



Perpetual International Share Fund

April 2012

Fund facts

Investment objective: Aims to provide long-term capital growth through investment in quality global shares.

Sub-advisor: Wellington Management Company LLP[^]

Benchmark: MSCI World ex Australia Accumulation Index

Mgmt cost: 2.15%

Buy / Sell spread: 0.50% / 0.00%

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

Suggested minimum investment period: Five years or longer

Fund benefits

Offers investors access to returns from companies overseas. Investing internationally allows investors the ability to diversify their portfolio, reducing overall volatility and smoothing out their investment returns.

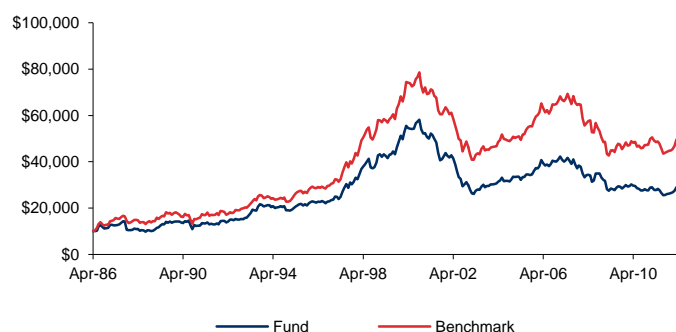
The International Share Fund is managed using the same core Perpetual philosophies of investing in quality companies representing good value.

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

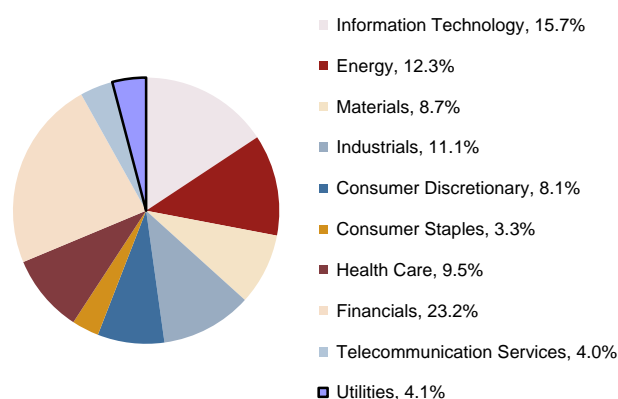
	APIR	1 mth	3 mths	6 mths	1 yr	3 yrs pa	5 yrs pa	7 yrs pa	10 yrs pa
Perp. WealthFocus Investments	PER0031AU	-1.8	6.1	8.9	2.4	0.0	-6.9	-1.7	-3.7
Perp. WealthFocus Investment Advantage	PER0038AU	-1.9	6.1	8.9	2.3	-0.1	-6.9	-1.8	-3.7
Perp. WealthFocus Super	PER0024AU	-1.7	5.5	7.6	1.9	0.1	-5.7	-1.1	-2.6
Perp. WealthFocus Pensions	PER0130AU	-1.8	6.1	9.0	2.5	-0.1	-6.9	-1.7	-
Perp. WealthFocus Term Allocated Pension	PER0343AU	-1.8	6.1	9.0	2.5	-0.1	-6.9	-1.7	-
MSCI World ex Australia Accumulation Index		-1.7	7.3	9.8	0.5	2.7	-6.2	-0.2	-1.8

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

Weights (%)

Wells Fargo & Company	2.9
JPMorgan Chase & Co.	2.3
Marsh & McLennan Companies, Inc.	2.3
The Dow Chemical Company	2.1
General Electric Company	2.0
Zurich Financial Services	2.0
Taiwan Semiconductor Mfg. Co. Ltd. (ADR)	2.0
Google Inc.	1.9
Chevron Corporation	1.6
Exxon Mobil Corporation	1.6

Portfolio fundamentals¹

	Portfolio	Benchmark
Price / Earnings	10.2	11.9
Dividend Yield	3.3%	2.9%
Price / Book	1.6	1.7
Debt / Equity	38.8%	47.8%
Interest cover	14.1	10.6
Return on Equity	15.9%	14.8%

Market commentary

Global equity markets, as measured by the MSCI World ex Australia Accumulation Index fell 1.7% in Australian dollar terms over the month. After a strong March quarter, equity markets lost momentum on the back of weakening growth indicators and renewed concerns over European sovereign debt. United States economic data releases were softer than recent months, leading to a reduction in risk sentiment towards equities in favour of treasury bonds. In addition to European sovereign debt fears, Francois Hollande's anticipated victory in the upcoming French election may add to further European instability, given his desire to renegotiate the European Union fiscal compact toward growth and away from austerity.

In local currency terms, the S&P 500 fell 0.7%, the Euro Stoxx 50 fell 6.9% and the Nikkei 225 fell 5.6% over the month. The Australian dollar rose 0.8% against the US dollar, 1.5% against the Euro and fell 2.9% against the Yen.

Portfolio commentary

The Fund's largest overweight positions include financial institution Wells Fargo & Co, global professional services firm Marsh & McLennan, and Taiwan Semiconductor Manufacturing. Wells Fargo has a competitive industry position and strong management team. Marsh & McLennan is experiencing margin expansion and growth across its four main operating segments. The Fund's largest underweight positions include Apple, IBM (not held) and Nestle (not held).

Our position to Atlanta-based Delta Air Lines (+10.0%) contributed to relative performance. During the month Delta released its quarterly results. For the March quarter, the company reported a net loss excluding special items of \$US39 million, in line with expectations. Passenger revenue increased 10% on the previous corresponding period to \$US7.2 billion, however higher fuel costs (up 14%) detracted from the result. Despite the loss, the company has recently experienced strong momentum in demand, particularly in the corporate segment. This is expected to lead to increased ticket prices and significant growth in unit revenue as Delta returns to profitability.

Our position to wireless communications company NII Holdings (-24.0%) detracted from relative performance. Operating as Nextel, NII provides mobile communication services across Latin America. The company's share price fell after reporting a first quarter profit 89% lower than the previous corresponding period and well short of expectations. Despite continuing to add to the subscriber base, a decline in average revenue per subscriber and increased customer churn rates negatively impacted profits. Rising costs, driven by 3G network rollouts and intense market competition were further detractors from the result.

Outlook

We continue to believe that coordinated, global efforts toward economic recovery should have positive implications for equity markets. We have been encouraged that policymakers around the globe are finally embracing the severity of the sovereign debt crisis and its potential impact on global economic stability.

Globally, macroeconomic data continues to indicate a gradual economic recovery, although performance by region varies. US data continues to improve, emerging markets continue to grow albeit at a slower pace, and Europe struggles with austerity measures and uneven performance among its larger economies. We expect growth to continue, but at a subpar recovery rate. While central banks remain biased towards low policy rates, even where inflation is rising, the prospects for additional monetary stimulus are fading in most parts of the world.

In the near-term, our market indicators are broadly positive and overall we see a supportive environment for equities. As always, we remain focused on analysing each stock in our portfolio, and those we are considering for purchase, relative to a range of economic scenarios. We believe that we are well-positioned for continuing global economic volatility.

What are...?

International Funds are suitable for investors looking to gain access to companies all over the world.

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 Investment Management's investment philosophy is based on the belief that markets are not fully efficient in valuing individual stocks. Market overreaction to good and bad news leads to periods of over or undervaluation of stocks, when compared with their long-term fundamentals. Inefficiencies can also partly be attributable to funds being allocated to particular stocks, sectors or regions simply due to their weight in indices.

Did you know?

One of the Fund's strongest performing stocks over the month was Marsh & McLennan. It is a US-based, global professional services firm providing advice and solutions in risk, strategy and human capital. Its brands include Marsh, Guy Carpenter, Mercer, Oliver Wyman, Lippincott and NERA Investment Consulting.

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. It is general information only and is not intended to provide you with financial advice or 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 for any loss or damage as a result of any reliance on this information. The PDS for the relevant fund, issued by PIML, should be considered before deciding whether to acquire or hold units in that fund. The PDS can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au.

[^] Management of this Fund: 15/8/2011 Wellington Management as sub-advisor, from 18/3/2005 to 14/8/2011 PI Investment Management Limited, from 21/4/1997 to 17/3/2005 Fidelity International Limited as sub-advisor.

*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 taking 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.

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



Further information

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