

Quantitative Investments Alpha Core Fund

June 2010

Fund facts

Investment objective: To provide investors with long term excess returns over the benchmark with controlled risk.

Benchmark: S&P/ASX 300 Accumulation Index
Mgmt cost: 1.75%
Buy / Sell spread: 0.30% / 0.00%
Investment style: Quantitative, value
Suggested minimum investment period: Five years or longer

Fund benefits

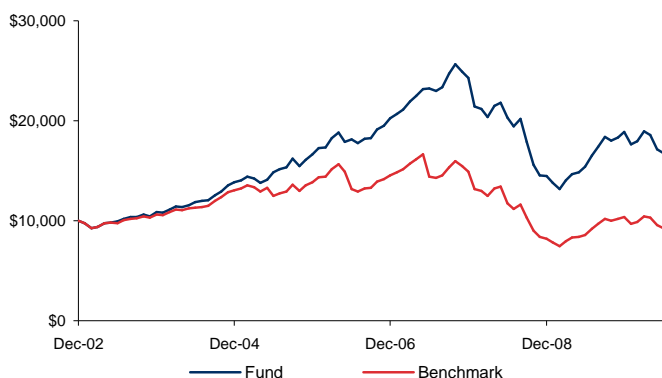
Provides investors with broad market exposure to quality securities at a lower cost than fundamental strategies.

Total returns % (after fees) as at 30 June 2010

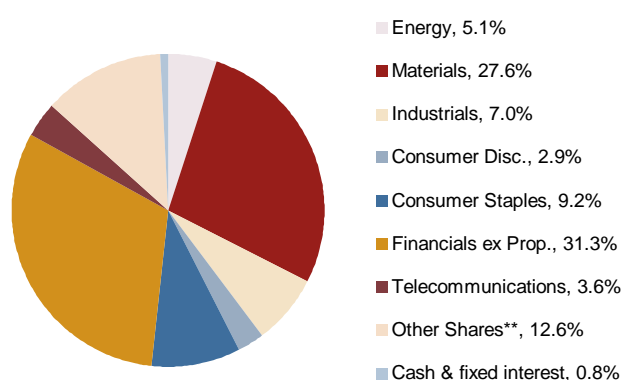
	APIR	1 mth	3 mths	6 mths	1 yr	3 yrs pa	5 yrs pa	7 yrs pa	10 yrs pa
Perp. WealthFocus Investments	PER0141AU	-2.1	-11.5	-11.3	8.8	-10.3	2.5	7.8	-
Perp. WealthFocus Investment Advantage	PER0499AU	-2.0	-11.5	-11.3	8.7	-	-	-	-
Perp. WealthFocus Super	PER0117AU	-1.7	-10.3	-9.8	8.2	-8.2	3.5	8.5	-
Perp. WealthFocus Pensions	PER0126AU	-2.0	-11.6	-10.8	10.1	-7.7	4.7	10.0	-
Perp. WealthFocus Term Allocated Pension	PER0346AU	-2.0	-11.6	-10.8	10.1	-7.7	4.7	10.0	-
S&P/ASX 300 Accumulation Index		-2.6	-11.2	-10.1	13.1	-8.0	4.5	9.7	-

Past performance is not indicative of future performance.

Growth of \$10,000 since inception (WFI Fund)



Portfolio sectors¹



Top 10 stock holdings¹

BHP Billiton Limited
Commonwealth Bank of Australia
Westpac Banking Corporation
ANZ Banking Group Limited
Wesfarmers Limited
National Australia Bank Limited
Rio Tinto Limited
Woolworths Limited
Telstra Corporation Limited
Westfield Group

Portfolio fundamentals¹

	Portfolio	Benchmark
Price / Earnings	11.1	10.8
Dividend yield	4.8%	4.5%
Price / Book	1.7	2.0
Debt / Equity	32.0%	34.4%
Interest cover	12.1	11.3
Return on Equity	15.1%	14.8%

*Source: Factset

Market commentary

The Australian market, as measured by the S&P/ASX 300 Accumulation Index fell by 2.6% over the month, the third consecutive decline since March. Concerns over global growth, particularly the possibility of a slowdown in China and the United States continued to create volatility. Ongoing issues with European sovereign debt also impacted local sentiment. Overall, the market returned 13.1% over the 2009/2010 financial year.

Most sectors experienced negative returns over the month. Only telecommunications (9.2%), utilities (1.9%) and consumer staples (0.6%) returned positive numbers. The worst performing sectors were industrials (-7.0%), financials (-5.4%) and consumer discretionary (-5.1%). As a group, resource companies (-1.3%) outperformed industrial companies (-3.2%).

Portfolio commentary

Signal performance was strong across the board. Particular signals that benefited performance included momentum, value and earnings revision.

Stocks which contributed to performance included our overweight position in Avoca Resources (AVO) and our underweight position in Brambles (BXB). AVO, a smaller gold producer which was also held long because of positive momentum and earnings revisions, rallied due to the increasing gold price.

Meanwhile BXB, which was held underweight because of its poor relative value, fell after losing a key US client.

Our overweight position in Downer EDI (DOW) detracted from performance over the month. DOW, which was held long due to its momentum and earnings revision metric, fell heavily after its debt was downgraded.

What are...?

Quantitative management seeks to use statistical or mathematical methods to create efficient portfolios, with the optimum risk/return trade-off.

Why Perpetual

Perpetual is one of Australia's most experienced investment services groups, with an enduring passion for protecting and growing our clients' wealth.

Founded in Sydney in 1886 as Perpetual Trustees, we've helped generations of Australians invest and manage their wealth through all market conditions.

Perpetual process

Perpetual's Quantitative Investments philosophy is a systematic and disciplined quantitative approach to investing in listed Australian equities.

A quantitative mathematical model is used to identify securities that are undervalued and exhibit an improving market sentiment and earnings outlook. Various signals are used in the model and are rigorously back-tested using historical data.

Did you know?

Among the signals that are used in our quantitative models are earnings revision, price momentum, value measures and quality.

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The PDS for the relevant fund, issued by PIML, should be considered before deciding whether to acquire or hold units in that fund. The PDS can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries).

* No company in the Perpetual Group guarantees the performance of any fund or the return of any investor's capital. Total return shown for the fund(s) have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for contribution or withdrawal fees or taxation (except in the case of superannuation funds). Past performance is not indicative of future performance.

** Other Shares may include Healthcare, Property Trusts, Information Technology, Utilities and GICS unspecified/international stocks.

¹ Fund information in this document is relevant to the Wholesale option unless stated.

INVESTING FOR GENERATIONS



Further information

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