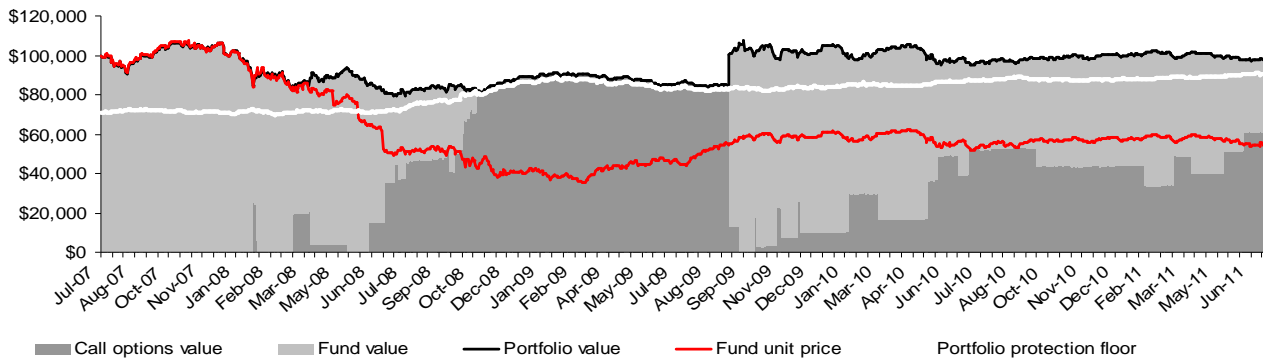


Fund Participation Offer – Series 1 Half-yearly performance summary as at 30 June 2011

UBS Australian Share Fund

UBS GAM Aus Share 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 UBS Australian Share Fund.

Source: Perpetual

At a Glance

Investment date	19 July 2007	Value as at 30/6/2011 of \$1.15 invested	\$0.98
Protection end date	31 May 2014	Percentage allocation of Fund units	38.1%
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

After fees and expenses, the fund returned negative 2.31% for the six months to 30 June 2011, underperforming the

benchmark. Over the past year, the Fund has returned 8.03%.

During the first quarter, overweight positions in Santos, News Corporation and Henderson Group and the underweight

holding in Newcrest were the major contributors to performance. Overweight positions in James Hardie Industries, Qantas, Computershare, Downer EDI and an underweight position in Iluka Resources were the largest detractors from performance.

During the second quarter of the year, overweight holdings in Equinox Minerals and the underweight positions in Leighton Holdings and Macquarie Group were the major contributors to performance. While overweight positions in Toll Holdings and Santos were the major detractors.

Market Review

The Australian equity market, as measured by the S&P/ASX 300, returned a negative 1.27% for the first half of 2011.

The Queensland Floods saw the Australian market downgrade FY2011 GDP forecasts and dampened the Reserve Bank of Australia (RBA) rate rise expectations. The RBA maintained its cash rate target of 4.75% for the six months ending 30 June 2011 as domestic economic news became more mixed with job data notably among the disappointments.

The Australian Government released its budget which targeted a return to surplus in 2012/2013 following a tightening of fiscal spending. Australian investors also pondered the impact of the proposed

carbon tax on the economy as the government started to release details of the tax and the various compensation mechanisms they intended to put in place to protect various venerable groups.

Outlook

The global economy continues to recover, with the latest IMF global GDP forecasts of 4.3% in 2011 and 4.5% in 2012. Growth in the advanced economies this year is expected to be a relatively modest 2.2%, while emerging and developing economies outpacing at a much higher 6.6%. Although recent indicators of global growth have softened, the economic expansion is expected to continue.

In Australia, flooding in key mining and agricultural regions subtracted from growth in early 2011, with GDP falling by 1.2% in the March quarter. In following quarters, as production and spending rebound from this impact, combined with stronger private investment in the mining sector, the economy is expected to re-accelerate. However, the RBA's current monetary policy setting is expected to keep the recovery relatively in check. The Fund remains overweight cyclical sectors and non-bank financial stocks. The Fund is underweight the resources sector, defensive consumer staples, health care, infrastructure and telecommunication sectors.

Performance as at 30 June 2011

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	-5.08	8.89	12.63	5.43	5.37	12.03
Net	-5.27	8.03	11.74	4.59	4.54	11.20
Benchmark	-4.26	11.90	12.47	0.26	2.37	9.16

Stock name	%
BHP	12.82
Commonwealth Bank Of Australia	8.18
National Australia Bank	4.88
Westpac	4.76
Rio Tinto	4.21
Woolworths	4.07
ANZ	4.04
QBE Insurance	3.48
Suncorp	3.00
Santos	2.84

Sector weights	%
Energy	5.86
Materials	25.79
Industrials	8.85
Consumer Discretionary	7.64
Consumer Staples	5.91
Health Care	0.65
Information Technology	2.96
Telecommunication Services	1.87
Utilities	1.89
Financials ex Property Trusts	34.79
Australian Listed Property	3.47
Cash	0.32

Investment Objective

This Fund aims to provide investors with a total return (after management costs) in excess of the S&P/ASX 300 Accumulation Index (Benchmark) when measured over rolling five year periods.

Benchmark

S&P/ASX 300 Accumulation Index (Benchmark) when measured over rolling five year periods.

Investment Category

Australian Shares

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426 with the assistance and consent of the relevant fund manager. It is general information only and is not intended to provide you with financial advice and does not take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted by PIML or the relevant fund manager for any loss or damage as a result of any reliance on this information. You should also consider the PDS for the relevant fund. No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) or the fund manager, guarantees the dynamic management strategy, the performance of any fund or the return of any investor's capital. Total returns shown for the fund(s) have been calculated using exit prices net of all ongoing fees and assuming reinvestment of distributions. No allowance has been made for any entry or exit fees or taxation. Past performance is not indicative of future performance.
