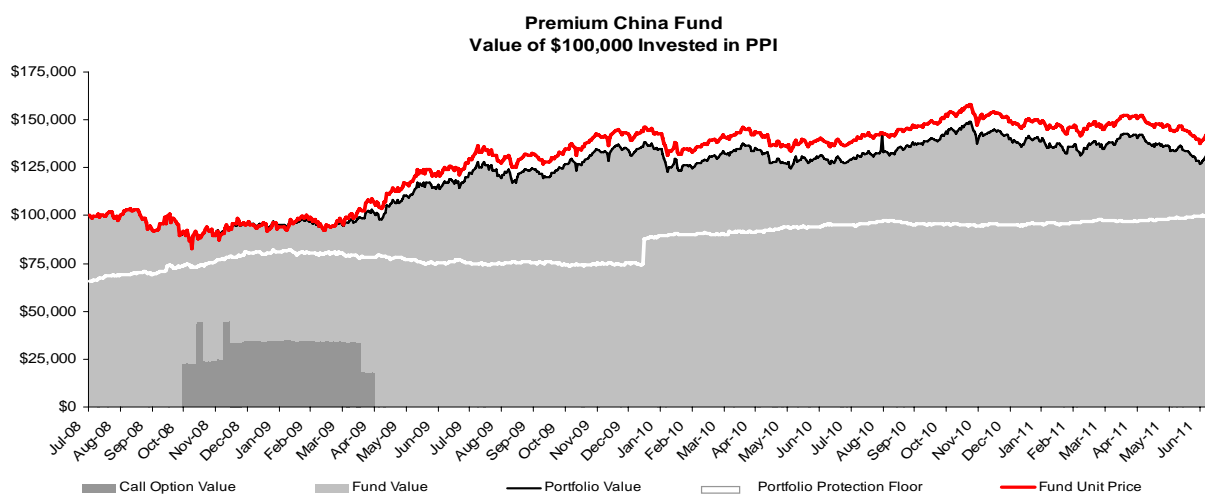


Perpetual Protected Investments – Series 3 Half-yearly performance summary as at 30 June 2011

Premium China Fund



The above graph represents the changes in the indicative value of your investment from 25 July 2008 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 Premium China Fund Source: *Perpetual*

At a Glance

Investment date	25 July 2008	Value as at 30/06/2011 of \$1 invested	\$1.31
Protection end date	31 May 2015	Percentage allocation of Fund units	100%
Maturity date	31 May 2015		

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 Series 3.

Fund Commentary

The portfolio remained resilient in light of the strong market pull-back over the month and our value-based approach helped to minimize the impact on the portfolio. While there are genuine concerns in corporate governance issues at select companies, this risk has been always present. At Value Partners, we

conduct in-depth research with all the companies we invest into, and have doubled our efforts to mitigate these risks by thorough cross-checking and reviewing all red flags. As part of our portfolio construction process, we have built in an element of risk management. Through our 18-year history, we have seen our fair share of corporate governance issues, and learnt that it is important to maintain a

well-diversified portfolio. We hold around 80 holdings in our portfolio and all are conviction ideas. To achieve this unique combination of diversification and conviction, we employ 34 investment professionals covering the Asian region.

Market Review

In June, markets plummeted on a number of global macro factors and investors ignored corporate fundamentals. In China, currently the greatest fear is weaker growth. Official PMI slowed further to 50.9% in June, a trend down from its peak in November 2009 at 55.2%, surprising markets with weaker-than-expected industrial production figure. Weaker growth coincided well with the monetary tightening stance, as M2 growth in May moderated to 15.1% year-on-year. Given the latest growth figures and lending figures, it is fitting to note Vice Premier Wang Qishan's timely comment on lending, that China should "improve the distribution of credit, and firmly provide financial support to the SMEs and other

weak links in the economy." Premier Wen Jiabao also chimed in on China's inflation that "we are confident that price rises will be firmly under control this year".

Outlook

While we do not anticipate the authorities to adopt a significant loosening stance in the immediate future, it is clear that growth prospects are part of the consideration and policy loosening actions will be a positive catalyst for stock markets.

Going into the third quarter, we anticipate many investors will re-focus on fundamentals. With attractive valuations and slightly dampened earnings expectations, we believe companies that exceed expectations will have significant upside. This is a good environment for stock pickers to operate in as performance divergence is likely to be elevated. Overall, in light of the unique difficulties we face today, we believe these are exciting times for long-term and contrarian investors seeking handsome returns.

Performance as at 30 June 2011

	3 months (%)	1 year (%)	2 years (%) pa	3 years (%) pa	5 years (%) pa	Inception (%) pa
Gross	-	-	-	-	-	-
Net	-4.3%	4.3%	8.4%	12.5%	11.4%	14.3%
Benchmark	-6.7%	-13.3%	-5.2%	-1.6%	5.1%	10.5%

Stock name	%
Brilliance China Automotive	8.8%
Evergrande Real Estate	4.7%
CNOOC	4.3%
China Shenhua Energy	4.2%
China Vanke	3.1%
PetroChina	2.7%
Industrial & Commercial Bank of China	2.3%
Kingboard Chemical	2.1%
Gree Electric Appliances	2.0%
China BlueChemical	1.8%

Sector weights	%
Consumer Discretionary	20%
Financials	16%
Energy	13%
Information Technology	12%
Cash	10%
Materials	9%
Industrials	8%
Gold	6%
Health Care	3%
Consumer Staples	3%

Investment Objective

Long term capital growth aiming to generate net returns exceeding the MSCI China Free Index (Index) over a three to five year period (before changes in exchange rates). The Fund is denominated in Australian dollars, while the Index is calculated in Hong Kong dollars.

Benchmark

MSCI China Free Index. The Fund manager takes a benchmark unaware approach to portfolio construction, however, does charge a performance fee based on the Fund's performance against the MSCI China Free index.

Investment Category

International Equities

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.
