PERENNIAL REAL ESTATE INVESTMENTS

Perennial Hedged Global Property Securities Trust

Monthly Report as at 30 June 2012

	Month %	3 Months %	1 Year %	2 Years % p.a.	3 Years % p.a.	5 Years % p.a.	SI^^ % p.a.
Perennial Hedged Global Property Securities Trust*	6.3	2.9	5.7	15.5	20.1	-5.5	-1.9
FTSE EPRA/NAREIT Developed TR Index (Hedged to AUD)	5.7	2.9	5.9	17.0	20.2	-3.3	0.5
Value Added (Detracted)	**0.6**	**0.0**	**-0.2**	**-1.5**	**-0.1**	**-2.2**	**-2.5**
Net Performance	6.1	2.5	4.5	14.1	18.8	-6.6	-3.0

* Gross Performance. Hedged to AUD. ^^ Since Inception: March 2006. **Past performance is not a reliable indicator of future performance. On 15 September 2011, the name of the Trust was changed from the Perennial Global Property Securities Trust to the Perennial Hedged Global Property Securities Trust.**

- Global REITs had a solid month, with a number of markets recovering the losses recorded in May.
- The slowdown in the Eurozone has impacted business activity in China and contributed to a slowdown in GDP.
- Asia was the best performing region returning 7.1% led by the Japanese Developers driven by positive demand for new condominiums and office space.

Performance

The FTSE EPRA/NAREIT Developed Total Return Index (Hedged to AUD) (the Index) finished the month up 5.7%. The Perennial Hedged Global Property Securities Trust (the Trust) finished the month up 6.3%, outperforming the Index return.

Global REITs had a solid month, with a number of markets recovering the losses recorded in May. Post the Greek election and the announcement of the continuation of Operation Twist in the US, the market recovered through the month before a strong rally on the final trading day spurred on by European leaders agreeing to a €120 billion Euro pact to be directly injected into the banks. Given this was the 19th confab since the debt crisis began, with little action to date, expectations for the EU to address the crisis were low. While this measure has not resolved all of the issues facing the Eurozone it has at least temporarily eased investors' concerns.

Asia was the best performing region for the month (up 7.1%), followed by the Americas (up 5.2%) and Europe (up 4.0%).

Performance across the Asian region was once again mixed, with Australia and Japan the major contributors. Australian REIT, Goodman Group (Goodman) was one of the top contributors for the month. The company returned 8.6% after announcing its organic entry into the US through an agreement with Los Angeles based Birtcher Development and Investments, with an initial equity commitment of $800 million and Goodman contributing 50%.

Perennial Hedged Global Property Securities Trust Facts:

The Trust aims to grow the value of your investment over the long term through a combination of capital growth and income by investing in a broad selection of international property securities. The Trust aims to provide a total return (after fees) that exceeds the FTSE EPRA/NAREIT Developed Total Return Index hedged to AUD measured over a rolling three-year period.

Portfolio Manager: David Kivell	**Risk Profile:** High
Trust FUM (as at 30/06/12): AUD260.5 million	**Income Distribution Frequency:** Half yearly
Team FUM (as at 30/06/12): AUD1.4 billion	**Minimum Initial Investment:** $25,000
Trust Inception date: March 2006	**APIR code:** IOF0115AU

Other positive contributors to performance for the month included our positions in US listed DuPont Fabros Technology, CapitaMalls Asia, Henderson Land Development and Mitsui Fudosan Co.

Conversely, our positions in Hysan Development, American Campus Communities and IGB Corporation Berhad detracted from performance.

Trust Activity

Given the prevailing market conditions and our expectations for ongoing market volatility, we maintain our investment thesis and made few changes to Trust positions during the month. We remain overweight the better quality names with more defensive characteristics and selectively take opportunities refine our positioning. During the month we took the opportunity to increase our exposure to some high quality cyclically sensitive REITs, including ProLogis, SL Green and Host Hotels, that appear attractive on valuation after selling off during the second quarter. We switched Vornado into SL Green and sold down our positions in Cubesmart, Home Properties and American Campus Communities.

Market Review

While economic data during the month was overshadowed by the Eurozone, it was nevertheless disappointing. Unemployment claims in the US remained at elevated levels and June's payroll employment reading is likely to remain subdued. Manufacturing indicators also point to a lower reading, although this pessimism was somewhat offset by stronger housing data. The slowdown in the Eurozone has impacted business activity in China and contributed to a slowdown in GDP. This slowdown coupled with CPI easing, lead the People's Bank of China to cut interest rates by 25 basis points, the first cut since December 2008. The rate cut saw residential transactions rebound sharply however, the central government reiterated that it will maintain its firm policy stance towards the property sector. In Australia, the slowdown in demand for resources saw the Reserve Bank of Australia also cut rates by 25 basis points in June. This move helped to support local REIT pricing.

In the US, the June NAREIT Conference provided investors with the assurance that REIT operating metrics remain solid despite the tepid economic backdrop. Presentations at NAREIT highlighted the fact that management teams are quite mindful of the potential impact that the European debt crisis could have in the second half of 2012. Capital inflows into US REITs continued over June. Over the month, approximately USD1.9 billion flowed into the REIT space from the three major sources (US mutual funds, ETFs and Japanese mutual funds). Including June's inflows, year-to-date inflows from these three sources now total USD14.0 billion. Given the current low cost of funding we have seen a number of US REITs tapping the debt markets. For example Boston Properties raised USD1 billion of 10 year senior notes at a 3.85% yield. In addition, there were a number of acquisitions, with Digital Realty acquiring a USD1.1 billion portfolio in the UK.

As noted above, the Asian region turned in another mixed performance in June. While Australian REITs finished up 2.8%, outperforming the broader local equities market, they underperformed the global REIT market. The other strong regional performer was Japan. Driven by positive demand for new condominiums and office space, Japanese developers were up over 17.0%. This demand is understandable as buyers continue to look for newer and safer buildings given ongoing concerns surrounding potential earthquakes and office tenants seek out properties offering better backup power supply in the face of the continued disruption to power supply.

In Hong Kong, newly launched residential projects sold well despite stark warnings by the government of a bubble forming. The government is keen to provide housing for the mass market but this is unlikely to have a major impact on the demand or pricing for the middle to upper end housing. Wharf Holdings (Wharf) finalised the land premium on the Ocean Terminal lease - the renewal terms were in line with the market. This was well received, however, Wharf's subsequent acquisition of an initial 20.0% stake in Greentown China, a listed luxury end residential developer under financial stress, led the market to question the strategy of this acquisition.

The Asian region generally has not been well supported as buying has been directed toward more safe haven markets, namely the US and Australia. In particular, Hong Kong is looking very attractive from a valuation perspective. While political direction has played a major role in keeping money away from Hong Kong, with the new CEO in place the market should get certainty in this regard. We are currently overweight Hong Kong and may look to increase this holding over the next quarter.

Outlook

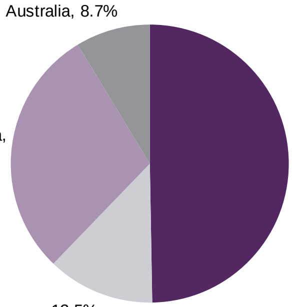
The outlook for REITs is fairly robust. While we can debate the merits of further quantitative easing, it is highly likely we will see further measures in the US, UK and Europe as well as further stimulus in China. This will only continue to pump the system with liquidity and drive demand for real estate assets. We expect that the demand for US REITs will continue as investors seek secure yields. This is particularly the case for US and Japanese investors, as the yields remain compelling relative to treasuries.

Asset Allocation as at 30 June 2012

Sector	% of Trust
Retail	42.2
Office	16.4
Industrial	4.8
Hotel	4.2
Residential investment	10.1
Residential development	6.4
Infrastructure	0.2
Construction	0.1
Funds management	2.0
Other	13.7
Total	**100.0**

Source: Perennial Investment Partners

Trust Country Allocation as at 30 June 2012



Source: Perennial Investment Partners
Refers to location of underlying gross property assets, not listing domicile.