

PERPETUITY Asset Management Inc.
1552 Esquilmalt Ave.,
West Vancouver, BC
CANADA V7V 3P2
778.883.7651

www.perpetuity.com

info@perpetuity.com

As of 30 June 2012

This brochure provides information about the qualifications and business practices of PERPETUITY Asset Management. If you have any questions about the contents of this brochure, please contact us at 778.883.7651 and/or info@perpetuity.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about PERPETUITY Asset Management is available on the SEC's website at www.adviserinfo.sec.gov

1. MATERIAL CHANGES

There has been only one material or methods change to PERPETUITY's conducting of business since our last annual ADV filing 30 September 2011. Commencing 1 January 2012, the firm has been reconfigured to manage only third party capital market assets.

Since 30 March 2012, the firm has been marketing and negotiating with potential clients in this institutional and ERISA category. It is expected that these negotiations will be successfully concluded on or before 31 December 2012.

Table of Contents

1. MATERIAL CHANGES.....	
2. TABLE of CONTENTS.....	
3. ADVISORY BUSINESS.....	
4. FEES & COMPENSATION.....	
5. PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT.....	
6. TYPES OF CLIENTS.....	
7. METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS.....	
8. DISCIPLINARY INFORMATION.....	
9. OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS.....	
10.CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	
12. BROKERAGE PRACTICES.....	
13. REVIEW OF ACCOUNTS.....	
14. CLIENT REFERRALS AND OTHER COMPENSATION.....	
15. CUSTODY.....	
16. INVESTMENT DISCRETION.....	
17. VOTING CLIENT SECURITIES.....	
18. FINANCIAL INFORMATION.....	
19. Supplement: Supervised Person's.....	

1. MATERIAL CHANGES

There has been only one material or methods change to PERPETUITY's conducting of business since our last annual ADV filing 30 September 2011. Commencing 1 January 2012, the firm has been reconfigured to manage only third party capital market assets.

Since 30 March 2012, the firm has been marketing and negotiating with potential clients in this institutional and ERISA category. It is expected that these negotiations will be successfully concluded on or before 31 December 2012.

2. ADVISORY BUSINESS

PERPETUITY Asset Management is a private asset management firm with investment expertise in balanced funds, currency, cash & money market, fixed income and equity management. PERPETUITY is designed to provide investment services to a limited number of institutions, governments, corporations and individuals.

The firm's small tight-knit team is a major competitive advantage that allows for a flexible approach to money management, specialized internal research, and 24/7 global client servicing.

The firm's staff has both domestic and international financial experience in the world's financial markets- New York, London, Zurich, Frankfurt, Tokyo and Hong Kong. All have achieved outstanding reputations for delivering complete asset management services with superior results and a minimum of risk.

To ensure integrity and intellectual curiosity, the firm is owned by its management who on a continual and independent basis are responsible for its results.

The firm is located in HorseShoe Bay, West Vancouver and on the Worldwide Web at: **www.perpetuity.com**

Client Assets*(As of July 1, 2012)

\$

Discretionary 0

Non Discretionary 0

AUM 0

***NOTE:** On 1 January 2012 PERPETUITY Asset Management moved to a third party only active manager of pension, corporate investment, government, foundation & charity assets. This total does not include the firms investment advisory under it's SEC ADV registration or PERPETUITY's Master Domestic & Global portfolios.

3. FEES & COMPENSATION

Management Fee structure*

PERPETUITY fees for Domestic & Global portfolios are comprised of both an annual management fee on gross assets under administration and a performance fee on asset value gains. All fees are calculated on reported end of period portfolio asset values. Fees are fixed for each asset class as follows. Minimum portfolios are \$100 Million.

1) **MONEY MARKET & CASH** - Annual Management Fee of 1/2 of 1% or 50bp on gross assets under administration.

	----- PERFORMANCE* -----					
Benchmark+	0	50+	100	200	300	500bp
Management Fee	50	50	50	50	50	50bp
Performance Fee(PF)	0	0	5%	5%	5%	5%
Total Fees	50	50	50+PF	50+PF	50+PF	50+PF

2) **FIXED INCOME** - Annual Management Fee of 3/4 of 1% or 75bp on gross assets under administration.

Benchmark+	0	50+	100	200	300	500bp
Management Fee	75	75	75	75	75	75bp
Performance Fee(PF)	0	0	10%	10%	10%	10%
Total Fees	75	75	75+PF	75+PF	75+PF	75+PF

3) **EQUITIES** - Annual Management Fee of 1% or 100bp on gross assets under administration.

Benchmark+	0	100+	200	300	400	500bp
Management Fees	100	100	100	100	100	100bp
Performance Fees(PF)	0	0	10%	10%	10%	10%
Total Fees	100	100	100+PF	100+P F	100+P F	100+P F

***Performance (PF) Fees are applied as a percentage (%) of gains above a designated Benchmark Index plus a spread+.**

Note: Management Fees are payable monthly & Performance Quarterly and deducted directly from the assets under management. Clients are responsible for all custodian fees. Brokerage fees are netted from trade totals. (see Brokerage Fees section 12.)

Performance Measurement Methods & Formulae

NOTE: The firm's declared performance is based on the continuously managed Domestic & Global Master Portfolio's and their sub categories. The master portfolios set the asset strategy, tactics and holdings by which the individual client portfolios will operate under or are replicated. This format avoids the disruptive in/out portfolio transaction effects or influences which effects performance.

Outlined below are the methods & formulae used by PERPETUITY Asset Management Inc. to measure all portfolio performance. The comments and details are divided into equity, fixed income, money market, currency and special areas such as private equity and derivatives. PERPETUITY retains an actuary to Quarterly review the firm's performance statistics to confirm the investment portfolio yield accuracy and how these are presented. Accountants are also retained on a per project basis to review quarterly all private equity investments. Both consultants verify Sarbanes-Oxley compliance regulations are applied for their respective areas.

Money Market, Currency, Fixed Income & Derivatives

All performance measurement is locally based. Conventions such as in 360 or 365 day maturity differences between London and New York treasury markets are applied. The Fabozzi Fixed Income Calculator is used to determine performance returns based on local methods in 24 different markets. Formulas used to calculate discounted prices/values yields are standardized across all markets. For complete details on methods and formulas used consult the sources listed below. These represent the basis to all standard setting for PERPETUITY performance reporting.

Equity

The yield that equity invested monies have earned depends on the performance of the investment and when you made your purchases and redemptions. The formula for ROI yield is:

$$\text{Ending value} + \text{dist}_1(1+i)^{\text{term}_1} + \text{dist}_2(1+i)^{\text{term}_2} + \dots =$$

$$\text{Starting value}(1+i)^{\text{term}} + \text{inv}_1(1+i)^{\text{term}_1} + \text{inv}_2(1+i)^{\text{term}_2} + \dots$$

where the yield is 'i', and where each term is the number of years between the ending date of the yield term (the date the yield is being calculated 'to') and the date of the

30.06.2012+SEC Brochure+

particular transaction. The variables inv_1 and $dist_1$ represent investments and distributions, respectively. A redemption is a negative investment, where a purchase is a positive investment. All investments and distributions from the beginning yield term date (inclusive) to the ending yield term date (inclusive) are included in the calculation. The Ending value is the closing value of the investment on the ending date of the yield term.

The Starting value is the opening value of the investment on the beginning date of the yield term. (This opening value is the same as the closing value of the previous day.)

Example Calculation:

Assume we are calculating the 6 month average annualized ROI yield ending on 7/31/2006. The date range for this yield term would be 2/1/2006 through 7/31/2006, inclusive of gains and any transactions on both the starting and ending dates. The closing value of this hypothetical investment on 1/31/2006 was \$1,000, which is the opening value on the beginning of yield term, 2/1/2006. The closing value of the investment on 7/31/2006 was \$2,310. There was one purchase within this time period for \$1,200 on 3/15/2006, and a distribution was received in cash on 6/30/2006 for \$50. The equation to solve for this yield would look like:

$$2310 + 50(1+i)^{\frac{31}{365}} - 1000(1+i)^{\frac{365}{365}} + 1200(1+i)^{\frac{133}{365}}$$

The equity portfolio program iteratively solves this equation for 'i', reporting a 6 month average annualized ROI yield value of 17.73%.

Private Equity

CVA (Corporate Valuation Analysis) which is a proprietary program is used by PERPETUITY to access and monitor the merits of private equity investments Quarterly. The programs results are reported to clients quarterly. Contact portfolio managers for more details.

Sources

1. **Yield Curve Analysis:** The Fundamentals of Risk & Return
By Livingston G. Douglas, New York Institute of Finance, New York
2. **Quantitative Methods for Financial Analysis**
By Stephen J. Brown & Mark P. Kritzman, the Institute of Chartered Financial Analysts
3. **Fabozzi Fixed Income Calculator** (Derivatives, Options, Currency, Fixed Income, Money Markets (15 international markets)
4. **Security Analysis**, Graham & Dodd, McGraw Hill, New York

5. PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

*Performance (PF) Fees are applied as a percentage (%) of gains above a designated Benchmark Index plus a spread+. There is a fee charged for portfolio performance that exceeds an agreed up benchmark by a set margin. Performance fees are payable semi annually. They are calculated as a % of the gain for equities.

No Side by Side Management

6. TYPES OF CLIENTS

PERPETUITY Asset Management Inc. is a private asset management firm which is designed to provide investment and financial services to a limited number of institutions, governments, corporations, foundations, charities and individuals.

7. METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Decision Making Process

The Overall Fund Policy provides the operating guidelines for the decision making process. This stage starts the dynamic selection process which allows an extremely large number of investment opportunities in the world's markets to be uncovered and qualified as rapidly as they emerge. These investment opportunities are reviewed and analyzed under the firm's strategic portfolio asset mix perspective and then acted upon if the tactical criteria are met.

Perpetuity completes a comprehensive and sophisticated review of every strategy, tactic and individual investment position every Thursday starting at 4:00pm EST. Using a strategic tool called '**MAXIMAL ANALOG CHOICES**' or more commonly referred to by the managers as 'Max's Game', management looks at all principle markets relationships and their probable future Total Return.

From the conclusions derived from **Max's Game** for currency, cash & money market, fixed income and equities and the underlying assets, managers' review strategic and then tactical conclusions currently in place.

Cash & Money Market Investment Management

Philosophy

By seeking out good quality and liquid discounted bills, notes and commercial paper, the firm believes that it can generate significant low risk and above average returns. The increased returns will come from a disciplined application of its yield pickup methods that have been successful over the last 18 years. Enhancing this approach is the use of other currencies.

Approach

PERPETUITY is a full discretion domestic and global cash & money market manager. It will, however, match core durations if it lowers risk. The managers try to defeat discounted price risk by changing duration and increasing spreads by rolling to other sectors or maturities. Convexity is used to detect distortions in the short term yield curve so that maturities can be rolled and returns increased at the margin.

Style

PERPETUITY is an active money market manager engaged in the defeat of price risk and the enhancement of returns. It manages cash which is actually money market at 1 day and extended maturities out to 365 days.

Depending on the size of the portfolio, PERPETUITY confines exposures to 5-10% per investment and no less than 15 issues with a minimum size of \$1mil.

A minimum credit rating of A2/P2 or equivalent is maintained in the portfolios.

Research

PERPETUITY cash, money market and currency research is constructed around the Treasury Opportunity Analysis report. This weekly in-house research allows the managers to examine volatility, currency movements, credit quality changes and any overriding liquidity changes in the domestic or global capital markets.

The Treasury Opportunity Analysis is also used in determining portfolio sector weightings in bills, notes, CDs, Banker acceptances and commercial paper. The report also provides a clear breakdown of the spreads relative to each other at all segments of the yield curve out to 360 or 365 days depending on the market.

Fixed Income Investment Management

Philosophy

By seeking out government and corporate bonds of high quality and liquidity, the firms management believes that a disciplined approach focused on Interest Rate Anticipation with active Duration Management can achieve superior returns over time. By actively using coupon cash flow to defeat price risks, it has been demonstrated that significantly enhanced Total Returns can be achieved with reduced price risk.

Approach

PERPETUITY is a core domestic & global fixed income manager. As such, the firm actively pursues a duration management strategy which allows for the maximization of value through low price volatility and superior credit quality. The monitoring of credit quality as it relates to yield curve spreads and duration is done by using both external sources and internal credit generating monitoring reports.

Style

In managing the fixed income portfolios, PERPETUITY maintains a total portfolio duration range of +/- 1.0 years of the duration of a predetermined benchmark index. However, the portfolios will rarely deviate to the extremes of this range. A range of +/- 0.5 years of the benchmark index duration will be used over 75% of the time.

Fixed income portfolios depending on their size are comprised of between 15- 20 issues with an overall minimum credit rating of "A". The minimum tolerated credit rating of individual securities in the portfolios is "BBB", with no more than 10% of the portfolio having a "BBB" rating.

Active management of the yield curve to capture yield and capital gains will be constantly pursued. Aberrations in the current yield structure relative to historical averages will be identified through internal analysis. They will be exploited through selective weighting into or out of certain sectors of the yield curve.

The following factors are critical to portfolio construction:

- Preservation of Capital
- Liquidity
- Quality
- Diversification
- Maximizing Results/ Minimizing Risks

Equity Investment Management

Philosophy

PERPETUITY seeks out companies with large capitalizations and with superior earnings growth potential. The firm's management believes that the disciplined application of a growth-based investment approach will yield a significant positive return over both short and long-term investment horizons.

Conducting primarily internal fundamental and technical research, including the unique perspectives of the firm's management, is central to PERPETUITY's strategy for uncovering potential investment candidates.

There is a distinct bias towards upper medium and large capitalization companies since these firms tend to have broader and more sophisticated management that have well defined financial performance histories. This also provides the equity portfolios with an added dimension in the overall risk reduction process.

Approach

PERPETUITY Asset Management uses a very disciplined approach in selecting equities, both in North America and abroad. Although the approach is 75% bottom-up, a 25% top-down approach is also used in the selection process.

Style

A bottom-up process defines PERPETUITY's investment management style with a particular emphasis on finding companies with superior earnings growth relative to their respective markets. The research function, which is made up of approximately 90% internal research, is focused principally on the fundamentals of a company; however, technical analysis does play a role in selective timing. PERPETUITY employs a mid to large capitalization bias as a means of maintaining a high degree of quality and to minimize the overall risk.

Research

Roughly 90% of all market and issue-specific research is generated internally. The entire research process follows a strict fundamental doctrine, with some support through technical analysis in exploring a vast number of potentially feasible investment candidates. The remainder of the research is externally generated. PERPETUITY relies on external research to gain additional perspectives on the state of the global economy, specific market themes and trends, and any other aspects of the securities markets that may present unique investment opportunities.

8. DISCIPLINARY INFORMATION

NONE

9. OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Economic & Financial Advisor

10. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

THE CODE OF ETHICS

PERPETUITY Asset Management and its employees shall conduct themselves with integrity and dignity and act in an ethical manner in dealings with the public, clients, and fellow employees.

PERPETUITY Asset Management and its employees will act with competence and should strive to maintain and improve their competence and that of others in the industry.

PERPETUITY Asset Management and its employees shall use proper care and exercise independent professional judgment.

STANDARDS OF CONDUCT

A. Required Knowledge and compliance

PERPETUITY Asset Management and its employees shall maintain knowledge of and shall comply with all ethical and best practice laws, rules and regulations of any government, governmental agency, and regulatory organization governing professional, financial, or business activities, as well as with the accompanying Code of Ethics.

B. Prohibition Against assisting Legal and Ethical Violations

PERPETUITY Asset Management and its employees shall not knowingly participate in, or assist, and acts that violate any ethical and best practice law, rule, or regulation of any government, governmental agency, or regulatory organization governing professional, financial, or business activities, nor any act which would violate any provision of these Standards of Conduct or Code of Ethics.

C. Prohibition Against Use of Material Non-public Information.

PERPETUITY Asset Management and its employees shall comply with all laws and regulations relating to the use of material non-public information. (1) If the employee acquires such information as a result of a special or confidential relationship with the issuer, he shall not communicate the information (other than within the relationship), or take investment action on the basis of such information, if it violates that relationship. (2) If the employee is not in a special or confidential relationship with the issuer, he shall not communicate or act on material non-public information if he knows or should know that such information was disclosed to him in breach of a duty. If such a breach exists, the employee shall make reasonable efforts to achieve public dissemination of such information.

Fair Dealing With Customers and Clients.

PERPETUITY Asset Management and its employees shall act in a manner consistent with their obligation to deal fairly with all customers and clients when (1) disseminating investment recommendations, (2) disseminating material changes in prior investment advice, and (3) taking investment action.

Disclosure of Conflicts.

PERPETUITY Asset Management and its employees, when making investment recommendations, or taking investment actions, shall disclose to customers and clients any material conflict of interest relating to him and any material beneficial ownership of the securities involved which could reasonably be expected to impair their ability to render unbiased and objective advice.

Preservation of Confidentiality.

PERPETUITY Asset Management and its employees shall preserve the confidentiality of information communicated by the client concerning matters within the scope of the confidential relationship, unless the company or its employees get written authorization to release such information.

11. BROKERAGE PRACTICES

Broker Selection

Brokers are selected based on a five point scoring system.

1. Capital markets intelligence re liquidity, prices & special situations.
2. Execution based on:
 1. Price
 2. Timeliness
 3. Coverage
3. Insurance coverage
4. Regulatory record
5. Synergies

Soft Dollars

PERPETUITY DOES NOT PAY SOFT DOLLARS for any services or publications in research or anything else except trading execution. PERPETUITY will only direct trades to those from its qualified brokerage list. This list is reviewed quarterly and monitored continually.

Priority of Transactions.

PERPETUITY Asset Management and its employees shall conduct themselves in such a manner that transactions for their customers and clients have a priority over their transactions.

Clearing

All clearing is through DTC (Deposit Transfer Corporation) and its affiliates.

13. REVIEW OF ACCOUNTS

PERPETUITY Asset Management continually reviews client accounts and monitors mandates in real-time. This monitoring is done in detail at the end of every week, month and reported with analysis at the end of every quarter.

14. CLIENT REFERRALS AND OTHER COMPENSATION

PERPETUITY only refers clients to third party services that compliment their portfolio and that are not available from the firm. PERPETUITY Asset does not solicit or get fees for referrals of any type.

15. CUSTODY

PERPETUITY does not take custody of client funds/assets. The firm only directs trades for client accounts to third parties client engaged/contracted custodians.

15. INVESTMENT DISCRETION

PERPETUITY Asset Management only accepts and solicits discretionary portfolios as clients. The clients '**Mandate Letter**' guides the actions of PERPETUITY in directing trades and strategy.

16. VOTING CLIENT SECURITIES

PERPETUITY votes all share in the interests of the clients. Since the client custodian notifies the client of all proxy statements, the client is able to vote in his own behave or have PERPETUITY Asset Management vote for him if it is more convenient.

18. FINANCIAL INFORMATION

Balance Sheet (1)

As of 31 December 2011

\$

Assets 50,000

Liabilities 2,500

Equity 47,500

(1) Unaudited

19. Supplement: Supervising Person

James LymBurner

President/CCO

PERPETUITY Asset Management

91507 Bellevue Landing/HSB

Phone 778.883.7651

EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

University of Waterloo - Mathematics & Programming

University of Guelph - History & Political Science

University of London - Economics

DISCIPLINARY INFORMATION

NONE

OTHER BUSINESS ACTIVITIES Director

James R. LymBurner & Sons Limited, London

LymBurner Eedy & Co., New York

ADDITIONAL COMPENSATION

NO additional except dividends as PERPETUITY Asset Management shareholder.

MEMBERSHIPS

Economic Club of New York (1987- 2010)

Presidential Study Center (Washington/New York)(1984-2000)

* Member National Advisory, Judicial & 1996 Presidential Debate Committee

Institute of Corporate Directors, London (1985-2005)

History

United States

Chrysler (1981-94)-Detroit

- Advisor-treasury & pension (worldwide)

Philip Morris (1982-96) - New York

- Advisor - treasury & pension CIO (worldwide)

Combine Insurance/Ryan (1982-89)-Chicago

- Advisor - Chairman & CIO

(Worlds largest Insurance Broker)

- Special Advisor re Washington Initiatives

IBM (1993-95) - Armonk, NY

-Advisor – CFO, Treasurer and Pensions CIO

Goodyear (1984-88) - Akron

-Advisor - CEO & CFO

30.06.2012+SEC Brochure+

Summa/Howard Hughes Estate (1986-88)-Las Vegas

- Advisor

Texas Air/Continental*(1983-85) - Houston

- Advisor - Chairman & CFO

Allied Bank of Texas (1983-87) - Houston

- Advisor - CEO & Directors

Texas Commerce Bank (1987-88) - Houston

- Strategic advisor - CEO & CFO

- Special Advisor Senior Chairman Asset Risk

Southwest Bank of Texas (1989-2002)-Houston

- Advisor - CEO & Directors

Resolution Trust (1989) - Houston

- Special Advisor

Curran Associates (1982-91) - Houston

- Advisor - CEO & CFO

Cyprus Amax (1993-94) - Denver

- Advisor – Sr. VP Exploration

United Kingdom

Unilever (2000-03) - London, UK

-Advisor CFO - London & Greenwich

Re worldwide assets and businesses

Massey/Rolls Royce (1983-86) - Toronto & London

-Advised CEO, CFO on global Strategy

Canada

PERPETUITY Asset Management Inc., Vancouver (1989-2011)

- Director or CEO

OTF/OSSTF (1983-90) - Toronto

- Special Financial Advisor to Ontario Teachers Federation

- Advised in 1989 Re pension plan to co-sponsor structure-\$30 Bil.

Noranda (1982-94) - Toronto, CA

-Economic Financial Advisor - mining assets & pension

American Barrick (1996-99) - Toronto

- Financial Advisor - Gold mining assets

CIBC (1982-88) - Toronto

-Advised the pension, Board & Trustees of bank.

Guardian Capital (1985-2001) - Toronto

- Economic Advisor

Minnova (1991-93) - Toronto

- Economic Advisor – World metal markets & economy

Ontario Hospital (1982-92) - Toronto

30.06.2012+SEC Brochure+

- Economic Advisor

Rogers Communications (1987-88) - Toronto

- Economic Advisor - CEO & CFO

McCarthy Tetrault (1995-2001) - Toronto

- Economic & Financial Advisor - Managing
Partner & CFO (10th largest law firm in the world)

Olympics 2010 - Vancouver (January-March)

- Media Relations Manager- Advised major media editors, reporters
world press