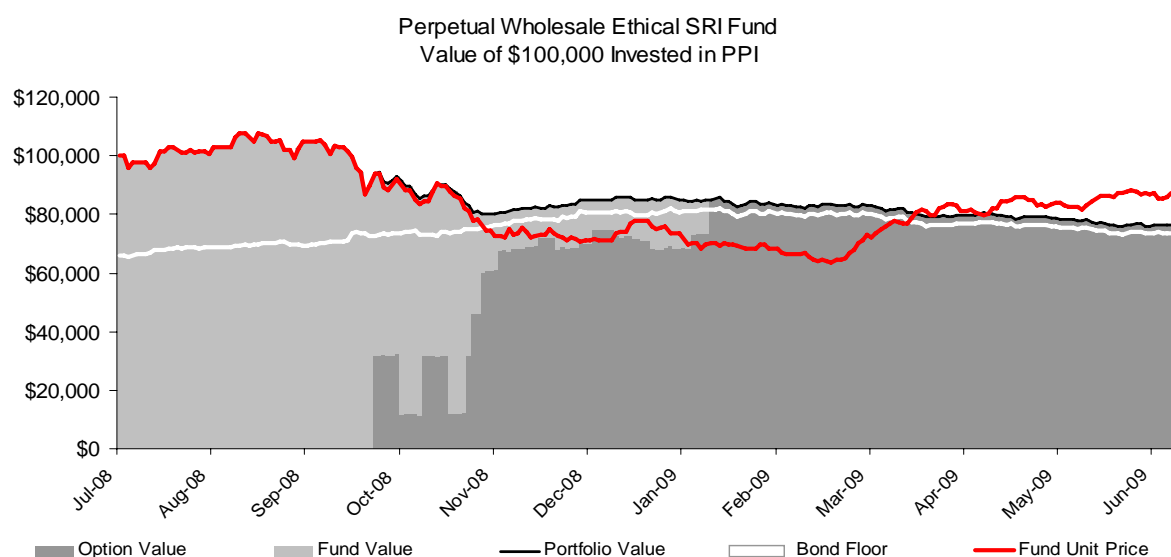


## Perpetual Protected Investments

### Perpetual Protected Investments – Series 3 Half-yearly performance summary as at 30 June 2009

#### Perpetual Wholesale Ethical SRI Fund



The above graph represents the changes in the indicative value of your investment from 25 July 2008 to 30 June 2009. 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 30/06/09 of \$1 invested	\$0.76
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 outlook for the domestic and global economies and the global financial system were clear themes that impacted investment performance over the period. The February 2009 reporting season was also a key focal point for investors. Results were roughly in line with expectations and many companies highlighted the increased stress on balance sheets and cash flow. In this environment our

overweight exposure to Commonwealth Bank of Australia contributed to performance. The Commonwealth Bank not only reported first half earnings results, in line with its guidance and maintained its dividend but also benefited from improved investor sentiment towards financials. This caused our overweight position to contribute to the portfolio's excess performance.



## Perpetual Protected Investments

### Market Review

After a shaky start to the year, equity markets rallied strongly in the second quarter of 2009. This rally was driven by better than expected economic data, with the Australian economy avoiding technical recession in response to strong growth in exports and a resilient consumer sector that was supported by large government handouts. Further support was added by the Reserve Bank of Australia who reduced official interest rates to a 49-year low of 3% over the period. The beneficiaries of the rally were the cyclical sectors and those companies considered to be closely linked to any economic recovery. The consumer discretionary sector, such as retailers, also benefited from the governments stimulus package. Defensive sectors such as healthcare and utilities underperformed, reversing previous gains.

### Outlook

The process of Australian listed companies deleveraging by raising equity capital is well advanced and the risk of balance sheets is now evolving from one of corporate survival to one of funding future expansion. Although balance sheets have been strengthened, share prices have risen while earnings have declined, which has led to rising valuations.

In this environment, we continue to be cautious in our stock selection, from an earnings and valuations perspective as firms with high earnings certainty, dominant market positions, a strong balance sheet and reasonable valuations are well placed to outperform their industry peers. We continue to search for these types of stocks which represent good value despite the strong market bounce.

### Performance

as at 30 June 2009

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	15.29	-10.58	-19.12	-2.94	7.54	8.55
Net	15.04	-11.50	-19.98	-3.96	6.42	7.35
Benchmark	11.49	-20.34	-17.07	-3.86	6.79	6.72

Stock name	%
Westpac Bank	11.24%
Commonwealth Bank	8.17%
National Australia Bank	7.74%
QBE Insurance Group Ltd	5.02%
ANZ Banking Group Ltd	4.68%
NIB Holdings Ltd	3.85%
Telstra Corporation Ltd	3.13%
Suncorp-Metway Ltd	3.09%
Computershare Ltd	2.79%
Corporate Express Ltd	2.71%
Total	52.42%

Sector weights	%
Energy	0.38%
Materials	4.25%
Industrials	12.20%
Consumer Disc.	12.98%
Consumer Staples	1.81%
Financials ex. Property	51.82%
Telecom	6.92%
Liquidity	3.91%
Other Shares	5.73%
<b>Total</b>	<b>100%</b>



## Perpetual Protected Investments

### **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

---

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426 with the assistance and consent of the relevant fund manager. It is general information only and is not intended to provide you with financial advice and does not take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted by PIML or the relevant fund manager for any loss or damage as a result of any reliance on this information. You should also consider the PDS for the relevant fund. No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) or the fund manager, guarantees the dynamic management strategy, the performance of any fund or the return of any investor's capital. Total returns shown for the fund(s) have been calculated using exit prices net of all ongoing fees and assuming reinvestment of distributions. No allowance has been made for any entry or exit fees or taxation. Past performance is not indicative of future performance.

---