

**Presenting
debate on
contemporary
and emerging
portfolio
construction
issues**



portfolio
construction

CONFERENCE

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The rise and rise of capital protected products



Presented by

Russel Chesler, Product Structurer
Perpetual Structured Products

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The rise and rise of capital protected products



Global and domestic growth



Relevance for specific investor groups



Future trends



Perpetual Protected Investment Series



Global and domestic growth



Global growth

Providing comfort for investors who remember the pain of global equity market corrections and want more than a cash return

1. Growing strongly

25% per annum for the last three years¹

2. In the mainstream

Four out of five UK advisers see capital protection as one of the building blocks of a sensibly diversified portfolio²

3. Different uses

Growth and income enhancement

- indices
- managed funds
- new asset classes

¹ Source: Perpetual

² "Capital Protection key to UK advisers, says Skandia survey", StructuredRetailProducts.com, 20 December 2006

Australian growth

It's all about
gearing

Less than 1% of
investors' portfolios

\$2 billion in new
flows to June 2007

\$1 billion in new
flows 2006

- Access to 100% LVR
- Tax effective
- Strong Australian equity markets

Source: Perpetual

Wide range of underlying investments

Established offerings

Managed funds

ASIC registered funds across a range of asset classes

Perpetual Protected Investments
Macquarie Fusion

Hedge funds

Fund of funds and single funds

OMIP
HFA Octane

Growth areas

Thematic products

Emerging markets, hard and soft commodities, water, renewable energy

Macquarie Gateway
JBWere Keystones

Income products

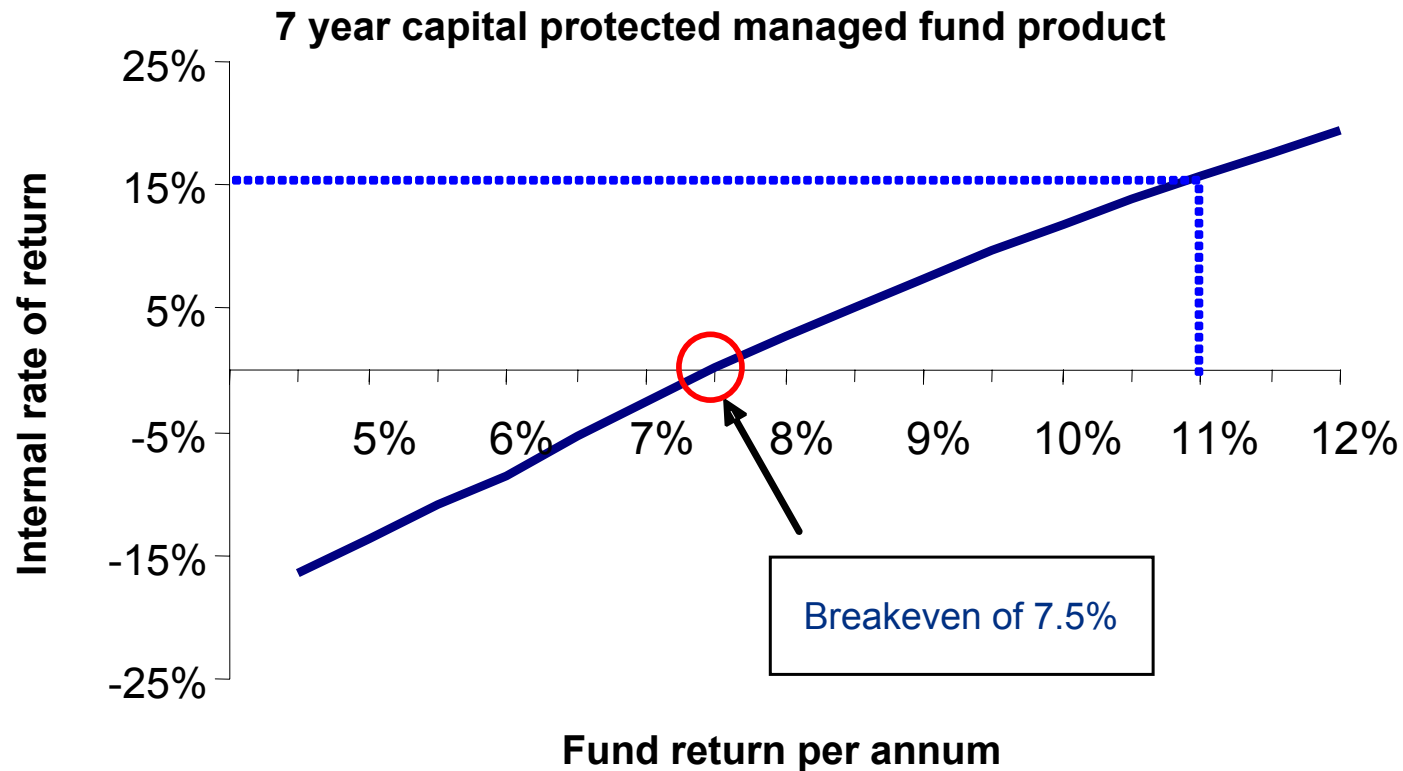
Credit or equity linked

Westpac Halcyon
Macquarie Alps

Increasing relevance
for specific investors
(and advisers)



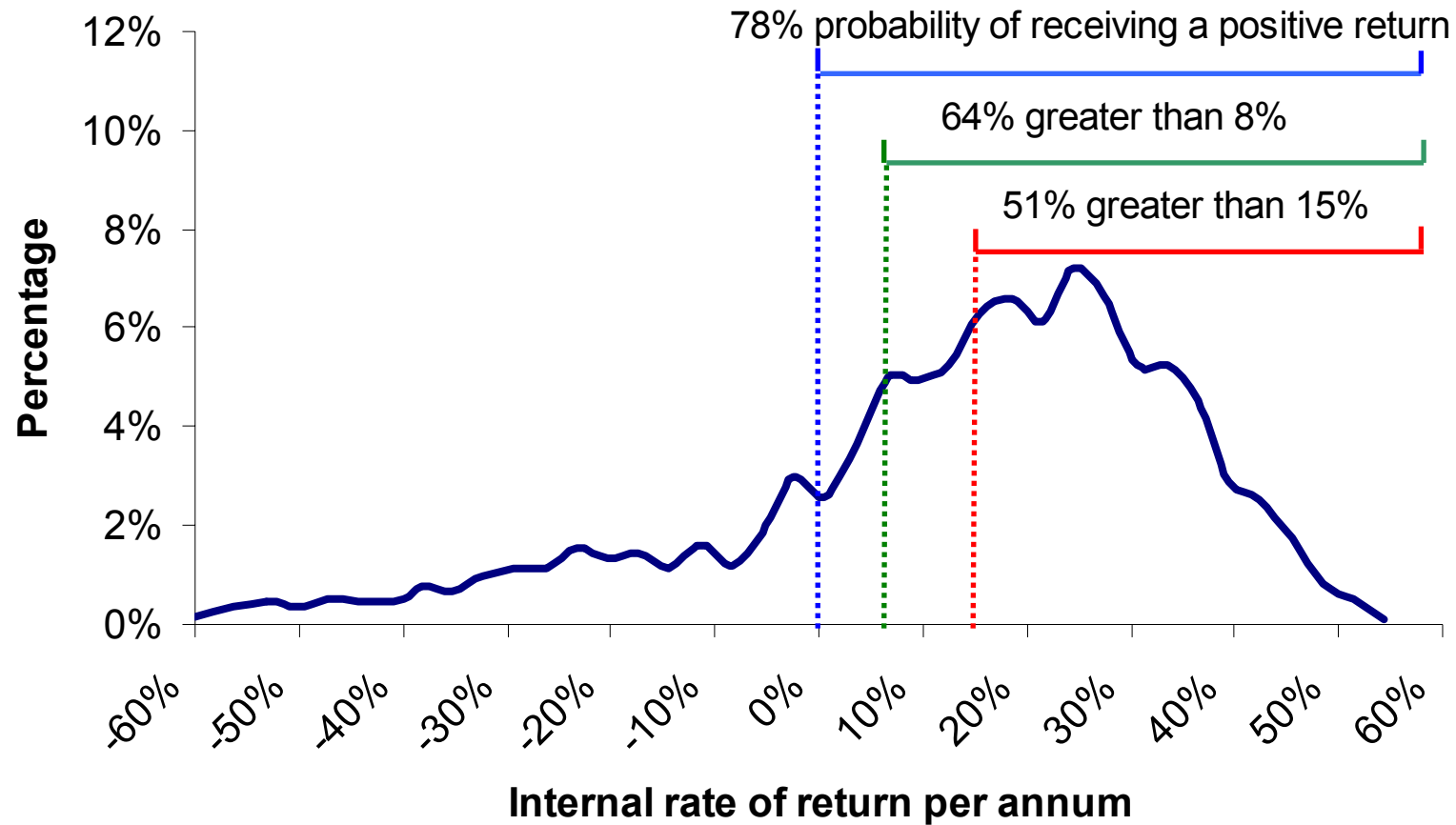
The value of access to capital



- **Extra return**
- Franking credits
- Tax effective features (including ability to prepay interest)
- CGT at maturity

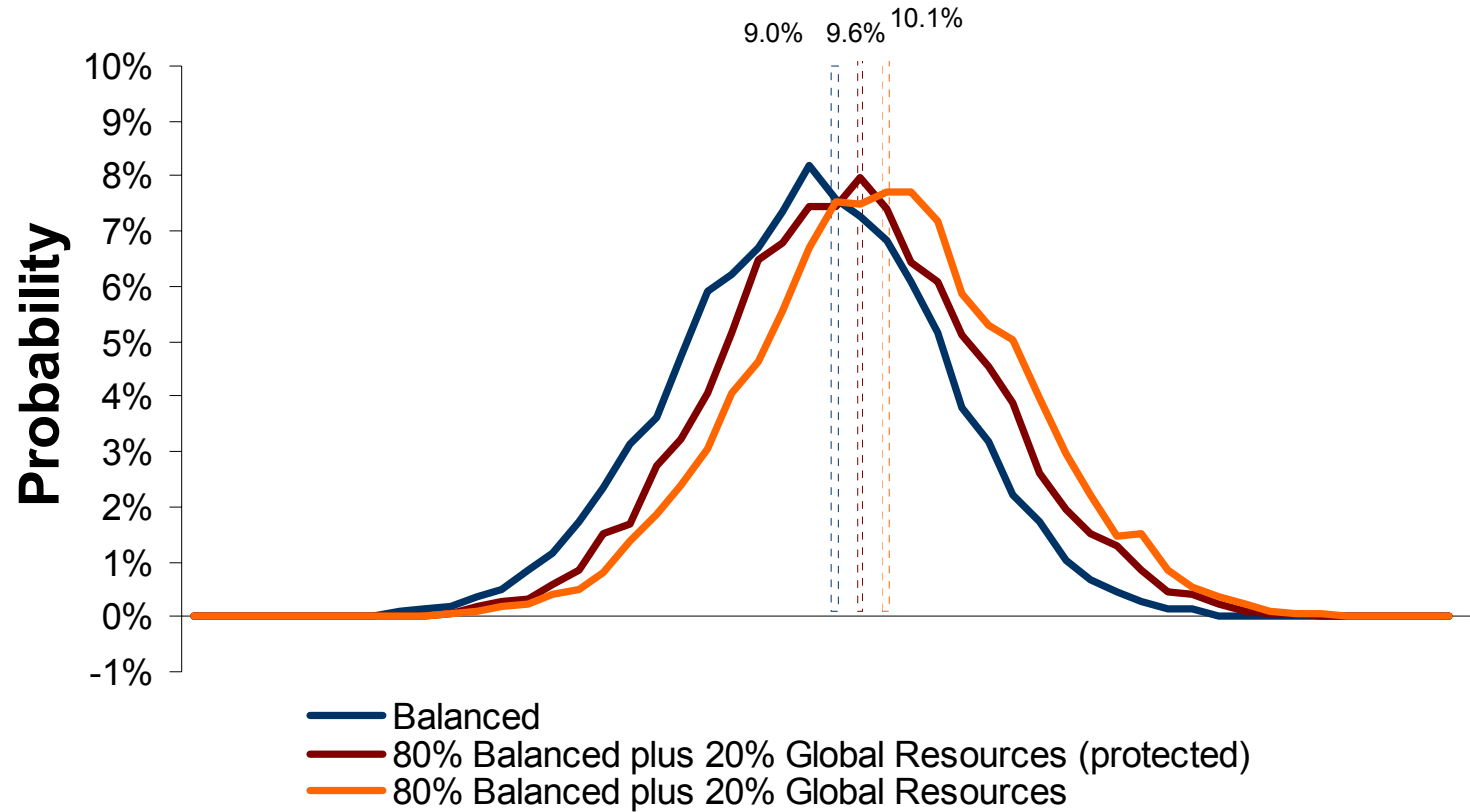
Source: Perpetual. Please see the paper 'The rise and rise of capital protected products' for the assumptions used. Past performance is no indication of future performance.

Distribution of returns



Source: Perpetual. Please see the paper 'The rise and rise of capital protected products' for the assumptions used. Past performance is no indication of future performance.

The value of choice



Source: Perpetual. Please see the paper 'The rise and rise of capital protected products' for the assumptions used. Past performance is no indication of future performance.

Increasing relevance for investors and advisers

Meet investor goals

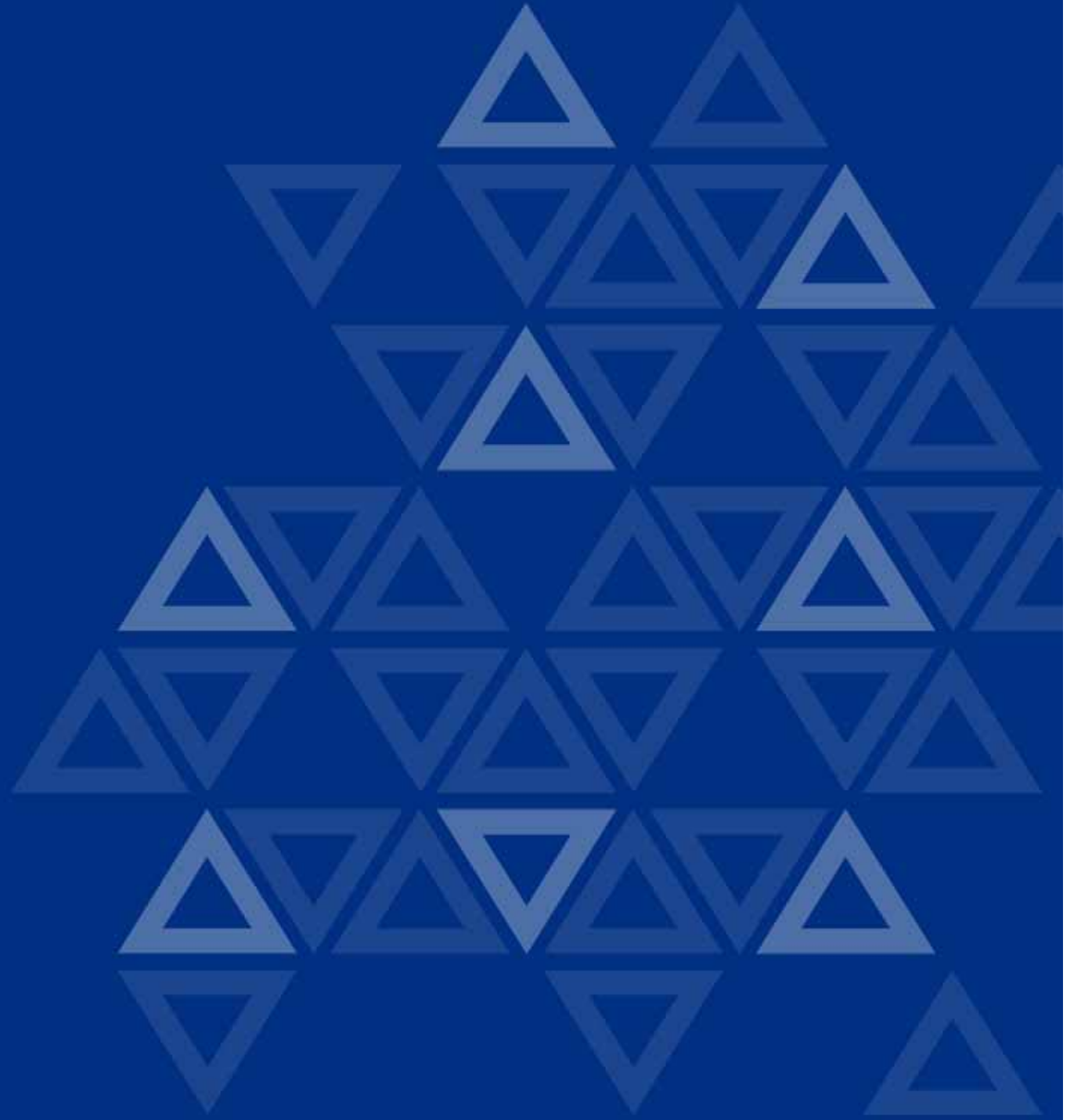
- Looking for higher returns and income
- Marginal tax rates still high
- Need to support retirement lifestyle

Meet adviser goals

- New products for emerging wealthy
- Search for new sources of alpha
- Value-add after simplification of super

Source: Perpetual

Future trends



The rise and rise of capital protected products



Protected lending still a sound strategy for the right investor



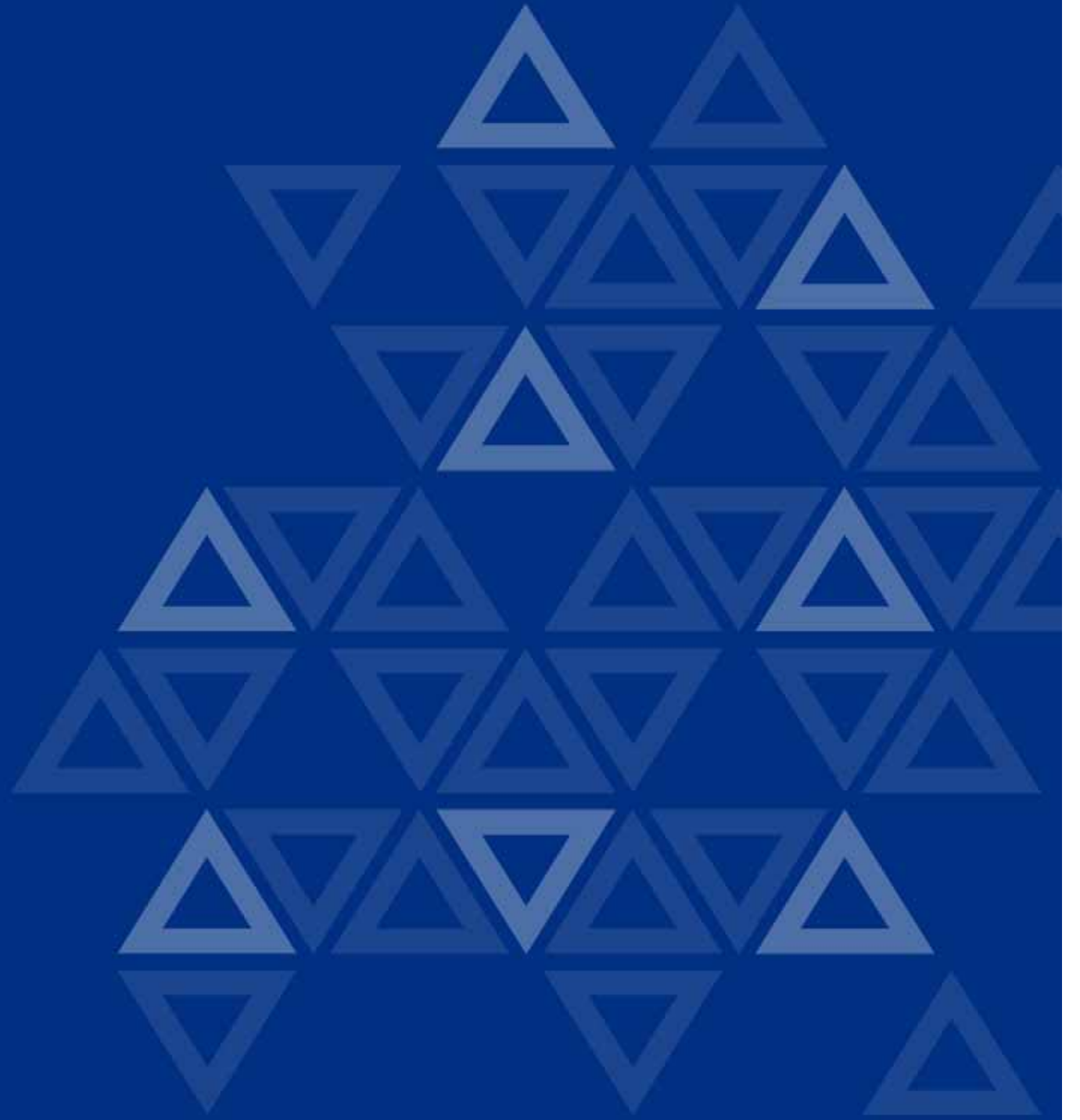
Access newer sources of alpha in a way that better suits investor's risk profile



Greater focus on repackaging returns from **any** asset class to deliver income



Perpetual
Protected
Investments



Perpetual Protected Investments Series

Choose from a menu of **well-rated funds**

Accelerate investment performance through **gearing – with no margin calls**

Take advantage of market highs while being **protected from the lows**

Tax effective investment with flexibility through direct ownership of funds

Manage cash flow by having fees* paid directly from the product



* Product fees include the administration fees and put option premium (if applicable)
Source: Perpetual



A new generation of capital protection

Investor benefits

- Superior investment menu
- Greater tax effectiveness
- More cost effective
- Better cash flow

Adviser benefits

- Target emerging wealthy
- Options that better suit client's risk profile
- Revenue stream for 7 years

Source: Perpetual

General advice

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