Perennial Partners

# Perennial Value Shares for Income Trust

## About the Trust

The Trust is designed for investors seeking a regular monthly income stream. The Trust aims to provide investors with an attractive, tax effective income stream, paid via regular monthly distributions, as well as long-term capital growth.

The Trust invests in a diversified portfolio of high quality, financially sound Australian shares which we believe have sustainable operations and collectively offer a superior dividend yield (when taking into account franking credits) to the overall market. The Trust may also undertake a limited amount of call-writing to enhance income generation.

The Trust employs Perennial Value's proven, true-to-label, value-style investment process, which seeks out companies with sustainable operations and which are trading at attractive valuations. The process also places significant emphasis on capital preservation and balance sheet strength.

## Fund Characteristics

**Fund Objective**

The aim of the Trust is to provide investors with an attractive level of tax-effective income, paid via monthly distributions. The Trust aims to provide a distribution yield, adjusted for franking credits, above that of the benchmark.

| | |
|---|---|
| **Benchmark** | Gross dividend yield assessed against the S&P/ASX 300 Franking Credit Adjusted Daily Total Return Index (tax exempt) |
| **Inception Date** | December 2005 |
| **Number of stocks** | 20 – 70 stocks |
| **Minimum initial investment** | $25,000 |
| **Fees** | 0.92% |
| **Liquidity** | Daily |
| **Risk/Return profile** | High |
| **Income distribution** | Monthly |
| **APIR Code** | IOF0078AU |

## About Perennial Partners

At Perennial Partners we always put investors' interests first. We believe in true alignment. Our business and investment partners are wholly owned by executives and we co-invest in our strategies alongside our clients and on the same terms. This means that we have true 'skin in the game', creating a powerful alignment of interests with our clients.

We believe the key to any investment team's success is independence, focus, stability and a stake in their own success. So we created a business model and culture that allows investment specialists to focus solely on what they do best – making investment decisions. Our highly experienced team of non-investment professionals takes care of everything else.

## Asset Allocation and Allocation

| | |
|---|---|
| **Australian Equities** | 80 – 100% |
| **Cash** | 0-20% |

## Why Invest in the Shares for Income Trust

### Regular, reliable income generation

- Through the provision of monthly distributions

### Large, stable team

- 17 investment professionals with >300 years combined experience

### Long-term track record

- Managing clients' money for >25 years through multiple market cycles

### Substantial, well-resourced firm

- Over $7.7bn funds under management*

## Attractive levels of income and long-term capital growth

**Large and mid cap focus**
Solid reliable businesses
Track record of profitability

**ESG Aware**
Market leading ESG integration

**Fundamental based**
Bottom-up, valuation-focused investment process

**Targeting consistent income generation through the market cycle**

**Suitable as the Australian equities component of an income focused portfolio**

Perennial Partners

## Investment Process

### Universe screening

**Screen for**

- Min. cap AUD$500m
- Min. yield 4%
- Min daily liquidity AUD$0.5m

### Fundamental research

**Characteristics sought**

- Sound financial position
- Good management
- Profit track record
- Strong market positions

**ESGE scoring**

**Company visits**

**Peer reviews**

### Proprietary Ranking (Perennial Value Screen)

**Six key measures sourced from company models**

- P/E
- P/FCF
- Gross Yield
- P/NTA
- Net interest cover
- Forecast 3yr EPS Growth

**Stocks ranked best to worst value**

**Used to illustrate relative value**

### Portfolio Construction

**Determines every stock's weighting**

Function of

- Risk Limits
- Dividend Yield
- Conviction Rating

**Sell discipline**

### Client Portfolio

## Investment Team

### Stephen Bruce

**Director, Portfolio Management**

Years at Perennial: 26
Years in the industry: 26

### Andrew King

**Head of Mid Caps & Portfolio Manager**

Years at Perennial: 8
Years in the industry: 33

### Ewan Galloway

**Senior Resources Analyst**

Years at Perennial: 10
Years in the industry: 16

Talented teams, great opportunities.

## Contact us

Level 27, 88 Phillip Street
Sydney NSW 2000

1300 730 032

invest@perennial.net.au

www.perennial.net.au

*Perennial Partners Limited total FUM as at 30 April 2025.

Disclaimer: This information has been prepared and issued by Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No. 275101) (PIML) as Trustee and Responsible Entity and Perennial Partners Limited (ABN 90 612 829 160) (Perennial Partners) as a Corporate Authorised Representative (No. 1293138) of the Investment Manager Perennial Value Management Limited (ABN 22 090 879 904, AFSL No. 247293) (PVM).

This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trust must be accompanied by an application form. The current relevant product disclosure statements, additional information booklet, target market determination and application forms can be found on Perennial's website www.perennial.net.au.