

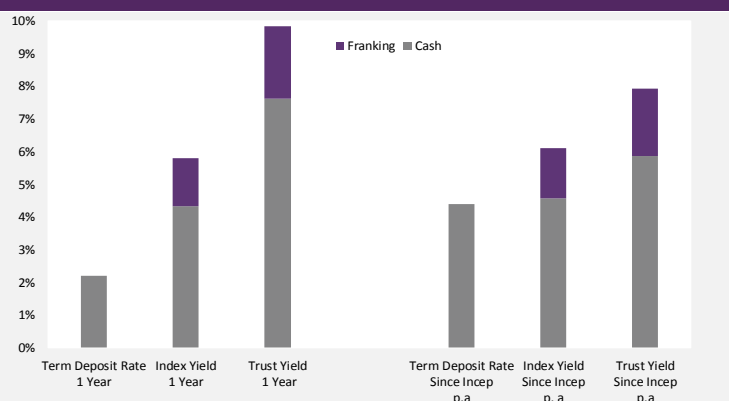
	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Perennial Value Shares for Income Trust (Net) [#]	1.8	-3.1	4.1	1.8	3.8	7.3	8.2
Capital Growth	1.4	-4.5	-2.5	-8.1	-5.7	-1.1	0.3
Income Distribution [#]	0.4	1.4	6.6	9.9	9.5	8.4	7.9
S&P/ASX300 Accumulation Index Yield* (grossed up for franking credits)	0.0	1.7	5.0	6.0	6.1	6.2	6.1
Excess Income[#]	0.4	-0.3	1.6	3.9	3.4	2.2	1.8

[#]Includes franking credits ^{*}Since inception: December 2005. Past performance is not a reliable indicator of future performance. ^{*}S&P/ASX300 Franking Credit Adjusted Daily Total Return Index (Tax Exempt) Yield

Overview

- ▶ Over the last twelve months, the Trust has delivered a grossed up income return of 9.9%.
- ▶ The market rallied strongly in April, finishing the month up 3.8% and fully-recovering last month's losses.
- ▶ Resources led the market higher, up 9.5% on stronger commodity prices, while financials lagged, held back by the banks, which suffered from the negative publicity generated by the Royal Commission.

Distribution Yield



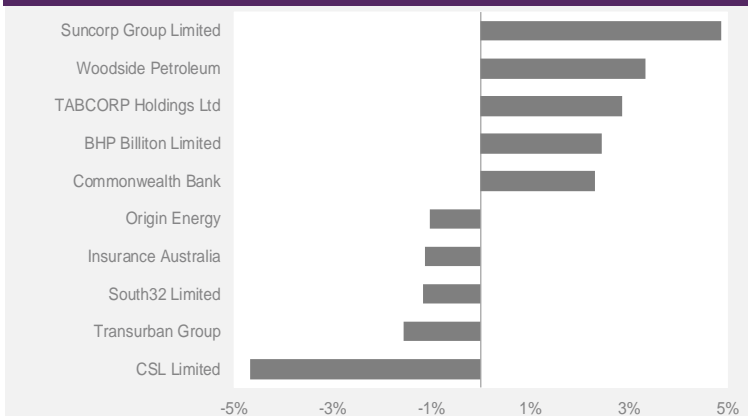
Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Perennial Value Shares for Income Trust

The objective of the Trust is to provide investors with an attractive level of tax effective income, paid via monthly distributions. The Trust aims to provide a gross distribution yield, adjusted for applicable franking credits, above that provided by the S&P/ASX 300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt).

Portfolio manager	Stephen Bruce
Trust FUM	\$32m
Distribution frequency:	Monthly
Minimum initial investment	\$25,000
Trust Inception Date	Dec 2005
Fee	0.92%
APIR code	IOF0206AU

Top 5 Over / Underweight Positions vs Index



Portfolio Characteristics – FY19

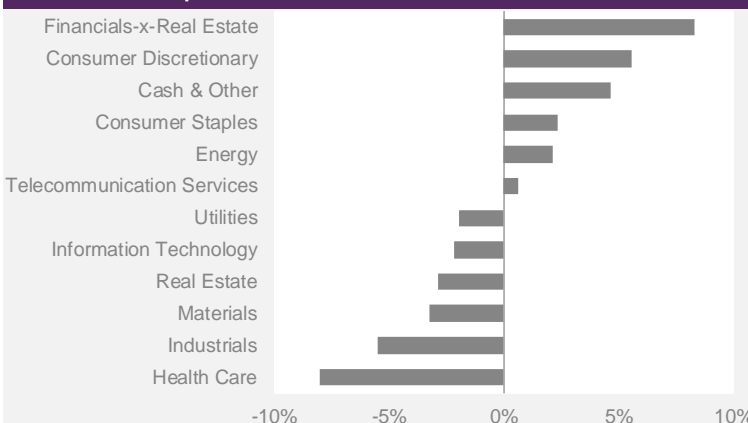
	Trust	Market
Price to Earnings (x)	14.2	15.2
Price to Free Cash flow (x)	13.4	15.1
Gross Yield (%)	6.7	5.7
Price to NTA (x)	2.0	2.2

Source: Perennial Value Management. As at 30 April 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.

Franking Levels (%)

FY17	65.6
FY16	55.9
FY15	88.4
FY14	115.0
FY13	97.8
FY12	98.5

Sector Active Exposure vs Index



Trust Review

Better performing holdings over the month included Woodside Petroleum (+10.2%) which rallied on the expectation of sustained stronger oil prices following positive commentary from OPEC and Russia on controlling production. Resource stocks Rio Tinto (+9.8%) and BHP (+9.7%) also performed strongly on the healthy commodity price outlook. Importantly, the strong cash flows currently being generated by the major resource companies, combined with their healthy balance sheets, should underpin attractive dividend flows to shareholders.

Other stocks which outperformed included Westfield Corp (+8.0%) and Downer (+7.2%), which announced a significant contract win in its mining serviced division. Woolworths (+6.0%) and Wesfarmers (+5.3%) both rallied, with expectations that the spin-off of Coles will improve the supermarket industry structure. Macquarie Group (+5.6%) rallied in expectation of a strong full-year result, while Scentre Group (+5.2%), Suncorp (+5.1%) and Graincorp (+5.0%) also outperformed.

Stocks which detracted from performance included AMP (-19.0%) which fell sharply following revelations of poor practices at the Financial Services Royal Commission and Perpetual (-13.4%), which sold off after experiencing fund outflows in the third quarter. Boral (-7.5%) declined after delivering a disappointing trading update, with earnings being impacted by a number of operational issues. Other stocks which detracted from performance included Bank of Queensland (-4.7%), Amcor (-3.1%), Flight Centre (-1.9%) and Caltex (-1.2%).

Trust Activity

April was a quiet month in terms of portfolio activity, with the only significant change being to reduce our holding in AMP given the uncertainty created by recent developments. At month end, stock numbers were 31 and cash was 4.7%.

Distribution

In order to provide a more regular income stream, commencing in January 2018, the Trust has moved from paying quarterly to monthly distributions. We will aim to pay equal cash distributions each month, based on our estimate of the income to be generated over the year. Franking credits and any realised capital gains will then be distributed, as per usual, with the June distribution. This aims to give investors more certainty over their income payments.

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 portfolio 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.

Market Review - Australia	%	Global, Currency & Commodities	%
S&P/ASX300 Accumulation Index	+3.8	S&P500	+0.3
Energy	+10.7	Nikkei 225	+4.7
Materials	+7.4	FTSE100	+6.4
Industrials	+3.1	Shanghai Composite	-2.7
Consumer Discretionary	+2.9	RBA Cash Rate	1.50
Health Care	+7.2	AUD / USD	-1.6
Financials-x-Real Estate	+0.1	Iron Ore	+3.1
Real Estate	+4.3	Oil	+7.0
Information Technology	+2.8	Gold	-0.8
Telecommunication Services	+1.9	Copper	+0.9
Utilities	+2.2		

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