



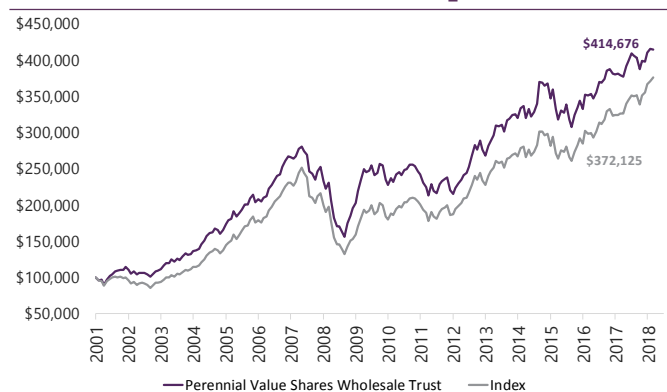
	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (%p.a.)
Perennial Value Shares Wholesale Trust*	0.0	1.1	1.1	10.8	10.3	7.9	9.4
S&P/ASX300 Accumulation Index	-1.2	1.5	1.5	14.0	12.2	8.2	7.9
Value Added (Detracted)	1.2	-0.4	-0.4	-3.2	-1.9	-0.3	1.5
Capital Growth	-0.1	0.9	0.9	6.5	5.5	3.1	1.7
Income Distribution	0.0	0.0	0.0	3.4	3.7	3.8	6.9
Net Performance	-0.1	0.9	0.9	9.9	9.3	6.9	8.6

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

Overview

- The Australian stock market eased in September, delivering a return of -1.2% for the month, leaving the total return for the last 12 months at a healthy +14.0%.
- The Trust was flat, outperforming by +1.2% as the market became more favourable towards value stocks after a long period of being dominated by expensive growth and momentum stocks.
- Resources moved higher, up +5.2%, on robust commodity prices, while the industrials declined, -2.7%, with many expensive stocks pulling back from recent highs and banks weaker on continuing Royal Commission concerns.
- Offshore markets were also positive, with the S&P500 -0.4%, FTSE100 -1.0%, Nikkei 225 -5.5% and Shanghai Composite -3.5%.

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.

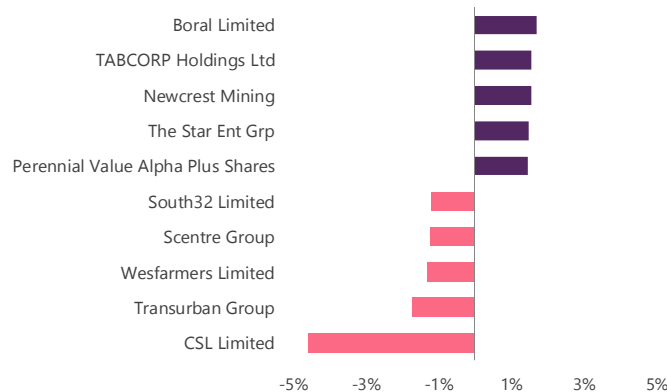
Portfolio Manager	Trust FUM
John Murray	AUD \$1.0 billion
Distribution Frequency	Minimum Initial Investment
Half Yearly	\$25,000
Trust Inception Date	Fees
June 2001	0.92%

APIR Code
IOF0206AU

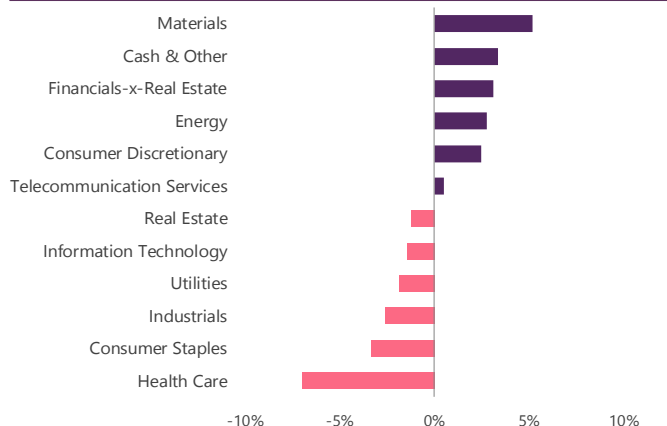
Portfolio Characteristics – FY19	Trust	Index
Price to Earnings (x)	14.7	15.6
Price to Free Cash Flow (x)	12.9	15.2
Gross Yield (%)	5.8	5.8
Price to NTA (x)	2.1	2.4

Source: Perennial Value Management. As at 30 September 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.

Top 5 Over / Underweight Positions



Sector Active Exposure



Trust Review

The resources sector was the standout over the month, with Rio Tinto (+8.3%) rallying after announcing a \$3.2bn buy-back program. In addition to continued healthy commodity prices, ongoing capital returns are a key part of our investment thesis supporting our positive view on the sector. BHP (+7.2%) is also cum-capital return following the sale of its shale assets while Woodside Petroleum (+4.6%) and Origin Energy (+3.9%) both rallied on the positive oil price outlook and tightening LNG market.

Mining services companies performed strongly with Monadelphus (+14.5%) rising as investors tally up the growing pipeline of future mining projects and Ausdrill (+9.6%) rallying as investors digested the benefits of its recent takeover of competitor Barmingo. These are both recent additions to the Trust.

Other holdings which outperformed over the month included Vocus Communications (+15.1%) as the market's confidence in the turnaround under the new CEO increased.

The Trust benefited from being underweight on valuation grounds in a number of expensive growth stocks including CSL (-11.0%), A2 Milk (-11.0%), Treasury Wines (-9.4%) and Transurban (-5.5%) all underperforming over the month. We have long argued that many of these stocks are trading on excessive valuations and at risk of being de-rated at some point.

The major banks underperformed marginally, delivering an average return of -2.1%. Sentiment towards the sector is still negative due to the combination of the Royal Commission and concerns around the outlook for the housing market. However, while the growth outlook for the banks is definitely very muted, they are trading on attractive valuations and offering compelling dividend yields.

The main detractors from performance were Suncorp (-6.6%), Star Entertainment (-3.7%), Lendlease (-4.1%) and Janus Henderson (-2.7%).

Market Review – Australia (%)

S&P/ASX300 Accumulation Index	-1.2
Energy	+4.3
Materials	+4.1
Industrials	-2.1
Consumer Discretionary	-3.8
Health Care	-7.3
Financials-x-Real Estate	-2.2
Real Estate	-1.5
Information Technology	-0.6
Telecommunication Services	+2.7
Utilities	-3.1

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Signatory of:



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Trust Activity

During the month, we took profits and trimmed our holding in a number of stocks which had performed strongly over recent times including BHP, Brickworks and Macquarie Group. Proceeds were used to increase our holdings in a number of good value opportunities including Link Administration, HT&E and Boral. At month end, stock numbers were 64 and cash was 3.4%.

Outlook

Despite the ongoing negative political atmosphere, the economic backdrop continues to be positive, both domestically and offshore, with healthy growth and low unemployment in most major regions. This is supportive of ongoing moderate corporate earnings growth, healthy resources demand and financial system stability. The Trust is exposed to this dynamic through its positions in the large-cap, low-cost resource stocks, the major banks and a range of quality industrials. We continue to avoid those sectors of the market where valuations are high and those which are exposed to the risk of rising interest rates such as Healthcare, 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.

Global, Currency & Commodities (%)

S&P500	+0.4
Nikkei225	+5.5
FTSE100	+1.0
Shanghai Composite	+3.5
RBA Cash Rate	1.50
AUD / USD	+0.0
Iron Ore	+5.6
Oil	+6.8
Gold	-0.9
Copper	+5.0