

	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 Shares Wholesale Trust (Net)	0.1	0.4	4.1	5.1	12.5	9.3	11.7	8.2	7.5	8.2
S&P/ASX 300 Accumulation Index	0.4	2.9	5.4	12.7	18.6	13.0	12.5	10.3	9.7	8.3
Value Added	-0.3	-2.5	-1.3	-7.6	-6.1	-3.7	-0.8	-2.1	-2.2	-0.1

[^]Since inception: June 2001. Past performance is not a reliable indicator of future performance.

Overview

Global markets continued their upwards march in October, lifted by the ongoing rally in AI and Tech stocks and strong third quarter earnings. The market also benefited as the Fed delivered another interest rate cut and announcing the end of its QT program. This saw all major markets deliver positive returns, with the S&P500 up +2.1% and the NASDAQ +4.7%, both setting new record highs. The FTSE100 rose +4.8%, while the Chinese market added a further +2.0%. The Nikkei 225 surged a massive +16.7% following the election of a government promising fiscal stimulus and pro-growth policies, making it the best performing major market over the last 12 months, up +36.7%.

The Australian market was also positive, with the ASX300 Accumulation Index rising a more modest +0.4%, bringing the market's total return for the last 12 months to a healthy +12.7%. Broad-based strength in commodity prices saw Metals & Mining (+3.9%) the best performing sector over the month. Gold continued its rise, closing the month at over US\$4,000/oz. The Energy (+3.6%) and Financials (+1.5%) also outperformed. Higher inflation saw rate-sensitive sectors underperform, with Tech (-7.0%), Consumer Discretionary (-6.6%) and Telcos (-1.1%).

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 \$406 million

Distribution Frequency

Half yearly

Minimum Initial Investment

\$25,000

Trust Inception Date

June 2001

Fees

0.92% p.a.

APIR Code

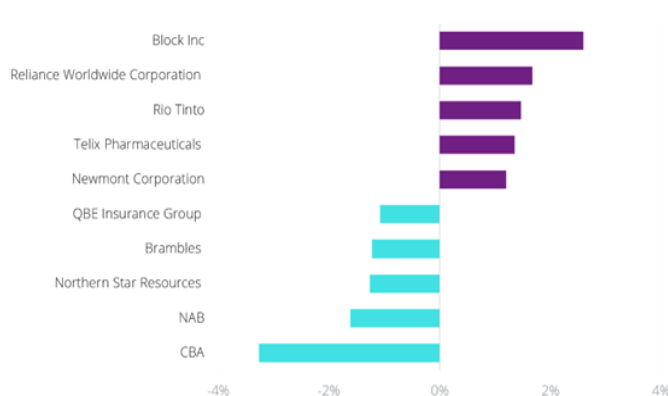
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Portfolio Characteristics – FY27	Trust	Market
Price to Earnings (x)	18.4	18.1
Price to Free Cash Flow (x)	15.7	15.2
Gross Yield (%)	4.2	4.1
Price to NTA (x)	2.7	2.7

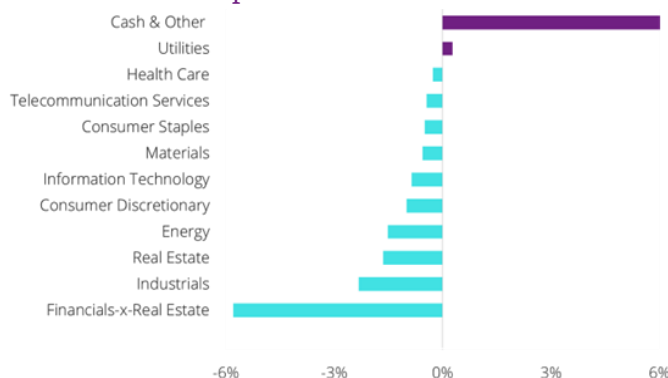
Source: Perennial Value Management. As at 31 October 2025

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

Metals & Mining (+3.9%) was the best-performing sector over the month, on the back of broad-based commodity price strength. The gold price finished the month at over US\$4,000/oz. However, a pull-back from its intra-month high, saw the main gold stocks generally lagging the market. The Trust holds slight underweight in the gold sector, principally via Newmont (-3.3%), which we regard as the lowest risk of the major gold producers.

The copper price rallied during the month, up +5.8%, with further supply disruptions tightening the market. Currently, around 5% of global copper supply is off-line for a range of reasons. This saw continued strong performance from our holding in Sandfire Resources (+13.8%). The aluminium price also rose sharply, +8.1%, benefitting recent portfolio addition, Alcoa (+12.0%).

Despite threats from new production coming online at Simandou, and lacklustre Chinese economic data, the iron ore price remained resilient, closing the month flat at US\$105/t. Combined with other commodity price strength, this saw solid performances from Rio Tinto (+8.9%) and BHP (+2.2%), as well as Fortescue (+14.0%). Based on current commodity prices, the major miners are trading on undemanding valuations and are likely to see consensus upgrades over the coming months. It is also worth noting that we are entering what has historically been a seasonally strong period for iron ore prices, and the Trust remains overweight the bulk miners. The Trust maintains an overweight position in the Resources sector, which in our view, offers attractive value and stands to benefit should there be a de-escalation in trade tensions.

The Energy sector (+3.6%) outperformed, despite the oil price falling -5.2% over the month. Woodside Energy (+7.7%) rallied after delivering a solid Q3 update, with increased production and an upgrade to full-year guidance. Woodside also announced a partnership with US-based natural gas infrastructure company, Williams, for its Louisiana LNG project which is due to commence production in 2029. Domestic gas producer, Amplitude Energy (+4.3%) also outperformed, as did energy-exposed engineering firm, Worley (+1.8%).

A major domestic development during the month, was the higher-than-expected CPI reading. Combined with accelerating house prices, this has more than offset the slight easing in the labour market in terms of driving the RBA's interest rate decisions. Market expectations have now shifted from multiple rate cuts over the coming year, to the rate cutting cycle potentially being over, with some economists even forecasting that the next rate move will be up (albeit not in the near term). This development has significantly changed the narrative around the domestic economy, seeing the Consumer Discretionary sector (-6.6%) sold off sharply, with category leaders Wesfarmers (Bunnings and Kmart -8.7%) and JB Hi-Fi (-9.7%) bearing the brunt of the selling. The Trust has been underweight both of these stocks on account of their stretched valuations and remains underweight the sector overall.

Consumer Staples (-0.6%) fared better, with Woolworths (+6.4%), rallying off its lows after delivering a Q3 update which showed some signs of life, albeit very tentative ones. We have recently moved overweight in Woolworths, in expectation of its operational underperformance vs Coles (-5.3%) being addressed. Fundamentally, Woolworths should be a better business than Coles, principally due to scale benefits. However, from time to time, poor execution sees them fall behind. Ultimately, the business refocuses and market share is regained. Given the relative valuations and directional change in operating performance, we see Woolworths as far more attractive than Coles, which we do not hold.

The Healthcare sector (-4.3%) continued to be challenged. Despite being global leaders, many companies in the sector are currently facing headwinds in the form of persistent cost pressures, tougher funding environments and uncertainty around potential tariffs. As a result, the Trust is underweight the larger stocks in the sector. Longer-term, most of these stocks have significant upside, however, these issues will take some time to pass. In the meantime, we do see opportunities in some smaller names such as Telix (+10.4%) and Immutep (+5.7%), which have strong stock-specific upside catalysts.

The banks delivered a mixed performance with ANZ (+10.4%) leading following its strategy day which set out a revised technology and integration roadmap and CBA (+2.8%), while Westpac (-0.6%) and NAB (-1.2%) lagged. We continue to see the banks' valuations as challenging given their earnings outlook.

The main detractors from performance over the month were Treasury Wines (-15.3%) which continues to suffer from concerns around consumer demand and uncertainty following the change of CEO. Wisetech (-23.4%) fell after announcing that share trades by senior executives, including the CEO, were being investigated. While this is obviously concerning, the investigation was not new news, with the matter being in the public domain since February. Regardless, Wisetech is an outstanding business, with very strong prospects, which is trading on a far more attractive valuation than many other Tech businesses.

Trust Activity

During the month, we took profits and reduced our holdings in Lynas and Iluka following their dramatic rallies. Proceeds were used to establish positions in Alcoa and Capstone Copper, and to move overweight Woolworths, following its recent underperformance. At month end, stock numbers were 65 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!). Of course, any sustained change in confidence and activity in the US will set the tone for other markets, including ours.

Domestically, the sharp change in expectations for RBA rate cuts has increased the level of uncertainty and downside risk. However, for now, the economy appears to be in reasonable shape, with unemployment low and house price strong.

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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