

	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*#	-4.0	-7.9	-8.2	-5.2	-	-	-0.1
Active Plus Shares – Strategy in Perennial Value Australian Shares Trust*^	-	-	-	-	6.6	-	4.2
S&P/ASX300 Accumulation Index	-2.2	-9.3	-6.8	-1.0	-	-	3.6
<b>Value Added (Detracted)</b>	<b>1.8</b>	<b>1.4</b>	<b>-1.4</b>	<b>-4.2</b>	-	-	<b>-3.7</b>
Net Performance	-4.0	-8.1	-8.6	-6.2	-	-	-1.1

\*Gross Performance. ^Strategy inception: May 2014. #Trust inception date May 2017. The Perennial Value Active Plus Shares Trust has been operating since May 2014. To give a longer term view of our performance in this asset class, we have shown longer returns for the Strategy in the Perennial Value Active Plus Shares Trust. The Strategy has identical investments. Past performance is not a reliable indicator of future performance.

## Overview

- Global markets were mixed in November, with the S&P500 +1.8%, FTSE 100 -2.1%, Nikkei 225 +2.0% and Shanghai Composite -0.6%.
- The Australian market fell, finishing the month down -2.2%, bringing the total return for the last 12 months to -1.0%.
- Financials was the best performing sector, with the banks outperforming as the Royal Commission drew to a close, while the resources sector declined on softer commodity prices, with oil down sharply.
- Following the with many very good value opportunities available. recent declines, the market is now trading in line with its long-term average forward P/E ratio of 14.5x and offering an attractive gross dividend yield of over 6.0%.

## 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  
Dan Bosscher

Trust FUM  
AUD \$15 million

Distribution Frequency  
Half yearly

Minimum Initial Investment  
\$25,000

Trust Inception Date  
May 2017

Strategy Inception Date  
May 2014

APIR Code  
WPC6780AU

Fees  
0.92%

Portfolio Characteristics – FY19	Trust	Index
Price to Earnings (x)	12.9	14.5
Price to Free Cash Flow (x)	11.3	14.0
Gross Yield (%)	7.1	6.7
Price to NTA (x)	2.0	2.2

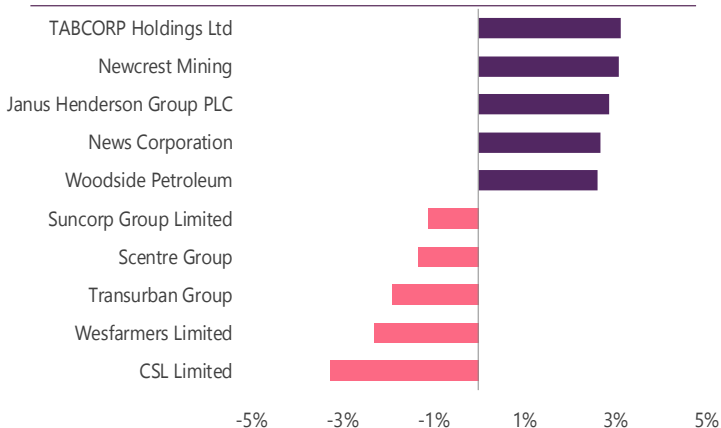
Source: Perennial Value Management. As at 30 November 2018.

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.

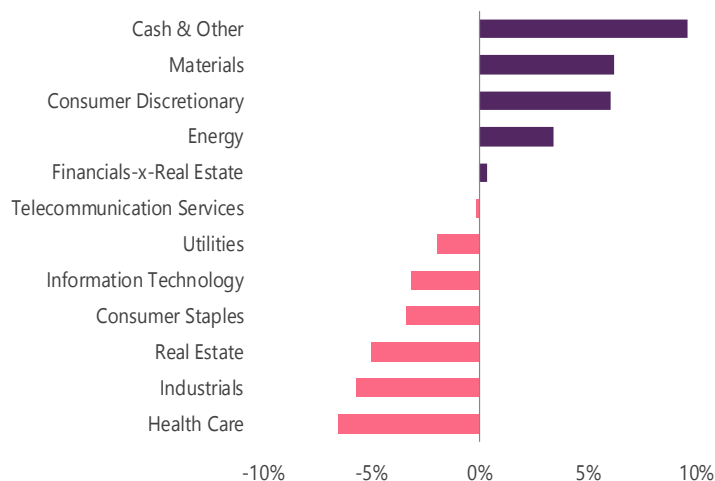
## Trust Thematics

Trust Thematics	Exposure
Short Aussie Consumer	No Harvey Norman or JB Hifi
Long Inflation	Woodside, BHP and QBE
Long Defensive Hedge	NCM, high cash
Short US10 Yr. Bond	Underweight Utilities

## Top 5 Over / Underweight Positions vs Index



## Sector Active Exposure vs Index



## Trust Review

The market finished the month down -2.2%, with the resources sector the main drag, falling -6.6% on the back of softer commodity prices, with oil in particular falling sharply. Financials was the best performing sector, rising +1.4%.

The major banks performed strongly, delivering an average return of +2.8% as the Royal Commission drew to a close. While the softening housing market and slowing credit growth is leading to a very muted growth outlook for the sector, the banks are trading on attractive valuations and offering compelling and sustainable dividend yields, justify their overweight position in the Trust.

Other holdings which performed well included Newcrest (+0.7%) as gold performed well over the month. Macquarie performed well as the company upgraded profit guidance for FY19, and Amcor (+1.0%) also outperformed.

The main detractors from performance were Lendlease (-28.1%), which fell after announcing provisions related to cost overruns in a number of engineering projects and Clydesdale Bank (-25.8%), which was sold off after guiding to lower margins in the recently acquired Virgin Money business. Energy stocks Origin (-11.1%) and Woodside (-10.9%) also fell on a weaker oil price. However, we view this as temporary and have a positive medium-term view on oil and LNG prices and the outlook for both of these companies.

The market is currently responding very aggressively to any disappointing news and marking stocks down sharply over what, in many cases, are overreactions to transient issues. This short-termism often leads to significant mispricing.

## Trust Activity

During the month, we took profits and reduced our holdings in BHP and Woolworths, exited our position in QBE and trimmed our holding in Atlas Arteria. Proceeds were used to increase our holdings in a number of good value opportunities including Macquarie, CYBG Group, as well as initiating a new position in Iluka. At month end, stock numbers were 27 and cash was 9.5%.

## Outlook

Following the recent sell-off, the market is now trading in line with its long-term average, with a one year forward P/E of 14.5x and offering an attractive gross dividend yield of over 6.0%.

Within the overall market, we are currently finding many good value investment opportunities. Across both the industrial and resources sectors, we are seeing many quality companies trading on attractive valuations which should deliver solid returns to investors from these levels.

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	-2.2
Energy	-10.7
Materials	-4.7
Industrials	-0.6
Consumer Discretionary	-4.5
Health Care	-4.0
Financials-x-Real Estate	+1.4
Real Estate	-0.3
Information Technology	+1.0
Telecommunication Services	-3.1
Utilities	-1.8

## Global, Currency & Commodities (%)

S&P500	+1.8
Nikkei225	+2.0
FTSE100	-2.1
Shanghai Composite	-0.6
RBA Cash Rate	1.50
AUD / USD	+3.0
Iron Ore	-15.1
Oil	-22.2
Gold	+0.5
Copper	+4.1

**Invest Online Now**

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