

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	5 Years (% p.a.)	Since Inception (%p.a.)
Perennial Value Active Plus Shares Trust (Net)	11.3	-23.8	-18.6	-13.7	-4.6	-	-1.7
S&P/ASX300 Accumulation Index	9.0	-20.4	-13.8	-9.1	0.2	-	2.9
<b>Value Added</b>	<b>2.3</b>	<b>-3.4</b>	<b>-4.8</b>	<b>-4.6</b>	<b>-4.8</b>	<b>-</b>	<b>-4.6</b>

Trust inception: May 2017. Past performance is not a reliable indicator of future performance.

## Overview

The ASX300 Accumulation Index delivered a strong result in April 2020, closing up 9.0% for the month. Perhaps unsurprisingly, all sector indices ended the month in positive territory with star performers including IT, Energy and Consumer Discretionary. Amongst the weaker sectors this month were Healthcare, Consumer staples and Financials.

For April, the Active Plus Trust returned 11.3%. Among the positive contributors to performance were WOR (+46.3%), TAH (+27.3%) and ALL (19.4%). With Value closing the gap on Growth this month, our underweight to expensive sectors like health care performed well with stocks like CSL (+4.3%) underperforming the index.

## 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 \$14 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 – FY21	Trust	Market
Price to Earnings (x)	14.2	16.1
Price to Free Cash Flow (x)	13.4	14.7
Gross Yield (%)	5.7	5.4
Price to NTA (x)	1.7	2.0

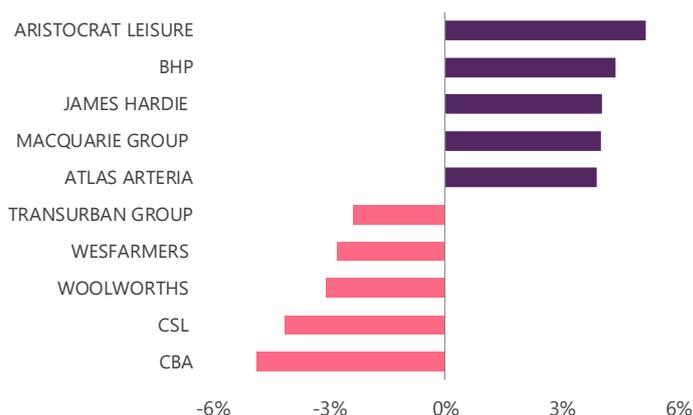
Source: Perennial Value Management. As at 30 April 2020

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.

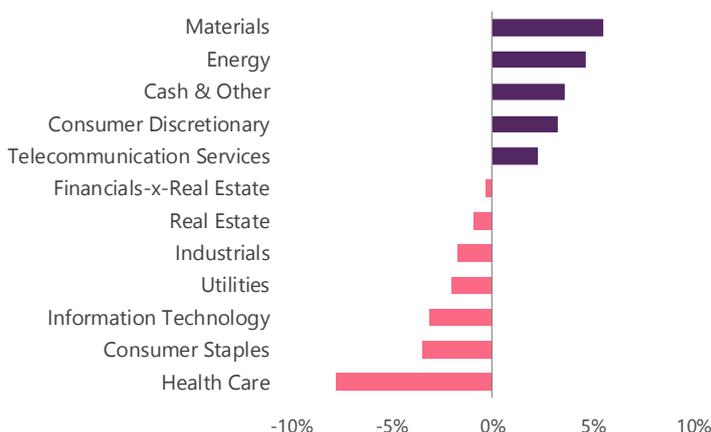
## Trust Thematics Exposure

Mining services	Worley, Downer
Long Energy	Origin, BHP, Woodside
Long Defensive Hedge	NCM
Short US10 Yr. Bond	UW Infrastructure / Utilities

## Top 5 Over / Underweight Positions vs Index



## Sector Active Exposure vs Index



## Trust Review

The Trust delivered a net return of 11.3% in April versus a benchmark return of 9.0%. This outperformance was due in large part to our overweights in the Energy and consumer discretionary sectors. Of our strong performers this month WOR, ALL and TAH were standouts, retracing losses from the previous month. WOR finished higher for the month despite intra-month oil price jitters as Russia, Saudi Arabia and Norway promised to cut oil production. ALL and TAH outperformed the market as COVID-19 fears receded.

## Trust Activity

This month the Active Plus Trust added to holdings in Charter Hall WALE REIT (CLW), added US builder exposure by way of JHX and sold Australian Bank exposure by decreasing our holding in NAB. CLW provides long term leases to a wide variety of stable clients including government organisations and large corporations like Woolworths. This stable clientele coupled with the duration of its leases makes CLW an attractive proposition in this current low yield environment. With US construction and housing demand remaining relatively resilient in the face of the novel Coronavirus pandemic in addition to the a low earnings multiple relative to its intrinsic growth implies the outlook for JHX remains positive. Finally, the Active Plus Trust reduced its exposure to Australian banks by further reducing its NAB position. NAB brought forward its first half result and announced a capital raising this month in light of the unprecedented upheaval in the Australian economy.

At month end the portfolio comprised of 25 names and 3.7% cash.

## Market Review – Australia (%)

S&P/ASX300 Accumulation Index	9.0
Energy	25.2
Materials	14.4
Industrials	12.8
Consumer Discretionary	16.4
Health Care	4.9
Financials-x-Real Estate	2.9
Real Estate	13.7
Information Technology	21.8
Telecommunication Services	4.8
Utilities	3.2
Consumer Staples	2.6

## Outlook

The ASX 300 Accumulation Index is currently trading above its long term average PE ratio with the FY21 estimate at 16.53 versus a long term multiple of 14.44 with a dividend yield of 3.77%.

Whilst in recent times expensive growth and defensive stocks have been favoured over their more value driven counterparts, the volatility of late has given the market reason for pause. Throughout the month of April, the divergence in valuation between stocks considered growth and those considered more typically value has narrowed and we expect this pattern to continue. Risk reward remains skewed to the downside when holding expensive names. We remain confident that a concentrated portfolio of value names will provide the desired risk reward characteristics.

The Trust continues to exhibit Perennial Value's true to label value characteristics with the Trust offering better value than the overall market on all four of our valuation characteristics: price to earnings, price to free cash flow, price to net tangible assets and gross yield (%).

**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.**

## Global, Currency & Commodities (%)

S&P500	12.7
Nikkei225	6.7
FTSE100	4.0
Shanghai Composite	4.0
RBA Cash Rate	0.25
AUD / USD	65.5c
Iron Ore	-5.9
Oil	+4.6
Gold	+0.7
Copper	-1.2

**Invest Online Now**

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