

Perpetual Investment Fund

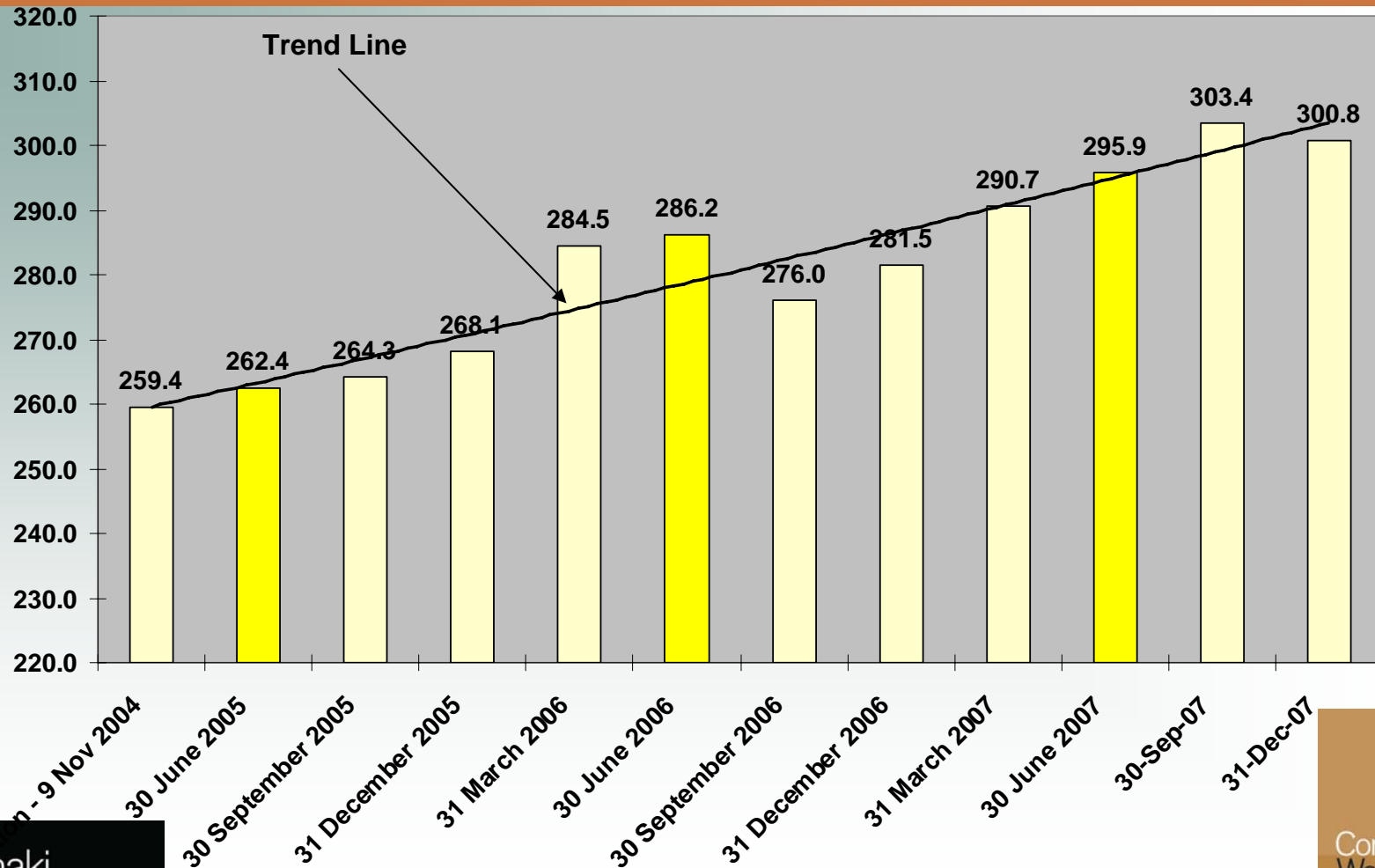
Quarterly Report
for the period ended
31 December 2007

Comment on Quarter

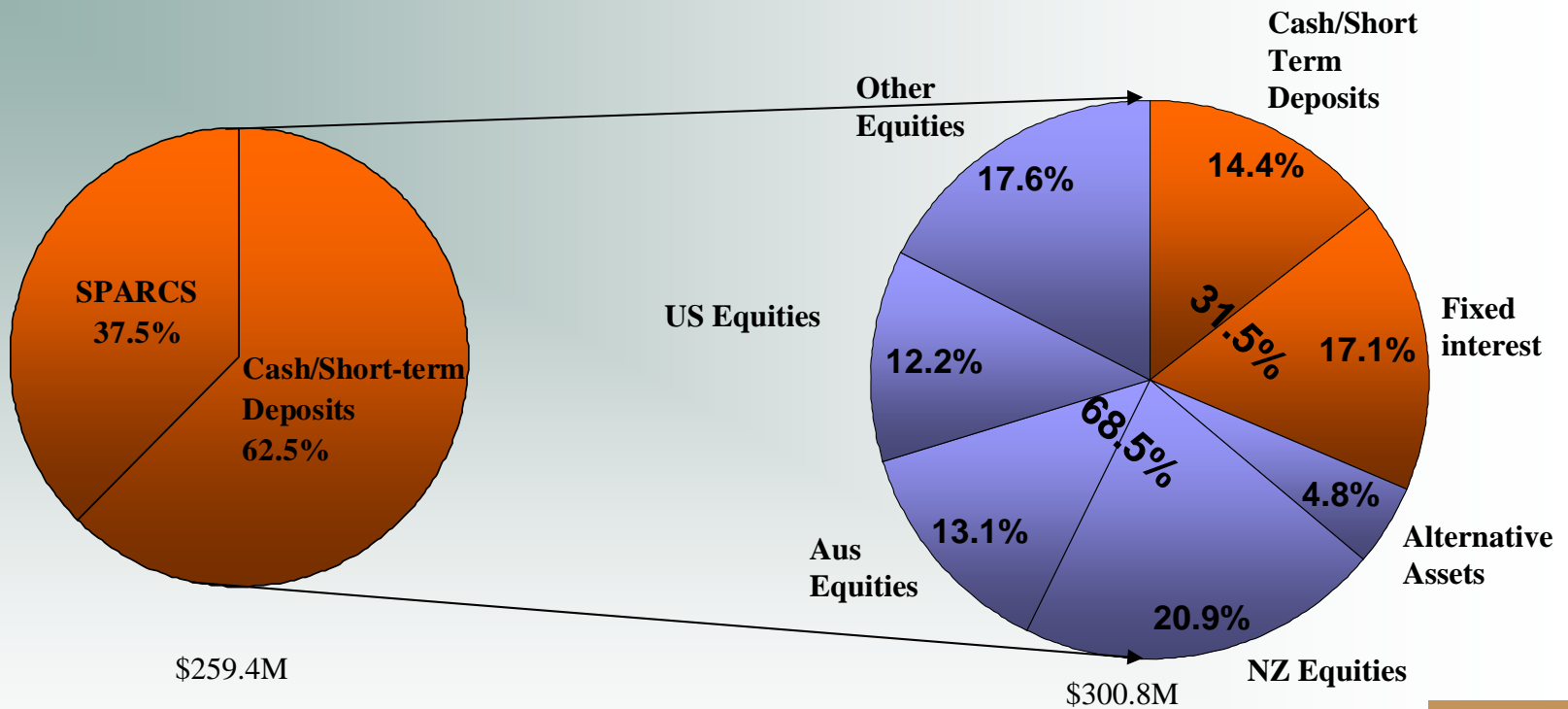
Highlights for the PIF include

- End value NZD\$300.8m after release of quarterly payment and deduction of costs.
- Positive internal rate of return of 0.63%.
- Tasman Farms: NPDC bid NZD\$1.10 per share and was working through the offer period. (Achieved 74.33% after close of offer).
- Out-performance was achieved against tracked classes, in off shore due to heavy weighting in oil, materials and resources with the exception of Australia.
- Baring's gain of \$10.5m was brought through this quarter. All cash returned.

PIF Performance - Quarterly Value over time



Asset Allocation



At Inception November 2004

At 31 December 2007

Income Statement

TIML

Portfolio Valuation as at: 31-Dec-2007

| | | 2007Q1 | 2007Q2 | 2007Q3 | 2007Q4 | Total | |
|--------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| INCOME | Capital Return: | Alternative Assets | -137,029 | 5,097,725 | 1,606,171 | 10,457,443 | 17,024,310 |
| | | Australian Equity | 5,458,822 | 514,828 | 3,642,706 | -5,489,704 | 4,126,652 |
| | | Cash | 405,832 | -373,343 | 358,451 | 69,912 | 460,851 |
| | | New Zealand Bonds | 1,685,721 | 96,348 | 36,553 | -190,660 | 1,627,963 |
| | | New Zealand Equity | 1,996,764 | -117,503 | 414,990 | -3,224,118 | -929,867 |
| | | Non US Equity | 534,322 | 910,485 | 2,963,712 | -1,199,203 | 3,209,317 |
| | | US Equity | -169,689 | 352,446 | 2,668,195 | -2,192,935 | 658,017 |
| | | <i>Sub Total</i> | <i>\$9,774,744</i> | <i>\$6,480,986</i> | <i>\$11,690,778</i> | <i>-\$1,769,265</i> | <i>\$26,177,243</i> |
| | Direct Income: | Alternative Assets | 523,846 | 45,850 | 0 | 0 | 569,696 |
| | | Australian Equity | 380,879 | 1,184,029 | 176,275 | 494,892 | 2,236,075 |
| | | Cash | 937,226 | 570,128 | 637,977 | 1,028,938 | 3,174,268 |
| | | New Zealand Bonds | 1,779,759 | 404,152 | 915,243 | 1,026,339 | 4,125,493 |
| | | New Zealand Equity | 395,903 | 953,656 | 473,045 | 558,816 | 2,381,420 |
| | | Non US Equity | 151,255 | 360,950 | 143,360 | 398,355 | 1,053,920 |
| | | US Equity | 187,125 | 180,592 | 140,314 | 162,101 | 670,133 |
| <i>Sub Total</i> | | <i>\$4,355,994</i> | <i>\$3,699,357</i> | <i>\$2,486,213</i> | <i>\$3,669,441</i> | <i>\$14,211,005</i> | |
| TOTAL | | \$14,130,737 | \$10,180,342 | \$14,176,992 | \$1,900,176 | \$40,388,247 | |
| FUND RETURN | | \$14,130,737 | \$10,180,342 | \$14,176,992 | \$1,900,176 | \$40,388,247 | |

Gross Internal Rate of Return

| | 2007Q1 | 2007Q2 | 2007Q3 | 2007Q4 |
|--------------------|--------|--------|--------|---------|
| Alternative Assets | 3.96% | 54.89% | 9.50% | 111.68% |
| Australian Equity | 13.70% | 3.07% | 8.96% | -11.19% |
| Cash | 2.21% | 0.35% | 2.70% | 2.58% |
| New Zealand Bonds | 6.61% | 1.25% | 1.89% | 1.68% |
| New Zealand Equity | 5.71% | 1.55% | 1.37% | -3.91% |
| Non US Equity | 1.72% | 2.90% | 6.82% | -1.61% |
| US Equity | 0.05% | 1.43% | 7.55% | -5.13% |
| | 5.02% | 3.44% | 4.81% | 0.63% |

Gross Internal Rate of Return - No Currency Movement

| | 2007Q1 | 2007Q2 | 2007Q3 | 2007Q4 |
|--------------------|--------|--------|--------|---------|
| Alternative Assets | 5.05% | 66.96% | 7.20% | 113.49% |
| Australian Equity | 12.82% | 5.66% | 2.15% | -8.57% |
| Cash | 1.54% | 1.03% | 1.72% | 2.41% |
| New Zealand Bonds | 6.61% | 1.25% | 1.89% | 1.68% |
| New Zealand Equity | 5.61% | 1.60% | 0.88% | -3.93% |
| Non US Equity | 3.14% | 9.90% | 3.40% | 0.16% |
| US Equity | 1.67% | 8.81% | 5.66% | -3.93% |