

| | Month | Quarter | FYTD | 1 year | 3 years | 5 years | Since Inception |
|---|-------------|-------------|-------------|--------|---------|---------|-----------------|
| | % | % | % | % p.a. | % p.a. | % p.a. | % p.a. |
| Perennial Value Active Plus Shares Trust* | -0.8 | 1.2 | 6.8 | - | - | - | 6.6 |
| S&P/ASX 300 Accumulation Index | 0.3 | 1.8 | 8.5 | - | - | - | 8.7 |
| Value Added (Detracted) | -1.1 | -0.6 | -1.7 | - | - | - | -2.1 |
| Capital Growth | -0.9 | -0.1 | 5.0 | - | - | - | 4.4 |
| Income Distribution | 0.0 | 1.1 | 1.2 | - | - | - | 1.3 |
| Net Performance | -0.9 | 1.0 | 6.1 | - | - | - | 5.7 |

*Gross Performance. *Since inception: May 2017. Past performance is not a reliable indicator of future performance.

Overview

- ▶ Following an early sell-off, the market recovered to finish the month up 0.3%, bringing the total return for the last 12 months to up 10.3%.
- ▶ The highlight of the month was the company reporting season, with companies reporting earnings for the period to December 2017. The overall tone of results was positive, with the majority of companies held in the portfolio delivering earnings and dividend growth.
- ▶ Offshore markets were weaker, following a broad sell-off on the back of emerging inflation concerns. However, they too recovered towards the end of the month.

Perennial Value Active Plus Shares Trust

The aim of the Trust is to grow the value of your investment over the long term by investing in a concentrated portfolio of Australian companies and to provide a total return that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis

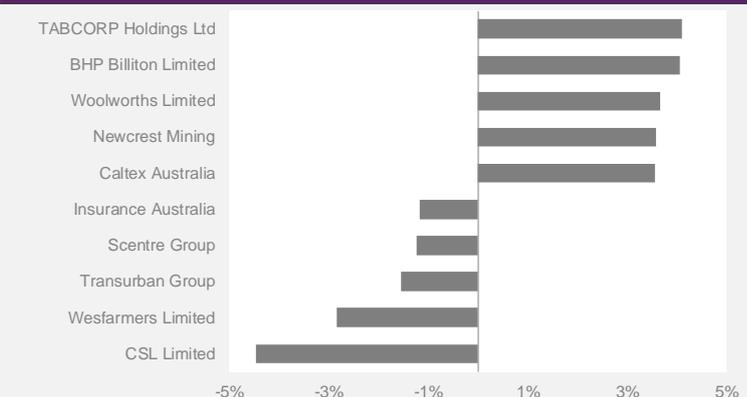
| | |
|----------------------------|------------------|
| Portfolio manager | Dan Bosscher |
| Trust FUM | AUD \$16 million |
| Distribution frequency: | Half yearly |
| Minimum initial investment | \$25,000 |
| Trust Inception Date | May 2017 |
| Fee | 0.92% |
| APIR code | WPC6780AU |

| Portfolio Characteristics – FY19 | Trust | Market |
|----------------------------------|-------|--------|
| Price to Earnings (x) | 14.3 | 15.4 |
| Price to Free Cash flow (x) | 12.4 | 15.0 |
| Gross Yield (%) | 6.2 | 5.7 |
| Price to NTA (x) | 1.9 | 2.2 |

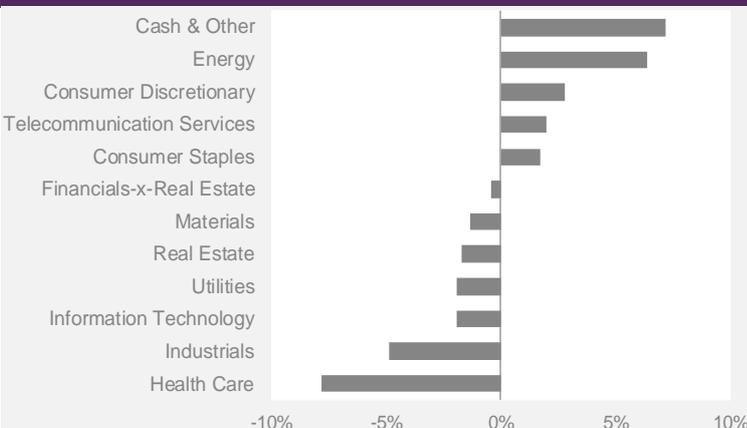
Source: Perennial Value Management. As at 28 February 2018. The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

| Trust Themes | Exposure |
|---------------------|-----------------------------|
| Amazon | No Harvey Norman or JB Hifi |
| Reflation Trade | Woodside, BHP and Rio Tinto |
| Defensive Hedge | Newcrest Mining, Cash |
| Boosters | MQG Calls |
| Short US10 Yr. Bond | No Utilities |

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Trust Review

Better performing holdings over the month included Lendlease (up 14.8%), which rallied after delivering a solid result driven by strong growth in its residential development division as well as allaying concerns over problems in its engineering business. Agricultural stock Graincorp (up 7.7%) also performed well.

Woolworths (up 2.4%) outperformed after delivering solid results and is showing operational improvement in what is, fundamentally, a very strong underlying business. NewsCorp (up 2.3%) rose on strong growth in its online real estate platforms. Resource Stocks Rio Tinto (up 5.6%) and BHP (up 1.0%) both delivered strong results with significant increases in earnings and dividends. Further, the balance sheets of these companies are in very good shape, suggesting the potential for further strong returns to shareholders.

Stocks which detracted from performance included Vocus Group (down 18.1%), which marginally lowered its full-year guidance. Woodside Petroleum (down 8.8%) declined after undertaking a capital raising to fund its development plans including the acquisition of a major gas field in the Northwest Shelf.

Trust Activity

During the month, we took profits and reduced our holdings Woolworths. Proceeds were used to increase our holdings in a number of good value opportunities including Westfield Corp and QBE Insurance. At month end, stock numbers were 23 and cash was 7.1%.

Outlook

While the level of volatility in markets is likely to increase going forward, the global economic backdrop continues to be positive, with all major regions delivering improved growth. While the domestic economy has been subdued, recent data is increasingly positive. Should this continue, the Trust will likely benefit from being overweight in the large-cap, low-cost, financially-sound resources companies as well as in a range of quality industrial and financial companies which are trading on attractive valuations. This scenario would also see continued upwards pressure on interest rates, which would benefit the Trust through its underweight position in the expensive defensive sectors such as healthcare and REITs and infrastructure.

The Trust continues to exhibit Perennial Value's true to label value characteristics, with the Trust offering better value than the overall market on each of our four valuation characteristics: price to earnings, price to free cash flow, gross dividend yield and price to net tangible assets.

As always, our focus will continue to be on investing in quality companies which are offering attractive valuations and have the ability to deliver high levels of franked dividend income to investors.

| Market Review - Australia | | Global, Currency & Commodities | |
|-------------------------------|------|--------------------------------|------|
| | % | | % |
| S&P/ASX300 Accumulation Index | +0.3 | S&P500 | -3.9 |
| Energy | -3.7 | Nikkei 225 | -4.5 |
| Materials | +0.4 | FTSE100 | -3.3 |
| Industrials | -0.4 | Shanghai Composite | -6.4 |
| Consumer Discretionary | -1.2 | RBA Cash Rate | 1.50 |
| Health Care | +7.0 | AUD / USD | -3.8 |
| Financials-x-Real Estate | +0.6 | Iron Ore | +9.6 |
| Real Estate | -3.2 | Oil | -4.7 |
| Information Technology | +1.7 | Gold | -2.0 |
| Telecommunication Services | -6.2 | Copper | -2.6 |
| Utilities | -1.6 | | |

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Signatory of:



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