



Perpetual Monthly Income Fund

December 2011

Fund facts

Investment objective: To provide investors with a secure investment and monthly income by investing in quality first registered mortgages and deposits, money market and fixed income securities.

Benchmark: UBS Bank Bill Index

Mgmt cost: 1.30%

Suggested minimum investment period: One year or longer

Fund benefits

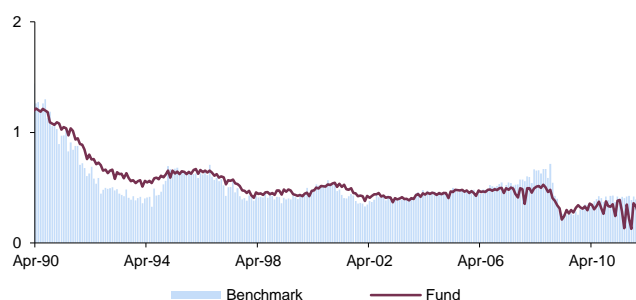
Provides investors with regular monthly income and capital stability through investments in high quality commercial mortgages with conservative loan-to-value ratios (LVR) secured by income producing properties.

Total returns % (after fees) as at 31 December 2011

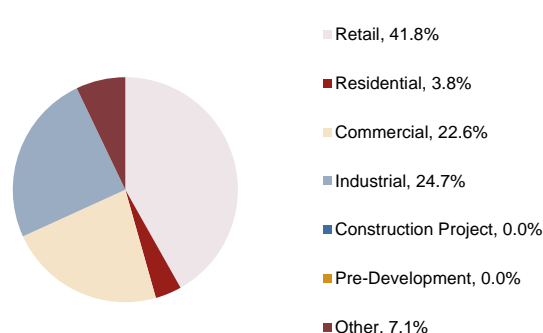
	APIR	1 mth	3 mths	6 mths	1 yr	3 yrs pa	5 yrs pa	7 yrs pa	10 yrs pa
Perpetual Monthly Income Fund	PER0002AU	0.26	0.95	1.65	3.47	3.70	4.54	4.88	4.97
Perp. WealthFocus Investments	PER0239AU	0.26	1.02	1.69	3.41	3.82	4.62	4.92	-
Perp. WealthFocus Super	PER0124AU	0.20	0.82	1.44	2.98	3.18	3.88	4.17	-
Perp. WealthFocus Pensions	PER0131AU	0.25	0.96	1.68	3.42	3.57	4.41	4.75	-
Perp. WealthFocus Term Allocated Pension	PER0350AU	0.25	0.96	1.68	3.42	3.57	4.41	4.75	-
UBS Bank Bill Index		0.40	1.22	2.47	5.00	4.38	5.48	5.60	5.45

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

Monthly performance



Portfolio sectors¹



Geographical breakdown¹

NSW	40.3%
QLD	30.2%
WA	12.8%
VIC	13.5%
SA	1.3%
TAS	1.9%
ACT	0.1%

Maturity breakdown¹

< 1 year	73.4%
1-2 years	23.0%
2+ years	3.6%

Loans breakdown¹

	Fixed Rate	Variable Rate
Number of loans	53	119
% to Mortgages Value	24.2%	75.8%
Loans number / Total	30.8%	69.2%

Liquidity breakdown

	Mortgages	Liquidity
Monthly Income Fund	53.1%	46.9%

Market commentary

The Reserve Bank of Australia (RBA) lowered the official cash rate by 25 basis points (bps) to 4.25% at its December board meeting. It was the second consecutive month that the RBA cut the cash rate by 0.25%. With inflation expected to be consistent with the 2-3 per cent target in 2012 and 2013, their decision was largely driven by uncertainty in Europe.

Important Changes

We recently wrote to all investors about the important changes we are making to the Perpetual Wholesale Monthly Income Fund so that we can return capital to all investors as soon as possible. The key changes are:

- We closed the Fund on 17 October 2011 so we can commence returning capital to all investors
- We expect to make the first capital repayment in March 2012, amounting to at least 25% of capital, with further capital repayments every six months until all the Fund's mortgage loan assets and other securities mature
- Investments in the Fund or re-investment of distributions are no longer available
- We are no longer offering quarterly withdrawals from the Fund
- Investors will continue to receive monthly income payments.

Please refer to the Frequently Asked Questions on the Perpetual website for further information.

What are...?

A Loan to Value Ratio (LVR) is the percentage of the property value that Perpetual has lent to a borrower, i.e. the value of the mortgage. As at December 2011 the Monthly Income Fund had a weighted average LVR of 56.3%. This means that Perpetual has lent 56.3% of the value of properties in the mortgage pool.

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 has been managing mortgage funds since 1966.

Perpetual process

Our investment strategy is to select only high quality investments that represent good value across all asset classes. By staying true to this approach we have navigated through many market cycles. Looking back, this strategy has rewarded our investors despite turbulent market conditions.

Did you know?

Perpetual has been running a mortgage pool since 1966 in which time we have maintained a conservative approach to mortgage lending. Our exposure is to high quality mortgages which are secured against income producing property.

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* Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries.

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



Further information

Adviser Services 1800 062 725

Investor Services 1800 022 033

Email investments@perpetual.com.au

www www.perpetual.com.au