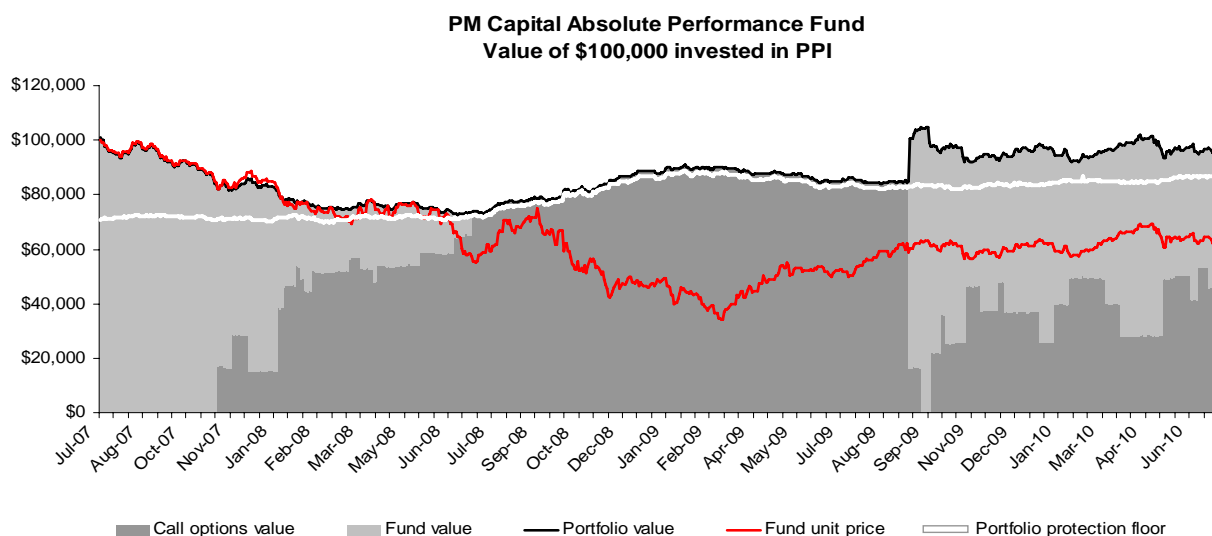


### Fund Participation Offer – Series 1 Half-yearly performance summary as at 30 June 2010

#### PM Capital Absolute Performance Fund



The above graph represents the changes in the indicative value of your investment from 19 July 2007 to 30 June 2010. Your portfolio value is calculated as the sum of fund units, call options and cash at any given point in time. The graph does not represent a direct investment into the PM Capital Absolute Performance Fund.

Source: Perpetual

#### At a Glance

Investment date	19 July 2007	Value as at 30/06/2010 of \$1.15 invested	\$0.95
Protection end date	31 May 2014	Percentage allocation of Fund units	38.9%
Maturity date	1 June 2014		

Source: Perpetual

The following information has been provided by the Fund Manager who has given their consent for it to be published. The information below represents a direct investment in the Fund not an investment in Perpetual Protected Investments Fund Participation Offer Series 1.

#### Fund Commentary

Recent portfolio activity has included the sale of some commodity related companies and exiting investments in the Mexican brewing industry, as well as

trimming some of our corporate debt investments.

Key contributors to performance over the quarter were the Brewers (Anheuser-Busch Inbev, Hite, FEMSA), while the key detractor from performance were UK

financials (Lloyds, Barclays) and US financials (Wells Fargo, JP Morgan). At the end of June 2010 the portfolio was 113% invested in equities (48% in the USA, 16% Australia, 19% in Europe, 6% in Japan, 16% in the UK with 7% in other regions) and 27% invested in corporate debt.

## Market Review

Markets are clearly being driven by sentiment on the future direction of the economy. Over the quarter, the sentiment turned negative as Europe continued to struggle with what to do about Greece and fears grew that the German desire for the Greeks to behave like Germans would derail the possibility of any sustained recovery in the global economy. The “double dip” became the flavour-of-the-month economic topic.

One cannot rule out an adverse outcome in Europe and its probability should

certainly be discounted in assessed valuations. However we suspect the economy is doing better than most realise and will ultimately make it through, and that equity returns will also be better than most expect over the next 18-24 months. This implies that one should be using pull-backs in the market over the next six months (such as the current correction) to gradually re-deploy cash.

## Outlook

Near term, stocks will probably remain volatile as the market waxes and wanes over the view for growth prospects, but for patient investors we believe it continues to be the time to be fully invested in selected dominant franchises. The Fund's exposures are currently concentrated primarily in four major themes: regional banks; technology; brewers; and corporate debt.

## Performance as at 30 June 2010

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	N/A	N/A	N/A	N/A	N/A	N/A
Net	-7.80	18.44	0.91	-14.20	-4.31	5.74
Benchmark	-5.10	5.48	-6.05	-11.33	-1.97	-0.82

Stock name	%
Lloyds	10.5
Novellus	8.1
Bank of America	7.4
Comcast	7.1
Maxim	7.0
Wells Fargo	6.0
Heineken	5.2
ING Group	4.9
KBC Group	4.7
Applied Materials	4.6
<b>Total</b>	<b>65.5</b>

Sector weight	%
Financials	57.00
Information Technology	37.31
Consumer Discretionary	23.31
Consumer Staples	13.98
Energy	3.21
Materials	1.32
Industrials	1.28
Other	0.96
Healthcare	0
Cash	-38.37
<b>Total</b>	<b>100</b>

**Investment Objective**

Positive investment returns over a three year plus investment horizon

**Benchmark**

MSCI World

**Investment Category**

Global Equities

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