

Perpetual Global Resources Fund

March 2010

Fund facts

Investment objective: Aims to provide long-term capital growth through investment in quality global resource shares and other securities.

Benchmark: MSCI Customised All Countries Resources Index[^]

Mgmt cost: 2.25%

Buy / Sell spread: 0.55% / 0.00%

Investment style: Active, fundamental, bottom-up, value

Suggested minimum investment period: Seven years or longer

Fund benefits

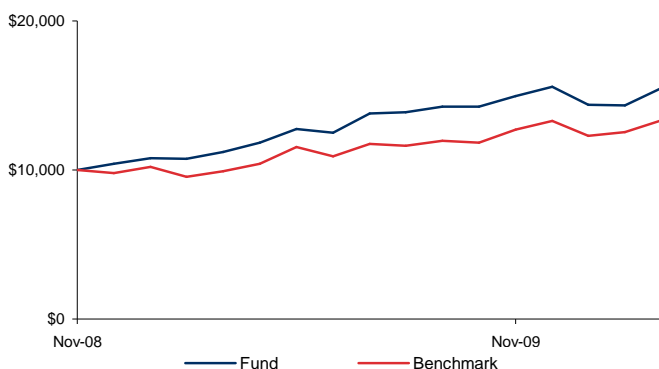
Potential for investors to benefit from the long term growing demand for natural resources globally, through active management by one of Australia's most experienced investment management teams.

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

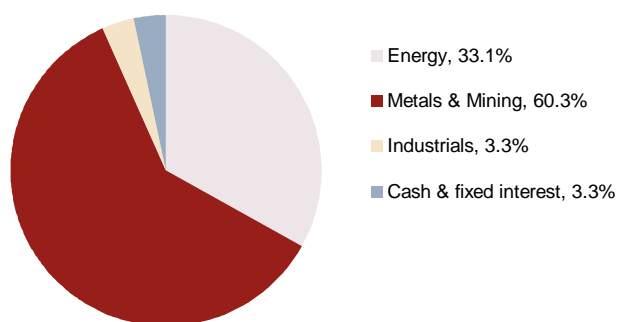
| | APIR | 1 mth | 3 mths | 6 mths | 1 yr | 3 yrs pa | 5 yrs pa | 7 yrs pa | 10 yrs pa |
|-------------------------------------------------------|-----------|-------|--------|--------|------|----------|----------|----------|-----------|
| Perp. WealthFocus Investment Advantage | PER0487AU | 8.2 | -0.5 | 9.0 | 38.1 | - | - | - | - |
| Perp. WealthFocus Super | PER0444AU | 7.4 | -0.4 | 9.0 | 35.7 | - | - | - | - |
| Perp. WealthFocus Pensions | PER0442AU | 8.1 | -0.6 | 9.7 | - | - | - | - | - |
| Perp. WealthFocus Term Allocated Pension | | 8.1 | -0.6 | 9.7 | - | - | - | - | - |
| Customised All Countries Resources Index [^] | | 6.3 | 0.4 | 11.6 | 34.7 | - | - | - | - |

Please note: Returns shown are from inception (30 November 2006) of the Fund[^], adjusted for the Share Class management cost. Performance for Perpetual's complete list of investment funds is available on www.perpetual.com.au. Past performance is not indicative.

Growth of \$10,000 since inception[^]



Portfolio sectors¹



Top 10 stock holdings¹

| |
|----------------------------------|
| BHP Billiton PLC |
| Rio Tinto PLC |
| Xstrata PLC |
| Coal & Allied Industries Limited |
| Freeport McMoRan Copper And Gold |
| BHP Billiton Limited |
| Chevron Corporation |
| First Quantum Minerals |
| Orica Limited |
| Posco |

Portfolio fundamentals¹

| | Portfolio | Benchmark |
|------------------|-----------|-----------|
| Price / Earnings | 12.5 | 12.6 |
| Dividend yield | 1.9% | 2.1% |
| Price / Book | 1.9 | 1.9 |
| Debt / Equity | 31.3% | 38.5% |
| Interest cover | 20.9 | 12.7 |
| Return on Equity | 15.5% | 14.8% |

¹Source: UBS

Market Commentary

The MSCI Customised All Countries Resources Index performed strongly over the month, rising 6.3%, and returning 34.7% over the last 12 months. The month saw base metal prices rising, with Nickel being the stand-out. Strong gains in base metals prices and the flow of positive news on coal and iron ore ensured that the majority of the pure-play resources names also enjoyed solid gains in March. Elsewhere, soft commodities were generally weak, with Sugar prices falling 30% over the month.

Oil was largely range bound in its \$75-85/barrel band during March. OPEC resolved to leave current production quotas for its members unchanged (since the large December 2008 cut there has been no change in quotas, despite several members producing significantly above quota). OPEC noted the fragility of any demand recovery in developed markets as a key reason for leaving quotas unchanged.

Portfolio Commentary

Our overweight to Mirabela Nickel (+25.6%) contributed to relative performance. The company performed well throughout the month driven by a strong rally in Nickel prices. Nickel has rallied over 46% since the February low, driven by supply concerns and improvements in stainless steel orders. Towards the end of the month, Mirabela Nickel announced that they had been granted licence to commence exporting through the Ilheus port, located 136km from their Santa Rita mine. We like the refreshed management team, excess cash on balance sheet and long mine life, and continue to hold this company overweight.

Our overweight position to Coal and Allied (+13.9%) contributed to relative performance. The company had no specific news flows of interest over the month but benefitted from the rise in bulk commodity prices, which saw semi-soft coal prices settle at \$167 per tonne (more than double of last years settlement price of \$82 per tonne). The pure-play coal company remains leveraged to the increasing global demand for energy, with rising production volumes and rising coal prices to help underpin future profits.

Not holding Vale (+11.0%) detracted from relative performance. The company reiterated their intentions to close the gap between contract and spot prices on their iron ore by moving the current settlements from an annual basis to a quarterly one. News from BHP Billiton announcing that it had settled short-term iron ore sales contracts with a 'significant' number of Asian customers drove speculation of a formal end to the +40-year-old annual benchmark pricing mechanism.

Outlook

Relative to its custom benchmark, the Fund is positioned with overweight exposure to companies in the energy and industrials space, with an underweight to the materials sector. We are currently finding more value outside of Australia, with recent purchases in oil and gas producers Noble Energy and Occidental Petroleum, both located in the US.

The outlook for commodity prices continues to remain positive with Chinese exports having recovered strongly, reflecting the pick up in US demand. As always, we continue to set our focus on companies with long mine lives, access to export markets, low costs and a broad customer base.

What are...?

Global resources funds may invest in companies that are involved in the exploration, production, transport, refining or distribution of natural resources, or companies that provide infrastructure or servicing for this sector.

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 investment philosophy is a fundamental, conservative bottom-up approach to stock picking and active management, focusing on identifying quality companies that represent good value.

The process is based on comprehensive internal company research using four filters - sound management, conservative debt, quality of business and recurring earnings. Portfolios are constructed by experienced portfolio managers within a pre-determined risk framework.

Did you know?

While other industries come and go, efforts to extract the earth's natural resources began with mankind. As the population of the world expands and the supply of non-renewable resources is depleted, demand for resources continues to grow. Quality companies that are involved in this sector will benefit from this growing demand.

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[^] The Perpetual Resources Fund commenced in November 2006 and two classes of shares were launched at a later date under the marketing name of Perpetual Wholesale Global Resources Fund - Class A in July 2009 and Class B in December 2008. The Fund was initially managed against the ASX 300 Resources Accumulation Index with the ability to invest in offshore markets. From the 4 June 2008 the benchmark changed to the MSCI Customised All Countries Resources Index.

Perpetual's Wealthfocus Investment Advantage, Super and Pension Funds also include a Global Resources Fund / Investment Option and the information in this document, with the exception of performance, is relevant to these Funds / Investment Options unless stated.

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

INVESTING FOR GENERATIONS



Further information

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