PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

INVESTMENT UPDATE AND NTA REPORT

SEPTEMBER 2025

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 30 SEPTEMBER 2025	AMOUNT
NTA after tax	$1.241
NTA before tax	$1.276

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. The NTA figures above have been reduced by a provision for the 4.0 cents per share final dividend with ex date 10 September 2025 and payment date 3 October 2025.

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

KEY ASX INFORMATION

AS AT 30 SEPTEMBER 2025

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	$481 million
Share Price:	$1.255
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 30 SEPTEMBER 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	-2.3%	3.6%	13.6%	6.1%	10.7%	11.7%	9.3%	9.9%	9.4%
S&P/ASX 300 Acc Index	-0.7%	5.0%	14.9%	10.8%	15.0%	12.9%	9.2%	10.1%	9.4%
Excess Returns	-1.7%	-1.4%	-1.3%	-4.7%	-4.3%	-1.2%	0.1%	-0.2%	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

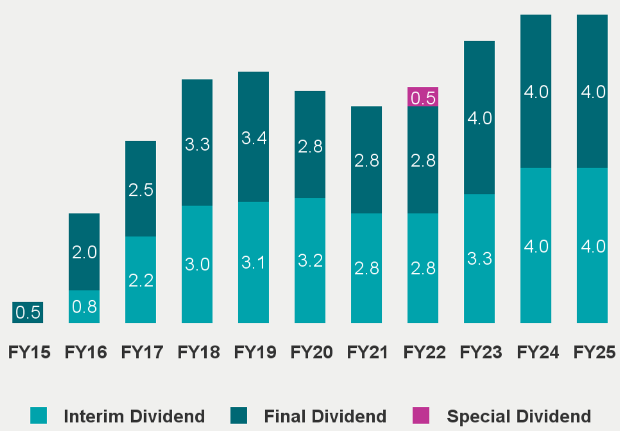
COMPANY	PORTFOLIO WEIGHT
Washington H. Soul Patt.	6.7%
Rio Tinto Limited	5.7%
News Corporation	5.5%
Goodman Group	5.2%
Flutter Entertainment Plc	5.1%
BHP Group Ltd	4.8%
Howden Joinery Group PLC	3.9%
Cobram Estate Olives Ltd.	3.7%
Aspen Group Limited	3.7%
GPT Group	3.4%

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

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 6.4%

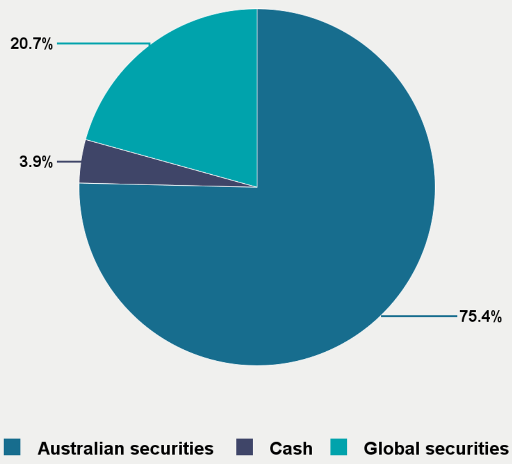
Grossed up annual dividend yield: 9.1%



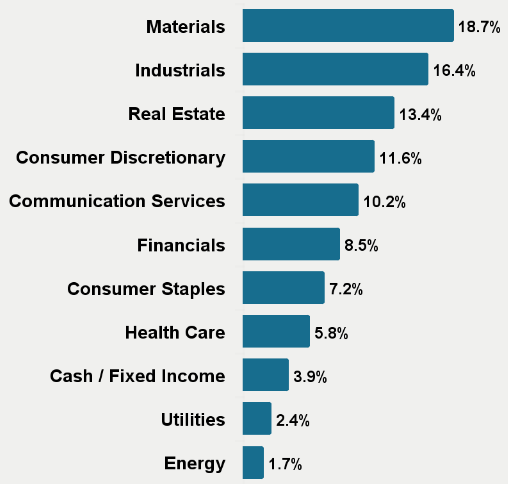
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.255 as at 30 September 2025. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^

96.1% 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

Annual General Meeting and Investment Manager Update

The AGM and Investment Manager Update will be held on Thursday, 30 October 2025, 10am (Sydney time) online and in-person at The Establishment, Room 2, Level 3, 252 George Street, Sydney.

Details of the AGM are available here.

Shareholders and interested parties can register and pre-submit questions for the Investment Manager Update here.

PORTFOLIO COMMENTARY

Market Commentary

The S&P/ASX 300 Accumulation Index fell -0.65% in September as inflation data exceeded expectations, prompting a reassessment of rate cut prospects. Australian equities saw sharp sector divergence, with resources and utilities the only sectors to post a positive month while Energy, Healthcare and Consumer staples lagged markedly. The domestic economy proved more resilient than anticipated, with stronger consumption growth and robust household spending challenging earlier forecasts for an extended easing cycle. Globally, mixed employment revisions and persistent tariff uncertainties created volatility, though artificial intelligence infrastructure investment remained a crucial growth anchor. The confluence of elevated valuations, bifurcated central bank messaging, and geopolitical tensions around energy supply creates a complex backdrop. Gold's exceptional performance reflected ongoing concerns about fiscal sustainability, while the narrowing of rate cut expectations following hotter inflation prints underscored the market's sensitivity to policy signals and economic data surprises.

Portfolio

The portfolio's biggest overweight positions include Washington H. Soul Pattinson, News Corporation and Flutter Entertainment. Conversely, the largest relative underweight positions include Commonwealth Bank of Australia, National Australia Bank and Westpac – none of which are held in the portfolio.

Contributors

Accommodation developer Aspen Group's strong performance continued in the month of September (+7.8%) culminating with the acquisition of a greenfield master plan community site in Wallaroo, South Australia. The asset – which was secured opportunistically out of administration at an attractive price – represents a strategic expansion into a coastal location with significant council infrastructure investment surrounding the asset already in place. Aspen's development plan encompasses land lease sites, build-to-rent dwellings and traditional land lots, with early-stage engagement from local council suggesting a constructive approval pathway. Income generation remains several years out, but the transaction demonstrates Aspen's ability to continue building out a pipeline of rental and development assets by sourcing value-accretive opportunities in supply-constrained markets. With gearing remaining conservative post-acquisition, Aspen is well placed to continue executing on its strategy of delivering affordable housing solutions in areas of acute undersupply. The company's disciplined capital allocation and focus on scalable developments across key growth corridors positions it to capitalise on sustained structural tailwinds in the residential accommodation sector.

PORTFOLIO COMMENTARY (continued)

Chemical distributor Redox contributed to portfolio performance in September with the stock up 16.8%. Momentum in the share price was driven by the better-than-expected earnings result delivered at the end of August.
The stock had been sold off heavily over the prior few months with concerns around both market demand and pricing putting pressure on gross margin outcomes. Pleasingly Redox reported satisfactory revenue and margin outcomes. Outlook commentary pointed to a year of solid earnings growth in FY26 despite macroeconomic conditions remaining challenging. A qualitative trading update provided at the AGM in early October supported this outlook. Overall, we believe Redox's diversified customer base, strong balance sheet and disciplined M&A strategy position the business to continue gaining market share over the long term and deliver attractive levels of earnings growth relative to the undemanding valuation.

Detractors

Sports betting and gaming provider Flutter was the biggest detractor in September with the stock falling 18.3%. Weakness was driven mainly by increased media and investment community attention on the entry of prediction markets operators such as Kalshi and Robinhood into online sports betting and the extension of their product offering to include basic parlays. Share price and market valuation moves for Flutter and key competitor DraftKings reflect a concern that prediction markets are a permanent and very significant competitive threat to traditional, regulated sports betting operators. There remains considerable uncertainty as to the ultimate legality of offering prediction markets on sports and player prop outcomes. Prediction market operators, which are regulated under the Commodities Futures Trading Commission (CFTC - a Federal regulatory body) are currently offering sports betting under a regulatory grey area. The CFTC has not yet provided guidance as to whether sports betting meets its criteria with operators self-certifying to this point. Multiple US States have initiated legal action against Kalshi, arguing the products do not meet CFTC criteria and that Kalshi is offering sports betting in a regulated market without abiding by State regulations or paying State gambling taxes. Uncertainty remains as to how these cases progress and whether prediction market operators will be allowed to continue offering sports markets. We think the concerns are materially overblown. For starters, the disruptive technology (prediction markets) is an inferior product to the online sports betting offering provided by FanDuel. There are many product disadvantages between traditional sportsbooks such as FanDuel and prediction markets that operate as exchanges. Secondly, we feel that there is a material chance that the US States will be successful in pushing these prediction market operators out of their respective States. If, however, the courts side with the likes of Kalshi and allow prediction markets on sports events to flourish, this will open up the rest of the US for FanDuel – materially growing its addressable market - and provide leverage on tax rates with existing States. While the share price volatility is understandable due to the regulatory and competitive uncertainty, our buy thesis remains intact and we continue to hold a significant position in our fund.

Retailer Myer is undertaking an ambitious turnaround to regain relevance with consumers in apparel and beauty following many years of stagnating revenue growth and weak profitability. This requires significant upfront investment in management capability, brands and marketing, internal technology support systems and logistics. The scale of the investment surprised the market at the recent FY25 results, and the shares were down 27.8% over the month. The combination with the Apparel Brands business is likely to drive significant cost-out for the combined entity. But a return to top-line growth is key for a successful turnaround – so investment in product, marketing and talent are understandable. There is significant operating leverage to be gained if Myer can execute on its plan over the next two-to-three years, which should see a material improvement in earnings and cash flow. Importantly it has a strong net cash balance sheet to support it through this turnaround period. Turnarounds are challenging and not without risk. But there is very material upside in Myer if these initiatives are successful. The holding of MYR is sized to reflect this risk-reward profile.

Outlook

Markets enter the final quarter with gains intact but underlying tensions building. Recent months have revealed sharp sector rotation and elevated post-result volatility, as resilient consumer demand collides with margin pressures and persistent inflation. Valuations now sit near historical extremes, suggesting asymmetric downside risk at a time when policy uncertainty, tariff disruptions and moderating earnings momentum argue for caution.

There remain pockets of the market that are attractively valued including the resource sector which has over the very recent short term outperformed the market. With positive outlooks on a range of commodities supported by ongoing strength in demand and supply issues, particularly in copper, there remains scope for ongoing rotation out of recent winners including banks into the sector.

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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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.