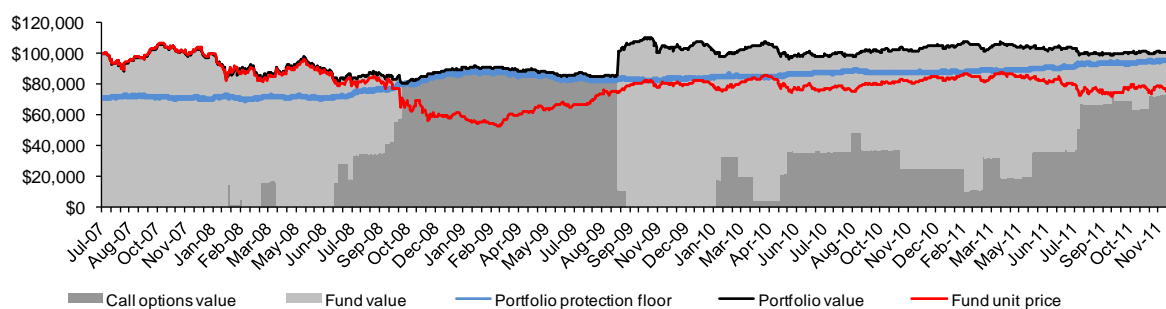


Fund Participation Offer – Series 1 Half-yearly performance summary as at 31 December 2011

Perpetual Wholesale Australian Share Fund

Perp Inv Mg Wsale-Aust
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 Perpetual Wholesale Australian Share Fund.

Source: Perpetual

At a Glance

Investment date	19 July 2007	Value as at 31/12/2011 of \$1.15 invested	\$1.00
Protection end date	31 May 2014	Percentage allocation of Fund units	27.7%
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 outperformed its benchmark, the S&P/ASX 300 Accumulation Index over the six months to December. Our

overweight position to Coal & Allied contributed to relative performance. The company was acquired under a joint takeover offer from Rio Tinto and Mitsubishi Corporation. Total consideration

received was \$125.00 per share, inclusive of an \$8.00 fully franked special dividend and represented a 39% premium over the share price prior to the offer being made. Our overweight position to Alumina detracted from relative performance. The company's share price was impacted by the fall in base metal prices over the period. Alumina reported its half-year results with underlying earnings of US\$78 million, up US\$56 million on the previous corresponding period. Net profit after tax was US\$68 million. Despite the increase in earnings and profit, the result was lower than consensus expectations. Alumina flagged that the strength of the Australian dollar had increased costs. Despite this, we felt that the result was positive.

Market Review

The Australian market, as measured by the S&P/ASX 300 Accumulation Index fell 9.8% over the half. Investor confidence was impacted by fears of a slowdown in global growth, particularly in China and the United States. Ongoing sovereign debt issues in Europe and the United States also impacted sentiment. Commodity prices fell sharply, dragging down resource companies. Additionally, ratings agency Standard & Poors downgraded the US government's long-term debt rating from AAA to AA+. This was an

unprecedented decision and was driven by the high level of debt and lack of confidence in the US government's ability to address the issues surrounding it. Standard & Poors also placed six AAA-rated Eurozone members on negative watch, whilst Fitch lowered France's rating outlook to negative. Late in the period, a series of upside surprises in US economic data provided some positive news and drove a slight improvement in sentiment leading in to the new year.

Outlook

The Australian sharemarket continues to be impacted by the ongoing sovereign debt issues in Europe and global economic uncertainty. Our investment process, favouring quality companies with strong balance sheets ensures that we are well placed to withstand any future shocks. We continue to research and invest in companies with sound management, conservative debt and recurring earnings which we believe are well placed to add value over the medium to long-term. On a separate note, the recent interest rate cuts by the RBA indicate that on a relative basis, many companies offering fully franked dividends represent good value. These are likely to gather investor attention as term deposit rates appear less attractive.

Performance as at 31 December 2011

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	2.2	-5.1	0.5	12.9	1.4	11.7
Net	2.0	-6.0	-0.3	11.9	0.4	10.4
Benchmark	2.1	-11.0	-4.8	7.7	-2.4	7.6

**Inception date is 26/02/1997*

Stock name	%
Commonwealth Bank of Australia	
BHP Billiton	
Westpac Banking Corporation	
Telstra Corporation Limited	
ANZ Banking Group Limited	
Rio Tinto	
Orica Limited	
ASX Limited	
New Hope Corporation Limited	
News Corporation	

Sector weights	%
Energy	5.3
Materials	23.8
Industrials	4.9
Consumer Discretionary	11.6
Consumer Staples	2.4
Health Care	2.6
Financials	35.7
Property Trusts	0.0
Information Technology	0.0
Telecommunication Services	7.0

Investment Objective

To provide long term capital growth and income through investment in quality industrial and resource shares.

Benchmark

S&P/ASX 300 Accumulation Index

Investment Category

Australian Shares

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