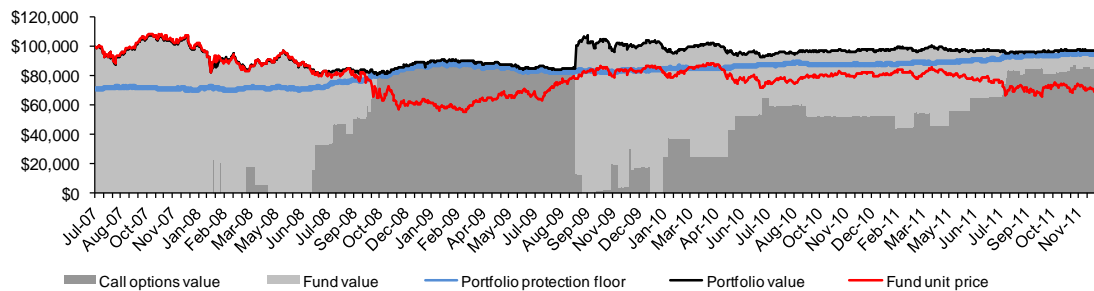


Fund Participation Offer – Series 1 Half-yearly performance summary as at 31 December 2011

Ausbil Australian Active Equity Fund

Ausbil Aus Active Equity
Value of \$100,000 invested in PPI



The above graph represents the changes in the indicative value of your investment from 19 July 2007 to 31 December 2011. Your portfolio value is calculated as the sum of fund units, call options and cash at any given point in time. The graph does not represent a direct investment into the Ausbil Australian Active Equity Fund Source: Perpetual

At a Glance

Investment date	19 July 2007	Value as at 31/12/2011 of \$1.15 invested	\$0.97
Protection end date	31 May 2014	Percentage allocation of Fund units	11.9%
Maturity date	1 June 2014		

Source: Perpetual

The following information has been provided by the Fund Manager who has given their consent for it to be published. The information below represents a direct investment in the Fund not an investment in Perpetual Protected Investments Fund Participation Offer Series 1.

Fund Commentary

In the six months to December the Portfolio returned -10.09% versus the benchmark return of -9.83%.

The Portfolio is positioned for a modest pick-up in growth, with the Resources overweight slightly reduced on global market uncertainty and its resultant negative impact on commodity prices.

There have been some tactical adjustments to existing positions.

At a sectoral level, the Portfolio benefited from its overweight position in the Financials ex LPTs, Telecommunications and Consumer Staples sectors, while the underweight positions in Energy also added relative performance over the period. The Financials outperformed the broader market thanks to the interest rate cuts during the quarter and the prospect of further rate cuts in coming months by the RBA. Conversely, the overweight position in the Materials, the underweight and the nil holding in Utilities sectors detracted from relative performance.

At a stock level, overweight positions in Suncorp, Amcor and NewsCorp were the largest positive contributors to relative performance. Not holding Newcrest Mining and the relative position in Woodside Petroleum also assisted relative performance. Detractors to the Portfolio included the overweight positions in Alumina, Rio Tinto and BHP Billiton.

Market Review

The Australian equity market declined 9.8% over the 6 months to 31 December on the back of concerns about the sovereign debt crisis in the eurozone and expectations of a possible slowdown in China. In Australia, the RBA identified global uncertainty and European sovereign debt stress as the reason to support the reduction in the official cash rate by 0.50%.

In company news, Corporate actions during the period included a complex bid for Gloucester Coal from Yanzhou Coal Mining of China, a proposed merger between Aston Resources and Whitehaven Coal and the announcement of the acquisition program from Bendigo & Adelaide Bank. BHP Billiton announced a \$14.3bn takeover offer for Petrohawk Energy, a US shale gas company; and SABMiller agreed a deal to take out Fosters Group. Industrial relations action

is becoming more evident with the example of a dispute between the unions and Qantas Airways resulting in the airline temporarily grounding its fleet.

Outlook

Europe's ability to deliver a credible and co-ordinated plan to counter the sovereign debt issues of several of its constituents remains a key focus for investors. Attempts thus far have fallen short of the mark and the impact felt via a general de-rating of risk assets globally. While events in Europe will continue to drag on market sentiment, confirmation of a recovery in the US recovery or a clear indication of robust Chinese growth (at a minimum, as per the 12th 5 year plan projections) would see Europe's relative importance reduced in the eyes of investors. On China, the move by the PBOC to ease the Reserve Requirement Ratio for the first time since early 2010 should backstop expectations that growth is being appropriately managed.

Having witnessed ongoing downgrading of growth expectations through 2011, the market still appears to be pricing further weakness for 2012, with domestic equities (as measured by the S&P/ASX 300 Index) trading on an FY12 multiple of 11.0 times. FY13 presents an even more pessimistic view at 9.9 times. Yields appear supportive at 5.4% (FY12) and 5.8% (FY13), as do earnings growth assumptions of 9.1% and 12.0% respectively, notwithstanding these may be subject to further finetuning in the February 2012 reporting season. In terms of corporate activity, we would anticipate a quieter period with funding availability relatively more scarce in the short term. However, reasonable valuations should induce a pickup of activity on any improved availability of funding or any clearance of issues clouding Europe.

Performance as at 31 December 2011

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	2.48%	-10.59%	-6.16%	7.75%	-0.83%	10.49%
Net	2.28%	-11.33%	-6.93%	6.85%	-1.69%	9.48%
Benchmark	2.05%	-10.98%	-4.76%	7.67%	-2.39%	6.96%

Stock name	%
BHP Billiton	13.31
ANZ Bank	8.75
Westpac	7.94
National Australia Bank	7.78
Wesfarmers	6.32
Telstra	5.52
Commonwealth Bank	4.96
Amcor	3.58
Rio Tinto	3.54
Suncorp	3.34
TOTAL	65.03

Sector weights	%
Energy	4.61
Materials	29.87
Industrials	7.05
Consumer Discretionary	6.36
Consumer Staples	7.81
Healthcare	0.00
Financials (x LPT)	36.00
LPTs	1.27
IT	0.00
Telecommunication	5.52
Utilities	0.94
Cash	0.56
TOTAL	100.00

Investment Objective

The aim of the Fund is to outperform the S&P/ASX 300 Accumulation Index over the medium to long term with moderate tax effective income. The Fund invests in a portfolio of listed Australian equities that

are generally chosen from the S&P/ASX 300 Index.

Benchmark

S&P / ASX 300 Accumulation Index

Investment Category

Australian Equities

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