

Perpetual Global Equities Strategy

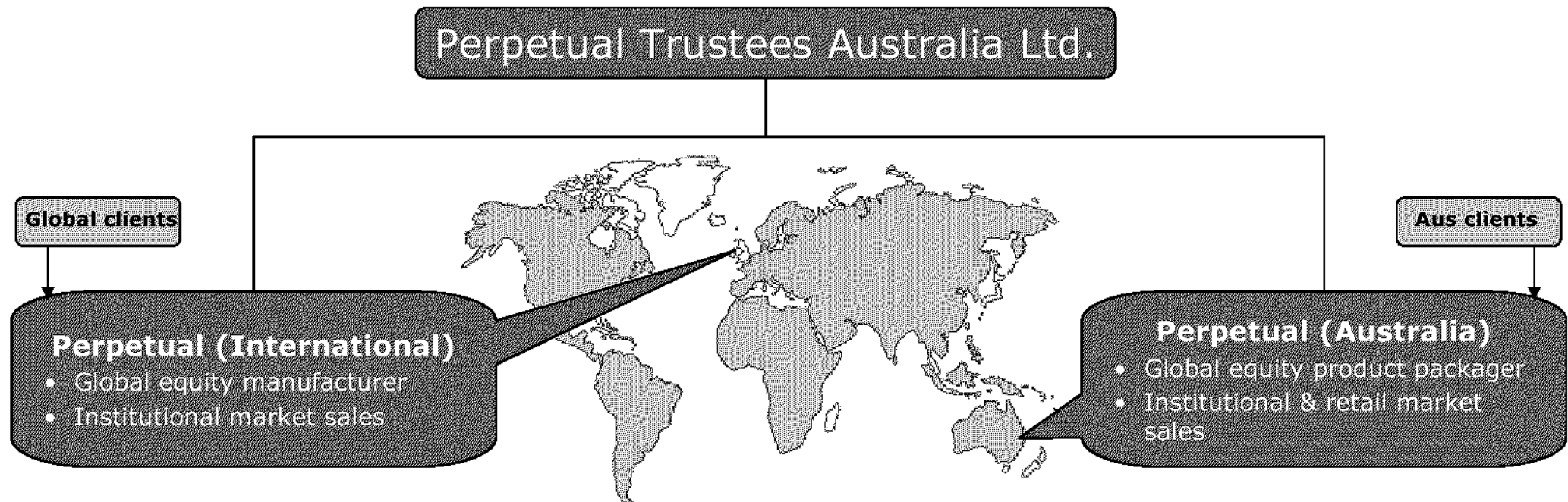
Analyst Briefing

24 September 2004

Perpetual will create its own global equities business

Business strategy includes:

- *Manufacture a focused range of global equities products*
- *Distribution of these products to:*
 - *Retail and institutional investors in Australia*
 - *Institutional investors outside of Australia*



Key points: Perpetual Global Equities

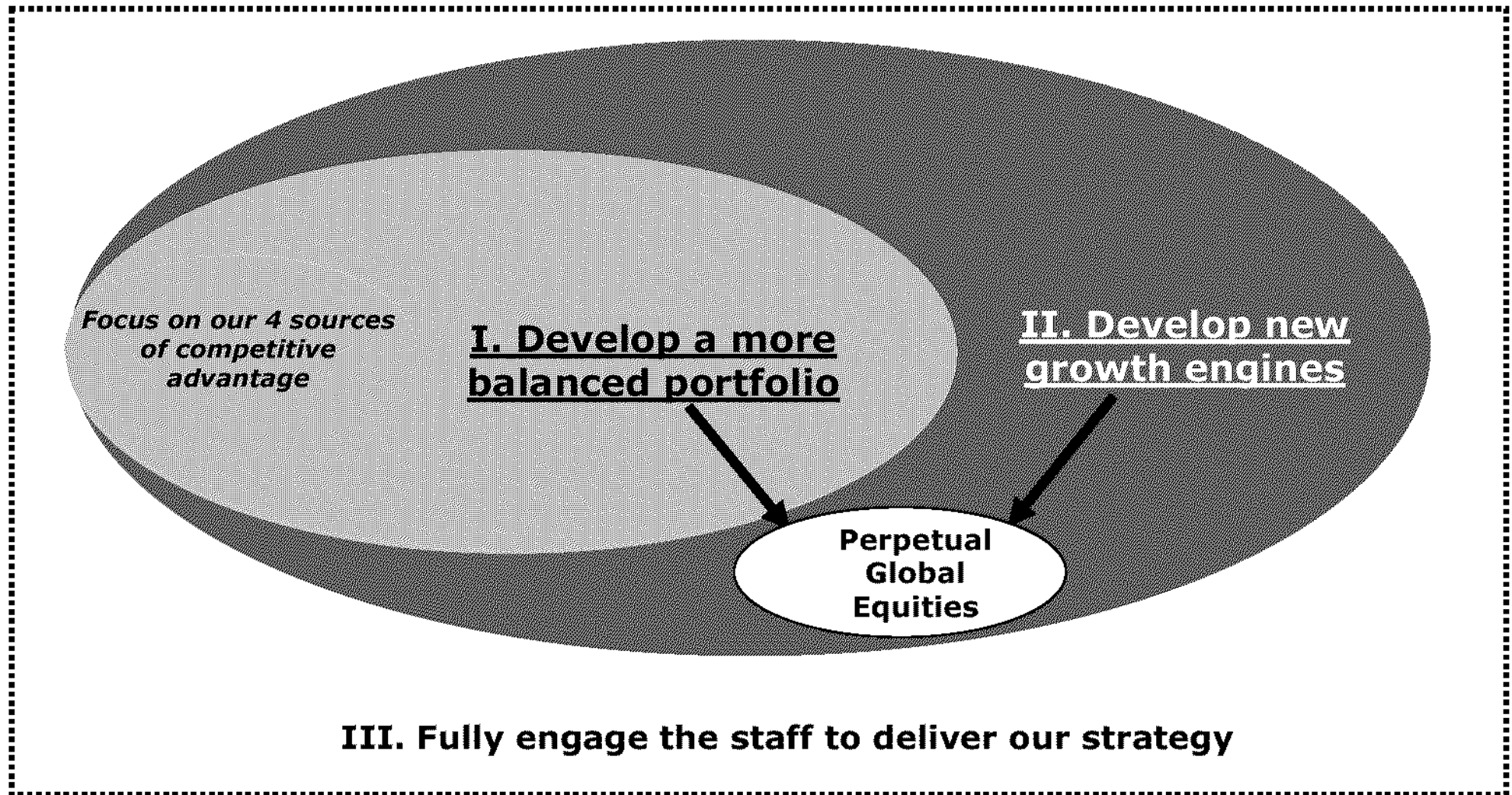
Strategic development

- Secured outstanding Global Equities investment capabilities based in Dublin
- Strategy incorporates the best of “Greenfield” and “acquisition” options
- Supports Perpetual’s new strategy for developing new growth engines and balancing the portfolio
- Fidelity alliance ends when Perpetual’s Global Equities team assumes management of funds in early 2005

Financial impacts

- Perpetual Global Equities business expected to be profitable in second full year of operations
- One-off significant items c.\$20m (pre-tax) in 2005. Significant items include:
 - Establishment costs of c.\$15m
 - Start-up operating losses of c.\$5m
- Significant items expected to be fully offset by profits from the sale of non-strategic assets (e.g. share portfolio) with no reduction in 2005 OPAT
- 2005 dividend payments of 90% of NPAT before goodwill will not be impacted by the ‘global equities significant item’

Implementing our Strategy



Build capability in new investment skill sets

Skill set	High breadth	← →				Low breadth
Domestic Stock Picking	Broad	Styles	Small Caps	Hedge Funds	Private Equity	
Mortgage Lending		Mortgages	Mezz Debt			
LPT Stock Picking		Global	Domestic			
Infrastructure Investing				Infra-structure		
Quantitative Investing	Global	Domestic		Hedge Funds		Currency/TAA
Credit Investing		Global	Domestic	Hybrids		
Global Stock Picking	Broad	Styles		Hedge Funds	Emerging Markets	
Global Thematic				Hedge Funds	Broad	
Direct Property Investing				Direct Property		
Duration Management						Vanilla Bonds

Recently added capability



Skills we currently possess

Adding a global stock picking capability

Skill set	High breadth	←			→	Low breadth
Domestic Stock Picking	Broad	Styles	Small Caps	Hedge Funds	Private Equity	
Mortgage Lending		Mortgages	Mezz Debt			
LPT Stock Picking		Global	Domestic			
Infrastructure Investing				Infra-structure		
Quantitative Investing	Global	Domestic		Hedge Funds		Currency/TAA
Credit Investing		Global	Domestic	Hybrids		
Global Stock Picking	Broad	Styles		Hedge Funds	Emerging Markets	
Global Thematic				Hedge Funds	Broad	
Direct Property Investing				Direct Property		
Duration Management						Vanilla Bonds

Global Equities

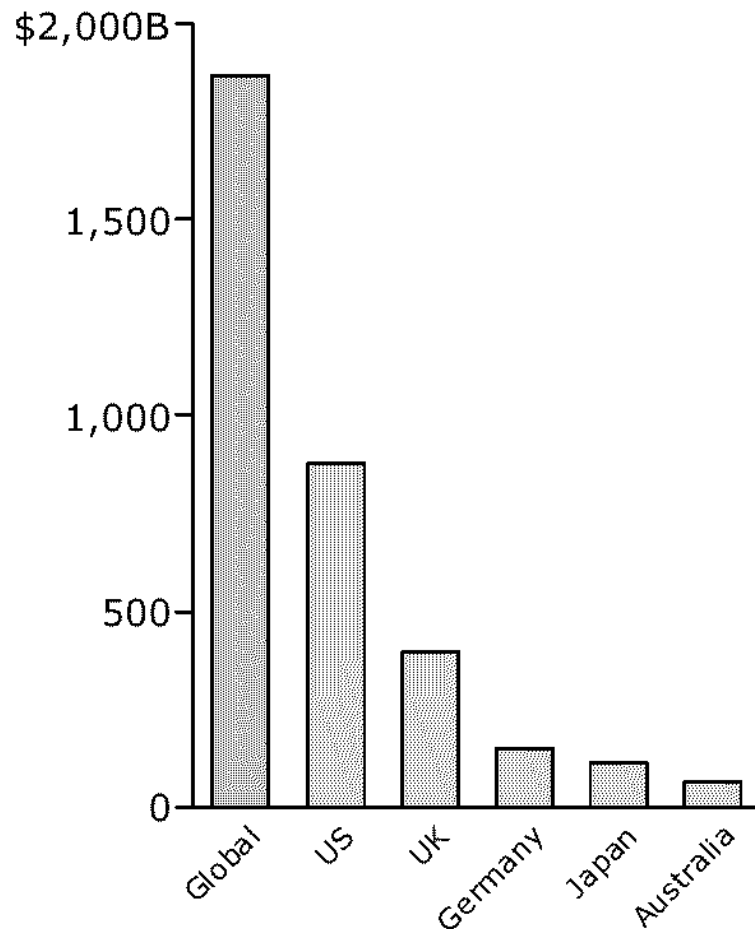


Skills we currently possess

Global equities presents a significant opportunity for Perpetual

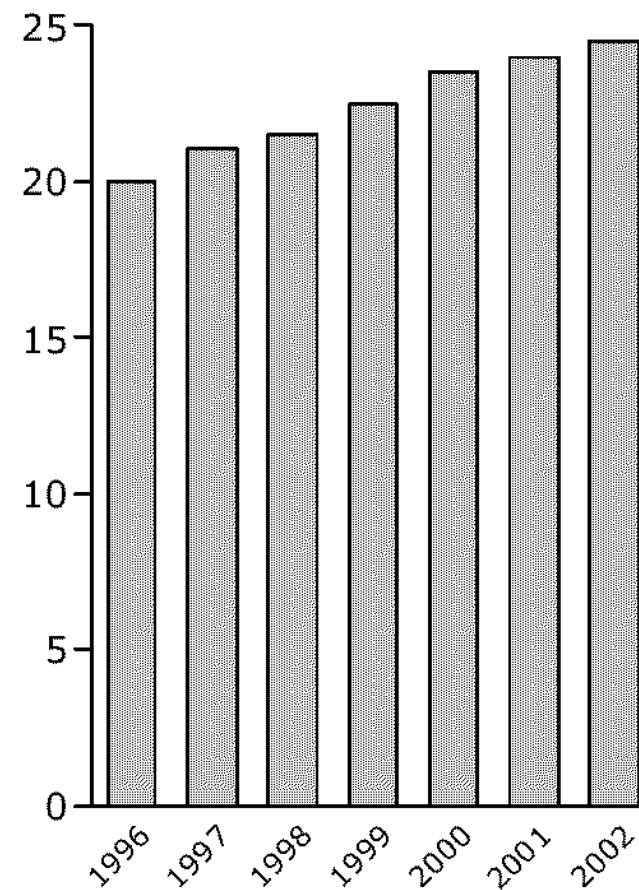
Global equities is a very large market...

Global Equity
FUM (USD)

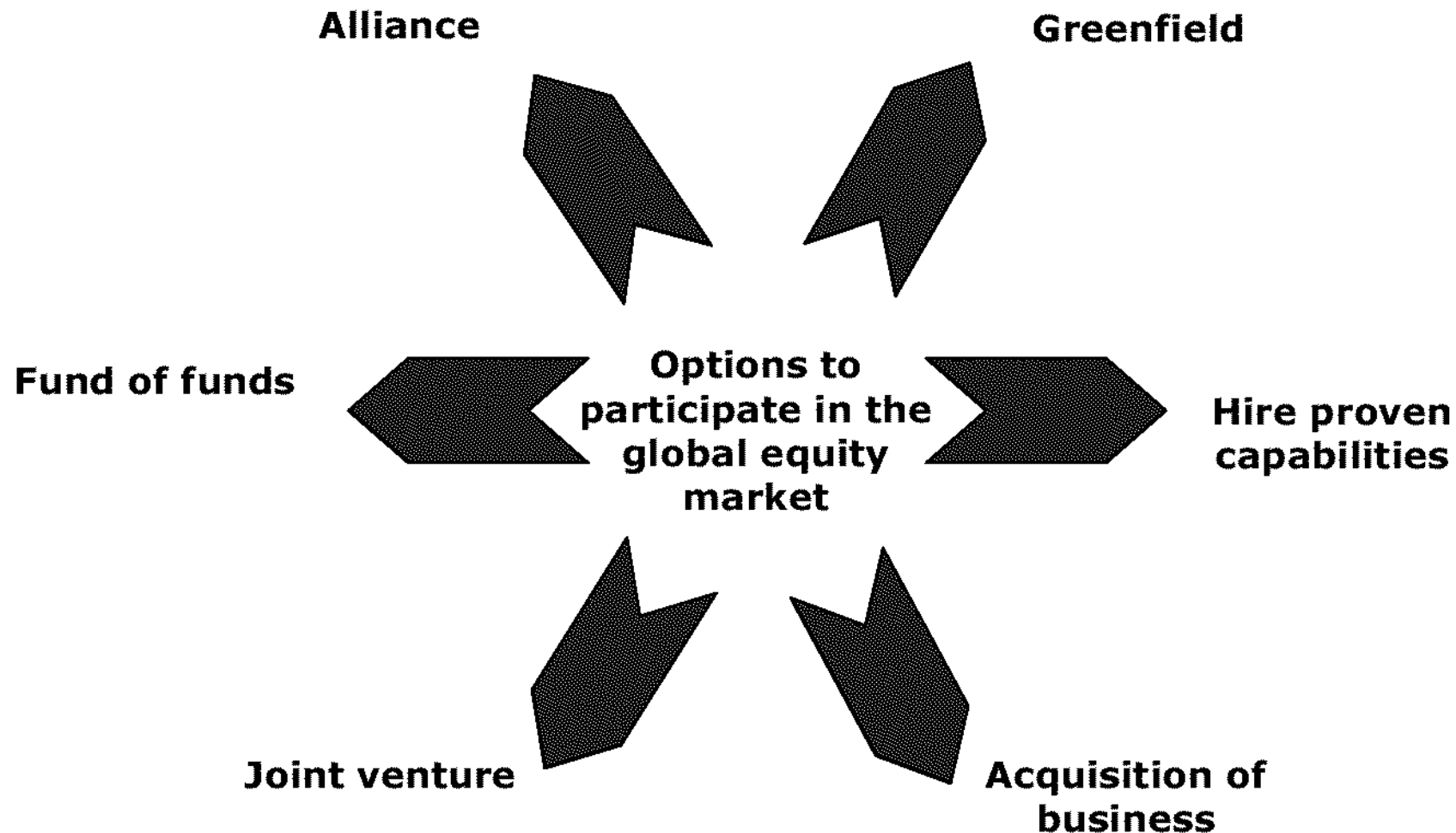


...with growing market share in Australia

Australian asset allocation in
Global equities (% of total)



We evaluated six options to develop our global equities capability



Hiring proven capabilities was the best option for Perpetual

Strategic options

Alliance

Fund of funds

Joint venture

Greenfield

Acquisition of business

Criteria for evaluation

Amount of investment

Ease of integration

Speed of entry

Access to global distribution

Return on investment

Conclusion on options

Limited upside

Limited upside

Uncertain value
add from partners

Slow growth/ Low
risk

High upside/
Higher risk

Hire proven
capabilities

**Low risk/ High
upside**

Perpetual's new Global Equities group is outstanding with a strong cultural fit

Philosophy aligned with Perpetual

- Bottom-up stock pickers
- Strong investment results
- Value bias

A high quality, stable group

- Worked together for the last ten years
- Industry experience average exceeds 22 years
- Team based decision making – no star system

Leaders of a team with a consistent record of out-performance

- 4.7% p.a. out-performance over 15 years
- 1st or 2nd quartile in 81% of rolling 3 year periods since 1987

Process is transferable

- Small self-contained team
- Investment processes similar to Perpetual's

Key members of a team that manages large FUM

- Bank of Ireland Asset Management has over A\$75B in global equities
 - Over A\$4.3B sourced from Australia

Newest members to the Perpetual asset management team

Des Sullivan

Age 42

- Deputy Chief Investment Officer at Bank of Ireland Asset Management
- Product Head EAFE (Europe, Asia, Far East) product - Global equities without US exposure – usually sold to US clients looking for non-US exposure
- Part of the Bank of Ireland's Asset Management team since 1994

John Nolan

Age 47

- Deputy Chief Investment Officer at Bank of Ireland Asset Management
- Product Head Global - usually sold to non-US clients looking for global exposure
- Part of the Bank of Ireland's Asset Management team since 1987

Richard Kelly

Age 47

- Senior Equity Manager, Bank of Ireland Asset Management
- Part of the Bank of Ireland's Asset Management team since 1985

John Forde

Age 37

- Senior Equity Manager, Bank of Ireland Asset Management
- Part of the Bank of Ireland's Asset Management team since 1995

Perpetual will initially have a team of ~16 in Dublin

Core investment team hired

- Des Sullivan and John Nolan will be Chief Investment Officers for Perpetual Global Equities – responsible to Emilio Gonzalez, Perpetual CIO
- Richard Kelly and John Forde - Senior Portfolio managers
- 4 of 8 positions filled – more junior (equity analyst and portfolio construction) positions to be filled shortly

Senior leadership from Perpetual Australia moving to Dublin

- Rory MacIntyre appointed Head of Business
 - National Sales Executive of Perpetual Investments
 - Joined Perpetual in 1995
 - Irish born and Irish business experience
- Patti Evers appointed Head of Finance and Administration
 - General Manager – Group Finance of Perpetual Trustees

Remainder of team to be filled by commencement of operations

- Sales, service and operations functions directly reporting to Rory MacIntyre
- Finance, compliance, systems and administration functions reporting to Patti Evers
- Remaining positions to be filled from the local region

Long-term incentive program

- \$28m in PTAL shares issued to the investment team and to be held in trust
- Vesting subject to achievement of revenue targets
- Range of outcomes: \$0 to \$28m
- Vests over seven years
- Issue price determined as the weighted average price of PTAL shares in the five trading days prior to signing of employment contracts

Indicative timeline

- Sep 04: Perpetual announces Global Equity strategy
- Sep 04: Irish company formed and execution of strategy begins
- Nov 04: Investment managers join Perpetual
- Feb 05: Business license approved in Ireland
- Feb 05: New Perpetual Global Equities business assumes management of Perpetual's Global Equities

Perpetual Global Equities Strategy

Analyst Briefing

24 September 2004