

25 August 2025

ASX Announcement

**Perpetual Equity Investment Company Limited
2025 Annual Financial Results**

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

FY25 Appendix 4E



2025 Annual Report to Shareholders

2025 Corporate Governance Statement

Appendix 4G

FY25 Results Summary

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

Yours faithfully,



Sylvie Dimarco
Company Secretary

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PERPETUAL
EQUITY
INVESTMENT
COMPANY
LIMITED

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ANNUAL REPORT 30 JUNE 2025

ACN 601 406 419

Perpetual 

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

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YOUR BOARD OF DIRECTORS



Left to right:

Virginia Malley	Tim Bednall	Nancy Fox AM	Amanda Gillespie	Michael Clarke
Independent Non-Executive Director	Independent Non-Executive Director	Non-Executive Director	Executive Director	Independent Non-Executive Director
Chair, Audit and Risk Committee	Chairman, Nomination and Corporate Governance Committee	Chairman of the Board		

FY25 HIGHLIGHTS

\$21.7 million

Net profit after tax

6.5%²

Investment portfolio performance for 12 months to 30 June 2025

\$1.248 per share¹

Net tangible assets after tax

12.1% p.a.²

Investment portfolio performance over 5 years to 30 June 2025

INCOME FOR OUR SHAREHOLDERS

8.0 cents per share

Total FY25 fully franked dividend

6.6%³

Annual dividend yield

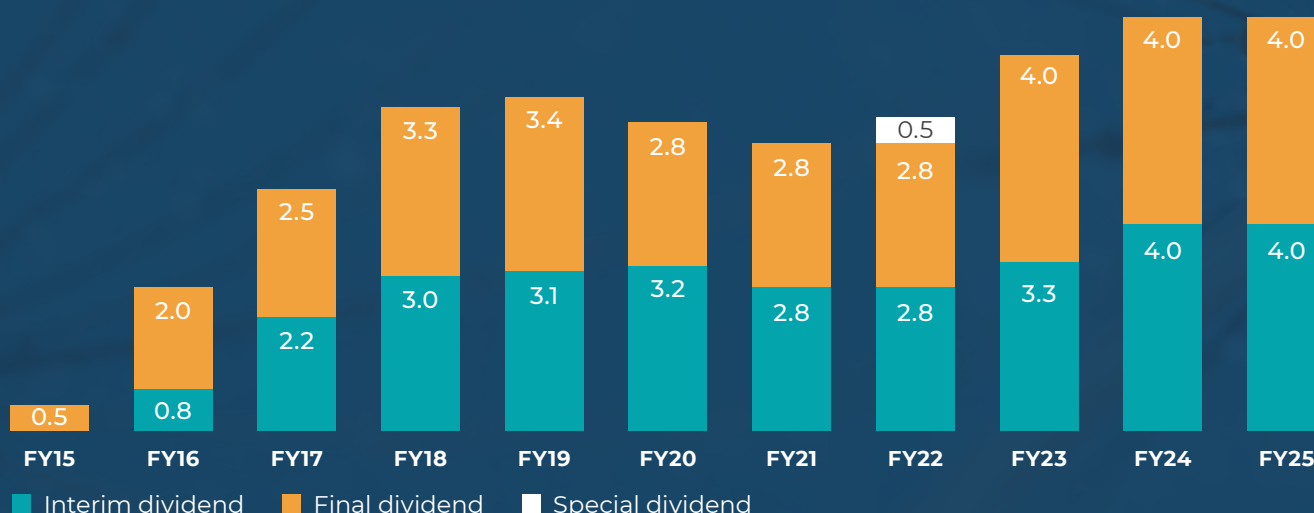
2.2 years dividend coverage⁴

Based on \$67.8 million profit reserve

9.4%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 2025.
- 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 \$1.21 as at 30 June 2025. Grossed up yield takes into account franking credits at a tax rate of 30%.
- ⁴ Profit reserve of \$67.8 million as at 30 June 2025 after taking into account the estimated payment of the final dividend. This equates to 17.7 cents per share and represents 2.2 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.



Nancy Fox AM
Chairman

Dear Fellow Shareholders,

I am pleased to present the 2025 financial year (**FY25**) Annual Report for Perpetual Equity Investment Company Limited (ASX: PIC; the **Company**).

In FY25 the Company celebrated 10 years since it was first listed on the ASX. Throughout that time, the Board has maintained its focus on the management of shareholder capital to ensure the overall position of the Company remains strong for the years ahead. At the centre of this is our strong partnership with Perpetual Investment Management Limited (the **Manager**), which manages the investment portfolio and day-to-day operations of the Company.

Financial results and dividend

The Company reported net profit after tax of \$21.7 million in FY25, a decrease of 23.9% on the prior year, primarily due to softer overall investment performance for the year 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 FY24 interim and final dividend.

This brings the FY25 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 6.6% and grossed-up dividend yield of 9.4%¹. This compares favourably to the trailing 12-month dividend yield of the S&P/ASX 300 Accumulation Index which was 3.2% as at 30 June 2025.

In FY25 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 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 2H25 dividend, the profit reserve for the Company sits at \$67.8 million which provides for 2.2 years dividend coverage². The franking account balance is \$9.2 million, also after the payment of the final dividend and provides for 0.7 year of fully franked dividend coverage. Notably this does not include any additional franking credits that may be generated. Taking into account the 2H25 dividend payment, \$214.2 million or 61.8 cents per share has been paid in dividends since the Company listed in 2014³.

- ¹ Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of \$1.21 as at 30 June 2025. Grossed up yield takes into account franking credits at a tax rate of 30%.
- ² Profit reserve of \$67.8 million as at 30 June 2025 after taking into account the estimated payment of the final dividend. This equates to 17.7 cents per share and represents 2.2 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 2H25 dividend of 4.0 cents per share declared by the Board on 25 August 2025 and to be paid on 3 October 2025.

Investment performance

The Australian share market experienced significant volatility, in particular during April 2025 as a result of US President Donald Trump's 'Liberation Day' announcements. For the 12 months to 30 June 2025 the PIC portfolio returned 6.5% whereas the S&P/ASX 300 Accumulation Index (benchmark) returned 13.7%.

While PIC underperformed the benchmark in FY25, the Manager's focus remains solely on investing in high quality and attractively valued securities that it believes will deliver over the long-term. While this approach to value investing can often lead to softer performance in rallying markets, it's a philosophy that has stood the test of time and continues to underpin the Manager's approach. The Board believes this approach will continue to deliver positive outcomes for the Company, including generating dividend income and capital growth for PIC shareholders.

Importantly, the Company is designed as a long-term proposition and in line with the Company's investment objective, the PIC portfolio has returned 12.1% p.a. over five years, outperforming the benchmark by 0.3% p.a. I encourage you to read the Portfolio Manager's Report for a more detailed update on how the portfolio is being managed in the current environment.

Appointment of Co-Portfolio Manager

As you may have seen, in March this year the Company announced the appointment of Sean Roger as Co-Portfolio Manager of PIC, working alongside current Portfolio Manager Vince Pezzullo. Sean has worked closely with Vince for the last 10 years and has a thorough understanding of the Manager's investment approach, process and philosophy. We look forward to Vince and Sean, supported more broadly by the Australian Equities team, to generate positive long-term returns for the Company and PIC shareholders.

Governance

In May 2025, we were delighted to welcome Tim Bednall to the PIC Board as an Independent Non-Executive Director, replacing John Edstein. Tim has over 40 years' experience, specialising in M&A, capital markets and corporate governance.

He is a partner of King & Wood Mallesons (KWM), was a former Chairman of the Australian KWM partnership and is a Non-Executive Director of Amplitude Energy Limited (ASX:AEL).

Tim's appointment forms part of the Board renewal process and means the Board is now majority independent. The Board comprises five Directors, 60% women and 40% men, which meets the Company's objective related to gender diversity under the Company's Diversity and Inclusion Policy. His expertise will be invaluable as the company grows and evolves as a listed investment company.

The Board extends its sincere thanks to outgoing Director John Edstein for his valuable contribution since the Company's inception and wishes him all the very best in his future endeavours.

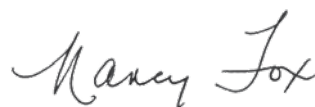
In November 2024, after an independent review of the Manager, PIC entered into a new Management Agreement with the Manager. The agreement commenced in December 2024, for an initial five-year term with automatic extensions for subsequent rolling five-year terms. The Board looks forward to continuing to work with the Manager to deliver strong long-term outcomes for our shareholders.

Looking ahead

We see a growing need for high quality investments and a reliable income stream from our shareholders. While macroeconomic and geopolitical uncertainty over the past 12 months has once again highlighted the variable nature of financial markets, the Board continues to carefully manage the Company's dividend and capital position to deliver an income stream over the longer term to our shareholders.

As always, thank you to our long-term shareholders and the new shareholders that joined in FY25 for their support and I look forward to updating you further at our Annual General Meeting.

Yours sincerely,



Nancy Fox AM
Chairman

PORTFOLIO MANAGER'S REPORT



Vince Pezzullo
Head of Australian
Equities
Portfolio Manager, PIC



Sean Roger
Co-Portfolio Manager, PIC

Dear fellow shareholders,

Over the past 18 months, and during FY25 in particular, global equity markets including Australia have been heavily influenced by momentum-driven investing. This means that companies with strong or stable earnings have seen their share prices rise significantly, often regardless of their true value. Conversely, companies facing near-term earnings uncertainty or negative earnings revisions have seen their share prices fall sharply, sometimes without other important aspects of their longer-term performance or value being considered. The outcome of this is an extremely wide dispersion in share price performance and valuations of companies across all sectors.

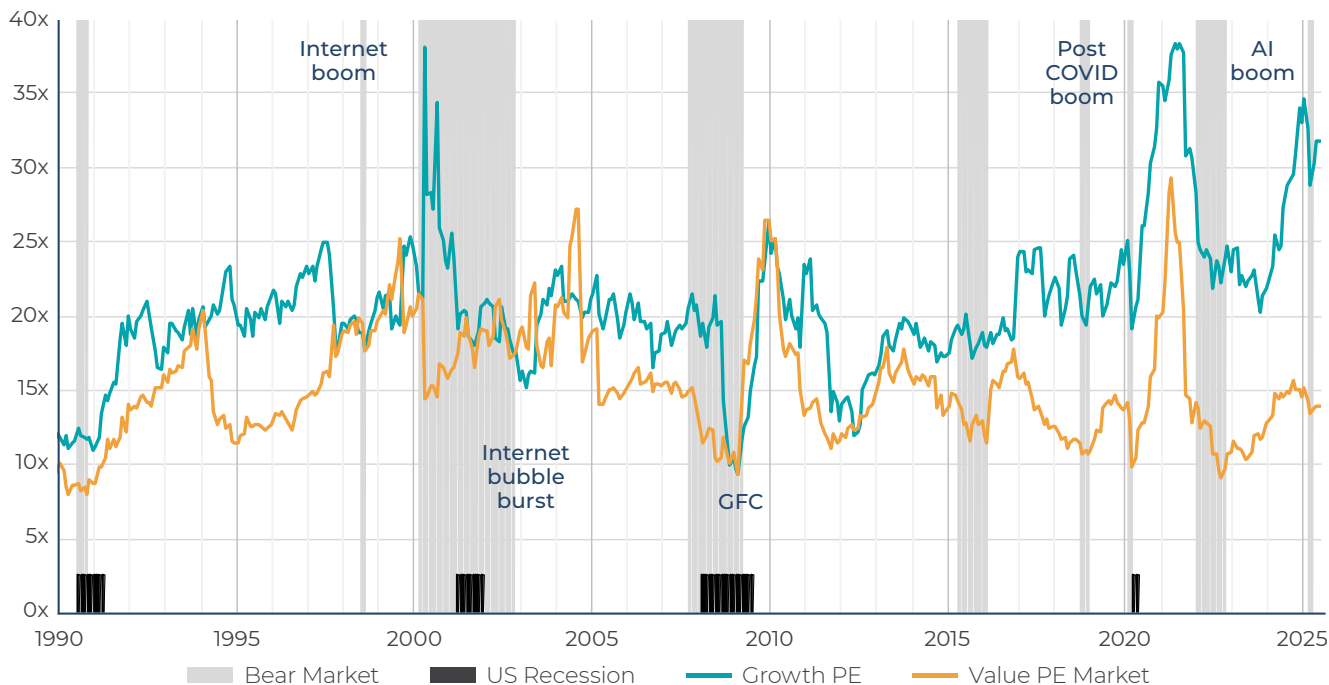
In Australia, the banks, large-capitalisation industrials such as Wesfarmers, Telstra and the technology sector are trading at multiples that are completely detached from historical averages and unjustifiable on any fundamental valuation methodology. Meanwhile, some cyclical are trading well below historical multiples despite under-earning relative to mid-cycle levels and previous popular stocks such as Treasury Wine Estates (TWE), Domino's Pizza Enterprises (DMP) and IDP Education (IEL) are trading on multiples more than 50% below their historical averages after recent earnings downgrades. While these stock examples have significant challenges and are not owned in the PIC portfolio, we highlight the trading multiples to demonstrate how the momentum factor is impacting the market in both directions.

A second key driver of share price outcomes in the Australian market during the past 12 months has been the flow of funds away from actively managed funds to more index-style products. This has been driven by the ongoing structural shift towards passive investing, but also exacerbated by the move from superannuation funds to cover broad index underweights. Naturally, this money finds its way into the large-capitalisation stocks and has been a driver of the strong performance of the ASX top 50 (excluding resources).

The combination of a dominant momentum factor and money flows supporting stocks that are increasing in value has resulted in market conditions where fundamentals are being largely overlooked. This is a tough environment for fundamental value investors. While a headwind to near-term performance, what previous cycles have taught us is that staying true to our process and being disciplined on valuation – particularly when market conditions are as skewed towards momentum as they are now – can pay dividends when market cycles inevitably turn.

The chart below highlights that the current spread between growth and value Price/Earnings (PE) multiples is as wide as it has been in the past 35 years, and that the valuation of the growth stock index is near historical highs. It also highlights that these distortions do not last forever.

MSCI Australia - Growth and Value PE



Source: Macquarie

Portfolio performance

Over the 12 months to 30 June 2025, the PIC portfolio returned 6.5%, underperforming the index by 7.2%. While the year has presented its share of challenges – stemming from both a difficult market environment for value investing and some portfolio decisions that did not play out as expected – we are confident in the current positions within the portfolio, especially relative to what we consider to be an overvalued Australian market.

Contributors

The largest contribution to portfolio returns over the year was Flutter Entertainment, which was up 60%. We have written extensively over many years on our investment thesis for Flutter and see company developments over the year as only giving us increased confidence in both our position and the upside to fair value. While the stock has been volatile in response to quarterly earnings results, the underlying trends of Flutter taking market share in key markets globally, and FanDuel continuing to dominate the fast-growing US market, held firm.

A key event during the year was the October 2024 Investor Day held in New York, at which the company provided 2027 financial targets for the first time. These targets, headlined by group EBITDA increasing from \$2.4bn in FY24 to \$5.2bn in FY27, highlighted the significant growth in earnings, cashflow and balance sheet strength the company is targeting to deliver. Flutter also announced a \$5bn buyback which the company can deliver over the next few years while continuing its strategy of pursuing accretive M&A. We believe that Flutter continues to offer compelling value and that the stock is set up for another strong 12 months. It remains the largest position in the portfolio.

Another strong contributor to returns was Sigma (SIG), which rallied strongly following the completion of its merger with Chemist Warehouse. Trading updates throughout the year continued to reflect strong sales and earnings growth for the Chemist Warehouse business. While near-term valuation multiples are full, we believe SIG is a unique investment proposition in Australia and that the market continues to underestimate the earnings growth potential – both in Australia and offshore for the combined Sigma and Chemist Warehouse division.

Detractors

Iluka (ILU) was a detractor to the portfolio's performance. The combination of a weakening cycle in the mineral sands division and uncertainty around the future capital cost and economics of the rare earth refinery in the context of a weak NDPR (Neodymium/Praseodymium) price environment drove material share price weakness. While historical supply side rationality in mineral sands has played out, demand has been weaker than expected, which has seen rare earth metal prices fall and sales volumes fall.

The largest detractor to performance was a long position in Star Entertainment (SGR). Trading updates in early FY25 reflected further deterioration in revenue trends due to restrictive regulatory settings combined with soft underlying consumer trends. This, combined with ongoing elevated expenses relating to legal and consultant costs, resulted in earnings moving into a loss-making position. At this point, with ongoing requirements for SGR to contribute capital to the Brisbane Queens Wharf project and negative operating cashflow, it became clear SGR's liquidity would come into question. While being in a net cash position and with an asset-heavy balance sheet, we believed the lack of liquidity would likely force the company to sell assets quickly. We made the decision at this point to exit the investment.

The portfolio had a significant underweight to the big four banks during the year, with this exposure resulting in roughly half of the portfolio's underperformance relative to the benchmark. Much has been written about the valuation of the Australian banks, particularly Commonwealth Bank (CBA), reaching historically unprecedented levels. Currently trading at a 2.6% dividend yield with minimal earnings growth, it is hard to see the attraction in allocating capital to CBA. Our decision to maintain such a large underweight position in banking stocks is driven by identifying better alternate uses of that capital, a position we continue to hold.

Outlook and positioning

While market dynamics have proven challenging, they are presenting compelling investment opportunities. When momentum is dominant, investing in companies with near-term earnings headwinds is an unpopular place to be. We see significant value on offer in the current market if investors are willing to have a longer-term investment horizon. The portfolio's flexibility in being able to invest in offshore securities and into lower market capitalisation stocks provides the ability to take advantage of these opportunities. We have recently been increasing exposure to offshore stocks, particularly to high-quality cyclical companies that have been under pressure due to broader economic or sector-specific weakness. These are companies whose earnings have an element of volatility that is linked to the economy or a specific market, but due to strong management and balance sheets relative to peers, we believe they have taken material market share during the downturn. As market conditions improve, we believe there is material upside in both the earnings and trading multiples. A good example of this is our position in Mainfreight (MFT), which we have recently increased.

MFT has been operating in very challenging conditions over the past 18 months, as weakness in global freight volumes led to the underutilisation of assets, pressure on pricing and ultimately lower margins. Despite this, the company has continued to invest heavily in growth capital at a time when competitors in its core markets of Australia and New Zealand have been pulling back. This investment, alongside a consistent focus on service quality, has seen the company take significant market share during this downturn. MFT's recent result highlighted a stabilisation in profitability in the second half of FY25 and the outlook commentary provided confidence that FY25 will mark a low point in profitability. We believe MFT is now well positioned to deliver strong earnings growth over the short to medium term as the benefits of recent investments, market share gains, and an improvement in underlying market volumes drive margin improvement.

MFT is a great example of what we look for when investing in cyclical companies. It has a long track record of growing earnings structurally over time, has an excellent management team that oversees a unique culture and service model, as well as a net cash balance sheet that enables investment through cycles. The recent cyclical weakness is presenting what we see as a highly attractive opportunity to buy into a quality company at the low end of the cycle.

We are mindful of elevated valuations in pockets of the Australian market and invest with capital preservation front of mind. Overall, we are excited by the makeup of the portfolio and look forward to the year ahead.

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 2025	Market value \$'000
Australian listed securities	
A2 Milk Company Limited	12,209
ANZ Group Holdings Limited	15,638
Aspen Group	16,882
BHP Group Limited	38,600
Bluescope Steel Limited	9,142
Brickworks Limited	6,886
Cobram Estate Olives Limited	11,566
CSL Limited	8,972
EVT Limited	16,059
Goodman Group	16,680
GPT Group	22,523
Greatland Resources Limited	6,983
GWA Group Limited	17,944
LGI Limited	5,985
Light & Wonder Inc.	7,623
Macquarie Group Limited	11,658
McMillan Shakespeare Limited	9,762
Myer Holdings Limited	6,522
News Corporation	13,270
Premier Investments Limited	10,999
Redox Limited	5,375
Reece Limited	1,019
ResMed Inc.	14,299
Select Harvests Limited	4,764
Sigma Healthcare Limited	14,989
Sims Limited	7,167
Suncorp Group Limited	14,243
Tabcorp Holdings Limited	7,150
Vicinity Centres	9,165
Washington H Soul Pattinson and Company Limited	14,108
Whitehaven Coal Limited	7,646
Woodside Energy Group Limited	3,612
Total Australian listed securities	369,440
Global listed securities	
Bank of America Corporation	13,885
Ferguson Enterprises Inc.	8,654
Flutter Entertainment Plc	38,663
Howden Joinery Group Plc	16,265
Mainfreight Limited	12,326
Persimmon Plc	8,053
Total global listed securities	97,846

List of investments held at 30 June 2025 (continued)		Market value \$'000
Derivatives		
Foreign currency forward contracts		430
Total derivatives		430
Cash and deposit products		
Cash at bank		27,377
Total cash and deposit products		27,377
Total		495,093

The total number of transactions entered during the year was 1,183.

The total brokerage paid during the year was \$1,292,344 (GST inclusive).

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Directors present their report together with the financial statements of Perpetual Equity Investment Company Limited (the Company) for the year ended 30 June 2025 and the auditor's report thereon.

Directors

The following persons were Directors of the Company during the financial 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 from 16 October 2020.

Nancy Fox is a Director of Mission Australia Limited and Mission Australia Housing Partnership Limited. She is the Chairman of Mission Australia Housing Limited, Mission Australia Housing Tasmania Limited, Mission Australia Housing (Victoria) Limited, Mission Australia Housing Northern Territory and a member of the Mission Australia People, Remuneration & Culture Committee. In addition, Nancy is a Director of Aspect Studios Pty Ltd, a member of the Aspect Studios Nominations and Remuneration Committee, a Director of O'Connell Street Associates, the Deputy Chairman of the RFS Benevolent Fund and a Director of the Forestry Corporation of NSW.

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, the Chairman of Perpetual People and Remuneration Committee, a member of Perpetual Audit, Risk and Compliance Committee, Perpetual Integration Committee and Perpetual Nominations Committee and a Director of one of Perpetual's subsidiaries, Queensland Trustees Pty Ltd.

A lawyer by training, Nancy is 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)

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

Appointed Director of the Company on 25 August 2014. Virginia Malley is the Chair of the Company's Audit and Risk Committee and a member of the Nomination and Corporate Governance Committee.

In relation to iCare, Virginia Malley is currently a Director of iCare, Chair of the iCare Risk Committee and a member of iCare Audit Committee. In addition, Virginia is the Chair of the Code Review Panel for the Australian Carbon Industry Code of Conduct, Chair of the Pinnacle Fund Services Managed Investments Compliance Committee, Chair of the Maple-Brown Abbott Compliance Committee, Director of Macquarie Investment Management Australia Limited and a member of the NSW Department of Climate Change, Energy, Environment and Water Audit and Risk Committee and Comcare Audit and Risk Committee.

Virginia Malley has over 30 years of experience in financial services and environmental markets, corporate governance, risk management and regulatory compliance. Virginia has previously served on the boards of the Clean Energy Regulator, the Biodiversity Conservation Trust, Morphic Ethical Equities Fund Ltd, Macquarie Investment Management Ltd, Perpetual Superannuation Limited, and the Nature Conservation Trust of NSW. In her executive career, she was the Chief Risk Officer at Macquarie Funds Management Group, overseeing risk management of portfolios worth more than \$85 billion and invested in clean technologies, publicly traded debt securities, listed equities, derivatives, currencies and private equity.

Directors (continued)

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 Audit and Risk Committee.

Michael Clarke is an Executive Director and acting Chief Executive Officer 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.

Michael Clarke has over 30 years' 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 JBVere 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)

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 Chairman of the Company's Nomination and Corporate Governance Committee.

Tim is a lawyer and company director. He is a partner of King & Wood Mallesons (KWM), where he heads the firm's governance practice and chairs the firm's Risk Committee. He is the founder and a director of Owl Advisory, KWM's regulatory compliance and governance risk advisory practice.

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

He is a board member of the National Portrait Gallery Foundation and is the Law Council of Australia's representative on the ASX Corporate Governance Council.

Tim's legal career spans over 40 years, specialising in M&A, capital markets and corporate governance. He is a former Chairman of the Australian KWM partnership, a former Managing Partner for M&A and Tax in Australia, and a former Managing Partner of the KWM European and Middle East practice.

Listed company directorship held during the past three financial years:

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

Directors (continued)

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

Appointed Director of the Company on 13 May 2021.

Amanda Apted (Gillespie) is a Director of Perpetual Investment Management Limited (the Manager), Pendal Fund Services Limited and Pendal Institutional Limited. Amanda is also the Chief Executive of Perpetual Asset Management Australia. She 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 Apted (Gillespie) has more than 21 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

**John Edstein, Non-Executive Director
BEc, LLB, LLM (Hons), MAICD**

Appointed Director of the Company on 26 September 2014. Resigned on 31 May 2025.

Company Secretary

**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 18 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.

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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 2025:

	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
Virginia Malley	6	6	4	4	3	3
Michael Clarke	6	6	4	4	3	3
Tim Bednall	1	1	1	1	1	1
Amanda Apted (Gillespie)	6	5	4	4	3	3
Former Director						
John Edstein	6	6	4	4	3	3

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 2025 \$'000	30 June 2024 \$'000
Profit/(loss) before income tax	25,042	35,885
Income tax benefit/(expense)	(3,321)	(7,329)
Profit/(loss) for the year attributable to shareholders	21,721	28,556

As at 30 June 2025, the Company's Net Tangible Assets (NTA) after tax were \$1.248 per share (30 June 2024: \$1.272). The NTA after tax has decreased by -1.9% 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 totalling 8.0 cents per share during the year.

Review of operations (continued)

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 2025				
Final 2024 dividend	4.0	15,229	100%	8 October 2024
Interim 2025 dividend	4.0	15,275	100%	4 April 2025
Declared after the end of financial year 2025				
On 25 August 2025, the Directors declared:				
Final 2025 dividend	4.0	15,324	100%	3 October 2025

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 2025 and will be recognised in the subsequent financial statements.

State of affairs

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. In accordance with the new Management Agreement dated 25 November 2024, the new terms including the management fees commenced on and from 12 December 2024. The Manager will manage the investment portfolio of the Company and provide corporate management services to the Company.

There were no other 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.

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 2025. 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 2025:

Name	Position	Term
Directors		
Nancy Fox AM	Chairman and Non-Executive Director	Full year
Virginia Malley	Non-Executive Director	Full year
Michael Clarke	Non-Executive Director	Full year
Tim Bednall	Non-Executive Director	Appointed 7 May 2025
Amanda Apted (Gillespie)	Executive Director	Full year
Former Director		
John Edstein	Non-Executive Director	Resigned 31 May 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 2025	30 June 2025	30 June 2024
	\$	\$	\$
Non-Executive Directors' fees			
Chairman	70,000	70,000	70,000
Directors	59,000	59,000	59,000
Audit and Risk Committee	-	-	-
Nomination and Corporate Governance Committee	-	-	-

Remuneration report: Audited (continued)**(b) Remuneration of directors (continued)***Fee framework (continued)*

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 2025 and 30 June 2024.

Name	Directors' fees \$	Superannuation \$	Total \$
Directors			
Nancy Fox AM			
2025	62,710	7,290	70,000
2024	62,992	7,008	70,000
Virginia Malley			
2025	55,957	3,043	59,000
2024	57,479	1,521	59,000
Michael Clarke			
2025	52,856	6,144	59,000
2024*	44,235	4,932	49,167
Tim Bednall			
2025**	7,960	955	8,915
Amanda Apted (Gillespie)			
2025	-	-	-
2024	-	-	-
Former Director			
John Edstein			
2025***	48,514	5,623	54,137
2024	53,094	5,906	59,000
Total 2025	227,997	23,055	251,052
Total 2024	217,800	19,367	237,167

* For the period from 1 September 2023 to 30 June 2024.

** For the period from 7 May 2025 to 30 June 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 \$5,006,312 (inclusive of GST and net of Reduced Input Tax Credit) for the year ended 30 June 2025 (2024: \$4,853,003).

Remuneration report: Audited (continued)

(b) Remuneration of directors (continued)

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

	2025	2024	2023	2022	2021
Profit/(loss) after tax (\$'000)	21,721	28,556	55,007	(17,906)	108,356
Dividends paid (cents per share)	8.0	8.0	6.6	5.6	5.6
NTA after tax (\$ per share)	1.248	1.272	1.277	1.191	1.299
Directors' remuneration (\$)	251,052	237,167	175,000	175,000	155,808
Shareholder's equity (\$'000)	477,541	483,550	482,565	449,551	484,486
Closing share price (\$)	1.210	1.235	1.165	1.160	1.300
Closing option price (\$)	-	-	-	0.001	0.011

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 and optionholdings 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 2024	Quantity acquired	Quantity disposed	Balance at 30 June 2025
Directors					
Nancy Fox AM	Shares	324,981	-	-	324,981
Virginia Malley	Shares	160,485	-	-	160,485
Michael Clarke	Shares	213,789	14,872	-	228,661
Tim Bednall	Shares	-	-	-	-
Amanda Apted (Gillespie)	Shares	-	-	-	-
Former Director					
John Edstein	Shares	130,648	-	-	130,648

End of Remuneration Report: Audited

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.

Non-audit services

There were no fees paid to KPMG for non-audit services for the years ended 30 June 2025 and 30 June 2024.

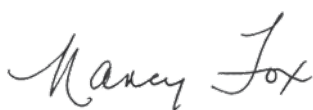
Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20.

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 2016/191*. 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:



Chairman

Sydney
25 August 2025

LEAD AUDITOR'S INDEPENDENCE DECLARATION



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 2025 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

K Hopkins

Karen Hopkins

Partner

Sydney

25 August 2025

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	30 June 2025 \$'000	30 June 2024 \$'000
Investment income			
Dividend income		18,404	15,360
Interest income		1,010	724
Net gains/(losses) on financial instruments at fair value through profit or loss	5(c)	13,015	27,465
Net foreign exchange gains/(losses)		(2)	13
Other income		146	41
Total investment income/(loss)		32,573	43,603
Expenses			
Management fees	6(a)	5,006	4,853
Other expenses	6(b)	2,525	2,865
Total expenses		7,531	7,718
Profit/(loss) before income tax		25,042	35,885
Income tax benefit/(expense)	7(a)	(3,321)	(7,329)
Profit/(loss) after income tax		21,721	28,556
Other comprehensive income		-	-
Total comprehensive income		21,721	28,556
Earnings per share			
Basic earnings per share (cents per share)	4	5.69	7.53
Diluted earnings per share (cents per share)	4	5.69	7.53

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Notes	30 June 2025 \$'000	30 June 2024 \$'000
Assets			
Cash and cash equivalents	11(c)	27,377	11,786
Receivables	9	3,996	11,662
Current tax receivable		-	7,739
Financial assets at fair value through profit or loss	8	467,739	471,876
Total assets		499,112	503,063
Liabilities			
Payables	10	2,743	2,975
Current tax payable		2,705	-
Financial liabilities at fair value through profit or loss	8	23	1
Deferred tax liability	7(c)	16,100	16,537
Total liabilities		21,571	19,513
Net assets		477,541	483,550
Equity			
Contributed equity	12(a)	397,985	395,211
Retained earnings		(3,552)	(9,373)
Profit reserve		83,108	97,712
Total equity		477,541	483,550

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 2025

	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)	<u>-</u>	<u>-</u>	<u>(30,504)</u>	<u>(30,504)</u>
Balance at 30 June 2025		<u>397,985</u>	<u>(3,552)</u>	<u>83,108</u>	<u>477,541</u>

	Notes	Contributed Equity \$'000	Retained Earnings \$'000	Profit Reserve \$'000	Total \$'000
Balance at 1 July 2023		392,464	(37,929)	128,030	482,565
Total comprehensive income for the year		-	28,556	-	28,556
Transfers to profit reserve		-	-	-	-
Transactions with members in their capacity as shareholders:					
Shares issued from dividend reinvestment plan	12(a)	2,747	-	-	2,747
Dividends paid	3(a)	<u>-</u>	<u>-</u>	<u>(30,318)</u>	<u>(30,318)</u>
Balance at 30 June 2024		<u>395,211</u>	<u>(9,373)</u>	<u>97,712</u>	<u>483,550</u>

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 2025

	Notes	30 June 2025 \$'000	30 June 2024 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		529,481	527,769
Payments for purchase of financial instruments at fair value through profit or loss		(504,726)	(529,448)
Dividends received		18,251	14,844
Interest received		1,002	824
Other income received		605	501
Management fees paid		(5,369)	(5,205)
Income tax refunded/(paid)		6,686	(3,568)
Other expenses paid		(2,609)	(2,967)
Net cash inflow/(outflow) from operating activities	11(a)	<u>43,321</u>	<u>2,750</u>
Cash flows from financing activities			
Dividends paid - net of dividend reinvestment plan		(27,730)	(27,571)
Net cash inflow/(outflow) from financing activities		<u>(27,730)</u>	<u>(27,571)</u>
Net increase/(decrease) in cash and cash equivalents		15,591	(24,821)
Cash and cash equivalents at the beginning of the year		11,786	36,607
Cash and cash equivalents at the end of the year	11(c)	<u>27,377</u>	<u>11,786</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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 2025 were authorised for issue by the Directors on 25 August 2025.

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 first time for the reporting period beginning 1 July 2024 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 2025 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 2025 reporting period and have not been early adopted in preparing these financial statements. Most of these are not expected to have a material impact on the financial statements of the Company. However, management is still in the process of assessing the impact of these new standards and amendments.

- *AASB 2024-2 Amendments to Australian Standards - Classification and Measurement of Financial Statement Instruments* [AASB 7 & AASB 9] (effective for reporting periods beginning on or after 1 January 2026). These amendments include clarifying the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- *AASB 18 Presentation and Disclosure in Financial Statements* (effective for reporting periods beginning on or after 1 January 2027) which was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. AASB 18 introduces new requirements for the presentation of the statement of comprehensive income, including specified totals and subtotals. Furthermore, all income and expenses within statement of comprehensive income are required to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations. It also requires disclosure of management-defined performance measures, subtotal of income and expenses, and includes the new requirements for aggregation and disaggregation of financial information based on identified roles of the primary statement and the notes.

Rounding of amounts

The Company is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. 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 currently intends to pay a dividend twice a year. The amount of the dividend will be at the discretion of the Board and will depend on a number of factors, including the Company's earnings, capital requirements, financial conditions, future prospects and other factors that the Board deems relevant. It is the Board's intention that all dividends paid will be franked to 100% or to the maximum extent possible.

(a) Dividends paid

	Cents per share	Total amount \$'000	Franking	Payment date
30 June 2025				
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		
	Cents per share	Total amount \$'000	Franking	Payment date
30 June 2024				
Final 2023 dividend	4.0	15,136	100%	18 October 2023
Interim 2024 dividend	4.0	15,182	100%	5 April 2024
Total	8.0	30,318		

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 25 August 2025, the Directors declared the following dividend.

	Cents per share	Total amount \$'000	Franking	Payment date
Final 2025 dividend	4.0	15,324	100%	3 October 2025

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 2025 and will be recognised in the subsequent financial statements.

Dividend reinvestment plan

The Company has established a dividend reinvestment plan 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.

(c) Franking account

	30 June 2025 \$'000	30 June 2024 \$'000
The available balance in the franking account at the reporting date	<u>15,810</u>	<u>19,240</u>
Impact on franking account of the final dividend declared after the reporting date but not recognised as a liability at the reporting date	<u>(6,567)</u>	<u>(6,526)</u>
The available balance in the franking account after the adjustment for the final dividend declared after the reporting date	<u>9,243</u>	<u>12,714</u>

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 2025	30 June 2024
Basic earnings per share (cents per share)	<u>5.69</u>	<u>7.53</u>
Diluted earnings per share (cents per share)	<u>5.69</u>	<u>7.53</u>
Profit/(loss) after income tax attributable to shareholders (\$'000)	<u>21,721</u>	<u>28,556</u>
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	<u>381,849,424</u>	<u>379,480,502</u>

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.

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 2025 \$'000	30 June 2024 \$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	3,160	23,663
Net realised gains/(losses) on financial instruments at fair value through profit or loss	9,855	3,802
Net gains/(losses) on financial instruments at fair value through profit or loss	13,015	27,465

(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 2025 \$'000	30 June 2024 \$'000
Management fees	5,006	4,853

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 definition of Portfolio Net Asset Value under the Old Management Agreement is the same as the New Management Agreement. The management fee is calculated and accrued daily and paid monthly in arrears.

The Old Management Agreement was automatically extended in 2019 for the second five-year term (extended term). The Manager was entitled to a termination payment if the Old Management Agreement was terminated under certain circumstances during the 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 calculated in accordance with the Old Management Agreement.

6 Expenses (continued)**(b) Other expenses**

	30 June 2025 \$'000	30 June 2024 \$'000
Directors' remuneration	251	237
Auditors' remuneration	94	90
ASX fees	119	114
Registry services	99	124
Custody administration fees	93	96
Insurance fees	239	268
Brokerage	1,220	1,418
Other operating expenses	410	518
Total other expenses	2,525	2,865

(c) Auditor's remuneration

	30 June 2025 \$	30 June 2024 \$
Amount received or due and receivable by KPMG:		
Audit and review of financial statements	93,901	90,487

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 2025 (2024: 30%).

(a) Income tax benefit/(expense)

	30 June 2025 \$'000	30 June 2024 \$'000
Current tax		
Current income tax benefit/(expense)	(2,826)	933
Adjustment for prior years	(932)	159
Deferred tax		
Temporary differences	437	(8,421)
Total income tax benefit/(expense)	(3,321)	(7,329)

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.

7 Income tax (continued)

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

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.

Deferred tax is explained in note 7(c).

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

	30 June 2025 \$'000	30 June 2024 \$'000
Profit/(loss) before income tax	25,042	35,885
Prima facie income tax calculated at Company's tax rate of 30%	(7,513)	(10,766)
<i>(Increase)/decrease in tax payable</i>		
Franking credits	4,119	3,388
Foreign income tax offsets	72	46
Non-assessable income	933	(156)
Adjustment for prior years	(932)	159
Income tax benefit/(expense)	(3,321)	(7,329)

(c) Deferred tax asset/(liability)

The balance comprises temporary differences attributable to:

	30 June 2025 \$'000	30 June 2024 \$'000
Net unrealised (gains)/losses	(16,100)	(16,563)
Transaction costs available for future tax deductions	-	26
Total deferred tax asset/(liability)	(16,100)	(16,537)

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 2025 \$'000	30 June 2024 \$'000
Derivatives		
Foreign currency forward contracts	453	438
Equity securities	<u>467,286</u>	<u>471,438</u>
Total financial assets at fair value through profit or loss	<u>467,739</u>	<u>471,876</u>
Derivatives		
Foreign currency forward contracts	<u>23</u>	<u>1</u>
Total financial liabilities at fair value through profit or loss	<u>23</u>	<u>1</u>

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 2025 \$'000	30 June 2024 \$'000
Dividends receivable	1,677	1,544
Withholding tax receivable	187	167
Interest receivables	54	46
GST receivable	148	154
Receivables from securities sold	1,930	9,751
Total receivables	3,996	11,662

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. Receivables are stated inclusive of the amount of GST.

10 Payables

	30 June 2025 \$'000	30 June 2024 \$'000
Payables for securities purchased	2,235	2,473
Accrued expenses comprising:		
Management fees	442	439
Directors' remuneration	66	62
Other payables	-	1
Total payables	2,743	2,975

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 2025 \$'000	30 June 2024 \$'000
Profit/(loss) after income tax	21,721	28,556
Proceeds from sale of financial instruments at fair value through profit or loss	529,481	527,769
Payments for purchase of financial instruments at fair value through profit or loss	(504,726)	(529,448)
(Increase)/decrease in dividends receivable	(133)	(526)
(Increase)/decrease in withholding tax receivable	(20)	10
(Increase)/decrease in interest receivable	(8)	100
(Increase)/decrease in GST receivable	6	2
(Increase)/decrease in current tax receivable	7,739	(4,660)
Increase/(decrease) in payables	6	4
Increase/(decrease) in current tax payable	2,705	-
Increase/(decrease) in deferred tax liability	(437)	8,421
Net (gains)/losses on financial instruments at fair value through profit or loss	(13,015)	(27,465)
Net foreign exchange (gains)/losses	2	(13)
Net cash flows from operating activities	43,321	2,750

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.

11 Notes to the statement of cash flows (continued)

(b) Non-cash financing activities

	30 June 2025 \$'000	30 June 2024 \$'000
During the year, the following dividend payments were satisfied by the issue of shares under the dividend reinvestment plan	2,774	2,747

(c) Components of cash and cash equivalents

	30 June 2025 \$'000	30 June 2024 \$'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	27,377	11,786
Total cash and cash equivalents	27,377	11,786

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 2025 Number of shares	30 June 2025 \$'000	30 June 2024 Number of shares	30 June 2024 \$'000
Opening balance	380,716,264	395,211	378,388,340	392,464
Shares issued from dividend reinvestment plan	2,372,237	2,774	2,327,924	2,747
Shares on issue	383,088,501	397,985	380,716,264	395,211

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.

12 Equity (continued)

(b) Profit reserve

The profit reserve represents profit available for distribution as a dividend. The Board must pass a resolution to transfer profit amount from retained earnings to the profit reserve. Dividends declared subsequent to the reporting date will be paid out of the profit reserve and any outstanding balance is available for future dividend payments.

(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.

(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.

13 Financial risk management (continued)

(a) Market risk (continued)

(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 \$46,728,662 (2024: \$47,143,808). 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 asset 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 2025	30 June 2024
	\$'000	\$'000
British Pound	13,079	4,421
Canadian Dollar	-	75
Euro	188	1,389
New Zealand Dollar	12,326	6,425
United States Dollar	13,237	13,170
Total foreign currency exposure	38,830	25,480

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 2025	30 June 2024	30 June 2025	30 June 2024
	%	%	\$'000	\$'000
British Pound	+5	+5	(654)	(221)
	-5	-5	654	221
Canadian Dollar	+5	+5	-	(4)
	-5	-5	-	4
Euro	+5	+5	(9)	(69)
	-5	-5	9	69
New Zealand Dollar	+5	+5	(616)	(321)
	-5	-5	616	321
United States Dollar	+5	+5	(662)	(659)
	-5	-5	662	659

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 2025 \$'000	30 June 2024 \$'000
Cash at bank	<u>27,377</u>	<u>11,786</u>

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 \$273,771 on an annualised basis (2024: \$117,857). 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 maturity of the Company's financial liabilities:

30 June 2025	Contractual cash flows			
	Carrying amount \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'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	-	-
30 June 2024	Contractual cash flows			
	Carrying amount \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000
Non-derivative financial liabilities				
Payables	2,975	2,975	-	-
Total	2,975	2,975	-	-
Derivative financial liabilities				
Foreign currency forward contracts	1			
Outflow	-	1,046	-	-
Inflow	-	(1,045)	-	-
Total	1	1	-	-

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

13 Financial risk management (continued)

(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).

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2025				
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
30 June 2024				
Financial assets at fair value through profit or loss				
Derivatives				
Foreign currency forward contracts	-	438	-	438
Equity securities	471,438	-	-	471,438
Total	471,438	438	-	471,876
Financial liabilities at fair value through profit or loss				
Derivatives				
Foreign currency forward contracts	-	1	-	1
Total	-	1	-	1

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.

13 Financial risk management (continued)**(d) Fair value measurement (continued)***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 2025 and 30 June 2024.

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 2025	Effects of offsetting on the statement of financial position			Related amounts not offset	
	Gross amounts \$'000	Gross amounts set off \$'000	Net amounts presented \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000
Financial assets					
Derivatives	453	-	453	(23)	430
Total	<u>453</u>	<u>-</u>	<u>453</u>	<u>(23)</u>	<u>430</u>
Financial liabilities					
Derivatives	(23)	-	(23)	23	-
Total	<u>(23)</u>	<u>-</u>	<u>(23)</u>	<u>23</u>	<u>-</u>
30 June 2024	Effects of offsetting on the statement of financial position			Related amounts not offset	
	Gross amounts \$'000	Gross amounts set off \$'000	Net amounts presented \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000
Financial assets					
Derivatives	438	-	438	(1)	437
Total	<u>438</u>	<u>-</u>	<u>438</u>	<u>(1)</u>	<u>437</u>
Financial liabilities					
Derivatives	(1)	-	(1)	1	-
Total	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>1</u>	<u>-</u>

Master netting arrangement

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 2025 was \$251,052 comprising Directors' fees of \$227,997 and superannuation of \$23,055 (2024: Total Directors' remuneration was \$237,167, comprising Directors' fees of \$217,800 and superannuation of \$19,367). 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 2025 and 30 June 2024.

18 Events occurring after the reporting period

Since the end of the financial year, the Directors have declared a fully franked final dividend of 4.0 cents per share, payable on 3 October 2025 (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 2025 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 2025

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.

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DIRECTORS' DECLARATION

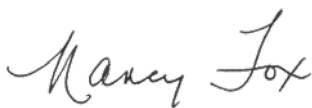
FOR THE YEAR ENDED 30 JUNE 2025

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 21 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 2025 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 2025, 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 2025.

Signed in accordance with a resolution of the Directors.



Chairman

Sydney
25 August 2025

INDEPENDENT AUDITOR'S REPORT



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 2025 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 at 30 June 2025;
- 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 2025;
- Notes, including material accounting policies; and
- 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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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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.

Valuation and existence of financial assets (\$467,739k) and financial liabilities (\$23k) at fair value through profit or loss

Refer to Note 8 and Note 13 to the Financial Report.

The key audit matter	How the matter was addressed in our audit
Financial assets and liabilities at fair value through profit or loss comprise of investments in equity securities and derivatives (collectively 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 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 represent 97.9% of the Company's net 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. As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit.	Our procedures included: - We assessed 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. - We obtained and read the Company's Custodian's and Investment Administrator's SOC1 (System and Organisation Controls 1) assurance reports for the period 1 April 2024 to 31 March 2025 to understand the processes and assess the controls relevant to the: - Custodian to maintain custody and underlying records of the Company's investments; and - Investment Administrator to record and value the Company's investments. - We obtained and read the Company's Custodian's and Investment Administrator's bridging letters over the period not covered by the SOC1 assurance reports. We compared the information presented in the bridging letter for consistency with those in the SOC1 assurance reports. - We obtained and read the Company's Investment Manager's GS007 (Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services) assurance reports for the period 1 July 2024 to 30 June 2025 to understand the processes and assess the controls relevant to the Managers' initiation and execution of the purchase and sale of the Company's investments. - We assessed the reputation, professional



	competence and independence of the auditors of the GS007 and SOC1 assurance reports. • Working with our valuation specialists, we checked the valuation of all investments, as recorded in the general ledger, to independently sourced prices from relevant stock exchanges and currency markets as at 30 June 2025. • We checked the existence of total investments, being the ownership and quantity held to external custody reports as at 30 June 2025. • We evaluated the Company's disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.
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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; and
- 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 2025, 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 16 to 18 of the Directors' report for the year ended 30 June 2025.

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

Karen Hopkins

Partner

Sydney

25 August 2025

SHAREHOLDER INFORMATION

The 2025 Annual General Meeting of the Company will be held on 30 October 2025.

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 2025 are listed below:

	Number of ordinary shares	%
Citicorp Nominees Pty Limited	21,263,420	5.55
IOOF Investment Services Limited (IOOF IDPS A/C)	9,440,474	2.46
BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd)	6,680,049	1.74
Netwealth Investments Limited (Wrap Services A/C)	6,307,471	1.65
IOOF Investment Services Limited (IPS Superfund A/C)	6,226,895	1.63
Netwealth Investments Limited (Super Services A/C)	4,018,381	1.05
Raffy Holdings Pty Ltd (Raffy A/C)	3,456,395	0.90
Mr John Charles Plummer	3,125,000	0.82
HSBC Custody Nominees (Australia) Limited	3,109,262	0.81
D E C Investments Pty Limited	2,124,052	0.55
Walmsley Developments Pty Ltd	1,959,545	0.51
Boksburg Nominees Pty Ltd (The Meggitt Super Fund A/C)	1,400,000	0.37
Mr James Michael Collopy	1,155,544	0.30
Megfam Investment Company Pty Ltd	1,125,000	0.29
Black Nile Investments Pty Ltd (Mark Fahim Superfund A/C)	950,000	0.25
Merck Investment Corporation Pty Ltd (Merck Superfund A/C)	925,000	0.24
Mr Peter Leonard Lake + Mrs Pauline Lake	855,000	0.22
Fergfam Nominees Pty Ltd	840,552	0.22
Basil Ladyman Pty Ltd (Woodlat Super Fund A/C)	822,280	0.21
Mr Russell Justin Veerhuis + Mr Richard Paul Schwedes + Mrs Kaye Leanne Simpfendorfer	821,688	0.21

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 2025.

Distribution of securities

Schedule of holdings - shares As at 31 July 2025	Number of shareholders	Number of ordinary shares
1 - 1,000 shares	318	125,054
1,001 - 5,000 shares	795	2,618,564
5,001 - 10,000 shares	977	7,905,906
10,001 - 100,000 shares	5,054	186,764,708
100,001 shares and over	597	185,674,269
Total	7,741	383,088,501

The number of shareholders holding less than a marketable parcel is 151 and they hold 6,217 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 3 October 2025 to shareholders entitled to receive dividends and registered on 11 September 2025 being the record date.

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DIRECTORY

Company

Perpetual Equity Investment Company Limited
ACN 601 406 419

Directors

Nancy Fox AM – Chairman
Virginia Malley
Michael Clarke
Tim Bednall
Amanda Apted (Gillespie)

Company secretary

Sylvie Dimarco

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
(previously known as Link Market Services Limited)
Liberty Place, Level 41
161 Castlereagh Street
Sydney NSW 2000
Phone 1800 421 712

Website

www.perpetualequity.com.au

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