Perpetual

Perpetual Protected Investments – Series 3

Supplementary Product Disclosure Statement Number 1

dated 23 May 2008 for Combined Financial Services Guide and Product Disclosure Statement dated 17 March 2008 Issued by Perpetual Investment Management Limited ABN 18 000 866 535 AFSL 234426

About this Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (SPDS) is to be read in conjunction with Combined Financial Services Guide and Product Disclosure Statement for Perpetual Protected Investments – Series 3 dated 17 March 2008 (Combined FSG & PDS).

From 23 May 2008, the Product Disclosure Statement for Perpetual Protected Investments - Series 3 comprises:

- the Combined FSG and PDS, and
- this SPDS.

Purpose of this SPDS

The purpose of this SPDS is to change and update the section headed *Tax Consequences* on page 28 of the Combined FSG and PDS following proposed changes to the interest rate deductibility for capital protected borrowings announced in the Federal Budget on 13 May 2008.

Words in italics *(like this)* are defined in the Glossary on pages 38-39 of the Combined FSG and PDS.

Changes to the Combined FSG and PDS

Under the section headed *Tax Consequences* on page 28 of the Combined FSG and PDS, the first paragraph on the right hand column is deleted and replaced with:

'Interest on any of the loans is generally partially deductible.'

Federal Budget impact on Perpetual Protected Investments – Series 3

In the Federal Budget on 13 May 2008, the government announced its intention to change the RBA Indicator Benchmark Rate in the Income Tax Assessment Act 1997 from the RBA's Indicator Rate for Personal Unsecured Loans – Variable Rate (14.60%*) to the RBA Indicator Rate for Standard Housing Loans – Variable Rate (9.45%*) and that this change, once legislated, will apply to any capital protected borrowing arrangements entered into after 7:30pm 13 May 2008.

This means investors will only be eligible to claim tax deductions for interest on capital protected borrowings to a maximum of the relevant Benchmark Rate, with any interest and amounts paid for capital protection in excess of this rate being deemed to form part of a cost base for the purposes of future capital gains tax calculations.

The *dynamic management* fee and the administration fee are expected to remain fully tax deductible.

For more information see your adviser and the updated tax opinion from Baker & McKenzie solicitors at www.perpetual.com.au/structuredproducts/ppi3.

Perpetual Protected Investments – Series 3 remains a tax effective investment structure

What you need to do?

All applicants are required to sign the acknowledgement at the bottom of page 1 of the Application Form attached to the combined FSG and PDS. If there is no acknowledgement at the bottom of page 1 (either printed on the form or on an attached sticker) please print and sign the following **'I/we acknowledge and declare that I/we have read and understood the Supplementary PDS dated 23 May 2008'** in the space at the bottom of page 1.

The table below shows indicative deductibility based on the current indicative interest rates for each of the various loan options

Loan Type*	Indicative interest rates*	Indicative Indicator Rate*	Excess	Indicative Deductibility
Variable[1]	10.10%	9.45%	0.65%	93.6%
Fixed annually[2]	10.40%	9.45%	0.95%	90.9%
Fixed for the term[3]	10.30%	9.45%	0.85%	91.7%

1 The RBA Indicator Rate will be the average Indicator Rate over the financial year
2 The RBA Indicator Rate will be the rate for the relevant month the loan was taken out, for the financial year only
3 The RBA Indicator Rate will be the rate for the relevant month the loan was taken out, fixed for the term
* All the interest rates in this SPDS are the most up to date as at 23 May 2008 but may change which will vary the deductibility outcome.

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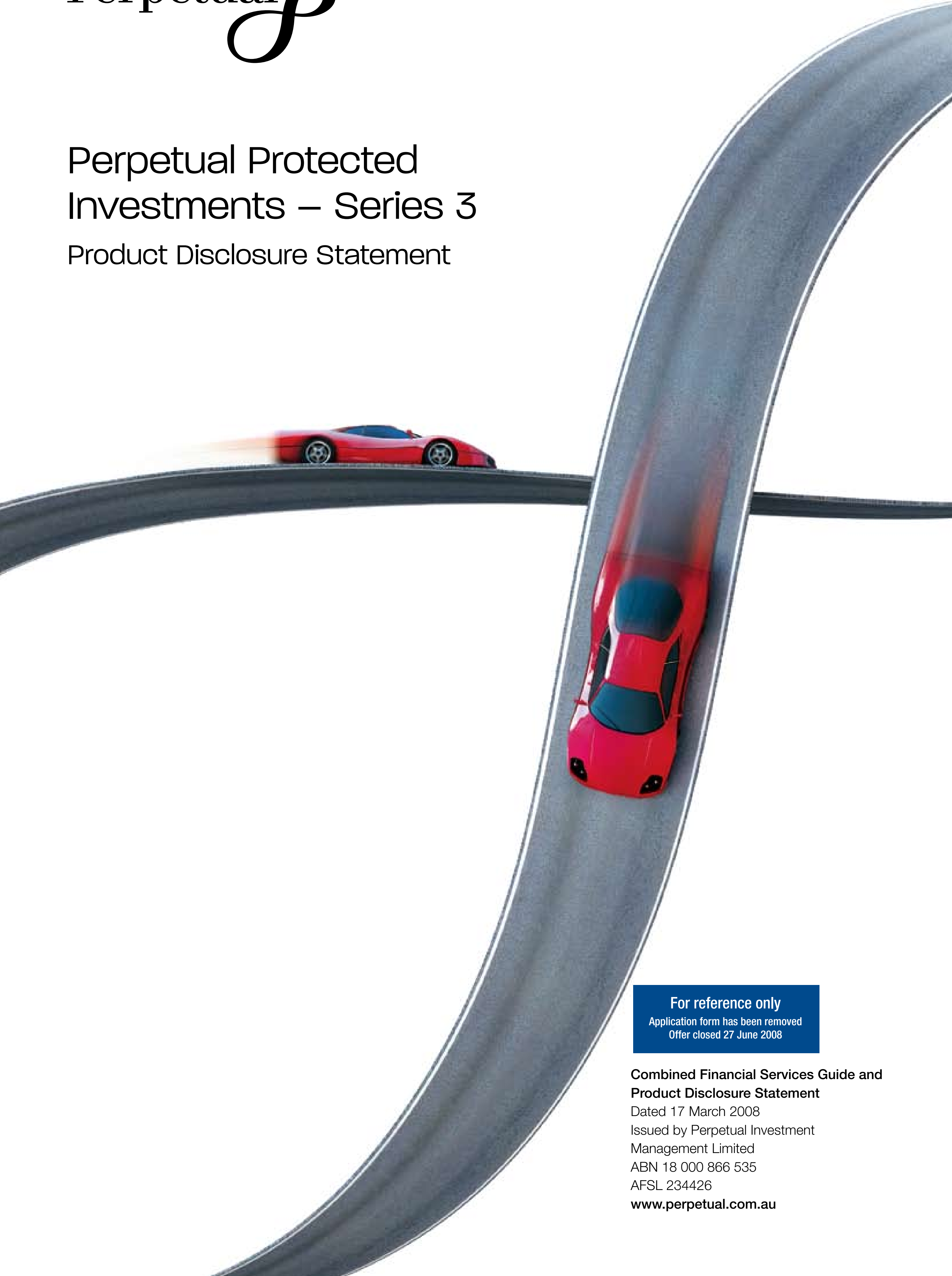
Perpetual

Perpetual Protected Investments – Series 3

Product Disclosure Statement



For reference only
Application form has been removed
Offer closed 27 June 2008

Combined Financial Services Guide and Product Disclosure Statement
Dated 17 March 2008
Issued by Perpetual Investment Management Limited
ABN 18 000 866 535
AFSL 234426
www.perpetual.com.au

Combined Financial Services Guide and Product Disclosure Statement

This document contains:

- **Product Disclosure Statement** (PDS) for Perpetual Protected Investments – Series 3 ('the product') (pages 1 to 35 and 38 to 76); and
- **Financial Services Guide** (FSG) for the *dynamic management* services provided to *Investors* in the *product* (pages 36 to 37).

The PDS is issued by Perpetual Investment Management Limited as responsible entity of Perpetual Protected Investments – Series 3.

The FSG is issued by Perpetual Investment Management Limited as a licensed financial services provider.

Glossary of terms	There is a glossary on page 38 that explains the terms in italics *(like this)* used in the PDS and application form.

About us

Perpetual is one of Australia's leading funds management companies, with over $37 billion under management (as at 31 December 2007).

We aim to help Australians secure their financial independence and grow their wealth from generation to generation. We offer a range of managed funds to suit most investors' risk profiles, investment timeframes and income and capital growth requirements.

We have a range of products investing in Australian and international shares, property securities, direct property, credit, fixed interest, cash, diversified asset classes and a range of superannuation and pension investments.

Important notice

The information in this PDS is of a general nature only. It has not been prepared taking into account any particular *Investor's* or classes of *Investors'* investment objectives, financial situation or needs. Before you invest you should read this PDS in its entirety and assess whether the *product* and loans offered in this PDS are appropriate for your circumstances. You should also consider the tax implications of investing in the *product* and borrowing to invest. You should obtain independent financial or tax advice to help you with this.

If you would like more information on the *product* or the loans, contact your adviser or call us (See inside back cover for contact details).

Superannuation Investors – if you choose to borrow to invest with a *Capitalised Investment Loan*, you should also have an appropriate risk management statement in place and assess if gearing is an appropriate investment strategy in light of that policy.

Perpetual Protected Investments – Series 3 is a managed investment scheme. Perpetual has lodged the scheme documents with ASIC in order to register the scheme. ASIC takes no responsibility for the scheme documents. We expect that the scheme will be registered before the offer opens and we will not accept any applications until the scheme is registered.

Australian offer	The PDS is only available to persons receiving it (electronically or otherwise) in Australia. You must be an Australian resident operating from Australia for Australian tax purposes to invest in the *product*. You must not be carrying on a business in the United Kingdom.
Electronic copies	If you are printing an electronic copy of the PDS you must print all pages including the application form. If you make the PDS available to another person you must give them the entire electronic file or print-out including the application form. All amounts in this PDS are in Australian dollars (unless otherwise specified)
Repayment of capital and returns are not guaranteed	There is no guarantee that the *dynamic management* strategy in this *product* will work. There is a risk that your *portfolio* may be less than the value of your *protected amount* at the *protection end date*. Neither Perpetual nor UBS nor any of their related entities or associates guarantee the performance of the *product*, the payment of any distributions, the repayment of capital invested or any particular rate of overall return. Participation in the *product* does not represent a deposit or any other liability of Perpetual or UBS or any related entities or associates of Perpetual or UBS. *Investors* have no recourse to or rights against UBS or any of their related entities or associates. The participation in the *product* is subject to investment risk, including possible delays in repayment, loss of income and capital invested. UBS has not been involved in the preparation of this PDS, is not the issuer of this *product* or this PDS and takes no responsibility for its contents, accuracy, completeness or its compliance with the Corporations Act (Cth) 2001.
Changes to product information	We may update the PDS for changes that are not materially adverse without issuing a supplementary PDS. This information will be available by contacting us or visiting www.perpetual.com.au/structuredproducts/ppi3. A paper copy of the PDS and updated information will be available free of charge on request. If we become aware of any change that is materially adverse we will replace the PDS or issue a supplementary PDS. If there is an increase in the fees and costs (other than federal government fees and charges and charges or fees of the *funds* included in the *product*) we will give you 30 days' written notice. You should keep a copy of this PDS and any other supplementary material updating the PDS for future reference.
Changes to the offer period	We may vary the dates and times of the offer for the *product*. We may also vary any of the other key dates relevant to the *product*.

Some key terms used in this PDS (also refer to Glossary on page 38) are:

Applicant, you, your	Person/entity that completes and lodges an application form to participate in the *product*.
Borrower, you, your	Applicants that complete and lodge an application form for a loan (and, where the context requires, prospective Borrowers).
Investor, you, your	The registered holder of an interest in the *product* (and where the context requires, prospective *Investors*).
Lender	means Perpetual Loan Company Limited No 2 (ABN 40 008 739 035), or another subsidiary of Perpetual Limited which provides of the loans under the *Loan and Security Agreement*.
Perpetual, we, us, our	means Perpetual Investment Management Limited (ABN 18 000 866 535) as the responsible entity of the *product*. Perpetual is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827). Perpetual is the issuer of the PDS.
Perpetual entities	means Perpetual Investment Management Limited, Perpetual Trustee Company Limited, and Perpetual Loan Company Limited No 2 collectively or individually as the context requires.
Perpetual Group	means Perpetual Limited (ABN 86 000 431 827) and its subsidiaries.
PIML	means Perpetual Investment Management Limited (ABN 18 000 866 535) in its 'personal' capacity as licensed financial services provider. PIML provides *dynamic management* services to *Investors* and is the issuer of the FSG.
UBS	means UBS AG, London branch, the provider of capital protection for the *product*.

Contents

Why invest?

Perpetual Protected Investments – Series 3 (the *product*) offers *gearing* with capital protection and no margin calls.

This gives you the potential to accelerate your investment growth in positive markets while helping to safeguard your capital in any downturns.

The *product* also delivers the benefits of a tax-effective structure.

1. Borrow up to 100% of your investment amount plus the interest.

Non-Superannuation Investors[1] can borrow with a choice of:

- *100% Investment Loan*, with
  - fixed and variable interest options, plus
  - an ***Annual Interest Loan***[2] to borrow and prepay the interest on your *100% Investment Loan* each year

OR

- a ***Capitalised Investment Loan*** to borrow up to approximately 50%[3] of your total investment amount.

Superannuation Investors can borrow directly under the *product* to gear your investments with a *Capitalised Investment Loan*.

2. Safeguard capital

Perpetual Protected Investments – Series 3 provides you with access to a *dynamic management* strategy that aims to ensure your *portfolio value* will be at least equal to your *protected amount* at the *protection end date* (31 May 2015).

3. No margin calls

The *dynamic management* strategy also means you don't pay any margin calls along the way.

4. Diversification

You can tailor your *portfolio* and build a growth-oriented *portfolio* by choosing from a range of investment strategies.

The *product* gives you capital protected exposure to Australian and global equities as well as other specialist asset classes including China and other Asian equities, global resources, global property and global infrastructure.

Because we know choice and diversification are important to you, there is a selection of asset classes and investment managers.

5. Manage cash flow

Payment of fees

Throughout the term of the investment, the *dynamic management* and administration fees are automatically deducted out of the *product* so you do not have to pay these fees from other sources.

Borrow to invest[1]

If you borrow to invest using a ***100% Investment Loan*** you can lock in fixed interest payments allowing you to better plan your cash flows each year. If you borrow using a ***Capitalised Investment Loan*** you don't have to make any repayments until the maturity date, completely freeing up your cash flow.

1 Loans offered are subject to credit approval.
2 Subject to choosing a fixed rate *100% Investment Loan*
3 Estimate only – see page 24 for more details

6. Tax-effective structure – you own the assets in your *portfolio*

As an *Investor* in the *product*, you have absolute entitlement to the *units* in the *funds* you select. This means any capital gains and/or losses arising during the *protection period* in relation to those *fund units* should be directly attributed to you. Capital losses (if any) can be used to offset capital gains, including those from your other investments.

In addition, if you borrow to invest, you will have the potential to claim a partial or full tax deduction for fees and interest on the loan as well as the fees for the *product*.

7. Capital gains lock-in

During the *protection period*, some of the unrealised gains within your *portfolio* may be 'locked-in', increasing your *protected amount*.

You may also be able to borrow a further amount against this increase (for investment purposes only), helping to build your wealth even faster.

8. Flexibility at the *protection end date*

Because you own the *units* in the *funds* you select, you are able to decide what you do with them when the *protection period* ends, which means you control the timing of any capital gains tax event.

You can continue holding the *fund units* (with no capital protection), redeem them for cash or potentially roll them over into another series of Perpetual Protected Investments (if one is available).

Having absolute entitlement to the *fund units* provides you with flexibility and choice.

Snapshot

Key dates[2]	
Offer opens	26 May 2008
Offer closes	27 June 2008
Initial interest rate set date	20 June 2008
Investment Loan drawdown date	30 June 2008
Annual Interest Loan drawdown date	30 June 2008 then annually on each anniversary for the term of the *product*
Investment date	On or about 25 July 2008 (as soon as practicable after *unit* prices are published for all the *funds*)
Protection start date	The same day as the investment date
Protection end date	31 May 2015
Maturity date (for loans)	31 May 2015

Investment strategies		See page(s)
Funds You can determine your exposure[1] to each of these *funds* through your choice of *investment strategies*.	**Australian equity funds** Ausbil Australian Active Equity Fund Ausbil Australian Emerging Leaders Fund Challenger Wholesale Australian Share Fund Perpetual's Wholesale Australian Fund Schroder Wholesale Australian Equity Fund Vanguard Australian Shares Index Fund	11 to 17
	Global equity funds AXA Wholesale Global Equity Value Fund DWS Global Equity Thematic Fund GVI Global Industrial Share Fund Perpetual's Wholesale International Share Fund T. Rowe Price Global Equity Fund Vanguard International Shares Index Fund (Hedged)	
	Specialist funds Aberdeen Asian Opportunities Fund Colonial First State Wholesale Global Resources Fund IOOF/Perennial Global Property Trust Macquarie International Infrastructure Securities Fund Merrill Lynch Global Allocation Fund (Aust) (Class D Units) Perpetual's Wholesale Ethical SRI Fund Platinum Asia Fund Premium China Fund	

1 The addition of capital protection through *dynamic management* means your exposure to the *funds* through the product is different to investing directly in the *funds*. Your *portfolio* will include *fund units* and a *cash account* and possibly *call options*. See 'Performance of your *portfolio* and the *funds*' on page 10.
2 Dates and times are indicative only and subject to change.

Minimum amounts for the loans and *product*	Investment only	*100% Investment Loan*	*Capitalised Investment Loan*
Minimum loan amount	n/a	$50,000 (plus multiples of $5,000[1])	n/a[2]
Minimum total *principal contribution*	$25,000 (plus multiples of $5,000[1])	n/a	$25,000 (plus multiples of $5,000[1])
Minimum *principal contribution* per *investment strategy*	$10,000 (plus multiples of $500[1])	n/a	$5,000 (plus multiples of $500[1])
Minimum investment amount per *investment strategy*	$10,000 (plus multiples of $500[1])	$10,000 (plus multiples of $500[1])	n/a[2]
Minimum withdrawal per *investment strategy*	$10,000 (or balance under $10,000) subject to minimum remaining balance of $10,000. Amounts withdrawn prior to the *protection end date* are not capital protected.		

1 Additional amounts must be in multiples of amount shown.

2 No minimum is shown because the minimum will be determined by the final *Loan-to-Value Ratio (LVR)*.

Capital protection: How do we protect your portfolio?

Your *portfolio* will consist of *fund units*, a cash account and possibly *call options*.

The *product* has been structured with the aim of ensuring that at the *protection end date* (31 May 2015) your *portfolio value* will be at least equal to your *protected amount*. This is your initial *investment amount*, adjusted upwards for any unrealised capital gains which have been 'locked in' during the term of the *product*. Here we explain how we manage your *portfolio* with the aim of achieving this objective.

Protecting your investment with *dynamic management*

The amount you invest in the *product* less the establishment fee will initially be 100% invested in *units* in the *funds* you select.

We will then implement a strategy called *dynamic management* for your *portfolio*.

Dynamic management involves us monitoring your *portfolio* value each day during the term of the *product* and, where necessary, switching your *fund units* in and out of *call options*. We do this with the assistance of UBS, an international investment bank.

First we calculate your *portfolio protection floor*. This is the hypothetical amount that you would need to invest in fixed interest investments to make sure that your current *portfolio value* grows to an amount at least equal to your *protected amount* by the *protection end date*.

We use the *portfolio protection floor* to help us decide how much of your *portfolio* to invest in *fund units* and how much to invest in *call options*.

For example, assuming:

(i) your current *protected amount* is $10,000 (the minimum investment),

(ii) it is exactly seven years to the end of the *product (protection end date)* and

(iii) an interest rate of 6.0% pa and

(iv) fees at the rate of 0.75% pa,

we would calculate that you would need to invest approximately $7,100 in fixed interest investments today to grow to $10,000 at the *protection end date*. Therefore, in this example, your *portfolio protection floor* today would be $7,100.

We monitor your *portfolio value* and the *portfolio protection floor* daily, as they change with market movements and changes in interest rates.

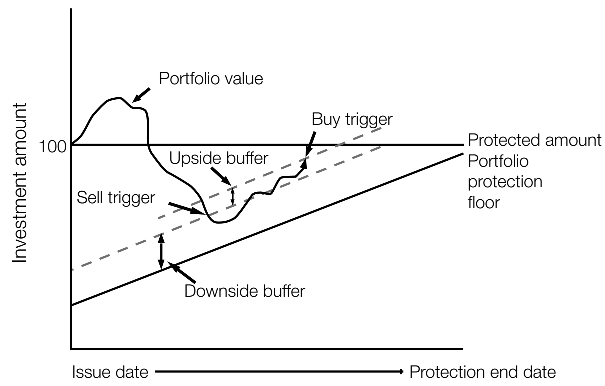
We keep a 'downside buffer' between the *portfolio protection floor* and your *portfolio value*. If your *portfolio* value falls into this buffer, we will sell some of your *fund units* to buy *call options*. This is called a 'sell trigger'.

Once your *portfolio value* rises back above the 'upside buffer', we will exercise your *call options* to obtain *fund units*. This is called a 'buy trigger' (see Chart 1 below).

Lower interest rates will raise the *portfolio protection floor*, resulting in a greater potential for allocation away from *fund units* and into *call options* than when interest rates are higher.

While our main aim is to protect your capital, we also look to maximise your exposure to *fund units*, as this is where there is the greatest potential for capital growth.

Chart 1 – Buy and sell triggers



Source: Perpetual.

A 'sell trigger' means some of your *fund units* will be sold to buy *call options*. A 'buy trigger' means *call options* will be exercised to buy back into *fund units* in your chosen *funds*.

Gains 'lock-in'

Assuming the right conditions are met, we will 'lock-in' a portion of any unrealised capital gains for all *funds* offered within the *product*.

This can happen when your *portfolio value* reaches 180% of the *portfolio protection floor*, at which time your *protected amount* will be increased by 50% of the difference between your *portfolio value* and your current *protected amount*.

For example – let's say your original *protected amount* was $10,000, your current *portfolio protection floor* is $8,500 and your *portfolio* has performed well and is now worth $15,300, which is 180% of the *portfolio protection floor* (i.e. $8,500 x 180% = $15,300).

This means your *protected amount* can now be increased from $10,000 to $12,650 locking in unrealised capital gains of $2,650.

We calculate your new *protected amount* as follows:

New *protected amount*:

= Original *protected amount* + [50% x (current *portfolio value* – original *protection amount*)]

= $10,000 + [50% x ($15,300 – $10,000)]

= $12,650.

What you need to know about *dynamic management*

As *dynamic management* is an investment strategy in its own right, you need to consider the risks associated with using it to protect your initial investment in the *product*. Please refer to the 'Risks' section on page 8.

Changes to *dynamic management*

In certain circumstances (such as where there is a significant change in the way a *fund* is being managed), a new *fund* may be substituted for the *fund* you chose, or the terms of the *dynamic management* changed. If a new *fund* is substituted, your exposure will be to the new *fund*, instead of the *fund* you originally selected.

At the *protection end date*

At the *protection end date* we will exercise any *call options* in your *portfolio* on your behalf. If the *dynamic management* was successful the value of your *fund units* will be at least equal to the *protected amount*. (Refer to 'What happens at the *protection end* date' on page 32 for more details).

What are the risks?

There are many risks associated with investing in this *product* that may affect your *portfolio value*. While it is not possible to identify every one, we have detailed the significant risks here.

1. Suitability

Before you make an investment decision it is important to identify your investment goals and the level of risk you are prepared to accept. You should not invest in the *product* if:

- you have a short timeframe. If you withdraw any amount from this investment before the *protection end date* it will not be capital protected so when you invest in the *product* you should do so with the intention of remaining for the full term to the *protection end date* (31 May 2015). Your ability to obtain cash proceeds quickly is limited (refer to 'Can I withdraw from, transfer or mortgage my investment?' on page 31).
- you require a regular income stream. Most of your distributions will be reinvested as part of the *investment strategies*.
- you are uncomfortable with investment volatility. All investments are subject to market risk (see below), which impacts the value of the *funds*.
- you are uncomfortable with interest rate *volatility*. Lower interest rates raise the *portfolio protection floor*. There will be a greater allocation away from *fund units* when they are declining in value, than is the case when interest rates are higher.

2. *Dynamic management*

A sharp fall in the value of fund units may result in a substantial allocation of your *portfolio* away from *fund units* into *call options* and cash. This reduces your exposure to the *fund* and your ability to participate in future gains made by the *fund*.

If the fall is significant enough, you may have no allocation to *fund units* and no exposure to the *fund*.

If your *portfolio* becomes 100% invested in *call options* and cash, you will only receive your *protected amount* when the *call options* are exercised at the *protection end date*.

There is no guarantee that the *dynamic management* strategy will work. There is a risk that your *portfolio* value may be less than the *protected amount* at the *protection end date*.

For example if the value of your *portfolio* falls below the *protection floor* before we are able to sell *fund units* and buy *call options*, the *call options* we purchase will not increase sufficiently in value to provide you with your *protected amount* at the *protection end date*. If you borrow to invest this risk is mitigated by the *Lender's Swap*. If you don't borrow you are exposed to this risk.

3. Volatility

Investment strategies which invest in *funds* with higher volatility have a higher risk of selling *fund units* and buying *call options* under the *dynamic management* strategy.

Again, this reduces your exposure to the fund and your ability to participate in future gains made by the fund.

4. Borrowing to invest *(gearing)*

If you borrow to invest, interest on your loan is payable regardless of the performance of your *portfolio*.

Depending on your *portfolio value* at the *protection end date*, borrowing to invest could result in a loss, being some or all of the interest that you have paid (or that is payable) under the loans.

If you withdraw before the *protection end date*, you lose the benefit of the *capital protection* and you will have to repay all outstanding loan amounts in full, (which may, unless you are a Superannuation Investor, be more than your *portfolio value*).

5. Legal and Counterparty risk

This is the unlikely risk that the capital protection provider (UBS) or one of the Perpetual entities defaults under the *protection agreements*.

For example, if you borrow to invest, there is a risk that UBS fails to pay the *Lender* the difference between the *protected amount* and your *portfolio value* under the *Lender's Swap* (for more details of the *Lender's Swap* please refer to 'Gearing with capital protection' on page 21).

This could be due to a default of one of the parties (eg becoming insolvent), or a major ongoing market disruption event lasting 90 days occuring at the *protection end date*. If such an unlikely event occurs, unless you are a *Superannuation Borrower*, your liability will not be limited to your *portfolio value* and you will be required to make up any shortfall.

You should also refer to: '*Non-Superannuation Investors* – circumstances where limited-recourse doesn't apply' on page 26.

We may recover your share of any liabilities arising as a result of any such event under the *protection agreements* in accordance with our *power of attorney*.

6. Market risk

This is the risk that specific events have a negative effect on the price of investments in a particular market (such as the stock market for shares). These events may include changes in economic, social, technological, political, legal or accounting conditions, and investor confidence. These factors can affect both Australian and international markets and, in particular, less developed international markets.

7. Currency risk

Investment in international markets usually involves currency risk. Currency risk is the potential for adverse movements in exchange rates to reduce the Australian dollar value of international investments. For example, if the Australian dollar falls, the value of international investments expressed in Australian dollars can increase. Conversely, if the Australian dollar rises, the value of international investments expressed in Australian dollars can decrease.

Currency risk potentially applies to all *funds* that have international asset exposure.

8. Changes in laws

There is a risk that during the term of the *product* existing laws may change or new laws may be introduced which affect the potential benefits of the *product* (such as potential tax benefits) or result in the *product* otherwise becoming unsustainable. In such circumstances we may terminate the *product* on one month's notice to you and you would not receive the benefit of the capital protection at the *protection end date*.

9. Limits of capital protection

The capital protection applies only to your *investment amount* at the *protection end date*.

Depending on the performance of your *portfolio,* if you borrow to invest, you may lose some or all of the money that you have paid, or is payable in interest on your loan, plus any tax which may be incurred during the term.

If you borrow to invest with a *Capitalised Investment Loan* you could lose all of your *principal contribution*. See 'Borrowing to invest – Part 3: Capitalised Investment Loan' on page 24 to 25 for more information.

10. Risks associated with individual *funds*

You should also consider the risks associated with each *fund*. Please refer to the relevant investment manager's website for a copy of the relevant product disclosure statement (refer pages 11 to 17).

Which funds can I choose from?

Changes to information

The following information is current at the time of printing but may change.

For more details and current information on the *funds*, please see each *fund's Product* Disclosure Statement (PDS) and any updates for the relevant *fund* available from the website of the investment manager for that *fund* (noted on pages 11 to 17).

We will not issue updated information regarding changes to the *funds* (unless there is a materially adverse change during the *offer period*). We will notify you of significant changes to the *funds* during the term of the *product* as required by the *Corporations Act*.

Investment objectives of the *funds*

The investment objectives of the *funds* shown are not intended to be forecasts. They are an indication of what the *fund* aims to achieve over the medium to long term, assuming financial markets remain relatively stable. Where the investment objective is stated as performance against a benchmark, performance is measured against the benchmark before the deduction of fees and expense recoveries payable under the *fund* – unless specified otherwise.

Past performance is not an indication of future performance.

Performance of your *portfolio* and the *funds*

The addition of capital protection through *dynamic management* means the performance of your *portfolio* will be different to the performance of the funds for the investment strategies you choose. This is because you will not have 100% exposure to the fund to the extent that your *portfolio* holds *call options* at any time.

In addition the fees and costs of the *product* will be reflected in the net returns of your *portfolio*.

Consequently, the return you receive may be less than the performance of the *funds* shown or the performance you might have obtained if you had invested directly in the *funds*.

Asset class – fund	ARSN
Australian equity funds	
Ausbil Australian Active Equity Fund	089 996 127
Ausbil Australian Emerging Leaders Fund	089 995 442
Challenger Wholesale Australian Share Fund	092 999 301
Perpetual's Wholesale Australian Fund	091 189 132
Schroder Wholesale Australian Equity Fund	100 857 823
Vanguard Australian Shares Index Fund	090 939 718
Global equity funds	
AXA Wholesale Global Equity Value Fund	098 445 464
DWS Global Equity Thematic Fund	090 379 105
GVI Global Industrial Share Fund	112 369 552
Perpetual's Wholesale International Share Fund	091 186 837
T. Rowe Price Global Equity Fund	121 250 691
Vanguard International Shares Index Fund (Hedged)	093 254 909
Specialist funds	
Aberdeen Asian Opportunities Fund	106 201 236
Colonial First State Wholesale Global Resources Fund	087 561 500
IOOF/Perennial Global Property Trust	118 190 542
Macquarie International Infrastructure Securities Fund	115 990 611
Merrill Lynch Global Allocation Fund (Aust) (Class D Units)	114 214 701
Perpetual's Wholesale Ethical SRI Fund	099 975 041
Platinum Asia Fund	104 043 110
Premium China Fund	116 380 771

We chose the *funds* based on their manager's experience and their suitability for capital protection.

We did not consider the underlying investments held by the *funds* or the *fund* manager's labour, environmental, social or ethical standards or policies.

Fund	Australian Equity funds Ausbil Australian Active Equity Fund			Ausbil Australian Emerging Leaders Fund			Challenger Wholesale Australian Share Fund		
Investment manager[1]	Ausbil Dexia Limited			Ausbil Dexia Limited			Challenger Managed Investments Limited		
Investment objective	The aim of the fund is to outperform the S&P/ASX 300 Accumulation Index over the medium to long term with moderate tax effective income. The fund invests in a portfolio of listed Australian equities that are generally chosen from the S&P/ASX 300 Index.			The aim of the fund is to outperform the benchmark over the medium to long term. The performance benchmark for the fund consists of 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index. The fund invests in both mid and small cap stocks which possess potential for superior growth.			The aim of the fund is to outperform its benchmark, the S&P/ASX 300 Accumulation Index, over rolling three-year periods.		
Investment approach	Rather than focusing only on growth or value investing, Ausbil's investment processes allow them to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions. The basic premise of Ausbil's philosophy is that stock prices ultimately follow earnings and earnings revisions. Ausbil's process seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements.			The fund invests in emerging leaders/mid cap shares that are greater than $250 million in market capitalisation, primarily chosen from the S&P/ASX 200 Index, excluding shares from the Top 50 Leaders Index. These shares provide excellent performance opportunities and diversification from large capitalisation holdings while avoiding potential liquidity problems that many small capitalisation companies present.			Challenger uses a wide variety of information from sources including in-house investment research, stockbroker analysis and publicly available data to generate investment ideas. Companies that rank well will then undergo further analysis. Companies are rated based on quantitative valuation measures and qualitative factors, with an emphasis on the company's free cash flow generation over the medium term, balance sheet strength and long term growth prospects. The final portfolio reflects the company rating determined from Challenger's fundamental analysis, their sector views as well as their strong focus on risk management. Portfolio construction guidelines limit the Fund's exposure to any one company or sector.		
Annual returns[2] (pa) as at 31-Dec-07	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs
Total (%)	**16.36**	**23.45**	**24.76**	**16.01**	**23.46**	**30.57**	**12.04**	**20.75**	**21.07**
Distribution (%)	7.28	5.57	5.75	10.91	8.60	10.80	7.60	14.29	10.27
Growth (%)	9.08	17.88	19.01	5.09	14.86	19.77	4.44	6.46	10.80
Past returns are not an indication of future returns									
Management fees (pa)	0.90%			0.85%			0.90%		
Performance fees (estimate)[3]	Not applicable			0.30% (assuming performance of 2% above the benchmark)			Not applicable		
How calculated	Not applicable			15% of any performance above the benchmark (composite of 70% S&P ASX Mid Cap 50 Accumulation Index and 30% S&P ASX Small All Ords Accumulation Index).			Not applicable		
Buy/sell spread	0.30% / 0.30%			0.30% / 0.30%			0.30% / 0.30%		
Cost recoveries (estimate)[4]	Not applicable			Not applicable			Not applicable		
For PDS or for more information	**www.ausbil.com.au**			**www.ausbil.com.au**			**www.challenger.com.au**		

See page 17 for footnotes 1,2,3 & 4.

	Australian Equity funds (continued)								
Fund	**Perpetual's Wholesale Australian Fund**			**Schroder Wholesale Australian Equity Fund**			**Vanguard Australian Shares Index Fund**		
Investment manager[1]	Perpetual Investment Management Limited			Schroder Investment Management Australia Limited			Vanguard Investments Australia Pty Ltd		
Investment objective	To provide long-term capital growth and income through investment in quality industrial and resource shares and other securities.			To out perform the S&P/ASX 200 Accumulation Index over the medium to long term. The fund offers investors access to a professionally managed portfolio of predominantly Australian and New Zealand equity securities.			Aims to match the total return of the S&P/ASX 300 Index before taking into account fund fees and expenses.		
Investment approach	Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are selected on the basis of: – conservative debt levels – sound management – quality business, and – in the case of industrial shares, recurring earnings.			At the heart of the investment philosophy for the fund is a belief that firms reinvesting in their businesses at higher than average rates of return will be rewarded with better than average long term share price performance. Schroder believes that market research is too short-term focussed and neglects industry analysis which can be used to identify the attributes likely to drive firms that generate superior return profiles over time. Effectively the fund is aiming to identify companies with quality growth business models with a long term sustainable competitive advantage in their industry.			Vanguard selects a representative sample of the S&P/ASX 300 Index and matches the risk/return characteristics of the index. Vanguard applies a buy and hold strategy and trades less frequently which in turn reduces transaction costs.		
Annual returns[2] (pa) as at 31-Dec-07	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs
Total (%)	**14.29**	**18.79**	**21.59**	**13.17**	**20.22**	**20.37**	**15.89**	**20.70**	**20.77**
Distribution (%)	13.08	10.93	8.30	18.46	18.77	13.39	5.30	5.54	5.02
Growth (%)	1.21	7.86	13.29	-5.29	1.45	6.98	10.59	15.16	15.75
Past returns are not an indication of future returns									
Management fees (pa)	0.99%			0.87%			0.34%		
Performance fees (estimate)[3]	Not applicable			Not applicable			Not applicable		
How calculated	Not applicable			Not applicable			Not applicable		
Buy/sell spread	0.40% / nil			0.30% / 0.30%			0.20% / 0.10%		
Cost recoveries (estimate)[4]	Not applicable			0.05%			Not applicable		
For PDS or for more information	**www.perpetual.com.au**			**www.schroders.com.au**			**www.vanguard.com.au**		

See page 17 for footnotes 1,2,3 & 4.

	Global Equity funds								
Fund	**AXA Wholesale Global Equity Value Fund**			**DWS Global Equity Thematic Fund**			**GVI Global Industrial Share Fund**		
Investment manager[1]	Bernstein Value Equities (a unit of AllianceBernstein Australia Limited)			Deutsche Asset Management (Australia) Limited			Global Value Investors Limited		
Investment objective	To provide investors with long-term capital growth and to outperform its benchmark (MSCI World ex Australia Index net dividends reinvested in Australian dollars) after costs and over rolling five-year periods.			To outperform the MSCI World ex-Australia Index ($A), after fees, over rolling three year periods by investing in securities listed on a range of sharemarkets.			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, (MSCI World Index (AUD) hedged) over rolling three year periods.		
Investment approach	The Bernstein belief is that when faced with uncertainty, investors overpay for investments that appear secure, overestimate investment risks and overcompensate others for assuming those risks. Because of this shares of companies that seem well-positioned can become over priced, while others vulnerable to short-term concerns are often under priced. This creates buying opportunities in shares priced low in relation to company long-term earnings. Bernstein conducts intensive research to identify these buying opportunities.			The fund invests in around 90 to 130 global listed securities, with some exposure to cash investments. Investments in emerging markets are allowed but will generally not exceed 30% of the fund. The fund may have exposure to derivatives for investment and currency management purposes.			GVI has a strong preference for quality dividend-paying companies that exhibit recurring earnings, a strong balance sheet, a competitive advantage and healthy cashflows at attractive valuations. GVI focuses on securities that it believes have strong value and quality characteristics. GVI believes that this approach allows it to identify securities that have been overlooked, misunderstood or mis-priced by the market. GVI prudently manages clients' money using a conservative, disciplined and value-based approach to investing.		
Annual returns[2] (pa) as at 31-Dec-07	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs
Total (%)	**-7.83**	**10.85**	**10.63**	**-3.76**	**15.42**	**10.56**	**7.50**	**n/a**	**n/a**
Distribution (%)	6.65	4.53	3.52	0.26	1.22	0.86	4.97	n/a	n/a
Growth (%)	-14.48	6.32	7.11	-4.02	14.20	9.70	2.53	n/a	n/a
Past returns are not an indication of future returns									
Management fees (pa)	0.97%			0.90%			1.23%		
Performance fees (estimate)[3]	Not applicable			Not applicable			Not applicable		
How calculated	Not applicable			Not applicable			Not applicable		
Buy/sell spread	0.20% / 0.20%			0.20% / 0.20%			0.40% / 0.40%		
Cost recoveries (estimate)[4]	0.03%			Not applicable			Not applicable		
For PDS or for more information	**www.axa.com.au**			**www.dwsinvestments.com.au**			**www.gvi.com.au**		

See page 17 for footnotes 1,2,3 & 4.

	Global Equity funds (continued)								
Fund	**Perpetual's Wholesale International Share Fund**			**T. Rowe Price Global Equity Fund**			**Vanguard International Shares Index Fund (Hedged)**		
Investment manager[1]	Perpetual International Investment Management Limited			T. Rowe Price Global Investment Services Limited			Vanguard Investments Australia Pty Ltd		
Investment objective	To achieve long-term capital growth through investment in international shares with strong balance sheets and a history of delivering earnings. It aims to achieve returns in excess of its benchmark, the MSCI World ex-Australia Index in AUD, over rolling three-year periods.			To seek long-term capital appreciation primarily through investment in established companies operating in developed markets throughout the world, with faster earnings growth and reasonable valuation levels relative to market/sector averages. The benchmark for the fund is the MSCI All Country World Index (unhedged).			Aims to match the returns of the MSCI World ex-Australia Index (with net Dividends Reinvested), hedged to $A before taking into account Fund expenses.		
Investment approach	PI Investment Management adopts a fundamental, bottom-up approach to stock selection focusing on quality companies (strong balance sheets, earnings visibility and competitive position) with attractive valuations within a global framework. The currency exposure of international assets is monitored and hedging strategies may be implemented.			T. Rowe Price has over 100 in-house analysts dedicated to fundamental, bottom up priority research, producing a group of 500-600 highly recommended companies from which 100-200 investment candidates are selected. The portfolio manager is actively involved in the idea generation and refinement process. The portfolio typically holds 60-100 shares and up to 20% of the fund may be invested in emerging markets.			Vanguard selects a representative sample of the MSCI World ex-Australia Index and matches the risk/return characteristics of the index. Vanguard applies a buy and hold strategy and trades less frequently, which in turn reduces transaction costs. Currency movements are fully hedged to Australian dollars.		
Annual returns[2] (pa) as at 31-Dec-07	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs
Total (%)	**-6.95**	**5.08**	**5.84**	**6.38**	**n/a**	**n/a**	**5.69**	**13.73**	**16.76**
Distribution (%)	0.52	1.00	1.04	n/a	n/a	n/a	9.43	6.10	8.04
Growth (%)	-7.47	4.08	4.80	n/a	n/a	n/a	-3.74	7.63	8.72
Past returns are not an indication of future returns									
Management fees (pa)	1.226%			1.16%			0.36%		
Performance fees (estimate)[3]	Not applicable			Not applicable			Not applicable		
How calculated	Not applicable			Not applicable			Not applicable		
Buy/sell spread	0.50% / Nil			0.30% / 0.30%			0.35% / 0.10%		
Cost recoveries (estimate)[4]	Not applicable			0.14%			Not applicable		
For PDS or for more information	**www.perpetual.com.au**			**www.troweprice.com/institutional**			**www.vanguard.com.au**		

See page 17 for footnotes 1,2,3 & 4.

Fund	Specialist funds Aberdeen Asian Opportunities Fund			Colonial First State Wholesale Global Resources Fund			IOOF/Perennial Global Property Trust		
Investment manager[1]	Aberdeen Asset Management Limited			Colonial First State Investments Limited			Perennial Real Estate Investments Pty Ltd		
Investment objective	To provide investors with high capital growth over the medium to long term (minimum between 3 to 5 years) by seeking exposure to the Asian markets, excluding Japan. In seeking to achieve the fund's objective, Aberdeen may invest in securities which are not contained in the index used as the fund's performance benchmark, MSCI All Countries Asia (Free) ex-Japan Index (AUD unhedged).			To provide long-term growth by predominantly investing in resource companies around the world.			To provide a total return (after fees) that exceeds the FTSE EPRA/ NAREIT Global Real Estate Index (hedged) measured over a rolling three year period.		
Investment approach	Aberdeen is a truly active manager and believes, given the inefficiency of markets, superior long-term returns are achieved by identifying good quality stocks at a reasonable price and holding for the long term. Sound fundamentals drive stock prices over time. Aberdeen identifies good companies from first-hand research, and adds value from active management, which constitutes intensive and ongoing scrutiny at the company level. Aberdeen utilises the resources of its Singapore, Thailand, Hong Kong and Malaysia-based equity investment teams to undertake stock selection.			Colonial's strategy is to add value by investing in global resource companies over the medium to long-term. Rather than attempting to predict commodity price movements, Colonial chooses to focus on quality resource companies all around the world. Colonial concentrates on companies that have strong balance sheets, quality management, high-quality assets and low-cost production.			The trust gains exposure to listed, or soon to be listed, property securities from international property markets which Perennial believes can offer superior capital growth and income characteristics. Perennial places great emphasis on bottom-up property securities research. The portfolio generally holds between 40 and 50 securities, with a minimum of 25 stocks and a maximum of 75 stocks. The trust must have exposure to property securities in at least three countries at any one time, although normally this figure would be considerably higher.		
Annual returns[2] (pa) as at 31-Dec-07	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs
Total (%)	**14.64**	**21.59**	**n/a**	**42.33**	**36.07**	**29.53**	**-13.10**	**n/a**	**n/a**
Distribution (%)	3.63	2.16	n/a	14.24	13.35	12.56	8.10	n/a	n/a
Growth (%)	10.63	19.43	n/a	28.09	22.72	16.97	-21.2	n/a	n/a
Past returns are not an indication of future returns									
Management fees (pa)	1.18%			1.16%			1.05%		
Performance fees (estimate)[3]	Not applicable			Not applicable			Not applicable		
How calculated	Not applicable			Not applicable			Not applicable		
Buy/sell spread	0.55% / 0.55%			0.30% / 0.30%			0.35% / 0.35%		
Cost recoveries (estimate)[4]	Not applicable			Not applicable			Not applicable		
For PDS or for more information	**www.aberdeen-asset.com.au**			**www.colonialfirststate.com.au**			**www.perennial.net.au**		

See page 17 for footnotes 1,2,3 & 4.

	Specialist funds (continued)								
Fund	Macquarie International Infrastructure Securities Fund			Merrill Lynch Global Allocation Fund (Aust) (Class D Units)			Perpetual's Wholesale Ethical SRI Fund		
Investment manager[1]	Macquarie Investment Management Limited			BlackRock Investment Management (Australia) Limited			Perpetual Investment Management Limited		
Investment objective	To invest in a portfolio of infrastructure securities on a global basis and to provide returns that outperform the Macquarie Global Infrastructure Total Return Index ($A Hedged) over the medium to long term.			Aims to maximise total investment returns while managing risk and is generally diversified across markets, industries and shares. As the fund is a diversified fund its benchmark consists of a weighted average of the Australian dollar hedged returns provided by market indices for relevant asset classes.			To provide long-term capital growth and income through investment in quality shares of socially responsible companies.		
Investment approach	Macquarie believes that a systematic fundamentals-based approach to identifying long-term potential value in infrastructure companies will produce superior investment performance. Macquarie analyses infrastructure companies to determine the quality of the infrastructure assets that are owned, operated or managed by these companies and therefore underpin these companies' cash flow and growth.			BlackRock's Global Allocation Team believes that competitive returns with low to moderate levels of risk can be achieved through a flexible, research intensive, value oriented approach that seeks the best investment opportunities worldwide, broadly diversified across asset classes, countries and securities. BlackRock's current investment strategy is to invest in global equities, fixed income and cash. The investment process combines a top-down approach with bottom-up security selection.			Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are selected on the basis of: – conservative debt levels – sound management – quality business, and – in the case of industrial shares, recurring earnings. In addition to the above investment approach Perpetual utilises a strategy for screening ethical and socially responsible investments.		
Annual returns[2] **(pa) as at 31-Dec-07**	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs
Total (%)	**16.76**	**n/a**	**n/a**	**13.34**	**n/a**	**n/a**	**13.36**	**20.36**	**22.68**
Distribution (%)	8.61	n/a	n/a	14.23	n/a	n/a	14.54	14.05	10.82
Growth (%)	8.15	n/a	n/a	-0.89	n/a	n/a	-1.18	6.31	11.86

Past returns are not an indication of future returns

Management fees (pa)	1.00%	0.20%	1.175%
Performance fees (estimate)[3]	0.20% pa (assuming performance of 2% above the benchmark)	2.37% pa (assuming monthly returns net of management fees which fluctuate between -3.13% and 7.20% and an initial high water mark of 10%). For further information relating to performance fees please refer to underlying PDS issued on 26 May 2006 and Supplementary PDS issued 29 June 2006.	Not applicable
How calculated	Performance fee is 10% of return of the fund above the Macquarie Global Infrastructure Total Return Index, subject to a high watermark.	Performance fee is 12.5% of any out-performance from the previous high water mark.	Not applicable
Buy/sell spread	0.38% / 0.25%	0.30% / 0.30%	0.20% / 0.20%
Cost recoveries (estimate)[4]	0.08%	Not applicable	Not applicable
For PDS or for more information	**www.macquarie.com.au/mfm**	**www.blackrock.com.au**	**www.perpetual.com.au**

See page 17 for footnotes 1,2,3 & 4.

	Specialist funds (continued)					
Fund	**Platinum Asia Fund**			**Premium China Fund**		
Investment manager[1]	Platinum Investment Management Limited			Sensible Asset Management Limited and its sub-manager Value Partners Limited		
Investment objective	The fund primarily invests in listed companies in the Asian region. The fund aims to provide capital growth over the long term.			Long term capital growth aiming to generate net returns exceeding the MSCI China Free Index (over a three to five year period (before changes in exchange rates). The fund is denominated in Australian dollars, while the MSCI China Free Index is calculated in Hong Kong dollars.		
Investment approach	The fund primarily invests in Asian companies' listed securities. Asian companies may list their securities on stock exchanges other than those in Asia and the fund may invest in those securities. The fund may invest in companies not listed in Asia but where their predominant business is conducted in Asia. The fund may invest in companies that benefit from exposure to the Asian economic region. The fund will consist ideally of around 50 – 100 stocks that Platinum believes to be undervalued by the market. Where undervalued stocks cannot be found funds may be invested in cash. Platinum may short sell securities that it considers overvalued. Typically, the fund's portfolio will have 50% or more net exposure to stocks.			The underlying investment philosophy for the fund is based on the belief that while markets are inefficient and discrepancies exist in the short run, prices in the long run ultimately reflect fundamental values. The fund seeks to identify undervalued securities that will benefit from the upside correction between the market's short-term inefficiency and long-term efficiency.		
Annual returns[2] **(pa) as at 31-Dec-07**	1 yr	3 yrs	5 yrs	1 yr	3 yrs	5 yrs
Total (%)	**31.2**	**29.5**	**n/a**	**36.09**	**n/a**	**n/a**
Distribution (%)	n/a	n/a	n/a	10.27	n/a	n/a
Growth (%)	n/a	n/a	n/a	25.82	n/a	n/a
Past returns are not an indication of future returns						
Management fees (pa)	1.54%			1.88%		
Performance fees (estimate)[3]	Not applicable			0.30% pa (assuming the out-performance of the fund since inception exceeds the previous highest level of out-performance since inception by 2%)[5]		
How calculated	Not applicable			A performance fee of 15% of the fund's performance over the MSCI China Free Index, Subject to out performance exceeding previous highest level of out-performance since inception.		
Buy/sell spread	0.25% / 0.25%			0.25% / 0.25%		
Cost recoveries (estimate)[4]	Not applicable			0.30%		
For PDS or for more information	**www.platinum.com.au**			**www.premiumchinafunds.com.au**		

1 The investment manager may be different from the responsible entity for the *fund*.

2 Performance figures have been obtained directly from the responsible entity and/or the investment manager for the relevant *fund*. Past performance is no indication of future performance and the performance of your *portfolio* will be different to the performance of the *funds* you choose due to the *dynamic management* strategy. Please refer to 'Performance of your *portfolio* and the *funds*' on page 10.

3 The performance fees shown (if any) are estimates only – the actual fees may be more or less.

4 The cost recoveries shown (if any) are estimates only – the actual cost recoveries may be more or less.

5 This estimate does not represent any actual or prospective performance of the fund. It is not possible to estimate the actual performance fee payable in any given period, as the performance of the fund cannot be accurately forecasted.

What are the fees and other costs?

Did you know?

Small differences in investment performance, fees and costs can have a substantial impact on your long term returns.
For example total fees and costs at 2% of your fund balance instead of 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).
You should also consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.
You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us or your financial adviser.

To find out more

If you would like to know more or see the impact of fees on your circumstances, the **Australian Securities and Investments Commission (ASIC)** website www.fido.asic.gov.au has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This document shows fees and other costs that you may be charged. They may be deducted from your *cash account*, from the returns on your investment or paid by selling your *fund units* (under our *power of attorney*).

For additional explanation and an example of fees and costs for the *product*, please refer to page 19 of the PDS. Costs of borrowing are set out separately on page 27.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Table 1 – Product fees and other costs

Type of fee or cost	Amount[1]	How and when paid
Fees when your money moves in or out of the *product*		
Establishment fee The fee to open your investment	2.20%[2]	Calculated on the initial investment amount when your *portfolio* is established. Paid to your adviser.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Termination fee The fee to close your investment	Nil	Not applicable.
Management costs		
The fees and costs for managing your investment		
Administration fee	0.75% pa[3]	Calculated daily from the investment date on your *portfolio value* and deducted from it quarterly in arrears, on withdrawal from the *product* and on the *protection end date*.
***Dynamic management* fee**	0.70% pa of your *protected amount*[3] (reduced to Nil if no *fund units* are held)	Calculated daily on your *protected amount* and deducted from your *portfolio* quarterly in arrears, on withdrawal from the *product* and on the *protection end date*.
Underlying management costs The amount you pay for specific *funds* is set out on pages 11 to 17.	Management fees 0.34 – 1.88% pa[4] Cost recoveries nil – 0.30% Performance fees nil – 0.30% (estimates)[5]	Deducted from the *funds* as stated in the PDS for the *fund* and reflected in the unit price for the *fund*.
Service fee		
Investment switching fee The fee for changing *investment strategies*	Not applicable.	Not applicable. You can't switch *investment strategies* after your initial investment.

1 Fees and costs are inclusive of 10% GST (where applicable) less any available Reduced Input Tax Credits (RITCs).
2 See 'Adviser remuneration for the *product*' on page 20.
3 Inclusive of 10% GST. If you are registered for GST you may be able to claim a credit for some or all of the GST paid. See 'Adviser remuneration for the product' on page 20.
4 Inclusive of 10% GST less any RITCs available to the *funds*.
5 Only some *funds* have performance fees – see the *fund* profiles on pages 11 to 17. The performance fees shown are estimates only – the actual fees may be more.

Example of annual fees and costs for the *product*

This table shows how the fees and costs for the *product* can affect your investment over one year. You should use this table to compare with other managed investment products.

EXAMPLE — Aberdeen Asian Opportunities Fund	Balance of $50,000[1]
Contribution Fees nil	You can't make additional contributions to this *product*.
PLUS Management costs 2.63% pa[1]	For every $50,000 you have in the *investment strategy*, you will be charged $1,315 each year.
EQUALS Cost of *product*[2]	If you had an investment of $50,000 at the beginning of the year, you will be charged fees of $1,315. **What it costs you will depend on the *investment strategy* you choose.**
Note: Additional fees may apply:	Establishment fee: 2.20%. For every $50,000 you invest, you may initially be charged up to $1,100 (refer to 'Adviser remuneration for the *product*' on page 20).

1 We have assumed the *portfolio value* is constant throughout the year and that the investment is equal to the current *protected amount*. We have not included a contribution fee in the example because you can't make additional contributions to this *product*. The management costs represents the 0.75% per annum administration fee for the *product*, the *dynamic management* fee of 0.70% per annum (if in *fund units*) and the indirect cost of the 1.18% management fee for the *fund* (see page 15).

2 Does not include buy/sell spreads that may be incurred when we buy/sell *fund units* as part of the *dynamic management* of your *portfolio*. See buy/sell spread of funds in 'Additional explanation of fees and costs for the *product*' below.

Additional explanation of fees and costs for the *product*

Payment of fees and charges

The administration fee and *dynamic management* fees will be automatically deducted from your *portfolio cash account* by us quarterly and paid to PIML. If there is insufficient money in your *portfolio cash account*, we may sell *fund units* under our *power of attorney* to pay these fees. This may have capital gains tax implications, which are explained on page 29 under 'Taxation'.

Fees and costs for the *funds*

The management costs for each of the *funds* are shown on pages 11 to 17.

Where applicable, these fees and costs are deducted from the value of the *fund units* and paid to the responsible entity and/or investment manager for the *fund* as set out in the relevant *fund* PDS. You should contact your adviser or refer to the website of the investment manager of the *fund* for a copy of the PDS that will explain these fees and costs in more detail and how they are paid.

Performance fees

In addition to the management fee, some *fund* managers may be entitled to performance fees. Performance fees are payable when the *fund* outperforms a specified benchmark, over a specified period of time.

Performance fees paid are reflected in the unit price for the *fund*. The method of calculating the performance fees varies. See the *fund* profiles on pages 11 to 17 to see whether performance fees are payable for a particular *fund* and how they are calculated. For more information see the relevant *fund's* PDS.

For example, say you have $50,000 worth of *fund units* and the performance fee is 10% of return above the benchmark. If the actual return for one year is 2% above the benchmark, the performance fee payable would be 10% x 2% x $50,000 = $100 for the year. For more information see the relevant funds PDS.

Buy/sell spread of *funds*

Estimated transaction costs are allocated by the investment manager when you (or we, acting on your behalf) buy or sell *fund units* by incorporating a buy/sell spread in the relevant entry and/or exit unit prices. This aims to ensure that you only pay the costs associated with your own transactions and not those incurred when other *Investors* buy or sell *fund units*.

When we acquire *fund units* for your *portfolio*, the price we pay for them will reflect the buy spread of the relevant *fund*. When we dispose of *fund units* from time to time to buy *call options* for your *portfolio* in accordance with the *dynamic management* strategy, the exit price of the *fund units* and the value of the *call options* received will reflect the sell spread of the relevant *fund*. In this way, the buy/sell spread of the *funds* is an indirect cost to you.

The buy/sell spreads for each of the *funds* as at the issue date of this PDS are set out in the tables on pages 11 to 17. They may be updated from time to time and may have changed since the issue date of this PDS. The current buy/sell spreads for the *funds* at any time are available by contacting the relevant investment manager website as shown in the 'Fund profiles' table from page 11 to 17.

For example, if we dispose of *fund units* valued at $5,000 to buy *call options* and the relevant spread for the *fund* is 0.30%, the sell spread reflected in the value of the *call options* received will be $15.

The buy/sell spreads will impact the return on your investment. As these costs are built into the *funds' unit* prices, they will not be recorded separately on your *Investor* statements.

The buy/sell spreads are not fees paid to us. They are charged by the *funds* and retained in the *fund* to cover its transaction costs.

Cost recoveries

The constitutions for the *funds* may permit the *fund* manager to recover other costs from the *fund*. The cost recoveries are reflected in the *unit* price for the *fund*. See the 'Fund profiles' on pages 11 to 17 to see whether cost recovery is permitted for a particular *fund* and any limits that apply.

For example, say you have $50,000 worth of *fund units* in a *fund* and the *fund* permits cost recoveries of up to 0.10% p.a. The maximum cost recovery permitted in respect of your *portfolio's* investment in the *fund* would be 0.10% x $50,000 = $50 for the year.

Government charges

Government charges will be applied to your *portfolio* as appropriate. These may include stamp duty on the transfer of *fund units*. Whether stamp duty is payable or not on the transfer of the *fund units* will depend on the *fund*. This means the stamp duty consequences of the transfer of *fund units* can only be determined at the time of transfer. You should consult the relevant *fund* PDS and your financial or taxation adviser prior to the transfer of any *fund units* held as part of your *portfolio*.

Miscellaneous fees

If you invest using a cheque and it is dishonoured your financial institution may charge us a dishonour fee, so we may charge you that fee. The fee will differ depending on the institution. Please contact your financial institution for further details.

If you authorise us to obtain your *investment amount* by direct debit and that direct debit is dishonoured, you will be charged a dishonour fee of $50. Your financial institution may also charge fees to you, and to us, which we will also charge to you.

Increases or alterations to the fees and charges

Fees may change without your consent for many reasons, including changes in the competitive, industry and regulatory environment or changes in costs.

Fees or charges will not be increased without providing at least 30 days' written notice to you, except for Government fees and charges or fees of the *funds* included in the *product*.

If you withdraw your investment before the expiry of the notice period you will not be affected by the fee change.

The management costs for the *funds* shown on pages 11 to 17 can generally only change on 30 days notice. See the relevant *fund* PDS for maximum fees and details of how fees may change.

Adviser remuneration for the *product*

Financial adviser commissions

The commissions explained in this section are paid to your financial adviser out of the establishment fees in relation to your investment in the *product*.

The commissions that are paid to your financial adviser are summarised in Table 2 below. Please refer to Table 1 on page 18 for further information regarding fees and costs in relation to the *product*.

Table 2 – Adviser commissions

Commission	Rate	Cost per $50,000 invested
Establishment Fee	2.20%[1]	$1,100[1]

1 Amounts disclosed are inclusive of 10% GST.

Some financial advisers have a practice of waiving all of their commission but they are under no obligation to do so. If an adviser does waive their commissions, your investment amount and *protected amount* will be increased accordingly.

You may be liable to pay commission if you take out a loan. See 'Adviser remuneration' on page 28.

Register

We are a member of IFSA and maintain a register (in compliance with Industry Code of Practice on Alternative Forms of Remuneration) for alternative forms of remuneration that are paid in relation to the *product*. The register is publicly available. Please contact us if you would like to see it.

Investment manager payments to us

We may receive payments from some funds' investment managers. These payments are not an additional cost to you. These payments may help to cover the costs incurred by us in establishing and maintaining the *investment strategies*. These amounts may be up to 1.00% pa of the money invested with the investment manager (inclusive of GST if applicable).

Borrowing to invest – Part 1: Overview of loans and gearing

Overview of loans and *gearing*

This section is a summary only. Before making a decision to borrow, you should read all the sections on 'Borrowing to invest' (pages 21 to 28) and the *Loan and Security Agreement* which is available free of charge from our website at www.perpetual.com.au/structuredproducts/ppi3 or by contacting us on 1800 002 531. The *Loan and Security Agreement* forms part of this PDS. This means when you submit an application you agree to the terms and conditions contained in that document.

This *product* gives you access to *gearing* via two different types of *Investment Loans*:

- *100% Investment Loan* – 100% *gearing* (with an optional *Annual Interest Loan*) for all *Non-Superannuation Investors* only (see pages 22 to 23 for more details).
- *Capitalised Investment Loan* – approximately 50%[1] *gearing* for all *Investors* including *Superannuation Investors* (see pages 24 to 25 for more details).

Gearing generally

By borrowing to invest or 'gearing' you increase the amount you have to invest rather than just investing your own money. This has the potential to accelerate both higher and lower returns. As a result, returns generated from geared investments are more volatile than those generated from non-geared investments.

When considering gearing, it is important to remember that there is an ongoing cost attached to it – namely the interest and other costs associated with the loan – and that the obligation to pay those costs continues despite the performance of the investment.

If the income received from an investment is expected to be greater than the cost of borrowing, one of the benefits of gearing is that you may be able to claim a tax deduction for all your interest payments. (For more details on the tax deductibility of interest payments incurred by gearing see the section 'Taxation' on page 29.)

Gearing with capital protection

No matter what loan you choose, you only get the benefit of the capital protection if you stay invested in the *product* until the *protection end date* (31 May 2015).

The capital protection always works the same way (see 'Capital protection: How do we protect your *portfolio*' on page 6). There may, however, be different consequences for you depending on which loan you select.

No matter which loan you select, the *dynamic management* strategy is designed to ensure that at the *protection end date* your *portfolio* value will be at least equal to your *protected amount*.

To protect against the unlikely event that the *dynamic management* strategy doesn't work, the *Lender* has entered into a swap agreement with UBS (the *Lender's Swap*). Under that agreement UBS will pay the *Lender* the amount (if any) by which your *portfolio value* falls short of your *protected amount* at the *protection end date*. The *Lender* will then apply any such payment towards repayment of your loan.

Withdrawing prior to the *protection end date*

If you withdraw prior to the *protection end date*, your investment will not have the benefit of capital protection and so, depending on the amount of your withdrawal proceeds (unless you are a *Superannuation Investor*) you may be required to find additional cash to pay out your loan. See 'Can I withdraw from transfer or mortgage my investment?' on page 31 for more details.

Margin calls

One of the risks associated with some forms of gearing is the possibility of having to pay for margin calls. This involves having to repay some or all of your loan when the value of your investment has fallen.

Margin calls may occur when the value of the relevant assets falls (measured by the *Loan-to-Value Ratio* or *LVR*), requiring you to pay additional money to the *Lender* to give them added comfort that you will be able to repay your loan.

With Perpetual Protected Investments – Series 3, there are no margin calls.

Loan drawdown and investment

All *Investment Loans* and any *Annual Interest Loans* for the first year will be drawn down as at 30 June 2008 and held on trust in our applications account. We retain the interest earned on this account.

Application money is held in the applications account until the *protection start date* when all your application money is transferred to your *portfolio cash account* and interests in the *product* are issued to you. No interest is earned on your *portfolio cash account*.

The money in your *portfolio cash account* is invested in the *funds* you have selected on the investment date.

1 50% is an estimate only subject to prevailing interest rates at the time of drawdown. See table on page 24 for more details.

Borrowing to invest – Part 2: 100% Investment Loan

100% Investment Loan and *Annual Interest Loan*

This section is a summary only. Before making a decision to borrow, you should read all the sections on 'Borrowing to invest' (pages 21 to 28) and the *Loan and Security Agreement* which is available free of charge from our website at www.perpetual.com.au/structuredproducts/ppi3 or by contacting us on 1800 002 531. The *Loan and Security Agreement* forms part of this PDS. This means when you submit an application you agree to the terms and conditions contained in that document.

The *Lender* is offering *Non-Superannuation Investors* the opportunity to apply for:

- a ***100% Investment Loan*** to borrow 100% of your investment amount in the *product*
- an ***Annual Interest Loan*** so you can borrow and prepay the interest on the *100% Investment Loan* in June each year. In order to qualify for an *Annual Interest Loan* you must choose a fixed interest rate *100% Investment Loan*.

Loan applications must be submitted with your application for the *product*.

100% Investment Loan

You can borrow 100% of your investment amount subject to satisfying the *Lender's* credit approval criteria.

The minimum amount you can borrow is $50,000, with additional amounts in multiples of $5,000 (unless the *Lender* agrees otherwise).

The *100% Investment Loan* is an interest-only loan, with the principal outstanding repayable in full on the *maturity date*.

Repayment of the principal under the *100% Investment Loan* is a limited-recourse obligation (limited to your *portfolio value*) at the *maturity date*. Repayment of interest is a full-recourse obligation.

Limited-recourse

Being 'limited-recourse' means that our right of recovery against you for the loan principal at the *maturity date* is limited to your *portfolio value* (subject to certain exceptions – see: '*Non-Superannuation Investors* – circumstances where limited-recourse doesn't apply' on page 26).

Interest rates

You can choose one of the following three interest rate options for your *100% Investment Loan*:

Table 3 – Interest rates

Option	Indicative interest rate
Variable	see www.perpetual.com.au/structuredproducts/ppi3
Fixed annually	
Fixed for the term	

The *Lender* will determine interest rates for all *Investment Loan* options on or about 20 June 2008. These rates will be published at www.perpetual.com.au/structuredproducts/ppi3. You can also phone us on 1800 002 513.

The interest rates for your loan will be notified to you in your loan confirmation statement. The variable rates will be subject to change from time to time (at the *Lender's* discretion). The 'fixed annually' rate changes in June each year.

You may switch between some of these interest options as set out in the *Loan and Security Agreement*, subject to the *Lender's* approval. Your request to switch must be received by the *Lender* at least 10 business days prior to the interest payment date on which you wish the request to take effect.

Any interest that you have prepaid is not refundable (unless the *Lender* asked you to repay the loan early and there has not been an event of default). You may incur a fee for switching interest options.

Interest payments

Interest payments on the *100% Investment Loan* and *Annual Interest Loan* are full-recourse obligations. This means that you must make interest payments irrespective of how your *portfolio* is performing.

All interest payments must be made by direct debit and we will deduct your payments automatically on each payment date from the account you specify in the application form.

In the event of non-payment, you will be personally liable for all outstanding interest plus default interest on the total outstanding amount.

Annual Interest Loan

Under the tax-effective structure we have designed for the *product*, you have absolute entitlement to the *units* in the *funds* you select. This means that if you borrow to invest, you will have the potential to claim a partial or full tax deduction for fees and interest on the loan as well as the fees for the *product*.

If you select a *100% Investment Loan* with either the 'fixed annually' or 'fixed for the term' interest rate options, you can elect to prepay the next full year's interest payment in June each year. This allows you to claim a tax deduction in advance of the period to which the payment relates.

To assist you prepay the interest under a fixed rate *100% Investment Loan* you can also apply for an *Annual Interest Loan* to make that prepayment.

All *Annual Interest Loans* are principal and interest, full-recourse obligations requiring monthly repayments of principal and interest throughout the term. Any principal outstanding is repayable in full on the *maturity date*.

The interest rate for the *Annual Interest Loan* will be set in June each year. The indicative rate for year 1 will be finalised on 20 June 2008 and published on our website at www.perpetual.com.au/structuredproducts/ppi3.

Annual Interest Loans are available in June each year and may be renewed automatically each year subject to the *Lender's* approval.

Table 4 – The applicable interest rate options, rate set dates and interest payment dates for the *100% Investment Loan* and associated *Annual Interest Loan*

		VARIABLE	FIXED ANNUALLY	FIXED FOR TERM
100% INVESTMENT LOAN	**Interest rate**	Reviewed monthly	Rate set in June each year for 12 months	Fixed as at 30 June 2008 for full term to *maturity date* (31 May 2015)
	Interest payments	Monthly in arrears	Prepaid annually on 30 June each year	Prepaid annually on 30 June each year
ANNUAL INTEREST LOAN	**Interest rate**	Not available for variable rate *100% Investment Loan*	Rate set in June each year	
	Principal and interest payments		Loan principal and interest repaid monthly in arrears on the last business day of the month commencing 31 July 2008. New loan advanced in June each year with *Lender's* approval.	

Security

Your obligations under a *100% Investment Loan* and any Gains Loan (see below) are secured against the assets in your *portfolio*.

Depending on the amount you borrow, we may ask you to provide additional assets as security for your loans.

If the *Borrower* is a *Corporate*, you may also need to provide a company charge (which attracts certain additional fees and possibly stamp duty, see Table 9 on page 27 for more information). We will provide you with all the necessary forms if required.

Guarantor

If the *Borrower* is a *Corporate* or a *Corporate trustee*, a director of the company will also need to personally guarantee the *Borrower's* obligations under the loans.

If you are a *Guarantor* for a loan and the *Borrower* does not pay any amounts under that loan when due, the *Lender* can ask you to repay the amounts owing without having to first ask the *Borrower*.

Gains Loan

During the term of the *product* the *Lender* may also offer you additional funds under a Gains Loan (which you can use for other investment purposes) if your *portfolio* value has increased above a certain level, resulting in a *gains lock-in* (see page 3 for more details).

The terms of this loan are the same as those contained in the *Loan and Security Agreement* in respect of *100% Investment Loans*. The interest option will be based on the same interest option as your *100% Investment Loan* and the interest rate will be set when the loan is offered to you.

Borrowing to invest – Part 3: Capitalised Investment loan

Capitalised Investment Loan

Available to *Superannuation Investors* and *Non-Superannuation Investors*

This section is a summary only. Before making a decision to borrow, you should read all the sections on 'Borrowing to invest' (pages 21 to 28) and the *Loan and Security Agreement* which is available free of charge from our website at www.perpetual.com.au/structuredproducts/ppi3 or by contacting us on 1800 002 531. The *Loan and Security Agreement* forms part of this PDS. This means when you submit an application you agree to the terms and conditions contained in that document.

Invest a proportion of your own money

Unlike a *100% Investment Loan* (see pages 22 to 23) a *Capitalised Investment Loan* always requires you to invest a proportion of your own money (or that of your *Superannuation Fund*) (your *principal contribution*). This loan is limited to an amount calculated by reference to your *principal contribution* and a maximum *'Loan-to-Value Ratio'* or *'LVR'* (see below).

The *Capitalised Investment Loan* is a capitalised interest limited recourse loan (see 'Limited-recourse' on the next page).

All interest is added to the principal each month (in arrears) and the total outstanding principal and capitalised interest is repayable in full on the *maturity date*.

In other words while your *principal contribution* receives the benefit of any capital growth in the *investment strategy* you select and is capital protected at the *protection end date*, it also provides additional security for the interest which accrues during the term.

Interest Rates

The interest rate payable under a *Capitalised Investment Loan* will be fixed for the term of the investment. We will set the interest rate on or about 20 June 2008. The final rate (and indicative rates leading up to the final rate) will be published on our website at www.perpetual.com.au/structuredproducts/ppi3.

Maximum *Loan-to-Value Ratio (LVR)*

We will set the *LVR* for the *Capitalised Investment Loan* at the same time as we set the interest rates for the loans (on or about 20 June 2008).

The *LVR* will depend on the final interest rate. The table below shows LVR's based on different indicative interest rates.

Table 5 – *LVR*

Interest rate per annum (fixed for term)	LVR
8.75%	53%
9.00%	52%
9.25%	51%
9.50%	50%
9.75%	49%
10.00%	48%
10.25%	47%

The total amount invested in the *product* on your behalf will depend on the amount of your *principal contribution* and the final *LVR* (set on or about 20 June 2008).

The table below shows the total *investment amount* that will be invested on your behalf based on different examples of *principal contributions* and *LVR's*.

Table 6 – Principal contributions, LVR, investment amount

Principal Contribution	$ 25,000	$ 50,000	$ 100,000
LVR	Investment amount		
53%	$ 53,191	$ 106,383	$ 212,766
52%	$ 52,083	$ 104,167	$ 208,333
51%	$ 51,020	$ 102,041	$ 204,082
50%	$ 50,000	$ 100,000	$ 200,000
49%	$ 49,020	$ 98,039	$ 196,078
48%	$ 48,070	$ 96,154	$ 192,308
47%	$ 47,170	$ 94,340	$ 188,679

Capital Protection

We will calculate the *LVR* so that your *principal contribution* covers the capitalised interest payable at the *maturity date*.

In other words while your principal contribution receives the benefit of any capital protection in the investment strategy you select and is capital protected at the protection end date, it also provides additional security for the interest which accrues during the term.

This means that under a *Capitalised Investment Loan*, you should always have sufficient funds in your *portfolio* to repay the amounts due under the loan at the *maturity date,* but if the performance of your investments does not cover the interest, you will not recover all of your *principal contribution*.

In some circumstances you could lose all of your *principal contribution*.

Limited-recourse

Being 'limited-recourse' means that if you fail to repay the principal and capitalised interest at the *maturity date*, or for *Superannuation Borrowers* you default on your obligations under the loan at anytime during the term, our right of recovery against you is limited to your *portfolio* value subject to the following:

- ***Non-Superannuation Investors***
  For *Non-Superannuation Investors* using a *Capitalised Investment Loan*, limited-recourse does not apply in certain circumstances. Please refer to '*Non-Superannuation Investors* – circumstances where limited-recourse doesn't apply' on page 26.

- ***Superannuation Investors***
  For *Superannuation Investors*, limited-recourse applies in all circumstances.

  In exchange for us agreeing to grant *Superannuation Investors* a limited-recourse *Capitalised Investment Loan*, when you enter into the loan you agree that if you default on your obligations under the loan at any time (see 'Defaults' on page 26), you will sell us the assets in your *portfolio* (or identical replacement assets) for their current value at that time. In those circumstances, we will then deduct the amount outstanding under your loan (including any costs we incur) from the purchase price we pay you.

  If your *portfolio* is worth more than the amount outstanding under your loan when you default, you will receive the excess.

  As a *Superannuation Investor*, if the assets in your *portfolio* are worth less than the amount outstanding under your loan when you default, you will not have to pay us the shortfall.

Gains Loan

Gains Loans are not offered in association with *Capitalised Investment Loans*.

Superannuation funds

***Superannuation Investors* are reminded of their obligation to formulate and implement an appropriate investment strategy that has regard to the whole of the circumstances of their fund and to act in the best interests of the members of their fund.**

This includes having an appropriate risk management strategy in place to manage the risk associated with gearing prior to making such an investment.

Table 7 – *Capitalised Investment Loan* example

The table below is designed to illustrate how interest accrues with a *Capitalised Investment Loan* during the term of the *product*. The example shows a hypothetical loan amount of $50,000 at an interest rate of 9.50% p.a. fixed for the term and compounded monthly.

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Opening loan balance	$50,000	$50,000	$54,962	$60,417	$66,413	$73,014	$80,250	$88,215
Interest		$4,962	$5,455	$5,996	$6,601	$7,236	$7,965	$8,755
Closing loan balance		$54,962	$60,417	$66,413	$73,014	$80,250	$88,215	$96,970

Additional information for all Borrowers

Applications

We have absolute discretion to accept or reject any application.

Payments

All payments relating to the loans will be made via direct debit. You must ensure there are sufficient funds available in your direct debit account on the relevant drawdown date.

Repayment

You must repay your loan(s) in full on the *maturity date* except when:

- you choose to withdraw from the investment before the *maturity date* and make an early repayment – in which case you must make a proportionate repayment of any loans
- you choose to repay your loan/s (and all other amounts that you owe) early
- you have drawn down an *Annual Interest Loan* and choose to change from prepaying interest on your loans to paying interest monthly in arrears, in which case you must repay your *Annual Interest Loan* in full at that time
- there is an event of default
- we ask you to repay your loan(s) at a different time.

Early repayment

There are some circumstances under the '*Loan and Security Agreement*' where we may require you to repay your loan early. You may also decide, due to your own circumstances that you want to repay either the whole or a portion of a loan before the *maturity date*. You must give us 10 business days notice of your intention to make an early repayment.

On early repayment, you must repay the outstanding principal, any interest and any other amounts that may be owing to the *Lender* under the *Loan and Security Agreement* (or a proportion of them as notified by the *Lender* if you have elected to repay a portion of your loan early).

If you repay early:

- the amounts repaid may not be re-borrowed
- you may be liable to pay early repayment fees including break costs
- any prepaid interest is not refundable (unless the *Lender* has asked you to repay the loan early and there has not been an event of default).

Repayment at maturity

You may elect to repay your loan(s) in cash at the *maturity date*. If you choose not to repay your loan(s) in cash we will exercise our rights under the *Loan and Security Agreement* and apply the proceeds of the sale of your *portfolio* to repay the loan(s).

You will be liable to pay interest on the principal outstanding between the *maturity date* and the date the loan(s) are repaid.

Defaults

In an event of default, we may enforce our rights under the *Loan and Security Agreement*. Examples of events of default include failure to pay money owing on time, failure to comply with any of your obligations under the *Loan and Security Agreement* or you being insolvent.

Our rights in the event of a default include:

- charging interest at the default rate, which is your applicable interest rate plus 4%
- declaring that your loans and related fees and charges are immediately due and payable
- unless you are a Superannuation Investor redeeming all your assets over which the *Lender* has taken security and applying the proceeds to your outstanding loan obligations.

Non-Superannuation Investors – circumstances where limited-recourse doesn't apply

If you are a *Non-Superannuation Investor* there are some circumstances where the limited-recourse provisions of the loans will not apply and you will be required to pay any shortfall in the unlikely event one arises. These circumstances include:

- you withdraw from the *product* at any time other than the *maturity date* and your *portfolio* value is less than the total amount payable under your loans
- your loans must be repaid other than on the *maturity date* for any other reason (see 'Early repayment' above) and your *portfolio* value is less than the total amount payable under your loans
- you withdraw from the *product* at the *maturity date* and your *portfolio* value plus the amount paid to the *Lender* by *UBS* under the *Lender's* Swap is less than the total amount payable under your loans.

You will need to use your own money to cover related fees and charges.

The obligation to pay interest on all loans and the obligation to repay the principal and interest on an *Annual Interest Loan* are full-recourse obligations for *Non-Superannuation Investors*.

Table 8 – Comparison of features of loans

Loan type	Credit approval	Principal contribution required	Interest loan	Principal repayments	Interest payments	Interest tax deductibility	Protected amount	Gains lock-in potential	Gains Loan potential
100% Investment Loan	Full assessment requires supporting documents	n/a	Yes	At maturity	Prepay annually or monthly in arrears	Yes	*Investment amount* plus any *gains lock-in*	Yes	Yes
Annual Interest Loan	Part of 100% check	n/a	n/a	Monthly in arrears	Monthly in arrears	Yes	n/a	n/a	n/a
Capitalised Investment Loan	Credit check (no supporting documents required)	Yes	n/a	At maturity	At maturity date	Yes	*Investment amount* plus any *gains lock-in*	Yes	No

Table 9 – Loan fees and charges

All payments relating to the loan will be made via direct debit. You must ensure there are sufficient funds available in your direct debit account on the relevant drawdown dates.

Type of fee or cost	Amount[1]	When paid
Fees applicable when you borrow to invest		
Loan establishment fee The fee to establish your loan	Nil	Not applicable
Security registration fee The fee to register a charge with ASIC (only if *Borrower* is a company)	$135	On lodgement of the charge with ASIC
Stamp duty (on additional security including company charge)	At prevailing rates applicable to relevant Office of State Revenue	At commencement of *product* on registration of security
Early repayment fee The fee for repaying all or part of the loan principal before the *maturity date*	This fee will be calculated by us and will consist of: – one month's interest, – 0.30% of your loan amount if repaid prior to 30 June 2012, and – break costs for unwinding hedging and funding arrangements subject to prevailing interest rates at that time.	On demand by the *Lender*
Interest switching fee The fee and costs for switching your interest rate option before the *maturity date*	This fee will be calculated by us and will be $50 plus break costs (calculated by us) for the cost of unwinding hedging and funding arrangements, subject to prevailing interest rates at that time.	On demand by the *Lender*
Security release fee Fee to release our charge registered with ASIC when all amounts due to the *Lender* under the loan are repaid in full (Only if *Borrower* is a company)	$65	At the time of repayment of the *Investment Loan*
Information retrieval fee For providing archived or historical information about the loan	$50 plus $10 per page	On demand by the *Lender*
Additional copies of statements and reports	$10 per page	On demand by the *Lender*
Direct Debit Dishonour Fee	$50 Your financial institution may also charge you fees relating to any dishonoured payments	On demand by the *Lender*

1 Fees and costs are inclusive of 10% GST (where applicable) less any Reduced Input Tax Credits (RITCs).

Loan fees and charges

The *Lender* is entitled to be reimbursed for all costs, charges and expenses (including stamp duty, GST, search fees, security registration fees, security release fees and legal fees) incurred in relation to the *Loan and Security Agreement* and related documentation, the administration of the loans and any action to enforce the *Lender's* rights under the *Loan and Security Agreement*. These fees and charges include those set out in the table above. All payments relating to the loan (including the fees shown above) will be made via direct debit.

Increases or alterations to the fees and charges

The fees set out above are current at the time of printing but may be subject to change without your consent for reasons including changes in the competitive, industry and regulatory environment or changes in costs. The *Lender* will not increase fees or charges without providing you with at least 30 days written notice, except for Government fees and charges. If you withdraw your investment or make a full loan repayment before the expiry of the notice period you will not be affected by the fee change.

Payments to dealer groups

Certain dealer groups may receive payments from the *Lender* based on the volume of business they generate. These payments are not an additional cost to you, they are paid by the *Lender*. The payments may be up to 1.00% pa of the total loan amount generated via the dealer group.

Ongoing commissions

Ongoing commissions are paid by the *Lender* on the basis that:

- if you change your adviser, any ongoing commission payable by the *Lender* after such change has been notified in writing to Perpetual will be paid to your new adviser only
- your new adviser (as notified to Perpetual in writing) will be paid the same rate of ongoing commission paid in respect of the *Investment Loan*.

Some financial advisers may agree to waive (or rebate) their commissions but have no obligation to do so.

Adviser remuneration

The *Lender* pays the following remuneration to advisers for the loans.

Table 10 – Adviser remuneration

Adviser remuneration	Amount (including 10% GST)	How and when paid
Upfront commission	up to 1.10% of the loan principal amount	This amount may be paid by us to your adviser following your investment. It is paid at our discretion out of our own funds. It is not a cost to you.
Ongoing commission	up to 0.65% pa of either i. the total amount of a *100% Investment Loan* and any Gains Loan, or ii. a *Capitalised Investment Loan*	This amount is paid by the *Lender* out of it's own money following your investment. It is paid at the *Lender's* discretion and is not an additional cost to you.
Adviser service fee (*100% Investment Loan* only)	i. 0.25%, ii. 0.50%, or iii. 0.75% pa of the amount of the *100% Investment Loan* and Gains Loan	You may agree to pay an adviser service fee to your adviser by agreeing to increase the interest rate you are charged on your loan Paid by direct debit from the account notified to us.

Taxation

Introduction

The following summary of the tax consequences of investing in the *product* is presented in simplified language. It has been derived from an opinion prepared for us by our tax advisers Baker & McKenzie. The summary provides a brief description of the common outcomes without detailing the conditions that have to be met for these outcomes to arise. For a fuller understanding, the Baker & McKenzie opinion can be accessed at www.perpetual.com.au/structuredproducts/ppi3

The summary is of a general nature only. You should not rely on it. The specific taxation consequences that apply to you depend on your particular circumstances. You should seek professional advice from a financial adviser and/or a tax adviser.

The summary is based on the law and administrative practice as at 17 March 2008. *Investors* should be aware that the ultimate interpretation of the taxation law rests with the Courts and that the law and the way the Commissioner of Taxation administers the law may change at any time.

Baker & McKenzie is not involved in the marketing of this *product* and its role should not be interpreted to mean that it encourages any party to invest.

Tax consequences

Trust distributions will include amounts subject to income tax. They will be taxed in the year in which the trust derives the income even though they may not be received until the following year.

Investors will generally be subject to the capital gains tax rules. They will be taxed on any capital gains made when they sell *fund units* and will be able to offset any capital losses against capital gains they have made from the *product* or from any other source.

The Establishment Fee will form part of the cost base for capital gains tax purposes.

Some part of a trust distribution may not be subject to income tax but will be taxed as an adjustment to the capital gain or loss on sale of the *fund units*.

Investors who are *Individuals* or *trustees* of *Trusts* will generally get a 50% discount on the amount of a capital gain that is subject to tax. For *Superannuation Investors* the discount is $33\frac{1}{3}$%.

A transfer of *fund units* from Perpetual to the *Investor* will not incur capital gains tax at that time. No capital gain or loss is made until the *Investor* sells the *fund units*.

Interest on any of the loans is generally fully deductible unless it is not reasonably likely that the total trust distributions (that are subject to income tax) will exceed the interest expense. In this circumstance the Commissioner of Taxation can deny the interest deduction if the purpose of acquiring the *product* was either the tax benefits or the capital gains.

Interest paid in arrears is deductible on a daily basis as it accrues.

Prepaid interest is treated in two different ways:

For *Investors* who are *Individuals* not carrying on a business, the interest can be claimed as a deduction upfront. Other *Investors* spread the deduction over the period to which it relates.

The *dynamic management* fee and the administration fee are fully deductible on a daily basis as they accrue.

If any amount of a loan does not have to be repaid under the limited recourse terms of the loan by a *Non-Superannuation Investor*, the amount of this benefit will be offset against revenue losses, capital losses, various other deductible amounts and the cost base of various assets.

If the *Investor* is a *Superannuation Fund*, the amount of the benefit reduces the capital gains tax cost base of the *fund units*.

GST is included in most of the fees. *Investors* who are not registered for GST or who do not acquire the *product* in the course of a relevant business will not be able to claim input tax credits for the GST.

There are reasonably strong arguments that the Commissioner should not apply the anti-avoidance provisions in Part IVA to the *product*.

If the *Investor* is carrying on a business in the United Kingdom some amounts received may be subject to United Kingdom, withholding tax.

Additional information for all Investors

Applying to invest

Processing your application

All application monies received will be held on trust in a bank account while all applications are processed. We retain any interest earned on this bank account.

Once your application has been accepted, your money is transferred to your *portfolio cash account* and interests in the *product* are issued to you on the *protection start date*. No interest is earned on your *portfolio* cash account.

The money in your *portfolio cash account* is invested in the *funds* you have selected on the *investment date*.

Receipt of information

If we do not receive the information required to complete your application prior to the *protection start date*, we may decline your application and return your money to you.

We have absolute discretion to accept or reject any application.

Tax File Number/Australian Business Number

In order to participate in the *product*, we require you to provide your TFN or exemption information (if applicable).

An Australian Business Number (ABN) may be used as an alternative to a TFN if your participation in the *product* is undertaken in the course of carrying out an enterprise.

We are authorised under taxation laws to collect TFNs and ABNs in connection with your investment in the *funds*.

Cooling-off rights

As an *Investor* in the *product*, you have from the time you lodge your application until 19 days after the date we issue your interest in the *product* (that is, from the *protection start date*) to withdraw your investment from the *product*. This is the cooling-off period.

The amount that is repaid will be adjusted taking into account any administration and transaction costs and any increase or decrease in your *portfolio value* as a result of market movements until your *fund units* are sold. If your *portfolio* contains *call options* this may take up to 15 *business days* after the end of the cooling-off period.

Any commissions paid will be refunded. Any taxes paid which are not recoverable or the amount of any taxes which remain payable by us will not be refunded.

Withdrawing your investment may create a taxable gain or loss. We recommend that you seek professional advice from your financial and/or tax adviser.

Your right to be repaid during the cooling-off period does not apply if you are a wholesale client (as defined in the Corporations Act).

If you would like your investment to be repaid during this period you must write to us stating you would like to exercise your cooling-off rights. Your letter must be received by us no later than 5pm on the last day of the cooling-off period.

If we receive your written request by 18 July 2008 your money will not be invested and you will avoid any *dynamic management* and administrative fees and exposure to market movements. You will still be liable for interest charges and early repayment fees under any loans.

You do not have any cooling-off rights as a *Borrower.* If you borrow to invest and choose to withdraw from the *product* during the cooling-off period, you may not be able to recover the fees and costs of borrowing, nor any interest you have pre-paid if your loan has been drawn down when you withdraw. You will be liable to pay interest up to the date of repayment and may also be liable for early repayment fees. In any event, you are liable to repay the full amount of the loan regardless of the value of your *portfolio*.

Minimum level of applications for an *investment strategy*

We need a minimum value of applications for each *investment strategy* in the *product* to effectively manage the *investment strategy*.

If we do not receive enough applications in any particular *investment strategy*, we will not be able to offer that *investment strategy* as part of the *product*.

If this happens, based on your instructions in the application form, we will either allocate the relevant application money across the other *investment strategies* that you have selected (on a pro rata basis) or contact you for further instructions.

Maximum level of applications for an *investment strategy*

We need to allocate a maximum value of applications for each *investment strategy* in the *product* to manage the risk associated with the *investment strategy*.

If any particular *investment strategy* is oversubscribed, we will allocate relevant *fund units* on a proportionate basis, subject to a minimum investment of $10,000.

If this happens, subject to your instructions in the application form, we will either allocate the remaining application money across the other *investment strategies* that you have selected (on a pro rata basis) or contact you for further instructions.

How is my *portfolio* operated?

Power of attorney

When we accept your application you will be recorded as a member. You have an absolute and indefeasible interest in possession to all of the assets of your *portfolio* (including income) and no interest in other *Investors' portfolios*.

You grant PIML a revocable *power of attorney* so PIML can instruct us to carry out the *investment strategies* and pay fees and expenses on your behalf. Revoking or varying the *power of attorney* will be treated as a withdrawal from the *product*.

Distributions

We will collect distributions on your behalf where the *fund* has net income to distribute.

Distributions may be either paid into your *portfolio cash account* when received or automatically reinvested. This will be at PIML's discretion. We will automatically deduct the administration and the *dynamic management* fees for the *product* on instructions from PIML in accordance with our *power of attorney*. We may sell *fund units* to do this.

We may then automatically reinvest any balance in your *cash account* following payment of fees (also in accordance with PIML's *power of attorney*) to increase your holding in *fund units* and/or *call options*.

At PIML's discretion, you may receive a cash distribution after 30 June each year.

Depending on your circumstances you may have to pay income tax for your distributions regardless of whether you received (all or part of) them in cash or they were reinvested. For more information please see 'Taxation' on page 29 of this PDS.

Can I withdraw from, transfer or mortgage my investment?

Cash withdrawals

The *product* is designed to provide you with your *protected amount* only on the *protection end date*. Therefore when you invest, you should do so with the intention of remaining in the *product* for the full term to the *protection end date*, as any amounts that you withdraw prior to that date are not capital protected.

Depending on the performance of the *fund* you invested in, your *portfolio value* may be less than your *investment amount* at any time prior to the *protection end date*. If you make a partial withdrawal before the *protection end date*, the remaining *protected amount* for that *investment strategy* will be reduced in proportion to the amount that you withdraw.

You can request a cash withdrawal of all or part of your *portfolio value* on a quarterly basis (as at 30 June, 30 September, 31 December or 31 March).

If you make a partial cash withdrawal you must withdraw at least $10,000 (or the balance of your investment if less than $10,000) and leave a remaining *portfolio value* of at least $10,000. Any request to withdraw cash less than $10,000 will be rejected (unless you are withdrawing the balance) and any request which would result in a remaining *portfolio value* of less than $10,000 will be deemed to be a request to withdraw the total *portfolio value*.

A withdrawal request must be in writing in a form approved by us. Please contact us to obtain the necessary form. The completed and signed form must be received by us before 5pm on the first business day of the last month of the relevant calendar quarter (see table below). Any requests received after this time will not be processed until the next withdrawal date.

Table 11 – Withdrawal dates

Withdrawal date	Written Notice to be received by 5pm on:
30 June	1st *business day* of June
30 September	1st *business day* of September
31 December	1st *business day* of December
31 March	1st *business day* of March

We will process your withdrawal request as follows:

1. a redemption request for all underlying *fund units* will be submitted to the relevant *fund* manager(s) on the withdrawal date (or, if that is not a *business day*, on the prior *business day*).
2. any *call options* in your *portfolio* will be exercised on the same day. When we receive delivery of *fund units* (within 10 *business days* after we exercise the options) we will redeem them.

In each case, the redemption of *fund units* is subject to the *fund's* standard redemption policies and procedures. You should consult the relevant *fund's* PDS for more information.

You are liable to pay all relevant fees and charges associated with the *product* up to the withdrawal date. Your *portfolio value* is subject to market movements until all *fund units* have been redeemed.

The withdrawal proceeds will be net of any outstanding fees and charges. We will endeavour to pay withdrawal proceeds to you as soon as practicable. Proceeds will usually be available within 3 months from the withdrawal date. If, however, it is not practicable for us to process your withdrawal within this time, we must do so as soon as it becomes practicable in accordance with provisions prescribed by the *Corporations Act*.

You should obtain financial advice before requesting a cash withdrawal from your *portfolio*.

Withdrawal of the assets in your *portfolio*

Because you are the owner of the assets in your *portfolio*, at any time prior to the *protection end date* you can also request that we transfer the assets in your *portfolio* to you.

The value of any assets withdrawn prior to the *protection end date* is not capital protected.

You should obtain financial advice before requesting withdrawal of the assets from your *portfolio*.

To withdraw *fund units* from your *portfolio* you must hold an individual account with the relevant *fund* to which we will transfer the *units*. If there are any *call options* in your *portfolio UBS* has the right to bring forward the exercise date of the *call options*. If *UBS* does this before they are transferred to you, we will exercise the *call options* for you (in accordance with our *power of attorney*) and the relevant *fund units* received will also be transferred to your individual *fund* account.

Withdrawal of cash or assets where you have a loan

If you have borrowed to invest, you must repay a proportionate amount of your *Investment Loan* (and any *Annual Interest Loan* or any *Gains Loan*) when you withdraw cash or assets from your *portfolio*.

If you are a *Non-Superannuation Investor* and the cash withdrawal proceeds are less than the amount which then becomes due and payable under your loans when you make a withdrawal prior to the *protection end date*, you will have to make a payment to us from your own money which is equal to the shortfall.

Mortgage of *fund units*

We may, in our absolute discretion, note certain mortgagee interests over an investment (including any distribution reinvested from that investment).

Superannuation Investors may not grant a charge over their investment in the *product*.

Transfers

A transfer of your interest in the *product* (that is a transfer of your rights as registered holder of your *portfolio*) will only be accepted in the case of death, incapacity or change of trustee and will only processed at a withdrawal date (see Table 11 above).

In these circumstances we require written instruction in accordance with the notice requirements set out under 'Cash withdrawals' above and any other documents we consider appropriate. Nominal stamp duty will apply.

To transfer any *fund units* in your *portfolio* to another person you will need to withdraw them from your *portfolio* (see 'Withdrawal of the assets in your *portfolio*' above) and then direct the relevant *fund* manager or responsible entity to transfer them to the other person on your behalf. Transfers to another person will only be possible where permitted by the constitution and PDS for the relevant *fund*.

A transfer of *fund units* or of your interest in the *product* may have tax implications. You should seek financial advice before requesting a transfer.

What happens at the *protection end date?*

At the *protection end date* we will exercise any *call options* in your *portfolio* to buy *fund units* and then transfer custody of all your *fund units* to you or to an *IDPS* platform nominated by you. We will process the final withdrawal as soon as practicable following the protection end date. We can only transfer custody to you if you meet the requirements of the *fund* for minimum investment amounts or if the responsible entity of the *fund* agrees to waive them for you.

If you do not meet the minimum investment requirements, the responsible entity of the *fund* does not accept your application, or if you fail to give us instructions, we will redeem the *fund units* on your behalf and pay the cash proceeds to you. This may have tax implications (see Taxation on page 29).

The value of your *fund units* at the *protection end date* will be net of outstanding fees and charges. If there is insufficient cash in your *cash account* at the *protection end date* to pay outstanding fees and charges, we will sell some of the *fund units* to do so (in accordance with our *power of attorney*). We will then transfer custody of the remaining *fund units* according to your instructions.

Your *fund units* will not be capital protected after the *protection end date* and their value may fall between the *protection end date* and the date of transfer.

We will process the final withdrawal as soon as practicable following the *protection end date.*

Where can I get information about my account?

Online account access

You can access information about your *portfolio* online, including:

- a list of your accounts
- your *portfolio's* asset allocation
- a list of investments in each of your accounts
- a summary of transactions
- a detailed list of transactions.

You can also download this information in a format that may be accessed by many other applications, for example accounting software or a spreadsheet.

To register for Online Account Access please complete the relevant section on the application form. Please refer to the Online Account conditions of use at www.perpetual.com.au/structuredproducts/ppi3

Continuous disclosure documents

The *product* may be subject to certain regular reporting and disclosure obligations. Copies of the documents lodged with ASIC in relation to the *product* may be obtained from an ASIC office.

As an *Investor* in the *product* you have the right to the following documents from us:

- the annual financial report (including financial statements) we lodged with ASIC for the *product*
- any half-year financial report (including financial statements) lodged with ASIC for the *product*
- any continuous disclosure notices provided by us in respect of the *product* after lodgement of the above mentioned annual financial report and before the date of this PDS.

Reports

We will send you:

- an investment confirmation, confirming your investment in the *product*
- an initial investment statement showing your *fund units* and the *protected amount* this equates to
- a distribution statement detailing any distribution from your *fund units*
- an annual financial report for each financial year ending 30 June (including financial statements) sent within three months of year-end (optional)
- an annual tax statement for each financial year ending 30 June, generally sent by the end of August, detailing income and capital gains information for your tax return. This includes realised capital gains and losses on disposal of assets in your *portfolio*
- a periodic statement at least yearly or when you exit the *product*
- a withdrawal statement for any withdrawal(s) you make from the *product*.

These reports will also be sent to your adviser.

What do you do with my personal information?

Privacy

Privacy laws apply to the way we and the *Lender* handle your personal information.

We and the *Lender* collect information about you from your application form to establish and support the administration of your *portfolio* and to advise you of new developments. By applying to invest in the *product* and to borrow to invest, you agree with this usage.

Your application can't be processed and your portfolio can't be administered if you don't provide your personal information.

The Corporations Act requires us to collect some personal information from you before we issue your interest in the *product*.

You will be entitled to access all your personal information that we and the *Lender* hold about you (subject to limited exceptions) and can ask us to correct information that is wrong. If you would like to access your personal details or have any questions, please contact us.

Disclosure

We maintain a record of the information required to establish your account. This may include some of your personal information that is provided to us. We may disclose your personal information to:

- external parties that provide services to us in relation to the *product* (eg providers of printing or postal services)
- other members of the Perpetual Group for the purposes described under 'Your privacy' above.

We also disclose information about your investments to your adviser. We will not disclose your personal information to any other parties unless required by law.

Our privacy policy is at www.perpetual.com.au.

Enquiries and complaints

If you have an enquiry, you can either call the Perpetual Protected Investment Services Centre toll free on 1800 002 513 during business hours (Sydney time) or write to:

Reply Paid 5126
Perpetual Protected Investments,
GPO Box 5126,
Sydney NSW 2001.

We will endeavour to respond to your enquiry within 30 days.

If you are not completely satisfied with the service you have received please contact us and we will respond within five business days. We will make every effort to resolve your issue within 30 days of us being notified.

If your complaint remains unresolved after 45 days and the disputed amount is less than $100,000 (or $150,000 from 1 July 2008), you may refer it to the Financial Industry Complaints Service (FICS) on 1300 780 808.

We are a member of FICS, an external dispute resolution service that helps resolve issues with financial service providers.

FICS's address is:

PO Box 579,
Collins Street West,
Melbourne, Victoria 8007

Tel: 1300 780 808.
Website is: www.fics.asn.au

Consents

All companies whose statements are included in this PDS have consented to the statements made by them and in the context in which they appear.

The investment managers have prepared and consented to the statements about them in this PDS. The companies that have consented have not withdrawn their consent before the issue date of this PDS and have not authorised or caused the issue of this PDS.

Constitution

This *product* is a managed investment scheme governed by its constitution (Constitution) and regulated under Chapter 5C of the Corporations Act 2001 (Corporations Act). Perpetual is the responsible entity of the *product*.

The Constitution is executed by Perpetual for the benefit of *Investors* and each *Investor* is entitled to enforce the Constitution.

The terms of your *portfolio* (other than your instructions which appear in the *power of attorney*) are detailed in the Constitution.

The following summary lists other important terms of the Constitution.

Property held on trust

We hold each *portfolio* in a separate trust for the relevant *Investor* and may appoint a custodian to hold the assets of the *portfolios*.

Commencement, duration and winding-up

The *product* starts when we first receive application monies and issue interests in the *product*. We may end the *product* by giving at least a month's notice to *Investors*. The *product* will end just before the 80th anniversary of the date of the Constitution, if it is not wound up before then.

When the *product* ends, we must (unless assets are transferred to *Investors*) realise the assets and distribute the net proceeds (after paying fees and liabilities) to the *Investors*. Following distribution, we are discharged from further obligations.

Issue of interests in the *product*

We can set minimum levels for applications and *portfolio values* and restrict when applications can be made. We can also reject an application without giving reasons.

An interest in the *product* is issued on the later of the receipt of application money, approval of the application and the *protection start date*.

You do not become a member of the *product* and you do not acquire any rights as a member until your application is processed and your name is entered in the register of members for the *product*. No certificates will be issued unless we decide to do so.

Our investment powers

We must invest the assets of a *portfolio* as instructed by the *Investor*. Subject to this restriction we have the power in relation to the *product* that is legally possible for a natural person, trustee, or corporation to have, including dealing in any property (including any financial product).

Our rights and liabilities

We have rights to charge certain fees and to an indemnity for expenses and other liabilities. We and our associates may:

- deal with our associates, the *product*, any *Investors* and ourselves in relation to the *product* and we may be acting in different capacities
- be interested in any contract or transaction with our associates, the *product* or any *Investor* and retain for our own benefit any associated profits or benefits
- act as responsible entity, trustee, investment manager or similar capacity for any other scheme, subject to acting in accordance with our duties under the Corporations Act.

To the extent permitted by the Corporations Act and any indemnity allowed by the Corporations Act, we are entitled to be indemnified from your cash account for any liability incurred by us in the proper performance of our duties or powers in relation to the *product*.

Subject to the Corporations Act, we are not liable to the *Investors* in contract, tort or otherwise for loss suffered in relation to the *product*, except if the loss is caused by our fraud or breach of trust.

Subject to the Corporations Act, our liability to any person (including an *Investor*) in respect of the *product* is limited to the extent to which we are indemnified out of the assets for that liability.

We are not required to do anything:

- unless we are satisfied that our liability is satisfactorily limited
- for which we do not have full indemnity of the assets available for that purpose and in respect of which there are sufficient assets to fully discharge any such liability we consider.

We may retire when we want to and may appoint another company to be the new responsible entity, subject to the Corporations Act.

Rights and liabilities of *Investors*

Your liability as an *Investor* with respect to the *product* is limited to the value of your *portfolio*. You may be liable for a greater amount under any loan arrangements.

We may convene a meeting of *Investors* at any time as prescribed by the Corporations Act and must do so on receipt of *Investors*' request made in accordance with the Corporations Act.

Changing the Constitution

We may change the Constitution, subject to the Corporations Act.

Corporations Act requirements

Subject to any relief we may obtain, the terms of the Constitution are subject to the requirements of the Corporations Act. This means we must do certain things, including:

- holding application money in a complying account until the interest in the *product* is issued or the money is repaid. We will retain any interest on this money
- repaying the amount required by the Corporations Act if an *Investor* exercises their cooling-off rights
- valuing assets in accordance with the compliance plan and when required by the Corporations Act
- preparing accounts of the *product* (or cause them to be prepared) in accordance with generally accepted accounting principles as they apply to managed investment schemes, ensuring that the accounts are maintained, audited and reported on as prescribed by the Corporations Act
- appoint an independent registered company auditor to audit the accounts of the *product*.

Instructions from *Investors*

You may only provide instructions to us to deal with the assets in your *portfolio* by way of the *power of attorney* in the form contained in Section 5 of the application form attached to this PDS.

Anti-Money Laundering / Counter Terrorism Financing Laws

The rules

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

Under the AML/CTF Act, we are required:

- to verify your identity before providing services to you, and to re-identify you if we consider it necessary to do so
- where you supply documentation relating to the verification of your identity, we must keep a record of this documentation for 7 years.

To ensure we comply with our obligations under the law, Perpetual has implemented a number of measures and controls, including carefully identifying and monitoring *investors*.

Consequences of compliance

As a result of the implementation of our compliance program:

- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that the transaction breaches Australian law or the law or sanctions of any other country
- where transactions are delayed, blocked, frozen or refused we are not liable for any loss you suffer (including consequential loss) as a result of our compliance with the AML/CTF Act as it applies to the fund.
- we may from time to time require additional information from you to assist us in this process.

Reporting obligations to AUSTRAC

We have certain reporting obligations pursuant to the AML/CTF Act. The legislation prevents us from informing you that any such reporting has taken place.

Where legally obliged to do so, we may disclose the information gathered to regulatory and/or law enforcement agencies, including AUSTRAC, who is responsible for regulating the AML/CTF Act.

Financial Services Guide

Issued by: Perpetual Investment Management Limited,
ABN 18 000 866 535 AFSL 234426

Dated 17 March 2008

About this Financial Services Guide

This Financial Services Guide (FSG) is an important document, which we are required to give you in accordance with the law.

It provides you with information about Perpetual Investment Management Limited which is a member of the Perpetual Group (which means Perpetual Limited ABN 86 000 431 827 and its subsidiaries). Perpetual Investment Management Limited is referred to in this FSG as 'PIML', 'we', 'us' or 'our'.

Words that appear in italics (like this) are defined in the Glossary on pages 38 to 39 of the PDS.

This FSG will help you understand the financial services that PIML provides and to determine whether or not you should use them. It includes details about:

- how PIML can be contacted
- the financial services PIML is authorised to provide
- how PIML is remunerated
- the internal and external dispute resolution procedures that you can access if you have a complaint about PIML's services.

The information contained in this FSG is general information only and has been prepared without taking into account any particular person's needs or objectives. PIML provides no warranty regarding the suitability of any of the services described in this FSG for any person.

Financial services provided by PIML

The financial services that we are authorised to provide that are relevant to the *product* are described below.

We are also authorised to provide other financial services and we will provide you with another FSG setting out details of these authorisations before we provide any such services to you. We are authorised to deal in financial products: applying for, acquiring, varying or disposing of financial products on behalf of another person in respect of the following classes of products: deposit products, derivatives and interests in managed investment schemes to retail clients.

PIML, acting in its personal capacity will provide *dynamic management* services to you in respect of your *portfolio* by giving instructions (on your behalf) to Perpetual in its capacity as responsible entity of the *product* and trustee of your *portfolio*.

By giving *dynamic management* services instructions we will arrange for the acquisition, holding and disposal of *fund units*, *call options* and your *cash account* in accordance with your selected *investment strategies*.

The *dynamic management* services are described in detail on page 6 of the PDS.

Remuneration for the services provided

You will pay a *dynamic management* fee of 0.70% pa of your *protected amount* (reduced to Nil if no *fund units* are held). The *dynamic management* fee will be calculated daily on your *protected amount* and deducted from your *portfolio* quarterly in arrears, on withdrawal from the *product* and on the *protection end date*.

The *dynamic management* services are provided to you as the holder of a *portfolio* in the *product*. We will receive other fees in relation to, the *product* as, set out in the section headed 'Fees and other costs' on page 18 of the PDS.

We may also receive fees as the responsible entity of *funds* in which you may invest through the *product*, as shown on page 18 of the PDS.

If you borrow to invest in the *product*, Perpetual Loan Company No. 2 Limited will receive interest payments, fees and other charges as set out on pages 16 of the PDS.

We are also entitled to charge administration fees (see Table 1 'Product fees and other costs' on page 18).

Who we act for

When providing the *dynamic management* services to you, PIML acts on its own behalf.

However, when PIML gives *dynamic management* services instructions to Perpetual (as the trustee of your *portfolio*) on your behalf, we act on your behalf under our *power of attorney*.

Relationships with other entities

PIML is the issuer of the *product* and the issuer of some of the *funds* in which you may invest through the *product* as disclosed in the PDS. PIML is related to Perpetual Loan Company No. 2 Limited who issues loans to *Investors* for investment in the *product*.

Product disclosure statements and statements of advice

You should also receive a *product* disclosure statement (PDS) in relation to the *product* and for the relevant *fund* for each *investment strategy* in which you invest through the *product*, before you apply for investment in the *product*.

The PDSs contain important information relating to an investment in the *product* and you should read them carefully.

If you receive advice from a financial adviser in relation to investing in the *product*, you should also receive a statement of advice, which includes important information about the suitability of the *product* for you.

Providing instructions to us

Unless otherwise stated in the PDS, we require you to provide all instructions to us in writing, signed by you.

Where those instructions are of a purely administrative nature, we will act in accordance with those instructions.

If your instructions require us to act in the capacity of a trustee or responsible entity, we will consider your instructions in accordance with our legal obligations.

Personal information

Privacy laws apply to the handling of personal information. Any personal information that we collect about you will be handled according to our Privacy Policy.

Our Privacy Policy can be viewed on our website www.perpetual.com.au or a copy obtained by contacting us (our contact details are provided on the inside back cover of this Combined PDS and FSG).

You may be entitled to access all personal information that PIML holds about you. You also have the right to ask us to correct information about you that is inaccurate, incomplete or out of date. If you would like access or have any questions, please contact us (our contact details are provided on the back cover of this Combined PDS and FSG).

Professional indemnity insurance

We have adequate professional indemnity insurance in place to cover us for the financial services we provide.

Complaints

If you have a complaint about the service provided, you should call or write to us (our contact details are provided on the inside back cover of the (combined PDS and FSG).

If you do not get a satisfactory outcome, you can contact the Financial Industry Complaints Service to help you settle your complaint.

Financial Industry Complaints Service

The Financial Industry Complaints Service (FICS) is an external dispute resolution scheme which provides free advice and assistance to consumers and *Investors* to help them in resolving complaints relating to members of the financial services industry. This includes managed investment schemes, pooled superannuation trusts, financial advice, investment advice and sales of financial or investment *products*.

Contact details for FICS are as follows:

PO Box 579,
Collins Street West,
Melbourne, Victoria 8007

Tel: 1300 780 808.
Website is: www.fics.asn.au

Australian Securities and Investments Commission

You can also contact the Australian Securities and Investments Commission (ASIC) on 1300 300 630 to make a complaint and to obtain further information about your rights.

Online account access

If you choose to have online account access (*see page 70*), we will post your login ID and password to your address separately (for security purposes), including instructions on how to activate your login details online.

Conditions of use

The conditions of use of the online account can be found at www.perpetual.com.au/structuredproducts/ppi3. These conditions form part of this PDS and are deemed to be agreed to by you when you submit a completed application form attached to this PDS.A copy of the Conditions of Use for Online Account Access can also be obtained from us free of charge on request by phoning 1800 002 513.

Direct Debit Request Service Agreement

When you complete the application form you must provide us with a direct debit authority and are deemed to agree to the terms of our Direct Debit Request Service Agreement. The terms of this agreement must be read prior to completing the Direct Debit Authorisation and can be found at www.perpetual.com.au/structuredproducts/ppi3. These terms form part of this PDS.
A copy of the Direct Debit Request Service Agreement can also be obtained from us free of charge on request by phoning 1800 002 513.

Glossary

100% Investment Loan	Loan offered for purposes of funding 100% of investment amount on pages 23 and 24.
Applicant	A person who completes and signs the application form.
AFSL	Australian Financial Services Licence.
Annual Interest Loan	Loan available to prepay interest annually in conjunction with a fixed rate *100% Investment Loan*.
ASIC	The Australian Securities and Investment Commission.
Borrower	The *borrower* under the *Loan and Security Agreement*.
business day	A day that banks are open in Sydney and London.
call option(s)	Interests under the *Call Option Agreement* which gives the holder the right but not the obligation to purchase *funds units* at a predetermined price on exercise of the call option. The responsible entity will acquire *call options* from UBS on behalf of *Investors*.
Call Option Agreement	Master Call Option Confirmation Agreement between UBS and Perpetual in relation to the *dynamic management* of the *product*.
Capitalised Investment Loan	Investment Loan offered on pages 24 and 25.
cash account	The cash account set up for each *investment strategy* that forms part of your *portfolio*. See page 6 for further details.
Corporate	A company registered with ASIC and holding a current Australian Company Number.
Corporations Act	The Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth).
dynamic management	A formula-based technique that seeks to safeguard your *protected amount* on the *protection end date*. It allocates the assets in your *portfolio* between *fund units* and cash and *call options* (see page 6).
Dynamic Management Services Agreement	The *Dynamic Management* Services Agreement between UBS and PIML which governs the provision of *dynamic management* services by UBS to PIML (see page 6).
fund	A managed investment scheme that is offered or substituted as part of an *investment strategy* under the *product*.
gains lock-in	An increase in your *protected amount* when certain conditions are satisfied (see page 2).
gearing	Borrowing money to invest with the intention that the return generated from the investment will be greater than the cost of the borrowing.
Guarantor	The person (if any) who guarantees the *Borrower's* obligations under the *Loan and Security Agreement*.
high water mark	The highest previous *fund* value (after adjustment for applications and redemptions), which is sometimes used to determine performance fees. The manager will only receive performance fees when the *fund* value is greater than its previous value.
IDPS	Investor Directed Portfolio Service.
Income Tax Assessment Act	The *Income Tax Assessment* Act 1936 or *Income Tax Assessment Act 1997* as applicable.
Individual	A natural person over the age of 18 years.
investment amount	The total amount you invested in the *product* including your own *principal contribution* plus any amount borrowed under an *Investment Loan*.
Investment Loans	The *100% Investment Loan* (see pages 22 to 23) and the *Capitalised Investment Loan* (see pages 24 to 25).
investment strategy	An *investment strategy* available under the *product* through which you can obtain capital protected exposure to a selected *fund* using *dynamic management*.
Investor	The registered holder of an interest in the *product*, which may include an *Individual, Corporate, trustee,* or *Superannuation Fund*
Investor ID	Identification number to be used each time you contact Perpetual either by telephone or writing. This number is also the registration number to enter the secure area of the website (if registered for Perpetual's website). An Investor will be issued one Investor ID for this *product*.

Lender	Perpetual Loan Company No. 2 Limited (ABN 40 008 739 035), (a subsidiary of Perpetual Limited which provides the loans under the *Loan and Security Agreement*.
Lender's Swap	A Master Gap Risk Protection Swap Agreement between the *Lender* and *UBS* dated on or about the date of this PDS whereby in exchange for a fee ('swap premium') UBS agrees to pay to the *Lender* any difference between the value of *portfolio*s and the *protected amounts* at the *protection end date*.
Loan and Security Agreement	The agreement between the *Borrower*, the *Guarantor* (if applicable) and the *Lender* containing all the terms and conditions of any loans offered in this PDS. A free copy of the agreement can be obtained at www.perpetual.com.au/structuredproducts/ppi3 or by contacting us on 1800 002 513.
Loan–to-Value Ratio (or LVR)	The total value of the principal, interest and any other amounts outstanding under a loan, divided by the value of the assets over which the *Lender* has security for repayment of that loan.
margin call	A payment required by a *borrower* to reduce the amount outstanding under a loan and restore the LVR to an agreed amount in circumstances where the value of the relevant assets decreases.
maturity date[1]	The date your loan is repayable under the *Loan and Security Agreement*, being 31 May 2015.
Non-Superannuation Borrower	An *investor* other than a *Superannuation Investor* who borrows to invest in the *product*.
Non-Superannuation Investor	*Investors* other than *Superannuation Funds*.
offer period[1]	The period from and including the date the offer opens (26 May 2008), to and including the date the offer closes (27 June 2008).
Partnership	Two or more individuals operating a business together with a view to making a profit.
Perpetual entities	Means Perpetual Investment Management Limited, Perpetual Trustee Company Limited, and Perpetual Loan Company No. 2 Limited.
portfolio	The investments relating to an *investment strategy* under the *product* which comprises *fund units*, a *cash account* and *call options* (if any). You will have a separate *portfolio* for each *investment strategy* you select.
portfolio protection floor	A hypothetical value used to determine how much of your *portfolio* may be invested in a *fund*. It is equal to the amount you would need to invest in fixed interest investments (at the relevant date) to grow to an amount equal to the *protected amount* by the *protection end date* (See page 3).
portfolio value	The sum of the redemption proceeds of your *fund units*, the dollar amount of your *cash account* and the market value of your *call options* (if any) in your *portfolio*.
power of attorney	An agreement whereby you appoint a person (attorney) to carry out actions on your behalf.
principal contribution	The amount of your own money invested in relation to a *Capitalised Investment Loan* or an investment only.
product	Perpetual Protected Investments – Series 3. The term *product* in this PDS does not include a loan.
protected amount	Your *investment amount* and any proportion of unrealised gains *(gains lock-in)* which are protected during the *protection period*. If you withdraw any amounts prior to the *protection end date*, the *protected amount* will be reduced in proportion with your withdrawal.
protection agreements	The *Dynamic Management Services Agreement*, the *Call Option Agreement* and the *Lender's Swap*.
protection end date[1]	The date the capital protection under the *product* ends, which is 31 May 2015.
protection period	The period during which the capital protection under the *product* applies, which is from the protection *start date* to the *protection end date*.
protection start date[1]	The date the capital protection under the *product* begins, which will be on or about 25 July 2008.
Superannuation Borrower	A *Superannuation Investor* who borrows to invest in the *product*.
Superannuation Fund	A superannuation fund that is a regulated superannuation fund for the purposes of section 19 of the Superannuation Industry (Supervision) Act 1993 ('SIS Act') including a self-managed superannuation fund.
Superannuation Investor	An Investor who invests as the *trustee* of a *Superannuation Fund*.
Trust	A trust arrangement documented under a formal trust instrument.
trustee	A person (either a natural person or a body corporate) who holds property for the benefit of another. The trustee owes a fiduciary duty to the beneficiaries of the trust and may deal with trust property only as permitted by the terms of the trust as set out in the trust instrument and/or legislation and/or general trust law.
UBS	Means UBS AG, London branch.
unincorporated association, club, charity	A group of individuals working together with a common goal but not for the purposes of making a commercial profit.
units	A legal interest in the underlying unit trust constituting a *fund*.
volatility	The extent of fluctuation in an asset's price. The higher the volatility, the less certain an investor is of return, and therefore volatility is one measure of risk.

1 Dates and times are indicative only and subject to change

Contacts

Mail	Phone	Fax	Online
Reply Paid 5126 Perpetual Protected Investments GPO Box 5126 Sydney NSW 2001 Australia	***Investors*** 1800 002 513 ***Advisers*** 1800 002 513	02 8256 1416	**Account Access Online** www.perpetual.com.au **Product and loan general information online** www.perpetual.com.au/structuredproducts/ppi3 **Email** ppi@perpetual.com.au
No stamp required if posted in Australia			

Transactions/changes	Mail	Fax	Phone	Online	What do I do?
Make an investment	✓				– Read the current PDS and send us the completed 'Application for investment' form with your cheque or loan application and supporting documentation.
Make a partial or complete withdrawal	✓	✓			Before the cut-off date for each quarterly withdrawal date: – send us a withdrawal form – write or fax us with your Investor ID and account ID, the percentage you would like to withdraw from a particular *investment strategy* or from your *portfolio* as a whole (across all your *investment strategies*). Please sign and date this document.
Change my contact details	✓	✓	✓	✓	– Phone us with your new contact details. You'll be asked some security questions and your Investor and account ID. – Write or fax us stating your name, Investor and account ID, your old address and your new address. Please sign and date this document.

Who can apply?

To invest you must be:

- over 18 years-of-age and not under a legal disability;
- an Australian resident for tax purposes. You must be an Australian resident operating from Australia for Australian tax purposes and you must be not be carrying on a business in the UK. This restriction applies to *individuals*, *corporates*, trusts and guarantors (see pages 21-22 'United Kingdom Taxation' and 'United Kingdom Withholding Tax' for further details); and
- an eligible *Investor* as shown in the following table (see Glossary for definitions).

Investor	Eligible to Invest	Eligible for a Capitalised Investment Loan	Eligible for a 100% Investment Loan (and optional Interest Loan
Individual	YES	YES	YES
Corporate	YES	YES	YES
Individual trustee	YES	YES	YES
Corporate trustee	YES	YES	YES
Superannuation fund trustee – single trustee	YES	YES	NO
Superannuation fund trustee – joint trustees	YES	YES	NO
Joint investors	NO	NO	NO
Partnership	NO	NO	NO
Unincorporated associations, club, charities	NO	NO	NO

We reserve the right to accept or reject applications at our sole discretion.

How to apply

To invest in Perpetual Protected Investments – Series 3, and to obtain an *Investment Loan* you must complete the following Application Form and submit it to us, along with all required supporting documentation, so we receive your original application before 5pm (AEST) Friday 27 June, 2008.

If you are investing using all your own money, or by making a Principal contribution with a Capitalised Investment Loan please include your cheque made payable to PIML – PPI3 (Investors name), with your application. Alternatively we can direct debit your nominated bank account.

If you are applying for a loan you must complete the loan application section in the application form and submit it, along with all required supporting documentation, with your application for investing in the *product*. If approved, your loan proceeds will be automatically drawn down and invested on your behalf. Loan repayments will be direct debited from your nominated bank account.

How to submit your application

Please send us your application form, supporting documents (and cheque if applicable) to one of the addresses listed below. We must receive your original application (not a photocopy or fax) **before 5pm (AEST), Friday 27 June 2008.**

By mail (no stamp required if posted in Australia)
Reply Paid 5126
Perpetual Protected Investments
GPO Box 5126
Sydney NSW 2001

If mailing please post no later than Tuesday, 24 June 2008 to avoid missing the closing date due to mail delays.

In person
Perpetual Protected Investments
New South Wales
Level 12
Angel Place
123 Pitt Street
Sydney NSW 2001

Application requirements

Proof of identity

To comply with the new Anti-Money Laundering and Counter Terrorism Financing Act (AML/CTF Act), we require Proof of Identity from ALL signatories
We require a certified copy of photo identification that includes a signature, such as a driver's licence or passport, **from all persons signing the application form** as (or on behalf of) an *Investor,* Borrower *or Guarantor.*

Company signatories

Unless we receive additional authorised signatory information, the directors, company secretary or attorney signing the application will be the only authorised signatories for the company's investment and loans(s) where applicable. You can add authorised signatories by notifying us in writing, signed by authorised company officers and all new authorised signatories, and providing us with proof of identity for the new signatory (as above).

Trustee Applicants

All trustee applicants must supply a certified copy of the trust deeds along with either a solicitors certificate or a request for Perpetual to review (refer page 4 of the application form).

Attorneys

If the application is signed under a *power of attorney*, please send the original *power of attorney* or a certified copy of it to us with your application. If signed under *power of attorney*, the attorney certifies that he or she has not received notice of revocation of the *power of attorney.*

What happens after your application has been submitted

We will send you a notification confirming receipt of your application and notify you or your financial *Adviser* if your application is approved and any conditions of approval. If you choose to have Online Account Access to view your *portfolio*, you will also receive your login details within a month of the *protection start date.*

Supporting documents for loans

If applying for a *100% Investment Loan* (with optional *Annual Interest Loan*) the following identifies when and what supporting documentation is required.

Please note the dollar limit quoted in the tables below include total borrowings across **ALL** Perpetual Protected Investment series.

Income verification requirements (mandatory)

Individual or Individual trustee PAYG (one of the following)	
Letter of employment	The letter of employment must be typed and signed by an appropriate representative (Payroll Officer / Manager, HR Manager OR Owner of the business). The letter needs to be on the employer's letterhead and must include the employer's Australian Business Number (ABN). The letter of employment must be dated and needs to confirm: – Date the employee commenced work – Position held – Basis of employment (full-time / part-time / casual) – Income earned (confirming any overtime) – Bonuses &/OR Allowances received The letter of employment must **NOT** be more than two months old at time of initial assessment and approval.
Two consecutive payslips	Two consecutive payslips will need to be provided with the latest payslip not being more than two months old. Where the payslips do not demonstrate a consistent level of income received, such payslips can be annualised to determine a consistent annual income amount – particularly where the year to date figure consists of overtime and/or shift allowances received in addition to the base income. Payslips will need to note: – Borrower's name – Employer's name and ABN – Pay period – Amount earned during pay period + Break-up of income received (base income, overtime, allowances, etc.) – include the year to date figure. Cash pay envelopes and handwritten payslips are **NOT** acceptable.
PAYG Summary and payslip	The most recent financial year's PAYG Summary must be provided along with a payslip not being more than two months old. Hand written PAYG Summaries must be accompanied with the corresponding tax assessment notice. The PAYG Summary must include: – Employer's name and ABN – Borrower's name and residential address – Total Income amount received (incorporating any allowance received). The payslip will need to note: – Borrower's name – Employer's name and ABN – Pay period – Total Income amount earned during the pay period + break-up of the income received (base income, overtime and allowances etc) and include the year to date figure.
Last two years tax returns	The last two years Personal Tax Returns that have been completed by a registered tax agent. If the borrower is a director of a company, the last two years company returns will need to be provided, along with the corresponding financial statements. *Partnership* and *Trust* returns will need to be provided where income is derived via these means.
Individual or Individual trustees self-employed	
Last two years tax returns	The last two years Personal Tax Returns that have been completed by a registered tax agent. If the borrower is a director of a company, the last two years company returns will need to be provided, along with the corresponding financial statements. *Partnership* and *Trust* returns will need to be provided where income is derived via these means.

Corporate or Corporate trustee	
Corporate	A copy of the full financials (including balance sheets and profit and loss statements) of the company showing the last two years' details, signed by an authorised officer and confirmation of the director's income (as per *Individuals* above).
Trust	
Trust	A copy of the full financials (including balance sheets and profit and loss statements) of the *Trust* showing the last two years' details, signed by an authorised officer and confirmation of the director's income (as per *Individuals* above).) **Plus** Verification as required for the *trustee* from the above list.

Asset verification requirements

Asset verification requirements – where total Perpetual Protected Investments Series loans are $600,000 or greater	
Shares and managed *funds*	Copies of latest share holdings statements
Cash	Copies of bank statements showing cash holdings. Statements are to be no older than one month. Copies of Fixed Term Deposit Certificates, must still be current.
Property	Most recent rates notices or copy of the Certificate of Title. Where a liability is outstanding on the property, copy of the most recent loan statement evidencing the liability.

Contact us

For further information, or a copy of any of our Product Disclosure Statements, please contact Perpetual:

Website
www.perpetual.com.au
www.perpetual.com.au/structuredproducts/ppi3

Email
ppi@perpetual.com.au

Telephone
During business hours, (Sydney time):

Investor Service Centre
1800 002 513

Adviser Service Centre
1800 002 513

Fax
Investors and advisers
02 8256 1416

Postal address
No stamp required if posted in Australia
Reply Paid 5126
Perpetual Protected Investments
GPO Box 5126
Sydney NSW 2001

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New South Wales
Angel Place
Level 12
123 Pitt Street
Sydney NSW 2000

Queensland
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260 Queen Street
Brisbane QLD 4000

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101 Grenfell Street
Adelaide SA 5000

Victoria
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360 Collins Street
Melbourne VIC 3000

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2 The Esplanade
Perth WA 6000

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