



Perpetual SHARE-PLUS Long-Short Fund

April 2012

Fund facts

Investment objective: Aims to provide long-term capital growth and income through investment in quality shares and taking short positions in selected Australian shares.

Benchmark: S&P/ASX 300 Accumulation Index

Mgmt cost: 1.95% pa plus performance fee[^]

Buy / Sell spread: 0.40% / 0.00%

Investment style: Active, fundamental, bottom-up, value

Suggested minimum investment period: Five years or longer

Fund benefits

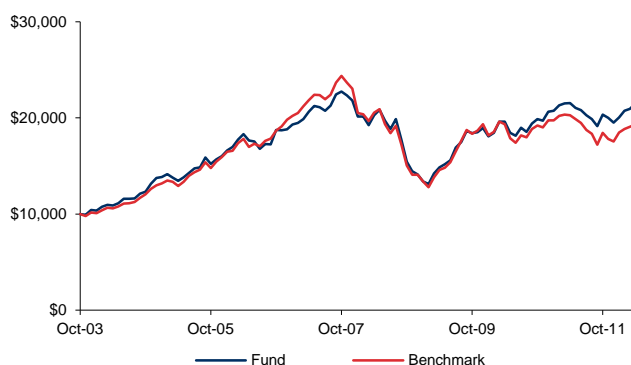
Offers broad market exposure with the potential for higher returns through the use of shorting (taking short positions) within a risk-controlled environment, and actively managed by one of Australia's most experienced investment management teams.

Total returns % (after fees) as at 30 April 2012

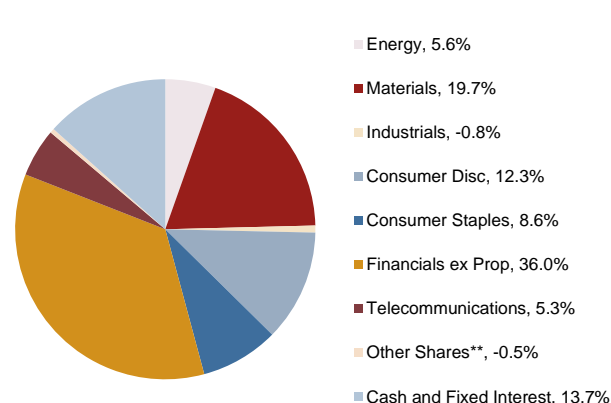
	APIR	1 mth	3 mths	6 mths	1 yr	3 yrs pa	5 yrs pa	7 yrs pa	10 yrs pa
Perp. WealthFocus Investments	PER0242AU	2.7	7.3	5.8	-0.2	13.2	0.8	6.9	-
Perp. WealthFocus Investment Advantage	PER0495AU	2.7	7.3	5.8	-0.1	13.0	-	-	-
Perp. WealthFocus Super	PER0224AU	2.4	6.6	5.9	1.2	13.4	2.3	7.5	-
Perp. WealthFocus Pensions	PER0148AU	2.7	7.2	6.4	1.8	14.8	2.6	8.3	-
Perp. WealthFocus Term Allocated Pension	PER0347AU	2.7	7.2	6.4	1.8	14.8	2.6	8.3	-
S&P/ASX 300 Accumulation Index [^]		1.3	4.6	4.7	-4.7	9.8	-2.4	5.9	-

Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

Growth of \$10,000 since inception (WFI Fund)



Portfolio sectors¹



Top 10 stock holdings¹

Westpac Banking Corporation
BHP Billiton plc
Commonwealth Bank of Australia
Magellan Financial Group Limited
Telstra Corporation Limited
Oil Search Limited
Insurance Australia Group Limited
Rio Tinto plc
ANZ Banking Group Limited
Wesfarmers Limited

Portfolio fundamentals¹

	Portfolio	Benchmark
Price / Earnings	12.7	11.9
Dividend yield	4.8%	5.2%
Price / Book	1.6	1.6
Debt / Equity	26.3%	37.5%
Interest cover	14.3	11.3
Return on Equity	14.0%	14.3%

¹Source: Factset

Market commentary

The Australian market, as measured by the S&P/ASX 300 Accumulation Index rose by 1.3% for the month, the fourth consecutive monthly gain since the turn of the calendar year. After a strong March quarter, mixed economic news flow saw markets suffer a mild decline in early April before rallying in to month end. Australian stocks outperformed their developed market counterparts, with the S&P 500 (-0.7%), the Euro Stoxx (-6.9%) and the Nikkei 225 (-5.6%) all ending the period in negative territory in local currency terms.

The best performing sectors over April were defensives: telecommunications (+7.2%), property trusts (+5.4%) and financials ex-property (+2.4%). The worst performing sectors were information technology (-3.5%), industrials (-1.0%) and energy (-0.6%). As a whole, industrial stocks (+2.0%) outperformed resource stocks (-0.3%) and large companies (+1.3%) outperformed small companies (-0.9%).

Portfolio commentary

The Fund's largest overweight positions include fund manager Magellan Financial Group, oil and gas explorer Oil Search and general insurance company Insurance Australia Group. The largest short positions in the Fund at the end of the month were WorleyParsons, Seek and Leighton Holdings. At the end of the month, the Fund was positioned 112% long (including cash) and 12% short.

Our short position to mining services company Bradken (-13.6%) contributed to relative performance. Bradken's share price fell after the company was forced to downgrade its full year guidance for the 2012 financial year. The decline in profitability has been attributed to problems in the company's rail division, including one-off costs of \$16 million resulting from a change in suppliers, and a decline in anticipated sales volume. The company now expects net profit after tax of between \$95 million and \$102 million for the year, before costs related the Norcast acquisition.

Our overweight position to coal miner New Hope Corporation (-6.8%) detracted from relative performance. New Hope's stock price fell in tandem with declining thermal coal prices over April. The spot price for the commodity has fallen this financial year as a glut of natural gas has seen US producers sell excess supply through the international market. The absence of weather-related disruptions and higher than anticipated Indonesian production have also boosted supply in the Asia-Pacific, placing further pressure on prices. These factors have seen recently negotiated benchmark contract prices fall in excess of 10% on the prior year, although despite these declines, contract prices remain among the highest achieved on record. We continue to like New Hope Coal as it has an excellent management team, a high quality balance sheet, and low cost, long-life assets.

Outlook

Recent data has pointed to slowing activity in the domestic economy. Additionally, equity markets globally remain hampered by significant political and economic uncertainty. Despite these concerns, we believe many Australian companies offering fully franked dividends represent good value. These are likely to gather investor attention as term deposit rates appear less attractive on a relative basis, particularly in light of the recent interest rate cut by the Reserve Bank of Australia. Our investment process, favouring quality companies with strong balance sheets ensures that we are well placed to withstand periods of economic weakness. We continue to research and invest in companies with sound management, conservative debt and recurring earnings which we believe are well placed to add value over the medium to long-term.

What are...?

'Long' positions are those in which stocks are bought with the expectation that the price of the stock will increase over time and can therefore be sold for a profit.

'Short' positions are those in which stocks are borrowed then sold with the expectation that the stock price will fall over time, and therefore the stock can be purchased at a lower price and returned to the lender at a profit.

Why Perpetual

Perpetual is one of Australia's most experienced investment services groups, with an enduring passion for protecting and growing our clients' wealth.

Founded in Sydney in 1886 as Perpetual Trustees, we've helped generations of Australians invest and manage their wealth through all market conditions.

Perpetual process

Perpetual's investment philosophy is a fundamental, conservative bottom-up approach to stock picking and active management, focusing on identifying quality companies that represent good value.

The process is based on comprehensive internal company research using four filters - sound management, conservative debt, quality of business and recurring earnings. Portfolios are constructed by experienced portfolio managers within a pre-determined risk framework.

Did you know?

One of the Fund's top performing stocks over the month was Oil Search. It is an oil and gas exploration company that has been operating in Papua New Guinea since 1929. It currently has exploration activities in Papua New Guinea, Yemen, Iraq and Tunisia.

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*No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of any investor's capital. Total return shown for the fund(s) have been calculated using exit prices after into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for contribution or withdrawal fees or taxation (except in the case of superannuation funds). Past performance is not indicative of future performance.

** Other Shares may include Healthcare, Property Trusts, Information Technology, Utilities and GICS unspecified/international stocks.

^ The performance fee is equal to 13.98% of daily outperformance over the hurdle rate of return. The current hurdle rate is the S&P/ASX 300 Accumulation Index + 2%pa. Performance fees are accrued daily however will only be paid in the event that the Fund's return over the performance fee calculation period is positive and the performance fee accrual is positive. For further information on the calculation of the performance fee please consult the Fund's PDS.

¹ Fund information in this document is relevant to the Wholesale option unless stated.



Further information

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