

Perpetual Wholesale Smaller Companies Fund (PWSCF) * Pooled Super Trust Smaller Companies Share Option (PSTSC) * WealthFocus Investments Perpetual Smaller Companies Fund (PSCF) * WealthFocus Super Plan Perpetual Smaller Companies Investment Option (PSSC) * WealthFocus Pension Plan Perpetual Smaller Companies Investment Option (APSC) * WealthFocus Investment Advantage Perpetual Smaller Companies Share Asset Group (ICSC)

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 - Smaller Companies Fund	-3.79	-2.91	20.12	62.14	-5.35	-3.45	4.87	12.79
PST - Smaller Companies Share Investment Opt.	-2.71	-1.95	17.46	53.14	-4.43	-2.41	5.79	13.00
WF Investments Smaller Companies Fund	-3.91	-3.14	19.59	60.83	-6.37	-4.43	3.81	11.67
WF Super Plan - Smaller Companies Investment	-3.05	0.44	21.01	54.86	-3.86	-2.49	5.09	12.12
WF Pension Plan - Smaller Companies Inv. Opt.	-3.06	-2.34	20.07	59.83	-4.29	-2.03	5.61	13.40
WF Investment Advantage Smaller Companies Share	-3.91	-3.14	19.62	60.83	-6.25	-4.32	3.87	11.59
Benchmark - Blended Small Ordinaries Acc. ^	-7.43	-1.75	8.49	52.85	-10.73	-7.78	4.17	11.30

Market Commentary

The S&P/ASX Small Ordinaries Accumulation Index fell by 7.4% for the month ending January 2010, the second month of consolidation since the market rally began in early March 2009.

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 US93.2 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 risk aversion and weakened commodity prices. All sectors returned negative over the month with consumer discretionary (-2.9%), property trusts (-3.9%) and healthcare (-4.6%) outperforming and energy (-12.6%), materials (-10.1%) and telecommunications (-7.5%) underperforming.

Portfolio

The Wholesale Smaller Companies Fund outperformed its benchmark, the S&P/ASX Small Ordinaries 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 OronoGroup, Brickworks, Mineral Resources and ARB Corporation.

Contributors

Our overweight position to financial services company WHK Group (+7.9%) contributed to relative performance. The company recently acquired Bathurst-based accounting firm, The Right Advice, through its member firm WHK (Central West NSW). The Right Advice is a sole partner business with six staff and annual revenue of approximately \$750,000. The acquisition was settled for cash and has increased total acquired revenue in the current financial year to approximately \$2.3 million. The transaction was finalised in late January and expands the company's presence in the Central West New South Wales area.

Our overweight position to Kresta Holdings (+47.7%) contributed to relative performance. During the month the company forecasted a profit upgrade of 189% on the previous corresponding period, with net profit after tax expected to increase to approximately \$4.2 million for the six months ended 31 December 2009. The improved trading performance of the group is the result of a number of proactive initiatives taken by management and the board in recent years. The board expects the lift in profit will be reflected in its interim dividend to be announced with the half year report in February.

Detractors

Not holding private hospital operator Ramsay Health Care (+5.3%) detracted from relative performance. The company announced that subject to regulatory approval, it has agreed to acquire a 57% interest in Groupe Proclif SAS, a leading private hospital operator based in France, for an acquisition price of \$142 million. Ramsay also provided a half-year trading update and an upgrade of full year guidance. First-half core net profit after tax (NPAT) for the six months ended 31 December 2009 is likely to be 32-34% higher than the previous corresponding period. This is subject to finalisation of the half year accounts as well as an external audit review. The strong core NPAT growth is as a result of better than expected performance in the United Kingdom and Australian businesses.

Our underweight position to travel agency Flight Centre (+7.9%) detracted from 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.

Outlook

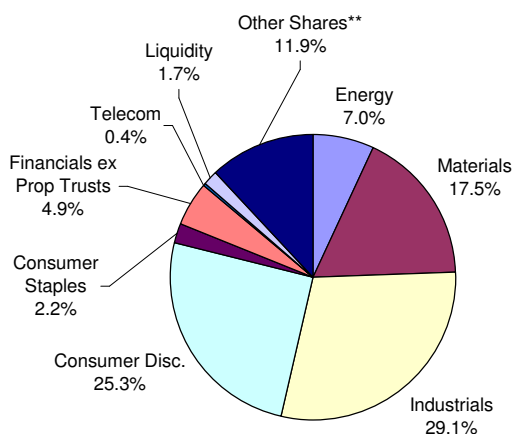
In the last couple of months there has been an increased focus on stock specific themes rather than the large macro trades which dominated performance over the previous two years. The market rise in 2009 priced in some unsustainable earnings growth, and as a result any profit warning or negative surprise 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

Small Companies Fund as at January 2010	%
MINERAL RESOURCES LIMITED	8.0
OROTONGROUP LIMITED	7.8
BRICKWORKS LIMITED	7.7
ARB CORPORATION LIMITED	6.0
THORN GROUP LIMITED	6.0
KFM DIVERSIFIED INFRASTRUCTURE AND LOGISTICS FUND	5.7
SLATER & GORDON LIMITED	5.7
CARDNO LIMITED	5.6
NEW HOPE CORPORATION LIMITED	5.5
OZ MINERALS LIMITED	5.4

Portfolio Details

Small Companies Fund



Distribution Details

Annual	Total Return %	Growth Return %	Dist. Return %	Franking IFSA %
Jun 09				
PWSCF	-26.3	-30.5	4.2	102.4
ICSC	-27.1	-30.7	3.6	120.2
Jun 08				
PWSCF	-18.0	-29.9	11.9	25.7
ICSC	-18.7	-26.8	8.1	38.2

Franking IFSA includes Realised Capital Gains

Distributions and Prices

Quarter	Cents per unit Dist.	Ex-Dist Entry \$	Ex-Dist. Exit \$
Dec 09			
PWSCF	1.6359	1.1410	1.1360
PSCF	1.2419	1.0520	1.0480
ICSC	2.8551	2.4380	2.4290
Sep 09			
PWSCF	-	1.1080	1.1040
PSCF	-	1.0220	1.0170
ICSC	-	2.3670	2.3580
Jun 09			
PWSCF	2.0485	0.8660	0.8620
PSCF	1.5651	0.7990	0.7960
ICSC	3.6185	1.8530	1.8450
Mar 09			
PWSCF	-	0.7430	0.7400
PSCF	-	0.6840	0.6820
ICSC	-	1.5860	1.5800

Portfolio Statistics

Fund	P/E Ratio	Dividend Yield
PWSCF [^]	11.0	6.4%
Benchmark [^]	14.6	5.3%

[^]excludes Resources

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* 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 Small Ordinaries Accumulation Index. From 1/4/2000 to current the benchmark is S&P/ASX Small Ordinaries Accumulation Index