

	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception <sup>^</sup>
	%	%	%	%	% p.a.	% p.a.	% p.a.
Perennial Value Shares for Income Trust*	-0.6	-0.4	-0.4	8.6	5.8	10.5	7.1
S&P/ASX 300 Accumulation Index	0.0	0.8	0.8	9.0	7.1	9.9	6.0
<b>Value Added (Detracted)</b>	<b>-0.6</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-0.4</b>	<b>-1.3</b>	<b>0.6</b>	<b>1.1</b>
Capital Growth	-2.8	-2.8	-2.8	-0.1	-2.6	3.2	0.3
Income Distribution	2.2	2.2	2.2	7.9	7.6	6.5	5.9
Net Performance <sup>^^</sup>	-0.6	-0.6	-0.6	7.8	5.0	9.7	6.2

\*Gross Performance. ^Since inception: December 2005. ^^This refers to the Trust's gross performance net of investment management fees. Past performance is not a reliable indicator of future performance.

### Perennial Value Shares for Income Trust

The Trust aims to provide investors with an attractive level of tax effective income, paid via quarterly distributions. The Trust aims to provide a dividend yield, adjusted for applicable franking credits and before fees, above that provided by the S&P/ASX 300 Accumulation Index\*.

#### Portfolio manager

Stephen Bruce

#### Risk profile

High

#### Trust FUM

AUD \$34 million

#### Distribution frequency

Quarterly

#### Team FUM

AUD \$5.2 billion

#### Minimum initial investment

\$25,000

#### Trust inception date

December 2005

#### APIR code

IOF0078AU

#### Contact Us

invest@perennial.net.au  
1300 730 032  
www.perennial.net.au

<sup>#</sup>Gross dividend yield.

- ▶ Over the twelve months to September 2017, the Trust has delivered a pre-tax distribution yield (i.e. including franking credits) of 10.3%.
- ▶ Since inception in December 2005, the Trust has delivered a pre-tax distribution yield of 8.0% pa.
- ▶ A flat result in September saw the Index up 9.0% over the past twelve months.

### Market Review

Global markets were mixed in September, with the S&P500 (up 1.9%) and Nikkei 225 (up 3.6%) up, while the FTSE100 (down 0.8%) and Shanghai Composite (down 0.4%) declined. Commodity prices were generally weaker, with iron ore down 20.0%, coking coal down 9.0% and copper down 4.0%, while oil rose strongly up 10.0%. The Reserve Bank of Australia left the cash rate steady at 1.5% and the Australian Dollar finished the month 1 cent lower at 79 US cents.

The S&P/ASX300 Accumulation Index (the Index) was flat for the month, with healthcare up 2.3%, energy up 1.1%, financials up 1.1% and information technology up 0.6%. This was offset by falls in telecommunications down 4.5%, utilities down 3.6%, metals & mining down 1.9%, consumer staples down 1.9% and materials down 1.4%.

### Trust Review

The Perennial Value Shares for Income Trust (the Trust) delivered a sound total return for the last twelve months of up 8.6%, marginally behind the Index return of 9.0%, whilst declining 0.6% for September.

The better performing stocks in the Trust included Lendlease (up 10.1%), which rose as investors came to appreciate the value in the stock, Westfield Corporation. (up 5.5%), which rallied off an oversold position and Macquarie Group (up 4.7%), which reiterated a full-year guidance which is likely to prove conservative. Other outperformers included Event Hospitality (up 4.7%), Tabcorp (up 3.9%), Boral (up 3.3%) and Janus Henderson (up 1.8%).

Stocks which detracted from performance included, AMP (down 5.3%), Telstra (down 4.9%) and QBE Insurance (down 4.1%). Resource holdings also underperformed on the lower commodity prices, with BHP (down 3.9%) and Rio Tinto (down 1.9%) both easing following their recent strong performance.

## Trust Activity

During the month, we took profits and reduced our holdings in a number of stocks which had performed strongly including Lendlease, Rio Tinto, Caltex, Janus Henderson, Macquarie Group and Platinum Asset Management. We also exited our holdings in Iluka Resources and Vocus on account of their low dividend yields. Proceeds were used to introduce a number of new holdings to the Trust which offer good value and attractive dividend yield potential, including Amcor, Graincorp, Star Entertainment and Tabcorp. At month end, stock numbers were 30 and cash was 5.0%.

## Outlook

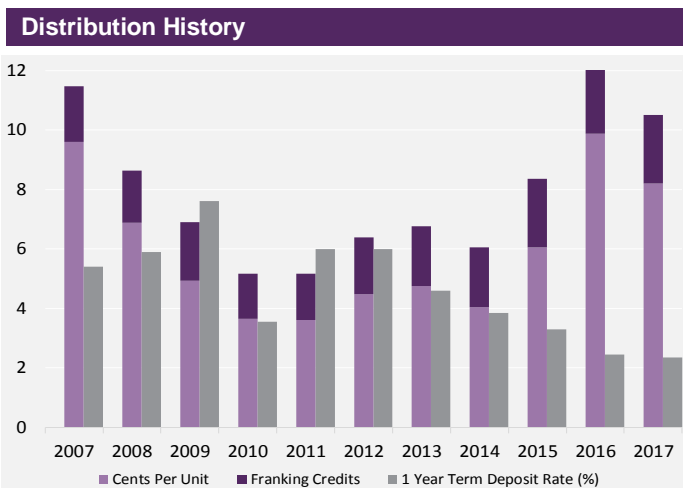
The Trust continues to offer a higher forecast\* gross yield than the overall market and, as always, our focus will continue to be on investing in quality companies which are offering attractive valuations and have the ability to deliver high levels of franked dividend income to investors. Further, we believe the current very low interest rates highlight the relative attractiveness of financially-sound, high dividend yielding equities.

**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.**

Top 10 Holdings		
Stock name	Trust weight %	Index weight %
Commonwealth Bank	8.9	8.5
BHP Billiton Limited	8.4	5.4
Westpac Banking Corporation	6.5	7.0
ANZ Banking Grp Limited	4.8	5.6
National Australia Bank	4.6	5.5
Suncorp Group Limited	4.5	1.1
Woodside Petroleum	4.5	1.4
AMP Limited	4.3	0.9
Rio Tinto Limited	4.0	1.8
Wesfarmers Limited	3.9	3.0

Asset Allocation		
Sector	Trust weight %	Index weight %
Energy	7.6	4.4
Materials	17.1	16.9
Industrials	0.0	7.5
Consumer Discretionary	12.4	5.0
Consumer Staples	4.9	7.2
Health Care	0.0	7.0
Financials-x-Real Estate	44.7	36.7
Real Estate	4.6	8.4
Information Technology	0.0	1.6
Telecommunication Services	3.8	3.1
Utilities	0.0	2.1
Cash & Other	5.0	-

Rounding accounts for small +/- from 100%.



Distribution shown for full financial years only. Does not take into consideration your personal tax situation. 1 Year Term Deposit Rate sourced from RBA as at last day of previous financial year. Past performance is not a reliable indicator of future performance.

\*While due care has been used in the preparation of forecast information, actual returns may vary in a materially positive or negative manner. Forecast are subject to uncertainty and contingencies outside our control.

Signatory of:



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