

	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)	-2.4	-3.6	1.6	-0.2	9.4	6.2	8.7	8.4	7.3	8.0
S&P/ASX 300 Accumulation Index	-2.6	-2.9	2.6	5.8	14.2	9.7	9.8	10.2	9.5	8.1
Value Added	0.2	-0.7	-1.0	-6.0	-4.8	-3.5	-1.1	-1.8	-2.2	-0.1

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

Overview

After a very strong run, global markets took a breather in November. This was due to a slight cooling in excitement around AI, combined with a reduction in US interest rate cut expectations on the back of higher inflation. As a result, despite a rally late in the month, the S&P500 finished down -0.3%, and the NASDAQ fell -1.4%. The Nikkei 225 declined -4.1%, giving back some of last month's +16.7% surge but remains the best performing major market over the last 12 months, up +33.6%. The Chinese market also eased, with the Shanghai Composite down -1.6%, while the UK market bucked the trend, with the FTSE 100 rising +0.4%.

The Australian market also declined, with the ASX300 Accumulation Index falling -2.6% in November. In the risk-off environment, defensive sectors such as Healthcare (+1.7%) and Consumer Staples (+1.7%) outperformed. Resources were again strong, with Metals & Mining (+1.6%), on continuing commodity price strength. Another high inflation reading ended any hopes of further RBA rate cuts, seeing rate-sensitive sectors underperform, with Tech (-10.8%), REITs (-3.7%) and Consumer Discretionary (-2.6%).

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 \$369 million

Distribution Frequency

Half yearly

Minimum Initial Investment

\$25,000

Trust Inception Date

June 2001

Fees

0.92% p.a.

APIR Code

IOF0206AU

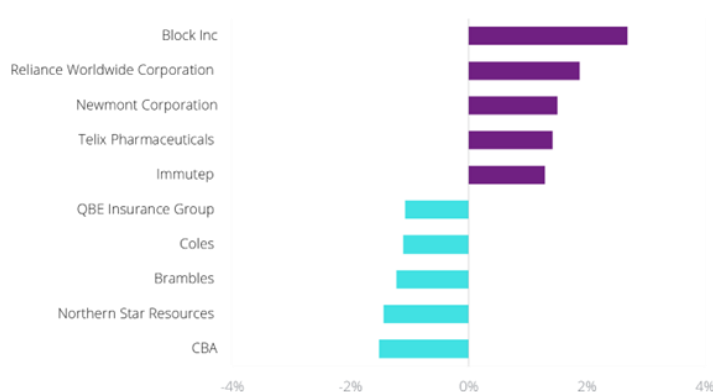
Portfolio Characteristics – FY27	Trust	Market
Price to Earnings (x)	17.8	17.4
Price to Free Cash Flow (x)	15.2	14.9
Gross Yield (%)	4.2	4.3
Price to NTA (x)	2.7	2.7

Note – Portfolio multiples are currently elevated relative to the market due to the underweight in Banks.

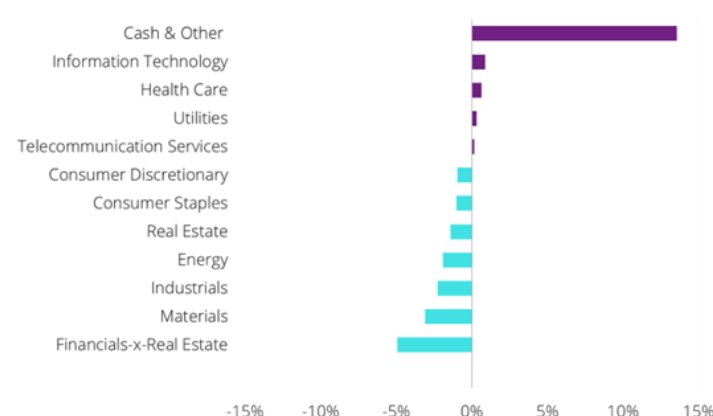
Source: Perennial Value Management. As at 30 November 2025

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

The Metals & Mining sector (+1.6%) was strong again in November, led by gold (+5.3%), which saw our holding in Newmont (+12.0%) outperform. We regard Newmont as a low-risk gold exposure given its size and diversified asset base. The Trust also maintains an exposure to the gold price via an ETF which buys physical gold. In our view, this is a lower-risk way of maintaining an exposure to the sector given the extent to which the share prices of many gold stocks have risen in recent times. For example, we have now exited holdings in Northern Star and Evolution, which have rallied +61% and +145% respectively over the last year.

Other resources holdings which outperformed included, Alcoa (+11.5%), which rallied on the positive pricing outlook for Aluminium, building on last month's strong quarterly result. Pilbara Resources (+22.7%) continued its dramatic recovery on a sharp turnaround in sentiment toward the lithium market outlook. Only a few months ago, the market was very negative on the sector, however, a pickup in demand from battery-makers has seen the supply-demand forecasts shift and prices begin to rise from their lows.

A slight weakening in the iron ore price saw the bulk miners decline, with Rio Tinto (-0.4%) and BHP (-4.1%). BHP fell more than Rio due to company disclosing that it had been in discussions with Anglo American regarding a potential transaction. While the discussions have ceased, there is ongoing speculation that the company will undertake large scale M&A. The attraction of the merger would be to boost BHP's copper production, as this is seen as the most important commodity to drive future growth, with iron ore demand expected to peak in the coming years. The market is naturally wary of such transactions, as they have historically tended not to generate the expected returns. Regardless, we consider the sector to be attractive, with iron ore remaining over US\$100/t and the copper price very strong. We remain overweight the bulk miners, as they are trading on undemanding valuations and have strong balance sheets. Further, if you were to assume spot commodity prices persist for the current financial year, these stocks will see EPS upgrades of over +20%. This makes them very attractive, in a market which is expensive overall, and in which many stocks face earnings headwinds.

Other positive contributors included beaten-up growth stocks, CSL (+4.4%) and Wisetech (+5.6%). CSL has faced numerous headwinds in recent times and has suffered a significant share price de-rating. While the market's concerns are valid, management are moving to address these issues, and the company remains well-placed to deliver double-digit earnings growth over the medium-term. Similarly, Wisetech has been sold down on a combination of uncertainty around changes to its customer billing model and timing of major new product releases plus corporate governance issues related to its founder. Pleasingly, the company hosted a well-received strategy briefing in early December, which provided the market with a degree of comfort around the first two issues. While the final issue will take some time to play out, the bottom line is that WiseTech is an outstanding business, with a leading global market position, significant growth potential and a pipeline of innovative new products. We see the current sell-offs as opportunities to buy into high quality companies at depressed valuations.

Woolworths (+3.2%) outperformed over the month, with Consumer Staples stocks doing better in the more risk-off environment. Woolworths is another example of a high-quality stock which has been sold down in recent times.

While the operational issues at Woolworths are real, it is highly-likely that these will be addressed in time, and that the market share which has been ceded to Coles and other competitors will be regained. At the most basic level, Woolworths should have an advantage over its competitors, simply because of its scale, which should enable greater purchasing power and fixed cost fractionalisation. While it will take time for operational momentum to recover, as business execution improves, we expect the stock to re-rate materially.

Other positive contributors included Qube Holdings (+10.7%), which received a takeover offer from Macquarie Asset Management, Immutep (+8.9%), after releasing positive clinical trial data and east coast gas producer, Amplitude Energy (+6.1%).

The main detractors over the month were fintech Block (-10.9%), which declined on concerns over US consumer sector weakness, Macquarie Group (-8.6%), after delivering a lacklustre half-year result and Aristocrat Leisure (-7.1%). We remain confident in the outlook for each of these businesses.

Trust Activity

During the month, we took profits and reduced our gold holdings and exited our position in Tabcorp following its strong performance over the last 12 months. Proceeds were used to increase holdings in stocks which had been sold down, including James Hardie and Resmed. At month end, stock numbers were 59 and cash was 5.2%.

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.

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