

INVESTMENT UPDATE AND NTA REPORT

DECEMBER 2024

PORTFOLIO SNAPSHOT

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

AS AT 31 DECEMBER 2024	AMOUNT
NTA after tax	\$1.244
NTA before tax	\$1.273

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 2024

ASX Code:	PIC
Structure:	Listed Investment Company
Listing Date:	18 September 2014
Market Capitalisation:	\$453 million
Share Price:	\$1.185
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>	-1.8%	-1.5%	2.6%	12.0%	8.1%	4.3%	10.2%	8.6%	9.3%
S&P/ASX 300 Acc Index	-3.1%	-0.8%	6.9%	11.4%	11.8%	7.1%	8.0%	8.4%	8.9%
Excess Returns	1.3%	-0.7%	-4.4%	0.6%	-3.7%	-2.7%	2.2%	0.2%	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

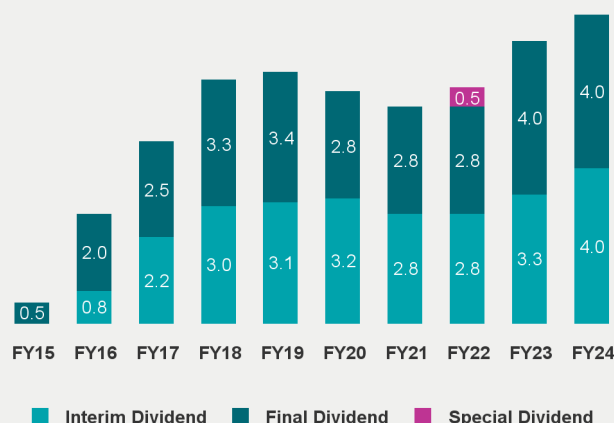
COMPANY	PORTFOLIO WEIGHT
BHP Group Ltd	8.4%
Flutter Entertainment Plc	7.4%
Whitehaven Coal Limited	4.0%
Macquarie Group, Ltd.	3.8%
GWA Group Limited	3.7%
Westpac Banking Corporation	3.4%
ANZ Group Holdings Limited	3.1%
Premier Investments Limited	2.9%
Insurance Australia Group Ltd	2.8%
Howden Joinery Group PLC	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: 6.8%

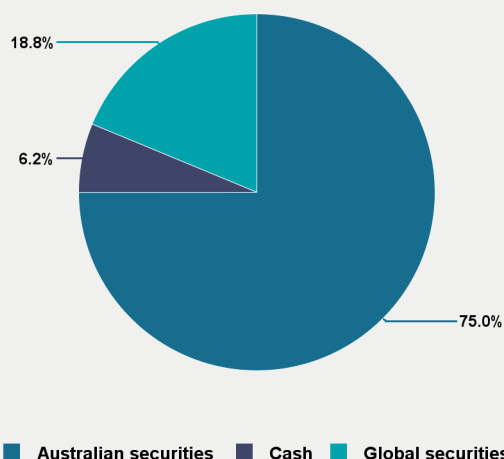
Grossed up annual dividend yield: 9.6%



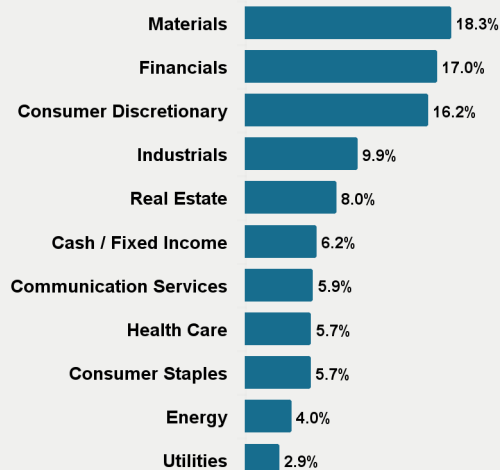
Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of \$1.185 as at 31 December 2024. Grossed up yield takes into account franking credits at a tax rate of 30%.

ALLOCATION OF INVESTMENTS[^]

93.8% 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.

COMPANY NEWS

Half year results 2025

The Company's half year results for financial year 2025, including any dividend announcement, will be announced on Thursday, 20 February 2025. Indicative key dates for 2025 are now available on the [PIC website](#).

PORTFOLIO COMMENTARY

Market Commentary

Markets sold off in December after their strong bounce in November. The S&P/ASX300 Accumulation Index (benchmark) gave up -3.1% with most sectors fairly flat and the worst performing sectors being Real Estate, Materials and Financials. Euphoria over hoped-for tax cuts and de-regulation from the incoming Trump administration were tempered by the growing reality of governing with a narrow Republican majority in the House of Representatives. Squabbling over spending measures nearly forced the US Federal Government into shutdown before Christmas. Combined with resurgent economic confidence this led to US bond yields rising, with the yield on the US 10 year threatening to rise above the 4.7% peaks observed in April. The Australian economy sent mixed signals. Employment growth remained robust at 35,600 in November, pushing the unemployment rate down to 3.9%, but most jobs were being created by government as public spending continued to grow. Meanwhile GDP slowed to just 0.8% for the 12 months to 30 September 2024 with just 0.3% for the September 2024 quarter. GDP per capita fell-0.3% which was the seventh consecutive quarterly decline.

Portfolio contributors

Myer Holdings rallied 16.0% in December and was the top contributor to performance for the PIC portfolio as the company continued towards its potential combination with Premier Investments apparel brands Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E. The combination will create a leading omni-channel retail platform that brings enhanced scale and significant operating leverage benefits. Myer will also benefit from the expected addition of Retail Stalwart Solomon Lew's potential addition to the board.

The overweight position in Select Harvests strongly contributed to performance during December as the stock rallied 15.2%. With weak almond crops globally, the price of almonds remains strong and Select Harvests is well placed to capitalise on this. The company conducted a capital raise in September, derisking its balance sheet and with costs now taken out of the business, management can focus on maximising yield and capturing the strong almond prices.

News Corporation remained resilient in December, up 1.0% (+1.02%), during a negative month for the market. Towards the end of the month News Corp announced the sale of Foxtel to DAZN Group which will bring the News Corp balance sheet back to a healthy net cash position. News Corp remains our favoured media exposure encompassing some of the highest quality media exposures in the world and with strong growth opportunities through REA group and realtor.com.

Portfolio detractors

BlueScope Steel fell -15.5% and detracted from performance in December as the steel sector continued to face headwinds and downgrades from the broker/analyst sell-side. 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. At current levels, the company is an attractive opportunity trading near net tangible asset value. 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.

The overweight position in Iluka Resources detracted from performance over December as the share price fell -9.5% with the market broadly underwhelmed by the update from the company on the rare earth refinery with particular concern around potential offtake pricing. Iluka is a major producer of rutile and synthetic rutile that is used to produce pigment (paint) and largest producer of zircon that is used to produce ceramics (tiles) and a recovery in these markets can be met by releasing excess inventory and reducing working capital before production is restarted. Iluka has a very strong balance sheet (net cash) and also owns a valuable stake in Deterra Royalties, which was spun-off in an IPO so is able to buffer these periods of demand distortion that is a feature of these markets.

Ramsay Health Care also detracted from performance in December as the stock fell -12.8%. There is growing concern over operating cost growth outpacing revenue growth which is further exacerbated by the level of debt on the balance sheet. Despite this, for the patient investor activity level trends are normalising, the balance sheet has improved post the sale of Sime Darby and we think Ramsay has the highest quality private hospital assets on the market.

Outlook

After initially embracing Trumponomics, attention is now turning to the challenges of delivery and containing excesses in the economy, including the potential for inflation to return in 2025. The incoming administration will need all its political guile to deliver the much hyped agenda of reduced regulation, tax relief and spending cuts whilst also reducing the budget deficit. Bond vigilantes will no doubt be around to remind markets if they think that this ambitious mix of goals is not being achieved. Whilst bond markets have been wary of the period ahead equity markets in the United States continue to exhibit extreme exuberance and are once again trading at similar valuations to the Dotcom peak in 2000 and the post COVID bubble in 2021. Australian equity valuations, whilst stretched in some sectors, are not as out of kilter overall, especially as resources trade near multi year lows. The big question remains what happens in China where the economy flirts with deflation and whether authorities can pull off the sustained stimulus that Mario Draghi and Ben Bernanke did in 2012, such as QE3, that allayed market concerns about the commitment to reflating the economy.

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.

CONTACT DETAILS

For queries regarding investor relations:

Karen Trau
P: 02 9229 3138
E: karen.trau@perpetual.com.au

For queries regarding investor shareholdings:

Link Market Services
Investor queries:
Telephone: +61 1800 421 712
Mailing Address: Link Market Services,
Locked Bag A14, Sydney South, NSW 1235
Email: pic@linkmarketservices.com.au

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.

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.