

	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*	-4.4	-6.1	2.1	-	-	-	1.9
S&P/ASX 300 Accumulation Index	-3.7	-3.8	4.5	-	-	-	4.7
Value Added (Detracted)	-0.7	-2.3	-2.4	-	-	-	-2.8
Net Performance	-4.5	-6.4	1.3	-	-	-	0.9

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

Overview

- ▶ Volatility continued in March, with the market selling off and finishing the month down -3.7%
- ▶ The fall in the Australian market mirrored the offshore markets which were all weaker on political concerns, principally regarding trade policy, with the S&P500 down -4.0%, Nikkei 225 down -4.1%, the FTSE100 down -2.4% and the Shanghai Composite down -3.0%.
- ▶ In this environment, defensive sectors tended to outperform, while resources and financials bore the brunt of the selling.

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 \$15 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)	13.7	14.6
Price to Free Cash flow (x)	12.1	14.3
Gross Yield (%)	6.2	6.0
Price to NTA (x)	2.0	2.1

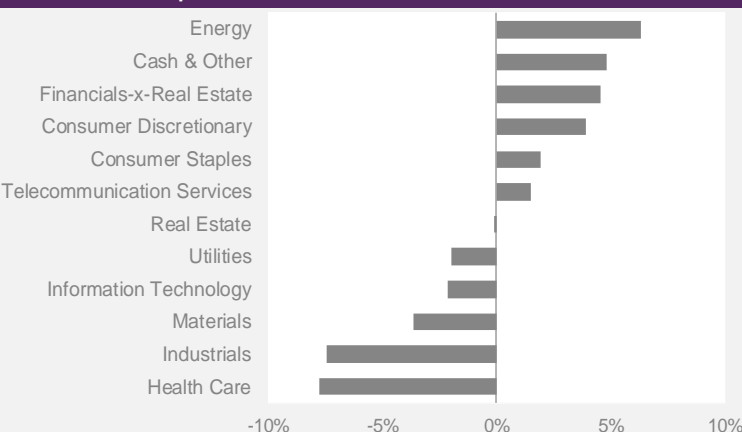
Source: Perennial Value Management. As at 31 March 2018. The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Trust Themes	Exposure
Amazon	No Harvey Norman or JB Hifi
Reflation Trade	Woodside, BHP and QBE
Defensive Hedge	Newcrest Mining, Put spread
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 agricultural stock Graincorp (+6.3%), which rallied on improving seasonal conditions and Woodside Petroleum (+0.2%) which rallied thanks to an increase in oil price.

Stocks which detracted from performance included Vocus (-9.4%) as questions were raised around the expected sale price of its New Zealand operations and Caltex (-9.0%) which declined on negative press around its franchising operations. Newcrest (-7.5%) fell after issues with its tailing dam at Cadia interrupted production.

Trust Activity

During the month, we took profits and reduced our holdings in Rio Tinto. Proceeds were used to increase our holdings in a number of good value opportunities including Janus and Westpac. At month end, stock numbers were 25 and cash was 4.8%.

Outlook

While the level of volatility in markets is likely to increase going forward, driven by factors such as recent political rhetoric around trade policy, 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		-3.7	S&P500		-4.0
Energy		-2.5	Nikkei 225		-4.1
Materials		-4.2	FTSE100		-2.4
Industrials		-1.1	Shanghai Composite		-3.0
Consumer Discretionary		-2.3	RBA Cash Rate		1.50
Health Care		-3.3	AUD / USD		-1.6
Financials-x-Real Estate		-5.8	Iron Ore		-19.8
Real Estate		+0.1	Oil		+10.1
Information Technology		-2.2	Gold		+0.6
Telecommunication Services		-6.2	Copper		-3.1
Utilities		-0.8			

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Signatory of:



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