

	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*	-0.9	4.1	7.7	-	-	-	7.5
S&P/ASX 300 Accumulation Index	-0.4	3.2	8.2	-	-	-	8.4
Value Added (Detracted)	-0.5	0.9	-0.5	-	-	-	-0.9
Capital Growth	-1.0	2.7	5.9	-	-	-	5.4
Income Distribution	0.0	1.1	1.2	-	-	-	1.3
Net Performance	-1.0	3.8	7.1	-	-	-	6.7

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

Overview

- ▶ The market eased in January, to finish the month -0.4%, bringing the total return for the last 12 months to a healthy +12.4%.
- ▶ Resources rose +0.8% on continued strength in commodity prices. Industrials declined -0.7%, led down by interest rate-sensitive sectors such as Utilities and REITs.
- ▶ Offshore markets were generally stronger, with the US market continuing its strong run, to be up +24.1% for the last 12 months.

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

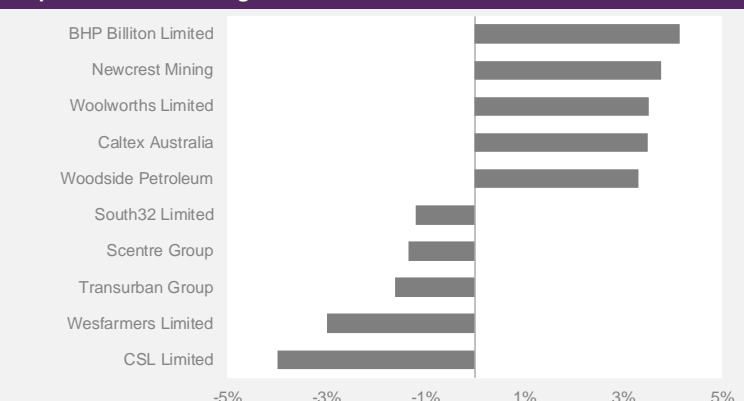
Portfolio manager	Dan Bosscher
Trust FUM	AUD \$16 million
Distribution frequency:	Half yearly
Minimum initial investment	\$25,000
Trust Inception Date	May 2017
Fee	0.92%
APIR code	WPC6780AU

Portfolio Characteristics – FY19	Trust	Market
Price to Earnings (x)	14.3	15.3
Price to Free Cash flow (x)	12.2	14.7
Gross Yield (%)	6.2	5.8
Price to NTA (x)	1.8	2.2

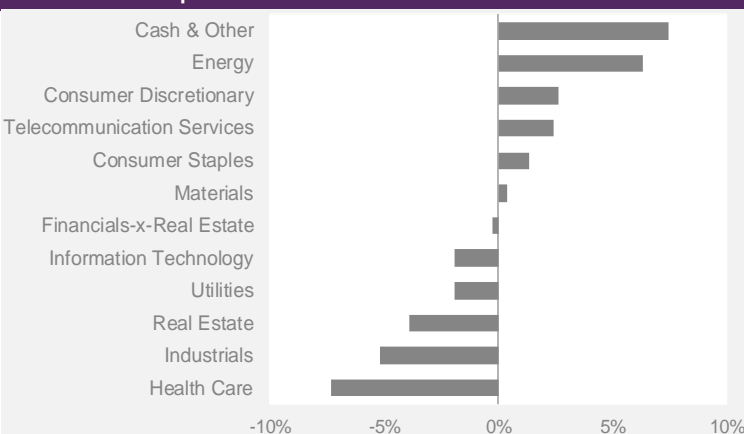
Source: Perennial Value Management. As at 31 January 2018. The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Trust Themes	Exposure
Amazon	No Harvey Norman or JB Hifi
Reflation Trade	Woodside, BHP and Rio Tinto
Defensive Hedge	Newcrest Mining, Cash
Boosters	LLC 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 Macquarie Group (+3.5%) which rallied as it will benefit from the US corporate tax cuts as well as on expectations of a positive upcoming trading update. Resource stocks BHP (+2.1%) and Rio Tinto (+1.4%) rose on continued commodity price strength. Other stocks which outperformed included Caltex Australia (+2.1%). The Trust also benefited from its underweight position in the expensive defensive sectors of the market such as Utilities and REITs, which underperformed as bond yields rose on the back of continuing strong global economic data.

Stocks which detracted from performance included agricultural stock Graincorp (-9.6%) which fell on the back of poor cropping conditions and Tabcorp (-7.3%), which eased following its strong recent performance.

Trust Activity

During the month, we took profits and reduced our holdings in Woodside Petroleum and BHP Limited after their recent strong performances. Proceeds were used to holdings in a number of good value opportunities including Eclipse and Dulux. At month end, stock numbers were 26 and cash was 7.6%.

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, 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		-0.4	S&P500		+5.8
Energy		-0.3	Nikkei 225		+1.5
Materials		+0.5	FTSE100		-1.3
Industrials		-2.0	Shanghai Composite		+5.3
Consumer Discretionary		-0.2	RBA Cash Rate		1.50
Health Care		+3.1	AUD / USD		+3.5
Financials-x-Real Estate		-0.7	Iron Ore		+2.4
Real Estate		-3.2	Oil		+3.3
Information Technology		+2.5	Gold		+3.2
Telecommunication Services		+0.8	Copper		-3.2
Utilities		-4.3			

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Signatory of:



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