PERPETUAL
EQUITY
INVESTMENT
COMPANY
LIMITED

ACN 601 406 419

INVESTMENT UPDATE AND NTA REPORT
OCTOBER 2026

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 31 OCTOBER 2026	AMOUNT
NTA after tax	$1.155
NTA before tax	$1.152

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 OCTOBER 2026

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	$415 million
Share Price:	$1.075
Shares on Issue:	386,403,499
Dividends:	Half-yearly ^
Management Fee	1.00% p.a.*
Manager	Perpetual Investment Management Limited

* exclusive of GST
^ PIC is transitioning to monthly dividend payments. Refer to the ASX announcement on 10/08/2026.

INVESTMENT PERFORMANCE

AS AT 31 OCTOBER 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	1.5%	-0.2%	2.1%	-2.2%	8.3%	3.7%	8.5%	8.7%	8.3%
S&P/ASX 300 Acc Index	1.1%	0.3%	4.3%	3.1%	13.2%	7.7%	8.0%	9.3%	8.8%
Excess Returns	0.4%	-0.4%	-2.1%	-5.3%	-4.9%	-4.0%	0.5%	-0.6%	-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.

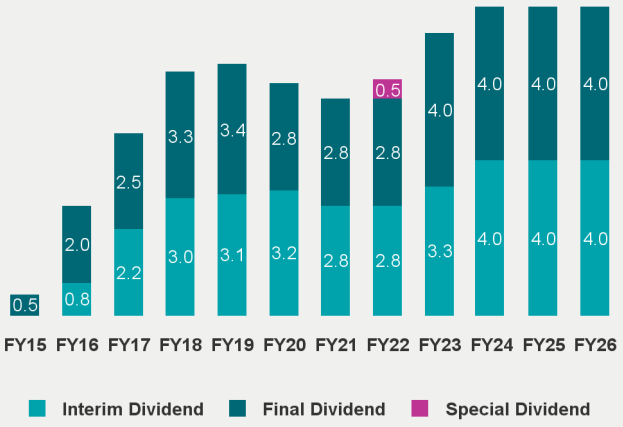
TOP 10 STOCK HOLDINGS

COMPANY	PORTFOLIO WEIGHT
BHP Group Ltd	5.6%
Goodman Group	4.3%
Rio Tinto Limited	3.8%
Aspen Group Limited	3.7%
Washington H. Soul Patt.	3.6%
Glencore plc	3.3%
Insurance Australia Group Ltd	3.2%
Suncorp Group Limited	3.1%
Mainfreight Limited	3.1%
Cobram Estate Olives Ltd.	2.9%

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

DIVIDENDS IN CENTS PER SHARE

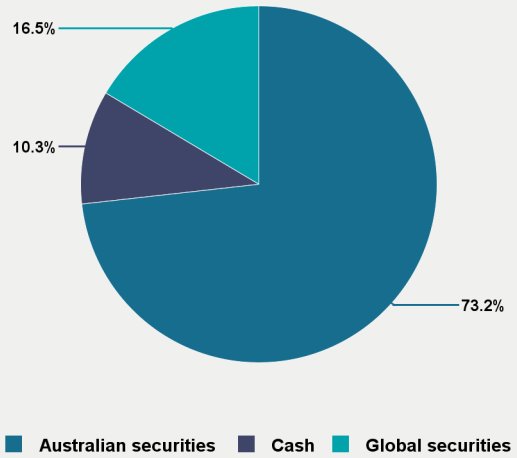
Annual dividend yield: 7.4%
Grossed up annual dividend yield: 10.6%



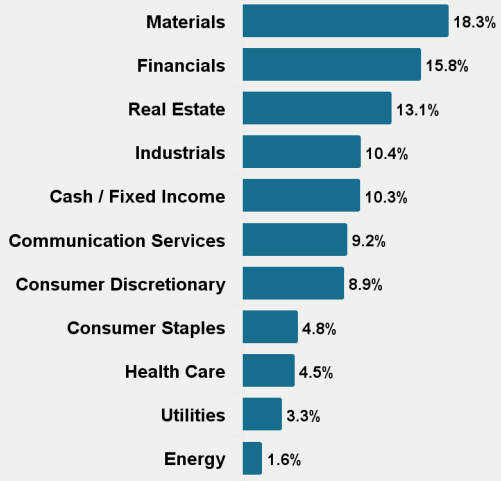
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.075 as at 31 October 2026. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^

89.7% 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 Australian equity market made modest progress in October, with the S&P/ASX 300 Accumulation Index returning 1.1% in a choppy month shaped by AGM trading updates, guidance revisions and quarterly production reports from miners against a backdrop of falling metals prices. Takeover activity was also a feature, including proposals for Cleanaway and Challenger, while the scrapping of Firmus's planned IPO weighed on data centre and AI infrastructure-linked names. Utilities (+9.3%) led sector gains, followed by Financials (+6.9%), as the major banks rebounded despite housing market weakness, supported by rotation out of Resources. Health Care (+5.6%) and Consumer Discretionary (+3.6%) also outperformed. Materials (–8.1%) was the clear laggard, entering bear market territory more than 20% below the August peak. Lithium stocks were among the weakest, with Vulcan Energy, Liontown, Pilbara Minerals, Elevra and IGO each falling more than 20%.

Portfolio

The portfolio's largest overweight positions include Aspen Group, Glencore and Mainfreight. Conversely, the portfolio's largest relative underweight positions include CBA and Westpac, both of which were not held, and BHP.

Contributors

LGI

LGI had a very strong October, returning 38%. Wholesale electricity prices started ticking up mid-September before spiking sharply and remaining elevated throughout October. Prices were supported in part by a significant fall in output at Eraring power station, following a series of overlapping unplanned maintenance outages across its generating units. Events like this highlight the volatility that ageing assets can bring to the market and the value of LGI's ability to dispatch battery-stored power at peak prices. Separately, on 6 October management announced the acquisition of 42MW of operating grid-connected solar assets for $22.0m with no associated debt. LGI expects the assets to contribute annual EBITDA of $2.1–4.0m, pricing electricity at the time of the deal. This implies an acquisition multiple of roughly 5.5–10.5x EBITDA, which we believe reflects a fair purchase price. Management also flagged the opportunity to add a battery energy storage system (BESS) alongside the assets, which could meaningfully lift returns. The acquisition advances LGI's strategy of becoming a diversified renewable energy platform. Including the acquired solar assets, LGI's medium-term portfolio target now stands at 125MW: 26MW of biogas generation, 42MW of solar generation and 57MW of battery storage. With an expectation that volatility in electricity markets remains a feature moving forward, LGI's growing portfolio of flexible generation and battery assets is well placed.

BHP

Our underweight position in BHP was a top contributor for the second consecutive month, as the stock returned -5.4% in October (versus +1.1% for the benchmark) due to weakness in Iron ore and weakening sentiment towards the Copper outlook. We have been underweight BHP on valuation grounds. After trading at 5–6x EV/EBITDA for several years, the stock broke out of this range at the start of 2026 and peaked at ~8.5x in late August. Similarly, BHP's dividend yield fell to 3%, its lowest level in over 10 years. We believe this rerating was primarily driven by the market's focus on BHP's copper exposure. Whilst the outlook for Copper pricing remains favourable given solid demand and ongoing supply disruptions, with the commodity price at record highs and BHPs valuation also at very elevated levels, we maintain an underweight position. This underweight has been reduced given recent share price weakness.

PORTFOLIO COMMENTARY (continued)

Detractors

CBA

Not holding CBA was the leading detractor, with the stock returning 10.4% as the market rotated out of resources (XJR -6.85%) and into financials (XXJ +6.91%). This followed declines of -8.4% in August and -5.6% in September, when not holding the stock contributed strongly. We continue to believe CBA is significantly overvalued. Through 2026, the stock has traded 1–2 standard deviations above its 10-year average P/E, both on an absolute basis and relative to the market. This premium has persisted even as indicators for CBA have mostly deteriorated since the Federal Budget in early May: credit growth has slowed, house prices are falling and unemployment has risen to its highest level since COVID, according to the latest ABS labour force survey. Pressures were already showing in CBA's FY26 result, where the 2H26 bad debt charge of $469m was 47% higher than in 1H26 and we see further challenges ahead. The portfolio therefore maintains nil positions in CBA and Westpac as the banks most exposed to housing.

Nick Scali

Nick Scali (NCK) declined 10.2% for the month after a weak trading update and downgraded 1H FY27 profit guidance, with the stock falling more than 15% on the day of the announcement. Management indicated that trading conditions in Australia and New Zealand remained challenging in Q1, with written sales orders (WSO) 15% below the prior corresponding period (pcp) and store traffic down ~10%. A cyber security incident left the company's ERP system unavailable for three weeks in August, during which orders were processed manually. Management did not quantify the impact on WSO, so it is unclear how much of the decline reflects the outage rather than underlying demand. By contrast, the UK business continues to perform well, with Q1 WSO up 29% on pcp and like-for-like WSO up 14%. Based on the sales per store being achieved by incumbent retailers, we believe there is significant upside to store productivity in the UK. We continue to view NCK as a high-quality retailer led by a founder-operator with a long track record of navigating periods of economic stress relatively effectively, often emerging in a stronger competitive position and driving meaningful earnings growth in subsequent years. The stock's strong balance sheet, with $29m of net cash, supports this resilience and provides optionality in a tough macro environment. In the first trading week of November, the share price recovered to pre-downgrade levels.

Outlook

Investors continue to weigh several local and global pressure points. The RBA lifted the cash rate 25bps to 4.85% on 3 November – its fifth hike this year and an 18-year high – but Governor Bullock removed the explicit tightening bias, signalling a wait-and-see pause that many economists read as the peak. Even so, trimmed mean inflation is now forecast to hold at 3.6% through December 2026, with growth of just 1.6% and unemployment forecast to reach 5.1%, and the AUD has weakened as markets weigh the risk of a policy error. Offshore, the ASX has been caught in the brutal global tech and AI selloff following the US midterms, while falling Chinese corporate earnings pose a risk to Resources demand. Domestically, a record A$1.4 trillion project pipeline led by data centres is inflationary but structural, household spending remains stickier than expected and bank earnings hinge on cost discipline, with ANZ's result on 9 November the near-term test.

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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