PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

INVESTMENT UPDATE AND NTA REPORT
JULY 2026

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 31 JULY 2026	AMOUNT
NTA after tax	$1.192
NTA before tax	$1.196

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 JULY 2026

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 December 2014
Market Capitalisation:	$458 million
Share Price:	$1.19
Shares on Issue:	385,264,407
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 JULY 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	-0.9%	2.3%	-4.0%	-0.1%	4.7%	4.9%	8.4%	8.7%	8.5%
S&P/ASX 300 Acc Index	2.1%	4.0%	2.4%	5.8%	10.3%	7.8%	7.8%	9.0%	9.0%
Excess Returns	-3.0%	-1.7%	-6.5%	-5.9%	-5.6%	-2.9%	0.5%	-0.2%	-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.

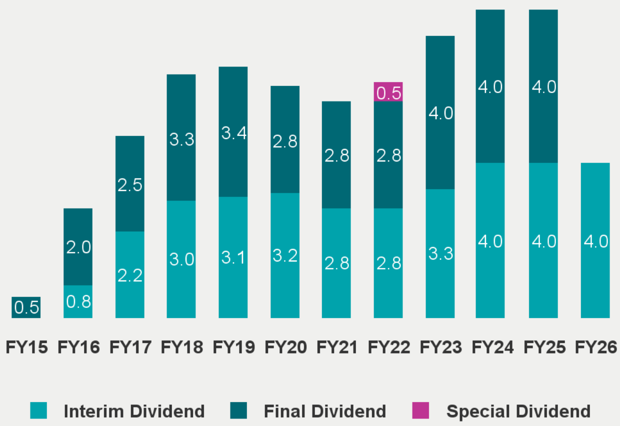
TOP 10 STOCK HOLDINGS

COMPANY	PORTFOLIO WEIGHT
Rio Tinto Limited	9.2%
Washington H. Soul Patt.	6.8%
News Corporation	5.9%
BHP Group Ltd	5.2%
Goodman Group	4.6%
Aspen Group Limited	3.8%
Cobram Estate Olives Ltd.	3.5%
Ramsay Health Care Limited	3.1%
Mainfreight Limited	3.1%
GPT Group	2.7%

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

DIVIDENDS IN CENTS PER SHARE

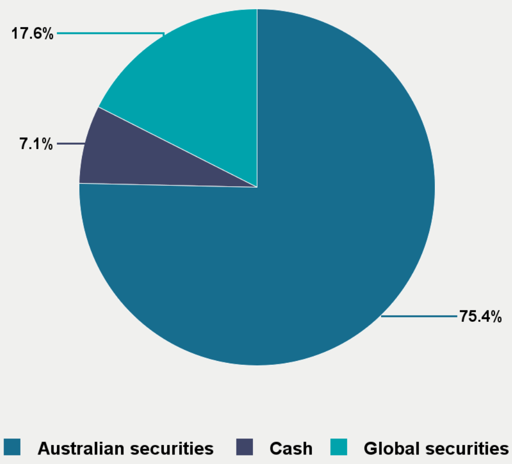
Annual dividend yield: 6.7%
Grossed up annual dividend yield: 9.6%



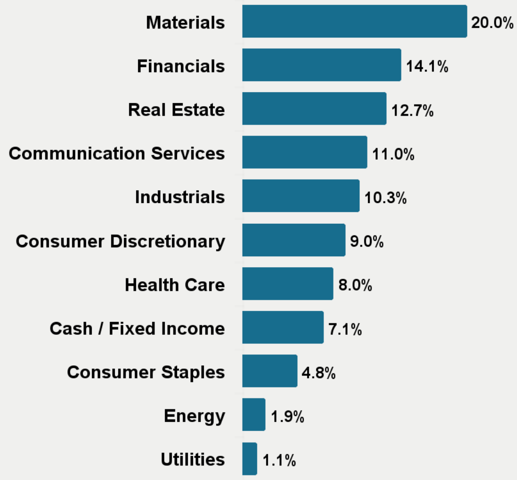
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.190 as at 31 July 2026. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS^

92.9% 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/ASX 300 returned 2.13% in July 2026, the fourth consecutive monthly gain, closing within 1.25% of all-time highs after a late-month break higher. There was a notable divergence between large and small caps during the month with the S&P/ASX20 rising 3.70% and the S&P/ASX Small Ordinaries declining 3.17% driven primarily by a rotation into large-cap Energy and Banks.

Energy led (+12.06%) as the US-Iran conflict escalated. Financials (+5.79%) outperformed on bank strength despite ongoing housing price weakness as interest rate and Federal tax changes weighed on sentiment. Healthcare (+2.17%), Consumer Discretionary (+1.11%) and Communication Services (+1.07%) also rose. Information Technology was weakest (–4.78%) on US AI-trade weakness in data centre names. Industrials (–1.40%) fell as defence names Electro Optic Systems and DroneShield dropped 35.1% and 30.0% respectively. Utilities (–0.95%), Materials (–0.92%) and Real Estate (–0.39%) also declined, with Materials mixed as rare earths and lithium lagged while base metals and select gold miners gained. In domestic macro news, the RBA did not meet in July. Employment firmed while Q2 trimmed mean CPI undershot expectations, and RBA Governor Michele Bullock reiterated a cautious, inflation-focused stance.

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 CBA and Westpac, both of which were not held, and BHP. The portfolio’s skew towards overlooked quality and value mid and smaller cap opportunities struggled with the large cap rotation during July.

Contributors

News Corporation (NWS-US)

News Corporation climbed 9.92% for the month. While there was no major news out for NWS during July, the company reported a strong result for Q4 in early August. On a group basis, NWS reported a 13% EBITDA beat versus consensus, with all segments coming in above expectations. The most significant beats by segment on an EBITDA basis were the Dow Jones and Digital Real Estate, which was particularly encouraging for us given they are the largest and highest quality divisions within NWS. The ongoing strong growth in the Dow Jones was underpinned by strong growth in digital subscriber numbers in the Wall Street Journal and revenue growth in the Risk and Compliance data business, both of which are assisting margin expansion. We have maintained that the Dow Jones business, and NWS's portfolio of assets more broadly, is undervalued by the market. Much of this stems from a perception that the rump of NWS (ex-REA) is a low-quality business in structural decline, exposed to the pressures facing traditional newspapers. This result gives credibility to the sustainable growth of the Dow Jones and supports a re-rating as the market comes to appreciate this business. The result also showed very strong free cash flow growth in Q4 and FY26, where growth was 42%. This strong cash flow will continue to support the buy-back program which we see as a compelling use of capital at current share prices.

Mainfreight (MFT-NZ)

Mainfreight returned 15.23% for the month, buoyed by a very strong trading update at its annual general meeting on July 30. It is pleasing to see the update showed strength across all segments and locations, where at the May update the strength of the Australian segment offset weakness elsewhere. The July update also showed New Zealand, Australia, the Americas, Europe and Asia all reporting profit before tax (PBT) growth in the first 16 weeks, with the Americas returning to profit and Europe delivering more than a doubling of PBT. We have previously written about how MFT is a high-quality cyclical that will benefit from material operating leverage once the cycle turns. The company has been investing in capacity expansions at a low point in the cycle. Due to underutilisation of these assets, margins for the group had compressed materially. Our view has remained that this was a short-term headwind and as the company continued to win new customers and market share, utilisation and thus margins would return to historical levels. This update provides evidence that this is underway. The first-16-weeks revenue increased 17.7%, however PBT increased 78.1%. Transport and Warehousing were the key proof points, with PBT up 125.1% and 90.2%, respectively, signalling that recent network investment is indeed translating to better utilisation and operating leverage. Looking forward we still see upside to the stock underpinned by the ongoing growth in the more mature markets, encouraging progress in developing locations and a below mid-cycle environment.

Detractors

Cobram Estate Olives (CBO)

CBO declined 26.4% in July, although the fall was softened by a 14.5% gain over the final four trading sessions of June. The decline was driven in part by CBO's July 7 harvest and business update, with the stock falling 6.25% on the day. CBO announced that COR (the US company it acquired earlier in the year) earnings will not reach the earn-out hurdle, which requires EBITDA above US$7.125m in 1H26 for a maximum payment of US$15m, and disclosed a dispute with the COR sellers over a purchase price adjustment of US$31.9m, with no further detail provided. The market reacted negatively to both the near-term underperformance of the COR business and the uncertainty surrounding the dispute. The 2026 Australian harvest also weighed on sentiment, producing 12.1m litres of olive oil, of which 10.6m litres came from Cobram owned groves, below some broker estimates. Importantly, however, 12.1m litres is enough to carry sales of Cobram's branded and private label products through to the 2027 Australian harvest. Despite the recent negative sentiment, we remain confident in Cobram's ability to navigate these short-term issues and realise value from the COR acquisition, leveraging its strong market position and the tailwinds from grove maturity, synergies and scale. The attraction of the COR acquisition is in the brand value, oil supply and potential for Cobram to improve its operations and cost of production over time. We see the update as reflecting operations prior to Cobram having the chance to implement its strategy and remain attracted by the very attractive potential for the combined business in the large and growing US market.

LGI Ltd (LGI)

LGI extended its recent underperformance with a 17.65% monthly decline, driven primarily by a lack of volatility in the energy market and softer commodity prices. NSW and Qld wholesale electricity prices have fallen materially through CY26 and the muted volatility has undermined LGI's ability to dispatch battery-stored power at premium-priced moments. Several brokers downgraded earnings estimates for the stock in July in response to the adverse movement in electricity futures, which weighed on the share price. Despite the current energy market backdrop, LGI has demonstrated in the past that there is significant earnings upside when volatility returns. To illustrate, in its first 12 months to January 2025, LGI's Bunya Battery achieved a weighted average pool price more than 70% above the Australian Energy Market Operator (AEMO) average. Beyond dispatch economics, the broader thesis rests on LGI's long-duration exposure to carbon credits and growth opportunities. Decarbonising Australia will be slow, costly and disorderly. LGI's development pipeline reflects the company's impressive growth runway, with three projects coming online in FY27 which is set to lift operating capacity from 21MW to 56MW. We see LGI as well placed to regain market interest when volatility inevitably returns to the transitioning energy market.

Outlook

It remains a volatile environment with macro themes continuing to dominate as the Iran war, Russia-Ukraine fighting, rising political populism, tariffs, the AI capex boom and inflation challenges offer competing narratives and buffet the market in different directions day after day. This volatility is throwing up attractive value opportunities in a range of sectors, particularly in a relative sense when compared to an expensive top end of the Australian market. Rather than worry about the headlines we cannot control we continue to focus on the things we can – including building a portfolio of businesses with strong balance sheets, low leverage, durable earnings and pricing power - purchased at reasonable valuations. That combination – financial robustness plus a valuation margin of safety – is what allows a portfolio to absorb geopolitical shocks without permanent capital impairment, rather than chasing momentum in whichever sector the latest headline favours.

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.

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