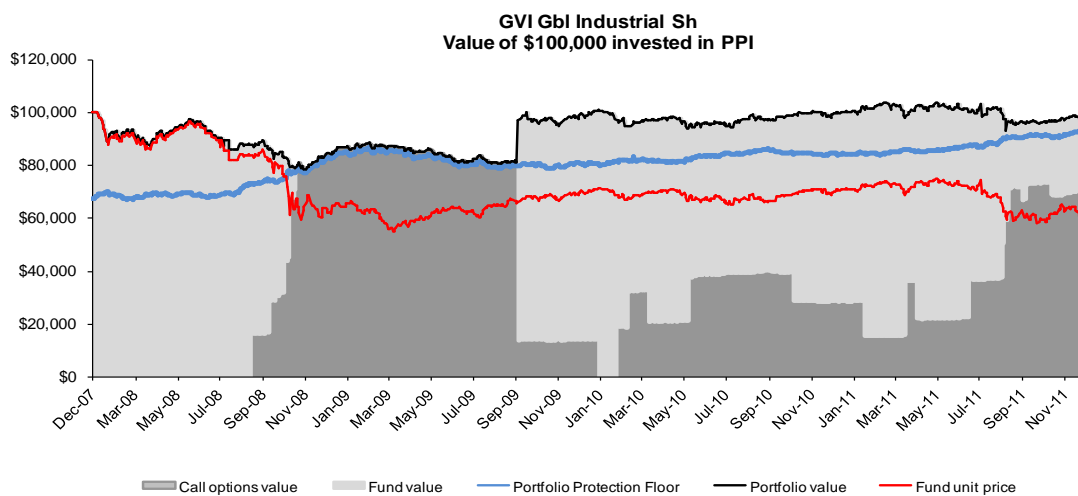


### Fund Participation Offer– Series 2 Half-yearly performance summary as at 31 December 2011

#### GVI Global Industrial Share Fund



The above graph represents the changes in the indicative value of your investment from 21 December 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 GVI Global Industrial Share Fund

Source: Perpetual

#### At a Glance

Investment date	21 December 2007	Value at 31/12/2011 of \$1.15 invested	\$0.98
Protection end date	31 May 2014	Percentage allocation of Fund units	22.4%
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 2.

#### Fund Commentary

The GVI Global Industrial Share fund returned -8.1% net for the 6 months to December 2011, slightly below the

benchmark return of -7.0% net. Following the appointment of the sub-investment manager in December, the Fund has been significantly reorganized leaving it with considerably enhanced capital growth

potential while maintaining its traditional yield premium to the benchmark. The Fund now has less emphasis on the UK and more on the US and Asia. This is because, being more economically flexible and productive, their growth potential is higher. We have also given the Fund some exposure to Latin America.

Sectorally, the portfolio has been moved away from lower growth areas such as banks, energy, telecoms, utilities and pharmaceuticals, toward higher growth areas, with the emphasis firmly on defensive growth. Therefore brewers, food retailers, fast food restaurants, and household and personal products are prominent. At the end of December the Fund distributed 1 cent per unit.

### Market Review

After struggling throughout the first half of the year, world equity markets, as measured by the MSCI World Index (AUD Hedged) posted a loss of -7.0% net for the 6 months to December. The well documented problems in the Eurozone, together with other pressing economic problems in the rest of the developed world meant that appetite for equities remained weak, and markets were extremely volatile. During this time, the AUD strengthening against major

currencies also had a material impact on performance. In the final days of the half, equity markets rallied sharply on hopes of another strong US earnings season. In addition, the passing of the Greek austerity measures, and a commitment by the US to maintain low interest rates for an extended period, lifted sentiment.

### Outlook

The year has started with markets in less gloomy condition than either economists or market commentators predicted. While it would be unrealistic to expect this enthusiasm to continue indefinitely, recent economic data from the USA as well as the first wave of earnings releases, has been reasonably reassuring. While it is not easy to see a way through the current crisis in the Eurozone, we believe that a solution of sorts will be found, since the alternatives are simply too unpalatable. Nevertheless, we have reduced the Fund's exposure to Europe in favour of Asia ex-Japan, where we believe the combination of solvent governments, functioning banks, and an increasingly prosperous population provide a more appealing backdrop for equities. Finally, as inflation in the region starts to moderate, with falling commodity prices, we expect to see monetary conditions easing in both India and China.

### Performance as at 31 December 2011

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	8.5	-2.4	0.6	4.4	-3.0	3.3
Net	8.2	-3.6	-0.6	3.2	-4.1	2.0
Benchmark	8.4	-2.3	4.9	11.8	-2.0	3.2

Stock name	%
Ambev	3.5
Kinder Morgan	3.4
Paychex	3.4
Kraft Foods	3.4
Metso	3.3
Swire Pacific	3.3
WM Morrison	3.2
Fielmann	3.0
Emerson Electric	3.0
Transocean	2.7

Sector weights	%
Capital Goods	17.0
Retailing	13.0
Food Beverage & Tobacco	10.0
Consumer Durables	9.0
Software & Services	8.0
Food & Staples Retailing	6.0
Energy	6.0
Consumer Services	5.0
Transportation	3.0
Real Estate	3.0
Semiconductors	2.0
Household & Personal Products	2.0
Technology Hardware & Equipment	1.0
Banks	1.0
Cash	14.0

### Investment Objective

To provide long-term capital growth and income to generate a rate of return (after fees and expenses and before taxes) which exceeds the return of the benchmark of the *fund*, the MSCI World Index (AUD) hedged over rolling three-year periods.

### Benchmark

MSCI World Index (AUD) hedged

### Investment Category

Global Equities

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