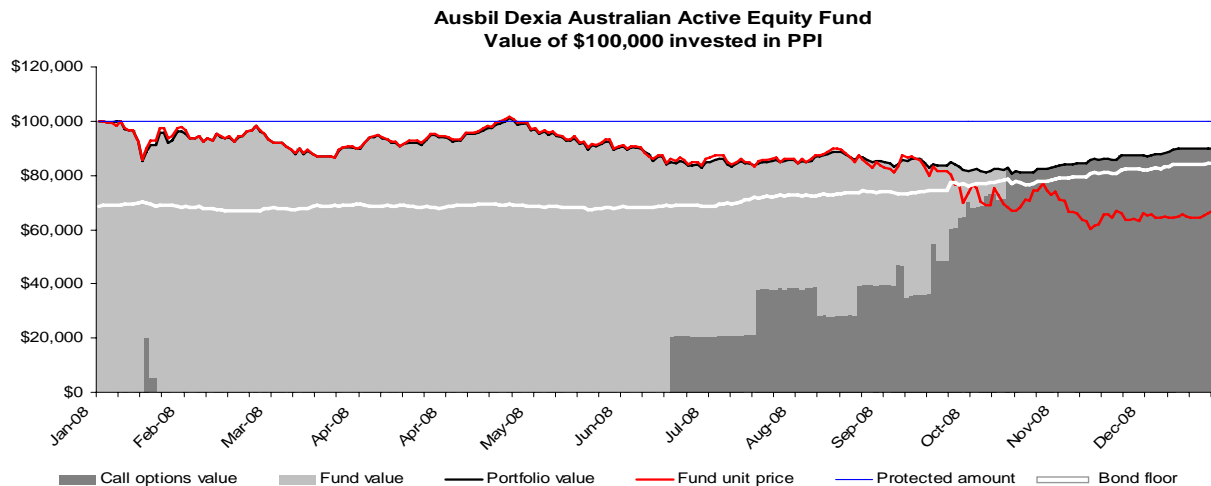




Perpetual Protected Investments – Series 2 Half-yearly performance summary as at 31 December 2008

Ausbil Australian Active Equity Fund



The above graph represents the changes in the indicative value of your investment from 19 July 2007 to 31 December 2008. 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 Ausbil Australian Active Equity Fund Source: Perpetual

At a Glance

Investment date	21 December 2007	Value as at 31/12/08 of \$1 invested	\$0.86
Protection end date	30 April 2015	Percentage allocation of Fund units	0%
Maturity date	30 April 2015		

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 2.

Fund Commentary

In the six months to December the Portfolio benefited from its overweight position in the Consumer Discretionary sector as well as its significant underweight position in the Listed Property Trust sector. Conversely, the underweight position in the Consumer Staples sector detracted from performance.

At a stock level, the overweight positions in Westpac, QBE insurance, AGL Energy, and Coca-Cola Amatil were the largest contributors to relative performance. Nil holdings in Bluescope Steel also added value to relative performance. Detractors to the Portfolio over the six months included the overweight holdings in Rio Tinto and Oz Minerals. The nil holdings in Woolworths also detracted from relative performance.



The Federal Government injected a fiscal stimulus package that represents approximately 1% of Australia's Gross Domestic Product. The Federal Government also increased the first homeowners grant whilst the NSW Government reduced the taxes levied on new property developments, both measures clearly aimed at improving housing starts.

Market Review

The credit crisis has had a knock on effect to the real economy with global growth expectations and economic indicators deteriorating over the period. In terms of company specific news, a number of Australian companies issued downward profit guidance, but the most significant news was BHP Billiton's withdrawal from its takeover proposal for Rio Tinto. In addition, there were a number of companies across various sectors that approached the Australian equity market to raise cash in order to recapitalize their businesses.

The Reserve Bank of Australian reduced the official cash rate to 4.25%, while the US Federal Reserve lowered its target funds rate to 0.25%.

Performance as at 31 December 2008

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	-14.57	-34.71	-12.43	-0.96	11.44	11.22
Net	-14.77	-35.31	-13.24	-1.86	10.42	10.18
Benchmark	-18.48	-38.92	-15.75	-4.03	6.72	6.77

A restoration of consumer confidence will be integral to any efforts to sustainably improve macroeconomic conditions.

The equity market has discounted a very poor outcome for corporate earnings in 2009. The February reporting season will allow the market the opportunity to repeg numbers but risks remain to the downside. The market is currently yielding 6.2% although risks to payout ratios and earnings will likely result in a lower outcome. None the less, this largely franked return is increasingly attractive and will help restore interest in the asset class. However investor confidence remains fragile and tangible catalysts are required to restore faith and assure the market that circumstances will improve.

Outlook

The concerted attempts to stimulate the global economy have yet to translate into improving macroeconomic data but the extent of the moves in both fiscal and monetary policy will mean that the efforts should gain traction at some stage. Despite these actions, the short term outlook remains bleak with softening industrial production and rising unemployment a worldwide phenomenon.



START

Stock name	%	Sector weight	%
Westpac Banking Corporation	10.8%	Energy	8.4%
National Australia Bank	8.1%	Materials	23.3%
Lihir Gold	3.3%	Industrials	5.0%
AGL Energy	3.2%	Consumer Discretionary	6.0%
QBE Insurance Group	5.3%	Consumer Staples	6.5%
Toll Holdings	2.3%	Healthcare	3.1%
David Jones	1.7%	Financials (x LPT)	30.4%
Seven Network	1.5%	LPTs	3.5%
Tatts Group	1.8%	IT	0.0%
Oil Search	1.9%	Telecommunications	6.3%
Total	39.90%	Utilities	3.2%
		Cash	4.3%
		Total	100%

Investment Objective

The aim of the Fund is to outperform the S&P/ASX 300 Accumulation Index over the medium to long term with moderate tax effective income. The Fund invests in a portfolio of listed Australian equities that are generally chosen from the S&P/ASX 300 Index.

Benchmark

S&P / ASX 300 Accumulation Index

Investment Category

Australian Equities



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