



Please note on 14 September 2011 PIML announced that they will be returning capital to investors and closing the Funds / Investment Options described in this document.

Perpetual Mortgage Funds - updated as at 30 June 2015

The information in this update is issued by Perpetual Investment Management Limited (ABN 18 000 866 535, AFSL 234426) (PIML) and Perpetual Superannuation Limited (ABN 84 008 416 831, AFSL 225246, RSE L0003315) (PSL) (collectively referred to as 'Perpetual'), as applicable. It provides updated information, as required, about the investment management policies and details about the underlying portfolios of the Funds/Investment Options managed by Perpetual that have significant exposure to mortgages. All figures quoted are as at the date of this update and change on a daily basis. There may be slight variances in some totals due to roundings.

The Funds/Investment Options listed in the table below invest in Perpetual's Mortgage Pool Fund (ARSN 094 407 066) (Perpetual's Mortgage Pool).

These Funds/Investment Options gain their exposure to (first-registered) mortgages via investment into Perpetual's Mortgage Pool. The interest that each Fund/Investment Option has in Perpetual's Mortgage Pool is proportional to the number of units it holds (directly or indirectly) in Perpetual's Mortgage Pool, as shown in the table.

Perpetual's Mortgage Pool - proportion of units held by Funds/Investment Options with significant exposures to mortgages.

Fund/Investment Option	Proportion of Mortgage Pool's units held
Perpetual Wholesale Monthly Income Fund	51.8%
Perpetual's Monthly Income Fund	32.1%
Perpetual WealthFocus Investment Fund - Perpetual's Mortgage Fund	1.2%
Perpetual's Investor Choice Retirement Fund (Perpetual WealthFocus Super Plan and Pension Plan) - Perpetual's Mortgage Investment Option ¹	2.3%
Perpetual's Term Fund	3.4%
Private Investor Mortgage Fund ²	11.3%

¹ As this Investment Option invests into Perpetual Wholesale Monthly Income Fund, this percentage is also included in the above percentage figure quoted for that Fund.

² The Private Investor Mortgage Fund held some mortgage assets directly - see addendum for details

ASIC has developed eight benchmarks and disclosure principals for unlisted mortgage schemes to help retail investors better understand these investments. If a benchmark is not met, then an explanation is provided as to why this is not met. As Perpetual's Mortgage Funds are in wind up and we have commenced returning capital to investors, it is either no longer possible to meet some of the benchmarks, or they are not applicable. For more information on the windup of Perpetual's Mortgage Funds, please see www.perpetual.com.au/mif-and-wmif.aspx

Benchmark 1: Liquidity

This benchmark addresses the Funds/Investment Options cash flow estimates to meet their expenses, liabilities and other cash flows including withdrawals.

This benchmark is not met. The Funds/Investment Options are in windup and we have commenced returning capital to investors. We aim to return capital every six months (in March and September) as assets in Perpetual's Mortgage Pool mature. Clients access to their investment in the Funds/Investment Options is limited to this return of capital.

Benchmark 2: Scheme borrowing

This Benchmark addresses the responsible entity's policy on borrowing on behalf of a scheme.

This benchmark is met. There are currently no borrowing or other credit facilities utilised by Perpetual's Mortgage Pool or the Private Investor Mortgage Fund (which also holds mortgage assets directly) and there is no intention to do so.

Benchmark 3: Loan portfolio and diversification

This benchmark addresses the nature of the scheme's investment portfolios.

This benchmark is not met. As Perpetual's Mortgage Pool and Private Investor Mortgage Fund are in wind up, no new lending will take place and diversification can no longer be actively managed as the mortgage assets are being held to maturity.

Perpetual's Mortgage Pool - portfolio details

The following tables provide relevant details about the investment portfolio of Perpetual's Mortgage Pool, including diversification, as at 30 June 2015.

Summary information - Perpetual's Mortgage Pool

Numbers	Details
Total mortgagors	2
Total mortgages	3
Values	\$m
Mortgages	\$95.801
Commercial mortgage-backed securities	\$0.000
Cash ¹	\$1.509
Total value of Perpetual's Mortgage Pool	\$97.310

¹ Cash includes cash at bank and investments in cash funds.

Mortgages by class of activity

Class of activity	Number	Value (\$m)	Percentage
Vacant land	0	\$0.000	0.0%
Development land	0	\$0.000	0.0%
Construction projects	0	\$0.000	0.0%
Industrial	1	\$14.920	15.6%
Commercial	0	\$0.000	0.0%
Retail	2	\$80.881	84.4%
Residential	0	\$0.000	0.0%
Specialised property	0	\$0.000	0.0%
Other	0	\$0.000	0.0%
Total	3	\$95.801	100.0%

Mortgages by geographic region

Geographical details	Number	Value (\$m)	Percentage
New South Wales	1	\$14.920	15.6%
Victoria	0	\$0.000	0.0%
Queensland	2	\$80.881	84.4%
South Australia	0	\$0.000	0.0%
Western Australia	0	\$0.000	0.0%
Tasmania	0	\$0.000	0.0%
Australian Capital Territory	0	\$0.000	0.0%
Northern Territory	0	\$0.000	0.0%
Total	3	\$95.801	100.0%

Mortgages by nature of security

Security details	Percentage
Loans secured by 1 st registered mortgages	100.0%
Total	100.0%

Mortgages by maturity profile

Maturity details	Number	Value (\$m)	Percentage
Less than 3 months	0	\$0.000	0.0%
3 months to less than 6 months	0	\$0.000	0.0%
6 months to less than 1 year	0	\$0.000	0.0%
1 year to less than 2 years	0	\$0.000	0.0%
2 years to less than 3 years	0	\$0.000	0.0%
3 years to less than 4 years	0	\$0.000	0.0%
4 years to less than 5 years	0	\$0.000	0.0%
5 years or longer	0	\$0.000	0.0%
Matured loans overdue	3	\$95.801	100.0%
Total	3	\$95.801	100.0%

Mortgages in arrears

Days in arrears	Number of loans	Value (\$m)	% of total Mortgage Pool assets
90 or more	1	\$14.920	15.6%
60 - 89	0	\$0.000	0.0%
31 - 60	0	\$0.000	0.0%
Loans that are in arrears may be charged interest at higher rates and the course of action taken escalates the longer the loan remains in arrears. Should a loan exceed 60 days in arrears, recovery action is taken.			

Mortgages by loan-to-valuation ratios

Loan-to-valuation ratio	Number	Value (\$m)	Percentage
Less than 50 per cent	0	\$0.000	0.0%
50 to less than 60 per cent	0	\$0.000	0.0%
60 to less than 67 per cent	0	\$0.000	0.0%
67 to less than 70 per cent	0	\$0.000	0.0%
70 per cent or greater	3	\$95.801	100.0%
Total	3	\$95.801	100.0%

Mortgages by interest rates

Interest rate	Number	Value (\$m)	Percentage
Below 5.00%	1	\$14.920	15.6%
5.00% - 5.49%	2	\$80.881	84.4%
5.50% - 5.99%	0	\$0.000	0.0%
6.00% - 6.49%	0	\$0.000	0.0%
6.50% - 6.99%	0	\$0.000	0.0%
7.00% - 7.49%	0	\$0.000	0.0%
7.50% - 7.99%	0	\$0.000	0.0%
8.00% - 8.49%	0	\$0.000	0.0%
8.50% - 8.99%	0	\$0.000	0.0%
9.00% - 9.49%	0	\$0.000	0.0%
9.50% - 9.99%	0	\$0.000	0.0%
10.00% or above	0	\$0.000	0.0%
Total	3	\$95.801	100.0%

Mortgages by interest rate structure

Interest rate structure	Number	Value (\$m)	Percentage
Fixed rate loans	0	\$0.000	0.0%
Variable rate loans	3	\$95.801	100.0%
Total	3	\$95.801	100.0%

Other information

Perpetual's Mortgage Pool	Value (\$m)	% of total Mortgage Pool assets
Total loan moneys lent to the largest borrower	\$80.881	84.4%
Total loan moneys lent to the largest 10 borrowers	\$95.801	100.0%

Other details	Number	Value (\$m)	% of total Mortgage Pool assets
Undrawn loan commitments ¹	0	\$0.000	0.0%
Loans where interest has been capitalised	0	\$0.000	0.0%

¹ Undrawn loan commitments are monitored weekly and are funded through cash when needed.

Additional Information for investors in Private Investor Mortgage Fund

If you are an investor in the Private Investor Mortgage Fund (ARSN 092 603 873), please refer to the addendum for details of mortgage assets held directly by that Fund.

Benchmark 4: Related party transactions

This benchmark addresses the risks associated with lending to related parties of the responsible entity.

This benchmark is met. PIML, as the responsible entity of Perpetual's Mortgage Pool, has a policy of not entering into any lending transactions with other parties within the Perpetual Group. As Perpetual's Mortgage Pool and the Private Investor Mortgage Fund are in windup, no further lending transactions will take place (except when there are undrawn loan commitments).

Benchmark 5: Valuation policy

This benchmark addresses the responsible entity's approach to valuing property over which the scheme holds security.

This benchmark is not met. All properties have to be valued by an independent valuer in accordance with Perpetual's standard instructions. Perpetual uses a panel of external valuers. The panel of valuers comprises qualified, experienced valuers, who have at least five years' practical experience, must comply with all relevant industry standards and codes and be a member of an appropriate professional body. No more than two consecutive valuations on the same property can be performed by the same valuer. No single valuer is allowed to conduct more than one-third of the valuations for Perpetual's Mortgage Pool. The panel of valuers will be reviewed by Perpetual's mortgage lending staff on an ongoing basis, but at least annually. Where possible, each property is also inspected by a Perpetual staff member.

Perpetual obtains valuation reports on security properties at least once every three years. Under loan security documentation, Perpetual generally reserves the right to undertake a valuation at any time at the borrower's expense. Should a loan become impaired to the point of Perpetual taking formal possession of a security property either directly as Mortgagee or via receivership, a valuation report is carried out within 90 days of obtaining formal possession of a security.

Benchmark 6: Lending principles - loan-to-value ratios

This benchmark addresses the Fund's property related lending and valuation practices.

This benchmark is not met. As Perpetual's Mortgage Pool and the Private Investor Mortgage Fund are in windup, no further lending will take place (except where these are undrawn loan commitments).

The weighted average LVR for Perpetual's Mortgage Pool is currently 95.2% (see the 'Mortgages by loan-to-valuation ratios' table within 'Benchmark 3: Portfolio diversification' for details).

Benchmark 7: Distribution practices¹

This benchmark addresses the payment of current distributions from scheme borrowings.

This benchmark is not met. Perpetual will not pay current distributions, from scheme borrowings for the Funds/Investment Options.

The distribution amount depends on each Fund's/Investment Option's distributable income, which may include interest, realised net capital gains and other income. The amount investors receive will be proportionate to the number of units they hold in a Fund relative to the number of units on issue in that Fund at the end of the distribution period. The amount will vary and sometimes there might not be any distribution.

As we pay back capital, an investor's account balance will reduce and the monthly income will be based on this lower account balance. The Funds normally make distributions on a monthly basis.

Most of the Fund's constitutions lets us make special distributions on an interim basis. However in all cases, at 30 June each year investors will be entitled to all distributable income that hasn't been distributed. Realised net capital gains are generally included in the 30 June distribution.

¹ Distributions are not relevant for Perpetual's Investor Choice Retirement Fund (Perpetual WealthFocus Super Plan and Pension Plan).

Benchmark 8: Withdrawal arrangements

This benchmark addresses the responsible entities approach to withdrawals for the Funds/Investment Options.

This benchmark is not applicable. As the Funds/Investment Options are in windup, we are returning capital on a six monthly basis, every March and September. Please contact us for further information on 1800 022 033 or visit our website at www.perpetual.com.au/mif-and-wmif.aspx

Addendum for Private Investor Mortgage Fund - updated as at 30 June 2015

Private Investor Mortgage Fund (PIMF) - details of additional directly held mortgage assets

The PIMF invests in Perpetual's Mortgage Pool. All directly held mortgages were repaid in the September quarter of 2014.

As per above, there are no mortgage assets held directly by PIMF as at 30 June 2015.

PIMF - Summary information

Numbers	Details
Total mortgagors	0
Total mortgages	0
Values	\$m
PIMF mortgages exposure in Perpetual's Mortgage Pool	\$9.427
Mortgage assets held directly by PIMF	\$0.000
PIMF Total mortgage assets	\$9.427
Cash ¹	\$0.742
Total Value of PIMF	\$10.169

¹ Cash includes cash at bank and investments in cash funds.