

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (%p.a.)
Perennial Concentrated Australian Shares Trust (Net)	3.4	13.2	29.2	38.0	7.9	-	7.0
S&P/ASX300 Accumulation Index	3.7	7.6	22.8	31.6	9.7	-	9.4
Value Added	-0.3	5.6	6.4	6.4	-1.8	-	-2.4

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

Overview

- Global markets generally performed strongly in April, driven by strong economic data, expectations of further stimulus measures and the accelerating vaccine rollout in the US and UK. The market was also helped by a slight pull-back in bond yields.
- The Australian market also performed strongly, with the ASX300 Accumulation Index finishing the month up 3.7%. Sector performance was mixed, with strong performances from both cyclical sectors such as Resources, as well as growth sectors such as IT.
- The Trust delivered a return of +3.4%, underperforming the market by 0.3% after fees. However, over the last 12 months, the Trust has outperformed the index by 6.4% after fees. This has been driven by strong performances from a large number of our holdings across a range of different sectors.
- Since the market's low in March 2020, the Trust has performed very well, returning +76.3% and outperforming the market by 13.6% after fees. This performance highlights the Trust's leverage to the post-COVID economic recovery. Historically, value style investing has delivered significant outperformance during economic recoveries.

Perennial Concentrated Australian 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 \$20 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 – FY22	Trust	Market
Price to Earnings (x)	15.6	18.1
Price to Free Cash Flow (x)	13.4	16.3
Gross Yield (%)	5.6	4.8
Price to NTA (x)	2.1	2.6

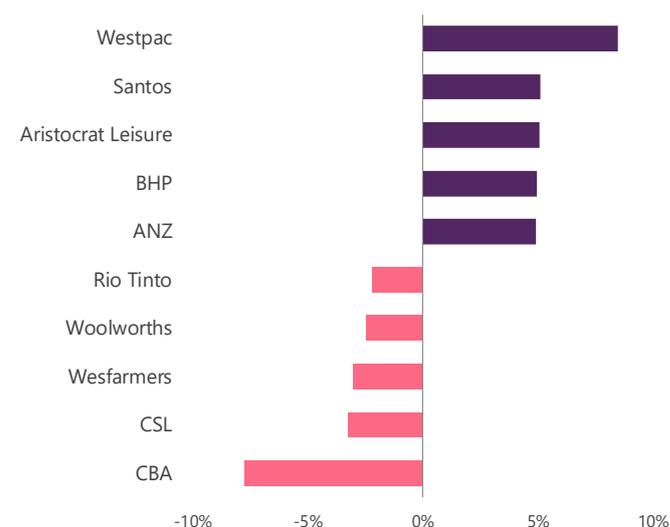
Source: Perennial Value Management. As at 30 April 2021

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.

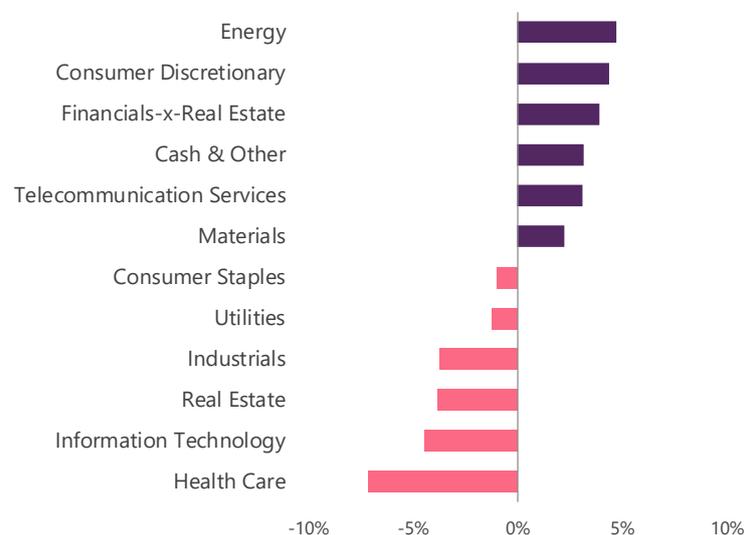
Trust Thematics Exposure

Offshore earners	Aristocrat, Macquarie
Long cyclicals	BHP, Santos, Alumina
Defensives	Newcrest Mining, Charter Hall WALE
Short US10 Yr. Bond	Underweight Utilities

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Trust Review

Stocks which contributed positively over the month included Resources stocks, with BHP (+5.3%) outperforming, as the iron ore price hit new highs. BlueScope Steel (+11.7%) rallied after delivering a profit upgrade, with very strong conditions being experienced across all of its global operations. Steel prices are rising sharply and, while good for BlueScope, this is an example of the cost pressures that are beginning to feed into the economy and which are likely to drive higher inflation and higher interest rates.

Gaming stocks were stronger, with Tabcorp (+6.2%) continuing to rally after the takeover offer for its wagering division was increased to \$3.5bn. This is a sector undergoing significant corporate activity globally. Aristocrat Leisure (+8.2%) also rose ahead of what is expected to be a strong result. This company is well placed to grow in the digital gaming space over the coming years.

Global malt producer, United Malt Group (+12.3%) continued its strong run. This company is leveraged to the global reopening, as malt demand will increase as the hospitality industry recovers post-pandemic.

Gold stock Newcrest Mining (+8.6%) rallied on the higher gold price. This is a world-class gold company and we continue to regard the gold sector as a preferred defensive option as it can be expected to outperform in an inflationary environment, while other interest-rate sensitive defensive sectors would lag.

Trust Activity

During the month, we returned to Star Group. This is a well-run company recovering from significant impact during Covid. They are well advanced in the build of their integrated resort in Brisbane which adds to their world class suite of assets.

We sold down our long held position in News Corporation after a very strong period of performance. The share price is now much closer to our long run price target.

At month end, stock numbers were 21 and cash was 2.9%.

Outlook

The start of 2021 may well mark a significant turning point for the global economy and markets, with the prospects of a near-term rollout of an effective COVID vaccine underpinning the reopening of economies and a return to global growth. Importantly also, the change of leadership in the US should usher in a period of stability in terms of domestic and international policy and, hopefully, a generally more harmonious backdrop. The election result of a Biden presidency and Democratic Senate means there is likely to be increased fiscal stimulus, which should be positive for economic growth, corporate earnings and markets overall.

Domestically, key indicators around employment, loan deferrals and the property market are all surprising to the upside. Finally, the economy is underpinned by historically low interest rates and meaningful fiscal stimulus. If this improvement continues, then corporate earnings and dividends are likely to rebound strongly over the coming year.

The Trust is positioned to benefit from an ongoing economic improvement and our focus remains on investing in quality companies with proven business models and strong balance sheets, which are offering attractive valuations and have the ability to deliver high levels of franked dividend income to investors.

Global, Currency & Commodities (%)

S&P500	+5.2
Nikkei225	-1.3
FTSE100	+3.8
Shanghai Composite	+0.1
RBA Cash Rate	0.10
AUD / USD	77.2c
Iron Ore	+11.8
Oil	+4.2
Gold	+2.0
Copper	+11.7

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Contact Us  Level 27, 88 Phillip Street, Sydney NSW 2000  invest@perennial.net.au  www.perennial.net.au  1300 730 032

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