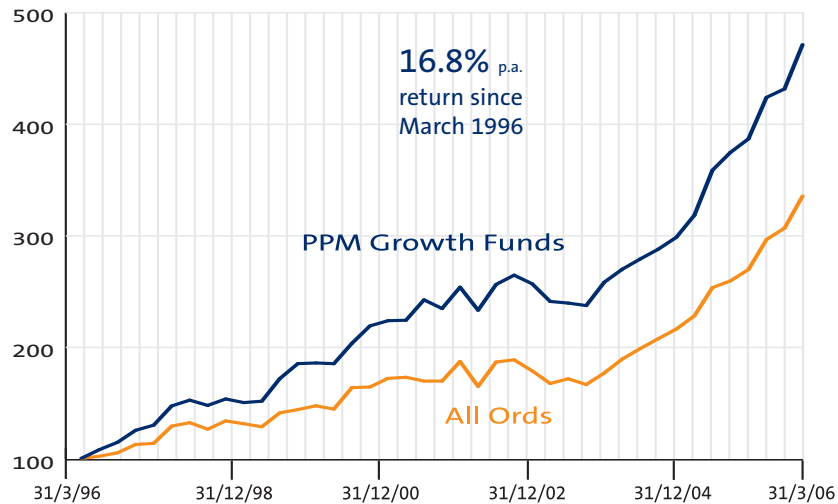


Performance of Portfolios

31 March 2006

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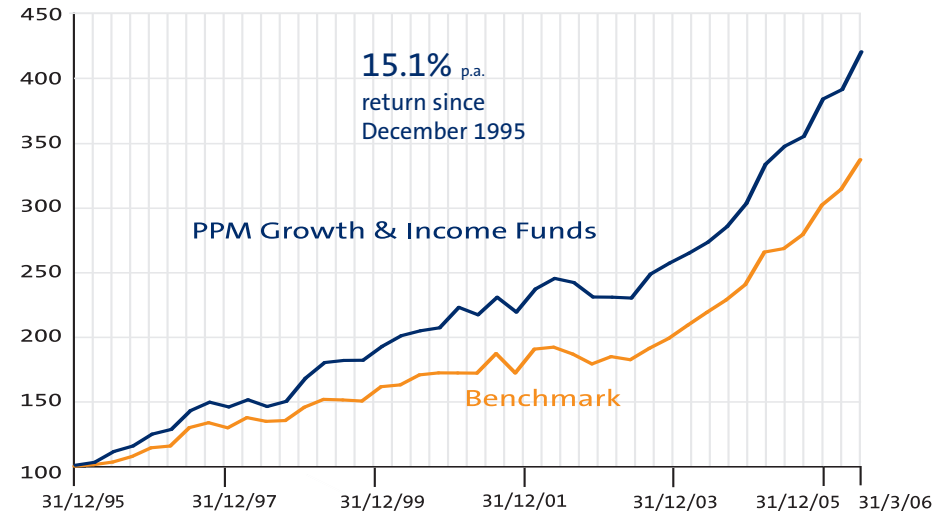
Growth Portfolios



Performance

	PPM Growth* Portfolios	Benchmark	Value Added	Objective:
3 Mths	9.2%	9.4%	-0.2%	Single objective of achieving long term after tax return.
1 Yr	25.8%	29.4%	-3.5%	Assets: Predominantly equities. Sound financial structure with growth potential and strong strategic position.
3 Yrs	25.7%	26.4%	-0.6%	
5 Yrs	15.0%	14.7%	0.3%	
Inception 31/3/96	16.8%	12.9%	3.9%	Benchmark: All Ordinaries Accumulation.

Growth & Income Portfolios



Performance

	PPM Growth* & Income Portfolios	Benchmark	Value Added	Objective:
3 Mths	7.5%	7.3%	0.2%	Tax effective long-term growth and income.
1 Yr	21.1%	25.7%	-4.6%	Assets: Equities, property, securities, fixed interest, and cash.
3 Yrs	22.4%	22.7%	-0.4%	
5 Yrs	14.2%	14.4%	-0.2%	Benchmark: Composite 60%, All Ords Acc 15%, ASX Prop, 20% bonds, 5% cash.
Inception 31/12/95	15.1%	12.6%	2.5%	

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

EQUITIES

ALL ORDINARIES INDEX



EQUITIES

The Australian market rose very sharply again during the last quarter, continuing the trend of the last three years. The All Ordinaries was up 9.4% for the quarter and 29.4% for the year.

The rise in the market was widespread with all industry sectors, except telecommunications showing strong rises - there were however a number of exceptional performances.

Resources stocks were the biggest contributors to the market gains with the material sector up 18% and energy up 13% for the quarter. Both these sectors have had returns in excess of 50% for the last 12 months.

We continue to hold the view that the current price of commodities such as copper, iron ore, coal, zinc and a number of others are substantially 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.

Banks also produced a high return for the quarter (up 10%) and for the year (up 36%) as business lending grew strongly and there were signs that housing lending has started to bottom out. Bad debts remain at very low levels.

Retailer stocks, which lagged the market for most of the last year, started to show some strength. Both Woolworths and Coles were up strongly. The major holding in the portfolios for a long time has been Woolworths which again performed well operationally and in terms of share price. However at current

PROPERTY

ASX PROPERTY INDEX



prices it is expensive (as is the case with quite a number of quality stocks). Despite being cheaper than Woolworths in PE terms we await evidence of a turnaround in operations for Coles before considering investment in the stock.

The take-over offer for Patricks has finally reached resolution and directors have recommended acceptance of Toll's offer. Subject to a consideration of taxation issues it would be our intention to realise our investment in Patricks.

PROPERTY

The spectre of higher interest rates held back the S&P/ASX 300 Property Accumulation Index to a gain of 1.8% for the quarter versus the broader market gain of 9.4%. Based on current yields, we view prices for the majority of trusts fully valued hence going forward sector performance is likely to be driven more by interest rate moves than by the underlying property fundamentals which remain sound. One emerging bright spot is prime commercial office space where vacancy rates are trending down resulting in positive rental growth.



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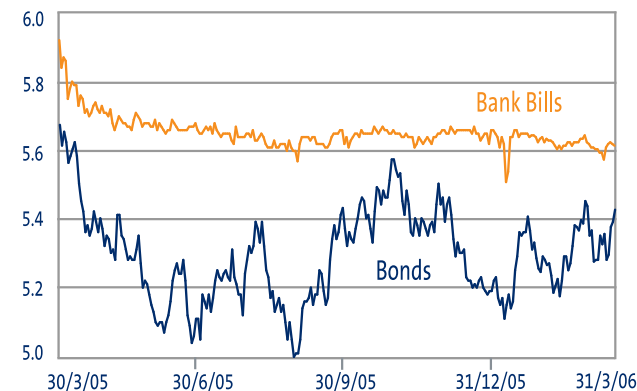
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INTEREST RATES

INTEREST RATES



INTEREST RATES

As indicated above, short-term interest rates remained steady during the last quarter. The Reserve Bank board indicated that the current cash rate is relatively neutral in relation to its impact on economic activity and inflation. Currently inflation is being well contained, despite the existence of forces that ordinarily would lead to a noticeable increase such as peak labour utilisation rates and strong commodity prices.

Long-term rates remain below short term rates, a situation which is a global trend, and so not a reflection of Australian conditions alone. Once thought to signal weaker economic times ahead, this is not a view shared by the new US Federal Reserve Chairman Ben Bernanke who says it could instead reflect structural improvements in the economy, like low inflation and reduced cyclical volatility, leading to a lower-risk premium being built into long-term rates.