

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (% p.a.)	10 Years (% p.a.)	Since Inception [^] (% p.a.)
Perennial Value Australian Shares Trust (Net)	1.7	6.7	5.5	8.5	9.5	9.5	11.3	7.5	7.6	9.1
S&P/ASX 300 Accumulation Index	3.2	7.2	5.7	14.9	14.8	12.8	12.2	9.2	9.9	8.5
Value Added	-1.5	-0.5	-0.2	-6.4	-5.3	-3.3	-0.9	-1.7	-2.3	0.6

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

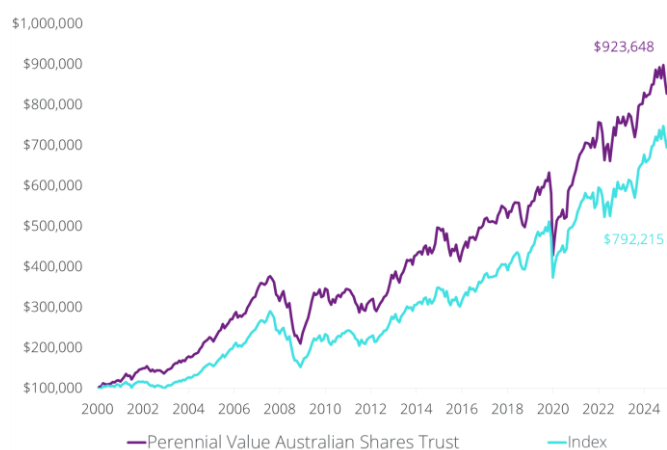
Overview

Markets recorded another positive month in August, buoyed by the prospect of interest rate cuts and Chinese “anti-involution” measures, while taking a sanguine view of the impacts of trade issues and conflicts etc. This saw all major markets deliver positive returns, with the S&P500 up +2.0%, and the NASDAQ +1.6%, both setting new record highs. The Nikkei 225 increased +4.1% and the FTSE100 rose +1.2%. The Chinese market was particularly strong, with the Shanghai Composite surging +8.1%.

The Australian market was also strong in August, with the ASX300 Accumulation Index logging its fifth consecutive monthly rise, gaining +3.2%, and setting another record high. The brings the market's total return for the last 12 months to a very healthy +14.9%.

The company reporting season, while extremely volatile, saw most sectors of the market deliver positive returns. At the index level, the heavy lifting was done by Resources (+10.3%), which have now caught up to the rest of the market, while the banks (ex-CBA) resumed their upwards march, following last month's pause (average +7.8%). Optimistic outlook statements saw the Consumer Discretionary sector rally (+7.5%), while REITs (+4.4%) also outperformed. Healthcare (-12.9%) was the worst-performing sector.

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.

Fund Characteristics

The Trust aims to grow the value of your investment over the long term via a combination of capital growth and 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 Managers

Stephen Bruce, Andrew King

Trust FUM

AUD \$420 million

Distribution Frequency

Half yearly

Minimum Initial Investment

\$25,000

Trust Inception Date

March 2000

Fees

0.92% p.a.

APIR Code

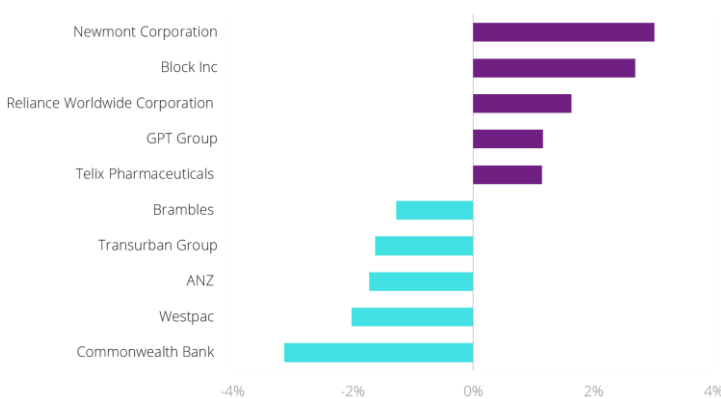
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Portfolio Characteristics – FY27	Trust	Market
Price to Earnings (x)	18.3	18.7
Price to Free Cash Flow (x)	16.6	16.6
Gross Yield (%)	4.0	4.1
Price to NTA (x)	2.4	2.8

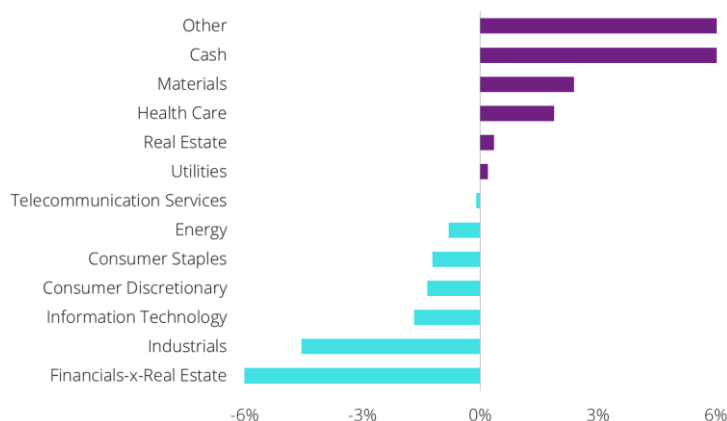
Source: Perennial Value Management. As at 31 August 2025

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

The ASX300 Accumulation Index delivered its fifth consecutive month of positive returns in August, rising +3.2%, setting another record high. For the financial year, the market has delivered a healthy total return of +14.9%. The key drivers of the market over the month, were positive global macro sentiment, around the prospect of interest rate cuts, and optimism that the Chinese outlook was improving, following various stimulus and other measures. Against this backdrop, an “in-line” company reporting season, with some positive commentary around the domestic outlook, saw our market rally strongly.

The Resources sector (+10.3%) led the market higher. While the results reported by miners were subdued, for example, BHP saw its earnings and dividend fall -25% in FY25. Investors reacted positively to signs of stabilisation in the Chinese economy, which bode well for demand for key commodities such as iron ore (which remains above US\$100/t) and copper. This saw BHP (+10.0%), Fortescue (+8.6%) and Rio Tinto (+5.5%) all outperform. In addition, the Chinese announcement of “anti-involution” policies, aimed at reducing excess capacity and supporting returns, saw sharp rises in the prices of commodities such as lithium, which has been in oversupply recently. This led to a very strong rally in the lithium miners, with Pilbara (+52.6%). The rare earths sector continues to attract attention, given its strategic importance, with further steps being taken to develop an “ex-China” market. This saw Lynas (+32.5%) and Iluka Resources (+22.9%) continue their strong run. Copper-miner, Sandfire Resources (+17.7%) also performed strongly. The Trust holds an overweight position in these stocks and the Resources sector overall.

The gold price continued its advance, reaching US\$3,500/oz., driving the sector higher, despite some less-than-impressive operational results being delivered. With ongoing geopolitical tensions, talk of “de-dollarisation” and the risk of stagflation, gold may well continue to be well-bid. The Trust holds a modest overweight position in the gold sector through our position in Newmont (+15.6%), which delivered a solid result, and which we regard as the lowest-risk gold exposure.

The Consumer Discretionary sector (+7.5%) performed strongly during the month. In this sector, the Trust holds overweight positions in Tabcorp (+26.5%) and Treasury Wines (+6.1%). While the majority of retailers reported fairly weak results for the FY25 year, their outlook statements were more positive, with trading conditions showing some signs of improvement so far in the current financial year. This saw a sharp rally in many of the retail names, with expectations of rate cuts and easing cost of living pressures driving a cyclical upswing in the period ahead. In our view, however, much of this is captured in current valuations. For example, Wesfarmers (+7.1%), which owns Bunnings and Kmart, is currently trading on an FY26 P/E of 36.7x, despite consensus estimates that the company will only deliver EPS growth of around +6%. To us, that equation doesn't balance, and as a result, we remain underweight most of the sector.

REITs (+4.4%) outperformed over the month, after delivering results suggesting that the sector is close to an inflection point in rental growth and asset valuations. This saw holdings in Scentre Group (+11.3%), GPT (+9.4%) and Vicinity (+7.3%) all outperform. Stockland (+11.7%) was also strong, and should benefit from policies aimed at increasing housing construction. The sector is likely to be further boosted should interest rate cuts be delivered and the Trust remains modestly overweight the sector.

The banks resumed their upwards march, however the baton was passed from CBA (-2.8%) to Westpac (+14.2%), NAB (+10.0%) and ANZ (+9.6%), which rallied sharply on a very small upgrade to margin expectations. We continue to see the major banks as ridiculously overvalued and remain underweight the sector.

Engineering firm Worley (+10.0%) rallied after its result confirmed a strong pipeline of projects, in both the renewable and traditional energy sectors, as well as favourable competitive conditions when bidding for contracts, which should be supportive of margins going forward. Other positive contributors included MA Financial (+18.4%), Origin Energy (+10.7%) and Integral Diagnostics (+10.5%).

Key detractors over the month included holdings in Telix (-30.6%), which was sold off aggressively after failing to receive FDA approval for its renal imaging agent. Importantly, however, this related to manufacturing certification, as opposed to efficacy, so likely represents simply a delay in coming to market. In our view, this stock has very significant upside potential. James Hardie (-24.5%) was sold off after providing a very weak Q1'26 trading update, highlighting a sharp deterioration in US new home construction activity. This was far more significant than the market had anticipated and has raised further questions around management integrity. We will be watching this closely, however, at this stage, we see this as more a cyclical rather than structural issue, and believe it remains a high-quality business, with material upside.

Trust Activity

During the month, we took profits and trimmed holdings in Worley and Tabcorp. Proceeds were used to increase our holdings in Newmont, Rio Tinto and Treasury Wines, and to move overweight in CSL after its share price had fallen sharply. At month end, stock numbers were 54 and cash was 6.8%.

Outlook

Globally, investors are taking an optimistic view on the outlook, with expectations that interest rate cuts will both stimulate economic activity and support asset prices. Further, markets are taking a sanguine view around the potential impacts of trade and tariffs and the ever-increasing level of geopolitical tension and conflict (albeit these concerns are clearly manifesting in the gold price!). This optimism is impacting the Australian market positively, with macro money flows into the market, and landing in the large index weight stocks (hence the performance the banks and Wesfarmers etc). At the local level, the prospect of RBA rate cuts has seen increased optimism around the outlook for the domestic economy overall, and the consumer-facing and property-related sectors, in particular (which, let's face it – ex-mining and the NDIS – is the whole economy).

Of course, any sustained change in confidence and activity in the US will set the tone for other markets, including ours. While recent data is supportive of the Fed rate cuts the market is hoping for, should inflation pick back up, then sentiment could change quickly. That said, our base case is a “muddle through” outcome, and the portfolio is leveraged to a rebound in cyclical stocks that is likely in the event of some form of stability emerging. Clearly, however, the risks to growth and inflation, as well as the smooth functioning of the global economy in general, are higher now than ever.

While there is a high level of economic and political uncertainty, 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.

Invest Online Now

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Signatory of:



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