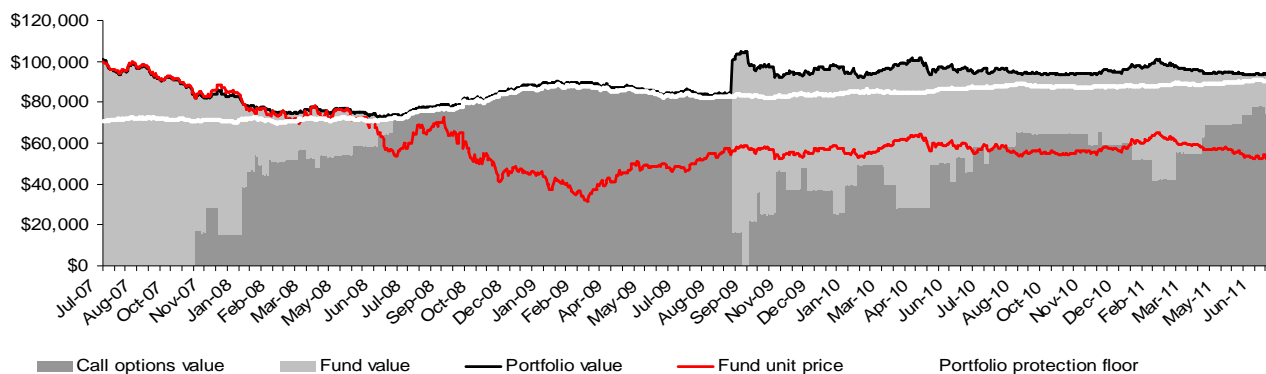


Fund Participation Offer – Series 1 Half-yearly performance summary as at 30 June 2011

PM Capital Absolute Performance Fund

PM Capital Absolute Perf Fund
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 PM Capital Absolute Performance Fund.

Source: Perpetual

At a Glance

Investment date	19 July 2007	Value as at 30/06/2011 of \$1.15 invested	\$0.94
Protection end date	31 May 2014	Percentage allocation of Fund units	17.3%
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 returned -7.1% for the quarter versus the MSCI return of -3.0%. At the end of June 2011 the portfolio was 126% invested (45% in the USA, 14% Australia,

17% in Europe, 4% in Japan, 18% in the UK with 2% in other regions).

Recent portfolio activity has included increasing our short exposure to capital goods (Deere & Caterpillar), luxury goods

companies (LVMH & Richemont) and index put options. We remain fully invested despite these actions, as we have increased our exposure to housing and pharmaceutical companies. Portfolio exposures remain concentrated primarily in four major themes: regional banks, technology, brewers and corporate debt.

over concerns for the global economic outlook, it is an opportunity to put some of that cash to work. Our expectation, however, was that investors would probably do the reverse and let that noise scare them into maintaining their term deposits.

Market Review

Despite the fact that one earns a significantly higher return for owning a business than what one receives for owning cash or government bonds, term deposits and cash balances are at record levels. Our suggestion has been that whenever market sentiment turns negative

Outlook

Near term, stocks will probably remain volatile as the market reassesses and adjusts its outlook for growth prospects as conflicting data presents itself, but for patient investors we believe it continues to be the time to be fully invested in selected dominant businesses.

Performance as at 30 June 2011

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	N/A	N/A	N/A	N/A	N/A	N/A
Net	-7.1	-1.9	7.8	0.0	-7.6	4.8
Benchmark	-3.0	3.0	4.2	-3.1	-4.9	-0.6

Stock name	%
Lloyds	9.8
ING Group	7.9
Novellus	7.5
Bank of America	6.3
Maxim	6.3
Comcast	5.9
KBC Group	5.5
Wells Fargo	5.5
JP Morgan	5.2
Applied Materials	5.1

Sector weight	%
Energy	0.00
Materials	0.00
Industrials	4.17
Consumer Discretionary	19.50
Consumer Staples	13.68
Healthcare	1.11
Financials	54.65
Information Technology	38.35
Cash	-30.29
Other	-1.17

Investment Objective

Positive investment returns over a three year plus investment horizon

Benchmark

MSCI World

Investment Category

Global Equities



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