

	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Perennial Value Australian Shares Trust*	-3.8	-5.2	2.7	1.6	2.5	7.9	10.5
S&P/ASX 300 Accumulation Index	-3.7	-3.8	4.5	2.9	3.9	7.6	7.9
Value Added (Detracted)	-0.1	-1.4	-1.8	-1.3	-1.4	0.3	2.6
Net Performance	-3.9	-5.4	2.0	0.6	1.6	7.0	9.6

*Gross Performance. *Since inception: March 2000. Past performance is not a reliable indicator of future performance.

Overview

- ▶ Volatility continued in March, with the market selling off and finishing the month down -3.7%
- ▶ The fall in the Australian market mirrored the offshore markets which were all weaker on political concerns, principally regarding trade policy, with the S&P500 down -4.0%, Nikkei 225 down -4.1%, the FTSE100 down -2.4% and the Shanghai Composite down -3.0%.
- ▶ In this environment, defensive sectors tended to outperform, while resources and financials bore the brunt of the selling.

Growth of \$100,000 since inception



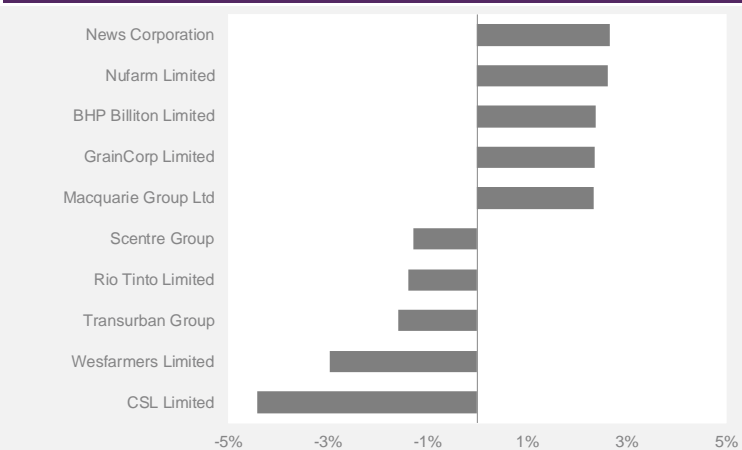
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Perennial Value Australian Shares Trust

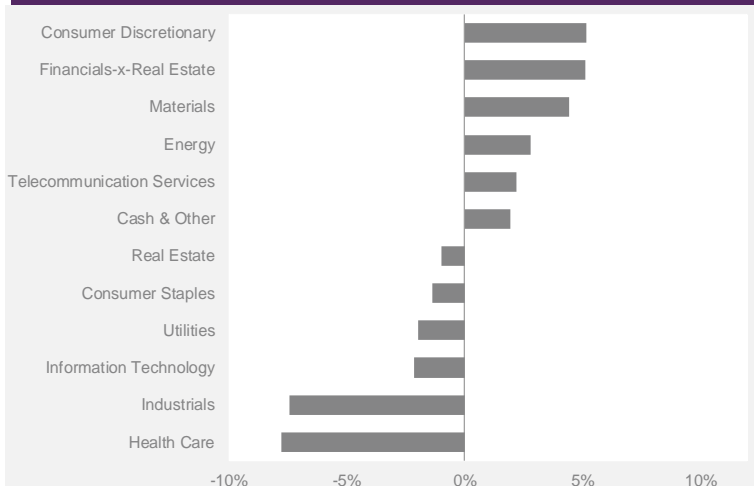
The Trust aims to grow the value of your investment over the long term via a combination of capital growth and tax effective income, by investing in a diversified portfolio of Australian shares, and to provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis.

Portfolio manager	John Murray
Trust FUM	AUD \$1.2 billion
Distribution frequency:	Half yearly
Minimum initial investment	\$25,000
Trust Inception Date	March 2000
Fee	0.92%
APIR code	IOF0200AU

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Portfolio Characteristics - FY19	Trust	Market
Price to Earnings (x)	13.7	14.6
Price to Free Cash flow (x)	12.5	14.3
Gross Yield (%)	6.0	6.0
Price to NTA (x)	1.9	2.1

Source: Perennial Value Management. As at 31 March 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 Review

Better performing holdings over the month included agricultural stocks Graincorp (+6.3%), which rallied on improving seasonal conditions and Nufarm (+2.1%) which outperformed after delivering a solid half-year result which showed good operational improvement, with the business being very well positioned to grow over the coming years. In addition to its core crop protection business, the company is developing an innovative omega-3 canola which has significant upside potential.

Casino operator Sky City (+5.6%), rallied after hosting a well-received investor day and Iluka Resources (+4.0%) rose on the back of continued tightening in the mineral sands market which is leading to price increases for its key products. Brickworks (+3.0%) lifted after delivering a solid first half result showing strong growth in building products earnings.

Other stocks which outperformed included Event Hospitality (+4.0%), Amcor (+1.9%) and Woodside Petroleum (+0.2%). The portfolio benefited from its underweight position in the major banks which declined an average of -6.4% due to a combination of negative press surrounding the Royal Commission and rising wholesale funding costs.

Stocks which detracted from performance included Vocus (-9.4%) as questions were raised around the expected sale price of its New Zealand operations and Caltex (-9.0%) which declined on negative press around its franchising operations. Newcrest (-7.5%) fell after issues with its tailing dam at Cadia interrupted production.

Trust Activity

During the month, we took profits and reduced our holdings in Rio Tinto, Crown Resorts and Lend Lease. Proceeds were used to increase our holdings in a number of good value opportunities including Telstra and Origin Energy. At month end, stock numbers were 41 and cash was 1.9%.

Outlook

While the level of volatility in markets is likely to increase going forward, driven by factors such as recent political rhetoric around trade policy, 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		%	Global, Currency & Commodities		%
S&P/ASX300 Accumulation Index		-3.7	S&P500		-4.0
Energy		-2.5	Nikkei 225		-4.1
Materials		-4.2	FTSE100		-2.4
Industrials		-1.1	Shanghai Composite		-3.0
Consumer Discretionary		-2.3	RBA Cash Rate		1.50
Health Care		-3.3	AUD / USD		-1.6
Financials-x-Real Estate		-5.8	Iron Ore		-19.8
Real Estate		+0.1	Oil		+10.1
Information Technology		-2.2	Gold		+0.6
Telecommunication Services		-6.2	Copper		-3.1
Utilities		-0.8			

Contact Us

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.