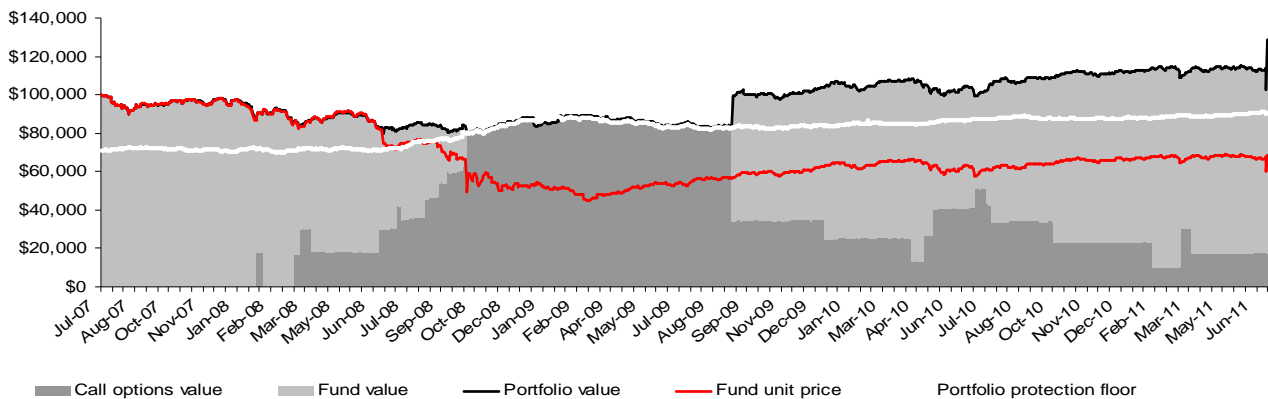


Fund Participation Offer – Series 1 Half-yearly performance summary as at 30 June 2011

Macquarie International Infrastructure Securities Fund

Macq Inv Int'l Infrs Sec
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 30 June 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 Macquarie International Infrastructure Securities Fund.

Source: Perpetual

At a Glance

Investment date	19 July 2007	Value as at 30/06/2011 of \$1.15 invested	\$1.03
Protection end date	31 May 2014	Percentage allocation of Fund units	83.1%
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

Global equity markets were down in the June quarter, returning negative 0.63% (in local currency terms). The Fund returned 0.60% (net), underperforming the

benchmark which returned 2.23%. Since the market low two years ago, the Fund has gained 66%. As the Fund is currency

hedged, currency movements do not materially affect its return. The major contributors to the Fund's total return were the Pipelines, Electricity and Gas Distribution, and Electricity Transmission sectors. The Seaports, Toll Roads and Social Infrastructure sectors were the major detractors. Relative to the benchmark, the major positive contributors were stock selection and the overweight allocation to Electricity Transmission and Water and the overweight allocation Electricity and Gas Distribution. The underweight to Pipelines and the overweight to Social Infrastructure were the major detractors.

Market Review

Global equity markets finished the quarter on a positive note, but ended marginally lower overall. Investor confidence was dented by the ongoing Greek sovereign debt crisis and weakening economic data. Listed infrastructure posted a positive return again this quarter and outperformed global equities.

The Electricity and Gas Distribution sector performed strongly. In Australia, Spark Infrastructure Group rallied after announcing an agreement to internalise its management, removing the drag from the performance fee payment and more closely aligning management with the company.

Electricity Transmission was strong again this quarter. National Grid rallied after the UK regulator announced an improved package of allowed returns for the regulatory cycle beginning in 2013. An increase in regulated tariffs in Spain announced in March benefitted Red Electrica and provided further confidence in the Spanish energy sector.

Pipelines performed strongly. In Canada, Enbridge Inc reported strong 1Q11 results, with management reaffirming positive full year guidance. TransCanada outperformed after reporting strong operational results and successfully divesting stakes in two pipelines.

The Airports sector was resilient, despite the potential negative impacts on air travel from the Japanese earthquake, volcanic ash cloud in Europe and the ongoing unrest in the Middle East and North Africa.

In Australia, MAp traded up in June on news that the company entered into negotiations with Ontario Teachers' Pension Plan Board (OTPPB) to sell its interests in Brussels and Copenhagen airports in exchange for OTPPB's stake in Sydney Airport and an additional cash settlement. MAp also reported strong traffic numbers for May and announced the appointment of a new CEO at Sydney Airport.

In Mexico, Grupo Aeroportuario del Sureste performed well as did Aéroports de Paris despite passenger traffic between France and the Middle East and North Africa being adversely affected by the political unrest in the region.

Within the Seaports sector, Hamburger Hafen und Logistik underperformed, despite reporting very strong 1Q11 results. Container throughput and container transport were up 32% and 20% yoy respectively, the strongest growth in volumes recorded since the economic downturn abated in Q4 2009. However the stock was weaker on the back of a slight lowering of management expectations for volume growth this year.

Global Ports rallied after listing in London late in the quarter. This company owns a portfolio of Russian seaports that are expected to enjoy strong volume growth leveraged to Russian economic growth. Chinese seaports underperformed on the back of slowing container volume growth. In Australia, Asciano was weak after its results were negatively affected by the impact of floods on its rail business, and on concerns of a potential industrial dispute. Management nevertheless provided strong guidance for the year ahead.

The Electricity Generation sector was weak over the quarter. China Longyuan Power fell despite reporting 1Q11 net profit up 61% yoy, driven by a 47% yoy increase in wind power capacity. In India, NTPC was weak due to project delays.

Outlook

The global recovery is continuing albeit at a more moderate pace. Economies in Europe face a slowdown in growth and continued sovereign debt uncertainty. In the larger emerging economies economic growth continues, but the pace of

expansion has eased as price pressures have prompted monetary authorities to increase benchmark rates.

A number of European countries are seeking to privatise state owned infrastructure assets. This is consistent with our expectation of increased privatisation of infrastructure as governments seek to restore their financial position. Greece is looking to sell a number of infrastructure assets in the airport, seaport, water and electric utility sectors. Portugal's new government is planning to implement an ambitious privatisation program and revise existing Public Private Partnership projects. Spain began the privatisation process for several airports. Italy is planning over new legislation to help modernise the country's

infrastructure and increase commitment from the private sector.

The infrastructure companies in the portfolio continue to perform in line with our expectations. The portfolio is diversified across what we believe are attractive stocks in the transportation, utilities and pipelines sectors. In the wake of the Fukushima disaster, a number of countries are reviewing their use of nuclear power. This may result in a greater focus on alternative cleaner energy sources, most notably wind and gas, which we believe would further increase the strategic value of certain infrastructure such as gas pipelines.

Performance to 30 June 2011

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa*
Gross	0.87	22.17	18.58	1.88	4.70	5.42
Net	0.60	20.87	17.32	0.76	3.51	4.22
Benchmark	2.23	17.80	13.65	-0.75	5.44	6.40

Stock name	%
Atlantia	4.7
Vinci	4.4
PG & E	4.0
Asciano	3.9
Spark Infrastructure Group	3.4
Aeroports de Paris	3.4
National Grid	3.3
GDF Suez	3.3
Hamburger Hafen und Logistik	3.2
NextEra Energy	2.8

Sector weights	%
Electric Utility	18.5
Toll Roads	17.0
Pipelines	11.3
Seaports	10.0
Airports	9.5
Electricity Transmission	6.7
Electricity and Gas Distribution	6.2
Communications	4.1
Diversified	2.5
Water	2.1
Social Infrastructure	1.9
Rail/Other Transportation	1.3



Investment Objective

The Fund aims to outperform the S&P Global Infrastructure Net Total Return Index (\$A Hedged) "SPGII" over the medium to long term, and to provide income with capital growth. The Fund

hedges its foreign currency exposure to Australian dollars.

Benchmark

S&P Global Infrastructure Net Total Return Index (\$A Hedged) "SPGII"

Investment Category

Global Share

*Details in the half yearly report are more indicative of 4Q2010.

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