

### Your questions answered

Perpetual's Monthly Income Fund (Fund) has been providing investors with regular income and capital stability since 1966, including through the turbulent financial markets of recent years.

Here we explain how the withdrawal process works and provide an update on how the Fund has performed. Further updates are available at [www.perpetual.com.au/fundchanges](http://www.perpetual.com.au/fundchanges)

The quarterly withdrawal process enables us to provide withdrawals in an orderly way while managing the Fund's assets in the best interest of all investors.

#### How does the withdrawal process work?

Withdrawals are paid quarterly based on available cash in the Fund. If withdrawal requests exceed the Fund's available cash, all investors who have submitted a request for that quarter will receive a pro-rata amount. Investor's withdrawal requests are pooled and treated equally using the following formula:

$$\begin{array}{l} \% \text{ of withdrawal} \\ \text{requests paid} \\ \text{(payout ratio)} \end{array} = \frac{\text{total of cash available from fund}}{\text{total investor withdrawal requests}}$$

You may make one withdrawal request each quarter and it will only be eligible for the quarter in which it is received.

Investors with \$1000 or less who make a full or partial withdrawal request will have their full investment balance paid. We don't anticipate these payments having any material impact on the withdrawal amounts paid to other investors.

#### What was the withdrawal payout ratio for the March quarter 2011?

For the March 2011 quarter the total withdrawal request amounts were greater than the Fund's available cash. Therefore, all withdrawal requests were paid on a pro-rata basis and we were able to pay 30.5 per cent of investors' withdrawal requests.

#### How much has been paid in withdrawals since the Fund's withdrawal process changed?

Investors who have submitted withdrawal requests each quarter since the December 2008 quarter, inclusively, would have now received over 99.8 per cent of their investment.

#### What will the withdrawal payout ratio be for the next quarter?

The payout ratio that investors receive will depend on the Fund's available cash and the level of withdrawal requests we receive up until 3pm on 30 June 2011. We will not be able to calculate the next payout ratio until shortly after this time.

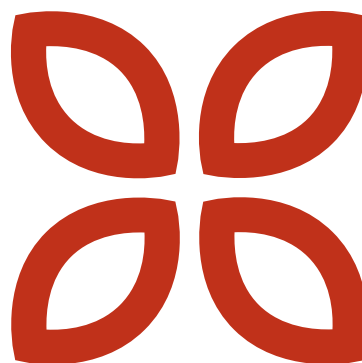
#### How do I make a further withdrawal?

If you would like to make a further withdrawal you must submit a new withdrawal request for the next quarter ending 30 June 2011. The withdrawal form is available on our website [www.perpetual.com.au/MIFform](http://www.perpetual.com.au/MIFform). To be included in the next quarter's withdrawal process we must receive your request in our Sydney office by 3pm (Sydney time) on Thursday 30 June 2011.

Please note, your previous request for the March quarter will not be included in the next quarterly withdrawal process even though it was only partly paid.

#### Will I continue to receive my monthly income payments?

Yes. Monthly income payments will continue as usual. They are not affected by the quarterly withdrawal process.



## Why was the withdrawal process changed?

We changed the Fund's withdrawal process to protect the interests of investors. Following the introduction of the Federal Government's bank deposit guarantee in October 2008 there was a marked increase in withdrawals in mortgage funds across the industry. If we paid withdrawal requests which exceeded the amount of cash available, we would be forced to sell some of the Fund's assets at discounted prices. This would greatly disadvantage remaining investors in the Fund.

The quarterly withdrawal process enables us to provide withdrawals in an orderly way and continue to manage the Fund's assets in the best interests of all investors.

## Can I withdraw funds to meet a financial hardship?

If you're suffering hardship, you may be able to access your investment separately to the quarterly withdrawal process. To pay withdrawals based on hardship, you must meet one of the hardship conditions of release and there must be sufficient funds available.

If you would like to make a hardship claim, you must complete a statutory declaration and submit relevant supporting documentation. To make a claim you must have exhausted all other means of accessing funds to meet your needs including, realising other liquid assets, applying for financial hardship through your superannuation fund and applying to Centrelink for assistance.

Please contact us or visit our website if you would like further information.

## How does Perpetual manage my money?

The Fund invests in high quality mortgage loan assets as well as deposits, money markets and fixed income securities.

Our experienced mortgage team invests in high quality mortgages with attractive loan-to-valuation ratios that are secured by income-producing properties. The mortgage assets must pass stringent lending criteria, credit checks and independent valuations. The Fund does not have any exposure to land banks, development projects or construction loans.

Our funds are regulated by the Australian Securities and Investments Commission (ASIC) and their investments are held in completely separate structures to the assets of the Perpetual business. Perpetual does not have the right or ability to access investors' investment money for its own use. We are simply managing your investments on your behalf and will continue to do so.

## How have mortgage funds performed?

The Fund is one of the longest running mortgage funds in Australia and has provided income payments on a monthly basis since 1966.

The objective of the Fund is to provide a consistent monthly income stream with strong capital stability, and this has been achieved over many years including through the turbulent financial markets of recent years.

Perpetual's Monthly Income Fund – returns to 31 March 2011	
3 months	1.0%
1 year	4.0%
3 years	4.3% pa
5 years	4.9% pa
10 years	5.2% pa

Total returns shown have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.

For detailed information on the Fund's investments please visit [www.perpetual.com.au/MIFprofile](http://www.perpetual.com.au/MIFprofile), and [www.perpetual.com.au/mortgage-pool](http://www.perpetual.com.au/mortgage-pool)

## Can I make a new investment into the Fund?

The Fund is open for new investments, including distribution reinvestments. If you would like to reinvest distributions please notify us in writing, by email or phone using the contact details below. Please note that any new investments will be subject to the quarterly withdrawal process and you should read the latest copy of the product disclosure statement before making an investment decision.

## Is withdrawing from the Fund the best option?

There may be many reasons why you would want to withdraw from a fund, depending on your particular circumstances and objectives. However, if your investment is fulfilling its role in providing regular income and preserving your capital, we recommend you seek financial and taxation advice to ensure you are able to make an informed decision. If you do not have a financial adviser you can phone us and we will put you in touch with one.

---

This information has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The product disclosure statement (PDS) for Perpetual's Monthly Income Fund, issued by PIML, should be considered before deciding whether to acquire or hold units in the fund. The PDS can be obtained by calling 1800 022 033 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au). No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. An investment in the Fund is not a bank deposit, nor is it a liability of the Perpetual Group. It is subject to investment risk, including loss of some or all of an investor's principal investment and lower than expected returns.

---

INVESTING FOR GENERATIONS



## Further information

Phone 1800 022 033

Email [investments@perpetual.com.au](mailto:investments@perpetual.com.au)

[www.perpetual.com.au](http://www.perpetual.com.au)