Perpetual

Concentrated Equity Fund

January 2010

Perpetual Wholesale Concentrated Equity Fund (PWCEF) * WealthFocus Investments Perpetual Concentrated Equity Fund (PIICEF) * WealthFocus Super Plan Perpetual Concentrated Equity Investment Fund (PISCEF) * WealthFocus Pension Plan Perpetual Concentrated Equity Fund (PIPCEF) * WealthFocus Investment Advantage Perpetual Concentrated Equity Investment Option (PICCEF)

Total returns % (After Fees) as at 31 January 2010

	1 mth	3 mth	6 mths	1 yr	2 yrs pa	3 yrs pa	5 yrs pa	7 yrs pa
Wholesale Concentrated Equity Fund	-4.26	0.16	8.67	44.24	-0.30	0.96	8.32	13.15
WF Investments - Concentrated Equity Fund	-4.31	0.00	8.22	43.02	-1.24	0.08	7.30	-
WF Super Plan - Concentrated Equity Inv. Option	-3.23	0.64	7.89	39.09	0.16	1.29	8.08	-
WF Pension Plan - Concentrated Equity Inv. Opt.	-3.43	0.78	8.84	43.98	0.56	1.80	8.96	-
WF Investment Advantage Concentrated Equity Inv. Option	-4.28	-0.21	7.88	42.46	-	-	-	-
Benchmark - Blended Ordinaries Accumulation. ^	-6.17	-0.95	9.92	35.67	-5.88	-3.47	6.62	11.10

Market Commentary

The Australian market, as measured by the S&P/ASX 300 Accumulation Index fell by 6.2% for the month ending January 2010.

The market moved lower on rising risk aversion due to a number of factors including strong Chinese economic data and a proposal by President Obama to reduce risk-taking activities within the US banking system. The strong Chinese economic data triggered concerns that Chinese authorities would be forced to implement policy tightening sooner rather than later and President Obama proposed that US banks reduce their risk taking activities by sticking with their “core missions” as opposed to owning or sponsoring hedge funds/private equity funds. Mr Obama also proposed to prevent further consolidation in the financial system that would result in the existence of only a few large firms. Additionally, the worsening fiscal situation in Greece prompted concerns over a possible default and/or bailout by the European Union.

Domestically, economic data during January remained positive with strong data released on building approvals, retail sales and unemployment. Inflation also surprised on the upside, increasing pressure on the Government to reduce spending and the Reserve Bank of Australia to continue tightening monetary policy. During the month the Australian dollar reached a high of 93.2 cents against the US dollar before closing at 89.0 cents at the end of the month.

The dominant theme for January was the underperformance of resource stocks which were heavily impacted by weakened commodity prices. All sectors returned negative over the month with information technology (-1.1%), property trusts (-2.9%) and telecommunications (-3.1%) outperforming and energy (-9.8%), materials (-9.0%) and consumer staples (-8.4%) underperforming.

Portfolio

The Wholesale Concentrated Equity Fund outperformed its benchmark, the S&P/ASX 300 Accumulation Index for the month ending 31 January 2010, as the value bias and less risky nature of the companies we invest in contributed positively to relative return. The portfolios generally do not have exposure to smaller material or energy stocks, due to insufficient proof of historic earnings or high levels of debt. This contributed to relative return this month. In terms of positioning, in the current economic climate we are finding value in companies with strong operating cash flows and comfortable interest cover, such as Coal & Allied Industries, Orica, Computershare and Foster’s Group.

Contributors

Our overweight position to travel agency Flight Centre (+7.9%) contributed to relative performance. During the month Flight Centre upgraded its profit expectation for the 2010 fiscal year. The company now expects a $160 to $180 million trading result (excluding any major abnormal items). The revised guidance represents 60% to 80% growth on the trading result achieved during the 2009 fiscal year and follows a stronger than expected first half. The company highlighted good growth in sales volumes in some businesses, including Australia, reasonable profit in the United Kingdom despite the ongoing effects of the global financial crisis, profits in other established regions such as Canada, South Africa and New Zealand and continued growth in cash reserves which should allow the company to restore its normal dividend policy.

Our overweight position to mining company Coal & Allied Industries (+1.5%) contributed to relative performance. During the month the company released its 2009 annual results with revenue of $2,319 million, down 13% compared with its 2008 results, profit after tax of $586 million compared with $804 million in 2008 and a final dividend of $3.50 per ordinary share, fully franked. The company’s managing director said that the result was very pleasing in light of the global financial crisis and that revenue was lower in 2009 because of lower US dollar denominated coal prices which were only partially offset by a weaker Australian dollar against the US dollar.

Detractors

Not holding shopping centre giant Westfield Group (+0.8%) detracted from relative performance over the month as macroeconomic news supported the retail property sector, and Westfield in particular, with stronger than expected employment numbers and retail sales figures. In addition, the expectation of increasing development opportunities in Australia and the improved sentiment in US dollar denominated assets helped the company outperform. We do not hold this stock due to its high price, considering its near term earnings outlook.

Not holding investment banking company Macquarie Group (+3.6%) detracted from relative performance. During the month Macquarie Group completed its acquisition of Delaware Management Holdings and its subsidiaries from Lincoln Financial Group for $451.8 million in cash, subject to customary post-closing adjustments. In connection with the sale agreement, Delaware Investments will continue to manage Lincoln Financial general account insurance assets under a long-term contract, and will provide additional sub-advisory services. Additionally, Macquarie Group launched its Macquarie Mexican Infrastructure Fund (MMIF), with approximately US$408 million in initial commitments from Mexican pension funds, Mexico’s National Infrastructure Fund and Macquarie.

Outlook

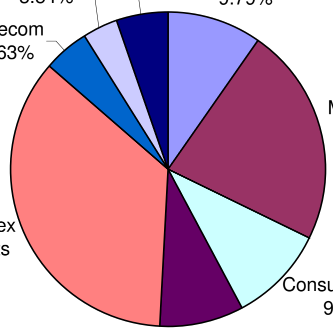
In the last couple of months there has been an increased focus on stock specific themes rather than the large macro trades which dominated performance over the previous two years. The market rise in 2009 priced in some unsustainable earnings growth, and as a result any profit warning or negative surprise is being treated much more harshly than any positive upgrade. The February 2010 reporting season will bring further clarity around how company revenue and earnings are holding up in the current economic conditions. We expect the higher quality companies that have scale, strong brand and pricing power, elevated operating cash levels and earn a superior return on equity are currently attractively valued due to their consistent earnings outlook in the potentially tepid conditions ahead.

Top 10 Stock Holdings

Wholesale Concentrated Equity Fund as at January 2010	%
BHP BILLITON LIMITED	11.4
COMMONWEALTH BANK OF AUSTRALIA	10.3
WESTPAC BANKING CORPORATION	8.8
COAL & ALLIED INDUSTRIES LIMITED	6.6
ORICA LIMITED	5.4
TELSTRA CORPORATION LIMITED	4.6
FOSTER'S GROUP LIMITED	4.0
QBE INSURANCE GROUP LIMITED	3.9
COMPUTERSHARE LIMITED	3.6
RIO TINTO LIMITED	3.0

Portfolio Details

Concentrated Equity Fund



Distribution Details

Annual	Total Return %	Growth Return %	Dist. Return %	Franking IFSA %
Jun 09				
PWCEF	-12.8	-17.2	4.4	96.7
PIICEF	-13.8	-17.4	3.6	116.2
Jun 08				
PWCEF	-9.2	-13.6	4.3	67.2
PIICEF	-9.9	-12.4	2.4	115.9

Franking IFSA includes Realised Capital Gains

Distributions and Prices

Quarter	Cents per unit Dist.	Ex-Dist Entry $	Ex-Dist. Exit $
Dec 09			
PWCEF	3.1117	1.7660	1.7590
PIICEF	1.7707	1.2100	1.2060
Sep 09			
PWCEF	-	1.7350	1.7280
PIICEF	-	1.1890	1.1840
Jun 09			
PWCEF	3.5470	1.4640	1.4580
PIICEF	1.9882	1.0050	1.0010
Mar 09			
PWCEF	-	1.3150	1.3100
PIICEF	-	0.9010	0.8970

Portfolio Statistics

Fund	P/E Ratio	Dividend Yield
PWCEF	14.3	4.7%
Benchmark	16.0	4.0%

*Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries.
** Other Shares may include Healthcare, Property Trusts, Information Technology, Utilities and GICS unspecified/international stocks.
^ Benchmark prior to 1/4/2000 was the ASX All Ordinaries Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX 300 Accumulation Index

Benchmark prior to 1/1/2006 was the ASX All Ordinaries Accumulation Index. From 1/1/2006 to current the benchmark is S&P/ASX 300 Accumulation Index