

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (%p.a.)
Perennial Value Active Plus Shares Trust*	3.5	6.8	8.9	8.9	-	-	7.4
S&P/ASX300 Accumulation	3.2	8.4	13.2	13.2	-	-	11.4
Value Added (Detracted)	0.3	-1.6	-4.3	-4.3	-	-	-4.0
Net Performance	3.4	6.5	7.9	7.9	-	-	6.4

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

Overview

- The Australian stock market shrugged aside ongoing global political uncertainty to deliver a return of 3.2% for the month of June, bringing the total return for the financial year to 13.2%.
- The market was led higher by the major banks which recovered some of their previous losses and the energy sector which rallied on the stronger oil price.
- Offshore markets were subdued, with the S&P500 and Nikkei 225 both up 0.5%, while the FTSE100 and the Shanghai Composite declined -0.5% and -8.0% respectively.

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/ASX300 Accumulation Index measured on a rolling three-year basis.

Portfolio Manager	Strategy FUM
Dan Bosscher	AUD \$16 million
Distribution Frequency	Minimum Initial Investment
Half yearly	\$25,000
Trust Inception Date	Fees
May 2017	0.92%

APIR Code
WPC6780AU

Portfolio Characteristics – FY19	Trust	Market
Price to Earnings (x)	14.6	15.8
Price to Free Cash Flow (x)	13.2	15.7
Gross Yield (%)	6.2	5.7
Price to NTA (x)	2.0	2.4

Source: Perennial Value Management. As at 30 June 2018.

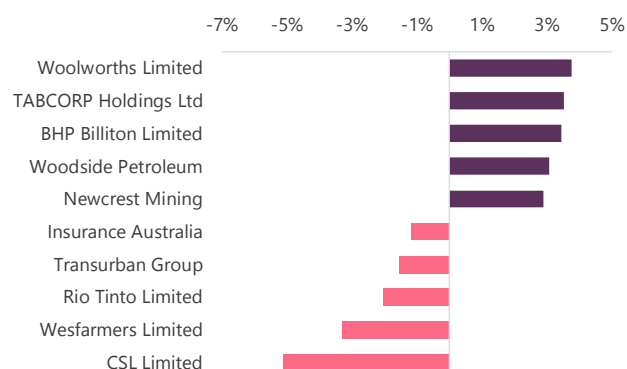
The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Trust Thematics

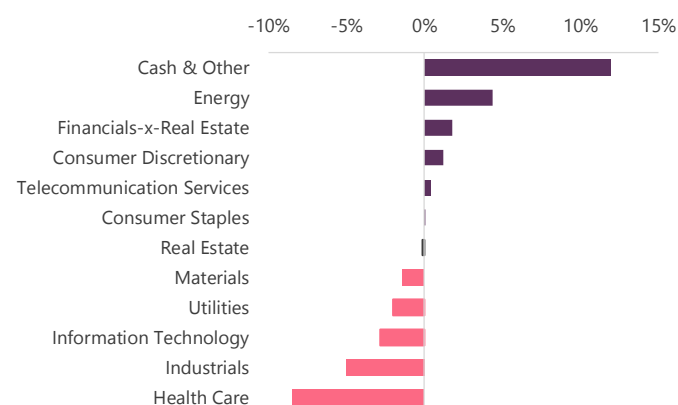
Exposure

Aussie Consumer	No Harvey Norman or JB Hifi
Reflation Trade	Woodside, BHP and QBE
Defensive Hedge	Newcrest Mining, high cash
Boosters	MQG, ANZ, & FMG Calls
Short US10 Yr. Bond	No Utilities

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Trust Review

Caltex Australia (+10.6%) rose after providing sound first half earnings guidance combined with the announcement that the proposed purchase of Woolworths' fuel business by BP would not proceed. Caltex is currently the fuel supplier to the Woolworths petrol station network and the retention of this business would be a significant positive. Energy stocks Woodside Petroleum (+9.4%) and Origin Energy (+4.5%) both outperformed on the stronger oil price, while Macquarie Group (+8.2%) and Woolworths (+7.0%) both continued their strong recent performances. Other good performers included Lendlease (+5.5%) after announcing it has secured another major urban regeneration project in London.

Stocks which detracted from performance included Vocus Communications (-4.1%), which continues to be volatile, and Telstra (-6.6%) which declined after lowering earnings on the back of increased mobile competition.

Trust Activity

During the month, we took profits and trimmed our holding in a number of stocks which had performed strong over recent times including Amcor, Caltex, and Woolworths. Proceeds were used to Incitec Pivot into the portfolio. At month end, stock numbers were 25 and cash was 9.2%.

Outlook

While the level of volatility in markets is likely to increase going forward, driven by factors such as ongoing trade policy uncertainty, 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 (%)

S&P/ASX300 Accumulation Index	+3.2
Energy	+7.7
Materials	+1.7
Industrials	+0.6
Consumer Discretionary	+2.1
Health Care	+2.5
Financials-x-Real Estate	+4.0
Real Estate	+2.3
Information Technology	+5.9
Telecommunication Services	-5.5
Utilities	+5.9

Global, Currency & Commodities (%)

S&P500	+0.5
Nikkei225	+0.5
FTSE100	-0.5
Shanghai Composite	-8.0
RBA Cash Rate	1.50
AUD / USD	-2.4
Iron Ore	+0.8
Oil	+2.4
Gold	-3.5
Copper	-3.9

Invest Online Now

Contact Us

📍 Level 27, 88 Phillip Street Sydney NSW 2000

☎ 1300 730 032

✉ invest@perennial.net.au

🌐 www.perennial.net.au

Signatory of:



Issued by: The Investment Manager, Perennial Value Management Limited, ABN 22 090 879 904, AFSL: 247293. Responsible Entity: Perennial Investment Management Limited ABN 13 108 747 637, AFSL: 275101. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trusts must be accompanied by an application form. The current relevant product disclosure statements, additional information booklet and application forms can be found on Perennial's website www.perennial.net.au.