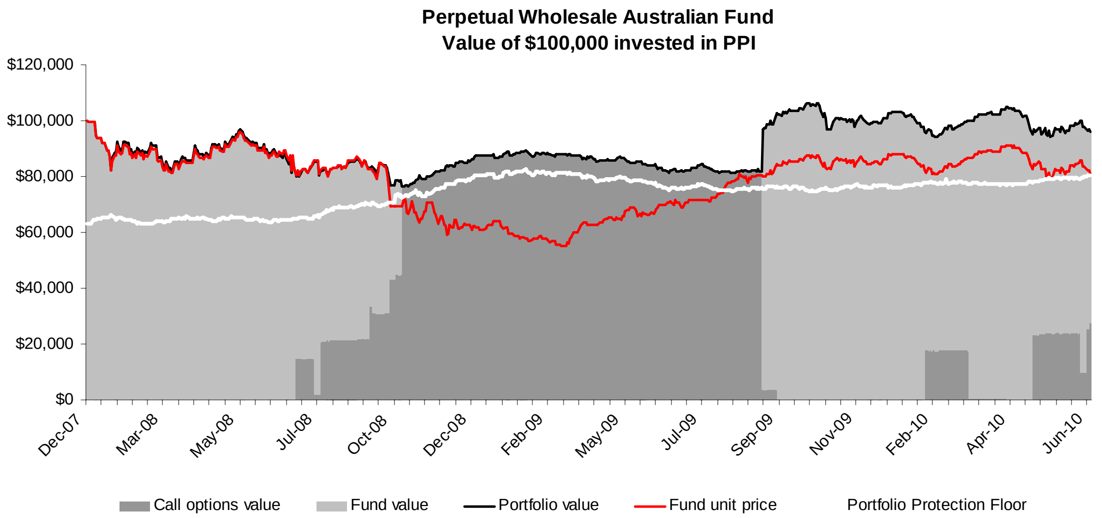
Perpetual Protected Investments

Fund Participation Offer – Series 2
Half-yearly performance summary as at 30 June 2010

Perpetual Wholesale Australian Share Fund



The above graph represents the changes in the indicative value of your investment from 21 December 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 GVI Global Industrial Share Fund

Source: Perpetual

At a Glance

Investment date	21 December 2007	Value as at 30/06/10 of $1.15 invested	$1.05
Protection end date	31 May 2014	Percentage allocation of Fund units	100%
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 2a.

Fund Commentary

The portfolio outperformed in the second half of 2009. The portfolio is positioned in high quality companies which represent the most attractive value. The portfolio has an overweight position in companies with strong cash flows and strong balance sheets. Coal companies Coal & Allied, New Hope Coal and explosives & chemical supplier Orica are all beneficiaries of the ongoing demand for raw materials from China and any economic recovery. In addition the portfolio holds overweight position in the higher quality financial institutions. With high interest cover and low debt to equity levels, the portfolio is well positioned in the event of any potential negative earnings surprises.

Market Review

The Australian sharemarket rallied in the second half of the year with the S&P/ASX 300 Accumulation Index up by 25.7%. This took the market up to levels last seen in June 2008. Investor optimism was buoyed by the release of the National Accounts, which indicated that the Australian economy grew by more than was expected. This stronger growth has in turn provided the foundation for the resilience in the domestic labour market. Meanwhile, data globally continued to indicate that conditions have considerably improved, albeit from a low base.

With the global and domestic economies continuing to outperform expectations, cyclical stocks in the materials (+27.8%) industrials (+36.2%) and consumer discretionary sectors (+27.2%) outperformed their defensive peers including telecommunication services (+4.3%) and utilities (+12.9%).

Outlook

Over the 2009 calendar year the domestic and global economic outlook improved considerably and this provided a stable foundation for a potential earnings recovery. However, the unwinding of Government stimulus and potential offshore risks such as the debt issues experienced by Dubai and Greece late in 2009 indicate that the effects of the global financial crisis may not be all over just yet. Although equity markets are expected to continue to rise in 2010, with the easy gains having already been made, a stock picker's market still remains evident. At present, some stocks have outperformed the market by a large margin and their valuations are looking reasonably expensive relative to their peers. Accordingly, we continue to be cautious in our stock selection, from an earnings expectation and valuations perspective and continue to search for companies with high surplus cash flow, dominant market positions, a strong balance sheet and that have reasonable valuations.

Performance

as at 30 June 2010

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	3.4	42.3	-4.2	1.9	9.6	13.2
Net	3.1	40.9	-5.2	0.9	8.6	12.2
Benchmark	3.4	37.6	-8.3	-0.8	8.3	9.7

Stock name	%
BHP Billiton	9.2
Commonwealth Bank of Australia	8.8
Westpac Banking Corporation	8.0
Telstra Corporation	6.2
Coal & Allied Industries	4.4
Campbell Brothers	3.5
ANZ Banking Group	3.4
Rio Tinto	3.4
National Australia Bank	3.3
News Corporation	3.0
Total	**53.2**

Sector weight	%
Financials ex Property	33.30
Materials	21.10
Energy	10.10
Industrials	8.00
Consumer Discretionary	7.90
Telecommunication Services	6.25
Consumer Staples	4.60
Health Care	4.40
Information technology	1.60
Property Trusts	0
Utilities	0
Total	**97.25**

Investment Objective

To provide long term capital growth and income through investment in quality industrial and resource shares and other securities.

Benchmark

S&P/ASX 300 Accumulation Index

Investment Category

Australian Shares