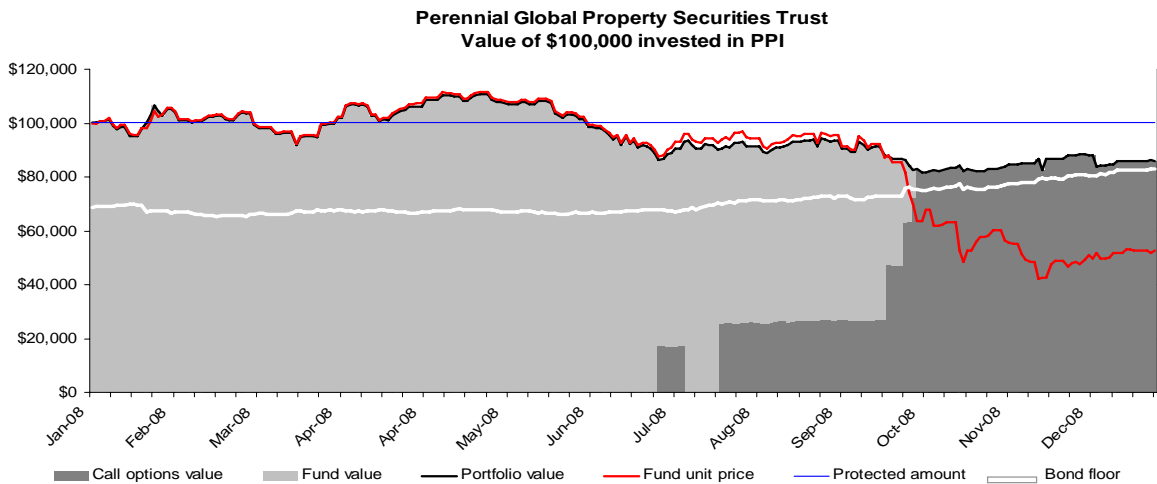




## Perpetual Protected Investments – Series 2 Half-yearly performance summary as at 31 December 2008

### Perennial Global Property Trust



The above graph represents the changes in the indicative value of your investment from 21 December 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. *Source: Perpetual*

#### At a Glance

Investment date	21 December 2007	Value as at 31/12/08 of \$1 invested	\$0.83
Protection end date	15 April 2015	Percentage allocation of Fund units	0%
Maturity date	15 April 2015		

*Source: Perpetual*

The following information has been provided by the fund manager who have given their consent for it to be published.

#### Fund Commentary

The Trust finished the quarter down in AUD hedged terms, underperforming the FTSE EPRA/NAREIT Global Real Estate Index (Index). In the US, The top performing REITs during the quarter were Tanger Factory Outlets, Public Storage and Federal Realty. Underperformers for the quarter included Taubman Centers, Alexandria Real Estate and Simon Property. The best performing stocks in the sector included Bunnings Warehouse Property Trust, CFX Retail Property Trust and Commonwealth Property Office Fund. The weakest performing stocks during the quarter included ING Industrial

Fund, Valad Property Group, Tishman Speyer Office Fund and Macquarie DDR Trust.

#### Market Review

US REITs were down 40.4% on a price basis in 4Q08, underperforming the broader US market indices including the Dow Jones Industrial Average (down 19.1%), the Nasdaq Composite (down 24.6%) and the S&P 500 (down 22.6%).

Australian property, as measured by the ASX/S&P200 Property Trust Accumulation Index, declined 32.9% during the December

2008 quarter. Volatility in the A-REIT sector was present throughout the December quarter, as the impact of the global financial market crisis was felt. The sector saw a spate of capital raisings come to the market as many A-REITs saw this as the only option to firm up their balance sheets given the difficulties in obtaining new finance.

The European holdings posted a decline of 24.8% for the December quarter, thereby outperforming the benchmark by a healthy margin. The Trust entered new positions in Health Care REIT, CFS Retail Property Trust and Westfield Group.

### Outlook

Perennial Real Estate remains cautious on the Hong Kong/China markets and maintains a defensive stance, focusing on quality property securities with healthy balance

sheets. In Singapore, the Team remains bearish on the residential sector and developer stocks. Perennial Real Estate's view remains unchanged on the housing sector in Japan, however, the managers have become more cautious on the office sector. Hence, the Trust holds a few selective names which are relatively well-positioned in this downturn.

The last quarter of 2008 proved to be a tumultuous one in Europe, with the global economy culminating into a highly volatile and negative environment. The listed European property sector posted a decline of 28.9%. The quarter was characterised by shockwaves from the fall out in the banking sector in October. This led to subsequent unprecedented large scale government support measures for the banking system.

### Performance as at 31 December 2008

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	-38.74	-50.27	-33.98	N/A	N/A	-20.80
Net	-38.99	-50.92	-34.72	N/A	N/A	-21.55
Benchmark	-35.54	-48.13	-31.37	N/A	N/A	-18.12

Stock name – 30 November 2008	%
Digital Realty Trust Inc	8.49%
Stockland	7.32%
Unibail-Rodamco	7.25%
Aeon Mall Co	6.76%
Suntec REIT	5.83%
<b>Total</b>	<b>35.65%</b>

Sector weights – 30 November 2008	%
Retail	38.2
Office	29.0
Industrial	5.2
Hotel	0.6
Residential	10.1
Funds Management	2.6
Other	14.3
<b>Total</b>	<b>100.0</b>



### **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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