

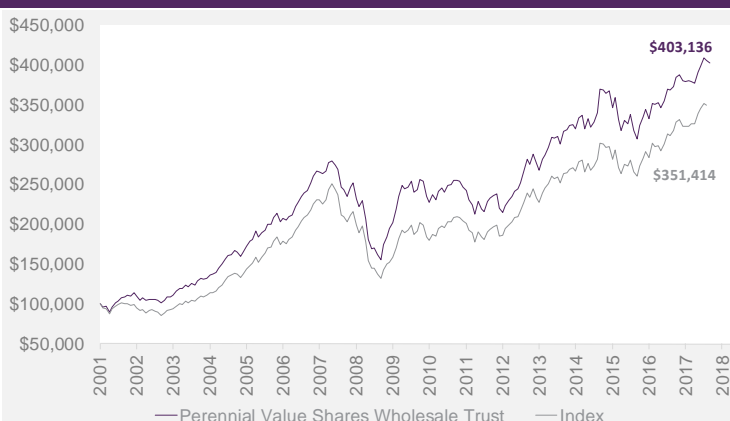
	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Perennial Value Shares Wholesale Trust*	-0.7	1.3	6.7	8.9	3.8	8.3	9.5
S&P/ASX 300 Accumulation Index	0.3	1.8	8.5	10.3	5.2	7.9	7.8
Value Added (Detracted)	-1.0	-0.5	-1.8	-1.4	-1.4	0.4	1.7
Capital Growth	-0.8	-1.1	3.9	4.2	-1.0	3.5	1.7
Income Distribution	0.0	2.1	2.3	3.6	3.9	3.9	7.1
Net Performance	-0.8	1.1	6.1	7.9	2.9	7.4	8.7

*Gross Performance. *Since inception: June 2001. Past performance is not a reliable indicator of future performance.

Overview

- ▶ Following an early sell-off, the market recovered to finish the month up 0.3%, bringing the total return for the last 12 months to up 10.3%.
- ▶ The highlight of the month was the company reporting season, with companies reporting earnings for the period to December 2017. The overall tone of results was positive, with the majority of companies held in the portfolio delivering earnings and dividend growth.
- ▶ Offshore markets were weaker, following a broad sell-off on the back of emerging inflation concerns. However, they too recovered towards the end of the month.

Growth of \$100,000 since inception



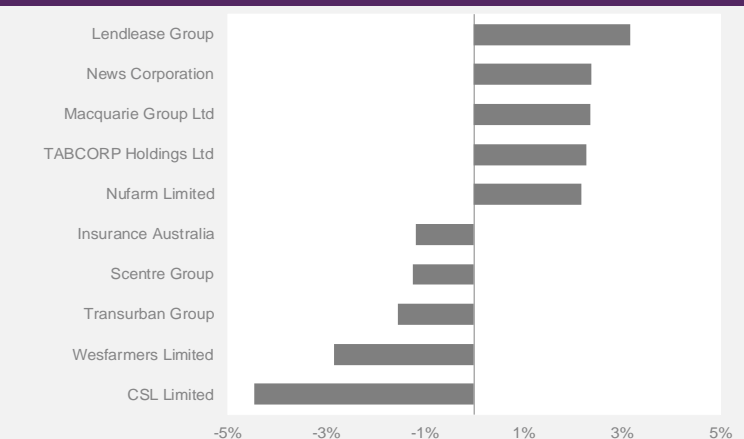
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Perennial Value Shares Wholesale 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 \$1.0 billion
Distribution frequency:	Half yearly
Minimum initial investment	\$25,000
Trust Inception Date	June 2001
Fees	0.92%
APIR code	IOF0206AU

Top 5 Over / Underweight Positions

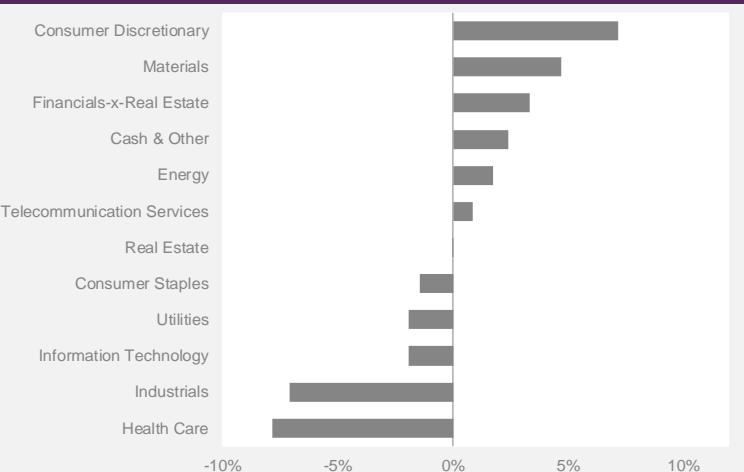


Portfolio Characteristics – FY19

	Trust	Market
Price to Earnings (x)	14.4	15.4
Price to Free Cash flow (x)	12.8	15.0
Gross Yield (%)	6.3	5.7
Price to NTA (x)	2.0	2.2

Source: Perennial Value Management. As at 28 February 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.

Sector Active Exposure



Trust Review

Better performing holdings over the month included Lendlease (up 14.8%), which rallied after delivering a solid result driven by strong growth in its residential development division as well as allaying concerns over problems in its engineering business. Brickworks (up 6.1%) also performed well as did agricultural stocks Graincorp (up 7.7%) and Nufarm (up 3.9%), which recovered after being sold down in the previous month on the back of poor seasonal conditions.

Other stocks which outperformed after delivering solid results included AMP (up 3.5%) and Woolworths (up 2.4%), both of which are showing operational improvement in what are, fundamentally, very strong underlying businesses. NewsCorp (up 2.3%) rose on strong growth in its online real estate platforms and Crown Resorts (up 1.9%) outperformed as international visitation rebounded. Resource Stocks Rio Tinto (up 5.6%) and BHP (up 1.0%) both delivered strong results with significant increases in earnings and dividends. Further, the balance sheets of these companies are in very good shape, suggesting the potential for further strong returns to shareholders.

Stocks which detracted from performance included Vocus Group (down 18.1%), which marginally lowered its full-year guidance and Star Entertainment (down 11.0%), which experienced slow trading conditions in its Sydney casino. Woodside Petroleum (down 8.8%) declined after undertaking a capital raising to fund its development plans including the acquisition of a major gas field in the Northwest Shelf.

Trust Activity

During the month, we took profits and reduced our holdings in Clydesdale Bank, Crown Resorts and Woolworths. Proceeds were used to increase our holdings in a number of good value opportunities including Westfield Corp and QBE Insurance. At month end, stock numbers were 39 and cash was 2.4%.

Outlook

While the level of volatility in markets is likely to increase going forward, 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		+0.3	S&P500		-3.7
Energy		-3.7	Nikkei 225		-4.5
Materials		+0.4	FTSE100		-3.3
Industrials		-0.4	Shanghai Composite		-6.4
Consumer Discretionary		-1.2	RBA Cash Rate		1.50
Health Care		+7.0	AUD / USD		-3.8
Financials-x-Real Estate		+0.6	Iron Ore		+9.6
Real Estate		-3.2	Oil		-4.7
Information Technology		+1.7	Gold		-2.0
Telecommunication Services		-6.2	Copper		-2.6
Utilities		-1.6			

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