

	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception <sup>^</sup>
	%	%	%	%	% p.a.	% p.a.	% p.a.
Perennial Value Active Plus Shares Trust*	3.7	2.7	3.5	-	-	-	3.3
S&P/ASX 300 Accumulation Index	4.0	4.8	4.8	-	-	-	5.0
<b>Value Added (Deducted)</b>	<b>-0.3</b>	<b>-2.1</b>	<b>-1.3</b>	-	-	-	<b>-1.7</b>
Capital Growth	3.6	2.5	3.2	-	-	-	2.6
Income Distribution	0.0	0.0	0.0	-	-	-	0.1
Net Performance	3.6	2.5	3.2	-	-	-	2.8

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

### 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

#### Risk profile

High

#### Trust FUM

AUD \$16 million

#### Distribution frequency

Half yearly

#### Team FUM

AUD \$5.2 billion

#### Minimum initial investment

\$25,000

#### Trust inception date

May 2017

#### APIR code

WPC6780AU

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- ▶ The market roared back to life in October, to finish the month +4.0%, bringing the total return for the last 12 months to a very healthy 15.9%.
- ▶ The rally was broad-based, with industrials, banks and resources sectors all posting positive returns.
- ▶ International markets were also stronger over the month, with generally positive economic data offsetting political instability.

### Market Review

Market Review - Australia	%	Global, Currency & Commodities	%
S&P/ASX300 Accumulation Index	+4.0	S&P500	+2.2
Energy	+6.4	Nikkei 225	+8.1
Materials	+4.4	FTSE100	+1.6
Industrials	+4.2	Shanghai Composite	+1.3
Consumer Discretionary	+5.4	RBA Cash Rate	1.50
Health Care	+5.5	AUD / USD	-2.3
Financials-x-Real Estate	+3.3	Iron Ore	-5.7
Real Estate	+2.2	Oil	+6.7
Information Technology	+8.4	Gold	-0.6
Telecommunication Services	+2.4	Copper	+4.9
Utilities	+5.0		

### Trust Review

Better performing holdings over the month included Tabcorp (+5.2%) which rallied after indicating that operating conditions were improving. Macquarie Group (+8.2%) rose after delivering a stronger than expected first half profit result. Clydesdale Bank (+5.6%) rose on the expectations of interest rate rises in the UK, which would benefit its earnings and Woodside Petroleum (+5.6%) lifted on the higher oil price. Caltex (+6.7%) rose as questions grow around whether the Australian Competition and Consumer Commission will approve the sale of Woolworths' petrol stations to BP. Should this deal be opposed, it would be a significant positive for Caltex which would retain the fuel supply agreement.

The only stock to deliver a negative return was Lendlease (-9.5%), which fell after revealing cost overruns in its construction division. We continue to hold a positive view on this stock, with its large order book and globally diversified operations.

## Trust Activity

During the month, we increased our holdings in Tabcorp where we see improving operational performance. We exited our holding in AMP. At month end, stock numbers were 23 and cash was 7.3%.

## 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.**

## Top 10 Holdings

Stock name	Trust weight %	Index weight %
Commonwealth Bank	11.0	8.5
BHP Billiton Limited	8.5	5.3
Westpac Banking Corporation	5.8	7.0
Rio Tinto Limited	4.9	1.8
Caltex Australia	4.6	0.6
Telstra Corporation	4.4	2.6
Woodside Petroleum	4.4	1.4
National Australia Bank	4.2	5.5
Newcrest Mining	4.1	1.1
ANZ Banking Group Limited	4.1	5.5

## Asset Allocation

Sector	Trust weight %	Index weight %
Energy	9.0	4.6
Materials	17.5	17.0
Industrials	0.0	7.4
Consumer Discretionary	10.0	5.1
Consumer Staples	5.0	7.3
Health Care	0.0	7.1
Financials-x-Real Estate	36.7	36.4
Real Estate	7.4	8.2
Information Technology	0.0	1.7
Telecommunication Services	7.0	3.0
Utilities	0.0	2.1
Cash & Other	7.3	-

Signatory of:



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