

	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Perennial Value Shares Wholesale Trust*	2.0	5.4	5.4	13.4	8.3	11.3	9.5
S&P/ASX 300 Accumulation Index	1.7	5.8	6.6	14.7	8.8	10.5	7.8
Value Added (Detracted)	0.3	-0.4	-1.2	-1.3	-0.5	0.8	1.7
Capital Growth	1.9	5.1	5.0	8.3	3.4	6.1	1.7
Income Distribution	0.0	0.0	0.0	3.9	4.0	4.2	7.1
Net Performance	1.9	5.1	5.0	12.2	7.4	10.3	8.8

*Gross Performance. *Since inception: June 2001. Past performance is not a reliable indicator of future performance.

Overview

- ▶ The market rose again in November, to finish the month +1.7%, bringing the total return for the last 12 months to a very healthy 14.7%.
- ▶ The rally was broad-based, with all sectors other than Telecommunications delivering positive returns.
- ▶ Offshore markets were mixed, however, the US market continued its strong run, to be up 20.4% for the last 12 months.

Growth of \$100,000 since inception



Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Perennial Value Shares Wholesale Trust

The Trust aims to grow the value of your investment over the long term via a combination of capital growth and tax effective income, by investing in a diversified portfolio of Australian shares, and to provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis.

Portfolio manager	John Murray
Trust FUM	AUD \$1.0 billion
Distribution frequency:	Half yearly
Minimum initial investment	\$25,000
Trust Inception Date	June 2001
Fees	0.92%
APIR code	IOF0206AU

Top 5 Over / Underweight Positions

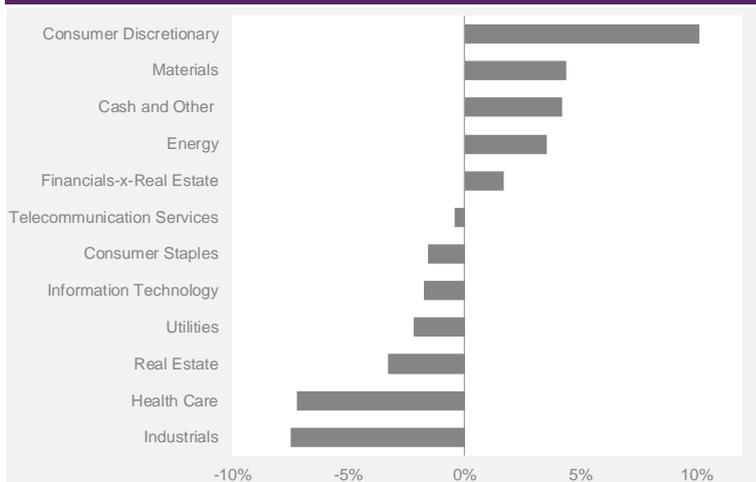


Portfolio Characteristics – FY19

	Trust	Market
Price to Earnings (x)	14.6	15.5
Price to Free Cash flow (x)	12.2	14.4
Gross Yield (%)	6.3	5.7
Price to NTA (x)	1.9	2.2

Source: Perennial Value Management. As at 30 November 2017. 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.

Sector Active Exposure



Trust Review

Better performing holdings over the month included News Corp (+18.1%), which rallied on speculation that the Murdoch family may begin to realise some the assets in their portfolio. This is a stock which we believe is trading at well below the sum of the value of its constituent assets. Gateway Lifestyle (+10.2%) rose after delivering a positive trading update at their AGM and Vocus Communications (+9.0%) continued its recovery, to be up 31.4% over the last quarter. Janus Henderson (+8.5%) was stronger following a positive third quarter trading update, with improving funds flows and increased merger synergies. Tabcorp (+8.0%) rallied after the competition regulator approved its merger with Tatts Group. We see significant upside in this stock, not only from the expected merger benefits but also from a number of regulatory changes which will favour Tabcorp over the corporate bookmakers. Other stocks which performed well included Westfield Corp (+7.9%), Crown Resorts (+6.4%), Harvey Norman (+6.1%), Suncorp (+5.5%) and Boral (+5.2%). The Trust benefited from its underweight position in the banks, which underperformed ahead of the calling of the Royal Commission.

Stocks which detracted from performance included Graincorp (-8.7%), which fell after delivering a result in line with its guidance but which highlighted issues in its oils division. Overall, however, management are doing a good job improving the operational performance of this business. Event Hospitality (-4.3%), Amcor (-2.7%) and Nufarm (-2.4%) also detracted from performance.

Trust Activity

During the month, we increased our holdings in Tabcorp and Woolworths, where in both cases we see positive stock-specific drivers, and reduced our holdings in Rio Tinto and Caltex following strong recent performance. At month end, stock numbers were 37 and cash was 4.2%.

Outlook

While growth in the domestic economy remains subdued and there remains a high level of political uncertainty, the global growth outlook appears to be incrementally improving. 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		+1.7	S&P500		+2.8
Energy		+4.3	Nikkei 225		+3.2
Materials		+2.0	FTSE100		-1.3
Industrials		+2.2	Shanghai Composite		-2.2
Consumer Discretionary		+3.2	RBA Cash Rate		1.50
Health Care		+3.0	AUD / USD		-1.0
Financials-x-Real Estate		+0.0	Iron Ore		+17.8
Real Estate		+5.3	Oil		+4.2
Information Technology		+4.5	Gold		+1.5
Telecommunication Services		-1.6	Copper		-0.7
Utilities		+3.0			

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