

	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 (Net) #	6.7	9.9	0.5	2.1	-	-	-
Active Plus Shares – Strategy in Perennial Value Australian Shares Trust (Net) ^	-	-	-	-	11.1	-	5.0
S&P/ASX300 Accumulation Index	6.0	9.9	2.4	6.8	12.9	-	7.1
Value Added (Detracted)	0.7	0.0	-1.9	-4.7	-1.8	-	-2.1

^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 and fees. Past performance is not a reliable indicator of future performance.

Overview

- The Trust performed well in February outperforming by 0.7%.
- Global markets continued their rebound in February, with the S&P500 +3.0%, FTSE 100 +1.5%, Nikkei 225 +2.9% and Shanghai Composite +13.8%.
- The Australian market performed strongly, finishing the month +6.0%.
- Most sectors had a positive print, with Financials and Large-cap Miners both doing well.

Trust Thematics

Exposure

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

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.

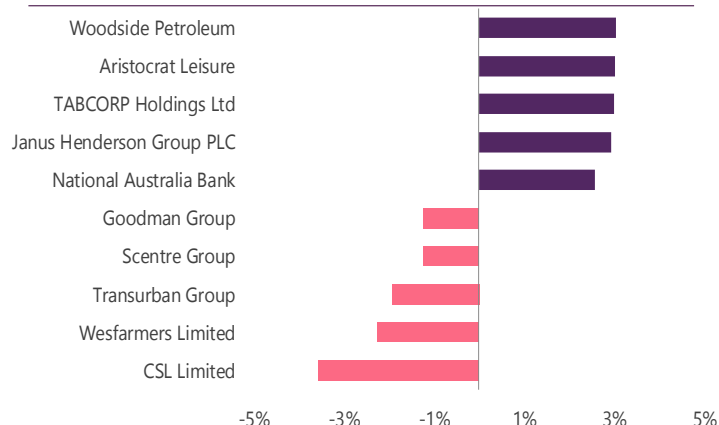
Portfolio Manager Dan Bosscher	Trust FUM AUD \$16 million
Distribution Frequency Half yearly	Minimum Initial Investment \$25,000
Trust Inception Date May 2017	Strategy Inception Date May 2014
APIR Code WPC6780AU	Fees 0.92%

Portfolio Characteristics – FY20	Trust	Index
Price to Earnings (x)	13.4	15.2
Price to Free Cash Flow (x)	12.4	15.0
Gross Yield (%)	6.6	6.0
Price to NTA (x)	2.1	2.3

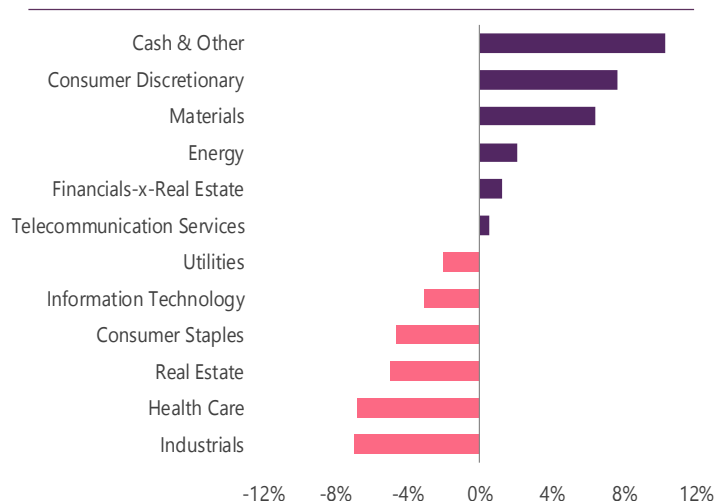
Source: Perennial Value Management. As at 28 February 2019.

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.

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Trust Review

Global markets continued the strong rally from January. The Australian market performed very well over the month to close up +6.0%.

The final report of the Hayne Royal Commission and reporting season dominated news flow over the month. Both the outcome of the Royal Commission and reporting season were better than feared, though perhaps reporting could be best described as 'in-line'

During February, the Financial (+9.1%) and Energy (+7.8%) sectors led the way while the Consumer Staples (-1.4%) and Healthcare (+1.3%) sectors lagged.

A number of the Trust's commodities-related holdings performed strongly, including mining services company Ausdrill (+38.1%) and resources holdings Alumina (+13.0%), RIO Tinto (+10.5%), Bluescope (+8.1%) and Woodside Petroleum (+9.3%).

A key feature of the RIO result was the announcement of a US\$2.43 per share or \$4bn special dividend.

A number of the Trust's financial holdings also performed strongly. These included fund manager Janus Henderson (+15.7%) and Macquarie Group (+10.4%).

Gaming stocks Aristocrat (unchanged), Star Entertainment (-0.2%) and Tabcorp (+1.5%) all trailed the broader market rally.

Trust Activity

During the month, we reduced our exposure to Alumina, BHP and RIO, taking advantage of their post-reporting rally.

We added to Telstra and Woolworths, pivoting into slightly more defensive names.

We also added Boral, adding US housing exposure (and at 11.4x FY20 P/E and 6.8% gross yield, it represents good value).

At month end the Trust held 27 stocks.

Outlook

The market is currently trading close to its long-term average, with a FY20 P/E of 15.2x and offering an attractive gross dividend yield of over 6.0%.

Within the overall market, we are seeing many quality companies trading on attractive valuations which should deliver solid returns to investors from these levels.

By contrast, there remain pockets of expensive growth and momentum style stocks which present significant de-rating risks if the lofty growth rates implied in their valuations are not able to be met. We do not hold these types of stocks as they do not meet our value criteria.

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	+6.0
Energy	+7.8
Materials	+6.4
Industrials	+6.4
Consumer Discretionary	+6.7
Health Care	+1.3
Financials-x-Real Estate	+9.1
Real Estate	+1.8
Information Technology	+7.5
Telecommunication Services	+4.4
Utilities	+4.0

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