

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (%p.a.)
Perennial Value Wealth Defender Australian Shares Trust (Net)	2.9	8.2	1.3	5.3	6.0	-	3.9
S&P/ASX300 Accumulation Index	2.5	9.4	5.7	10.3	11.1	-	7.5
Value Added (Detracted)	0.4	-1.2	-4.4	-5.0	-5.1	-	-3.6

Since inception: May 2014. Past performance is not a reliable indicator of future performance.

Overview

- Global equity markets were up strongly in April, with the S&P500 +3.9%, FTSE 100 +1.9%, Nikkei 225 +5.0% and Shanghai Composite -0.4%.
- The Australian market was also strong, finishing the month +2.5%.
- The Information Technology (+7.4%), Consumer Staples (+7.3%) and Consumer Discretionary (+5.5%) sectors led the way while the Resources (-2.5%) and REIT (-2.3%) sectors lagged.
- Stocks which performed well included Aristocrat (6.4%), SUPER Retail Group (+7.8%), Star Entertainment (+8.6%), Amcor (+5.3%) and Tabcorp (+3.7%).
- Stocks which detracted included gold miner Newcrest (-2.0%), Bluescope Steel (-3.6%) and Iluka (-4.0%).

Perennial Value Wealth Defender Australian Shares Trust

The Trust aims to outperform the S&P/ASX300 Accumulation Index by investing in a diversified portfolio of Australian shares and using protection strategies to dynamically protect the Trust through market cycles, thereby reducing the magnitude of significant negative returns in sharply falling equity markets.

Portfolio Manager Dan Bosscher	Trust FUM AUD \$44 million
Distribution Frequency Half yearly	Minimum Initial Investment \$25,000
Trust Inception Date May 2014	Fees 0.98% + Perf fee
APIR Code IOF0228AU	Trust Redemption Price \$1.0180

Portfolio Characteristics – FY20	Trust	Index
Price to Earnings (x)	13.4	15.5
Price to Free Cash Flow (x)	12.0	15.0
Gross Yield (%)	6.5	5.8
Price to NTA (x)	2.1	2.4

Source: Perennial Value Management. As at 30 April 2019.

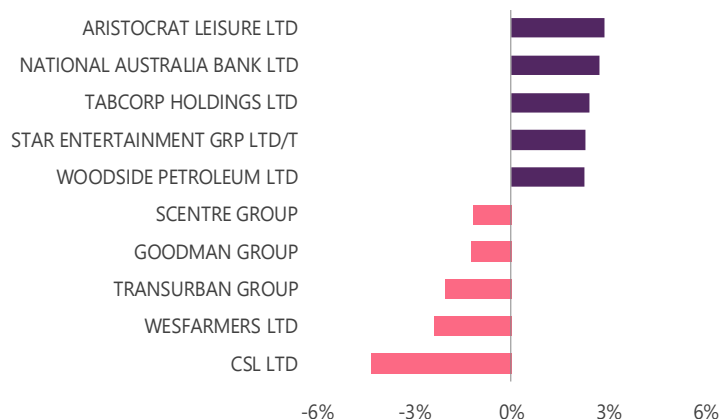
The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Down Market Outcomes

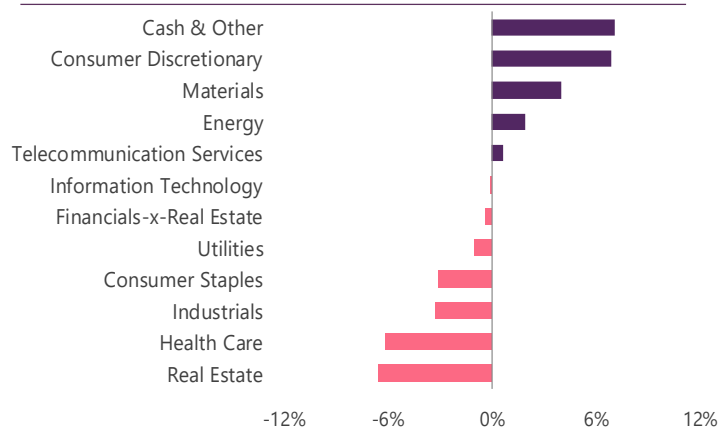
	Index Return (%)	Portfolio Return (%)	Proportion of Market Fall Saved (%)
August 2015 China Market Turbulence	-7.7	-4.7	39.0
October 2018 Trade war sell off	-6.2	-3.8	39.0

- The overlay cost 24bps in April with the market flat given the strong performance for the overall market. The 1 year cost of protection is 1.9%, in line with expectations.
- The Trust currently carries a moderate level of protection.

Top 5 Over / Underweight Positions vs Index



Sector Active Exposure vs Index



Trust Review

Global equity markets were stronger again in April. The Australian market consolidated the gains from the first quarter, finishing the month up 2.5%.

The Information Technology (+7.4%), Consumer Staples (+7.3%) and Consumer Discretionary (+5.5%) sectors led the way while the Resources (-2.5%) and REIT (-2.3%) sectors lagged.

The Federal government budget was announced earlier in the year than usual due to the pending federal election. The budget announcement together with the announcement of election commitments provided a boost for companies exposed to the domestic economy.

Star Entertainment (+8.6%) was higher following confirmation that Wynn Resorts was in takeover talks with competitor Crown Resorts sparking speculation around industry consolidation.

The major banks were in the main stronger with Westpac (+6.1%), Commonwealth Bank (+5.5%) and ANZ (+4.5%) all outperforming. Other domestic economy exposed holdings which did well included Super Retail (+7.8%).

Performance was also held back somewhat by being underweight the strong performing Information Technology and Consumer Staples sectors both of which we are underweight on valuation grounds.

Market Review – Australia (%)

S&P/ASX300 Accumulation Index	+2.5
Energy	+1.5
Materials	-2.1
Industrials	+3.2
Consumer Discretionary	+5.5
Health Care	+3.1
Financials-x-Real Estate	+4.4
Real Estate	-2.3
Information Technology	+7.4
Telecommunication Services	+2.4
Utilities	-0.5

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Trust Activity

During the month, we exited our holdings in Qantas. We added to Star Group and Boral.

At month end the Trust held 43 stock.

Outlook

The market is currently trading close to its long-term average, with a FY20 P/E of 15.5x and offering an attractive gross dividend yield of 5.8%.

Within the overall market, we are seeing many quality companies trading on attractive valuations which should deliver solid returns to investors from these levels.

By contrast, there remain pockets of expensive growth and momentum style stocks which present significant de-rating risks if the lofty growth rates implied in their valuations are not able to be met. We do not hold these types of stocks as they do not meet our value criteria.

We have moderate protection in place at the moment.

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, while carrying a level of protection sufficient to reduce the magnitude of significant negative returns during sharp equity markets falls.

Global, Currency & Commodities (%)

S&P500	+3.9
Nikkei225	+5.0
FTSE100	+1.9
Shanghai Composite	-0.4
RBA Cash Rate	1.50
AUD / USD	-0.9
Iron Ore	+6.2
Oil	+6.4
Gold	-0.7
Copper	-1.3