

INVESTMENT UPDATE AND NTA REPORT

FEBRUARY 2026

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 28 FEBRUARY 2026	AMOUNT
NTA after tax (cum dividend)	\$1.252
NTA before tax (cum dividend)	\$1.277

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. As at 28 February 2026, the NTA after tax (ex dividend) was \$1.212 and the NTA before tax (ex dividend) was \$1.237. The ex dividend NTA figures are reduced by a provision for the 4.0 cents per share interim dividend that was declared on 23 February 2026. The ex date for the interim dividend is 12 March 2026 and payment date 9 April 2026.

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

INVESTMENT PERFORMANCE

AS AT 28 FEBRUARY 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 <small>Net of fees, expenses and before tax paid</small>	-1.5%	1.5%	-1.4%	7.4%	6.9%	8.1%	9.9%	9.9%	9.1%
S&P/ASX 300 Acc Index	3.9%	7.1%	4.1%	16.4%	12.1%	10.6%	9.8%	10.7%	9.5%
Excess Returns	-5.4%	-5.6%	-5.5%	-9.0%	-5.2%	-2.5%	0.0%	-0.8%	-0.4%

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	10.0%
Washington H. Soul Patt.	7.3%
Aspen Group Limited	5.1%
Goodman Group	4.3%
News Corporation	4.2%
Northern Star Resources Ltd	3.6%
Cobram Estate Olives Ltd.	3.6%
Howden Joinery Group PLC	3.0%
Mainfreight Limited	3.0%
Bluescope Steel Limited	2.9%

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

KEY ASX INFORMATION

AS AT 28 FEBRUARY 2026

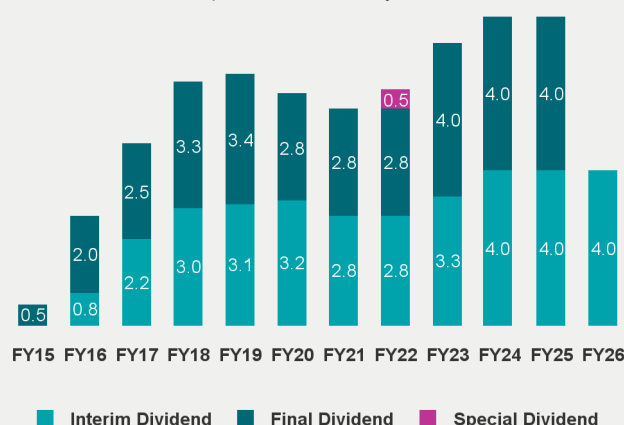
ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	\$488 million
Share Price:	\$1.27
Shares on Issue:	384,133,761
Dividends:	Half-yearly
Management Fee	1.00% p.a.*
Manager	Perpetual Investment Management Limited

* exclusive of GST

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 6.3%

Grossed up annual dividend yield: 9.0%

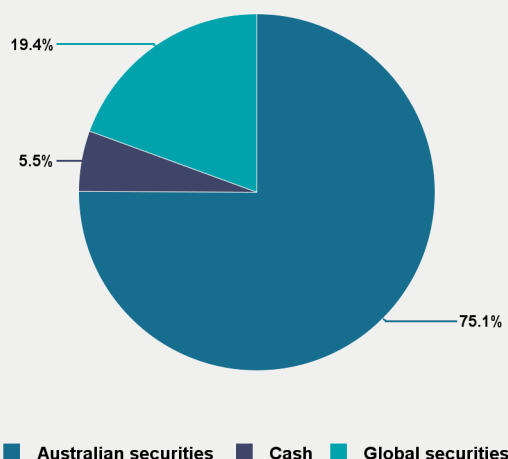


■ Interim Dividend ■ Final Dividend ■ Special Dividend

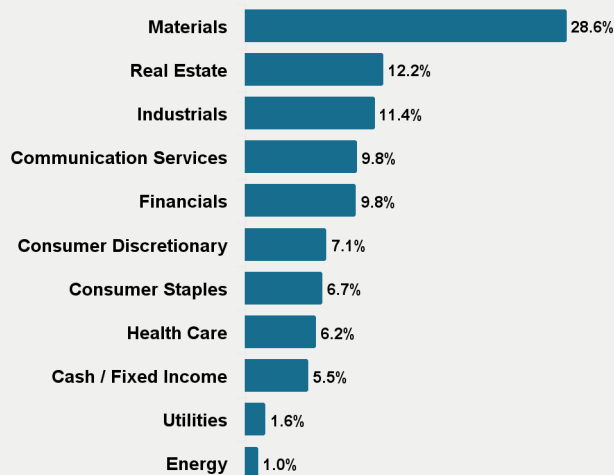
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of \$1.270 as at 28 February 2026. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^A

94.5% of capital invested in securities



PORTFOLIO SECTORS^A



^AWeightings 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 gained 3.9% in February, reaching new highs for a third consecutive monthly advance, leaving the market 9.8% above November lows. It was a two-speed market: large cap Materials and Financials led the charge, with the major banks delivering standout returns (CBA +18.5%, NAB +13.0%), while Technology continued its painful de-rating, now down 37.2% over six months as AI disruption fears lingered. Health Care lagged, dragged by CSL's weak earnings and an abrupt CEO departure. The divergence between large and small caps was large, with the Top 20 stocks outperforming the Small Ordinaries Index by 10.5%, the largest gap since June 2013. Macro conditions tightened further, with the RBA increasing rates by 25bp to 3.85% and flagging additional moves if inflation remains stubborn. January CPI surprised to the upside, with electricity costs surging as government rebates unwound. Labour markets stayed tight, keeping pressure on the RBA Board.

Portfolio

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

Performance was poor in February, driven by a few factors.

1. A disappointing result update from Flutter Entertainment (covered in more detail below).
2. No exposure to the big 4 banks which drove a significant portion of the total index return. We made an active call in the 2nd half of 2025 that despite the earnings outlook for banks being sound, they were fundamentally overvalued and there were better opportunities to deploy capital in other parts of the market. During February, the banks rallied in response to solid earnings updates and the more general shift in markets towards perceived "safe havens" from the uncertainty of AI disruption and an increased interest rate outlook. Today, given the relative moves our view on this remains unchanged however this positioning to date has detracted from relative returns.
3. Sell off in key holdings News Corporation (NWS) and Light & Wonder (LNW) due to concerns of AI disruption. The significant de-rate in companies that are perceived to be at risk of disruption from AI has been well documented. We believe concerns on both NWS and LNW are overblown and have added to the positions in both names. Whilst overlooked in the short term, the results delivered by both companies during February were strong and lead indicators support a view of continued growth into 2026 and beyond.

From a positioning perspective, we struggle to see value in most of the top 20, with dividend yields of the traditional income stalwarts of the banks, Wesfarmers, Telstra and the supermarkets trading at unattractive levels relative to the growth offered. The exception to this remains the resource sector where we continue to hold an overweight position. Firm commodity prices are driving consensus earnings upgrades, improved free cash flow and returns to shareholders. Earnings multiples remain attractive despite recent share price strength. We are mindful that earnings multiples are always a reflection of commodity price levels and the sustainability of those commodity prices remains key to the share price outcomes of the sector. We continue to see attractive value in high-quality cyclical names that we believe are trading at depressed mid-cycle valuations. Portfolio holdings include Bluescope Steel, Mainfreight, Howden Joinery and James Hardie. Our positions in our emerging leaders Cobram Estate Olives, Aspen Group and LGI are unchanged, where we continue to see an attractive long-term pathway for these companies to be significantly larger businesses. Exposure remains to quality names delivering what we consider undervalued growth such as A2 Milk Company (A2M), NewsCorp and Goodman. Recent volatility has delivered opportunities to add to a couple of existing holdings and establish new positions in companies such as Pinnacle Investment Management Group where we see growth prospects being masked by near-term uncertainty around the performance of a couple of affiliates. Other new positions to the portfolio include deep value play Orora, where we see appeal in the stabilisation of earnings in the acquired Saverglass business and a material increase in free cash flow and capital returns to shareholders as the company nears completion of a multi-year growth capital investment. With FY27 and FY28 free cash yield exceeding 10% at current share prices, valuation screens attractively.

Overall, a disappointing month. Looking forward, we continue to see significant value upside in our portfolio holdings and while painful in the short term, we believe the relative value in these names compared to a fully valued top 20 will shine through in share price outcomes in the periods ahead.

As always, we remain focussed on quality and value with an acute focus on balance sheet and management strength.

Contributors

Tabcorp Holdings performed strongly during February, rallying +21.1% in February on the back of strong 1H26 results that beat consensus expectations. Earnings growth (EBIT) of +19% was largely underpinned by the contribution from the restructured Victorian Wagering licence and disciplined cost management. The result was achieved despite a headwind to revenue from unfavourable racing outcomes during the period. Tabcorp is part way through a turnaround and to date the new management team are executing very well. While the 1H26 financial result reflects progress on right-sizing the cost base, there remains significant potential financial upside from a range of strategic initiatives currently being implemented. These include initiatives such as the consolidation of the tote pools into a single national pool and the refreshed retail strategy. As the company starts to better leverage its unique assets, we see the potential in the company to stabilise and grow market share, after years of being a share donor. Despite the recent share price appreciation, given the potential for improved financial outcomes and the quality of the management team, the position has been maintained in the portfolio.

Howden Joinery was a positive contributor to portfolio performance, rallying 11.6% in February. Full-year results were encouraging, with mid-single digit growth in revenue and profit despite the company operating in a challenging UK kitchen market where industry volumes were down. Given the relative outcomes versus industry, FY25 masked another year of market share gains for Howdens, driven by its ongoing investment in depot expansion, cost advantages afforded by the ongoing insourcing of manufacturing volumes and relentless focus on new product development. The recent sale of Howden competitor Magnet for £0 to private equity group Alteri is a sign of the stress the competitors are under in the challenging market environment. In the emerging International division, Howden reported improved performance in both France and Ireland, with Ireland seemingly on a similar trajectory to the UK business in its earlier years. Capital allocation remains shareholder-friendly, with a new £100m buyback reflecting management's confidence in the durability of cash generation and the strength of the net cash balance sheet. The outlook commentary pointed to an improvement in end market conditions, with expectations the UK kitchen market will stabilise after several years of decline. Ultimately, we continue to see material earnings upside when industry volumes recover and drive operating leverage through the manufacturing assets and depot network.

Detractors

Flutter was the largest negative contributor in February, declining 36.8% during the month and continuing the recent run of very weak performance. As mentioned in prior updates, a key driver of the de-rating has been the emergence of prediction market operators that offer event contracts on sports outcomes, operating outside the traditional state-licensed online sports betting (OSB) framework and therefore not subject to the same tax and regulatory structures. This has introduced structural uncertainty around the competitive and regulatory moat that Flutter's FanDuel business has built. The uncertainty has been exacerbated by turnover trends where decelerating industry turnover in December and January has all else equal added support to the narrative that prediction markets are taking share. Further, weaker than expected CY26 outlook statements provided by FanDuel and DraftKings at the February results, driven in part by increased investment in their own prediction market products, have dented the market's confidence. It is worth noting, both companies disputed the view that the weaker top line trends are driven by prediction markets, with the impact quoted by both as being in the low single-digit range (relative to the ~10% point deceleration in handle). The slowdown in handle was explained as being driven by consistent and very high win rates in the NFL season (which impacts customer volume recycling) and an unfavourable NFL program versus the prior year from a customer engagement perspective. Ultimately, our work suggests that the deceleration in handle across the industry is driven by a combination of these factors, and some modest cannibalisation of handle to prediction market operators.

The more disappointing aspect of the Flutter result from our perspective, was the underperformance of FanDuel's OSB division in Q4. This was driven by operational missteps where the company mis-managed the timing of its generosity offers. As the global leaders in sportsbetting, this was a disappointing outcome and marks a rare occasion where the company has taken its eye off the ball operationally. The company has a clear playbook to improve on this in 2026, and given the expertise and quality of the offer we expect this to be a short-term aberration.

Overall, the recent share price weakness has been driven by a combination of factors. In our view, the market has assumed all are structural and related to prediction markets. We expect that throughout 2026 some of the transitory drivers of recent weakness will reverse, providing clarity on the actual impact of prediction markets. At the current share price, we estimate the FanDuel OSB business is being valued at zero. There are a range of scenarios with regards to the future of prediction markets and the impact (positive and negative) on FanDuel. Prediction markets may be forced by a Supreme Court ruling to shut down offering sports. If not, their presence would likely accelerate the pace of state OSB legalisation, benefitting FanDuel. FanDuel is also well placed to be a leading player in the market-making aspect of prediction markets. Given they are the biggest sports betting company in the US and the world, they have more data than all competitors with which to leverage. The investment in Flutter has been very disappointing over the past few months, but from today's valuation we see risk reward as significantly skewed to the upside.

The portfolio's absence of any position across the major Australian banks detracted to relative performance in February, with ANZ up 9.1%, WBC up 9.6%, NAB up 13.0%, and CBA up 18.5%, which in aggregate drove 81% of the ASX 300 returns for the month. Heading into reporting season, NIMs were expected to face downward pressure due to the impact Macquarie was having with their deposit products which pay higher interest rates. Instead, ANZ, NAB, and WBC each reported a modest NIM expansion, while CBA's headline NIM softness was largely a function of elevated liquid balances rather than core business deterioration, with underlying margins stable and loan growth of 7% fully funded by deposits, a strong operational outcome. Credit conditions also remained favourable and better than market expectations for a slight deterioration. The results prompted earnings upgrades across the sector, which at a time of uncertainty elsewhere in the market drove strong share price reactions. We remain cautious on the major banks given current elevated valuations and with current earnings reflecting strong credit growth and asset quality, both of which have historically proven cyclical.

Outlook

The global economic landscape in 2026 was starting to reflect a transition to broader, steady expansion. This expansion was no longer a "tech-only" story; instead, a significant sector rotation was underway. Investors have been pivoting from overextended growth stocks toward cyclical sectors - specifically Industrials, Materials, and Energy - which are benefitting from a synchronised global manufacturing uptick. This shift is also anchored by exceptional commodity strength. Copper's climb to record highs reflected this and gold's sustained levels above US\$5,400 signal both industrial demand for the AI-driven grid build-out and a strategic hedge against persistent "higher-for-longer" yields and persistent inflation and USD debasement fears. However, the war in Iran introduces a major new uncertainty: if the conflict proves brief these trends may quickly resume, but a prolonged escalation or disruption to energy markets could materially alter the trajectory for global growth, inflation and markets.

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.

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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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