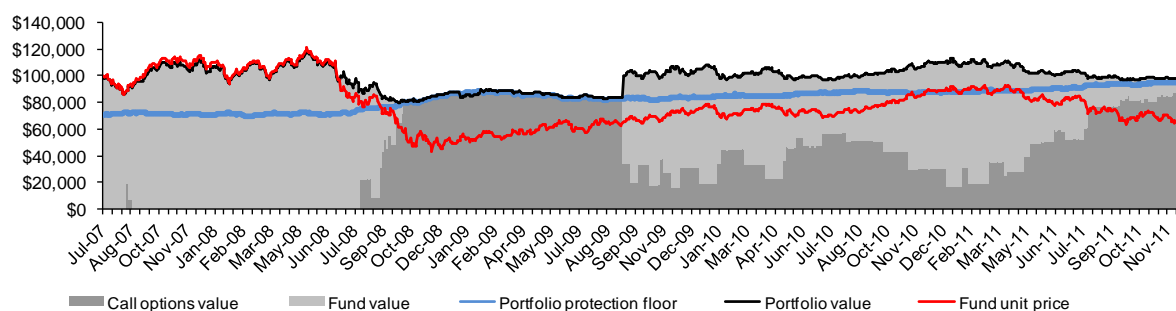


Fund Participation Offer – Series 1 Half-yearly performance summary as at 31 December 2011

Colonial First State Wholesale Global Resources Fund

Colonial FS Wsale-Global Res
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 Colonial First State Wholesale Global Resources Fund.

Source: Perpetual

At a Glance

Investment date	19 July 2007	Value as at 31/12/2011 of \$1.15 invested	\$0.98
Protection end date	31 May 2014	Percentage allocation of Fund units	10.9%
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

The fund increased its exposure to the gold sector during the period as the decoupling of the equity market from the

gold price movement created a valuation gap. The Fund increased its position in one of the world's biggest gold miners, Newcrest Mining, and participated in an equity capital raising for Detour Gold.

The Fund remained overweight in Rio Tinto and Xstrata and underweight in BHP Billiton during the six months. This reflects our view of the superior growth outlook and relative valuation of the companies.

The Fund took some profits from its holding in Oasis Petroleum after integrated energy company Statoil agreed to buy Brigham Exploration for \$4.4b cash. This subsequently lifted the stock prices of Oasis Petroleum and its peers operating in the Williston Basin on further potential M&A activity.

Market Review

During a volatile period for the sector, the global mining sector fell -20.6% in Australian dollar terms. The energy sector performed relatively well by comparison, recording a loss of -3.1%. The MSCI World Net Index fell -6.3%.

Gold finished the period just 4.2% higher, masking the price volatility that occurred. The gold price rose 26% during July to August to US\$1900 per ounce, before suffering its worst three-day price decline in nearly three decades towards the end of September. Other precious metals were similarly volatile, with silver (-19.7%), platinum (-18.6%) and palladium (-13.4%) recording losses.

Copper fell by -26% in the first three months of the period before the price steadied to finish the month -19.4% lower. The price of other industrial metals including lead (-24.2%) nickel (-20.1%) and zinc (-22.0%) followed a similar pattern.

The oil price was highly volatile during the period, reaching lows of US\$75 per barrel

in October to highs of US\$102 per barrel in September; a range of 35%. Oil finished the six months just 3.6% higher at US\$99 per barrel, masking the volatility that occurred.

Outlook

Until share markets have greater visibility, volatility will remain at high levels and markets will be range bound. The risk of a global recession remains, and this will impact sentiment in the resources sector into 2012.

Cashflows are plentiful and it is expected that the mergers and acquisition cycle will continue, fuelled by compelling valuations, low funding costs and high cash balances.

The risk of profit downgrades for the resource sector has increased as commodity prices have now declined below consensus forecast. However, low valuations should cushion this impact.

A key difference between the outlook for 2012 compared to 2011 is that inflation may have peaked in emerging markets (key commodity-consuming countries) and scope exists to loosen monetary policy. China has the capability to provide fiscal support if necessary, but it is unlikely this will be to the same extent as was seen in 2008.

We continue to adhere to our philosophy of buying companies that have low cost production, organic production growth and management capable of executing on their business strategy.

Performance as at 31 December 2011

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	0.51	-25.49	-5.74	9.82	0.59	12.47
Net	0.22	-26.35	-6.82	8.56	-0.56	11.12
Benchmark	-0.85	-21.93	-6.96	7.54	0.68	9.98

Stock name	%
BHP Billiton Plc	9.17
Rio Tinto GBP	6.59
Vale SA SP Pref ADR	5.70
Goldcorp Incorporated	4.47
Xstrata PLC	4.02
Exxon Mobil Corporation	3.86
Apache Corporation	3.32
Antofagasta PLC	2.79
China Shenhua Energy Co Ltd	2.75
Barrick Gold Corporation	2.73

Sector weights	%
Energy Equipment & Services	1.10
Oil & Gas	23.69
Chemicals	0.21
Construction Materials	0.62
Metals & Mining	71.86
Unclassified	0.40
Cash	2.13

Investment Objective

To provide long-term capital growth by predominantly investing in resource companies from around the world.

Benchmark

HSBCGMAI and MSCIACWI-10

Investment Category

Global Share

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