



Perpetual Protected Investments

Perpetual Protected Investments – Series 1a Half-yearly performance summary as at 31 December 2009

Perennial Global Property Trust

At a Glance

Investment date	19 July 2007	Value as at 31/12/09 of \$1.15 invested	\$1.01
Protection end date	31 May 2014	Percentage allocation of Fund units	61.59%
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 Series 1a.

Fund Commentary

The Perennial Global Property Wholesale Trust (the Trust) finished the quarter up 7.2% in AUD hedged terms, outperforming the FTSE EPRA/NAREIT Developed TR Index (Index) by 1.8%. The best performing REITs in the US during the quarter were DuPont Fabros, Alexandria Real Estate Equities and Equity Lifestyles. Underperformers for the quarter included Boardwalk Real Estate Investment Trust and Taubman Centers. In Asia Pacific, strong performances came from Evergrande, Suntec REIT, Henderson Land and Mitsubishi Estate. Detrimental to performance were NTT Urban and Goodman Group. In Europe, stocks that performed well for the Trust included Unite Group, Unibail Rodamco, Eurocommercial Properties and Hammerson. The poorer performing holdings included Mercalys and Silic. During the quarter, the Fund introduced Evergrande, Shimao Property, China Resources Land, Westfield, Mitsubishi Estate, Mitsui Fudosan and NTT Urban on pricing weakness. The Fund continued to sell down its position in Suntec REIT and Goodman Group on recent strong performance.

Market Review

Perennial Real Estate believes that the positive quarterly performance of US equity markets and REITs, specifically, highlight the ongoing stabilisation of the US economy. Market expectations for the Australian economy continued to be positive and this saw stocks with cyclical leverage continue to outperform. In Hong Kong, prices of property stocks turned jittery in the last week of October after the government tightened mortgage measures towards high and luxury end residential markets. Chinese property stocks were sluggish during the quarter, partly caused by a large number of IPOs. There were also concerns that certain favourable measures towards real estate would expire by end of the year. Japanese property ended a volatile quarter down 1.4%. Quarterly financial results reported were weak across the board, as expected. In Singapore, there was strong buying appetite for the REITS due to their attractive yield spread versus 10 year government bonds.

Outlook

While the broader economy appeared to be on the mend, the Team believes US REITs will continue to face operational headwinds in 2010, as real estate fundamentals (occupancies, rents, etc) lag the broader economy. In Hong Kong, Perennial Real Estate is of the opinion that the low interest rate environment, abundant liquidity, increasing participation of mainland buyers as well as local up-graders underpin the uptrend in residential prices in 2010. In China, Perennial Real

Estate believes the Government would not repeat its heavy measures of 2007, as the country's overall economic growth is very sensitive to performance of the real estate sector. In Japan, The Team sees value in strong management franchise names, with healthy balance sheets, who have actively replenished their land banks in recent times at competitive prices for future development. These will be well positioned to benefit in the next cycle.

Performance

as at 31 December 2009

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	7.17	29.32	-19.81	-17.39	N/A	-9.50
Net	6.87	27.80	-20.83	-18.34	N/A	-10.43
Benchmark	5.42	33.01	-16.93	-14.43	N/A	-6.40

Stock name	%
Mitsubishi Estate	6.00
Unibail Rodamco	5.39
Mitsui-Fudosan	5.24
Simon Property Group	4.98
Westfield Group	4.42
China Resources Land	4.21
Henderson Land	4.12
Digital Realty Trust	3.56
Alexandria Real Estate	3.29
Kimco Realty	3.24
Total	44.45

Sector weight	%
Retail	33.8
Office	21
Residential Development	10.9
Residential Investment	5.9
Industrial	4.1
Hotel	2.4
Funds Management	2.1
Infrastructure	0.3
Construction	0.2
Other	19.3
Total	100

Investment Objective

Investing in a broad selection of global property investments that will offer good cash flow growth, consistent income characteristics and offer investments in high quality properties. Perennial Real Estate believes that 100% of out performance is due to security selection.

Benchmark

FTSE EPRA/NAREIT Global Real Estate Total Return Index (hedged)

Investment Category

Global Listed Property

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