PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

INVESTMENT UPDATE AND NTA REPORT

NOVEMBER 2025

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 30 NOVEMBER 2025	AMOUNT
NTA after tax	$1.240
NTA before tax	$1.265

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 NOVEMBER 2025

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	$471 million
Share Price:	$1.225
Shares on Issue:	384,133,761
Dividends:	Half-yearly
Management Fee	1.00% p.a.*
Manager	Perpetual Investment Management Limited

* exclusive of GST

INVESTMENT PERFORMANCE

AS AT 30 NOVEMBER 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	-0.9%	-2.9%	5.8%	5.1%	6.9%	8.9%	10.4%	9.1%	9.2%
S&P/ASX 300 Acc Index	-2.6%	-2.9%	4.1%	5.8%	9.7%	9.8%	10.2%	9.5%	9.0%
Excess Returns	1.8%	0.0%	1.7%	-0.7%	-2.7%	-0.9%	0.2%	-0.4%	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.

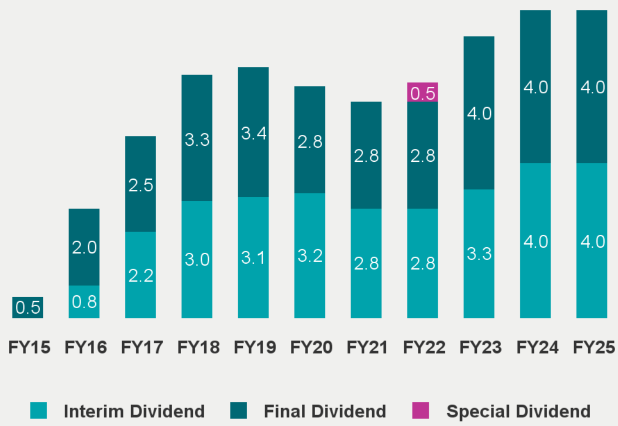
TOP 10 STOCK HOLDINGS

COMPANY	PORTFOLIO WEIGHT
Washington H. Soul Patt.	6.6%
Rio Tinto Limited	6.3%
News Corporation	4.8%
Goodman Group	4.7%
BHP Group Ltd	4.4%
Aspen Group Limited	4.4%
Flutter Entertainment Plc	4.3%
Howden Joinery Group PLC	3.9%
Cobram Estate Olives Ltd.	3.6%
Mainfreight Limited	3.2%

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

DIVIDENDS IN CENTS PER SHARE

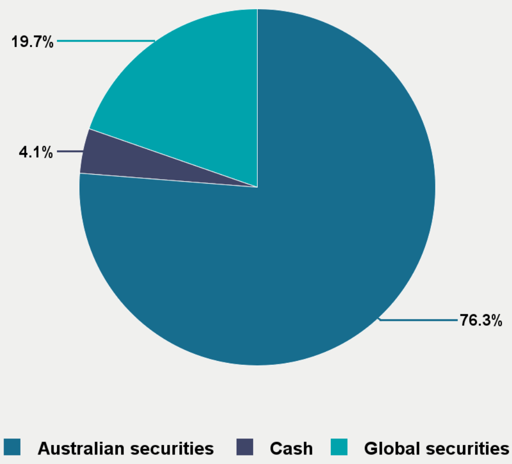
Annual dividend yield: 6.5%
Grossed up annual dividend yield: 9.3%



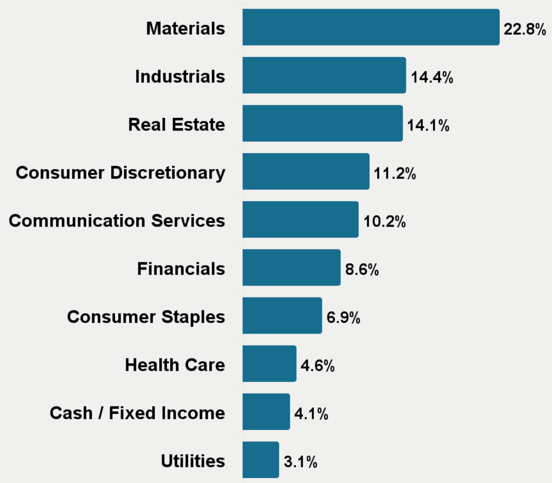
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.225 as at 30 November 2025. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^

95.9% 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/ASX300 experienced its worst month since March, declining 2.64% in November as investors grappled with a disappointing AGM season and weak bank earnings amid rising macro uncertainty. Defensive sectors offered rare relief: Health Care (+1.72%) and Consumer Staples (+1.42%) gained on better than feared updates from Ramsay, Sonic Healthcare and CSL, while Materials (+1.66%) benefited from lithium's rebound after Ganfeng flagged 30–40% demand growth for 2026. Conversely, Information Technology plunged 10.79% on global AI valuation concerns and softer earnings updates with Catapult, Life360 and Xero notable callouts. Financials (-6.48%) weighed heavily after major banks delivered underwhelming results, while Real Estate, Communication Services, Consumer Discretionary and Energy all declined. The RBA held rates but upgraded inflation forecasts, with a stronger labour market and higher-than-expected October CPI data (3.8% Year-on-Year) pushing rate-cut expectations into mid-2026. Overall, November reflected rising macro tension, mixed corporate performance and renewed valuation pressure across growth sectors.

Portfolio

The portfolio's largest overweight positions include Washington H. Soul Pattinson, News Corporation and Rio Tinto. Conversely, the portfolio's largest relative underweight positions include Commonwealth Bank of Australia, Westpac Banking Corporation and National Australia Bank Limited, all of which are not held in the portfolio.

Contributors

The portfolio's overweight position in Light & Wonder (LNW) contributed strongly to November performance, with the stock rebounding 39.8% after a weak performance in October. During the month the company released its 3Q earnings update which was ahead of market expectations. Of note was the outperformance in the US gaming operations division, with strong fee per day and unit growth outcomes well received. As evidenced in the performance of key peer Aristocrat over many years, a strong and growing gaming operations business is a powerful driver of margins, free cash flow and ultimately shareholder value. The outlook for LNW's gaming operations division is positive with ongoing strong new game performance underpinning confidence in growth looking forward. The company also completed its transition to sole ASX listing during the month. Whilst the move was a driver of share price volatility in the lead up, with index and transition related selling now complete, we expect LNW to benefit from increased passive flows and local investor attention moving forward. Whilst some uncertainty remains regarding the court case with Aristocrat, valuation relative to the earnings growth potential continues to screen attractively.

Mainfreight Limited contributed to portfolio performance in November, finishing the month up 11.6% following a positive half-year results update. Whilst the reported results reflected challenging market conditions globally, investor sentiment improved as management highlighted building momentum through October and November. Management confidence in an improved outlook was underpinned by a combination of stabilisation in end market economies benefitting from falling interest rates and ongoing strong market share gains. As these factors drive increased volume throughput, margins are likely to begin increasing as recently added capacity is absorbed. The company's strong balance sheet position provides optionality for continued depot expansion and long-term strategic growth investments. We continue to believe that current margins and earnings levels are materially below sustainable levels due to a combination of cyclical market pressure and the impacts of the company's ongoing growth investment program. On this basis, valuation remains appealing in what is a very well run and strategically focused company.

PORTFOLIO COMMENTARY (continued)

Detractors

Flutter Entertainment was the main detractor to portfolio performance in November, with the stock falling 10.4% in the lead up to the UK Government budget, where increases to online gaming tax had been flagged. The result was moderately worse than expected by the market, with the tax changes expected to create a net earnings headwind of $235 million in 2026 and $339 million in 2027 after mitigation efforts. However, Flutter's scale and leading UK market position provide meaningful advantages in navigating these additional cost pressures and as we have observed many times in other markets, the end impact of tax increases on the scale player fades over time as market share consolidates. News flow and investor focus on prediction markets remains elevated. Industry data and insights alongside recent court rulings continue to support a view that prediction markets are unlikely to have a material impact on FanDuel in States where online sports betting is legal. Uncertainty remains as to the development and economics of prediction markets in States where online sports betting is not regulated. Ultimately, we continue to expect material earnings growth to be sustained for years to come and believe the current share price is capturing a very material negative impact from prediction markets.

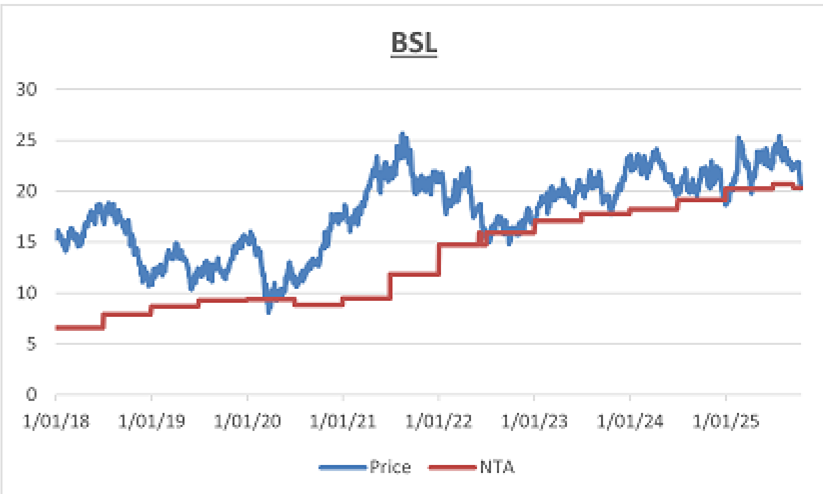
Goodman Group (GMG) detracted from portfolio performance in November, declining 10.2% over the month. The company's earnings update showed limited new news flow on leasing or capital partnership deals for the data centre development projects. Given the size of these projects and the significant growth in balance sheet exposure to this pipeline, the market is eagerly awaiting progress on leasing and capital partnerships, both of which materially de-risk earnings associated with the development division. Management continues to highlight progress in negotiations and ultimately, we think the share price reaction is a reflection of the short-term nature of current markets as opposed to any fundamental change in the outlook for the company's data centre development opportunity or earnings growth potential. A hotter-than-expected local CPI data also likely contributed to the share price pullback, with rising local treasury yields weighing. We continue to see GMG as well positioned to maximise value from its portfolio of assets and remain confident that the strength of the company's management team and balance sheet will shine through over the months and years ahead.

Portfolio Holding in Focus - BlueScope (BSL)

BSL has been held in the PIC on and off for many years. BSL is a manufacturer of steel through key steel mill assets in the US and Australia and owner of high-quality value-added brands such as COLORBOND in Australia.

BSL ticks a lot of the boxes of what we look for when investing in cyclical companies. It has a strong market position in both the US, with its high-performing North Star asset very low cost, and Australia where its value-added brands hold very strong market positions with significant runway for future growth. The company has a very conservative gearing target and a Board that acknowledges the value of a strong balance sheet at the low point of the cycle. Finally, BSL has a very experienced and high-quality management team that are proven operators through both challenging and robust market conditions. They have successfully managed leadership transition over the past 10 years, including the recent announcement of long-term executive Tania Archibald replacing Mark Vasella as CEO. The combination of these qualities has enabled BSL to deliver strong growth in NTA and mid-cycle earnings over time, which has ultimately driven strong shareholder returns.

Over the 18 months, BSL share price, and earnings have been pressured by generally soft steel spreads in both the US and Asia. Asian steel spreads are towards historical lows and well below what we would consider mid-cycle levels. Up until a recent rally, the share price has been trading at only a small premium to book NTA, which we believe is conservatively stated given the delta in the market value of the land assets versus what they are held on the books for. As evidenced in the chart below, over the last ~6 years the share price has rarely traded below NTA.



Source: Company accounts, PPT analysis

With valuation reflecting this recent spread weakness and data points highlighting improving market conditions in the US, we have been adding to the position. Our summary of the outlook and valuation is below.

While there is debate about the trajectory of BSL's individual segments against a backdrop of volatile steel spreads, the quality of the assets, brands, management and balance sheet, give us confidence in the delivery of a solid free cash flow and earnings growth profile moving forward that is not reflected in the share price.

PORTFOLIO COMMENTARY (continued)

Although the pressure on the Australian Steel products division from Chinese exports is expected to continue, earnings will be supported by the currently unassailable COLORBOND franchise and to a lesser extent the developing TRUECORE. As the volume of both products continues to grow, increasing amounts of steel output from the Port Kembla mill will be consumed as inputs into the higher margin products, ultimately reducing the exposure of the company to selling surplus steel into a depressed commodity environment. As this dynamic continues to develop, so too does the quality and implied valuation of the Australian division.

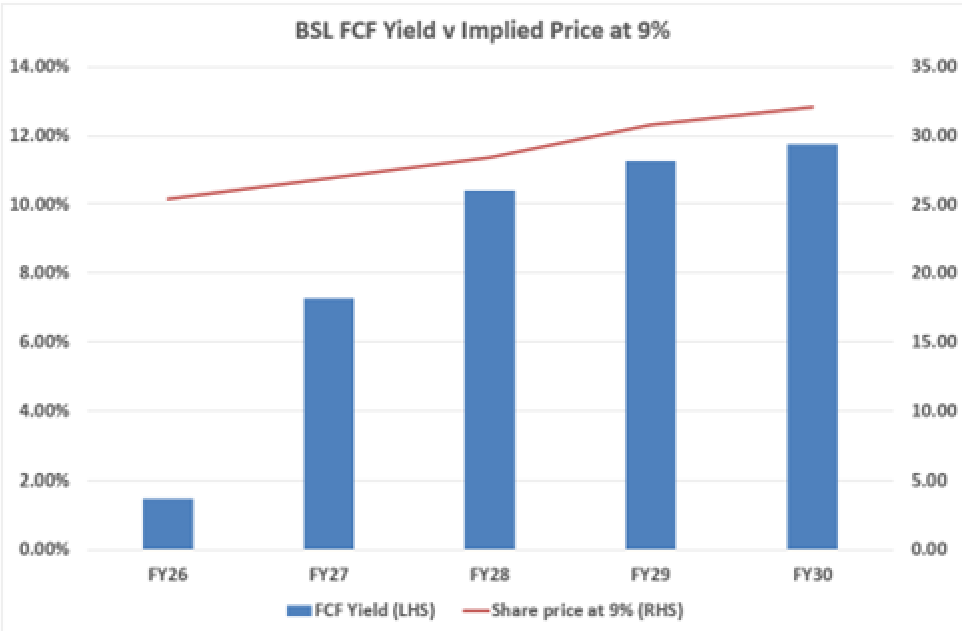
North Star (~40-50% of earnings) remains one of the best plants in the US. Strategically located near key customers and with near full capacity utilisation, EBIT margins and Return on Invested Capital should be sustained at least at low teen levels even in depressed end market conditions. While the approval of Nippon Steel's acquisition of US Steel will likely prevent further industry supply rationalisation, the Japanese targeting of downstream products plus onshoring and tariffs are offsetting supportive factors.

The transformation of the NZ business is an example of creative problem solving by the management team. Half of the plant is transitioning to the Electric Arc Furnace process (half funded by government), with attractive and flexible energy contracts negotiated, and scrap supply secured mainly from Sims Ltd. This should significantly reduce earnings volatility out of the assets and underpin a base level of profitability well above recent levels.

The other key positive we see for the company over the next 12 months is the completion of the current growth capital investment program, with FY26 the peak in capital spend.

This will see Free Cash Flow (FCF) recover sharply and at the current share price will see FCF yields move well into double digits. This will also allow an already strong balance sheet to move back into net cash and support increased capital returns to shareholders.

Given the quality characteristics and foundations mentioned, a re-rating to a high single-digit yield is reasonable and sees considerable valuation upside to current levels.



Source: PPT analysis

The slide overleaf was provided by the company at the1H25 result when EBIT over the previous 12 months was cyclically weak. It implies potential EBIT of >$2 billion when growth capital returns are factored in as well as a return to mid-cycle market conditions. Earnings assumptions in the chart and valuations above reflect a mid-cycle EBIT of ~ $1.5 billion, effectively factoring in very little of this uplift and highlighting the conservativeness of the thesis.

Source: BSL earnings presentation

To summarise, we see BSL as a high-quality cyclical that is currently capitalising below mid-cycle earnings. With the downside supported by asset backing and a very strong balance sheet, valuation looks compelling with a clear pathway to >$30 on conservative earnings valuation assumptions. Further, there is scope for materially increased capital returns over the next 24 months as the current growth program comes to a close.

Outlook

Equity markets enter the coming months on an increasingly fragile footing as the global economy faces a heady combination of trade uncertainty, slowing growth, rising debt, geopolitical tensions and low consumer confidence. Global equity indices, including the S&P/ASX300, continue to trade at elevated multiples relative to long-term averages, leaving risk premiums compressed and markets sensitive to negative surprises. Several global fault lines are widening. Bond yield spikes in Japan and the UK highlight fiscal fragility and inflationary concerns. Europe grapples with the Ukraine war and political instability, whilst China faces an ongoing property market decline. Whilst US growth appears strong on AI investment headlines, underlying consumer sentiment has weakened amid rising living costs. Against this backdrop, we expect markets to remain range-bound with asymmetric downside risk as investors reassess growth durability, earnings outlook and policy trajectories. Australian equities face additional headwinds from anaemic domestic growth, sticky inflation delaying rate cuts, and acute exposure to weakening Chinese commodity demand. Trading at 18x forward earnings, the S&P/ASX300 offers limited downside protection should conditions deteriorate further.

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

For queries regarding investor shareholdings:

MUFG Corporate Markets

Investor queries:
Telephone: +61 1800 421 712
Email: pic@cm.mpms.mufg.com

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.

The report is general information and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. References to securities in this report are for illustrative purposes only and are not recommendations, and the securities may or may not be currently held by the Company. Past performance is not indicative of future performance.

This report may contain information that is based on projected and/or estimated expectations, assumptions or outcomes. These forward-looking statements are subject to a range of risk factors. The Company and PIML caution against relying on any forward-looking statements. While PIML has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from the forward-looking statements. Neither the Company nor PIML will be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections or other forward-looking statements from time to time. Neither the Company nor PIML undertake to update any forward-looking statement to reflect events or circumstances after the date of this report, subject to disclosure obligations under the applicable law and ASX listing rules.

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.