Perpetual Equity Investment Company Limited

Perpetual Equity Investment Company Limited
ABN 68 601 406 419

Angel Place,
Level 14, 123 Pitt Street
Sydney NSW 2000
Australia

GPO Box 4172
SYDNEY NSW 2001
Australia

Phone 1800 022 033

20 August 2026

ASX Announcement

Perpetual Equity Investment Company Limited
2026 Annual Financial Results

Please find attached the following announcements for release to the market:

- FY26 Appendix 4E
- ✓ **2026 Annual Report to Shareholders**
- 2026 Corporate Governance Statement
- Appendix 4G
- FY26 Results Summary

This release has been authorised by the Board of Directors of Perpetual Equity Investment Company Limited.

Yours faithfully,

Sylvie Dimarco
Company Secretary

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ANNUAL REPORT 30 JUNE 2026

ACN 601 406 419

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

CONTENTS

YOUR BOARD OF DIRECTORS

Left to right:

Amanda Gillespie
Executive Director

Tim Bednall
Independent
Non-Executive Director
Chairman, Nomination and Corporate Governance Committee

Nancy Fox AM
Non-Executive Director
Chairman of the Board

Michael Clarke
Independent
Non-Executive Director
Chairman, Audit and Risk Committee

FY26 HIGHLIGHTS

$12.1 million

Net profit after tax

2.8%[2]

Investment portfolio performance for 12 months to 30 June 2026

$1.197 per share[1]

Net tangible assets after tax

5% p.a.[2]

Investment portfolio performance over 5 years to 30 June 2026

INCOME FOR OUR SHAREHOLDERS

8.0 cents per share

Total FY26 fully franked dividend

6.8%[3]

Annual dividend yield

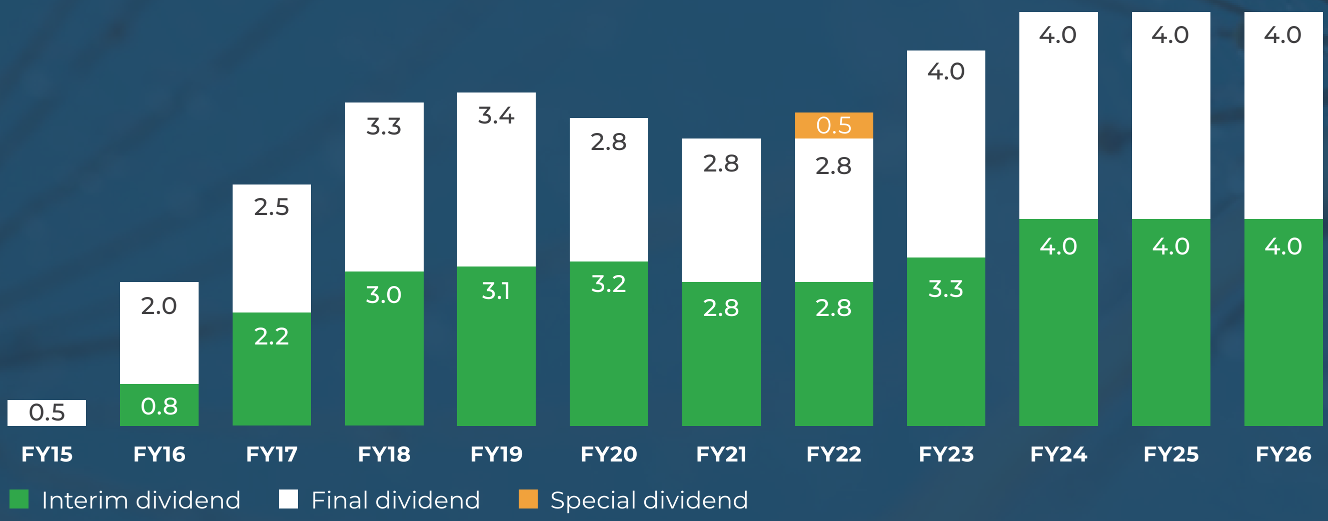
2.0 years dividend coverage[4]

Based on $63 million profit reserve[4]

9.7%[3]

Grossed up dividend yield

FULLY FRANKED DIVIDENDS SINCE INCEPTION IN CENTS PER SHARE (CPS)



1 'After tax 'refers to tax paid and provisions for deferred tax on unrealised gains and losses in the Company's investment portfolio as at 30 June 2026.

2 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. For details of the Company's investment performance, please visit https://www.perpetualequity.com.au/tools-and-resources/research-reports

3 Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.18 as at 30 June 2026. Grossed up yield takes into account franking credits at a tax rate of 30%.

4 Profit reserve of $63 million as at 30 June 2026 after taking into account the estimated payment of the final dividend. This equates to 16.4 cents per share and represents 2.0 years dividend coverage assuming a total dividend payment of 8.0 cents per share per annum. This does not take into account any changes to share capital. No representation is made in relation to the payment of future dividends, which will be at the discretion of the Company's Board.

CHAIRMAN'S REPORT

Nancy Fox AM
Chairman

Dear Fellow Shareholders,

I am pleased to present the 2026 financial year (**FY26**) Annual Report for Perpetual Equity Investment Company Limited (ASX: PIC; the **Company**).

Despite the macroeconomic fluctuations, geopolitical tensions, and locally the inflationary and interest rate pressures experienced throughout FY26, the Board is pleased to again provide shareholders with a consistent income stream through a strong dividend. The Board has remained focused on the management of shareholder capital, ensuring the Company remains in a strong financial position and well placed to continue delivering on its objective.

Financial results and dividend

The Company reported net profit after tax of $12.1 million in FY26, a decrease of 44.4% from the prior year. Continued market uncertainty weighed on investment performance throughout the year and contributed to the softer overall investment performance, which is the main contributor to PIC's financial results.

The Board determined to declare a fully franked final dividend of 4.0 cents per share, which is consistent with the FY25 interim and final dividends.

This brings the FY26 full year dividend to 8.0 cents per share - consistent with last year's dividend payment as the highest since the Company's inception - and equates to an annual dividend yield of 6.8% and grossed-up dividend yield of 9.7%[1]. This compares favourably to the trailing 12-month dividend yield of the S&P/ASX 300 Accumulation Index which was 3.1% as at 30 June 2026.

In FY26 the Board maintained its focus on the management of shareholder capital to ensure the Company's position remains strong. This approach has enabled the Board to continue to declare consistent fully franked dividend payments since the Company's inception, as well as building a healthy profit reserve and franking account. After the payment of the 2H26 dividend, the profit reserve for the Company sits at $63 million which provides for 2.0 years dividend coverage[2]. The franking account balance is $13.8 million, also after the payment of the final dividend and provides for 1.0 year of fully franked dividend coverage. Notably this does not include any additional franking credits that may be generated. Taking into account the 2H26 dividend payment, $245 million or 69.8 cents per share has been paid in dividends since the Company listed in 2014[3].

1 Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of $1.18 as at 30 June 2026. Grossed up yield takes into account franking credits at a tax rate of 30%.

2 Profit reserve of $63 million as at 30 June 2026 after taking into account the estimated payment of the final dividend. This equates to 16.4 cents per share and represents 2.0 years dividend coverage assuming a total dividend payment of 8.0 cents per share per annum. This does not take into account any changes to share capital. No representation is made in relation to the payment of future dividends, which will be at the discretion of the Company's Board.

3 Includes the fully franked 2H26 dividend of 4.0 cents per share declared by the Board on 20 August 2026 and to be paid on 1 October 2026.

Investment performance

The Australian share market was shaped by inflation concerns, uncertainty around monetary policy, geopolitical tensions and continued growth in AI-related investment. Despite these challenges, the Australian sharemarket delivered a positive but relatively modest return compared with global markets.

For the 12 months to 30 June 2026 the PIC portfolio returned 2.8% whereas the S&P/ASX 300 Accumulation Index (benchmark) returned 6.2%.

While PIC underperformed the benchmark during the period, the Manager remains focused on investing in high-quality, attractively valued securities that it believes will deliver strong long-term returns. It is a philosophy that our shareholders expect when they invest in the Company, and one that will continue to underpin the Manager's investment process moving forward. The Board believes this disciplined approach will continue to deliver positive outcomes for the Company, including dividend income and capital growth for PIC shareholders.

I encourage you to read the Portfolio Managers' Report for a more detailed update on how the portfolio is being managed in the current environment.

PIC transitions to monthly dividend payments

As announced on 10 August 2026, the Company will transition from semi-annual to monthly dividend payments, with the first monthly dividend expected to be paid in December 2026[4].

We recognise that many of our shareholders, particularly retirees and income-focused investors, value regular income. Moving to monthly dividends is a natural evolution for PIC and is designed to provide a more consistent and predictable income stream, while maintaining our disciplined investment approach.

The Board believes the new approach will allow profits to be distributed to shareholders in a more timely manner, while providing greater visibility through quarterly dividend announcements covering the following three months. Importantly, the change relates solely to the timing and frequency of dividend payments and does not alter PIC's investment strategy, disciplined investment process, or long-term return objective.

Governance

As I approach the completion of my third elected three-year term as a Non-executive Director and Chairman of the Company, the Board has invited me to stand for re-election at the 2026 Annual General Meeting for the period commencing from the conclusion of the Company's 2026 Annual General Meeting until the conclusion of the 2027 Annual General Meeting. I have agreed to do so to support an orderly succession process and ensure a smooth transition of responsibilities to my successor.

It has been a privilege to serve shareholders over many years, and I remain committed to supporting the Company through this transition period while maintaining continuity of leadership and governance. I believe this approach is in the best interests of both the Company and its shareholders. If re-elected, I look forward to continuing to work with the Board to support the Company's long-term success until the conclusion of the 2027 Annual General Meeting.

Looking ahead

We continue to see a growing need from our shareholders for high quality investments and a reliable income stream. While FY26 was characterised by macroeconomic uncertainty, geopolitical tensions and persistent inflationary pressures, the Board remains focused on managing the Company's capital position to deliver an income stream over the longer term to our shareholders. The transition to monthly dividends is designed to further enhance the consistency and frequency of income while maintaining our disciplined approach to capital management.

As always, thank you to our long-term shareholders and the new shareholders that joined in FY26 for their support. I look forward to updating you further at our Annual General Meeting.

Yours sincerely,

Nancy Fox

Nancy Fox AM
Chairman

4 Subject to Board approval

PORTFOLIO MANAGERS' REPORT

Vince Pezzullo
Head of Australian Equities
Portfolio Manager, PIC

Sean Roger
Co-Portfolio Manager, PIC

Dear fellow shareholders,

The 2026 financial year (FY26) was characterised by a series of shifting market narratives and heightened volatility. While the Australian equity market delivered modest gains overall, investor sentiment changed frequently in response to evolving expectations for interest rates, inflation and geopolitical developments. From July to October 2025, markets reached record highs on optimism around potential rate cuts and resilient corporate earnings. However, in November 2025, concerns about persistent inflation triggered a sharp pullback, particularly in the banking sector. Markets subsequently recovered from December 2025 through to the end of February 2026, supported by strength in both financials and resources, before renewed geopolitical tensions in the Middle East weighed on sentiment and contributed to a more subdued market that largely traded sideways into year-end.

Artificial intelligence was also a key driver of market volatility during the year. The launch of Claude Cowork in January triggered a significant de-rating in the technology sector as the market priced in the future competitive threat to many business models. The exponential growth in capital investment into data centre supply chains to support AI also drove significant share price appreciation in companies exposed to the build-out.

Sector returns varied significantly. Materials was among the strongest-performing sectors, supported by gains in gold, lithium and copper, although performance moderated later in the year as geopolitical uncertainty increased and iron ore prices softened. The Health Care sector started FY26 positively, then fell to multi-year lows by the end of May, driven in part by CSL declining more than 50% for the year, and Cochlear falling almost 60% after a significant profit downgrade. Technology persistently lagged for much of the year amid concerns around the threat of AI. Performance of the Financials sector was mixed, with the major banks rallying strongly in February before relinquishing those gains by the end of the financial year. Judo Bank fell nearly 40% in June following an increase in bad loans, highlighting the market's sensitivity to deteriorating asset quality and credit quality concerns. Consumer discretionary stocks remained sensitive to changes in interest rate expectations, while energy stocks largely reflected developments in global commodity markets and geopolitical events.

Portfolio Performance

Over the 12 months to 30 June 2026, the PIC portfolio returned 2.8%, underperforming the index by 3.4%.

Contributors

BlueScope Steel (BSL) was a strong contributor to portfolio performance over the prior 12 months, returning 47.6%. In the second half of 2025, we increased our exposure to BlueScope in response to signs of improving market conditions in the US market. With the stock trading at close to Net Tangible Assets (NTA) at the time and the company nearing the end of a long capital investment program, we felt the stock was significantly undervalued relative to its mid-cycle earnings capacity and near-term free cash flow inflection.

In early January, BSL announced it had received an all-cash acquisition proposal at $30 per share from a consortium comprising Steel Dynamics and SGH Limited. The announcement also disclosed three earlier proposals from Steel Dynamics-led consortiums, ranging in value from $24 to $33 per share. The share price jumped more than 20% on the news. While the final bid of $32.35 was rejected by the BSL board, the interest highlighted embedded value within the portfolio. Operating momentum then picked up in the June quarter, with both the US and Australian businesses benefiting from improved pricing conditions, supported by favourable import policies including tariffs and anti-dumping action.

Not holding the Commonwealth Bank of Australia (CBA) was the second highest contributor for the period, after it was a material headwind in the prior 12 months. It has been a volatile 12 months for the stock, with intramonth returns exceeding plus or minus 5% on five occasions, the most recent being a 5% decline in May. Several catalysts drove that weakness. The first was the major banks' result updates in early May, which highlighted increased bad debt overlay provisions across the sector and lifted the overall bad debt charge. This weighed on earnings relative to consensus expectations. Later in the month, the federal budget introduced changes to negative gearing rules, dampening expectations for housing credit growth. Markets reacted particularly sharply in CBA's case, with the share price falling more than 10% in a single session following the announcement.

Our core thesis for not holding CBA has been that it is fundamentally expensive in both absolute and relative terms, trading through the year at almost 4x price-to-book on average and on a price-to-earnings ratio in the mid-20s, roughly a 50% premium to its 20-year average. Earnings have also been flattered by favourable banking conditions, including elevated credit growth and historically low bad debts. CBA's 3Q26 trading update brought some of these risks into sharper focus, with management flagging a weaker capital position than the market had anticipated.

Looking ahead, we see building headwinds for the sector. Credit growth appears set to slow given the shift in rate expectations, and while higher rates initially support net interest margins, a broader economic slowdown presents a challenging backdrop for the sector, one we believe is not yet fully reflected in current valuations.

Cobram Estate Olives (CBO) has been a long-time holding in PIC and was the top contributor for the year. A major catalyst was the announced $US173.5 million acquisition of California Olive Ranch (COR). The acquisition gives Cobram access to COR's 4,370 hectares of US supply producing ~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.

The US olive oil market is highly attractive given its size (second largest in the world) and sustained growth, with extra virgin olive oil (EVOO) outpacing other cooking oils as awareness of the health benefits shifts consumer behaviour. With less than 5% of US EVOO locally grown, there is scope for material share gains for local product. Given the Cobram team's track record in Australia, where they drove locally grown EVOO to 30-40% of all EVOO consumed, we are confident in their ability to grow the US business.

Financially, the acquisition price is underpinned by US$133 million of net assets, a modest earnings multiple and scope for material synergies as Cobram introduces its leading farming practices to lift yields on the COR assets. A strong growth outlook in both markets, alongside a highly aligned, disciplined and experienced Board and management team, supports Cobram remaining a core position in the portfolio.

Detractors

Flutter was the largest detractor, declining 66.5% during the year. The recent share price weakness has been driven by a combination of factors, but the core driver of the de-rating has been the emergence of prediction market operators that offer event contracts on sports outcomes. These operators sit outside the traditional state-licensed online sports betting (OSB) framework and are therefore not subject to the same tax and regulatory structures.

Three data points were read by the market as confirmation that prediction markets were taking share. First, industry turnover decelerated in December and January. Second, FanDuel (business of Flutter) and DraftKings (key competitor) provided weaker than expected CY26 outlook statements at their February results, driven in part by increased investment in their own prediction market products. Third, and most disappointing from our perspective, FanDuel's OSB division underperformed in Q4, driven by operational missteps in the timing of its generosity offers.

In our view, the important point is that the market has assumed all three developments are structural and tied to prediction markets, but we see it differently.

Firstly, the slowdown in handle (total dollar value of bets placed) reflected consistent and very high win rates through the NFL season and an unfavourable NFL program versus the prior year from a customer engagement perspective, both cyclical rather than structural. Second, the Q4 OSB underperformance was a self-inflicted operational error, not evidence of prediction-market erosion. The company has a clear playbook to improve on this in 2026 and, given the expertise and quality of the offer, we expect the missteps to be promptly rectified. Signs have emerged in recent industry data points that industry-wide handle has improved and FanDuel has returned to taking market share.

A Supreme Court ruling could force prediction markets to stop offering sports betting altogether. Even if it does not, their presence will likely accelerate the pace of state OSB legislation, benefitting FanDuel.

FanDuel is also well placed to be a leading player in the market-making side of prediction markets: as the biggest sports betting company in the US and the world, it has the most data of any competitor to draw on. On balance, we see the range of outcomes as skewed favourably relative to where the share price now sits.

Northern Star Resources (NST) also detracted, largely due to a 32.2% decline over March. The sell-off coincided with a sharp correction in the gold price, which fell by more than 20% peak to trough during the month following the escalation of the Iranian conflict. The rapid decline in gold was driven by a combination of factors, including reports that several sovereign holders, notably Turkey and Russia, partially sold gold reserves to fund elevated energy costs and support their currencies. Against this backdrop, NST also experienced company-specific operational challenges. A series of mill outages at the KCGM operation resulted in downgrades to FY26 production and cost guidance, leading the stock to underperform the underlying commodity. On this basis, we exited the position in March.

News Corporation (NWS) had a difficult start to FY26, declining more than 27% through to the end of February, including a sharp sell-off during that month. The share price was pressured by heightened market concerns that artificial intelligence could erode the competitive moat of REA Group, in which NWS holds a 61% stake. However, we believe REA, and property classifieds more broadly, will prove resilient to the threat of AI. REA is deploying AI offensively – through natural-language and visual search, automated valuations and enhanced content – to keep discovery, engagement and monetisation on-platform.

NWS bounced back more than 10% in March following the Dow Jones' Investor Day, where management outlined an EBITDA target of US$1 billion within five years for the division, implying a growth rate of approximately 11% per annum.

The Dow Jones business remains central to our investment thesis for NWS. Over the past seven years, Dow Jones has successfully transformed into a subscription-led, recurring revenue business, with EBITDA increasing from approximately US$193 million to US$588 million. This growth has been underpinned by the high margin Risk & Compliance and Energy Markets divisions. In our view, concerns regarding AI disruption within Risk & Compliance appear overstated. The business benefits from proprietary datasets, human-led research, auditable compliance processes and strong brand equity, creating significant barriers to displacement by generic large language models.

NWS continues to offer meaningful upside as investors increasingly recognise the value of its collection of high-quality growth businesses. As confidence builds in the durability and growth profile of Dow Jones earnings in particular, we believe NWS can increasingly be viewed as a diversified media and information services company rather than primarily as a proxy for REA Group. Ongoing share buybacks reinforce management's confidence in the company's valuation and, in our view, represent a highly accretive use of capital.

Portfolio positioning

The biggest position relative to the Australian index remains the significant underweight to the top 20, which, in aggregate, we view as materially overvalued on a fundamental basis. CBA, Wesfarmers, Telstra and Woolworths are all trading on valuations that are detached from both historical levels and their outlook for earnings and cash flow growth over time. While not ignorant to the drivers of these valuation dislocations, our view remains that, over time, fundamentals prevail. On this basis, investments continue to be skewed to where we see attractive valuation on offer. Over the last 18 months, this decision has resulted in investment performance lagging index performance and our own expectations of annual returns. Stock selection always plays a big role; however, the position skew towards both small-mid caps and undervalued cyclical exposures has been painful as interest rate expectations have reset higher over the last six months.

While the inflationary pressures of both private-sector spend, particularly the data centre build-out, and public-sector spend remain, weaker consumer activity, falling asset prices and the emerging deflationary impacts of AI provide offsetting forces.

High-quality cyclicals remain a key area of portfolio exposure. These are businesses whose earnings carry economic or sector-linked volatility, but which, backed by strong management and balance sheets, offer material upside in both earnings and multiples as end-markets recover. We buy these at the low end of the cycle, when near-term headwinds make them unpopular, and look for situations where, through long-term-minded management teams and a strong capital position, companies can invest through a downturn, often resulting in market share gains and improved financial returns over time.

One example is Ferguson Enterprises (FERG), a leading plumbing supply distributor in the US. The company has a long-term track record of market outperformance, value-accretive inorganic market consolidation and financial returns to shareholders. Weakness in the US housing market over the last 12 months in particular has pressured FERG's earnings and resulted in a situation where we believe the company is under-earning relative to mid-cycle conditions. This has been offset by strength in its large commercial project exposure, where growth remains strong, underpinned by demand for water and air solutions across large capital projects such as data centres. We see the current valuation as attractive for the earnings growth on offer.

Freight and logistics company Mainfreight (MFT) is another great example of what we look for in a cyclical. It has a long track record of growing earnings structurally over time, an excellent management team, and a net cash balance sheet that enables investment through the cycle. Despite a challenging backdrop, MFT delivered a well-received FY26 result in May, with Australian PBT margins reaching 10%, surpassing COVID-era highs. As the cycle turns, improved network density and recent investment in warehouse and transport facilities should drive material operating leverage.

Another theme in the portfolio is companies with improving return on capital. Two examples of this theme are Ramsay Health Care Limited (RHC) and EVT Limited (EVT).

Following a strategic review, RHC's new management kicked off a multi-year transformation program, ultimately aimed at improving returns for the company. The improvement mechanism is twofold: pruning low-returning assets and lifting returns in the core Australian business. On the first, the in-specie divestment of Ramsay Sante appears on track to complete in late CY26, leaving a simplified and de-geared group. On the second, our thesis centres on the Australian business delivering market-share gains, a richer surgical mix, better capacity utilisation, and modest margin expansion as more of the strong inflation in labour costs is worn by the private health insurers. Together, these levers should lift ROIC toward the low teens, supporting longer-term value creation and share price momentum.

EVT is a second such story. The hotels business, now around 58% of group EBITDA versus 38% in FY19, is increasingly weighted toward capital-light managed agreements, where EVT earns high-margin management fees on hotels it operates but does not own. Because these require minimal invested capital, incremental returns on growth are high, and the mix shift away from the more volatile cinemas division is lifting earnings quality. Capital recycling helps at the margin, with around $335 million of non-core assets sold since 2020 at an average premium of about 30% to book, redeployed into managed-network growth and owned-hotel upgrades. The company has flagged that it is reviewing options to potentially sell, redevelop, or form a property joint venture for two large sites in Sydney CBD, which would unlock value and potentially increase returns to shareholders.

Outlook

Looking ahead, the investment environment remains shaped by a number of macroeconomic and geopolitical uncertainties. Ongoing tensions in the Middle East, evolving trade policies in the United States, continued strategic competition between the US and China, and the war in Ukraine all have the potential to influence global growth and market sentiment. At the same time, many economies continue to face challenges associated with slower growth, elevated public debt and shifting political landscapes. In Australia, the changes announced in the May 2026 Federal Budget to capital gains tax and negative gearing arrangements, effective from mid 2027, have added further uncertainty to consumer sentiment and property prices.

With equity valuations already elevated, especially in the US, and the risk that the strong performance of AI-related stocks reverses, we continue to focus on owning high-quality businesses with strong competitive positions, resilient earnings and sound balance sheets, while maintaining a cautious approach to excessive leverage and higher-risk areas of the market.

We thank you for your ongoing support.

Vince Pezzullo
Head of Australian Equities
Portfolio Manager, PIC

Sean Roger
Co-Portfolio Manager,
PIC

INVESTMENT PORTFOLIO

List of investments held at 30 June 2026	Market value $'000
Australian listed securities	
A2 Milk Company Limited	6,255
Aspen Group	18,514
BHP Group Limited	24,111
Bluescope Steel Limited	9,976
Capricorn Metals Limited	5,947
CAR Group Limited	5,912
Charter Hall Group	7,239
Cobram Estate Olives Limited	22,504
Cochlear Limited	4,508
Eagers Automotive Limited	3,637
EVT Limited	11,218
Goodman Group	23,982
GPT Group	11,889
Iluka Resources Limited	1,068
James Hardie Industries Plc	10,560
LGI Limited	6,469
Light & Wonder Inc.	8,534
McMillan Shakespeare Limited	10,521
Myer Holdings Limited	1,998
Navigator Global Investments Limited	7,100
New Hope Corporation Limited	9,197
Newmont Corporation	6,136
Nick Scali Limited	6,285
Pinnacle Investment Management Group Limited	9,039
Premier Investments Limited	6,273
Ramsay Health Care Limited	14,606
ResMed Inc.	8,409
Rio Tinto Limited	43,416
Sigma Healthcare Limited	9,846
Suncorp Group Limited	9,555
Tabcorp Holdings Limited	8,732
The Lottery Corporation Limited	4,350
Washington H Soul Pattinson and Company Limited	31,818
Total Australian listed securities	369,604
Global listed securities	
Ferguson Enterprises Inc.	11,208
Flutter Entertainment Plc	6,645
Fox Corporation	3,870
Hemnet Group	2,108
Howden Joinery Group Plc	13,046
Mainfreight Limited	12,164
News Corporation	25,195
Total global listed securities	74,236

List of investments held at 30 June 2026 (continued)	Market value $'000
Derivatives	
Foreign currency forward contracts	(1,014)
Total derivatives	**(1,014)**
Cash and deposit products	
Cash at bank	29,804
Total cash and deposit products	**29,804**
Total	**472,630**

The total number of transactions entered during the year was 1,050.

The total brokerage paid during the year was $1,329,419 (GST inclusive).

The Directors present their report together with the financial statements of Perpetual Equity Investment Company Limited (the Company) for the year ended 30 June 2026 and the auditor's report thereon.

Directors

The following persons were Directors of the Company during the financial year or since the end of the year and up to the date of this report:

Nancy Fox AM, Chairman and Non-Executive Director
BA, JD (Law), FAICD

Appointed Chairman and Director of the Company on 1 July 2017. Nancy Fox is a member of the Company's Nomination and Corporate Governance Committee and the Audit and Risk Committee.

Nancy Fox is a Director of Mission Australia and its active operating controlled entities and a Director and Chairman of Mission Australia Housing. In addition, Nancy is a Director of Aspect Studios Pty Ltd, a Director of O'Connell Street Associates and the Forestry Corporation of NSW, a Trustee on the Board of Trustees of the Royal Botanic Gardens and Domain Trust and a Responsible Person of the Foundation & Friends of the Botanic Gardens.

Nancy Fox has over 30 years of experience in financial services, securitisation and risk management gained in Australia, the US and across Asia.

Nancy's former roles were as a Non-Executive Director of Perpetual Limited, a Director of one of Perpetual's subsidiaries, Queensland Trustees Pty Ltd, and the Deputy Chair of the RFS Benevolent Fund.

A lawyer by training, Nancy was the former Managing Director for Ambac Assurance Corporation from 2001 to 2011, Managing Director of ABN Amro Australia from 1997 to 2001 and Vice President of Citibank.

Listed company directorship held during the past three financial years:

- Perpetual Limited (from September 2015 to 17 October 2024)

Michael Clarke, Non-Executive Director
BEng (Hons), MBA

Appointed Director of the Company on 1 September 2023. Michael Clarke is a member of the Company's Nomination and Corporate Governance Committee and the Chairman of the Company's Audit and Risk Committee.

Michael Clarke is the Managing Director of Pacific Current Group Limited (ASX: PAC) and a member of PAC's Investment Advisory Committee. He is also a Non-Executive Director of Aurora Investment Management Pty Ltd, a wholly owned subsidiary of PAC and Roc Partners Pty Limited, an entity in which PAC has a minority stake. In relation to PAC's overseas interests, Michael is a Director of Northern Lights Alternative Advisors, LLP and Independent Financial Partners.

Michael Clarke has over 30 years of experience in asset management in both Australia and overseas. Michael has held various roles including responsibility for managing equity, fixed income and currency portfolios and building asset management businesses. His most recent leadership role was Chief Executive (acting) of Challenger Funds Management, based in Sydney. Prior to that, he was Managing Director of Russell Investments' institutional business in Australia and New Zealand, Director of Strategy and International at AMP Capital Investors, Chief Executive and Chief Investment Officer at Goldman Sachs JBWere Asset Management, Investment Director at Equitilink Australia, and Division Director at Macquarie Bank.

Listed company directorship held during the past three financial years:

- Pacific Current Group Limited (from 14 February 2024 to present)

Directors (continued)

Tim Bednall, Non-Executive Director
LLB (Hons), GAICD

Appointed Director of the Company on 7 May 2025. Tim Bednall is a member of the Company's Audit and Risk Committee and the Chairman of the Company's Nomination and Corporate Governance Committee.

Tim is a lawyer and company director. He is a partner of Mallesons, where he heads the firm's corporate governance practice and is a member of Mallesons' Risk Committee. He is the founder and a director of Owl Advisory Pty Ltd, Mallesons' regulatory compliance and governance risk advisory practice.

Tim is a Non-executive Director of Amplitude Energy Limited (ASX: AEL) and the Chairman of the AEL People and Remuneration Committee.

He is a board member of the National Portrait Gallery Foundation and the Program Director of the Australian Directors Program at the Melbourne Business School.

Tim's legal career spans over 40 years, specialising in M&A, capital markets and corporate governance. He was a former Chairman of Mallesons, a former Managing Partner of Mallesons for M&A and Tax, a former Managing Partner of the KWM European and Middle East practice and was the Law Council of Australia's representative on the ASX Corporate Governance Council.

Listed company directorship held during the past three financial years:

• Amplitude Energy Limited (from 31 March 2020 to present)

Amanda Apted (Gillespie), Executive Director
BEco/Econ (Hons), GAICD

Appointed Director of the Company on 13 May 2021.

Amanda Apted (Gillespie) is an Executive Director of Perpetual Investment Management Limited (PIML or the Manager), Pendal Fund Services Limited (PFSL), Pendal Institutional Limited, Perpetual Strategic Partners Limited, Perpetual Superannuation Limited and Perpetual Trustee Company Limited. She is also the Chair of PIML and PFSL Investment Governance Forum and Chief Executive of Perpetual Asset Management Australia. Amanda is responsible for leading the Australian division of Perpetual Asset Management, which includes the Australian Equities, Credit & Fixed Income, and Multi Asset investment management teams. Amanda joined Perpetual in February 2018 and has held the prior roles of General Manager Client Solutions & Strategy and more recently, General Manager Perpetual Investments.

Amanda has more than 22 years of experience in asset management and investment research. Prior to joining Perpetual, Amanda was Chief Executive Officer of Lonsec where she played a key role in leading and building out Lonsec's investment and superannuation research and consulting capabilities.

Former Director

Virginia Malley, Non-Executive Director
BA, MAppFin, Juris Doctor, GradDipEnvLaw, LLM, FAICD

Appointed Director of the Company on 25 August 2014. Retired on 6 November 2025.

Company secretaries

Sylvie Dimarco
LLB, GradDipAppCorpGov, FGIA, MAICD

Appointed Company Secretary on 25 August 2014.

Sylvie Dimarco joined Perpetual Limited in 2014 and is the Head of Governance and Company Secretary. She is also Company Secretary of Perpetual Limited and all of Perpetual's subsidiaries.

Sylvie Dimarco has over 19 years of experience in company secretariat practice and administration for listed and unlisted companies. Before Perpetual, she practiced as a commercial lawyer in Sydney and Canberra for 11 years, working in predominantly mid-sized law firms.

Manichanh Phompida
LLB, GradDipAppCorpGov

Appointed Company Secretary on 21 May 2026.

Manichanh Phompida joined Perpetual Limited in 2023 as the Assistant Company Secretary for Perpetual Limited and its subsidiaries. She is responsible for the governance and company secretarial activities for the Company and Perpetual Limited and its subsidiaries and has been admitted as a solicitor in New South Wales since 2001. Her previous experience includes working as a private practice lawyer and in house counsel and then as Assistant Company Secretary at Aristocrat Leisure Limited and MLC.

Directors' meetings

The following table sets out the number of meetings held of which a Director was eligible to attend and the number of meetings attended by the Company's Directors during the year ended 30 June 2026:

	Board		Audit and Risk Committee		Nomination and Corporate Governance Committee	
	Held	Attended	Held	Attended	Held	Attended
Directors						
Nancy Fox AM	6	6	4	4	3	3
Michael Clarke	6	6	4	4	3	3
Tim Bednall	6	6	4	4	3	3
Amanda Apted (Gillespie)	6	6	4	3	3	2
Former Director						
Virginia Malley	2	2	1	1	1	1

Corporate Governance Statement

The Company's Corporate Governance Statement, which meets the requirements of Australian Securities Exchange Listing Rule 4.10.3, is provided on the Company's website at www.perpetualequity.com.au.

Principal activities

The Company is a listed investment company established to invest in a concentrated and actively managed portfolio of Australian listed securities with typically a mid-cap focus and cash, deposit products and senior debt, together with opportunistic allocations to global listed securities. 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.

Review of operations

	30 June 2026 $'000	30 June 2025 $'000
Profit/(loss) before income tax	**13,983**	25,042
Income tax benefit/(expense)	**(1,900)**	(3,321)
Profit/(loss) for the year attributable to shareholders	**12,083**	21,721

As at 30 June 2026, the Company's Net Tangible Assets (NTA) after tax were $1.197 per share (30 June 2025: $1.248). The NTA after tax has decreased by -4.1% during the year.

The decrease in NTA was predominantly attributable to the investment return of the Company's investment portfolio after the deduction of fees and taxes, and after the payment of two fully franked dividends totaling 8.0 cents per share during the year.

The Manager remains disciplined in following its investment philosophy and process which focuses on quality and value. The Manager's investment process aims to identify quality businesses with recurring earnings, conservative debt and sound management, that are trading at attractive valuations. This is underpinned by the Manager's thorough research and analysis on securities held in the portfolio.

Further information on the operating and financial review of the Company and its future operation is contained in the Chairman's Report and Portfolio Manager's Report.

Dividends

Dividends paid or provided by the Company to shareholders were:

	Cents per share	**Total amount $'000**	**Franking**	**Payment date**
Declared and paid during the financial year 2026				
Final 2025 dividend	**4.0**	**15,324**	**100%**	**3 October 2025**
Interim 2026 dividend	**4.0**	**15,365**	**100%**	**9 April 2026**
Declared after the end of financial year 2026				
On 20 August 2026, the Directors declared:				
Final 2026 dividend	**4.0**	**15,411**	**100%**	**1 October 2026**

All dividends are fully franked at a tax rate of 30%.

The financial effect of dividends declared after year end is not reflected in the financial statements for the year ended 30 June 2026 and will be recognised in the subsequent financial statements.

Transition to monthly dividend payments

On 10 August 2026, the Company announced that it will be transitioning from semi-annual to monthly dividend payments, with the first monthly dividend payment expected to occur in December 2026. All dividends will remain subject to the Company's financial position, including the availability of profits and franking credits, and compliance with the law. As such, the payment of any monthly dividend is not guaranteed and remains at the absolute discretion of the Board.

The Company expects dividends to continue to be fully franked, or franked to the maximum extent possible, having regard to the Company's franking account balance.

The Company's Dividend Reinvestment Plan (DRP) will be suspended while dividends are paid monthly.

State of affairs

There were no significant changes in the state of affairs of the Company during the financial year other than the matters disclosed under the review of operations.

Events subsequent to reporting date

The Directors are not aware of any event or circumstance since the end of the financial year not otherwise dealt with in this report that has significantly affected or may significantly affect the operations of the Company, the results of these operations or the state of affairs of the Company in the subsequent financial years.

Likely developments and expected results of operations

The Company will continue to be managed in accordance with its investment objective and guidelines (as amended) and in accordance with the provisions of the Company's Constitution.

The results of the Company's operations will be affected by a number of factors, including the performance of investment markets in which the Company invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Environmental regulation

The operations of the Company are not subject to any particular or significant environmental regulations under a law of the Commonwealth, or of a State or Territory.

Indemnity of directors and officers

The Company indemnifies, to the extent permitted by law, each Director in respect of certain liabilities which the Director may incur as a result of being or acting as an officer of the Company, including legal expenses. The auditor of the Company is in no way indemnified out of the assets of the Company.

Insurance

In accordance with the provisions of the *Corporations Act 2001*, the Company has a directors and officers' liability policy of insurance which covers all Directors and officers of the Company. The insurance policy covers the Directors for the period that they are officers and for seven years after they cease to act as officers. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

Remuneration report: Audited

This report sets out the remuneration arrangements for all Key Management Personnel, being the Non-Executive Directors and the Executive Director of Perpetual Equity Investment Company Limited for the year ended 30 June 2026. The information in this Remuneration report has been audited by the Company's auditor, KPMG, as required by section 308(3C) of the *Corporations Act 2001*.

(a) Key management personnel

Below are the Company's Key Management Personnel for the year ended 30 June 2026:

Name	Position	Term
Directors		
Nancy Fox AM	Chairman and Non-Executive Director	Full year
Michael Clarke	Non-Executive Director	Full year
Tim Bednall	Non-Executive Director	Full year
Amanda Apted (Gillespie)	Executive Director	Full year
Former Director		
Virginia Malley	Non-Executive Director	Retired 6 November 2025

(b) Remuneration of directors

Remuneration policy

The Board, with the recommendation of the Nomination and Corporate Governance Committee, determines the size and composition of the Board and its Committees. The Company has not established a remuneration committee as the Board has determined it is not necessary to establish a separate remuneration committee given there are no paid employees.

The Board reviews and approves the remuneration of individual Board members. Remuneration paid to the Non-Executive Directors aims to ensure the Company can attract and retain suitably skilled, experienced and committed individuals.

Non-Executive Directors do not receive performance-related remuneration.

The Executive Director, Amanda Apted (Gillespie) is not entitled to Directors' fees or any other form of remuneration from the Company for her services. She is a Director of Perpetual Investment Management Limited (the Manager). Her remuneration is governed by the remuneration policy of Perpetual Limited, the parent company of the Manager.

Fee framework

Non-Executive Directors receive a base fee. They do not receive additional fees for participating in Board Committees. Total remuneration available to the Directors is a maximum of $400,000 as set out in the Company's Constitution (excluding the Executive Director). Any increase in the aggregate amount of Directors' fees over $400,000 must be approved by a resolution of the shareholders as required by the Company's Constitution.

	From 1 July 2026	**30 June 2026**	30 June 2025
	$	**$**	$
Non-Executive Directors' fees			
Chairman	**80,000**	**70,000**	70,000
Directors	**69,000**	**59,000**	59,000
Audit and Risk Committee	**-**	**-**	-
Nomination and Corporate Governance Committee	**-**	**-**	-

Remuneration report: Audited (continued)

(b) Remuneration of directors (continued)

Effective 1 July 2026, the Board implemented changes to the Non-Executive Directors' fee framework, including increases to the Directors' fees. Taking into account the period since the previous fee review on 1 July 2023, these adjustments are equivalent to an annual increase of 4.8% for the Chairman and 5.6% for the Directors. In approving these changes, the Board considered inflation, external market benchmarking and the importance of maintaining fee levels that support the attraction and retention of highly qualified and experienced directors.

The Non-Executive Directors' fees are inclusive of superannuation contributions, capped at the maximum prescribed under Superannuation Guarantee legislation. Non-Executive Directors may also salary-sacrifice superannuation contributions out of their base fees if they so wish.

Remuneration of directors

The following table sets out the Directors' remuneration for the years ended 30 June 2026 and 30 June 2025.

Name	**Directors' fees $**	**Superannuation $**	**Total $**
Directors			
Nancy Fox AM			
2026	**62,500**	**7,500**	**70,000**
2025	62,710	7,290	70,000
Michael Clarke			
2026	**52,679**	**6,321**	**59,000**
2025	52,856	6,144	59,000
Tim Bednall			
2026	**52,679**	**6,321**	**59,000**
2025*	7,960	955	8,915
Amanda Apted (Gillespie)			
2026	**-**	**-**	**-**
2025	-	-	-
Former Directors			
Virginia Malley			
2026**	**20,046**	**636**	**20,682**
2025	55,957	3,043	59,000
John Edstein			
2025***	48,514	5,623	54,137
Total 2026	**187,904**	**20,778**	**208,682**
Total 2025	227,997	23,055	251,052

* For the period from 7 May 2025 to 30 June 2025.
** For the period from 1 July 2025 to 6 November 2025.
*** For the period from 1 July 2024 to 31 May 2025.

Non-Executive Directors do not receive any non-cash benefits as part of their remuneration.

Amanda Apted (Gillespie) is not entitled to Directors' fees or any other form of remuneration from the Company for her services. She is remunerated by Perpetual Limited, the parent company of the Manager. The Manager has been compensated in management fees of $5,047,498 (inclusive of GST and net of Reduced Input Tax Credit) for the year ended 30 June 2026 (2025: $5,006,312).

Remuneration report: Audited (continued)

(b) Remuneration of directors (continued)

Link between the Directors' remuneration and the Company's performance

	2026	2025	2024	2023	2022
Profit/(loss) after tax ($'000)	12,083	21,721	28,556	55,007	(17,906)
Dividends paid (cents per share)	8.0	8.0	8.0	6.6	5.6
NTA after tax ($ per share)	1.197	1.248	1.272	1.277	1.191
Directors' remuneration ($)	208,682	251,052	237,167	175,000	175,000
Shareholder's equity ($'000)	461,598	477,541	483,550	482,565	449,551
Closing share price ($)	1.180	1.210	1.235	1.165	1.160
Closing option price ($)	-	-	-	-	0.001

The Directors are considered the Key Management Personnel of the Company. The Company does not have any paid employees.

The Directors' remuneration is fixed.

(c) Retirement policy

Directors who have been in office for three years since their last election must retire and may seek re-election at the Company's next Annual General Meeting. Directors are not entitled to any termination benefits.

The Company's Board Tenure and Performance Policy provides that in order to revitalise the Board, Directors should not seek re-election after three elected terms of three years unless the Board (through the Nomination and Corporate Governance Committee) requests them to do so.

(d) Key Management Personnel shareholdings held directly or indirectly

The number of ordinary shares of the Company that each Director held at the reporting date were:

Name	Instrument	Balance at 1 July 2025	Quantity acquired	Quantity disposed	Balance at 30 June 2026
Directors					
Nancy Fox AM	Shares	324,981	-	-	324,981
Michael Clarke	Shares	228,661	15,183	-	243,844
Tim Bednall	Shares	-	5,166	-	5,166
Amanda Apted (Gillespie)	Shares	-	-	-	-
Former Director					
Virginia Malley	Shares	160,485	-	-	160,485

End of Remuneration Report: Audited

Non-audit services

There were no fees paid to KPMG for non-audit services for the years ended 30 June 2026 and 30 June 2025.

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

Rounding of amounts to the nearest thousand dollars

The Company is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with the legislative instrument, unless otherwise indicated.

Signed on behalf and in accordance with a resolution of the Directors:

Nancy Fox

Chairman

Sydney
20 August 2026

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Perpetual Equity Investment Company Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Perpetual Equity Investment Company Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Kophins

Karen Hopkins

Partner

Sydney

20 August 2026

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	30 June 2026 $'000	30 June 2025 $'000
Investment income			
Dividend income		**11,956**	18,404
Interest income		**693**	1,010
Net gains/(losses) on financial instruments at fair value through profit or loss	5(c)	**7,425**	13,015
Net foreign exchange gains/(losses)		**21**	(2)
Other income		**1,426**	146
Total investment income/(loss)		**21,521**	32,573
Expenses			
Management fees	6(a)	**5,047**	5,006
Other expenses	6(b)	**2,491**	2,525
Total expenses		**7,538**	7,531
Profit/(loss) before income tax		**13,983**	25,042
Income tax benefit/(expense)	7(a)	**(1,900)**	(3,321)
Profit/(loss) after income tax		**12,083**	21,721
Other comprehensive income		**-**	-
Total comprehensive income		**12,083**	21,721
Earnings per share			
Basic earnings per share (cents per share)	4	**3.15**	5.69
Diluted earnings per share (cents per share)	4	**3.15**	5.69

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	30 June 2026 $'000	30 June 2025 $'000
Assets			
Cash and cash equivalents	11(c)	**29,804**	27,377
Receivables	9	**4,092**	3,996
Financial assets at fair value through profit or loss	8	**443,855**	467,739
Total assets		**477,751**	499,112
Liabilities			
Payables	10	**2,217**	2,743
Current tax payable		**9,558**	2,705
Financial liabilities at fair value through profit or loss	8	**1,029**	23
Deferred tax liability	7(c)	**3,349**	16,100
Total liabilities		**16,153**	21,571
Net assets		**461,598**	477,541
Equity			
Contributed equity	12(a)	**400,648**	397,985
Retained earnings		**(17,469)**	(3,552)
Profit reserve		**78,419**	83,108
Total equity		**461,598**	477,541

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	**Contributed Equity $'000**	**Retained Earnings $'000**	**Profit Reserve $'000**	**Total $'000**
Balance at 1 July 2025		**397,985**	**(3,552)**	**83,108**	**477,541**
Total comprehensive income for the year		**-**	**12,083**	**-**	**12,083**
Transfers to profit reserve		**-**	**(26,000)**	**26,000**	**-**
Transactions with members in their capacity as shareholders:					
Shares issued from dividend reinvestment plan	12(a)	**2,663**	**-**	**-**	**2,663**
Dividends paid	3(a)	**-**	**-**	**(30,689)**	**(30,689)**
Balance at 30 June 2026		**400,648**	**(17,469)**	**78,419**	**461,598**

	Notes	Contributed Equity $'000	Retained Earnings $'000	Profit Reserve $'000	Total $'000
Balance at 1 July 2024		395,211	(9,373)	97,712	483,550
Total comprehensive income for the year		-	21,721	-	21,721
Transfers to profit reserve		-	(15,900)	15,900	-
Transactions with members in their capacity as shareholders:					
Shares issued from dividend reinvestment plan	12(a)	2,774	-	-	2,774
Dividends paid	3(a)	-	-	(30,504)	(30,504)
Balance at 30 June 2025		397,985	(3,552)	83,108	477,541

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	30 June 2026 $'000	30 June 2025 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**619,685**	529,481
Payments for purchase of financial instruments at fair value through profit or loss		**(588,687)**	(504,726)
Dividends received		**12,751**	18,251
Interest received		**704**	1,002
Other income received		**1,867**	605
Management fees paid		**(5,432)**	(5,369)
Income tax (paid)/refunded		**(7,798)**	6,686
Other expenses paid		**(2,637)**	(2,609)
Net cash inflow/(outflow) from operating activities	11(a)	**30,453**	43,321
Cash flows from financing activities			
Dividends paid - net of dividend reinvestment plan		**(28,026)**	(27,730)
Net cash inflow/(outflow) from financing activities		**(28,026)**	(27,730)
Net increase/(decrease) in cash and cash equivalents		**2,427**	15,591
Cash and cash equivalents at the beginning of the year		**27,377**	11,786
Cash and cash equivalents at the end of the year	11(c)	**29,804**	27,377

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 Reporting entity

Perpetual Equity Investment Company Limited (the Company) is domiciled in Australia. The Company was incorporated on 25 August 2014. The address of the Company's registered office is at Level 14, 123 Pitt Street, Sydney NSW 2000.

The Company is a listed investment company established to invest in a concentrated and actively managed portfolio of Australian listed securities with typically a mid-cap focus and cash, deposit products and senior debt, together with opportunistic allocations to global listed securities. 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. The investment activities of the Company are managed by Perpetual Investment Management Limited (the Manager).

The financial statements for the year ended 30 June 2026 were authorised for issue by the Directors on 20 August 2026.

2 Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets at fair value through profit or loss and deferred tax provisions.

The Company manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined at the reporting date. Deferred tax provisions are recognised for unrealised gains and losses of the Company's investment portfolio.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional currency.

Use of estimates

Management makes estimates and assumptions that affect the reported amounts in the financial statements. Estimates and associated assumptions are reviewed regularly and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where applicable to the fair value measurement, the current changing market conditions are assessed and estimated. Actual results may differ from these estimates.

For the majority of the Company's financial instruments, quoted market prices are readily available. However, when certain financial instruments are fair valued using valuation techniques (for example, pricing models), observable data is used to the extent practicable. The use of estimates and critical judgements in fair value measurement is described in notes 8 and 13(d).

New standards, amendments and interpretations adopted by the Company

There are no new accounting standards, amendments and interpretations that are effective for the reporting period beginning on 1 July 2025 and have a material impact on the financial statements of the Company.

2 Basis of preparation (continued)

New standards, amendments and interpretations effective after 1 July 2026 and have not been early adopted

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2026 reporting period and have not been early adopted in preparing these financial statements. The Company's assessments of the impact of these new standards and amendments are set out below:

- AASB 2024-2 *Amendments to Australian Accounting Standards - Classification and Measurement of Financial Statement Instruments* [AASB 7 & AASB 9] (effective for reporting periods beginning on or after 1 January 2026). This standard amends the requirements related to settling financial liabilities using electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features.
- AASB 18 *Presentation and Disclosure in Financial Statements* (effective for reporting periods beginning on or after 1 January 2027). AASB 18 will replace AASB 101 *Presentation of Financial Statements*. This standard introduces the presentation of newly defined subtotals in the statement of comprehensive income, the disclosure of management-defined performance measures and enhanced requirements for aggregation and disaggregation of financial information.

Rounding of amounts

The Company is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with the legislative instrument, unless otherwise indicated.

3 Dividends

The Company intended to pay a dividend twice a year since inception. On 10 August 2026, the Company announced that it will be transitioning from semi-annual to monthly dividend payments, with the first monthly dividend payment expected to occur in December 2026. All dividends will remain subject to the Company's financial position, including the availability of profits and franking credits, and compliance with the law. As such, the payment of any monthly dividend is not guaranteed and remains at the absolute discretion of the Board.

The Company expects dividends to continue to be fully franked, or franked to the maximum extent possible, having regard to the Company's franking account balance.

(a) Dividends paid

30 June 2026	**Cents per share**	**Total amount $'000**	**Franking**	**Payment date**
Final 2025 dividend	**4.0**	**15,324**	**100%**	**3 October 2025**
Interim 2026 dividend	**4.0**	**15,365**	**100%**	**9 April 2026**
Total	**8.0**	**30,689**		

30 June 2025	Cents per share	Total amount $'000	Franking	Payment date
Final 2024 dividend	4.0	15,229	100%	8 October 2024
Interim 2025 dividend	4.0	15,275	100%	4 April 2025
Total	8.0	30,504		

All dividends paid were fully franked at a tax rate of 30% and paid out of the profit reserve.

3 Dividends (continued)

(b) Subsequent events

On 20 August 2026, the Directors declared the following dividend.

	Cents per share	Total amount $'000	Franking	Payment date
Final 2026 dividend	**4.0**	**15,411**	**100%**	**1 October 2026**

The final dividend will be fully franked based on a tax rate of 30%.

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2026 and will be recognised in the subsequent financial statements.

Dividend reinvestment plan

The Company has a dividend reinvestment plan (DRP) under which eligible shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than by being paid in cash.

DRP is available for the Final 2026 dividend payment on 1 October 2026 and will be suspended while dividends are paid monthly.

(c) Franking account

	30 June 2026 $'000	30 June 2025 $'000
The available balance in the franking account at the reporting date	**20,419**	15,810
Impact on franking account of the final dividend declared after the reporting date but not recognised as a liability at the reporting date	**(6,605)**	(6,567)
The available balance in the franking account after the adjustment for the final dividend declared after the reporting date	**13,814**	9,243

The available balance in the franking account includes the adjustments for franking credits that will arise from the tax payment or refund as recognised in the current tax provision and from the receipt of dividends recognised as receivables at the reporting date.

4 Earnings per share

	30 June 2026	30 June 2025
Basic earnings per share (cents per share)	**3.15**	5.69
Diluted earnings per share (cents per share)	**3.15**	5.69
Profit/(loss) after income tax attributable to shareholders ($'000)	**12,083**	21,721
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	**384,121,677**	381,849,424

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue during the year.

4 Earnings per share (continued)

Diluted earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue and ordinary shares that the Company expects to issue.

5 Investment income

(a) Dividend income

Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss when the Company's right to receive payment is established.

(b) Interest income

Interest income includes interest from cash and cash equivalents and is recognised using the effective interest rate method.

(c) Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) arising from changes in the fair value measurement comprise:

	30 June 2026 $'000	30 June 2025 $'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	**(33,250)**	3,160
Net realised gains/(losses) on financial instruments at fair value through profit or loss	**40,675**	9,855
Net gains/(losses) on financial instruments at fair value through profit or loss	**7,425**	13,015

(d) Other income

Other income is brought to account on an accruals basis.

(e) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss as net foreign exchange gains/(losses).

Translation differences on financial assets and liabilities carried at fair value are reported as part of their fair value gain or loss.

6 Expenses

All expenses are recognised, net of the amount of Goods and Services Tax (GST) recoverable from the taxation authority, in profit or loss on an accruals basis.

(a) Management fees

	30 June 2026	30 June 2025
	$'000	$'000
Management fees	**5,047**	5,006

The Company and the Manager entered into a new Management Agreement as approved by the shareholders at the Annual General Meeting on 7 November 2024. The key terms related to management fees and termination payments under the new Management Agreement and the old Management Agreement are summarised below.

Management Agreement dated 25 November 2024 ("New Management Agreement")

Effective from 12 December 2024, the Manager receives a management fee of 1.00% per annum (plus GST) for the first $700 million of the Portfolio Net Asset Value, 0.85% per annum (plus GST) of the Portfolio Net Asset Value in excess of $700 million and less than or equal to $1 billion, and 0.75% per annum (plus GST) of the Portfolio Net Asset Value in excess of $1 billion.

The Portfolio Net Asset Value is the market value of the assets of the Portfolio reduced by any accrued but unpaid expenses of the Company, but not provisions for tax payable or unpaid dividends of the Company, and after subtracting any borrowings drawn down and adding back any borrowings repaid. The management fee is calculated and accrued daily and paid monthly in arrears.

The New Management Agreement has an initial five-year term and automatic extension for subsequent rolling five-year terms unless terminated by either party in accordance with its terms. If the Management Agreement is terminated during the second five-year term, other than by the Manager, for cause or due to force majeure, the Manager will be entitled to a termination payment at the termination date equal to the total fees paid to the Manager under the Management Agreement during the 18 months immediately preceding the date on which notice of termination is given or the Company passes a resolution to terminate this agreement (as applicable).

Management Agreement dated 7 October 2014 ("Old Management Agreement")

Prior to 12 December 2024, the Manager received a management fee of 1.00% per annum (plus GST) for the first $1 billion of the Portfolio Net Asset Value and 0.85% per annum (plus GST) of the Portfolio Net Asset Value in excess of $1 billion.

The Manager was entitled to a termination payment if the Old Management Agreement was terminated under certain circumstances during the second-five year term (extended term). The termination payment was equal to 5.0%, reduced by one sixtieth (1/60) for each whole calendar month elapsed between the commencement date and the termination date of the extended term, of the Company's net asset values.

6 Expenses (continued)

(b) Other expenses

	30 June 2026 $'000	30 June 2025 $'000
Directors' remuneration	**209**	251
Auditors' remuneration	**77**	94
ASX fees	**110**	119
Registry services	**107**	99
Custody administration fees	**67**	93
Insurance fees	**232**	239
Brokerage	**1,261**	1,220
Other operating expenses	**428**	410
Total other expenses	**2,491**	2,525

(c) Auditor's remuneration

	30 June 2026 $	30 June 2025 $
Amount received or due and receivable by KPMG:		
Audit and review of financial statements	**77,094**	93,901

7 Income tax

In accordance with the *Treasury Laws Amendment (Enterprise Tax Plan) Act 2017*, the Company is subject to 30% tax on its earnings and any tax payments for the year ended 30 June 2026 (2025: 30%).

(a) Income tax benefit/(expense)

	30 June 2026 $'000	30 June 2025 $'000
Current tax		
Current income tax benefit/(expense)	**(14,747)**	(2,826)
Adjustment for prior years	**96**	(932)
Deferred tax		
Temporary differences	**12,751**	437
Total income tax benefit/(expense)	**(1,900)**	(3,321)

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and, where applicable, any adjustment to tax payable in respect of previous periods. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

7 Income tax (continued)

(a) Income tax benefit/(expense) (continued)

Deferred tax is explained in note 7(c).

(b) Reconciliation of income tax benefit/(expense) to prima facie tax payable

	30 June 2026 $'000	30 June 2025 $'000
Profit/(loss) before income tax	**13,983**	25,042
Prima facie income tax calculated at Company's tax rate of 30%	**(4,195)**	(7,513)
(Increase)/decrease in tax payable		
Franking credits	**2,137**	4,119
Foreign income tax offsets	**145**	72
Non-assessable income	**(83)**	933
Adjustment for prior years	**96**	(932)
Income tax benefit/(expense)	**(1,900)**	(3,321)

(c) Deferred tax asset/(liability)

The balance comprises temporary differences attributable to:

	30 June 2026 $'000	30 June 2025 $'000
Net unrealised (gains)/losses	**(3,354)**	(16,100)
Transaction costs available for future tax deductions	**5**	-
Total deferred tax asset/(liability)	**(3,349)**	(16,100)

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised when the carrying amount of an asset exceeds its tax base.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax balances relate to the same taxation authority.

8 Financial assets and liabilities at fair value through profit or loss

	30 June 2026 $'000	30 June 2025 $'000
Derivatives		
Foreign currency forward contracts	**15**	453
Equity securities	**443,840**	467,286
Total financial assets at fair value through profit or loss	**443,855**	467,739
Derivatives		
Foreign currency forward contracts	**1,029**	23
Total financial liabilities at fair value through profit or loss	**1,029**	23

Classification

The Company classifies its investments based on its business model for managing those financial instruments and their contractual cash flow characteristics. The Company's investment portfolio is managed and its performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company evaluates the information about its investments on a fair value basis together with other related financial information.

Equity securities and derivatives are classified as financial assets at fair value through profit or loss. Derivative contracts that have negative values are presented as financial liabilities at fair value through profit or loss.

Recognition/derecognition

The Company recognises its investments on the date it becomes party to the purchase contractual agreement (trade date). Investments are derecognised on the date the Company becomes party to the sale contractual agreement (trade date).

Fair value measurement

At initial recognition, investments are measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently, all investments are measured at fair value without any deduction for estimated future selling costs. Gains and losses arising from changes in the fair value measurement are recognised in profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the end of the reporting date without any deductions for the estimated future selling cost. Equity securities and exchange traded derivatives are valued at the last traded price.

(ii) Fair value in an inactive market or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

The fair value of derivatives that are not exchange traded is estimated at the amount that would be received or paid to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. Foreign currency forward contracts are valued at the prevailing market rates of the relevant forward currencies at the end of the reporting period.

8 Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

9 Receivables

	30 June 2026 $'000	30 June 2025 $'000
Dividends receivable	**719**	1,677
Withholding tax receivable	**60**	187
Interest receivables	**43**	54
GST receivable	**157**	148
Receivables from securities sold	**3,113**	1,930
Total receivables	**4,092**	3,996

Receivables are recognised when a right to receive payment is established.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Company measures the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

10 Payables

	30 June 2026 $'000	30 June 2025 $'000
Payables for securities purchased	**1,790**	2,235
Accrued expenses comprising:		
Management fees	**427**	442
Directors' remuneration	**-**	66
Total payables	**2,217**	2,743

Payables are recognised when the Company becomes a party to the contractual provisions of the agreement.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature. Payables are stated inclusive of the amount of GST.

11 Notes to the statement of cash flows

(a) Reconciliation of profit/(loss) after income tax to net cash flows from operating activities

	30 June 2026 $'000	30 June 2025 $'000
Profit/(loss) after income tax	**12,083**	21,721
Proceeds from sale of financial instruments at fair value through profit or loss	**619,685**	529,481
Payments for purchase of financial instruments at fair value through profit or loss	**(588,687)**	(504,726)
(Increase)/decrease in receivables	**1,087**	(155)
(Increase)/decrease in current tax receivable	**-**	7,739
Increase/(decrease) in payables	**(81)**	6
Increase/(decrease) in current tax payable	**6,853**	2,705
Increase/(decrease) in deferred tax liability	**(12,751)**	(437)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(7,425)**	(13,015)
Net foreign exchange (gains)/losses	**(21)**	2
Dividend income reinvested	**(290)**	-
Net cash flows from operating activities	**30,453**	43,321

Cash flows are presented on a gross basis. The GST components of cash flows arising from operating and investing activities, which are recovered from the taxation authority, are recognised separately as other income received in the operating cash flows.

(b) Non-cash financing activities

	30June 2026 $'000	30June 2025 $'000
During the year, the following dividend payments were satisfied by the issue of shares under the dividend reinvestment plan	**2,663**	2,774

(c) Components of cash and cash equivalents

	30June 2026 $'000	30June 2025 $'000
Cash at the end of the year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash at bank	**29,804**	27,377
Total cash and cash equivalents	**29,804**	27,377

Cash and cash equivalents include cash at bank, deposits held at call and other short term deposits with a maturity period of three months or less from the date of acquisition, which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

12 Equity

(a) Share capital

	30 June 2026 Number of shares	30 June 2026 $'000	30 June 2025 Number of shares	30 June 2025 $'000
Opening balance	**383,088,501**	**397,985**	380,716,264	395,211
Shares issued from dividend reinvestment plan	**2,175,906**	**2,663**	2,372,237	2,774
Shares on issue	**385,264,407**	**400,648**	383,088,501	397,985

Ordinary shares

Ordinary shares entitle the holders to receive dividends as declared and one vote per share at shareholders' meetings.

In the event of winding up the Company, ordinary shareholders rank after creditors and are fully entitled to any surplus capital.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(b) Profit reserve

The profit reserve represents profit available for distribution as a dividend. The Board must pass a resolution to transfer profit to the profit reserve. The Board may resolve to transfer profit to the profit reserve on a quarterly basis.

All dividends must be paid out of the profits that are available in the profit reserve and must not be sourced directly or indirectly from the share capital account.

(c) Capital risk management

The Company's objective in managing capital is to provide shareholders with an income stream and long-term capital growth, by investing in a portfolio of typically 20 to 40 quality securities, underpinned by the Manager's fundamental, in-depth, bottom-up research. The Company considers its capital to comprise ordinary share capital, profit reserve and accumulated retained earnings. Borrowing does not form part of the investment strategy of the Manager, however, the Company retains the right to leverage up to 10% of the investment portfolio at the Board's discretion.

13 Financial risk management

This note presents information about the Company's objective, policies and processes for measuring and managing risks.

The Company's operating activities expose it to a variety of financial risks. These risks include market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Manager has been given the discretionary authority to manage and undertake investments in line with the Company's investment objective, investment strategy and guidelines (as amended).

The Manager is required to act in accordance with the Management Agreement and to report to the Board quarterly on the portfolio's performance, material actions of the Manager during the quarter and an explanation of the Manager's material proposed actions for the upcoming quarter. The Manager is also responsible for designing and implementing day to day risk management and internal control systems which identify material risks for the Company.

The oversight and management of the Company's risk management program have been conferred upon the Audit and Risk Committee. The Committee is responsible for reviewing that the Company maintains effective risk management and internal control systems and processes and providing regular reports to the Board. The Board reviews the effectiveness of the Company's risk management and internal control system annually.

13 Financial risk management (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices such as equity prices, foreign exchange rates, interest rates and credit spreads.

The Company is predominantly exposed to market risk from its investment activities. The Company seeks to reduce the risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. The Company's market risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place.

The Company may use derivative instruments to manage its exposure to market risk. Derivatives are not permitted to be used for gearing purposes.

(i) Price risk

Market prices fluctuate due to a range of factors specific to the individual investment or factors affecting the market in general. Price risk exposure arises from the Company's investment portfolio which comprises predominantly Australian listed securities with some opportunistic allocation to global listed securities.

The Company aims to manage price risk via its stock selection and investment processes, and by diversification of holdings. The Manager's securities selection process is fundamental to the management of price risk. The Manager undertakes fundamental, in-depth, bottom-up research to identify high quality and attractively valued securities using a disciplined investment process. The investment process first assesses companies on four key quality filters: sound management, conservative debt, quality business and recurring earnings. The companies are then valued according to the differing natures of their business and ranked on a scale of one (strong overweight) to five (sell). Price risk is also managed on the basis that the Company is limited to a maximum holding in any individual security to 15% of the portfolio's net asset value. The Company's investment strategy allows the flexibility to invest up to 25% of its investment portfolio in cash and deposit products to provide downward protection and to take investment opportunities when they arise.

The Company is permitted to use derivatives for hedging purposes.

Price risk sensitivity analysis

An increase of 10% in market prices applicable at the reporting date would have increased the Company's profit and net assets by $44,383,963 (2025: $46,728,662). A decrease of 10% in market prices would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

The sensitivity of the Company's profit and net assets to price risk is estimated based on the historical movements of the Company's benchmark (S&P/ASX 300 Accumulation Index) and with the consideration for future outlook of the economy, markets and securities that the Company invests in. The analysis assumes that the prices of the Company's investments in equity securities move in correlation with the index. The actual movement in security prices may vary significantly to the movement in the index.

(ii) Currency risk

The Company is exposed to the movements in the foreign currency exchange rates that may have an adverse effect on the fair value or future cash flows of the Company's financial assets or financial liabilities denominated in currencies other than Australian dollars. This exposure arises from its investments in global listed securities and any transactions that are denominated in foreign currency. The Company's investment strategy allows up to 35% of its investment portfolio in global listed securities.

The Manager considers currency valuations at the entity level when analysing securities, however the Company's investment portfolio is typically unhedged. Currency exposure may be hedged defensively where the Manager sees a significant risk of currency weakness.

The Company held foreign currency forward contracts to manage its exposure to currency risk at the reporting date.

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The following table summarises the Company's exposure to currency risk arising from its financial assets and financial liabilities, monetary and non-monetary, at the reporting date:

	30 June 2026	30 June 2025
	$'000	$'000
British Pound	**3,616**	13,079
Euro	**60**	188
New Zealand Dollar	**12,164**	12,326
Swedish Krona	**2,108**	-
United States Dollar	**9,430**	13,237
Total foreign currency exposure	**27,378**	38,830

Currency risk sensitivity analysis

The following table analyses the impact on the Company's profit and net assets from possible movements in the foreign currency exchange rates. The analysis measures currency risk from the strengthening of Australian dollar against other currencies using a positive sensitivity rate and the weakening of Australian dollar against other currencies using a negative sensitivity rate. The sensitivity rates represent the Manager's estimate of a reasonably possible movement in the foreign currency exchange rates given the current exchange rates and the historic volatility.

	Sensitivity rates		**Impact on profit/net assets**	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	%	%	**$'000**	$'000
British Pound	**+5**	+5	**(181)**	(654)
	-5	-5	**181**	654
Euro	**+5**	+5	**(3)**	(9)
	-5	-5	**3**	9
New Zealand Dollar	**+5**	+5	**(608)**	(616)
	-5	-5	**608**	616
Swedish Krona	**+5**	+5	**(105)**	-
	-5	-5	**105**	-
United States Dollar	**+5**	+5	**(472)**	(662)
	-5	-5	**472**	662

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company can hold up to 25% of its investment portfolio in cash, deposit products and senior debts with less than one year to maturity (including any exposure to such investments gained by investing into cash management trusts). Consequently, the Company is exposed to the changes in market interest rates that may have a negative impact, either directly or indirectly, on the investment return.

The following table summarises the Company's exposure to interest rate risk at the reporting date:

	30 June 2026 $'000	30 June 2025 $'000
Cash at bank	**29,804**	27,377

Interest rate risk sensitivity analysis

An increase of 1% in interest rates applicable at the reporting date would have increased the Company's profit and net assets by $298,040 on an annualised basis (2025: $273,771). A decrease of 1% in interest rates would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(b) Credit risk

Credit risk is the risk of a counterparty failing to meet its financial obligations or contractual commitments resulting in a financial loss to the Company.

The maximum exposure to credit risk for derivatives is any unrealised profit and margins paid on the positions that the Company held at the reporting date. The credit risk exposure for cash, deposit holdings and debt securities is the carrying amount at the reporting date.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high grade credit rating. The Manager regularly monitors the credit rating of counterparties.

Transactions in listed securities are entered with approved brokers. The risk of default is considered low because payment is only made once a broker has received the securities and delivery of securities sold only occurs once the broker receives the payment.

The Company determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. As cash and cash equivalents are callable on demand and all receivables are due within 30 days, the probability of default is considered low. No loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

13 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The following tables summarise the contractual maturities of the Company's financial liabilities:

30 June 2026	**Carrying amount**	**Contractual cash flows** less than 6 months	6-12 months	more than 12 months
	$'000	**$'000**	**$'000**	**$'000**
Non-derivative financial liabilities				
Payables	**2,217**	**2,217**	**-**	**-**
Total	**2,217**	**2,217**	**-**	**-**
Derivative financial liabilities				
Foreign currency forward contracts	**1,029**			
Outflow		**60,997**	**-**	**-**
Inflow		**(59,968)**	**-**	**-**
Total	**1,029**	**1,029**	**-**	**-**

30 June 2025	Carrying amount	Contractual cash flows less than 6 months	6-12 months	more than 12 months
	$'000	$'000	$'000	$'000
Non-derivative financial liabilities				
Payables	2,743	2,743	-	-
Total	2,743	2,743	-	-
Derivative financial liabilities				
Foreign currency forward contracts	23			
Outflow		11,488	-	-
Inflow		(11,465)	-	-
Total	23	23	-	-

The Company has sufficient liquidity to meet these liabilities as the majority of its investment portfolio is considered readily realisable.

(d) Fair value measurement

The Company classifies fair value measurement of its financial assets and liabilities by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

13 Financial risk management (continued)

(d) Fair value measurement (continued)

The following tables present the Company's financial assets and liabilities by fair value hierarchy levels:

30 June 2026	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss				
Derivatives				
Foreign currency forward contracts	**-**	**15**	**-**	**15**
Equity securities	**443,840**	**-**	**-**	**443,840**
Total	**443,840**	**15**	**-**	**443,855**
Financial liabilities at fair value through profit or loss				
Derivatives				
Foreign currency forward contracts	**-**	**1,029**	**-**	**1,029**
Total	**-**	**1,029**	**-**	**1,029**

30 June 2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Derivatives				
Foreign currency forward contracts	-	453	-	453
Equity securities	467,286	-	-	467,286
Total	467,286	453	-	467,739
Financial liabilities at fair value through profit or loss				
Derivatives				
Foreign currency forward contracts	-	23	-	23
Total	-	23	-	23

Rationale for classification of financial assets as level 1

The equity securities held by the Company are valued using unadjusted quoted prices in active markets at the end of the reporting period.

Rationale for classification of financial assets and liabilities as level 2

Foreign currency forward contracts are valued at the prevailing market rates of the relevant forward currencies at the end of the reporting period.

Transfers between levels

The Company's policy is to recognise transfers into and transfers out of the fair value hierarchy levels at the end of the reporting period.

There were no transfers between levels as at 30 June 2026 and 30 June 2025.

14 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the tables below:

30 June 2026	**Effects of offsetting on the statement of financial position**			**Related amounts not offset**	
	Gross amounts	**Gross amounts set off**	**Net amounts presented**	**Amounts subject to master netting arrangements**	**Net amounts**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets					
Derivatives	**15**	**-**	**15**	**(15)**	**-**
Total	**15**	**-**	**15**	**(15)**	**-**
Financial liabilities					
Derivatives	**(1,029)**	**-**	**(1,029)**	**15**	**(1,014)**
Total	**(1,029)**	**-**	**(1,029)**	**15**	**(1,014)**

30 June 2025	Effects of offsetting on the statement of financial position			Related amounts not offset	
	Gross amounts	Gross amounts set off	Net amounts presented	Amounts subject to master netting arrangements	Net amounts
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Derivatives	453	-	453	(23)	430
Total	453	-	453	(23)	430
Financial liabilities					
Derivatives	(23)	-	(23)	23	-
Total	(23)	-	(23)	23	-

Master netting arrangement

Where applicable, certain agreements with derivative counterparties are based on the ISDA Master Agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position, but have been presented separately in this note.

15 Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions.

(a) Total Directors' remuneration for the year ended 30 June 2026 was $208,682 comprising Directors' fees of $187,904 and superannuation of $20,778 (2025: Total Directors' remuneration was $251,052, comprising Directors' fees of $227,997 and superannuation of $23,055). Details of remuneration are disclosed in the Directors' report.

(b) Directors' interests in the Company held directly or indirectly are disclosed in the Directors' report.

(c) Amanda Apted (Gillespie) (Executive Director) is not independent in accordance with the requirements for independence set out in Principle (2) of the ASX Corporate Governance Principles. Amanda Apted (Gillespie) is a Director of Perpetual Investment Management Limited (the Manager). Amanda Apted (Gillespie) is not entitled to Directors' fees or any other form of remuneration from the Company for her services. She is remunerated by Perpetual Limited, the parent company of the Manager.

(d) The Manager charges management fees pursuant to the Management Agreement (refer to note 6(a)).

16 Segment information

The Company is organised into one main operating segment with only one key function, being the investment of funds predominantly in Australia together with opportunistic investments globally.

17 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2026 and 30 June 2025.

18 Events occurring after the reporting period

On 20 August 2026, the Directors declared a fully franked final dividend of 4.0 cents per share, payable on 1 October 2026 (refer to note 3).

No other significant events have occurred since the reporting date which would have an impact on the financial position of the Company as at 30 June 2026 or on the results and cash flows of the Company for the year ended on that date.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2026

Perpetual Equity Investment Company Limited is not required by Australian Accounting Standards (AAS) to prepare consolidated financial statements, and as a result subsection 295(3A)(a) of the *Corporations Act 2001* to prepare a Consolidated Entity Disclosure Statement does not apply to the Company.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2026

1. In the opinion of the Directors of Perpetual Equity Investment Company Limited (the Company):

   (a) The financial statements and notes, set out on page 22 to 43, and the Remuneration Report within the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

   (b) The financial report also complies with International Financial Reporting Standards as stated in note 2.

   (c) The Consolidated Entity Disclosure Statement as at 30 June 2026, set out on page 44, is true and correct.

   (d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the persons performing the functions of the Chief Executive Officer and the Chief Financial Officer for the year ended 30 June 2026.

Signed in accordance with a resolution of the Directors.

Nancy Fox

Chairman

Sydney
20 August 2026

Independent Auditor's Report

To the shareholders of Perpetual Equity Investment Company Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Perpetual Equity Investment Company Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as 30 June 2026;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026;
- Notes to the Financial Statements, including material accounting policies;
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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<table>
<tr><th colspan="2">Valuation and existence of financial assets ($443.9m) and financial liabilities ($1.0m) at fair value through profit or loss</th></tr>
<tr><td colspan="2">Refer to Note 8 and Note 13 to the Financial Report</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>
Financial assets and liabilities at fair value through profit or loss comprise of investments in equity securities and derivatives ("investments").
The Company outsources certain processes and controls relevant to:

Recording and valuing investments to the investment administrator;
Maintaining custody and underlying records of investments to the custodian; and
Initiating and executing the purchase and sale of investments to the investment manager.

Valuation and existence of investments in equity securities and derivatives is a key audit matter due to the:

Size of the Company's portfolio of equity securities and derivatives. These investments represent 92.9% of the Company's total assets at year end; and
Importance of the performance of these investments in driving the Company's investment income and capital performance, as reported in the Financial Report.

We involved valuation specialists to supplement our senior audit team members who understand the Company's business, industry and economic environment it operates in.
</td><td>
Our procedures included:

Assessing the appropriateness of the accounting policies applied by the Company, including those relevant to the fair value of investments, against the requirements of the accounting standards.
Obtaining and reading the Company's administrator and custodian's SOC 1 (System and Organisation Controls 1) assurance reports for the period 1 April 2025 to 31 March 2026 and investment manager's GS007 (Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services) assurance report for the period 1 July 2025 to 30 June 2026 to understand the processes and assess the controls relevant to the:

Administrator to record and value the Company's investments;
Custodian to maintain custody and underlying records of the Company's investments;
Investment manager to initiate and execute the purchase and sale of the Company's investments.

Obtaining and reading the Company's administrator and custodian's bridging letters for the period not covered by the SOC1 assurance reports. Comparing the information presented in the bridging letter for consistency with those in the SOC1 assurance reports.
Working with our valuation specialists, we checked the valuation of the investments, as recorded in the holdings report, to independently sourced prices from relevant stock exchanges as at 30 June 2026.
Checking the existence of investments being the ownership and quantity held to independent confirmations from the custodian as at 30 June 2026.
We evaluated the Company's disclosures in the financial report using our understanding obtained from our testing against the requirements of the accounting standards.

</td></tr>
</table>

Other Information

Other Information is financial and non-financial information in Perpetual Equity Investment Company Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Perpetual Equity Investment Company Limited for the year ended 30 June 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 17 to 19 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

KHopkins

Karen Hopkins

Partner

Sydney

20 August 2026

SHAREHOLDER INFORMATION

The 2026 Annual General Meeting of the Company will be held on 15 October 2026.

The ordinary shares of Perpetual Equity Investment Company Limited are listed on the Australian Securities Exchange under the ASX code PIC with Sydney being the home exchange.

Twenty largest shareholders

The names of the twenty largest holders of ordinary shares as at 31 July 2026 are listed below:

	Number of ordinary shares	%
IOOF Investment Services Limited (IOOF IDPS A/C)	**8,317,524**	**2.16**
BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd)	**8,199,960**	**2.13**
Citicorp Nominees Pty Limited	**6,133,014**	**1.59**
IOOF Investment Services Limited (IPS Superfund A/C)	**5,696,117**	**1.48**
Netwealth Investments Limited (Wrap Services A/C)	**5,283,205**	**1.37**
Mr John Charles Plummer	**4,625,000**	**1.20**
Raffy Holdings Pty Ltd (Raffy A/C)	**3,456,395**	**0.90**
Netwealth Investments Limited (Super Services A/C)	**3,283,090**	**0.85**
HSBC Custody Nominees (Australia) Limited	**3,216,119**	**0.83**
D E C Investments Pty Limited	**2,124,052**	**0.55**
Walmsley Developments Pty Ltd	**1,959,545**	**0.51**
Business2Business Relocations And Fitouts Pty Ltd	**1,702,387**	**0.44**
Mr James Michael Collopy	**1,236,180**	**0.32**
Megfam Investment Company Pty Ltd	**1,125,000**	**0.29**
Mr Peter Leonard Lake + Mrs Pauline Lake	**1,000,000**	**0.26**
Black Nile Investments Pty Ltd (Mark Fahim Superfund A/C)	**950,000**	**0.25**
Fergfam Nominees Pty Ltd	**896,365**	**0.23**
Basil Ladyman Pty Ltd (Woodlat Super Fund A/C)	**876,879**	**0.23**
Hamilton (WA) Pty Ltd (Cooper Family A/C)	**875,000**	**0.23**
Merck Investment Corporation Pty Ltd (Merck Superfund A/C)	**850,000**	**0.22**

Substantial shareholders

No substantial shareholder appeared in the Company's Register of Substantial Shareholders maintained in accordance with section 671B of the *Corporations Act 2001* as at 31 July 2026.

Distribution of securities

Schedule of holdings - shares As at 31 July 2026	Number of shareholders	Number of ordinary shares
1 - 1,000 shares	330	134,484
1,001 - 5,000 shares	756	2,453,614
5,001 - 10,000 shares	982	7,950,899
10,001 - 100,000 shares	5,134	194,740,054
100,001 shares and over	636	179,985,356
Total	7,838	385,264,407

The number of shareholders holding less than a marketable parcel is 161 and they hold 11,300 shares.

Other information

Perpetual Equity Investment Company Limited, incorporated and domiciled in Australia, is a publicly listed investment company limited by shares.

Voting rights

Each share will confer on its holder the right to vote at a general meeting of shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on shares (at present there are none).

On-market buy back

There is no current on-market buy back.

Final dividend

The final dividend of 4.0 cents per share will be paid on 1 October 2026 to shareholders entitled to receive dividends and registered on 9 September 2026 being the record date.

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DIRECTORY

Company

Perpetual Equity Investment Company Limited
ACN 601 406 419

Directors

Nancy Fox AM - Chairman
Michael Clarke
Tim Bednall
Amanda Apted (Gillespie)

Company secretaries

Sylvie Dimarco
Manichanh Phompida

Investment manager

Perpetual Investment Management Limited
Level 14, 123 Pitt Street
Sydney NSW 2000
(AFSL 234426)

Registered Office

Level 14, 123 Pitt Street
Sydney NSW 2000
Phone 1800 022 033

Auditor

KPMG
Tower 3
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

Australian Securities Exchange Code

Shares: PIC

Share registry

MUFG Corporate Markets
Liberty Place, Level 41
161 Castlereagh Street
Sydney NSW 2000
Phone 1800 421 712

Website

www.perpetualequity.com.au

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