



Perpetual Protected Investments

The value of the call options in Perpetual Protected Investments - Series 1

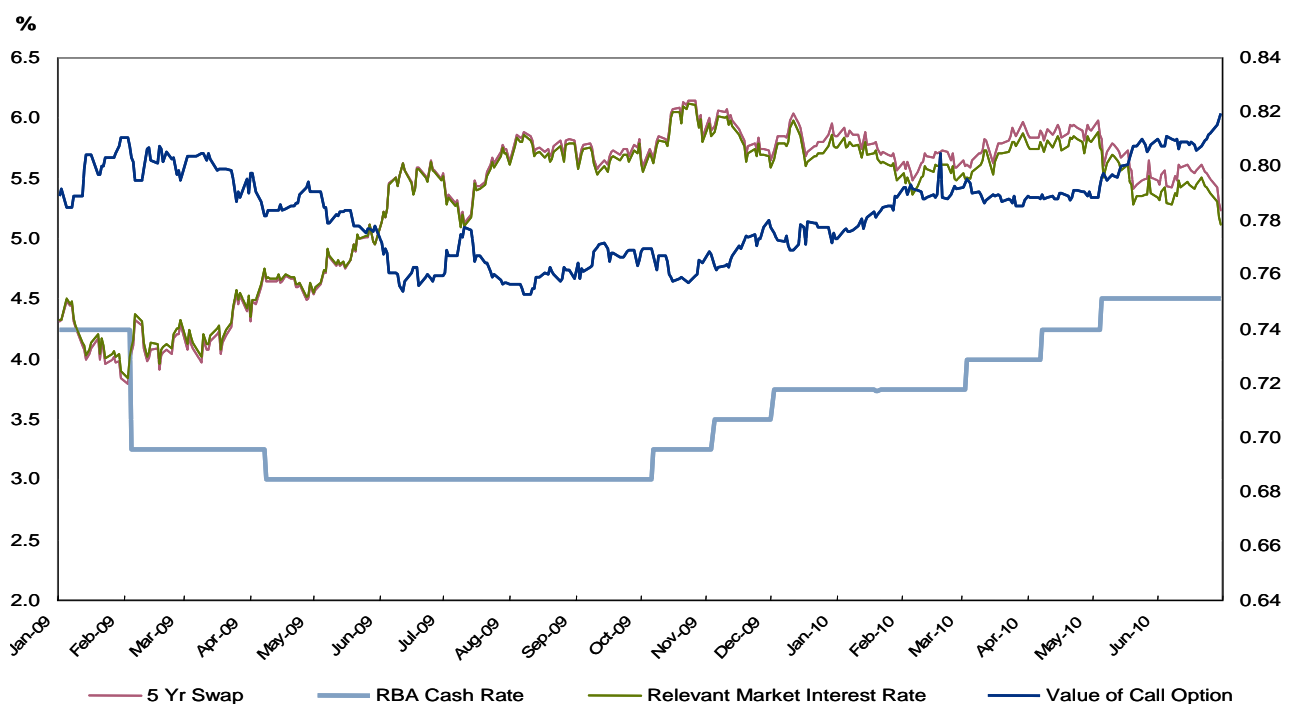
The call options in your Perpetual Protected Investments (PPI) portfolio are structured so that **at the protection end date** each call option has a value of \$1. This means that when each call option is exercised at the protection end date, it will deliver the number of units (or partial units) in the underlying fund that can be purchased for \$1.

This ensures that your portfolio value **at the protection end date** will be at least equal to your protected amount and that the call options deliver the capital protection in accordance with the dynamic management strategy disclosed in the PDS.

The call options are valued on a daily basis and **before the protection end date**, the value of each call option will be less than \$1.

The valuation is determined by reference to the relevant market interest rate that is applicable for the remaining term (ie the time from the valuation date to the protection end date). The relevant market interest rate is the Bank Bill Swap Rate (BBSW) that is applicable for the remaining term. This rate fluctuates on a daily basis. Accordingly, the value of the call options fluctuates on a daily basis throughout the term to finally be equal to \$1 at the protection end date.

The graph below depicts the respective movements of the RBA Cash Rate, the 5 year BBSW Rate and the relevant market interest rate for the remaining term, relative to the value of the call options in PPI Series 1 since January 2009.





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