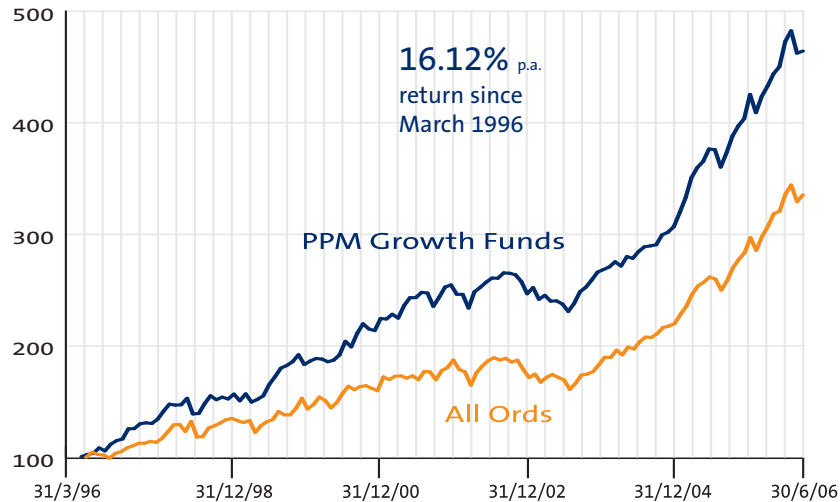


Performance of Portfolios

30 June 2006

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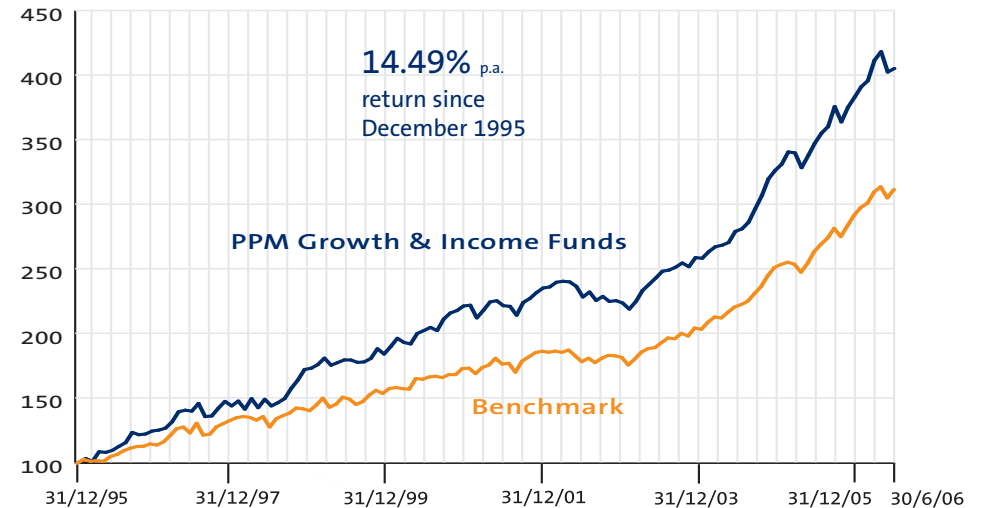
Growth Portfolios



Performance

	PPM Growth* Portfolios	Benchmark	Value Added	Objective: Single objective of achieving long term after tax return.
3 Mths	-1.82%	-0.22%	-1.60%	Assets: Predominantly equities. Sound financial structure with growth potential and strong strategic position.
1 Yr	19.66%	24.20%	-4.54%	
3 Yrs	21.49%	23.74%	-2.25%	
5 Yrs	12.78%	12.35%	0.43%	
Inception 31/3/96	16.12%	12.51%	3.61%	

Growth & Income Portfolios



Performance

	PPM Growth* & Income Portfolios	Benchmark	Value Added	Objective: Tax effective long-term growth and income.
3 Mths	-1.54%	0.64%	-2.18%	Assets: Equities, property, securities, fixed interest, and cash.
1 Yr	16.67%	18.08%	-1.41%	
3 Yrs	18.59%	17.94%	0.65%	
5 Yrs	12.46%	11.39%	1.07%	
Inception 31/12/95	14.49%	11.43%	3.06%	

*The aggregate performance is the weighted average return achieved by all the portfolios in the particular strategy.

EQUITIES

ALL ORDINARIES INDEX



EQUITIES

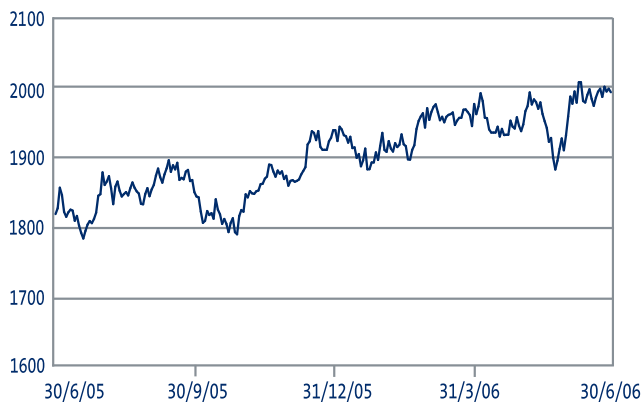
The Australian equities market went into reverse before recovering to post a slightly negative result, finishing the quarter down 0.22%. Despite the flat final quarter, the All Ordinaries finished the year up an impressive 24.2%. Most of the recovery came in the latter part of June following comments out of the US Federal Reserve Bank suggesting the US economy had slowed sufficiently and therefore had entered a benign interest rate environment.

The Australian market during the quarter was characterised by a broad based sell off of banks and companies leveraged to the US building sector. The negative sentiment towards banks was mostly a result of the RBA's decision in May to raise official interest rates to 5.75%, while building materials companies like Rinker and James Hardie were impacted by official figures out of the US showing weakening building industry fundamentals.

The All Ordinaries found strong support in the likes of BHP and Woolworths during the quarter. However, despite BHP's recent price appreciation, we maintain the view expressed in our March quarterly report, that the current prices of many commodities are above sustainable levels and although supply shortages are likely to remain for some time, the recent sharp rises in major resource stocks has overvalued them on a long-term basis. Woolworths' shares jumped following the announcement of strengthening comparable store sales and a resulting double digit increase in net profits. Woolworths' success in integrating bolt on acquisitions means there is still growth left in the company and management have proven they are capable of delivering it. In contrast, Coles' growth seems to have stagnated and the measures they now need to take in order to catch up are significant.

PROPERTY

ASX PROPERTY INDEX

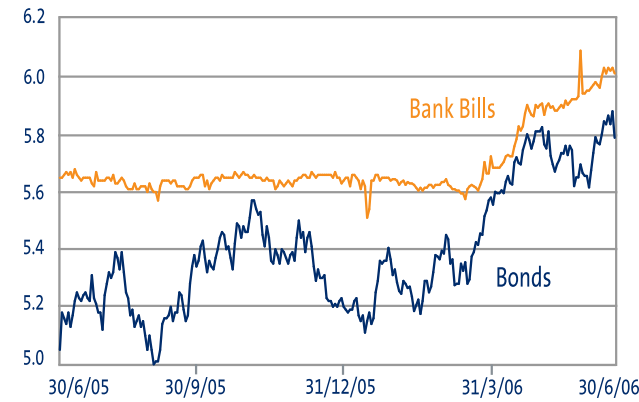


PROPERTY

The listed property trust sector performed solidly in the June quarter (up 4.5%) despite the RBA lifting rates by 25bps in early May, generating a total return for the year of 18%. We continue to believe that based on current yields the majority of trusts are fully priced hence the total return outlook for the next 12 months should be more subdued especially if we see further tightening by the RBA.

INTEREST RATES

INTEREST RATES



INTEREST RATES

Both short and long term rates increased over the quarter. The increase in short term rates is a result of an anticipated rate rise at the next Reserve Bank Board meeting in August following the failure of the May rate rise to cap consumer spending. Recent job figures support the need for a further tightening, revealing that unemployment is at a 30 year low of 4.9%. The move to increase rates is also believed necessary to keep inflation within the RBA's prescribed 2%-3% band.



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