PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

INVESTMENT UPDATE AND NTA REPORT

DECEMBER 2025

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 31 DECEMBER 2025	AMOUNT
NTA after tax	$1.260
NTA before tax	$1.296

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 DECEMBER 2025

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	$480 million
Share Price:	$1.25
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 31 DECEMBER 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	2.4%	1.8%	5.5%	9.6%	8.6%	9.0%	10.9%	9.4%	9.3%
S&P/ASX 300 Acc Index	1.4%	-0.9%	4.1%	10.7%	11.4%	9.8%	10.5%	9.3%	9.1%
Excess Returns	1.1%	2.7%	1.5%	-1.1%	-2.8%	-0.8%	0.4%	0.1%	0.3%

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

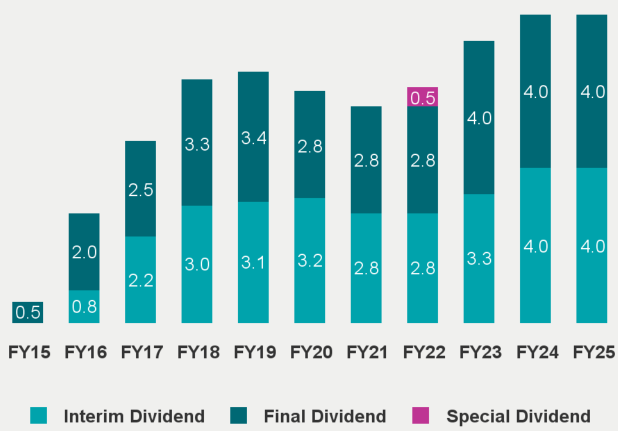
COMPANY	PORTFOLIO WEIGHT
Rio Tinto Limited	8.1%
Washington H. Soul Patt.	7.0%
Goodman Group	4.8%
News Corporation	4.7%
Aspen Group Limited	4.6%
Cobram Estate Olives Ltd.	4.5%
Flutter Entertainment Plc	4.4%
BHP Group Ltd	4.1%
Northern Star Resources Ltd	3.5%
Howden Joinery Group PLC	3.4%

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%

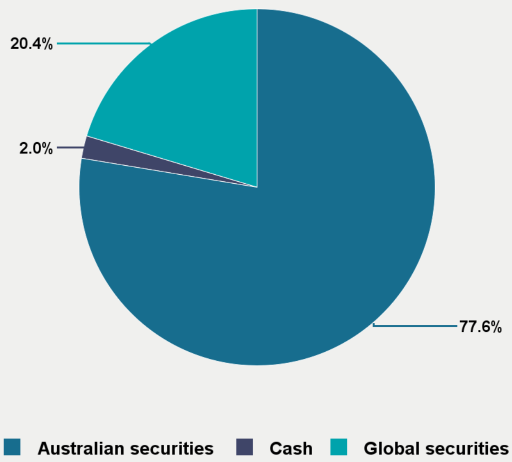
Grossed up annual dividend yield: 9.1%



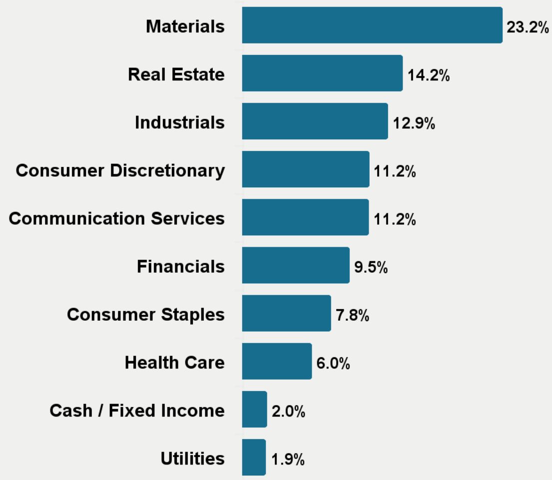
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.250 as at 31 December 2025. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^

98.0% 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 returned +1.37% in December 2025, reflecting mixed sector performance. The overall index performance came against a background of persistent concerns about inflation staying above the RBA's target band, constraining rate-cut expectations and even fuelling speculation of hikes in 2026. Employment remained resilient. Purchasing Manager Index data indicated a modest, but slowing, economic expansion. Materials led with a +6.8% return, driven by surging gold and copper prices as investor appetite for real assets and inflation protection kept rising. Financials gained +3.4%, with the big banks leading the rally. Conversely, Information Technology declined 8.1% and Health Care fell 7.0%, while Consumer stocks underperformed as sentiment surveys from Westpac and Roy Morgan pointed to declining confidence.

Portfolio

The Portfolio solidly outperformed during the month of December with all but three GICS sectors helping returns. Overweights to Consumer Staples (Cobram Estates) and Real Estate (Aspen Group) were the biggest contributors. An underweight to Financials was the biggest detractor, with the portfolio having no exposure to the big four banks which rallied in December after selling off from historically expensive levels.

Contributors

Cobram Estate

A long-term portfolio holding, Cobram Estate Olives contributed strongly to December performance, with the stock rallying 30.3%. The share price responded positively to the announcement of the $US173.5 million acquisition of California Olive Ranch (COR), a producer of extra virgin olive oil (EVOO) and owner of the market leading US locally grown EVOO brand sold through US supermarkets. Through the acquisition, Cobram gets access to COR’s 4,370 hectares of US supply that produces ~5.5 million litres of olive oil per year, the highly valuable California Olive Ranch and Lucini brands and the largest olive mill in the US. We see the acquisition and combination of COR and Cobram’s existing US business as highly compelling. Post combination, Cobram’s Californian mature hectares of production will increase 8x (excluding contribution from contracted third-party growers) with this supply to continue to grow strongly as recently planted groves mature and Cobram continues to expand third-party grower arrangements. This oil supply will provide the company with enormous flexibility to maximise value through its stable of leading, locally grown brands. The US olive oil market is highly attractive given its size (second largest olive oil market in the world) and sustained growth rates, with EVOO outpacing growth in other cooking oils as increased awareness of the health benefits continues to drive a shift in consumer behaviour. Further to this, with less than 5% of all EVOO consumed in the US locally grown, there is scope for material share gains for locally grown product in the market. Cobram post this acquisition becomes the largest grower and brand owner of locally grown US EVOO, which in our view is a highly strategic and valuable position. Given the track-record of the Cobram team in Australia, where they have been the dominant force behind locally grown EVOO becoming 30-40% of all EVOO consumed, we have confidence in the ability of the team to drive ongoing growth in the US business. From a financial perspective, the acquisition price is underpinned by US$133 million of net assets, a modest earnings multiple and scope for material synergies over time as Cobram introduces its leading farming practices to increase yields on the COR assets. Cobram is now the largest grower of olive oil in both Australia and the US and owner of the market leading brands of locally grown EVOO in both markets. This position, combined with a strong growth outlook in both markets and a highly aligned, disciplined and experienced Board and management team support Cobram remaining a core position for the PIC.

PORTFOLIO COMMENTARY (continued)

Rio Tinto

The overweight position in Rio Tinto contributed positively to December performance with the stock rallying 11% largely in response to strength in its key commodity exposures. Strong upward moves in Copper, Aluminium and Lithium prices were supported by modest increases in Iron Ore which remains RIO's largest exposure. At current spot rates, there is material upside to the market's forecasts for prices, earnings, and free cash flow, barring any unforeseen production issues. The company also held a capital markets day in early December which highlighted asset sales, cost reductions, capex reductions, and significant EBITDA upside over the medium term. The market has responded positively to this strategy and the new CEO's focus on efficiency and return on capital. The commodity mix and this new strategy have underpinned the decision to hold an overweight position in RIO vs an underweight position in BHP. Post month end, it was announced that RIO and Glencore had begun merger discussions but with minimal details provided. This was a surprising development in the context of the new strategy and messages provided at the capital markets day. There are likely material synergies from the combination and potential for material value unlock through combination of the metals portfolio, however it remains to be seen how much of this upside sits with Glencore shareholders versus shared between the two companies.

Detractors

Ferguson Enterprises

Ferguson Enterprises detracted from portfolio performance in December, falling -13% post the release of its 1Q26 result. The result demonstrated solid growth with revenue +5% in line with market expectations and a strong margin outcome driving EPS +16%, better than expected. The soft share price reaction was due to outlook commentary pointing to a slight slowdown in expected sales growth into calendar year 2026. In the context of a very weak US residential market, Ferguson continues to deliver attractive earnings outcomes due to its exposure to commercial projects, which continue to deliver very strong growth underpinned by investment in data centres and reshoring projects. Despite the recent share price correction, we continue to see the outlook for Ferguson as highly attractive with sustained strength in commercial demand supported by the potential for a cyclical recovery in residential activity. Recent interest rate cuts are supporting a reduction in mortgage rates, and the US Government continues to talk to increased support for housing affordability and activity moving forward. Whilst we are yet to see this translate to housing starts, the lead indicators are positive, and Ferguson is very well positioned to capitalise on this recovery when it occurs. Ferguson remains a core holding for the PIC, with an excellent track record of earnings growth and shareholder returns, a modest valuation and an attractive growth outlook.

EVT Limited

EVT fell 9% during the month, despite no company specific announcements. Industry data pointed to an improvement in box office trends for its cinema division, albeit these look to have lagged against market expectations that were optimistic on the improved movie release line up versus December 2024. Cinema box office trends can be highly volatile and hard to forecast and despite Cinemas only making up a small portion of the value of EVT, they unfortunately have an outsized impact on short-term share pricing. We see this as an outcome of the increasingly short-term focus of the stock market on near-term earnings upside/downside as opposed to fundamental value. Data points for EVT's core hotel divisions continue to point to strong RevPar (revenue per available room) growth. At the current share price, valuation is almost entirely underpinned by the company's property assets. With potential catalysts over the next 12 months as EVT explores monetising large CBD property holdings and ongoing strong growth in its valuable hotels business, we continue to see material upside to the EVT share price over time.

Investment Outlook

As we head into 2026, Australian equity valuations remain elevated, with market P/E ratios above their 20-year averages, though still less stretched than in the US. Investors are grappling with three dominant themes. First is the AI-driven technology cycle. A genuine capital-expenditure boom in data centres and advanced semiconductors is colliding with increasingly demanding valuations, raising questions about durability and the risk of eventual bust. Second is the resurgence in commodities. Gold has led headlines as investors seek inflation protection amid currency concerns, while copper and other critical materials are rising on tight supply and accelerating demand from electrification, energy transition and AI infrastructure. Third is monetary policy divergence. The US Federal Reserve is edging toward further rate cuts, while the Bank of Japan's long-anticipated policy normalisation looms large. The RBA sits uncomfortably between these forces, still focused on containing domestic inflation. Overlaying all of this, the abrupt removal of Venezuela's President Maduro is a reminder of how quickly geopolitical risks can re-emerge, even if markets remain outwardly calm - for now.

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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MUFG Corporate Markets

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