

Quantitative Investments Alpha Core Fund

July 2010

Fund facts

Investment objective: Aims to provide investors with long term capital growth with controlled risk through exposure to Australian industrial and resource shares.

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

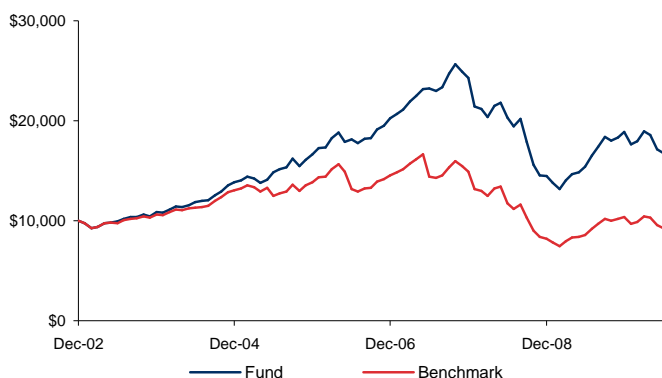
Provides investors with broad market exposure to quality securities at a lower cost than fundamental strategies.

Total returns % (after fees) as at 31 July 2010

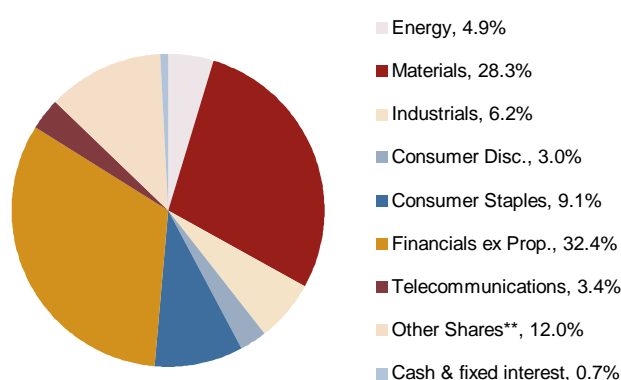
	APIR	1 mth	3 mths	6 mths	1 yr	3 yrs pa	5 yrs pa	7 yrs pa	10 yrs pa
Perp. WealthFocus Investments	PER0141AU	4.6	-5.6	-0.6	6.4	-8.6	3.0	8.0	-
Perp. WealthFocus Investment Advantage	PER0499AU	4.6	-5.6	-0.6	6.4	-	-	-	-
Perp. WealthFocus Super	PER0117AU	4.3	-4.8	-0.4	5.9	-6.8	4.0	8.6	-
Perp. WealthFocus Pensions	PER0126AU	5.1	-5.2	-0.3	7.3	-6.1	5.2	10.3	-
Perp. WealthFocus Term Allocated Pension	PER0346AU	5.1	-5.2	-0.3	7.3	-6.1	5.2	10.3	-
S&P/ASX 300 Accumulation Index		4.5	-6.0	0.1	10.0	-6.1	4.9	9.9	-

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
Telstra Corporation Limited
Woolworths Limited
Westfield Group

Portfolio fundamentals¹

	Portfolio	Benchmark
Price / Earnings	11.9	12.2
Dividend yield	4.6%	4.8%
Price / Book	1.8	1.7
Debt / Equity	31.7%	38.6%
Interest cover	12.4	8.9
Return on Equity	15.0%	13.6%

*Source: Factset

Market commentary

The Australian market, as measured by the S&P/ASX 300 Accumulation Index rose by 4.5% over the month. The market rallied after a period of sustained selling to the end of June 2010. Risk aversion began to subside early in the month after the Australian government reviewed the Resources Super Profits Tax in favour of a Minerals Resource Rent Tax. European bank stress tests also alleviated market concerns after the results failed to deliver any significant issues.

The best performing sectors were industrials (+7.1%), financials (+6.4%) and materials (+4.9%). Banks in particular were supported by stabilising credit conditions following the results of the European stress tests. Information technology (-2.8%), telecommunications (-0.6%) and health care (+1.0%) underperformed. As a group, resource companies (+4.6%) outperformed industrial companies (+4.4%).

Portfolio commentary

Stocks which contributed to performance included our overweight position in Centennial Coal (CEY) and Oz Minerals (OZL). CEY, which was held overweight due to earnings revision factor, rallied after a takeover offer.

Meanwhile OZL, which was held overweight because of its attractive value and earnings revision factors, rallied due to improving commodity prices and its purchase of a stake in Sandfire Minerals.

Our lack of holdings in Intoll Group (ITO) detracted from performance over the month. ITO, which was not held due to its poor quality and momentum metric, rallied after receiving a takeover offer from a Canadian pension fund.

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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