMF) product registrations, acquired with the A2 Pokeno facility, to A2 branded products. The announcement also cleared the way for a NZ$300 million special dividend to be paid, which had been contingent on the regulatory approval. The SAMR approval marks a significant milestone in A2M's China growth strategy and supply chain transformation, supporting long-term growth in the core IMF business, accelerating advanced nutritional manufacturing capability and significantly reducing reliance on Synlait's Dunsandel facility in Canterbury.

Ramsay Health Care (RHC-AU)

Ramsay Health Care returned 18.6% in June, its largest monthly return in over three years and its second gain above 18% in 2026. While there was no company specific news out during the month, the stock was buoyed by the broader rally in the Health Care sector, with the S&P/ASX 200 Health Care Index rising 13.3% over the period. Although it is difficult to isolate a single driver, the sector was likely supported by money flowing out of banks and resources where earnings revisions turned negative.

Industry data points suggest volume growth has slowed from the first half trends however, we expect RHC has benefitted from key competitor challenges and ongoing strong price recovery from the private health insurers.

Looking ahead, we believe the Ramsay self-help story still has plenty of room to run. There is significant opportunity to improve operating performance and asset productivity in the Australian division, provided management maintain a sensible approach to capacity and utilisation. On that basis, return on invested capital should trend higher and the share price should follow.

James Hardie Industries (JHX-AU)

Following the onset of the US-Iran conflict, sentiment turned sharply negative for cyclical names such as JHX, with the share price falling 23.7% from $34.22 over March, as the conflict threatened to inflate and sustain affordability headwinds. As the share price fell, we saw the risk-reward becoming significantly skewed to the upside and steadily added to our position in the mid-to-high twenties.

Fast forward through May and June, and the stock returned 9.69% and 19.64% respectively, driven by de-escalation in the Middle East, which saw energy prices revert and inflationary expectations decline. This provides hope that key mortgage interest rates can compress to levels that stimulate demand. Alongside the ongoing undersupply in the US housing market, this leaves the longer-term outlook for JHX looking increasingly positive. As a vertically integrated business, JHX carries significant operating leverage, meaning earnings can grow disproportionately as volumes improve. Combined with the potential for the multiple to re-rate toward mid-cycle levels, this provides potential for significant upside to the share price.

PORTFOLIO COMMENTARY (continued)

Detractors

Wesfarmers (WES-AU)

The biggest detractor to performance during the month was the underweight in Wesfarmers. Wesfarmers held a strategy briefing day on June 10 at which it outlined its strategic plans for each business unit. While no financials or trading update were provided, the focus was on the potential for top-line growth in each division, along with investment in the digital/omni-channel platform expected to drive efficiency gains over time. In our view, a bigger driver of the share price strength during the month was positive EPS revisions from sell-side brokers, driven largely by the mark-to-market impact of higher spodumene prices on Wesfarmers' WesCEF division. This was especially the case given negative revisions across other key constituents of the top 20 (banks, resources, health care) over the same period, which likely sharpened the market's focus on Wesfarmers' relative earnings momentum.

Wesfarmers is an attractive conglomerate, underpinned by two high-quality businesses in Bunnings and Kmart, both of which continue to deliver solid growth despite being highly penetrated in the Australian market from a store footprint perspective. The steady earnings growth of these businesses, combined with the diversification offered by the group's other divisions, has allowed Wesfarmers to deliver relatively consistent earnings growth and strong dividend income to shareholders over the past five years in particular.

Despite these features, Wesfarmers is not currently held, primarily due to its unattractive valuation relative to its earnings growth potential. The stock is currently trading on a 36x FY26 PE and a 2.4% dividend yield. Despite the attractiveness of Bunnings in particular, the implied valuation of the group, once the lower quality of Officeworks and WesCEF is factored in, suggests investors are being asked to pay a greater than 40x PE multiple for business delivering approximately 5% EBIT growth. On a fundamental basis, we see materially more attractive value elsewhere in the market.

Fox Corporation (FOX-US)

Fox Corporation returned -15.24% (in AUD terms) during the month of June, following the announcement of a US$22 billion acquisition of leading US streaming platform Roku. Fox outlined the strategic rationale as materially increasing the scale and reach of both businesses. Fox brings its leadership in News and Sports content, while Roku brings a platform connected to 100 million global streaming households and reaching over half of US broadband households. Synergies are expected to come from the broader distribution of Fox content across the Roku platform, as well as greater efficiency in advertising revenue management. Further, given ongoing structural headwinds facing cable subscriptions and linear distribution, the transaction will see over 30% of group revenue driven by the digital, high-growth platforms of Roku and Tubi.

While the strategic merit outlined above makes sense, the initial shareholder response likely reflects the size of the deal, the increase in balance sheet debt required to fund it, and the material shift it represents in the company's overall makeup. As is often the case with large, transformational deals, it will take time for the market to digest and for the company to demonstrate the merits of the transaction.

In our view, Fox's capital allocation and strategy over the past 5-7 years have been excellent. The company maintained discipline at a time when most competitors were spending considerable capital on startup streaming platforms, while also returning significant capital to shareholders through accretive buybacks.

Putting all this together – a sound logic behind the deal, an overly negative initial share price reaction, and a management team with a strong track record of disciplined capital allocation leave risk reward skewed to the upside. While there is strong value appeal, position sizing reflects the likely elongated digestion period given the size of the deal and the timeline to deal close.

Outlook

Domestic and international markets continue to be dominated by macro themes – the Middle East conflict, AI disruption and the infrastructure build out that follows, and their combined impact on the inflation and interest rate outlook. Volatility remains elevated at a sector and stock level. Equity markets have been subdued in recent months following a rotation that saw Materials and Energy outperform over the financial year while Health Care was hit hard, a divergence we believe is now highlighting opportunities.

Domestically, consumer discretionary and housing sectors are under pressure from recent rate increases and weaker confidence following budget changes to negative gearing and capital gains tax treatment. Auction clearance rates have stayed low for several weeks, with Sydney and Melbourne often slipping below 45%, consistent with a declining market. The risk for the broader economy is that this becomes entrenched, with flow-on effects to consumer confidence and even the banking system.

There remain pockets of valuation exuberance alongside pockets of genuine value. An optically cheap stock can be undone by poor management and a stressed balance sheet. We remain focused on businesses with proven management and strong balance sheets, staying overweight real assets at attractive multiples and underweight financials and the broader ASX top 20, where valuations are stretched.

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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