



Perpetual Trust Mortgage Fund

As at 31 May 2010

Fund Value: \$78.4 million

Return for month: 7.28% p.a.

Fund Objective

To provide investors with a steady income at rates above normal bank rates

Manager Comment

The Mortgage Fund yielded a pre-tax return of 7.28% p.a. in May. Approximately 97% of the Fund is invested in first mortgages with the balance invested in short term cash deposits. We aim to keep the cash component low as holding too much cash will impact negatively on the return. We are comfortable with the level of liquidity.

There was one loan in interest arrears at month end. This situation is being closely monitored.

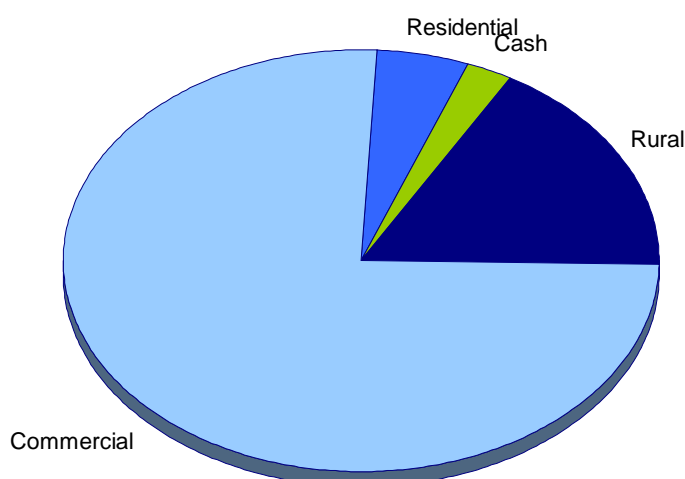
The average loan to value ratio (LVR) for the Fund as at month end was 32.4% based on valuations at draw-down.

Performance	1 month	3 months	1 year	2 years	3 years	5 years
After fees and before tax	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.
Perpetual Trust Mortgage Fund	7.28%	7.44%	7.62%	7.35%	7.61%	7.55%
NZX 90 Day Bank Bill Index	2.66%	2.77%	2.79%	4.71%	6.11%	6.73%
Variance	+4.62%	+4.67%	+4.83%	+2.64%	+1.50%	+0.82%

Asset Allocation	% of Total	Average LVR
Rural	17.0%	38.1%
Commercial	75.5%	17.3%
Residential	5.1%	71.3%
Cash	2.5%	

Loan types	% of Total
Fixed	78.3%
Variable	21.7%

Geographic Spread	% of Total
Auckland	31.4%
Wellington	30.7%
Christchurch	7.0%
Dunedin	5.0%
North Island Other	6.6%
South Island Other	16.9%
Cash	2.5%



Fund Description

The Fund invests in a portfolio of high quality first mortgages secured over residential, commercial and rural properties. A portion of the Fund is held as cash to provide liquidity. Distributions are paid quarterly.

Risk is reduced by conservative lending policies, including low exposure to residential development loans and geographical diversification throughout New Zealand. The proportion of loans at fixed rates is actively managed to

Key Dates

- Fund inception 1 July 1991
- Latest Prospectus issued 28 August 2009
- Latest Investment Statement 8 October 2008.

Minimum Investment

- Minimum initial investment: \$1000
- Minimum additional contribution: \$500

Distributions

Paid Quarterly (March, June, September and December).

Fees and Expenses

Fund Management fee: 0.50% of the total Fund value
 Mortgage management fee: 0.75% of the mortgage value
 Fund expenses: Set at a rate of 0.15% of Fund value
 Exit Fees: 0-12 months 2.00%
 12 months to 2 years 1.00%
 After two years 0.00%

Taxation

The Mortgage Fund is a PIE. PIE tax is deducted from income at the investor's Portfolio Investor Rate.

This fact sheet contains historical information that was correct to the best of our knowledge at the date of publication. It is a summary of key facts, not a recommendation to invest in the Fund. Past performance is no indication of future returns. If you are interested in investing you should read the investment statement available from Perpetual Trust, and we suggest you speak to a financial adviser.

A full disclosure statement for Perpetual Trust, investment statements and up to date prices are available at www.perpetual.co.nz.