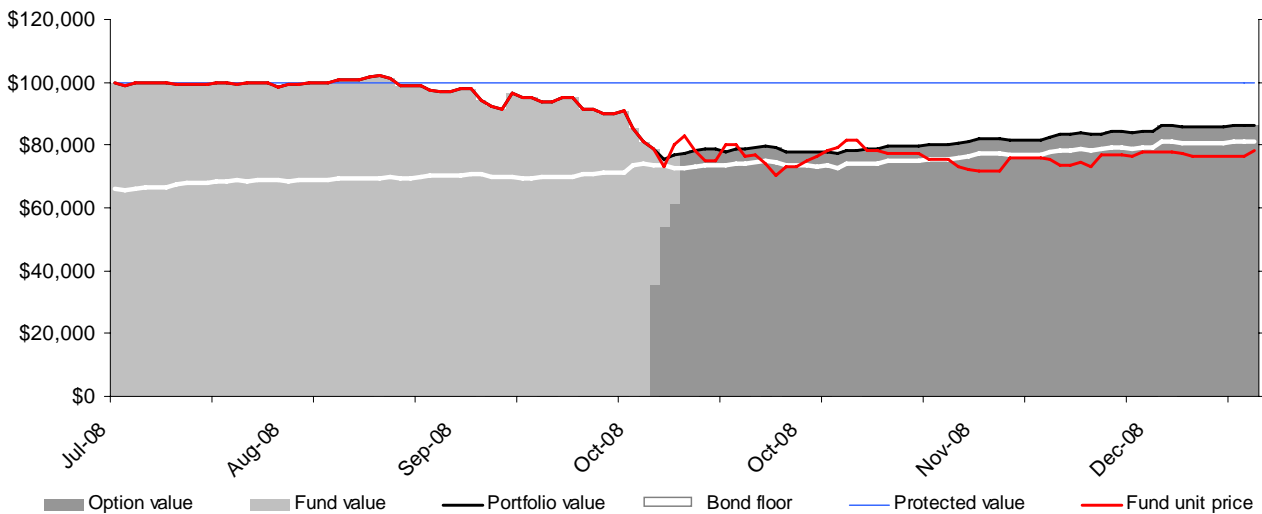


Perpetual Protected Investments – Series 3 Half-yearly performance summary as at 31 December 2008

GVI Global Industrial Share Fund

GVI Global Industrial Share Fund
Value of \$100,000 invested in PPI



The above graph represents the changes in the indicative value of your investment from 25 July 2008 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	25 July 2008	Value as at 31/12/08 of \$1 invested	\$0.85
Protection end date	31 May 2015	Percentage allocation of Fund units	0%
Maturity date	31 May 2015		

Source: Perpetual

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

Fund Commentary

The Fund ended this very difficult and volatile period with a decline of 24.2% which outperformed the benchmark result by 7.1% as it fell by 31.3%. The main detractors to the Fund's performance were our weightings and stock holdings in the Industrials, Energy and Materials sectors as well as our relatively modest weighting to Consumer Staples as previous valuations restricted any major purchases in that sector. The defensive positioning towards the Financials sector was a major contributor to performance in relative terms while our

exposure to the Utilities and Telco sectors also provided some defensive qualities over the six months as did our Healthcare stocks. The Fund paid a 1.0 cent per unit distribution for the 6 months to December.

Market Review

World sharemarkets, as measured by the *MSCI World Index (AUD Hedged)* fell by 31.3% over the six months to December 2008. The speed and severity of the downturn took the market by surprise in October and investor sentiment has been severely dented as a result. The joint actions of central banks and governments to



address the financial crisis have provided some safety net for investors. However, the subsequent significant downturn in global economic activity has seen factories in developed economies as well as in China, Russia and India, slashing output and jobs at a record pace during the December quarter. This has created additional uncertainty for investors, in particular, the depth and breadth of the downturn as we move into 2009. On a slightly positive note, the MSCI World Index gained 1.1% in December on thin trading which was the first month of gains since May 2008.

provide a bumpy start to 2009. Simultaneous recessions in the US, Japan and Europe (not seen since WWII) does not auger well for the first half of 2009. However, while the real economy may take some time to recover, equity markets typically anticipate a recovery and as such, we believe the portfolio is well positioned for that eventuality. In a “back to basics” environment, we believe the market will reward companies that have a competitive advantage, strong balance sheets and cashflows and capable management that reward shareholders with return on equity and dividend payments.

Outlook

We expect the combination of deteriorating economic news and weaker corporate profits to

Performance as at 31 December 2008

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	-14.46	-30.60	-13.11	-2.04	N/A	4.64
Net	-14.73	-31.46	-14.17	-3.21	N/A	1.15
Benchmark	-22.67	-39.07	-19.54	-8.68	N/A	-3.07

Stock name	%
Nestle	2.42%
Exxon Mobil	2.36%
GDF Suez	2.31%
Telefonica	2.28%
Vivendi	2.26%
Syngenta	2.15%
E. On	2.13%
KPN Holland	2.10%
Austria Post	2.07%
FPL Group	1.96%

Sector weight	%
Telecommunication Services	14.3%
Utilities	19.0%
Materials	7.2%
Consumer Discretionary	7.8%
Information Technology	0.0%
Industrials	14.1%
Consumer Staples	4.5%
Health Care	10.8%
Energy	13.5%
Financials	2.5%



Investment Objective

To provide long-term capital growth and income to generate a rate of return (after fees and expenses and before taxes) which exceeds the return of the benchmark of the *fund*, the MSCI World Index (AUD) hedged over rolling three-year periods

Investment Category

Global Equities

Benchmark

MSCI World Index (AUD) hedged

