

INVESTMENT UPDATE AND NTA REPORT

NOVEMBER 2024

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 30 NOVEMBER 2024	AMOUNT
NTA after tax	\$1.275
NTA before tax	\$1.313

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

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 September 2014
Market Capitalisation:	\$451 million
Share Price:	\$1.180
Shares on Issue:	381,867,088
Dividends:	Half-yearly
Management Fee:	1.00% p.a.*
Manager:	Perpetual Investment Management Limited

* exclusive of GST

INVESTMENT PERFORMANCE

	1 MTH	3 MTHS	6 MTHS	1 YR	2 YRS p.a.	3 YRS p.a.	5 YRS p.a.	7 YRS p.a.	SINCE INCEP p.a.
PIC Investment Portfolio <small>Net of fees, expenses and before tax paid</small>	3.1%	3.7%	6.8%	19.8%	7.8%	6.5%	10.4%	9.2%	9.6%
S&P/ASX 300 Acc Index	3.7%	5.5%	11.3%	23.2%	11.6%	9.1%	8.2%	9.2%	9.3%
Excess Returns	-0.6%	-1.7%	-4.6%	-3.4%	-3.8%	-2.6%	2.2%	0.0%	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

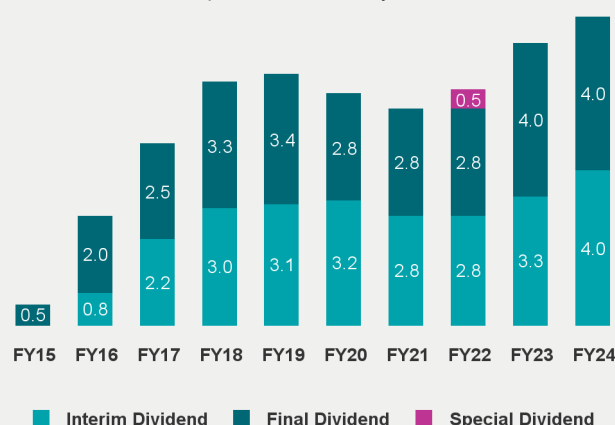
COMPANY	PORTFOLIO WEIGHT
BHP Group Ltd	8.4%
Flutter Entertainment Plc	7.3%
ANZ Group Holdings Limited	4.9%
Whitehaven Coal Limited	4.1%
Macquarie Group, Ltd.	3.9%
GWA Group Limited	3.4%
Westpac Banking Corporation	3.4%
Bluescope Steel Limited	3.1%
Premier Investments Limited	3.0%
Insurance Australia Group Ltd	2.8%

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

DIVIDENDS IN CENTS PER SHARE

Annual dividend yield: 6.8%

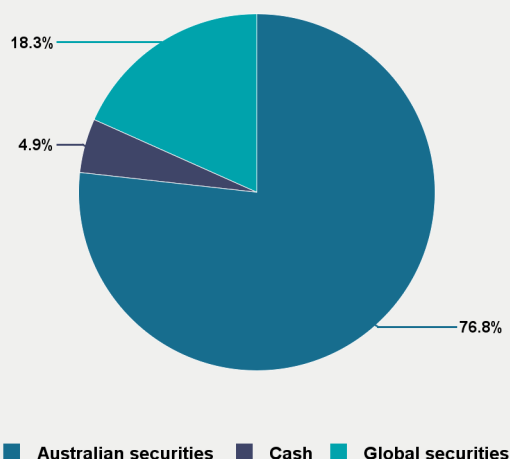
Grossed up annual dividend yield: 9.7%



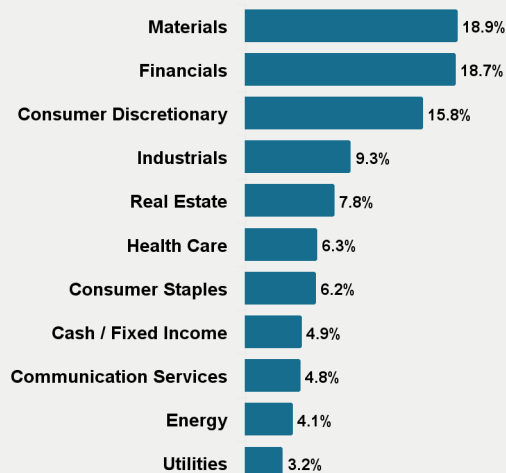
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of \$1.180 as at 30 November 2024. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS[^]

95.1% 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 election of Donald Trump fuelled a strong rally in equities throughout November, with the S&P/ASX 300 Accumulation Index delivering a total return of 3.7%. The Technology sector led the charge, posting a remarkable 10.2% gain. Financials were the largest contributor to the market's performance, rising 7.0% and contributing 2.3% of the overall 3.7% return, driven primarily by a stellar 11.1% increase in Commonwealth Bank of Australia (CBA). In contrast, Materials and Energy were the only sectors to fall, -2.8% and -0.7% respectively, as markets weighed the potential impact of tariffs and persistent deflationary pressures in China. Meanwhile, Westpac and NAB surveys indicated improving consumer and business confidence in Australia, despite weaker-than-expected employment data and the Reserve Bank of Australia's ongoing concern over elevated underlying inflation, which continued to rule out the possibility of a rate cut.

Portfolio contributors

Sigma Healthcare strongly contributed to the portfolio's performance over November as it rose 47.5% after the ACCC announced it did not oppose the Sigma Healthcare Limited and CW Group Holdings Limited merger to create a new listed retail giant. The acquisition creates a larger high-quality company which operates in a favourable oligopolistic wholesale market and has an industry leading distribution network. We believe that the quality of the combined business will improve as the group moves to become an integrated wholesaler as well as a pharmacy franchisor with dominant market share and a pipeline of pharmacists to continue to expand their franchise network. We have admired Chemist Warehouse for a long time and believe that it is probably the best franchisor/retailer in Australia. Chemist Warehouse brings with it a high-quality management team to be instilled into the new combined board through founders Mario Verrocchi and Jack Gance as well as further long-term synergies to be realised by the group.

Insurance Australia Group (IAG) rose 13.7% in November and contributed to performance after the market responded positively to the announcement that they were entering a 25 year strategic alliance with RACQ. Recently, IAG has become more resilient through introducing strategic protections against potential claims variability in its long-term commercial policies, which carry risks of unpredictable claims outcomes over extended periods. These policies can expose the company to risks like inflation-driven litigation costs and delayed claims. One aspect of IAG's strategy is an Adverse Development Cover (ADC), designed to shield its existing reserves from significant fluctuations. A second layer of protection comes from a reinsurance arrangement focused on natural perils, which provides a buffer against the unpredictable costs of weather-related events. This arrangement is structured to cover most expected scenarios, helping to stabilize the company's claims expenses. Although this layered protection introduces upfront costs, it reduces financial impact over time and is expected to moderate earnings volatility, protect target margins, and enhance long-term returns by lowering capital strain.

BlueScope Steel Limited rose 9.0% and also contributed to performance for the month. The company reaffirmed guidance and the valuation disparity between itself and its US peers became obvious following last month's weakness. While short-term steel spread dynamics remain challenging, we believe the share price movement aligns with the longer-term opportunity. Steel pricing has reached a level where there is an asymmetric upside potential, and we are observing positive competitive trends with hot-rolled coil steel prices increasing. BlueScope remains one of the highest quality steel producers globally, with a capable management team, a significant asset in Port Kembla, and the Colorbond brand, which not only boosts margins but also represents a substantial overseas opportunity.

Portfolio detractors

Healius continued to be a challenging position as it fell -16.6% during the month with pathology margins being impacted by higher labour and other inflationary costs despite volume growth. The company is however showing signs of recovery under new management following a stretch of underperformance. Looking ahead, we see further upside after the rationalisation of Healius' portfolio, including the sale of Lumus Imaging at a favourable price, possible capital returns, and topline growing stronger into 2025.

Whitehaven Coal Limited detracted from performance during November, falling -3.4% despite the lack of stock specific news. Indian coal buyers have not returned to the market post the monsoon season with much of their demand being filled out of China due to weakness in that market. Whitehaven recently announced the sale of 30% of its Blackwater asset for US\$1.08 billion to Nippon Steel and JFE Steel. This deal significantly reduces the company's leverage, offering more flexibility for capital management over the next few years and initially drove a 6% rally in the share price. Offsetting this was the higher than expected cost guidance for FY25, lower than expected production guidance for the NSW assets and fall in the metallurgical coal price, which is now the key earnings driver for the company, in conjunction with the thermal coal price. QLD volume guidance was in-line. Management's FY25 guidance was impacted by higher unit costs and conservative estimates for coal sales, leading to a large drop in forecasted earnings for FY25. While there is unfortunately a near term impact to earnings, part of the driver of higher costs is increased stripping to de-risk delivering increased production in the future, which will also drive lower operating costs. Management's ability to deliver this increased production and lower costs in FY26+ will be closely watched by the market, along with the return of excess cash to shareholders on top of the dividend payout of 50% of thermal coal earnings.

Outlook

Markets continue to respond positively to the economic policies anticipated under a Trump presidency, which centre on tax cuts, deregulation, deficit reduction, and increased energy production. However, tariffs remain a key area of uncertainty. Early indications suggest that President-Elect Trump views tariffs more as a negotiating tactic than as a firm policy stance. The critical challenge will be how China reacts to U.S. pressure to stimulate its domestic economy more aggressively or to intervene in key industries to achieve a more balanced trade relationship with the United States—an issue with significant implications for the resources sector. Despite the historical undervaluation of resources, investors continue to favour defensive assets, often irrespective of price. We continue to leverage our multi decade experience and remain true to label providing our investors with exposure to the high quality companies trading at attractive valuations which we believe will drive outperformance as markets revert to fundamentals.

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.

PORTFOLIO MANAGER

Vince Pezzullo
Perpetual Asset Management Australia
Vince has over 30 years' experience in the financial services industry, and has prior global experience as both an analyst and a portfolio manager. Vince is Head of Australian Equities and leads Perpetual Asset Management Australia's Equity team, one of the largest investment teams in Australia.

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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FIND OUT MORE

Visit our website www.perpetual.com.au/equity to access a range of information including Monthly Investment Updates, Portfolio Manager insights, dividend history and educational resources.

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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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.