

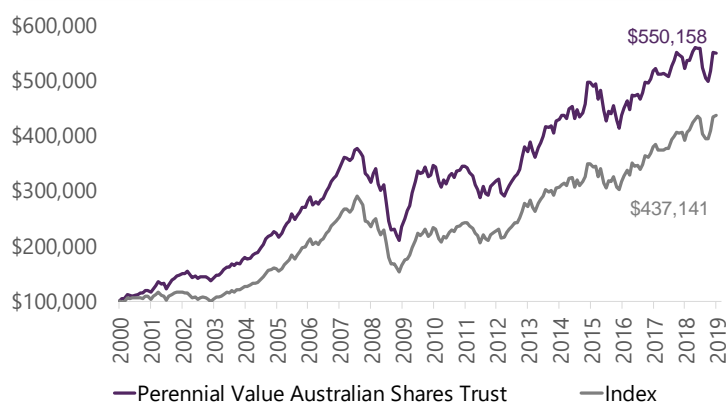
	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (%p.a.)
Perennial Value Australian Shares Trust (Net)	-0.1	10.4	-0.4	5.6	8.0	5.1	9.4
S&P/ASX 300 Accumulation Index	0.7	10.9	3.1	11.7	11.4	7.4	8.1
Value Added (Detracted)	-0.8	-0.5	-3.5	-6.1	-3.4	-2.3	1.3

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

Overview

- Global equity markets were generally stronger in March, with the S&P500 +1.8%, FTSE 100 +2.9%, Nikkei 225 -0.8% and Shanghai Composite +5.1%. A key theme in global markets was falling bond yields, driving up share prices of "bond proxy" stocks.
- The Australian market consolidated the gains from January and February, finishing the month +0.7%.
- The Trust finished the month down 0.1%, underperforming the benchmark by 0.8%.
- Stocks which performed well included our resources exposures RIO Tinto (+8.0%), Mineral Resources (+5.8%) and Newcrest (+4.9%), Ooh Media (+11.7%) and Event Hospitality & Entertainment (+4.5%). Stocks which detracted included chemicals manufacturer Nufarm (-10.1%), Graincorp (-5.8%), Star Entertainment (-5.6%) and Boral (-5.2%). The Trust was also held back by being underweight the REIT sector (+6.0%) and other bond proxy stocks.

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	Trust FUM
John Murray	AUD \$940 million
Distribution Frequency	Minimum Initial Investment
Half yearly	\$25,000
Trust Inception Date	Fees
March 2000	0.92%

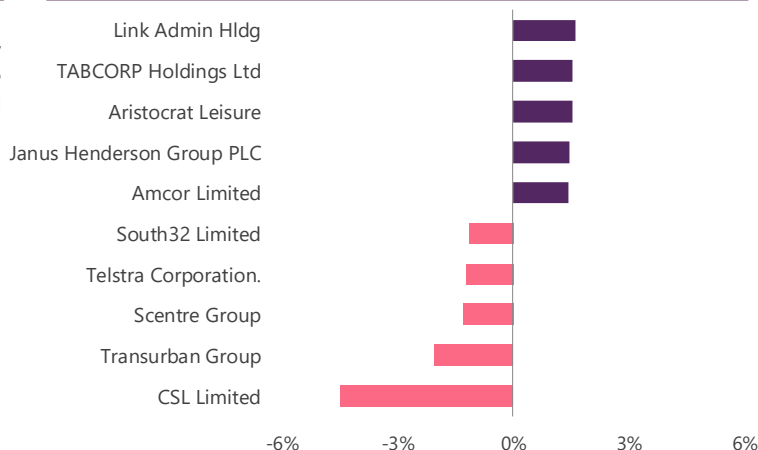
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Portfolio Characteristics – FY20	Trust	Market
Price to Earnings (x)	13.8	15.2
Price to Free Cash Flow (x)	12.7	15.0
Gross Yield (%)	6.2	5.9
Price to NTA (x)	2.1	2.3

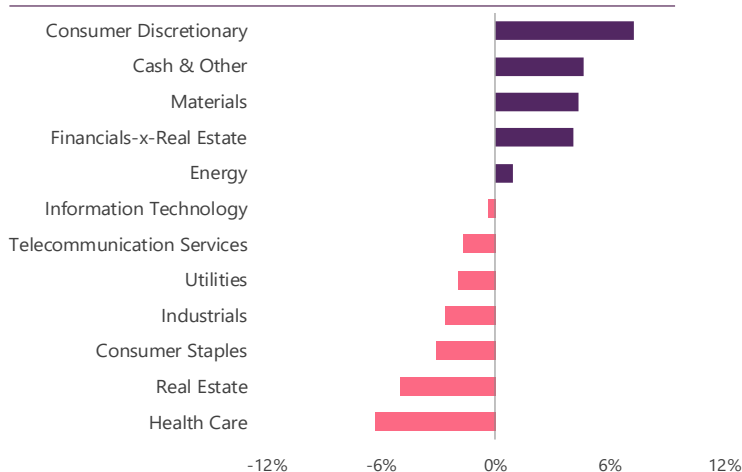
Source: Perennial Value Management. As at 31 March 2019

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 equity markets were generally stronger again in March. The Australian market consolidated the gains from January and February, finishing the month up 0.7%.

Two key themes during the month were the countervailing forces of improving sentiment towards China and iron ore stocks and the rally in defensive stocks as the Australian 10 year bond yield fell from 2.1% to 1.7%.

Defensive sectors REITS (+6.0%), Communication Services (+3.8%) and Consumer Staple (+3.7%) sectors led the way while Energy (-4.1%) and Financials (-2.6%) sectors lagged.

The fall in bond yields, and outperformance of "bond proxy" stocks was a global theme in March. We have for some time been underweight "bond proxy" stocks on the basis that valuations are stretched relative to other opportunities and this valuation dispersion became more pronounced during March.

Our base case continues to be that the Australian economy is likely to continue to grow modestly and a more severe weakening in the economy is likely to be avoided, in part due to the continued strength in commodity prices, mining services activity, growth in the healthcare and education sectors, and infrastructure spend. On this basis, we are generally underweight the more defensive areas of the market which, in our view, remain expensive.

Iron ore stocks performed strongly following the disruptions to the iron ore market following the January tragedy at Vale's Brumadinho mine in Brazil. We have a preference for RIO (+8.0%) and Mineral Resources (+5.8%) in iron ore exposures and the Trust was held back by not holding the strongly-performing Fortescue Metals (+17.3%).

Other Trust holdings that performed well included recently-acquired Ooh Media (+11.7%), Newcrest (+4.9%), and Event Hospitality & Entertainment (+4.5%).

Stocks which detracted included chemicals manufacturer Nufarm (-10.1%). Nufarm reported half-yearly results during the month and the outlook was weaker than the market expected although we expect this will represent a cyclical low-point of earnings and remain comfortable with the medium term outlook.

Market Review – Australia (%)

S&P/ASX 300 Accumulation Index	+0.7
Energy	-4.1
Materials	+3.4
Industrials	+2.0
Consumer Discretionary	+1.4
Health Care	+1.3
Financials-x-Real Estate	-2.6
Real Estate	+6.0
Information Technology	+2.6
Telecommunication Services	+3.8
Utilities	+1.3

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Signatory of:
 Principles for Responsible Investment



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Other detractors during the month included Graincorp (-5.8%), Star Entertainment (-5.6%), Boral (-5.2%) and Woodside Petroleum (-4.5%).

Trust Activity

During the month we sold our position in Vocus Group after the stock's recent strong performance and we reduced our holdings in Ausdrill and Alumina Limited. We reinvested the proceeds into new positions in JB Hi-Fi and Ooh Media. Ooh Media is a leading company in the out-of-home media sector. In our view the valuation of the company is undemanding, particularly following recent industry consolidation and the potential for out-of-home media to continue to increase share of the advertising market over the medium term.

At month end, stock numbers were 64 and cash was 4.6%.

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 5.9%.

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.

Global, Currency & Commodities (%)

S&P500	+1.8
Nikkei225	-0.8
FTSE100	+2.9
Shanghai Composite	+5.1
RBA Cash Rate	1.50
AUD / USD	-0.2
Iron Ore	-0.6
Oil	+3.6
Gold	-1.6
Copper	-0.4