



## **ASX ANNOUNCEMENT**

15 May 2008

### **Perpetual Limited: Exact Market Cash Fund (EMCF) update**

Perpetual Limited (Perpetual) today reported that the total mark-to-market losses after tax in its Exact Market Cash Fund had steadied and now stood at \$26.2 million as at 30 April 2008.

Perpetual reported a mark-to-market loss after tax of \$26.0 million in the EMCF at 31 March 2008.

The stabilisation of the mark-to-market losses, which are largely unrealised, reflected the improved market conditions in the domestic investment grade credit market in late March and throughout April.

While spreads in synthetic indexes such as ITraxx retraced significantly in April, the contraction of spreads in actual physical securities was more moderate, particularly in relation to residential mortgage backed securities.

The current strong valuations in credit markets are now contributing to a high running yield across the EMCF portfolio.

Perpetual has managed downside risk and limited the impact of the unprecedented volatility in the market on the EMCF by hedging parts of the portfolio. The hedge, which has also regulated the retracing of the spreads in the short-term, will continue to unwind as the mark-to-market position improves.

Investors in the EMCF have not been impacted by the mark-the-market losses and the fund has delivered Bank Bill Index returns since inception. The fund continues to receive inflows and Perpetual recently launched a retail version of the EMCF in the market.

The underlying portfolio of the EMCF is very diversified and invested in high quality, predominantly domestic securities with a weighted average term to maturity of less than 1.5 years. The portfolio has no exposure to US sub-prime securities.

As conditions in the credit markets have stabilised, Perpetual will revert to standard reporting procedures and update the market on the EMCF at the release of its 2008 end of year results. The company will report any substantial movement in the portfolio in the interim.

For further information, please contact:

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