

Perpetual Investment Fund

Media Briefing on the Annual & Quarterly
Results of the Perpetual Investment Fund to
30 June 2008

Summary for FY08

- The PIF recorded a gain of NZD\$50.2m for the year, an IRR return of 19.04%, and finished at NZD\$327m.
- The PIF paid to NPDC a total of \$23.4m, made up of the release payment of NZD\$21.5m, TIML costs of \$1.1m and interest costs of \$0.8m.
- The unwinding of very high levels of gearing, poor lending practices, record high commodity prices and a freeze-up in credit markets led global markets to their worst performances in many years. Globally central banks provided enormous amounts of cash to keep banking systems from crashing, the FED also engaged in an aggressive rate cut program.

Summary for FY08(cont)

- A metals commodity and oil boom supported a huge out-performance of these sectors with financials globally the laggards.
- NZ50G was down -24.6%, MSCI World ex S&P500 -14.9%, FTSE100 -14.9%, ASX200(accum) -13.4%, NZ Small Caps -20.3%(accum), Nikkei -25.6%, (all local currency terms).
- Currency showed a gain of \$7.3m.
- Tasman Farms and Baring III Fund provided strong real returns.

Summary For June Qtr

- The PIF recorded a gain of NZD\$57.5m for the qtr, an IRR return of 21.31%, and finished at NZD\$327m.
- The June qtr continued the same themes from the previous quarter. Financial and REIT stocks globally saw further huge falls. Resources and energy recorded gains. High volatility and falling prices resulted in a bad mix for equities. Except for Canada and Japan all developed equity markets fell.
- Oil saw new highs, up 38%! Mining stocks strong on the back of bulk metals, although the CRB Metals index fell 9.3%. Consumer discretionary was the worst performing sector. In effect a real two speed market existed globally, in Aust mining stocks were up 17.3% vs an industrial fall of 10.2%. NZ Equities were the worst performing asset class for the third consecutive qtr.

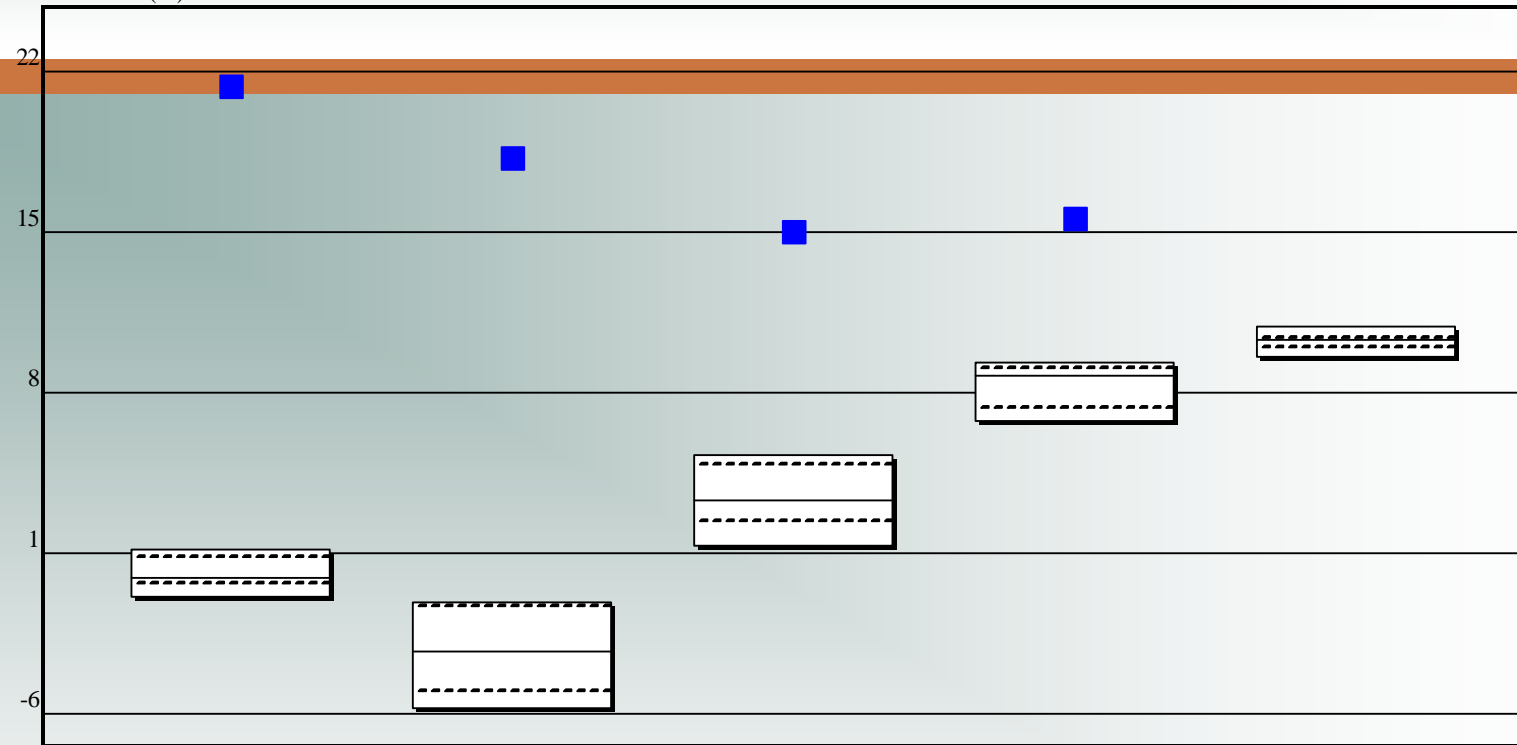
Summary For June Qtr(cont)

- NZ50G was down 7.9%, NZ Small Caps +3.5%. S&P - 3.2%, UK -1.3%, Aust -2.6%, Shanghai Comp -21.1%, Nikkei +7.6%, (all local currency terms).
- Generally the fund far exceeded its benchmarks in equities (excluding Australia) and alternative assets, neutral for bonds. Mercer figures for June year end show the fund was the number one performing fund in New Zealand over the qtr, year and three year period.
- Currency showed a strong gain of NZD\$5.1m.

Managed Fund PIF

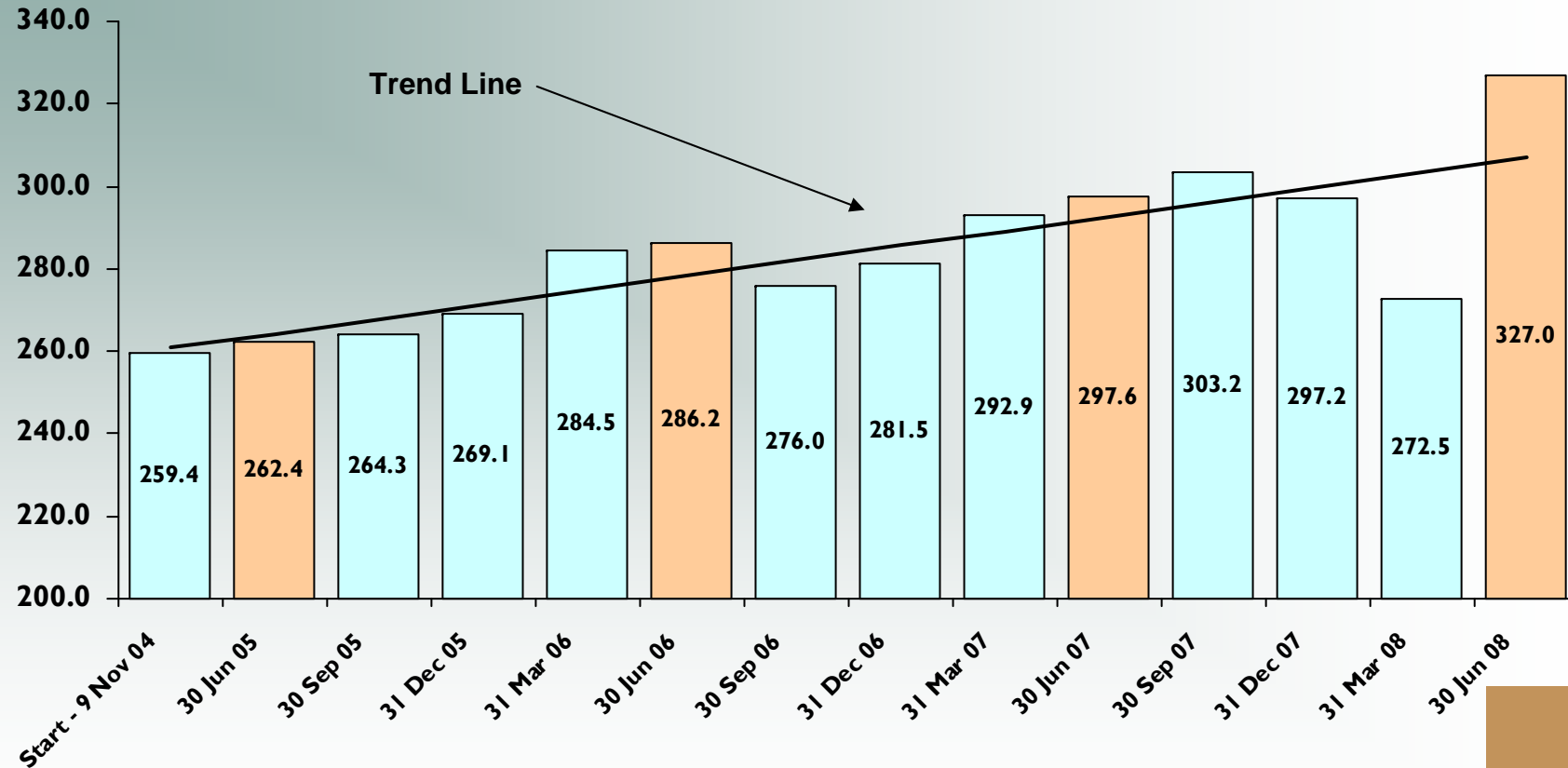
Comparison with the Mercer NZ Managed Fund Survey Universe
Performance before tax and before fees for periods ended June 2008

Rates of Return(%)

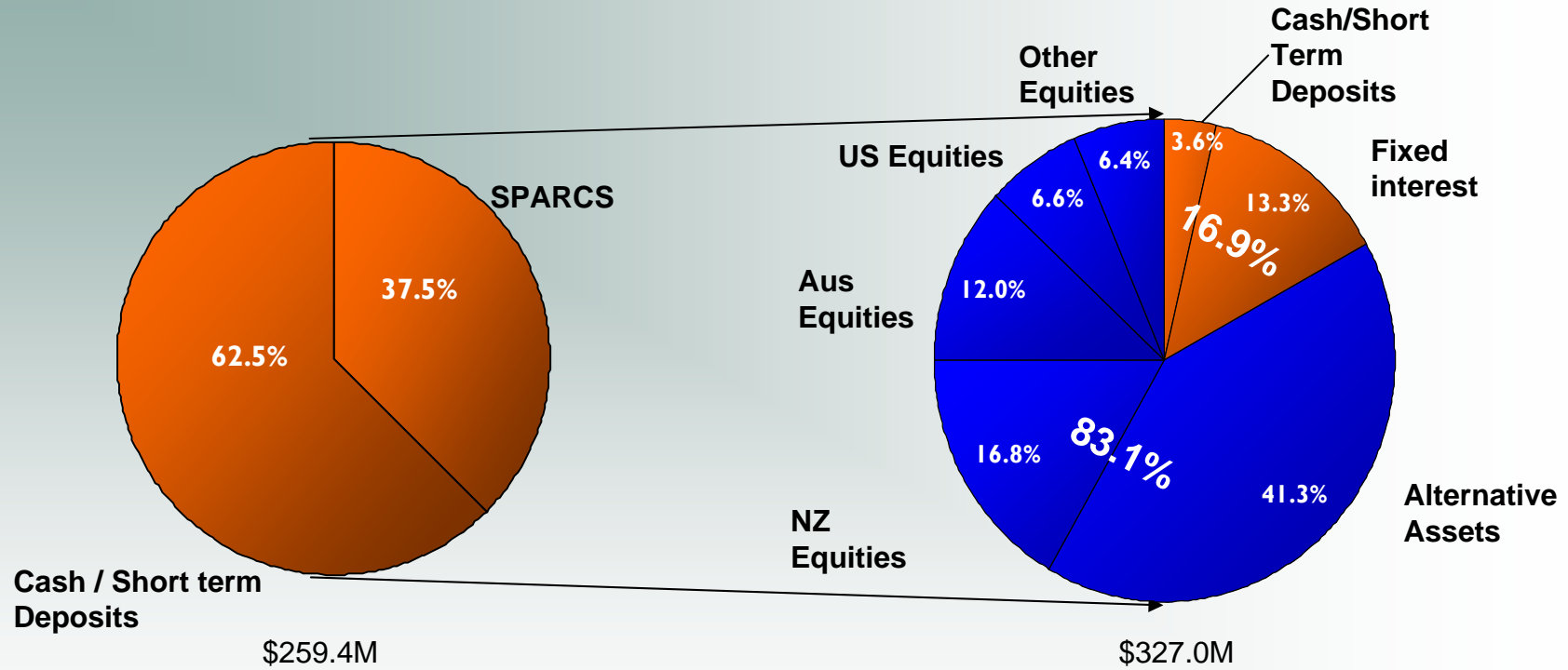


	3 Months (%)	1 Year (%)	2 Years (% pa)	3 Years (% pa)	5 Years (% pa)
PIF ■	21.3 (I)	18.2 (I)	15.0 (I)	15.6 (I)	na
Maximum	1.1	-1.2	5.3	9.3	10.8
Upper Quartile	0.8	-1.4	4.8	9.1	10.3
Median	-0.1	-3.3	3.3	8.7	10.3
Lower Quartile	-0.3	-5.1	2.3	7.3	9.9
Minimum	-1.0	-5.8	1.2	6.7	9.5
Number of Funds	6	6	6	6	6

PIF Performance - Quarterly Residual Value over time



Asset Allocation



At Inception November 2004

At 30 June 2008

Income Statement

TIML

Portfolio Valuation as at: 30-Jun-2008

		2007Q3	2007Q4	2008Q1	2008Q2	Total		
INCOME	Capital Return:	Alternative Assets	1,606,171	10,457,443	-357,121	55,966,740	67,673,232	
		Australian Equity	1,965,660	-5,489,704	-7,389,778	-3,804,041	-14,717,864	
		Cash	358,451	69,912	70,993	289,677	789,032	
		New Zealand Bonds	59,352	-240,876	-762,191	429,950	-513,765	
		New Zealand Equity	414,990	-3,224,847	-6,920,121	1,366,324	-8,363,653	
		Non US Equity	2,963,712	-1,199,203	-5,013,514	774,677	-2,474,328	
		US Equity	2,668,195	-2,192,935	-3,783,641	-375,720	-3,684,101	
		<i>Sub Total</i>	<i>\$10,036,531</i>	<i>-\$1,820,210</i>	<i>-\$24,155,373</i>	<i>\$54,647,607</i>	<i>\$38,708,554</i>	
		Direct Income:	Alternative Assets	0	0	62,039	53,066	115,104
			Australian Equity	176,275	494,892	133,506	477,824	1,282,497
	Cash		637,977	1,028,938	941,478	127,637	2,736,030	
	New Zealand Bonds		915,243	1,026,339	822,859	417,202	3,181,643	
	New Zealand Equity		473,045	558,816	343,908	1,165,267	2,541,036	
	Non US Equity		143,360	398,355	38,410	486,003	1,066,127	
	US Equity		140,314	162,101	158,133	136,842	597,389	
	<i>Sub Total</i>		<i>\$2,486,213</i>	<i>\$3,669,441</i>	<i>\$2,500,332</i>	<i>\$2,863,841</i>	<i>\$11,519,828</i>	
	TOTAL			\$12,522,744	\$1,849,231	-\$21,655,041	\$57,511,447	\$50,228,381
	NET PROFIT			\$12,522,744	\$1,849,231	-\$21,655,041	\$57,511,447	\$50,228,381

Quarterly Portfolio Returns

TIML

Portfolio Valuation as at: 30-Jun-2008

Gross Internal Rate of Return

	2007Q3	2007Q4	2008Q1	2008Q2
Alternative Assets	9.50%	111.68%	-0.69%	71.20%
Australian Equity	4.84%	-11.19%	-14.41%	-8.53%
Cash	2.70%	2.58%	3.14%	4.11%
New Zealand Bonds	1.93%	1.58%	0.13%	1.96%
New Zealand Equity	1.37%	-3.91%	-11.40%	5.00%
Non US Equity	6.82%	-1.61%	-12.28%	5.39%
US Equity	7.55%	-5.13%	-10.63%	-0.96%
	4.73%	0.61%	-7.11%	21.31%

Currency Analysis

TIML

Portfolio Valuation as at: 30-Jun-2008

Gross Internal Rate of Return - No Currency Movement

	2007Q3	2007Q4	2008Q1	2008Q2
Alternative Assets	7.20%	113.49%	0.19%	70.31%
Australian Equity	-1.70%	-8.57%	-15.53%	-14.93%
Cash	1.72%	2.41%	2.92%	1.23%
New Zealand Bonds	1.93%	1.58%	0.13%	1.96%
New Zealand Equity	0.88%	-3.94%	-11.40%	4.44%
Non US Equity	3.40%	0.16%	-10.41%	2.48%
US Equity	5.66%	-3.93%	-7.79%	-3.79%